

57th GEF Council Meeting

Opening of the Meeting

Remarks by Naoko Ishii, GEF CEO and Chairperson

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Transcript (edited)

I would like to welcome all of you to the 57th GEF council meeting.

Like some of you in this room, I spent a few days in Madrid for Climate COP25, and maybe like you, I came out of it feeling quite frustrated.

It's difficult to be fully upbeat, when I think about what we couldn't really do during COP25, because we collectively failed to raise the overall ambition on climate change. This sentiment of frustration is amplified because the message from science is getting clearer and louder for why we need such ambition. Also, when you see demonstrations on the street, globally, you see a huge disconnect between the negotiation room and how citizens feel around the globe.

So, with this kind of disconnect, between the science and the negotiations, between the negotiations and peoples' feelings, we have a huge challenge in how to bridge these disconnects. Under such circumstances, I think we must reflect on what we can do as an institution like the GEF.

First, let's think why we are stuck and not able to collectively come up with greater ambition. We know that the transition required (to achieve the necessary ambition) is not incremental. In fact, scientists tell us that we need an unprecedented, massive transformation in our economy, a new way of doing business. Basically, we need to move away from a very linear, fossil-fuel based economic way of doing business towards a much more circular, regenerative, economic model which values natural capital.

This shift is not a small thing. Unprecedented system change is required, and that's why it's so difficult. And, inertia is a powerful enemy, when driven by vested interests and fear of change.

It is not only science that tells us we need this transition. You may have seen several economic studies also making the same point. I want to highlight two examples. Recently, Lord Nick Stern wrote that what we need to see is a huge transition. He tells us that it's not easy, but once you move on to this green revolution, or green development, it's really very beneficial to everyone. In what he describes as "new growth story for the 21st century", he says such a transition (towards a zero-carbon economy) can provide us with 65 million additional low-carbon jobs and US\$2.8 trillion made available from carbon pricing revenues. In 2006, Lord Stern wrote what became known as the "Stern Review" where he revealed the huge cost of inaction in the fight against climate change. His new report tells the story in a very different way, and it's a very good strong message.

Another interesting report was written by the Food and Land use Coalition. The “Growing Better” report tells us what’s possible if we’re able to shift the food system which is currently costing us US\$12 trillion and causing health and the environmental harm in many places. If we make the transition to sustainable food systems it will not only help to erase these negative costs but gives us an additional US\$4.5 trillion of new economic opportunity, and it’s also good for a fair, just, transition to small farmers around the globe. So, this is a very interesting story, the question is how are we able to make that systemic transition, either in the food system, or in the energy system, or in the city space? This is something that the GEF really needs to think through.

One of the keys things to make this transition easier is to work on how to create multi-stakeholder coalitions, because it’s becoming very clear to everyone that this big transformation cannot just be handled by one part of the government or environmental ministers alone.

The challenge is much bigger, so we need to find a way to bring in not only national governments, but sub-national governments too – they should play a very key role. We need to bring in the business people, bring business and finance together, and citizens. So, we need multi-stakeholder coalitions to really shift or transform the key economic systems. Be it the energy system, the food system, the cities system, and how to make production and consumption more circular.

This is something that we at GEF have been trying to do for the last few years, particularly through the GEF-7 negotiations towards system change and the importance of multi-stakeholder coalitions.

Looking back at for the last few months, beyond the Madrid climate cop, I would say I have been quite excited to see what’s going on around this globe. Since we met last June, at the last Council, there have been some quite exciting movements taking place around the globe, and these are very much driven by this Super Year 2020. You may have heard this buzzword. It refers basically to the fact that next year there are quite a lot of important environmental agreements that need to take place. One is the Glasgow climate cop, COP26, where all countries are expected to raise their ambition. And before that the CBD COP, COP15 in October in China. The parties are expected to come up with a new 10-year framework, on Biodiversity.

Driven by those opportunities, I have witnessed a huge and increasing surge of interest, recognition and determination of how we can make the best use of this Super Year 2020. The good news is that there are quite a number of discussions ongoing like New deal for Nature and People, Nature Based Solutions, 30 by 30 agreement. So, it’s not only government but the citizens, business and financial industries, and CSOs coming together to really think: how can we fight against environmental degradation and make the best use of environment or nature.

