

Statement by the Representative of Switzerland to the Second GEF Assembly

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Excellencies, Ladies and Gentlemen,

I am grateful for the opportunity to speak before the Second GEF Assembly. First of all, I would like to join others in expressing my sincere gratitude to the Government of China for its gracious hospitality. We are impressed by the high degree of professionalism demonstrated by our host, and all others who have assisted, in securing the flawless organization of this important event. Thank you.

Turning to the issues before us, I want to state that considerable progress has been achieved in protecting the global environment since the 1992 Earth Summit in Rio. It is now well established that many of the most vexing environmental problems facing us today are of a transboundary nature, underlining the need for collective action to slow and eventually reverse the existing trends of human-induced environmental degradation. The GEF itself has its roots in the historic processes leading up to the Rio Conference and it still stands out today as an innovative and pioneering institution. The Monterrey Conference earlier this year issued a call for closer cooperation between the Bretton Woods institutions and the United Nations. Those of us familiar with the GEF were aware that such cooperation has been a reality in the GEF since its inception more than a decade ago.

At the World Summit for Sustainable Development in Johannesburg, the international community has reaffirmed its commitment to sustainable development. A "Plan of Implementation" was adopted, but it is rather short on concrete time-bound commitments and targets. On the other hand, the fact that the WSSD-outcome is vague in many regards has in fact significantly enhanced the profile and relevance of the GEF.

The Johannesburg Conference also constitutes a further important step towards general recognition that Environmental Protection is a condition for Poverty Reduction and sustainable socio-economic development. Here the GEF plays a crucial role. Many of its projects have multiple benefits and promote sustainable livelihoods for the poor, while protecting the environment and the natural resource base of economic development. Now that GEF funds have been replenished and its structure and processes enhanced, we can expect it to become even more of a catalyst, by initiating coordinated actions and targeted cooperation at the global level, to implement the agreed strategic responses to global environmental problems.

I would like to thank those participating in the Third Replenishment of the GEF and the establishment of the three new Climate Change funds that are in the process of

being established. These are highly significant achievements that serve to translate many of the important commitments of Johannesburg into action that make a real difference at the ground level. We have lived some difficult moments in the replenishment process and at one point had to postpone the conclusion of the negotiations, because one donor country refused to support a higher level of funding. Switzerland and others used this interval for diplomatic interventions at the highest government levels. Thanks to the flexibility demonstrated by the United States, we were eventually able to conclude negotiations at a significantly higher replenishment level.

I am also convinced that the set of policy recommendations that forms part of the GEF Replenishment has the potential to significantly increase the efficiency and impact of GEF interventions, as will the various efforts at organizational streamlining, as based on the OPS-2 recommendations.

Again, I want to express my gratitude to all those that have contributed to these achievements. A special thanks goes to the CEO of the GEF, Mr. Mohamed El-Ashry. It is hard to see how we could have succeeded the way we did with the replenishment without his skillful, if not masterful conduct of these difficult rounds of negotiations. Anyone who has followed the performance of Mr. El-Ashry as CEO of the GEF know that he possesses a rare combination of personal and professional qualities. His uncontested professional competence in environmental management is paired with fine political sensibility and impressive diplomatic skill. His exceptional abilities have contributed to a very large degree to the continuing improvement of GEF operations. The same can be said about the strong improvements we have seen over the years in the relations between the GEF and the Conventions it serves. And needless to say, after every "family fight" within the GEF we were always better off than before, due to the CEO's talent for finding fruitful solutions to complex problems.

As I mentioned before, the GEF plays a pivotal role in translating the important commitments made at WSSD and in the context of multilateral environmental agreements into action. It is clear, however, that GEF resources alone cannot achieve the monumental tasks before us. The GEF has already demonstrated a remarkable ability to forge new partnerships, to launch innovative approaches, and to mobilize additional resources. For the next phase of the GEF we are all called upon to help increase the leverage of GEF interventions and to enhance their sustainability. As everything in the GEF, this will require a collaborative effort. We can all be of direct assistance from within our areas of responsibility. Cofinancing arrangements need to become more firm and more plentiful, but at the same time we should refrain from introducing overly rigid targets. The Implementing Agencies and all specially designated Executing Agencies of the GEF must in this next phase of the GEF continue with their efforts to mainstream global environmental concerns in their regular operations.

