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Global Environment Facility

Speech

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Global Environment Facility

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Ladies and gentlemen,

I am delighted to meet with you today and thank you for coming to see me on a Saturday morning! I know we will have a lively conversation—not just about the GEF but about how we can together invest in our planet by working to address pressing global issues, particularly climate change and biodiversity.

I am aware that Japanese civil society, particularly groups like yours, is getting more active and is lending important voices that must be heard when leaders make environmental policies and initiate projects. You played an important role during the G8 Summit last year and in other international forums such as the UNFCCC and CBD COPs. And I know you will have an even stronger role to play in how leaders decide to make the financial commitments necessary to meet the challenges ahead with escalating greenhouse gas emissions and species loss.

Today, I want to discuss with you how the GEF could strengthen its relationship with you and your colleagues in the NGO community here in Japan and collaborate further on issues under the UNFCCC and the CBD. In this context, I am here to explain how the Japan-GEF partnership could help boost Japan's leadership role in addressing global environmental issues: not simply with the government but with civil society, for you are a part of the GEF as much as the public and private sector is.

If you were at the Public Seminar yesterday, I maybe repeating some of the same information, but please bear with me as I think it is important to share my views first before our discussion.

About the GEF

Let me take a moment and share a bit of history of the GEF for those of you not familiar with our unique institution:

Established in 1991, the Global Environment Facility (GEF) was restructured in the Rio Earth Summit as a unique multilateral financial mechanism to provide assistance to developing countries in generating global environmental benefits. Today, GEF is *the* financial mechanism for CBD, UNFCCC, and Convention on Persistent Organic Pollutants, and *a* financial mechanism for the Convention to Combat Desertification. The GEF also collaborates closely with other treaties to reach common goals on International Waters and ozone.

Over the last 18 years, the GEF, along with its partner agencies, including UNDP, UNEP, and the World Bank, it has established a strong track-record of catalyzing innovative approaches covering investment and technical assistance, in helping developing countries generate global environmental benefits.

GEF's global portfolio from 1991 to today consists of about 2,400 projects in six focal areas: Biodiversity, Climate Change, International Waters, Land Degradation, POPs, and Ozone. For 165 developing countries and transition economies, we have provided \$8 billion grants, and leveraged \$33 billion co-financing.

NGO involvement in GEF activities

The GEF is an inter-governmental organization, but it has worked with many international, national, and local NGOs in developing and implementing our projects over the years. We have also developed the GEF Small Grants

Programme and the Medium-size Project window (for projects less than \$1 million) particularly to make GEF resources more accessible to the NGO community.

The GEF's Small Grants Programme has invested total of \$450 million in 10000 projects by civil society organizations, including NGOs and indigenous and community-based organizations in more than 100 countries. The maximum grant for the SGP is \$50000 per project. Even though these grants are small, an independent evaluation has shown that they are highly successful and help local communities achieve and sustain global environmental benefits. Moreover, about 50% of the GEF's medium-size projects have been managed by civil society organizations, mainly working on biodiversity conservation and sustainable use with local communities.

We also have a GEF NGO Network, which is a network of about 600 accredited NGOs, working together on GEF policies and projects. They come to the GEF Council meetings and provide important inputs, as well as reach out to the national and local communities for project development and implementation.

I am proud of what we have done to engage important stakeholders – the civil society organizations – in our work, but frankly we need to do more. I think for example we should work more closely and collaborate with interested and relevant Japanese NGOs for the development and implementation of GEF programs and projects worldwide. As you may know, for example, we are cofinancing and working together with Conservation International on the Critical Ecosystem Partnership Fund (CEPF). The CI Japan office has played a key role in securing cofinance from the Government of Japan, and liaising and communicating with the Japanese counterparts on the implementation of the project. We should

be able to do more of these innovative partnership initiatives in the future - but to catalyze these kind of investments we need your help.

GEF's achievements and GEF-Japan Partnership

As you have a copy of the new Japanese version of the publication "Behind the Numbers" in your hand, this briefly outlines the major achievements that the GEF has made over the years in the field of global environment. I would particularly like to highlight the achievements on biodiversity and climate change focal areas today. At the same time, I will explain how we intend to further strengthen our partnership with Japan, and with you.

Biodiversity

Let me start with Biodiversity. The GEF is the world largest contributor of biodiversity conservation in developing countries. In over 155 countries, GEF has financed over 790 projects for about US\$ 2.3 billion. As the sole financial mechanism of the Convention on Biological Diversity, the GEF has played an important role in financing initiatives in the developing countries to implement the many CBD guidance. The GEF is known for its support for protected area management, and we have invested in the creation and better management of 1600 protected areas worldwide, covering 360 million hectares, an area equivalent to Greenland and Mongolia put together.

As you may well know, next year will be the International Year of Biodiversity. The International Year of Biodiversity will be an unprecedented opportunity to highlight the importance of biodiversity for ecosystems, species, and human well-being. And, Japan will be hosting the CBD COP10 meeting in Nagoya; a leadership role that the world would recognize.

