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**Global Environment Facility**

## **Opening Remarks**

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After our long marathon on the GEF replenishment and STAR deliberations, you may be asking yourself why I come back to you AGAIN, this time asking for adaptation resources under the LDCF and SCCF.

There are several strong reasons why I do this. First and foremost it is the moral thing to do; the world is watching what happens here. There is also a practical reason why we meet today and that has to do with the financial architecture under the Climate Convention.

There are many funds under discussion. Each has interesting combinations of conventional and innovative modalities. Yet even if something definitive is decided in Copenhagen, they would not be operational right away. The bottom line is that, over the next few years, multilateral support on the ground will mainly occur through existing delivery channels.

The GEF, as you agree, will surely play a pivotal role in the new architecture. Yet in the time frame that we are discussing right now, under the framework of GEF replenishment, there will be no new architecture to finance adaptation, so from both a practical and technical standpoint it is left to the LDCF and SCCF to keep delivering concrete results to the convention and to vulnerable countries.

As a financial mechanism of the Climate Convention, the conference to the parties have given GEF guidance on adaptation since its inception, and the GEF Council has responded positively, including specific and farsighted language on financing adaptation in the operational strategy back in 1994.

In addition, during the most recent COPs, the developing countries group has called for a financial mechanism with a greater balance between mitigation and adaptation. Now, unlike GEF-3 and GEF-4, where adaptation was financed through the Strategic Priority on Adaptation, in GEF-5 I have pursued a different and more, I believe, practical path: financing adaptation only through the LDCF and SCCF, without including specific adaptation financing envelopes under the GEF Trust Fund.

Reporting on our progress under these funds will be the means to show our accountability as financial mechanism of the Convention.

Other reasons why I ask for a financial commitment on adaptation under these funds include the growing exponential adaptation needs of developing countries and our responsiveness to their call. I am not going to convince this group of experts about the severity of the impacts of climate change and their associated costs, as you are more knowledgeable than I am. What I can talk to you about is the relationship that the GEF Secretariat has strengthened with its agencies in pursuing adaptation actions on the ground, which is demonstrated by the growing number of projects submitted, approved, and under or ready for implementation. Since last January, we have progressed from a scenario of only 3 LDCF projects under implementation, to 21 by the end of the year.

As you know some recipient countries have argued that in its current form the LDCF and the SCCF are not a predictable financial resource. And this is

not an invalid criticism: unlike the GEF, which is replenished every four years, the LDCF and SCCF receive voluntary contributions in a sporadic way, so it is impossible at the country level to foresee if there will be resources or not. The SCCF is currently the only active fund aimed at providing resources for all vulnerable developing countries (only LDC countries, by definition, are eligible for LDCF resources). The demand under the SCCF is about \$130 million per year, and the fund has now only \$3 million available.

One more element to take into account is that our experience in adaptation projects and programming shows that, should adequate resources be available, departing from a project-focused strategy and moving toward a programmatic approach will maximize the impact of each dollar spent under each of these funds at the sectoral, national and global levels. At this stage we need to build on this experience and harvest the fruit we have sown.

We are not making long term plans. We aim to respond to urgent and immediate adaptation needs, which are not limited to LDCs, but have been identified in all vulnerable developing countries

Finally, I think it bears repeating that among different climate change funds, there are several features that give the LDCF and SCCF a comparative advantage. First, there is the fact that they have been both been created under the Climate Convention, which means they are accountable to the parties. Second, their particular mandate addresses the specific needs of LDCs as well as a clearly defined range of activities for vulnerable countries, sector

and communities under the SCCF. Other funds under MDBs follow a different set of priorities and have started piloting adaptation in few selected countries. These funds, on the other hand, provide a service to all vulnerable developing countries under the Convention.

In closing, it is important for donors to remember that the GEF must be accountable on both mitigation and adaptation. Under these funds, the GEF Secretariat has developed specific adaptation programs to make sure that your resources are spent in the most efficient and focused way, specifically on adaptation actions that increase resiliency and are financing not business as usual development, and are focused on results through a high level of flexibility. To match supply and demand, we believe that \$1 billion is a good start for the next four years, although the needs are already much higher than that amount. For this reason, under these voluntary funds we will not propose to you different scenarios, but will make a basic request of one billion (US) dollars, to start this discussion.