



Why No Money for UNFCCC Funds?

GEF NGO Network, 10th December 2009

It is widely accepted that the needs for financing to meet key actions under the UNFCCC such as capacity building, technology transfer, mitigation and adaptation requires funding flows of hundreds of billions of dollars per year. In contrast, the formal funds related to the UNFCCC notably the SCCF, LDCF and GEF Trust Fund have virtually run out of money and the new Adaptation Fund is not yet operational. The next few years are critical to build adequate capacity in the LDCs and other developing countries for the full post 2012 financial mechanism.

Despite the claims by many donor countries that they will make significant allocation of funds for convention implementation – the reality with regard to the convention-related funds is different. For the past 10 years the GEF Trust Fund has been replenished at a level of about only \$200 million per year for climate change or \$1.6 million per recipient country on average. Funding for the LDCF and SSCF are much worse with only about \$300 million total or \$60 million per year contributed since the first years of operationalization of the funds in 2004/ 5. In addition - at the end of November 2009, the Adaptation Fund only had received \$33 million. Currently all GEF4 Trust fund resources have been allocated and new funds will not be available till after July 2010 subject to the 5th Replenishment.

Civil society organizations through the GEF NGO Network are calling for sufficient and predictable resources for all these funds. While the real needs are higher it is essential that a minimum allocation is made of \$1 billion/year for climate change mitigation, technology transfer and capacity building through the GEF Trust Fund and \$1 billion/ year for the SCCF/LDCF to support adaptation. With regard to the Adaptation Fund – it needs to become operational as soon as possible – and subsequently the resources need to be scaled-up. In order to secure easy access of these sources for the recipient countries as well as transparency, fast track finance should be mainly channeled through the existing UNFCCC related funds rather than through other bilateral or ad-hoc mechanisms not answerable to the Convention.