One thing I was so happy to see, in these movements, is that nature is not only capturing political attention, which it should deserve, as a solution to climate change. Also, it seems that finally nature is recognized as an important value, as a foundation to sustainable development. This change of recognition is something quite remarkable, and I’m excited to say that finally nature is capturing the recognition and attention of citizens around the world.

I have also participated in a lot of discussions around the food and land use coalition, sustainable cities, and oceans over the last few months. One event was the Global Mayors Summit, where there was a discussion about using the city as an incubator to try very new things, like the circular economy in cities,

and food systems in cities. And they opened the event not just for mayors, but to business people and citizens too, and tried to do something very new in the city space. This is just one example that things are moving into the right direction in my view.

Then the question for all of us in this room is: what is the role of the GEF in this new exciting movement? Here, I would like to say two things. One, how can we really demonstrate and present the pathway to navigate this very challenging (economic) transition. As I mentioned at the very beginning, we are stuck, because we are not necessarily sure how we can navigate that transition. And, fear of change, and maybe immediate cost of the change, maybe overwhelming.

We need to present how this transition will be navigated by working together. Our food, land use and restoration program, sustainable cities program, and our forest (SLM) management program, are the kind of examples to show and present on how the transition may look like. Here, the GEF's role is to present this pathway for a very challenging transition and show how we can work together to reach the ideal situation. The situation where we would like to be. This, to me, is the most important role of the GEF, and by supporting countries and business together to start and move on this issue of transition.

The second part of what the GEF should do, in this context, is about targets. There is a lot of discussion concerning new agreements (such as reaching a new deal for nature). They are all looking for this target which is equivalent to 1.5C. Climate change has its target and it unites people. Everyone understands that this is going to be important, and people are trying to think how to achieve this. Whether 1.5C or 2 degrees. The Nature Community doesn't have that kind of apex target. There is a surging interest, an increasing interest on what would be the equivalent to 1.5 degrees, and how would we come up with something that we can all stick to. There may be some consensus emerging in some parts of the world on a net-zero loss for nature. The discussion is ongoing towards the Kunming COP of the CBD.

I think one thing that we shouldn't forget is that a target won't mean much, unless it is achieved. When we look at the Aichi Framework, and there are 20 targets in the Biodiversity Framework, do you know which one is the worst? It's the agriculture one. Unless you find a way to work with the agriculture sector, how can you come up with a sustainable food system? Whatever number we can agree, it will just be a number on paper. I think that GEF's role in this target discussion is that while it's important for the community to come up with the target, we should also present how to achieve that target. Otherwise, we will repeat the same mistakes we have done for the Aichi targets. Here I see the role of the GEF can be extremely useful and instrumental.

We have already been doing some of these programs on the ground, we just need to bring those things together. We need to see how we can really help the community, not only discussing and agreeing on the numbers, but how target should be achieved. Several of our programs in GEF-7 present how to navigate those transitions and I really think that this is the role of the GEF, this is a role we could play.

So, these are maybe key goals, and contributions that the GEF can do to this ongoing conversation in the global sustainability or environmental community. Now I want to think a little bit more to what this exactly means to this room. In order to make these contributions we have two pillars that we need to take care of. One pillar is our projects and programs, this is our delivery, to the country and the communities, how you could really use these to achieve these goals. The second pillar is also very important, this is how we can be sure to keep our house in order, how the GEF's as an Institution, its policies and behaviors, need to be put in place to ensure delivery of the projects and programs.

Let me say a few words about them:

In terms of projects and programs, we will discuss the work program. This is one of the largest programs in GEF's history, it also includes several transformative programs. We will present for your consideration the sustainable cities program, it is a big system change program. Interestingly, when we started this program under GEF-6 the cities were leaders to fight against climate change. Now, we have also seen proposals that cities take nature into account when making plans and designs. So, it is quite an evolution in my mind. It is really good news that city leaders are taking the fight against climate change and taking nature into account in their city designs.

