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**Welcome and Opening
Remarks**

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Dear Council Members, Honorable Ministers, Executive Secretaries of Conventions, members of the Scientific and Technical Advisory Panel, Representatives of the GEF Agencies, civil society organizations, private sector, the Trustee, GEF Evaluation Office, and friends,

Good morning and welcome to all of you. It is my honor to convene the 43rd GEF Council Meeting with you today.

When you appointed me as the fourth CEO at the last Council Meeting and gave me an opportunity to say a few words, I expressed my conviction that the GEF is a unique institution with the ability to make a real difference. Through my first 100 days, my appreciation of the potential of the GEF has grown even further. I have had the opportunity to see the GEF making a real difference. One of my first project visits took me to Kenya's geothermal power plant. There, a modest one million dollar grant by the GEF has translated into a billion-dollar project with the help of partners, and is now impacting positively on neighboring countries. During a recent trip to China, I saw a GEF-supported project piloting technology for fuel cell batteries that is moving toward commercialization. In India, the GEF-supported

EcoDevelopment Project has not only protected tigers, but has brought sustained revenue to local communities. Last month in Japan at Annual Meetings of the World Bank, my conversation with small islands states and my participation in the dialogue on natural disaster risk management affirmed the increasing appreciation of the value of adaptation strategies through the Least Developed Countries Fund and Special Climate Change Fund. These are just a few examples from the extensive sustainable environment footprint of the GEF throughout the past 21 years.

Just days after you selected me as CEO, I got a first-hand look at the dynamics of global environmental efforts at the Rio+20 Summit. I was gratified that Rio+20 recognized in the outcomes document “the important achievements of the GEF over the last twenty years”. I am curious about your take on the summit. From my perspective, Rio+20 was interesting beyond the outcomes from the formal negotiations. I had the opportunity to witness the forging of many auspicious commitments among like-minded governments, municipalities, businesses both large and small, and civil society organizations both international and local. And I was energized.

I got the same feeling from the Biodiversity COP in Hyderabad, my first COP as CEO. I noticed the commitment by the COP to concentrate fully on implementation of the bold programs and associated targets already agreed to, and less on further negotiations. This reflects a strong shared sense that mainstreaming biodiversity is urgently needed and that concerted policy actions are required now.

There is an emerging agenda arising from these gatherings on how to properly value natural capital and how to integrate that value into decision-making at all levels. I believe this agenda will become increasingly important to sustainable environment management. I would like to explore how the GEF can become more active in furthering this endeavor and facilitating its implementation in the global community and our client countries.

While my admiration for the GEF has grown during my first hundred days, I also clearly recognize the challenge of how to strategically position the GEF in this evolving world.

The global environment is in crisis. Some of our indispensable ecosystems have already exceeded their carrying capacity. The STAP has reported to you that even a 2-degree increase in global temperature is too much for the health of many ecosystems, and that we are on the wrong track.

Incremental improvement in managing the global environment will not suffice. We urgently need to bring transformational change.

The GEF is at a critical juncture. If we are to be proud of the GEF 10 years from now, we need to squarely face the uncomfortable fact that we, together with the global community, are failing to turn around the worrisome trend in the global environment. We need to face the regrettable fact that the protection of the global commons, which is the GEF's mandate, is seldom treated as a critical priority. And we need to recognize the way in which the proliferation of environmental funds is complicating the international financial landscape. We cannot afford to rest on our laurels.

Against this background, this Council has huge responsibilities. The discussions and decisions we will take during the next three days are of the utmost importance.

In my view, we are aiming to achieve three things during this Council Meeting: Number one, we are beginning a process of looking ahead to the future of the GEF. Number two, we are taking decisions to further strengthen GEF's partnership. And number three, we are ensuring that we manage GEF's resources prudently and effectively.

Let me speak to each of them in turn.

First, given the challenging context that the GEF is operating in, it is vital for us to articulate a vision and long term strategy for the GEF. I have called it GEF2020. It will seek to answer a range of questions critical to the GEF's future. It will explore broader and bolder changes in the way we manage global environment. It will seek to identify what unique role this institution can play in catalyzing this transformational change. How can the GEF play an ever stronger role as the champion of the global commons? How can the GEF help elevate the importance of this mission in the international political arena? How can the GEF best support innovation for global environmental benefits? How can the GEF most effectively be a catalyst in the dynamic architecture of environmental finance?

