

**STATEMENT to the 4<sup>th</sup> ASSEMBLY of the GLOBAL  
ENVIRONMENT FACILITY (GEF)**

**by**

**Inger Andersen**

**Director, Sustainable Development, Africa  
Head of World Bank delegation**

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Madam Chair, Honorable Ministers, Distinguished Delegates, Partners and Colleagues,  
Ladies and Gentlemen,

It is an honor for the World Bank to address the 4<sup>th</sup> Assembly of the GEF, hosted by the Government of Uruguay here in beautiful Punta del Este. Allow me in this context to thank the President and the people of Uruguay for their gracious hospitality and warm welcome.

The 4th GEF Assembly offers us all a dual opportunity:

On the one hand, to reflect on nearly two decades of work, undertaken in partnership, to heal the global commons;

On the other, to look ahead at how to strengthen strategies and approaches in our quest to protect the global environment and achieve sustainable development.

The pressing issues that threaten the health of our commons are well known: climate change, biodiversity loss, land degradation and desertification, water, air and chemical pollution. So too are their effects which, in developing countries, disproportionately affect the poorest and most vulnerable persons and communities.

In many ways, access to financing through the GEF has shaped the world's response to these issues, allowing developing countries to address vexing environmental challenges.

Herein lies the cornerstone of the World Bank-GEF partnership. We now have a solid replenishment partnership behind us, and this is worth celebrating. But the world has changed in the past 20 years and institutions, governments, multilateral and bilateral institutions, as well as the broader public opinion, have shifted. Environmental stewardship has become core to the public discourse. And that is a very good thing and something the GEF can take pride in celebrating, since the GEF has helped create this fundamental shift.

The World Bank's mission is clear – to bring about a world free of poverty, drawing on and contributing to partnerships such as that of the GEF. We believe that accelerating progress on poverty alleviation goes hand in hand with protecting the global commons.

As one of the original GEF implementing agencies, the World Bank's comparative advantage lies in its role as an international development institution with proven experience in investment funding across all six GEF focal areas.

A key contribution we bring to the GEF Partnership is to help generate greater economies of scale. We mobilize and combine various sources of funding to help stimulate synergies which, in turn, lead to greater impact than if used separately.

A quick scan of World Bank-implemented GEF projects around the world shows the important progress that has been made in addressing issues critical to global ecosystem health:

- Pioneering approaches such as payment for ecosystem services have across all continents engaged landowners and communities to invest in their lands or forests, thereby supporting conservation, reducing deforestation, and contributing to climate resilience.
- Promotion of climate-resilient land management practices have served to stem desertification and land degradation and promote biodiversity conservation in countries across the African continent and the South Asian region.
- Maintaining support for protected areas through broad-based partnerships and small-scale community-led initiatives is playing an important role in improving governance and environmental management practices from Argentina to the Congo, Croatia to Indonesia, and from China to Ghana. The challenge of financing protected areas in a sustainable way will remain a challenge for us all in the years to come and an area that demands our innovation and ingenuity.
- The 69 completed climate change mitigation projects supported by GEF through the World Bank have been estimated to reduce global GHG emissions by a total of 250 million tons of CO<sub>2</sub> equivalent, which combined with the World Bank's operations has led to a total reduction of 600 million tons of CO<sub>2</sub> equivalent. In the process, these projects have played a critical role in mainstreaming low-carbon development into the World Bank's strategy and operations.

This progress on the ground is also reflected in the numbers: by the end of 2009, the World Bank Group had received approval to disburse over US\$4.3 billion in GEF funds. To this, the Bank Group has leveraged an additional \$23.1 billion in co-financing, nearly one third of which – over \$7 billion – has stemmed from World Bank operations and programs.

Looking ahead, the World Bank's GEF strategy will continue to build on our work with countries at the convergence of development and environment considerations, to provide an array of financing, analytical and advisory instruments.

We hope to focus on two areas:

- **Climate change** has become a critical driver of development constraints in many developing countries. GEF funding has been instrumental in supporting the World Bank's efforts to mainstream energy efficiency and renewable energy. The World Bank's 2010 World Development Report underscored the fact that developing countries face increased financing challenges as they pursue economic development along a lower emissions trajectory. In response, World Bank GEF-funded support to countries will include a focus on solutions for low carbon and carbon resilient development, combining available Bank Group climate financing instruments, as well as through other sources, to expand impact, increase leverage, and enhance efficiency.
- **Enhanced protection and management of biological resources and habitats** can help mitigate climate change impacts, as well as contribute solutions to adapt to climate change. Because ecosystems provide a wide range of services vital to human welfare, the World Bank's GEF portfolio will continue to lend support to partners to adopt integrated approaches to ecosystem management and balance biodiversity, natural resource and

climate change considerations.

For this to work, the GEF family also needs to make it easier and more attractive for partner countries and beneficiaries to sustainably develop and seek global environmental benefits. This has not always been easy. The GEF-5 provides an excellent opportunity for change and to learn from the past. In this complex world and with the vast challenges of safeguarding the global commons, we need simple systems, strong incentives and dynamic partnerships to succeed.

In the coming years, the World Bank-GEF partnership (in close cooperation with UNEP, UNDP and the other agencies) will continue to bring to the table each organization's unique brand of services, with the common purpose of producing maximum environmental benefits while reducing poverty.

But we also need to adapt to new and exciting financing opportunities that are opening up. New actors and financiers have arrived on the scene and are making significant contributions to climate smart growth and to biodiversity conservation: private sector investments, sovereign wealth funds, carbon finance, green bonds (both at the national and municipal levels), and carbon finance are some of the new players. As we look towards the future, we as a global community need to adapt to this new reality.

We at the World Bank remain committed to assisting client countries to effectively integrate issues central to the global environmental agenda into their country partnership strategies and funding programs, and to our collective ability to scale up investments through a wide range of financing instruments, including carbon finance funds and facilities.

We look forward to continuing this important partnership through the next decade.

In closing, we wish to again thank the GEF Secretariat, the Government of Uruguay, the agencies and institutions, and the states in attendance for their partnership over the past twenty years, and look forward to a productive collaboration over the next twenty years.

Thank you.