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Global Environment Facility

New Tools for Implementing a More Effective GEF

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Distinguished Participants:

As you may know, I was appointed as the GEF CEO last year with a mandate from the GEF Council to create a more streamlined, transparent, efficient and results-based organization that could maximize the dollars entrusted to us. To carry out that mandate, at the December Council meeting I presented a new Sustainability Compact, with five specific areas of change to create a GEF which is strategic, innovative, equitable, accessible and focused. We have begun that process of change, and today I would like to take you through some of the new tools and platforms which we have created as part of the strategy. The process of change is never an easy one, and I welcome your willingness to work with me to move through this time of transition. I am confident it will be worth our hard effort.

I will briefly touch on five specific points: the pipeline and the 2007 work program; a strategic and integrated approach to GEF projects, particularly seen in the focal area strategies; the new GEF programmatic approach; RAF implementation; and the status of funding for regional and global programs.

Pipeline and 2007 Work Program

When I arrived at the GEF I was faced with a very difficult situation: I discovered that there was an unmanageable, unrealistically large pipeline of projects, totaling \$1.5 billion, in some focal areas representing nearly 80% of focal areas' GEF allocation. The

only solution was painful and inescapable: I had to eliminate some of the concepts. As I communicated to Council members back in December, I felt it was crucial to reduce the pipeline to a more realistic level of approximately \$700 million in proposed financing. We carried out this exercise, applying six basic criteria to the project concepts, and the projects which were retained will be included in the 2007 GEF work program.

In fact, this is in line with the Council's request that a transparent, time-bound system for pipeline and project management should be developed with clear benchmarks for monitoring project progress during preparation and implementation.

Let me emphasize that we have not closed the door on those concepts which will not be included in the 2007 work program. In June, I will present the Council with revised focal area strategies, which I will talk more about momentarily; with those new strategies firmly in place and providing clear guidance on GEF priorities in each focal area, we will re-open the pipeline for 2008 and beyond for submission of project concepts which fit the new strategies.

In June, I will also propose to the Council a new streamlined project cycle to accelerate the approval of projects.

Focal area strategies

As recommended by the Council, our move to a more strategic and programmatic GEF includes a further development of the focal area strategies, taking into account cross-cutting issues, particularly sustainable forest management and sound chemicals management. The long-term strategies presented to Council last December are still valid with their description of broad strategic objectives, but we still need a more focused set of strategies covering GEF-4 with clear guidance to countries and GEF agencies on what we want to do and what we cannot or will not do in the replenished GEF.

To ensure a broad and consultative process in reviewing the focal area strategies, I put in place five Technical Advisory Groups and a coordinating Strategy Advisory Group, with participation from outside experts, STAP, the Conventions, and the GEF Secretariat. The five Technical Advisory Groups have worked intensely since January on revising the focal area strategies and also recently met jointly to analyze a range of cross-cutting issues. We have also received feedback from the Strategy Advisory Group and from STAP. We have taken into consideration the priorities that countries have expressed in relation to the RAF process.

All this is still 'work in progress'; the process can be followed on GEF's website (under 'Operational Policies'), and we welcome comments from all interested parties as we go along. Our intention is to present a set of revised focal area strategies to Council in June, focused on a limited set of strategic programs with clear expected outcomes.

Programmatic approach

In keeping with the emerging understanding about the most effective way to tackle environmental problems and to return GEF to its original essence, I determined that we should move away from the constraints and limitations of a project-driven approach to a more tightly defined base of programs that fit clearly into the focal area strategies. We have already begun this work with a sustainable land management program in Africa; and in addition, I am pleased to say that the forest program we are developing stands as an early example of an integrated and strategic platform.

The sustainable management of forest ecosystems is a global concern and GEF has a key role to play in promoting sustainable forest management, consistent with its mandate.

In November, I will propose a broad-brush program on sustainable forest management to the Council. The program, which is in the early draft stages now, would be designed to be implemented by several GEF agencies, and would be consistent with objectives of the biodiversity, climate change and land degradation focal areas. We are considering a program that would protect high-value forest biodiversity through forest protected area management and valuation of forest ecosystem services (water, carbon); and would sustainably use and manage forest resources through institutional and policy strengthening and voluntary environmental certification. This is an exciting new integrated approach and I look forward to working with forest-rich countries in this region.

RAF implementation

As you know, the RAF is now in place for both the biodiversity and climate change portfolios. About 75 countries sent initial country priority lists indicating how they intend to use their RAF allocations. A review of these lists identified three concerns: a lack of clarity on how these proposals reflected national priorities, GEF strategies, and global environmental commitments; the number of projects proposed for implementation by GEF agencies outside their comparative advantage; and proposals by countries with access to group allocations above the upper limit for countries in the group.

The Secretariat has engaged in a series of direct dialogues with around 90 recipient countries so far, and I can report at this point that based on those dialogues, we have been able to identify a 2007 work program within the constraints of the resources available to us for each focal area, and every effort has been made to accommodate countries' requests. We are working in a resource-constrained environment, but I would like to assure you that those projects which have not been included in the 2007 program can be resubmitted for consideration as part of the 2008 work program and beyond if it is a priority for your countries.

Regional and global programs

The regional and global programs under the RAF are provided with a limited pool of resources -- \$50 million for biodiversity, and \$50 million for climate change – and these

resources have been put on hold until the focal area strategies are completed, at which point we will be better able to program those resources in a strategic and focused manner to achieve the most impact.

Distinguished Participants:

Representatives of the Secretariat and the Country Support Program will be able to elaborate in more detail on these points later in the workshop. I would simply like to offer that I regard this time of change as a time of great opportunity for you to rethink your approach to the GEF, to develop a comprehensive and coherent strategy for GEF support with your key stakeholders, to integrate GEF priorities within your sustainable development frameworks, and to clearly identify your national priorities for GEF funding. My door is wide open to you; I strongly encourage you to engage in dialogue with us on your proposals.

I look forward to our discussion today, and I am most interested to listen to your ideas, garner new solutions, and see if together we can ensure that the GEF becomes the most effective organization addressing global environmental issues in your region, and that all of your countries benefit from GEF resources.

This region and the countries within it are essential constituencies in the GEF family, and I applaud the work you are doing to find global environment solutions in the

context of your economic and social development. The region is unique, and while we have had to put in place some initially difficult parameters so as to move the GEF in a better direction as mandated by the Council, I would like to emphatically assure you that your countries' concerns are a top priority for me.

Thank you for your attention.