



HIGHLIGHTS FROM THE SECOND GEF ASSEMBLY: THURSDAY, 17 OCTOBER 2002

Participants of the second GEF Assembly heard reports on the third replenishment, membership, credentials and proposed amendments to the instrument. Representatives of 54 GEF Member States addressed the Assembly, while Panels on: GEF and Environmental Protection in China; Science and the Global Environment; and of Eminent Persons on the Global Environment and Sustainable Development were convened.

REPORT ON THIRD REPLENISHMENT

Mohamed El-Ashry, GEF CEO/Chair, presented the *Summary of Negotiations on the Third Replenishment of the GEF Trust Fund* (GEF/A.2/7), highlighting contributions of US\$2.97 billion to cover GEF operations and activities from 2003-2006. El-Ashry credited Denmark, Finland, the Netherlands, Sweden and the UK for additional contributions, and noted that the third replenishment will cover activities related to the new focal areas.

REPORT ON MEMBERSHIP

Patricia Bliss-Guest, GEF, reported that the GEF currently has 173 Member States, signifying an increase of nine countries since the first Assembly. She noted that the *Report on Membership* (GEF/A.2/8) contains the list of members and dates of Notification of Participation.

REPORT ON CREDENTIALS

Bliss-Guest also reported that the Bureau has received and accepted credentials from 77 participants, and that it has agreed that Representatives without proper credentials would be allowed to participate, on the understanding that they will submit credentials in due form, preferably before the end of the Assembly.

PROPOSED AMENDMENTS TO THE INSTRUMENT

Bliss-Guest reported that the Council agreed in May 2002 to the designation of land degradation and persistent organic pollutants (POPs) as new GEF focal areas, and to the confirmation of GEF's availability to serve as the financial mechanism for the Stockholm Convention, as set forth in the *Proposed Amendments to the Instrument* (GEF/A.2/9). The Assembly considered and approved the amendments agreed by the Council.

STATEMENTS BY REPRESENTATIVES

Numerous delegates applauded the: third replenishment of the GEF trust fund; designation of land degradation and POPs as new GEF focal areas; recommendations of OPS2; and confirmation of GEF's availability as the financial mechanism for the Stockholm Convention. Although participants welcomed the third replenishment, several countries including the UK, stated that GEF funds will always be limited and emphasized integration of global environmental issues into national programmes and co-financing to

mobilize additional resources. UGANDA stressed that co-financing should be carefully assessed and CAMBODIA added that co-financing alone might increase a country's debt.

Speakers elaborated on GEF projects in their countries, highlighted the link between poverty eradication and environmental protection, recognized the WSSD's role in strengthening solidarity and cooperation among countries, and acknowledged GEF's role in applying the principle of common but differentiated responsibilities. BARBADOS, IRAN, MALAYSIA and SOUTH AFRICA urged simplifying the process of accessing GEF's funds, with some representatives proposing greater consistency within Implementing Agencies (IAs), streamlining GEF's procedures, and developing criteria for technology transfer. DENMARK, KOREA and CAMBODIA emphasized the need to invest in capacity building. FRANCE suggested enhancing the role of the Science and Technical Advisory Panel (STAP), while INDIA supported increasing transparency and accountability of the IAs, and stressed that selection parameters such as impact maximization, performance and accountability should not prevent developing countries from accessing scarce resources. IRAN underscored the need for the Assembly to assess the implementation of recommendations of the first GEF Assembly. PEOPLE'S DEMOCRATIC REPUBLIC OF LAO called for assistance to better access and utilize available GEF funds. PORTUGAL underscored the importance of ratifying the Kyoto Protocol, and BANGLADESH and BHUTAN supported adaptation measures for climate change.

NEW ZEALAND suggested engaging SIDS through the Small Grants Programme. TONGA, TUVALU, and Fiji, on behalf of the PACIFIC ISLAND STATES OF MICRONESIA, requested the GEF to expedite access to UNDP's small grants scheme for small island states. KYRGYZSTAN urged the GEF to develop international regulations on key environmental issues and JORDAN offered to host the next GEF Assembly. SOUTH AFRICA stressed focusing on constituency systems and supporting operational focal points to ensure country-driven and country-owned GEF projects, while SWEDEN expressed its hope that protection of global public goods remains the GEF's "guiding light." COSTA RICA underlined the need for justice in global environmental protection and trade, and welcomed promotion of regional programmes. PERU stressed that more funding for sustainable development could help to prevent wars.

PANELS

GEF AND ENVIRONMENTAL PROTECTION IN

CHINA: Co-chaired by Jin Liqun, Chinese Vice-Minister of Finance, and Zhu Guangyao, Vice-Minister of China's State Environmental Protection Administration (SEPA), this Panel heard seven presentations, each followed by a commentary, and a discussion session.

Xiang Huaicheng, Chinese Minister of Finance, described China's efforts in increasing financial resources, strengthening fiscal policies and exploring new funding mechanisms for sustain-

able development. Participants discussed cooperation between neighboring countries, and the applicability of carbon taxes and emissions trading in China.

Xie Zhenhua, SEPA Minister, briefed participants on the progress of environmental protection in China, noting that it is a national investment priority. Klaus Töpfer, UNEP, stressed decoupling economic growth and environmental deterioration, and urged south-south cooperation. Discussions focused on ways to promote recycling, control desertification and increase NGO involvement in GEF projects.