We will add five more countries to the food and land use restoration program. It's going to be 23 countries and covering several key commodities. This is a very important program as a vehicle to navigate the transition of the food and land use system. Then we also have an E-mobility program as a transition for the energy system. In terms of protecting key biomes, and ecosystems, I want to mention 2 new programs. One is the blue alliance for the ocean. This is the first time in the GEF's history that we have come up with a very big coalition with foundations. We will put in \$US25 million, and I think that several institutions put in 75 million, so this is going to be a very big program to really address this ecosystem, and how the ocean can also support sustainable development as well as ensure its health. Another interesting program is the inclusive conservation program, which lies with the role of indigenous peoples as guardians of the ecosystem. This is the first time the GEF has direct ties with the indigenous peoples in this big program, so it is another important element.

It's not a new program, but I want to mention another ongoing program of the Amazon. When it comes to the fires that affected the region last summer, you may remember that our Amazon sustainable landscape program was cited by the heads of states of amazon countries, when they came up with the Leticia Pact. This takes the Amazon as an integrated unit and takes very strong leadership. This Pact, signed back in September, recommends that the second phase of the GEF amazon sustainable landscapes program be accelerated. To us it's an honor and pleasure to be referred as the basis for a consortium by the Amazon heads of states, and we are accelerating our preparations for ASL2 and implementing ASL1. This is more of a platform approach, because it's not only GEF, it's the Amazon countries, governments, both national, and subnational and several key donors involved, as well as the players and people on the ground.

Interestingly last week in Madrid seven states came together and created a consortium, and they tried to do a more integrated, united, common approach for the Amazon. The GEF was invited to help. All in all, our approach by working with local institutions and treating the Amazon as a single biome has been appreciated by country leaders.

In continuing to talk about the programming side you will see the private sector engagement strategy, which was the homework from the GEF-7 negotiation. We present that strategy tomorrow, but for today's lunch we invited two members from the private sector advisory group to talk about the private sector engagement strategy. Because this strategy is very much based on their inputs, I very much hope that council members and alternates can join today's lunch to engage with the m.

My last item on the programming side is resilience. One bright spot from the Madrid COP was an increasing interest in adaptation. In the past, adaptation could not capture private sector interest, but clearly that has been changing. I have been involved in a lot of the discussion with adaptation and the

private sector, and what the private sector can do for adaptation. On Thursday we will have an LDCF discussion and you will hear about the challenge program, a 10 million window to encourage private sector innovation, that you approved last year. There was a call for proposals, and we received 400 proposals valued at \$US 500 million against a \$US 10 million window. So, it's not really a shortage of ideas, it's more of a shortage of funds as a barrier.

All in all, on the program side we have made very good progress, and we want to continue to receive your support as council members, towards this direction, of how we could really help countries accelerate their transition, together with multi-stakeholder partners.

Second is how to keep our house in order, so that we can continue to deliver these projects and programs. We will discuss a few key policy proposals. We will present the minimum fiduciary standard policy update, and if this update is adopted, we will have concluded a general update of all major policies, including fiduciary, safeguards, gender, and engagement.

This is, therefore, a very important piece to finalize our effort to ensure maximum guarantee of our projects and programs to protect people, financial resources, and the environment. Over the last two years, we made lots of efforts to introduce measures of efficiency and results, and today the first item of discussion is the monitoring report, which sheds light on the health of our active portfolio, efficiency and results matrix.

Before concluding, I would like to thank the GEF partners for all their efforts, particularly on the policy side. We need collaboration from agencies to update these standards, and it is a very extensive process to ensure all 18 agencies really keep up with the need to update standards. As for STAP and IEO, today and tomorrow, we will hear from them on their contribution to the GEF family. Maybe it's not a family but it's more like a cousin, but had a very good collaboration with GCF, particularly during COP25. For the first time in our history, GCF and GEF shared a joint pavilion in Madrid, and some of you visited us. Thank you so much. We also had several joint events on topics like blended finance.

Going forward, I think we have a huge opportunity toward Super Year 2020. As I mentioned, I see the very clear potential of our contribution to the journey, which GEF can make through our projects and programs, through our policies, and through our partnership.

GEF will continue to support countries to make the transition as smooth as possible and follow pathways to achieve our ambitions.

Thank you so much.