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Global Environment Facility

Towards Copenhagen: an equitable and ethical approach

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Good Morning,

I am honoured to be here at this very important gathering and am very grateful to my friend Dr. Pachauri for inviting me.

The theme of our conference is very relevant at this time in history as ensuring equitability and ethics when working with the global commons in the midst of a dramatic economic crisis is clearly a challenging task.

In such a context, the multilateral institutions are called to play a key role as it is mostly through them that such goals can be pursued in a manner that also encompasses all points of view on what these two issues imply.

The Global Environment Facility I have had the pleasure to lead for almost three years now, has been in existence since 1991 and is the financial mechanism of the main environmental conventions including, of course, the United Nations Framework Convention on Climate Change. It is the conference of the parties of this convention that will meet in Copenhagen at the end of the year.

Based on these elements, the issue closest to our responsibility is that of financing and I would like to concentrate my thoughts on this point.

Everyone agrees that the resources required to deal with the problems caused by climate change are vast. For example, the latest report of the UNFCCC Secretariat sets at 200 billion dollars a year the required investment to reduce greenhouse gasses by 25%, from the levels of the year 2000, by 2030.

We are clearly not prepared for this challenge and I will give you two examples:

First, private sector financing: by far the most important. With oil prices at very low levels, there is little incentive for businesses and homes to invest in energy efficiency. On

the public side, we have insufficient or no legislation or regulations that will drive and support clean and renewable sources of energy and their associated technologies.

Second, the current crisis will tighten considerably any wiggle room in national budgets to provide support for clean energy. Governments may move towards “green” infrastructure as part of their recovery plans, but will more readily seek short term solutions to impact the psychology of their populations.

Needless to say, aid for development, which is the main source of money for work on protecting and recovering the global commons, will be restricted even further by budgetary constraints and the tendency to dedicate greater effort to jump start national economies.

Thus, I see the following requirements in the immediate future:

First: all countries must put in place the necessary systems that will encourage the private sector to invest in the right direction. Much can be done in the areas of taxation, cost of public services, etc.

Second: we must expand the base of public resources dedicated to the environment by distinguishing them from the more general aid for development. In fact this could apply to other important areas of the Millennium Development Goals such as education and health.

Third: there needs to be better sharing of the burden of public financing of the environment. Even though the main responsibility rests with the developed countries that have been the main source of pollution as a part of their industrial development, (and this is a clear reference to the ethics component) recipient countries at a more advanced stage of development must begin to carry some of the burden. There are also those poorer nations that are most vulnerable to climate change but who cannot contribute much more than they are doing already (and these refer to equitability).

Fourth: we must maximize the effect of these limited resources: On the one hand, by using them to support innovation, mainly by the private sector; and on the other hand, by improving the existing multilateral institutions and mechanisms, rather than creating new ones to address different aspects of these problems.

Fifth: the ethical and equitability dimensions are also linked to who is benefitted and in what context. We have been looking at these issues from a broad global and forward looking perspective. And this is correct. But we also have to address the problems of those who are already suffering the consequences of climate change and must learn to adapt to conditions that are unprecedented for them. Most often these are community groups whose capacity is very limited and therefore their vulnerability is greater.

In this context overall we have two processes that we need to follow and nurture together:

On the one hand, we have the Adaptation Fund that was implemented at the UNFCCC Conference in Bali and further refined in Poznan. This fund has started up; but movement is slow. We must increase the pace of delivery of the Adaptation Fund. For this, a joint effort is required

On the other hand, the process of replenishment of the Global Environment Facility has begun and, as the organization prepares for its fourth Assembly in Uruguay, major changes and reforms will be undertaken to make the GEF more solid, more accessible and more equitable. To this end, the system for allocating resources will be fundamentally changed to ensure that all countries receive a reasonable and useful amount of money to address their environmental problems.

The GEF is the only international funding organization that addresses all aspects of the environment, including climate change, biodiversity, land degradation; international waters, chemicals and the ozone layer, and these are all interlinked. One cannot attempt to deal with the challenges of one without affecting the other. So a strong replenishment

of the GEF in real terms is fundamental to addressing the challenges of any and all of these issues.

Copenhagen will be one of the most difficult conferences of the parties ever for UNFCCC. If it is used to create consensus around this type of initiatives, I believe it could be one of the most successful and creative of them all.

Thank you very much.