It is in fact not an exaggeration to say that the CBD Nagoya meeting will be remembered as an important milestone in global biodiversity conservation efforts. I do not say this lightly: 2010 was the year of biodiversity as targeted by the World Summit on Sustainable Development in 2002. Unfortunately, it is unlikely that the 2010 goal will be achieved. Nevertheless it will be in Nagoya, IN Japan where the world will expect leadership to motivate international communities to reinforce and meet the targets under the post-2010 framework.

For the success of the International Year of Biodiversity including the CBD Nagoya meeting, the GEF is also planning a series of activities to increase global awareness on the continued and irreparable loss of biodiversity and associated ecosystem services to human well-being. For these events, we particularly look forward to closely collaborating with the Government of Japan and Japanese NGOs so that we can effectively increase awareness on biodiversity issues among the global and Japanese citizens, and showcase how Japan has contributed globally for biodiversity conservation and sustainable use through the GEF.

Climate Change

Now, let me move on to the climate change.

In accordance with the guidance from the UNFCCC COP, we have financed US\$ 2.4 billion projects for addressing climate change mitigation that have leveraged US\$ 14 billion. Experts tell us that this means that the total volume of mitigated green house gases (GHGs) is over 1 billion tons of CO₂-equivalent. This amount equals to about 5 percent of anthropogenic GHG emissions.

In addition to the finance for mitigation measurement, through Special Climate Change Fund (SCCF) and Least Development Countries Fund, we have been

assisting developing countries to adapt to negative impacts caused by climate change.

With these records, I strongly believe that the GEF can, and should continuously function as the central financial mechanism under the post-Kyoto climate change architecture.

In reality, however, the landscape of climate change financing is very crowded with too many funds being considered under the UNFCCC and the Kyoto Protocol, and with it an increasing number of funding windows, both multi- and bi-lateral outside the realm of the Convention. In my recollection, there are already 13 multilateral climate change specific funds! Obviously, divisions of labor among these funds are not clear; nor are they fully coordinated. Thus, these funds can be strategically inconsistent or can overlap to a large extent. More importantly, they will put an unfair administrative burden on the shoulders of developing countries given that each fund often come with its specific processes and eligibility criteria. I must say that the current situation is against the spirit of the Paris Declaration for Aid Effectiveness.

This is why I believe that the GEF holds a key to the success of the UNFCCC Copenhagen meeting. One of the critical agenda in Copenhagen is to establish a more enhanced financial mechanism for supporting both mitigation and adaptation efforts of developing countries under the post-2012 framework. If we are to establish an effective and efficient financial mechanism, the proliferation of funds should be stopped and they should be mainstreamed into a central mechanism under the framework. Of course, considering GEF's historical achievements, I am convinced that keeping the GEF as the central mechanism of the UNFCCC is the most effective and rational choice for international

community. It is also the most fair and just choice to protect the world's most vulnerable, given we alone have the institutional memory to know what makes sense for smart, sustainable adaptation financing.

I am aware that the civil society organizations are very influential in these climate change debates and I call on your support. And at the same time, I also want to learn about your positions on the issue, so that we could effectively work together.

GEF Replenishment and Reforms

Finally, I will touch on the issue of replenishment of GEF fund, which is the main reason I am here this week in Japan. The GEF runs under a four-year replenishment cycle, and we started the GEF-5 replenishment discussion with the donor countries last month in Paris. During the last replenishment, the GEF's trust fund was renewed for \$3.3 billion, but with the important caveat that the GEF needed series of reform. We have made significant progress in redesigning the GEF to create a more flexible, transparent, equitable, focused and effective organization. Indeed, the new GEF is well-positioned to become increasingly central to global solutions, particularly as the weight of environmental response falls to the developing world. In addition, the GEF's cross-sectoral nature allows us to serve as a lynchpin for all central environmental issues; we intend to use our role as established financial mechanism, convener and integrator as effectively as possible.

I am aware that further reforms are necessary to broaden access to GEF resources, streamline our project cycle, and implement further institutional reforms. Yet be assured that I am already receiving the confidence and reaffirmed

commitment from many donors that the GEF is well placed to play a pivotal role in the post-2012 world, thus being able to deliver on its well established mandate to achieve cross-border environmental benefits for all.

I am extremely grateful for the contributions that Japan has made to the GEF over the past years. Japan remains our second largest contributor to the GEF Trust Fund. Japan has been an essential partner since the GEF's inception and I welcome our ongoing alliance. Japan's ongoing and further enhanced contributions to the GEF for the next replenishment will send a strong signal that the global environment is a top priority for Japan.

While concluding my remarks, let me reiterate that I look forward to further deepening and broadening our partnership with the Japanese NGOs. I welcome any feedback and further discussion during the remainder of the meeting.

Thank you.