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Statement by
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United Nations Framework Convention on Climate Change

Thank you, Chair. Thank you, Naoko for inviting me to participate in this meeting. If I may, I would like to begin with a confession. Despite having been involved in a small way in the establishment of the GEF in the early '90's, and then working with GEF colleagues for years, this is my first Council meeting. In order to rectify this sad fact, and despite the scheduling of an ADP session this week in Bonn, we were determined to keep our promise to come to the Council. It is something we saw as crucial in this all-important "year of Paris".

At the outset, please allow me to commend the GEF Council, GEF agencies and GEF project agencies and the secretariat - for the excellent work you have been doing in supporting developing country Parties to the UNFCCC in implementing the Convention for more than 20 years now. Rest assured that this is having far reaching impacts on livelihoods and communities on the ground. GEF has been at the forefront of innovation and of enabling the global scale up of climate finance. We welcome you sharing your knowledge and experience which so many new institutions can benefit from.

On mitigation and technology transfer, GEF's support for the demonstration and replication of innovative technologies in developing countries through its Poznan Strategic Programme (PSP) has resulted in very positive feedback and interest to continue such effective support. We very much welcome the GEF's continued support to technology transfer.

On adaptation, the work of the GEF through the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) has been crucial to address the urgent and immediate needs of developing countries. This continues to be the case for the support provided to formulate and implement their National Adaptation Plans (NAPs).

The UNFCCC-GEF relationship, as in any family, has seen its good and less good days since 1992. I think we should all take satisfaction that the relationship is probably at its best and most productive in the current period.

Preparation for and expectations from COP 21

Today we stand less than 6 weeks from the opening of the long-awaited Paris climate change conference.

At COP 21, Parties will adopt a universal, legally-binding agreement on climate change that must put the world on a path to a transformed global economy by the second half of the century – a climate neutral economy where no one lives in severe poverty and where the global temperature increase is held below 2 degrees Celsius.

I am very confident about the outcome in Paris but also very anxious about the amount of work, of negotiation, and of compromising that will be needed before the agreement is adopted by consensus on 11 December.

Negotiations toward Paris are at a critical point:

- The Co-Chairs of the Ad hoc working group on the Durban Platform released their "concise" text on 5 October, which enables the negotiations to focus on the key issues
- The ADP is meeting in Bonn this week and I hope that substantive negotiations are in full swing by the time I get back to Bonn tomorrow morning.
- The French incoming presidency will convene a large ministerial Pre-COP consultation in Paris from 8-10 November to try to bring positions closer together on the main political issues, including on finance.
- The Standing Committee on Finance, which meets in Bonn from 26-28 October, will help prepare for decisions on finance by the COP, including on guidance to the GEF. The SCF is turning out to be a very valuable mechanism, and its work on the biennial assessment of financial flows was ground- breaking.

Role of finance in the context of COP 21

Climate finance is a critical element for the Paris package. In fact, there will be no Paris Agreement without credible outcomes on finance in the UNFCCC process proper and in the sister processes. Laurent Fabius, President-designate of COP 21, terms Finance as one of the 4 pillars of the Paris Alliance.

I see 3 broad elements of the Paris finance constellation:

- What is being negotiated in the UNFCCC for the post-2020 period in terms of the Paris Agreement, and the associated COP decisions – the end result of which is still very much in play. But I should say there is already consensus that the Financial Mechanism of the Convention, and its operating entities, will serve the Paris Agreement as well.
- Outside the UNFCCC process, in particular in the Green Climate Fund where it is important that first project approvals are delivered soon, but also here in the GEF about which I will say a word in a moment.
- Thirdly, there is the pre-2020 finance agenda and the pathway to the mobilization of $100 billion per year by 2020. There will be intense negotiation before and in Paris on this point and I would not want to predict the outcome. I do believe, though, two themes are likely to emerge as pieces in the solution:
    - Progress is being made, but much more work is needed on agreed methodologies and on transparency to measure and understand flows. Last week's OECD report will help but is not the last word. I see the COP's SCF playing a very useful role in this regard in 2016.
    - Support for adaptation needs to significantly increase. The 16% of aggregate climate finance for adaptation referred to in the OECD report just mentioned will resonate quite negatively.

What can the GEF do to be most helpful before and during COP 21?

As I hinted at the outset, the GEF is currently well positioned to make a positive contribution to the global Paris endeavor. I would like to suggest five concrete actions:

- Showcase GEF actions in developing countries to highlight the impact they are having, while also strengthening confidence that finance is flowing. And do build on the recent efforts in support of the Lima-Paris Action Agenda.

- Continue its support to remaining countries in preparing and submitting their INDCs. The phenomenal influx of INDCs is testament to the desire of so many countries to act on climate change. The next step is to take these investment plans, that is what the INDCs really are, and make them operational.
- Strengthen support for capacity building which is a very hot topic in the negotiations but one where the way forward to address the dissatisfaction of developing countries with current arrangements is generally not clear.
- Build on GEF's existing support for enhanced action on technology development and transfer on the ground, including through the Poznan strategic programme. Supporting the implementation of the results of technology needs assessments, in partnership with the Climate Technology Centre and Network (CTCN) of the UNFCCC Technology Mechanism will ensure coherence and synergy in advancing on this key political priority in the Paris negotiations.

- My fifth suggestion is perhaps a bit bold, but as Christiana Figueres says, now is the time for boldness. There is a lot of discussion about <u>macro</u> climate finance – "100 billion", and even "trillions" in investments. I would ask that we not lose sight of the <u>micro</u>, or relatively micro, where a big difference can be made. I am referring to the Special Climate Change Fund and the LDC Fund. Within the context of the significant sums of climate finance currently being discussed, contributions to these two funds would be relatively modest.

But the two Funds are proven and can act almost immediately, with the issue of "access" not being a challenge. They have a lot of experience in working with the most vulnerable countries and responding to their needs. And countries have a good familiarity with the operations and policies of these Funds, which is resulting in an increased pipeline of projects cleared and lined up for funding. And many of these projects relate to adaptation which has to be seen as a priority.

All this is to say that we would see it as important, and politically reassuring, for the Council to send a strong signal on the commitment of the GEF to continue to support activities, especially on adaptation, through more pledges and contributions to the LDC Fund and the SCCF in this period of transition while the GCF is still moving to full operationalization.

Post-Paris

In conclusion, a word about 2016 and beyond. The GEF will have a critical role to play in implementation of the Convention in the post-2020 period, and we will all need to work together in further defining such role after Paris.

You know better than I do how important more complementarity is within the climate finance architecture. This will increase effectiveness of finance and avoid duplication of efforts and enhance coherence and coordination between Funds. I would applaud the GEF for its efforts in this regard.

I am confident that the GEF can further develop its place as a partner in climate finance. I would urge you to redouble your efforts to be a full part of this unique and transformational moment represented by the Paris agreement. A moment which is, in many ways, the culmination of so many people's efforts and hopes for sustainable development born at and nurtured since Rio 1992.

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