

The Council has also taken action to expand GEF's climate change work to promote environmentally sustainable transport and integrated ecosystem management.

GEF is developing a new set of 50 country dialogue workshops. Over the next three years, these fora will provide an opportunity for countries to identify their interests, priorities and concerns; and how the GEF can assist in addressing them. Based on identified needs, our Implementing Agencies can design creative packages of finance that capitalize on the synergy between local, national and global environmental problems.

With COP 4 guidance in mind, we have issued guidelines for additional expedited funding, on an interim basis, for capacity building in a number of priority areas.

Mr. President, capacity building has been increasingly emphasized in international fora, including this COP. From the start, almost all GEF projects contained a capacity building component. Recognizing, however, the broader institutional and technical capacity building needs of developing countries, the GEF Council last May approved a strategic partnership with UNDP to produce a comprehensive approach for developing country-level capacities to meet the challenges of global environmental action.

In contrast to our enabling activities and project components, this initiative will unfold more gradually over the next year or so. We believe it is time to look back, reflect on the lessons learned, and answer the question "capacity for what?" I'm sure you'll agree that previous development and environment capacity building efforts have too often fallen short of their goals. They have sometimes been fragmented and short term, and