In all focal areas of the GEF it will be crucial to secure an increased engagement by the private sector and national governments alike. Regarding the private sector, we

must continue to facilitate innovative ways to engage it more effectively in the GEF. The GEF should not shy away from dismantling any unnecessary procedural barriers to private sector participation, even if that entails the delegation of commitment authority for GEF funds. At the same time, however, the GEF must insist on the timely delivery of concrete results by actors from the private sector. On both accounts, there is currently ample room for improvement. We look forward to the new strategy to be presented to the next Council meeting and would like it to be assessed very carefully before adoption. For this purpose, we plan to organize a consultation among private sector and Agency representatives and Council Members, just prior to the Council meeting next May .

Increased private sector participation will also be required to better demonstrate and establish sustainable use in the Biodiversity focal area. The adoption of guidelines for access and benefit-sharing was a major success, but the words now need to be translated into deeds. Here we clearly cannot succeed without the meaningful and sincere participation of the private sector.

Regarding the relations between the GEF and the Conventions it serves as financial mechanism, I am pleased to note that these relations have improved significantly after being rather contentious for years. Now, government negotiators should also become more mindful of the existing division of labor between the Conventions and the GEF. This should be reflected in the Guidance of the Conventions issued to the GEF as financial mechanism. Such guidance must in future be more focused on strategic issues and better prioritized. We have to depart from the current model in which long and incoherent lists of overly detailed requests are issued on an annual basis, with little consideration for the institution at the receiving end that is supposed to translate it all into action in a way that pleases everyone. The GEF cannot but work with the resources at its disposition and on the basis of the agreed processes for its functioning. COP 8 of the FCCC which begins next week represents the next opportunity to streamline such guidance to make it more useful.

As you know, the GEF mandate is being significantly expanded by this Assembly. Switzerland has been among the outspoken advocates for the inclusion of chemicals and land degradation. We also strongly support a clear message to the COP of the UNCCD that the GEF stands ready to serve as financial mechanism for this Convention, should the COP decide accordingly. In both of the GEF's new focal areas it will be important to work from the outset in an integrative manner to take full advantage of obvious synergies.

This brings me to a theme that runs like a thread through all GEF activities and actually links them together: In all areas of the GEF's work we need more integrated approaches and better coherence to ensure that GEF project interventions are mutually reinforcing and that they deliver sustainable and measurable impact. For me, this issue is directly linked to the need for more integration and direct cooperation among the numerous multilateral environmental agreements.

The issue of Water is a good example of this. Here it makes little sense to focus on distributional aspects alone, while failing to preserve the underlying resource base. The sustainable management of water resources must begin with effective and integrated management of ecosystems. If we fail to protect forests and wetlands, if we do not manage soils with precaution, water will become increasingly scarce and polluted. The GEF must contribute to the development of more integrated approaches and build on the obvious synergies among biodiversity, forest, wetland and soil management.

Another topic that comes to mind when speaking of integrated approaches is Climate Change. The very nature of Climate Change requires that we tackle it with a long term view. However, it is precisely the long timeframes required for systemic changes in the energy sector that make it necessary to launch concrete measures without delay. We can ill afford non-participation in the international agreements on Climate Change that we have spent years to establish within the framework of the UN.

In this focal area, the GEF has done valuable work to promote renewable energy and to remove barriers to their adoption. Switzerland is proud to have facilitated a major strategic review of the use of Solar PV in this context. We are pleased to hear that a similar review is now being planned for wind energy. We categorically support such efforts and call on Council members to engage in these efforts to better define the strategic priorities of the GEF.

Integrated approaches are also needed in the new Chemicals focal area, which is initially focussed on the Stockholm POPs Convention. If not, we may narrowly focus on the elimination of obsolete POPs stockpiles while, for example, allowing for the continuation of detrimental waste-related practices such as those covered by the Basel Convention. In the Chemicals area I attach great importance to one of the few real successes of WSSD, which is the agreement to forge an overarching Strategy on Chemicals. I expect UNEP to take the lead and begin this work without delay, with active support of the GEF.

In closing, let me turn briefly to the inner workings of the GEF. Here I very much appreciate the recent agreement on operational procedures and responsibilities between the GEF Secretariat and the Implementing Agencies. Such agreements are never easy in this rather unique setting of multiple bureaucracies we have in the GEF. Thanks to the efforts of the CEO and the Implementing Agencies, we can now expect much closer and improved cooperation within the GEF family.

The GEF is a great idea and a great achievement. It gives hope in a puzzled world in search of new values. The GEF offers concrete solutions and concrete action. Switzerland has been a strong supporter of the GEF from the beginning and we will continue to engage with energy and conviction for a successful GEF.

Thank you.