

First Biennial GEF International Waters Conference
UNDP-GEF Address: Rafael Asenjo

On behalf of UNDP, I would like to thank the government of Hungary for their generosity in hosting this, the first Biennial GEF International Waters Conference, and the conference organizers, the Global Environment and Technology Foundation, for their outstanding work in coordinating preparations for such a complex international event. I would also like to extend a warm welcome to all of our government counterparts, representatives of the GEF Secretariat, World Bank, UNEP, STAP, the executing agencies and NGO, academic and private sector participants.

Following Al's introduction, I would like to provide you with a brief introduction to the broader GEF, including its critical work in the International Waters focal area. The GEF emerged in the early 1990's out of a growing international awareness of the very complex and often interlinked issues of biodiversity loss and climate change which were clearly occurring at a global scale. In parallel with the 1992 Earth Summit in Rio, the GEF was initially created as the interim financial mechanism for both the climate change and biodiversity conventions. In addition, recognizing the growing importance of transboundary waters issues such as pollution, overfishing, aquatic habitat loss and freshwater supplies, the GEF created the focal area

of International Waters to specifically target the environmental issues of waterbodies shared by two or more countries. GEF also provided supplemental support to the Montreal Protocol to meet the needs of the economies in transition in phasing out the use of ozone-depleting substances. The World Bank, UNDP and UNEP were selected to take the lead as GEF "Implementing Agencies", based on their comparative advantages in environmental investments, capacity building, and scientific and technical analysis, respectively.

Following an initial pilot phase of over XX projects and \$XX billion in grants, the GEF underwent an in-depth independent evaluation which led to a significant restructuring of the institution to increase its effectiveness and efficiency. A key element of the restructuring was the development of GEF's Operational Strategy, which provides clear guidance on GEF's policies, programmatic objectives and strategic approach. A set of ten Operational Programmes were next developed, four each in biodiversity and climate change and three in International Waters, which set forth criteria for the identification, preparation and implementation of GEF projects and programmes in the three focal areas. Since the end of the pilot phase in 1995, GEF has approved an additional XX projects totaling \$XX billion in

grant funding, which has in turn leveraged an approximately equivalent amount in co-funding from governments, NGO's, bilateral and multi-lateral donors and the private sector.

Institutionally, the GEF has several key bodies and networks. The GEF Council, made up of 18 developed and 14 developing country representatives, is the GEF's highest level decision-making body which sets GEF policies and strategies, monitors the overall progress and performance of the institution, and makes decisions on the quarterly work programme of projects prepared by the three Implementing Agencies. Each of the over 170 GEF recipient countries has a GEF political and operational focal point. The political focal point is responsible for providing national input to emerging GEF policy issues while the operational focal point is charged with coordinating their country's GEF portfolio including approval of all GEF interventions proposed in their country. The GEF Secretariat, located in Washington, DC, is the central body for coordinating GEF activities, from preparation of new policy papers to the review and recommendation of work programmes.

The three GEF implementing agencies are the World Bank, UNDP and UNEP. The World Bank takes the lead in GEF investment projects, using GEF grants to leverage large investments which help protect the global environment. UNDP, in line with its historical role as a UN agency charged with capacity building, technical assistance and inter-UN coordination, takes the lead in many GEF capacity building initiatives in each of the GEF focal areas and is the lead agency for the very successful GEF Small Grants Programme. UNEP utilizes its comparative advantage in scientific and technical analysis and assessments to take the lead in many global and regional projects targeting GEF priorities. STAP, the GEF's Scientific and Technical Advisory Panel, provides scientific and technical inputs to GEF policies, programmes and reviews, and helps identify emerging scientific and technical issues pertinent to the GEF focal areas.

GEF grants are broken up into three principal categories. Full projects are those totaling \$1 million or more in GEF funding and must be approved by the GEF Council. Medium-sized projects include those up to \$1 million and can be approved by the GEF Chief Executive Officer. Finally, through the GEF Small Grants Programme, grants of up to \$50,000 to local and national NGOs help to leverage community level involvement in addressing global

environmental issues. The GEF also has available project development funds, known as pdf's, which include \$25,000, \$350,000 and \$750,000 windows for pdf-a, b and c project preparation grants, respectively.

GEF funding is built around an important concept---incremental costs---created specifically to serve the unique needs of the institution and the global community. Rather than serving as another source of environment or development funding, GEF grants are designed to complement traditional donor funding and national sustainable development planning with a small "increment" of additional resources which specifically target protection of the global environment. In biodiversity, this often means the extra resources countries need to protect and sustain their globally significant species, populations and ecosystems. In climate change, incremental cost generally translates to assistance in overcoming barriers to improved energy efficiency, and development of renewable and low greenhouse gas emitting energy resources. In international waters, GEF incremental funding largely targets the transaction costs of helping groups of countries to identify and prioritize transboundary issues and their root causes, prepare programmes of action targeting these issues, and the capacity building, technical assistance and investments needed to begin to address these issues.

An important recent capacity building initiative of the GEF is the GEF Country Dialogue Workshops, which aim, principally through workshops held at the national level, to increase awareness of the GEF among a broad spectrum of constituencies; to strengthen national coordination of GEF portfolios including integration with national sustainable development, biodiversity and climate change strategies; and to build country capacity to identify, prepare and implement projects which meet GEF eligibility criteria. The GEF Country Dialogue Workshops will complete 15 workshops in the year 2000 with another 15 currently being scheduled for 2001.

Historically, GEF's allocation among the focal areas has been about 40 percent each in biodiversity and climate change, about 15 percent in International Waters, and about 5 percent in ozone depletion. While smaller in financial terms, GEF's catalytic and demonstration value in the international waters focal area cannot be understated. Nearly half of the world's land territory consists of international river basins, and the GEF is presently preparing or implementing projects in many of the world's most threatened and politically charged river basins, including the Nile, Mekong, Danube, Plata, Niger and Okavango river basins. Several of the world's

most environmentally and economically significant enclosed seas and lakes, such as the Black, Baltic, Mediterranean, Caspian and Aral Seas, Lakes Tanganyika, Victoria, Malawi, Ohrid, Chad and Titicaca, are receiving assistance from the GEF to address their shared water resources issues. Finally, a majority of the world's Large Marine Ecosystems are also shared by multiple countries, and the GEF is providing financial, technical and institutional support to protect key marine ecosystems such as the South China Sea, Benguela and Guinea currents, and Patagonia Shelf Large Marine Ecosystems. Already, Strategic Action Programmes of legal, policy and institutional reforms and priority investments, are under implementation or in preparation for most of these transboundary waters systems, and several more are in the planning or preparation stage.

This conference is actually the third "leg" of a multi-agency GEF project called "Knowledge Sharing in International Waters", aimed at promoting sharing of lessons, resources and best practices among the rapidly growing GEF International Waters portfolio, now totaling over 50 projects in over 110 countries. The other two legs, Train-Sea-Coast and International Waters:LEARN, address this knowledge sharing objective through training and distance learning, respectively. The International Waters conference

was thus identified as the last modality for human communication, face-to-face exchange between the key stakeholders in the GEF International Waters community. In addition to the scheduled plenary, breakout and feedback sessions, we hope each of you will take advantage of this unique opportunity to informally sit and talk with your project counterparts addressing the often common issues of transboundary waters management, whether they be pollution control, equitable sharing of scarce water resources, or sustainable management of shared fish stocks. On behalf of UNDP and the whole GEF family, I again welcome you to the GEF International Waters conference and hope the conference is successful in meeting some of your needs in improving the management of international water resources.