Jiang Zehui, Chinese Forestry Sciences Academy, introduced the government's forestry activities and reported on the progress of the ongoing GEF/CHINA partnership on combating land degradation in dryland ecosystems. Joseph Eichenberger, Asian Development Bank, highlighted this partnership's innovative approach and associated challenges. Participants discussed the need to link national with global projects and increase public involvement in GEF-supported projects.

Wang Dehui, SEPA, elaborated on efforts and associated challenges in strengthening biodiversity conservation and implementing the Convention on Biological Diversity in China. Huang Dawei, Chinese Academy of Sciences, proposed mainstreaming conservation with policymaking and increasing biosafety research. Participants discussed management of alien species invasion and the need for public education and participation.

Liu Xianfa, State Economic and Trade Commission, explained how China has decoupled economic growth and energy consumption via a mix of policy instruments, and is aiming at further increasing energy efficiency by 20 percent. Frank Pinto, UNDP/GEF, commended China's successes in increasing energy efficiency and highlighted relevant ongoing GEF projects. Participants discussed China's dependence on oil and petroleum imports, and energy consumption in rural areas.

Gao Guangsheng, State Development Planning Commission, provided background information on China's climate change policy. Recognizing China's large population and economic objectives, Zhou Dadi, Energy Research Institute, underscored the need to explore new ways of achieving economic advancement and decreasing per capita energy consumption. Discussions focused on building awareness of climate change issues in rural populations.

Liu Yi, SEPA, shared China's experience and lessons learned from the implementation of the Montreal Protocol, highlighting strong international cooperation, effective national grant mechanisms and innovative approaches as reasons for success. Commentators Kristalina Georgieva, World Bank, and Omar El-Arini, Multilateral Fund, praised China's strategic and systematic approach in phasing out ozone-depleting substances.

SCIENCE AND THE GLOBAL ENVIRONMENT: Julia Carabias, STAP Chair, introduced the Panel and highlighted the need to understand the linkages between numerous environmental issues. Klaus Töpfer, UNEP, highlighted the interlinkages among several environmental agreements and conventions, and stressed avoiding conflicting results when implementing the different commitments. Robert Watson, the World Bank, explained the impacts of climate change on the WEHAB issues of water, energy, health, agriculture and biodiversity, and their interlinkages with air quality, desertification, forestry and ozone depletion. He pointed out the need to integrate climate change and biodiversity into broader national policies.

Michael Stocking, University of East Anglia, said that land degradation impacts the local level, and affects poor societies and marginal environments. He underscored the complex linkages among land degradation, GEF focal areas, food security and poverty alleviation. Timothy Williams, International Livestock Research Institute, highlighted the links between livestock produc-

tion, especially in drylands and GEF focal areas. He examined the environmental and social impacts of livestock management, including its effect on land quality, biodiversity, climate and livelihood. Francis Gichuki, International Water Management Institutions, stressed access to information as a means of holistically confronting impacts of land and water degradation, and urged an integrative approach. He suggested enhancing partnerships, allocating funding for a research commission to "fill information gaps," and drawing on different professional disciplines.

Karlheinz Ballschmiter, University of Ulm, Germany, outlined how POPs pose serious future global environment problems and stressed the need to focus on: POPs regional status, their effects on the environment, and ways of eliminating POPs. He called for increasing research and public awareness of POPs, gathering comparable pollution data, and finding safe alternative methods of destroying POPs. Xu Xiaobai, Chinese Academy of Sciences, noted the problem of controlling POPs releases and circulation in the environment. She outlined common sources and pathways of pollution. Habiba Gitay, STAP Vice-Chair, explained the need for GEF operational programmes to consider integrated and ecosystem approaches, and develop pilot projects of local, regional and global scales.

EMINENT PERSONS: Chaired by Maurice Strong, the Eminent Persons Panel on the Global Environment and Sustainable Development consisted of six environmental experts envisioning GEF's role for the next ten years.

Mostafa Tolba, International Center for Environment and Development, stated that the GEF should affirm its identity and become a more independent institution. Tolba recommended that the GEF uses its financial leverage to integrate activities and strengthen partnerships, particularly with the private sector. Gertrude Mongella, Advocacy for Women in Africa, emphasized GEF's need to: expand the Small Grants Programme, and form a direct relationship with civil society. Henrique Cavalcanti, Inter-governmental Forum on Chemical Safety, stressed the need to define a strategic approach to international management of chemicals by 2005.

István Láng, Hungarian Academy of Sciences, highlighted the new role of GEF in promoting sustainable development and pointed out the need to develop transitional strategies for countries and regions, in order to move towards a sustainable society. Thomas Odhiambo, African Academy of Sciences, stressed that the GEF should link environmental, human and social issues, involve local and indigenous communities, and consider moral values when addressing global environmental problems.

Strong underscored the need for the GEF to extend its professional capability, partnerships and parallel financing with the private sector. He highlighted that the GEF cannot force integration among secretariats of conventions, IAs and EAs, but has a unique role in facilitating their interactions. Strong emphasized that sustainable development requires motivation and sustainable institutions.

THINGS TO LOOK FOR TODAY

ROUNDTABLE: A Roundtable of Ministers and Other Heads of Delegations will take place in Hall 1 from 9:00 am – 1:00 pm.

PANELS: Delegates will convene in Hall 2 to participate in a Panel of Parliamentarians on the Global Environment and a Panel organized by NGOs from 9:00 – 10:45 am and 11:15 am – 1:00 pm respectively.

CLOSING PLENARY: Participants will convene in Hall 1 from 3:00 – 5:00 pm to hear the Chair's Summary and attend the Closing Plenary. Check the Daily Journal for times and venues of workshops.