



**Twenty-fifth Meeting of the GEF Council
Washington DC, 3 - 8 June 2005**

**Statement by Joke Waller-Hunter
Executive Secretary of the United Nations Framework Convention on Climate Change
Washington, 6 June 2005**

This is of course a very challenging session of the GEF Council, with discussions on the Resource Allocation Framework (RAF) and the third Operational performance and strategy report (OPS 3). Maybe developments in our climate process are slightly less exciting, but I am very pleased to report on a number of developments since the last council meeting that demonstrate that the relationship between the GEF and the UNFCCC is steadily intensifying. I can only hope that this will not be put at risk by the outcome of the RAF discussions.

COP 10, in Buenos Aires in December last year, re-emphasised the attention the climate process is currently giving to adaptation, bringing it up to a similar level as that given to mitigation, which continues to receive focussed attention. Without effective mitigation, which will require deep cuts in emissions, adaptation will be come mission impossible. I was pleased to note that OPS 3 confirmed that the emission reduction targets of the third replenishment of 200 million tonnes of CO₂ have been met. I am concerned though that the pipeline of projects seems to be somewhat empty. Given the urgency to attack the cause of the problem (concentrations keep on going up) through what many call “deep emission reductions”, I can only hope that this is a temporary hiccup. I call upon the implementing agencies to redouble their efforts.

As an expression of enhanced emphasis on adaptation, COP 10 adopted the Buenos Aires Programme of Work on Adaptation and Response Measures. The work programme clearly recognizes the very important role of the GEF in its implementation. At the same time, it distinguishes between funding for activities in the GEF’s operational programme and the “special funds” created by the Marrakech Accord.

It is in the guidance on these “special funds” that I have a major breakthrough to report that occurred ten days ago in the 22nd session of the Subsidiary Body for Implementation. After one and a half years of intense deliberations, agreement has been reached on how to further operationalize the Least Developed Countries Fund (LDCF) to start funding the urgent and immediate adaptation needs of the LDCs identified in their national adaptation programmes. This is a seminal achievement, since it will be the first instance where our Convention guidance has formalized support for concrete adaptation activities that go beyond methodological and preparatory work on vulnerability and adaptation assessment and planning. Parties asked for interaction between the GEF and the LDCs in the further development of the operational guidelines, so that successful initiation of the NAPA implementation phase will soon be a reality

The entry into force of the Kyoto Protocol earlier this year implies that the Adaptation Fund will become operational. I expect first guidance to come from COP/MOP 1, in November-December of this year. This means that the GEF will have four windows to address adaptation, the core fund, with the emphasis on global benefits, pursuing synergy among focal areas, and the three special funds, which have their own characteristics, based on guidance by the COP or the COP/MOP. It is important to closely monitor how these new activities in adaptation evolve, as they will provide insights on how adaptation action is developing in various countries.

The entry into force of the Kyoto Protocol also implies that the relationship between the Protocol and the GEF as financial mechanism may need further clarification. The two secretariats and the Trustee are currently looking into the possible implications.

I earlier made a reference to OPS 3 and I look forward to the reactions of Council members to the climate section. I wholeheartedly subscribe to the importance the report attached to national communications as a strategic policy tool. SBI 22 that concluded two weeks ago, agreed to propose a decision to COP 11 which calls on non-Annex I Parties to make all efforts to submit second and where appropriate third national communications within four years of the initial disbursement of funds; if necessary, and based on national circumstances, they may use an extension period of up to one year after having informed the UNFCCC secretariat.

In conclusion: we have entered a challenging phase in the climate work, in which effective cooperation between GEF and UNFCCC is of paramount importance. . On the one hand we see more emphasis on adaptation, with a major role for the GEF to support Parties in their activities. On the other, the entry into force of the Kyoto Protocol highlights the importance of the use of the flexible mechanisms, CDM, Joint Implementation and emission trading. How GEF activities relate to the creation of a market in which carbon has a price may need further attention, as OPS 3 indicates. At this stage, I can only say that we need, if possible in a well coordinated and integrated manner, the application of all instruments put at Parties' disposal, if we want to effectively deal with the problem of climate change.
