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## **Opening Remarks**

**LDCE/SCCF**

**Monique Barbut, CEO and Chairperson  
Global Environment Facility**

**38<sup>th</sup> Council Meeting  
June 28 – July 1, 2010  
Washington DC**

Ladies and Gentlemen:

Good morning and welcome to our 8<sup>th</sup> LDCF/SCCF Council meeting.

Before we start, I would like to open this meeting by briefly updating you on our progress since we last met in November.

Today the LDCF fund has allocated or already funded \$120 million worth of projects and project preparation activities in more than 38 least developed countries.

Of this, 11 project proposals (totaling \$41.8 million in LDCF grants) went from concept to reality, reaching the implementation phase since July 2009.

During this time the LDCF/SCCF Council also approved \$22.9 million in LDCF grants. Since the last LDCF/SCCF Council meeting in November 2009, there are seven new least developed countries that have completed the project preparation phase, submitted finalized project documents and received CEO endorsement or approval.

In total, thirty-eight countries have officially submitted their NAPA implementation projects to the GEF; thirty-six have already been approved under LDCF eligibility criteria.

Today we can say with confidence that most eligible countries are accessing LDCF resources; several have in fact already submitted their second proposal. We have taken a number of steps – as guided by the COP, and recommended by external evaluations, notably that of the Danish International Development Agency – to make it easier for the LDCs to access financing under the LDCF. One of these steps is a production of a guideline, a very simple, brief paper that gives any project manager, or decision maker the basic tools needed to understand the LDCF and further demystify the process of accessing financing, especially to those remaining few countries that haven't done so yet.

It also bears mentioning that when our donors invest in adaptation those dollars can and often are also funding biodiversity projects– right now at least 8 of our 38 LDCF projects also show measureable benefits to safeguard species and ecosystems. This includes mangrove restoration, vulnerable productive coastal ecosystems, and forestry management. There is a huge potential to do more: moving from a project by project basis to a more programmatic approach would yield even more dramatic results than we have witnessed already with these funds but much depends on what kind of funding arrangement we can reach, and the sooner we eliminate the uncertainty, the better.

It's the same story with SCCF. Since last July, all the funding under the adaptation window has been programmed, and so no new projects were approved over the last year. And under the SCCF's technology transfer window, a Technology Needs Assessment Project for about 35 countries and three tech transfer pilot projects were funded by SCCF through the Poznan strategic program over the last year. Unfortunately there is no funding left under that window either to do more. So far, we have approved or endorsed 97M dollars' worth of projects and project preparation activities. The SCCF right now has 81million allocated to projects, based on a current total of 93million of funding available. So clearly the demand for the SCCF still far exceeds our current resources.

Like LDCF, the demand for SCCF projects has not relented, and this fund remains a unique and still undervalued opportunity to finance technology transfer for adaptation. Now more than ever we need to dramatically boost donor contributions for both this fund and the LDCF: the project waiting list for each continues to grow. The SCCF is currently preparing a modest work program, funded by a recently encashed pledge; the LDCF at the moment has 42million uncommitted yet to projects, but we receive proposals on a regular basis – this is the last quarter of LDCF project funding, and this funding will be depleted soon.

With Cancun looming ahead, we need to revitalize these two critical funds otherwise we will be failing to meet our mandate to our stakeholders and to the UNFCCC.

Unlike the GEF, which is replenished every four years, the LDCF and SCCF receive voluntary contributions without a regular replenishment schedule. Countries and agencies that support their work need to know the available resources sufficiently far in advance to plan their programs and projects; this is an impossible exercise when resources are mobilized in relatively small amounts every six months. Moreover, the size of the funds is very small compared to the adaptation needs of vulnerable countries. The GEF can manage a much higher volume of resources as it does under the trust fund. A more commensurable amount for adaptation would also allow the GEF to meet its commitment to the Convention.

Another point to consider today is that we hope to expand the scale and scope of both LDCF and SCCF through a programmatic approach, rather than sticking to a narrow project by project model. But again this will only be possible if the volume of financing increases to at least \$1 billion/ increases dramatically.

To that end, we have already laid the groundwork for scaling up these funds by unblocking existing procedural bottlenecks and stepping up outreach to stakeholders. Notably, the SBI at COP15 the group singled out the GEF and its agencies for these efforts, noting a faster application process for funding NAPA projects under the LDCF AND for constructive dialogue with LDC Parties.

Similar sentiments have been expressed at other forums, most recently at the thirty-second SBI Meeting in May-June 2010.

So as you can see we listened and we learned. Now it is time to act.

Council members:

Since we last met, seven new least developed countries have taken decisive steps toward projects.

We hope with your support today we can expand both the scale and scope of future projects using a programmatic approach that will help us leverage additional funding in an efficient way. This can only happen if we boost financing to meaningful levels. It's time to deliver what we keep promising on climate financing and these two funds are an efficient method to deliver on that pledge. They are transparent, financially sound, and meet internationally-recognized fiduciary standards. Thank you.