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NEWS RELEASE

Assembly Formalizes the GEF's Commitment to Funding Land Degradation and Persistent Organic Pollutants Projects

Beijing, October 18, 2002 – The Assembly of the Global Environment Facility (GEF) concluded its Oct. 16-18 meeting today with the decision to add land degradation and persistent organic pollutants as focal areas. The Assembly is comprised of representatives of the GEF's 173 participant states. While the GEF already supports projects in these two areas, formal confirmation by the Assembly and the availability of new resources through the GEF's recent replenishment by 32 donor nations will give additional impetus to the two portfolios.

"I am pleased to announce to you that the Second Assembly of the Global Environment Facility ended successfully this afternoon with major decisions concerning the future of the GEF," said Mr. Xiang Huicheng, Minister of Finance, People's Republic of China.

"Land degradation and persistent organic pollutants affect the health and economic well-being of people around the world, and the GEF and its partners are in a unique position to make a significant difference," said Mohamed T. El-Ashry, Chairman and CEO of the Global Environment Facility. "We live in an integrated and interdependent world, and measures to protect the global environment benefit all people. It is only through sustainable development that harmonizes economic growth and environmental protection that poverty eradication and greater welfare for all people can be attained."

The GEF Assembly meets every four years to determine GEF's strategic direction and how its funds should be used. More than 1,200 participants took part in the Assembly, including delegates representing 125 countries, 235 observers, 199 NGOs, and 155 journalists. Of the delegates who attended the meeting, 64 were government ministers or vice-ministers. The GEF Assembly expressed its commitment to:

- GEF's availability as a financial mechanism of the UN Convention to Combat **Desertification** in those countries experiencing serious drought and/or desertification, especially in sub-Saharan Africa.
- Assisting in the implementation of the results of the August 2002 World
 Summit on Sustainable Development through GEF's work, taking into account
 the situation of least developed countries and small island developing states; as
 well as the importance placed by the Summit on regional initiatives, such as the
 New Partnership for Africa's Development (NEPAD), and on public
 participation, stakeholder involvement, and partnerships.
- Integrating GEF's activities into national strategies and programs for sustainable development, maximizing country involvement in projects to ensure that local residents benefit too. This includes strengthening GEF's relationship at the country level with civil society, including nongovernmental organizations, local communities, and indigenous peoples' organizations.
- Helping to strengthen the capacity of developing countries so that global environmental issues may be addressed effectively and integrated into sustainable development activities.

The GEF Assembly also identified measures to improve GEF's effectiveness as a cuttingedge, country-driven global organization:

- Simplifying and expediting the process for the approval and execution of projects, from project idea to completion.
- Improving strategic business planning so the impact of GEF resources may be maximized, taking into account lessons learned and findings of the GEF monitoring and evaluation program.
- Strengthening its catalytic role by replicating its activities on a much larger scale, mobilizing more cofinancing from other sources, and integrating its activities into sustainable development agendas of national governments and international organizations.
- Enhancing technology transfer by strengthening public-private partnerships and technology cooperation between Northern and Southern hemisphere countries, and within the Southern hemisphere.
- Increasing GEF's engagement with the private sector with greater emphasis on market development and the removal of barriers to private sector participation in sustainable development initiatives.

- Maximizing the effectiveness and independence of GEF's project monitoring and evaluation unit. The monitoring and evaluation unit will report directly to the GEF Council, comprised of 32 countries.
- Establish procedures to disseminate lessons learned and best practices to ensure more systematic use of the results and outputs of GEF projects for the improvement of planning and subsequent activities.

The Assembly expressed its deep appreciation to the government and people of the People's Republic of China for hosting the Assembly and for the exceptional generosity and hospitality extended to all participants. The Assembly also expressed its gratitude to Mohamed El-Ashry for the excellent work he has done as CEO and Chairman of the GEF from its inception. Mr. El-Ashry has announced that he will not be seeking another term when his second term expires on July 11, 2003.

About the Global Environment Facility

The Global Environment Facility channels multilateral funds into projects initiated by people in developing nations that create global environmental benefits. Since its creation in 1991, the GEF has allocated \$4 billion in grants and leveraged an additional \$12.4 billion in cofinancing from other sources to support more than 1,000 projects in 140 developing nations and countries with economies in transition. GEF projects are implemented by the United Nations Development Programme, the United Nations Environment Programme, and the World Bank.

GEF has grown from a pilot program to the largest single source of funding for the global environment, with a portfolio worth over \$16 billion and projects in more than 160 countries. The recent \$3 billion replenishment to fund the work of the GEF for the next four years is an extraordinary vote of confidence in the organization and strong evidence that countries are serious about committing resources to protect the global environment.

A recent assessment by an independent panel of experts finds that the GEF has been a "catalyst for innovative programs" and has produced "significant results" to improve the global environment. The only new funding source to emerge from the 1992 Earth Summit, GEF today counts 173 countries as members. For more information, visit www.gefweb.org.

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