

**Global Environment Facility
Council Meeting, 5-7 December 2001**

**Statement by J. Warren Evans
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Mr. Chairperson, Distinguished Council Members, Ladies and Gentlemen,

President Chino of the Asian Development Bank has asked me to convey his best wishes to you for a successful meeting. The Asian Development Bank is honored to address the Global Environment Facility Council as a member of the GEF extended family.

Mr. Chairman,

ADB has long been eager to collaborate with the GEF, beginning with the earliest stages of the GEF's pilot phase. I recall the efforts of the four Presidents of the Regional Development Banks at Rio to seek a role in GEF back in 1992, and the framework agreements that were negotiated with such enthusiasm between the World Bank and RDBs in the early nineties and then abandoned in 1994. These were sincere efforts, but sadly they did not materialize because the Council at that time was not prepared to grant RDBs accountability for the implementation of GEF projects.

The lack of a formal role in GEF, has not stopped the ADB from developing – over the last ten years - a strong and varied portfolio of global environmental projects and technical assistance activities in renewable energy and climate change, biodiversity conservation, and management of regional seas. More recently, in collaboration with the Netherlands, we are embarking on a program that will accelerate and deepen ADB's efforts to promote an Asian shift towards renewable energy and energy efficiency. As another example of mainstreaming the global environment in our operations, ADB has launched an initiative on Combating Desertification and Reducing Poverty in Asia in conjunction with the Global Mechanism of the Convention to Combat Desertification.

ADB has therefore embraced the landmark May 1999 decision of the GEF Council on expanded opportunities for regional development banks. This decision was instrumental

in removing barriers to RDB involvement in the selection and preparation of GEF projects. We at ADB are especially grateful to Mohammed El-Ashry, Ken King and the GEFSec staff for the vision, leadership and collegial spirit that have paved the way for increased collaboration. The three Implementing Agencies have also been very helpful and accommodating.

ADB is pleased with the progress since May 1999. We have entered eleven ADB/GEF projects in the formal GEF pipeline covering climate change, biodiversity and integrated ecosystem management. We have requested and been granted 6 PDF block B grants to co-finance our own project preparatory technical assistance grants. Building on the two ADB/GEF projects approved before May 1999, three additional ADB/GEF projects have been approved by the GEF Council including the one endorsed yesterday for inclusion in this current work program.

The GEF has been successful in leveraging and mobilizing considerable co-financing through this partnership. For example, the project approved yesterday has an ADB to GEF co-financing ratio of 11 to 1.

The legal agreements for direct transfer of PDF-B grants from GEF to ADB have now been concluded, and this overcomes one of the major remaining constraints. Naturally, it is too early to declare victory in removing barriers to regional bank involvement in GEF implementation. Some hurdles remain for full project grants. In particular, the messy notion of "shared implementation" needs finally to be resolved once and for all, with a focused effort to minimize duplication and unnecessary bureaucracy in the implementation of GEF projects by RDBs.

Mr. Chairman,

RDBs need some resource predictability and clear rules of the game if they are to properly adequate staff and other resources to the GEF partnership. In this vein, I would like to make some specific comments regarding the paper on Overall Structure, Processes and Procedures of the GEF (document C18.8).

First, it would be timely to have clarification on the issue of direct access by RDBs to full project grants. Since the Council decided in December 2000 that IAs do not have a role in the implementation of RDB/GEF projects, we do not believe it makes sense for full project grants to be transferred through IAs. We hope that Council will decide to instruct the GEF Secretariat and Trustee to finalize arrangements for direct transfer. If for whatever reason direct access is not possible under the Instrument, it would be pertinent to request the Trustee to propose any modifications that would allow such access.

Second, the paper implies that RDBs and other executing agencies would be called upon mainly to fill gaps in the business plan. This reactive approach would likely result in missed opportunities to blend RDB finance with GEF resources. In view of the considerable role RDBs play in financing sustainable development, we believe eligible countries would benefit from RDB involvement in consultations leading to the GEF business plan.

Mr. Chairman,

ADB's Board and Management have accorded high priority to broadening and deepening the partnership with GEF. I can assure you that ADB is firmly committed to make the partnership work and we will continue to pursue this vigorously.

Thank you.