



World Bank

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GLOBAL ENVIRONMENT FACILITY ESTABLISHED

WASHINGTON, November 28, 1990 -- The following press communique was issued by the World Bank's Paris office today:

At a meeting in Paris on November 27-28, 25 developed and developing countries agreed to establish a new Global Environment Facility (GEF). The Facility will be implemented jointly by three agencies: The World Bank, the United Nations Environment Programme (UNEP) and the United Nations Development Programme (UNDP). The Chairman, Ernest Stern, World Bank Senior Vice President, Finance, estimates commitments made at \$1 billion-1.5 billion and intends to confirm contributions from governments in the next few weeks. The World Bank will be the administrator of the Facility and expects it to be operational before the middle of 1991.

The Global Environment Facility started with a proposal by France's Minister of State for Economy, Finance and Budget at the World Bank's September 1989 Annual Meeting and a related proposal by Germany. The meeting concluded today was the fourth preparatory meeting.

The Facility has four broad objectives:

- to support conservation, the use of energy sources which will not contribute to global warming, forestry management and reforestation to absorb carbon dioxide, in order to limit the increase in greenhouse gas emissions;
- to preserve areas of rich ecological diversity;
- to protect international waters, where transboundary pollution has had damaging effects on water purity and the marine environment; and;
- to arrest the destruction of the ozone layer, by helping countries make the transition from the production and use of CFCs, halons and other gases to less damaging substitutes.

To support this fourth objective, contributing countries had previously agreed to make US\$160 million available under the Montreal Protocol. The World Bank, the United Nations Environment Programme (UNEP), and the United Nations Development Programme (UNDP) will be executing agencies for this ozone layer protection program.

As they are doing in the Montreal Protocol, these three agencies will also implement the Global Environment Facility. In addition to UNEP, UNDP and the World Bank are actively involved in environmental work. They also have broad expertise in providing technical and project assistance to developing countries. The participating countries, in regular semi-annual meetings, will provide overall policy guidance and review the work program.

The Global Environment Facility will provide concessional funding for investment projects and related activities in all four global environmental areas. The Global Environment facility is a pilot program to obtain practical experience in promoting and adopting environmentally sound technologies and in strengthening country-specific policy and institutional frameworks to support prudent environmental management. It also will provide operation information relevant in formulating other global conventions and in advancing the agenda that governments will be addressing at the U.N. Conference on the Environment and Development in June 1992.

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