



## Global Environment Facility

November 7, 2005

---

GEF Council  
November 8-10, 2005

STATEMENT DELIVERED BY JANOS PASZTOR  
ON BEHALF OF THE OFFICER-IN-CHARGE,  
UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE  
CHANGE  
WASHINGTON, D.C., 7 NOVEMBER 2005



**Twenty-seventh Meeting of the GEF Council  
Washington DC, 7 - 10 November 2005**

**Statement delivered by Janos Pasztor  
on behalf of the Officer-in-Charge,  
United Nations Framework Convention on Climate Change  
Washington, D.C., 7 November 2005**

We have received expressions of sympathy from around the world on the passing away of Joke Waller-Hunter, Executive Secretary of the UNFCCC, from her many friends and colleagues including from this GEF Council, the GEF secretariat as well as from the implementing and executing agencies. I would like to extend a special note of thanks on behalf of the Convention secretariat for the many kind words to her family and to the secretariat on her passing away. Joke will be missed by all of us.

I find it appropriate to begin my remarks with Joke's words, when she last addressed the council on the 6 June 2005. At that time she concluded by stating:

*"We have entered a challenging phase in the climate work, in which effective cooperation between (the) GEF and UNFCCC is of paramount importance".*

Joke then went on to describe the challenges that are before us. Montreal, and its challenges are just a few weeks ahead of us. It may end up being perhaps the largest meeting of the conference of the Parties ever - demonstrating the importance that governments, the private sector, as well as the civil society attach to climate change.

The United Nations Climate Change Conference in Montreal will be the 11<sup>th</sup> session of the Conference of the Parties to the UNFCCC (COP 11) and the first meeting of the Parties to the Kyoto Protocol (COP/MOP 1). It is expected to adopt a series of decisions that originated from COP 7, containing the entire "Kyoto Rule Book" - the so called Marrakesh package, and thereby put on solid footing the implementation of the Protocol. COP 11 will advance work in many areas, including adaptation and technology, marking the continuation of efforts to implement the Convention. The availability of resources from the GEF Trust Fund to support the implementation of the Convention by the developing countries will continue to be crucial.

There are also a series of decisions that the COP and the COP/MOP are expected to take that relate to the GEF, as an operating entity of the financial mechanism. It is my expectation that the remaining aspects of the Special Climate Change Fund which have been under negotiation for the last few years could now be brought to a conclusion, with clear guidance to the GEF on the kinds of projects that could be funded in the area of economic diversification, and also clear signals to the donor community on what is, and what is not included in the package they are expected to fund.

After the successful conclusion of the negotiations by the SBI on the LDC Fund in May, we also expect that COP 11 will adopt the LDC Fund decision, paving the way for the implementation phase of the National Adaptation Plan of Action (NAPA) process.

COP/MOP 1 is also expected to endorse the frameworks for capacity-building which were developed at Marrakech, and later reviewed by COP 10 in Buenos Aires last year. It may also highlight any additional capacity-building challenges posed by the implementation of the Protocol - in particular by developing countries getting ready for the Clean Development Mechanism (CDM).

Last, but not least, COP/MOP 1 may adopt substantive guidance to the GEF on the Adaptation Fund, building on the initial framework agreed at Marrakesh. The CDM is now up and running, and the last months have seen an impressive acceleration of activity, leading up to the first issuance of Certified Emission Reductions (CERs). It is now very timely for the GEF to be able to report back to the COP/MOP about its detailed plans to operationalize the Adaptation Fund, responding to the request by the COP in Marrakesh. The CDM Executive Board has in the meantime approved recommendations to the COP/MOP on a procedure to convert CERs to cash to support the administrative costs of the CDM in a predictable and sustainable manner.

The third review of the financial mechanism was initiated at SBI 21 and several documents were mandated by the COP to be prepared. Parties have also produced submissions. The COP is expected to conclude the third review of the financial mechanism at COP 12. However, informal discussions on this will start already in Montreal, in the context of the consideration of the report of the GEF to the COP - they key vehicle for the GEF to report on how it has dealt with each of the guidance it has received from the COP.

Given the entry into force of the Protocol, a mechanism is needed by which the COP/MOP could provide guidance directly to the GEF. The Convention secretariat has prepared a document for the SBI, in which it is suggested that Parties could apply the existing Memorandum of Understanding (MoU) between the COP and the GEF *mutatis mutandis* to the COP/MOP and the GEF. Such a decision of the COP/MOP would need to receive the eventual agreement of this Council before it came into force.

The recent decision of the Council to implement a performance based allocation system (RAF), as well as the 4<sup>th</sup> GEF replenishment that will be concluded in just 3 weeks from now, are likely to feature strongly in all the COP and COP-MOP negotiations related to the financial mechanism in Montreal, and more importantly at COP 12 next year during the review of the financial mechanism.

The GEF has been instrumental in supporting the commitments of developing countries to implement the Convention. Without strong support from the GEF Trust Fund, this implementation would be in jeopardy. While contributions to the special funds are important, the role of the Trust Fund, and consequently a healthy replenishment and full climate change pipeline cannot be sufficiently underscored. I expect good progress on the fourth replenishment negotiations. At a time when there are expectations by many that developing countries may need to undertake more actions to respond to climate change, positive signals about the availability of resources could be a significant factor in the overall success of the Montreal Conference.

\*\*\*\*\*