We have dedicated an hour and half to initiate a discussion of these issues immediately after the opening of this meeting. I would like to encourage you to share your thoughts on how to get the most out of GEF2020. I am very pleased that the Deputy Minister of Environment of Brazil, Dr. Francisco Gaetani has agreed to attend this Council Meeting and share his perspectives on the future of the GEF.

The Long Term Strategy process will, I hope, provide inputs to the upcoming GEF-6 replenishment, which will be requested to be initiated during this meeting.

A critical element in looking ahead involves learning from the past and drawing on cutting edge scientific knowledge. For this reason, the agenda items dedicated to discussing the inputs prepared by the GEF Evaluation Office and STAP are valuable. Without understanding if we are fulfilling objectives set for us and identifying where deficiencies exist, we cannot achieve, let alone expand upon, our strategic goals. It is critical for the GEF Secretariat and Evaluation Office to share the long term objectives. We look forward to Rob's presentation of the Evaluation Office findings.

Similarly, STAP's role is critical. In this regard, I am pleased to inform you that in September we held a retreat with STAP to discuss how the GEF can tap the knowledge and expertise of the STAP in a more proactive way to the benefit of recipient countries. We look forward to hearing from Tom.

Speaking to the second objective for this Council Meeting, namely, to strengthen partnership, the Conventions are a vital part of the GEF's partnership. We are privileged today to have two Executive Secretaries, Braulio Ferreira de Souza Dias of the Convention on Biological Diversity, and Jim Willis of the Stockholm Convention. I am looking forward to hearing Braulio's views on what more we can do together at a strategic level toward achieving the shared goal of mainstreaming biodiversity, valuing natural capital and integrating that value into decision-making. From Jim, I look forward to hearing about the challenges and opportunities of integrating the chemicals agenda fully in the GEF's work. This will be continuation of the discussion Jim and I initiated at our retreat during my first two weeks in office. We also have an agenda item to discuss the potential role for the GEF as the financial mechanism of the future mercury convention.

Let me take this opportunity to state that we are working very closely with Christiana Figueres of UNFCCC, and Luc Gnacadja of UNCCD. Both have committed to attending the Council meetings in the near future. As you know, we are collaborating closely with Christiana in support of the Green Climate Fund.

I would like to highlight an agenda item that demonstrates the new spirit of closer collaboration between the Secretariat and the Agencies that I intend to pursue vigorously. Based on excellent guidance from the Working Group under the Council, and in collaboration with the Agencies, we have proposals for you that pilot a new way of engagement in the project cycle between the Agencies and the Secretariat. We are committed to working closely as a team. We share the same objective while respecting each other's comparative advantage. To help calibrate the GEF's strategic engagement more closely with our partner agencies, I have taken steps to resurrect the GEF Heads of Agency meetings as a key forum to engage at a higher level with our Agency partners on shared concerns and issues. In this capacity, Ms. Rachel Kyte, VP for Sustainable Development, World Bank, has agreed to join us later this morning for her reflections in the discussion on the GEF

2020. I am convinced that this new spirit further strengthens the GEF's partnership for the benefit of all GEF member countries.

At this Meeting we are also taking stock of the status of the accreditation process for new project agencies. This will provide a basis for you to give further guidance on how to move forward with this important initiative.

The third and final objective of this Meeting is to ensure that GEF's resources are managed prudently and effectively.

While we aim high in our ambitions for the future of the GEF, we are facing some hard realities in the near term due to resource constraints. Two years ago, we celebrated the successful GEF5 replenishment. However, not all committed resources have materialized. For the latter half of GEF5, we are predicting resource shortfall of about 14 percent. I believe it is prudent to begin at this stage to plan how we can adjust to this shortfall. This involves difficult choices. We need to make those choices with the GEF's strategic value in mind.

We will also consider a new work program. It is modest in size, in large part because of the high amount that was allocated in the previous work program. However, I am pleased to note that this work program contains many of the elements I am seeking in projects funded by the GEF, in particular, the focus on innovation and sustainability.

Finally, as this is my first Council meeting as CEO, I want to hear your ideas on how to improve the way the Secretariat works with the Council and I am eager to receive your suggestions concerning critical tasks in our current mandate.

Before concluding, I am pleased to report to you a book this Council strongly encouraged be produced was finally published. “*Closing the Gap: GEF Experiences in Global Energy Efficiency*” represents our effort to systematically analyze our 20 years of experience in this area. Knowledge management is an indispensable element to realize my vision. I believe the key lessons highlighted in this book will prove useful in informing GEF’s future strategy in this area.

I look forward to a stimulating and productive discussion we will have this week.

Thank you for your attention and, once again, thank you for placing your confidence in me as GEF CEO.