



Challenges and Opportunities of a New Climate Regime:

What needs to be done at the United Nations Climate Summit 2014?

Remarks

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Your Excellency the Minister of Foreign Affairs,
Members of the Diplomatic Corps,
Honourable Governor,
President of KAIST,
Distinguished Professors and Chairs,
Ladies and Gentlemen,

I am delighted to be here today, and to join this important discussion. Let me begin by congratulating the organizers of this Summit, not only for their work of recent months, but also for their vision. They have brought together under one roof more than 200 leaders and experts from diverse backgrounds to help shape the agenda for the upcoming UN Secretary-General Climate Summit.

The Climate Summit is certainly an important moment in the global response to climate change, and events such as today's can play a key role in planning to make the Summit a success. But what would success look like? What can we expect from the Secretary General's Summit?

Of course, our expectations need to be realistic, but at the same time the Summit is welcome precisely because we are all aware of the urgent need for a new impetus – for political movement that will make an ambitious global deal at the 2015 COP more likely.

Before answering the question about what would count as success, let me suggest two key issues that need to be on the agenda this month in New York: climate finance and trust.

It will not come as a surprise to you that I want to identify climate finance as one of the major issues for the Summit.

After all, the Green Climate Fund was setup precisely to unlock the global finance and investment for both mitigation and adaptation.

Funding the global response to climate change is a critical part of the global negotiations on climate change, and the Fund will play a leading role in support of the aim of keeping the average global temperature increase below 2C.

Climate finance is already growing in 2013 just over \$240 billion was invested in new clean energies up from \$80 billion in 2005. But we need to trigger further massive investments, particularly in the developing world, and developed countries have pledged that these flows should reach \$100 billion per year by 2020.

All of this climate financing will support a paradigm-shift towards low-emission and climate-resilient development something that we hope to achieve through innovative funding models and the deployment of new technologies.

The Fund is also committed to spending 50% of its resources on adaptation projects, with a particular focus on supporting those developing countries that are most vulnerable to the devastating impacts of climate change, such as SIDS, least developed countries and African States.

This Fund will catalyze climate finance flows from the developed to the developing world. These flows will come from developed countries, but also from private investments, and indeed one of the innovative elements of the Fund is our focus on promoting private sector climate investment through our Private Sector Facility, identifying and helping to overcome barriers to investment so that private capital can drive transformational change.

But we need public funds from developed countries of course, and this is what we are seeking in our initial resource mobilization, open until the end of this year – pledges from contributing countries that will allow us to move to full operationalization early in 2015.

The good news is that some countries have already signaled their intent to back the Fund — Germany has announced its intention to provide around \$1 billion and Norway has indicated that it will make a pledge at Ban Ki-moon's Climate Summit.

I feel very privileged to be giving these remarks in the presence of the Korean Minister of Foreign Affairs. Please allow me to take this opportunity to solicit funding for the Green Climate Fund from the Republic of Korea – not because it is hosting the fund, but because of its commitment for clean energy development, as much as for its economic strength. A contribution from this country would send an important signal, to both developed and developing countries alike.

Other nations are preparing to follow suit with the size of their support commensurate with their responsibilities for climate change and their capabilities in respect to their economies. We confidently expect that the Climate Summit will provide the occasion for other countries to declare their own intentions to back the Fund, and to announce pledges.

The Green Climate Fund is not the only piece of the puzzle of course. We need ambitious and progressive national strategies, we need enlightened investors and banks, as well as various support systems such as the Clean Development Mechanism of the Kyoto Protocol, the Global Environment Facility and Climate Investment Funds of the multilateral development banks.

And most of all we need political agreement between the countries that are part of the UNFCCC, agreement that will need to be based upon trust.

That brings me to the second key issue for the Summit: how to build trust between countries – the trust that will allow us to overcome differences and commit to an ambitious international agreement where everyone can benefit.

It is easy to be cynical about international progress on climate change. We often see only the roadblocks and the setbacks. We also see that developing countries expect that everyone will contribute fairly to solving this global problem – and that fairness is a prerequisite for trust.

But I am optimistic about the prospects for agreement. And that optimism comes precisely from my work with the Board of the Green Climate Fund.

The Fund has been setup as an operating entity of the financial mechanism of the UNFCCC. Put more simply, we are a joint endeavor between developed and developing countries – equally represented on our Board.

We have had some tough negotiations about how to structure the Fund, about the balance of priorities, the principles, approaches, and rules that will govern our operations. We have had to balance the needs of all – from the smallest island states at risk of rising sea levels to the largest developed countries. And progress has only been possible through sometimes hard-fought consensus.

But we have agreed all of the essential elements that were needed in order to open our initial resource mobilization and open the Fund for business.

The Fund is therefore not only a means to support global action on climate change. It is also already a good example of what can be achieved through international cooperation, when countries work together, and in doing so, they build trust.

And it is our success in achieving consensus to build a new financial institution from scratch that gives me confidence that on a larger scale the Climate Summit can move towards an ambitious deal that can save the world from the threat of damaging climate change.

If we are to judge the Climate Summit, it should be on the basis of whether we end that Summit with a greater chance of such a global deal next year. What would success for the Summit look like then?

We need to secure significant pledges from contributing countries to the Green Climate Fund, and we need to build greater trust between countries.

Climate finance and trust – those two elements are inextricably linked. Pledges on climate finance will build the trust we need for an international agreement.

Securing progress on those two linked issues would be a good test for the Climate Summit and I am confident that the international community can pass the test.

Thank You.