

**Hon. Minister Charmaine Scotty M.P.,
Minister for Education, Home Affairs and Land Management, Minister Assisting
the President on Climate Change
Statement for the 3rd High-Level Ministerial Dialogue on Climate Finance –
“Translating climate finance needs into action”
Monday, 10 December, 2018, 3 – 6pm**

Climate finance is the lynchpin of the Paris Agreement.

Without it or lack of it will be a testament of a future that we all have to bear.

Mr. Moderator,

For vulnerable nations like Nauru, lack of ambition is not the problem. Political will is not the problem, but lack of resources is the Problem.

I would like to highlight three urgent priorities that will help translate our climate finance needs into action.

1. Countries like mine have traditionally struggled to **access international sources of finance**, therefore, we must ensure that funds are made more accessible to our capacity constrained countries. It does not make sense to require the same application requirements for our small projects as those many times larger. Streamlined and harmonized modalities would significantly reduce the burden on our countries when trying to access much needed resources. We do not always have the domestic expertise to draft detailed project proposals, and when we do, that person is generally stretched across too many responsibilities. Bringing in outside experts is expensive, and ends up becoming a large percentage of the overall project costs. Furthermore, it is not clear that project-by-project financing is sustainable and effective in small islands. Simplified financing modalities such as direct access and budgetary support are yielding much better results.
2. Some studies have found that finance for **climate adaptation still lags far behind finance for mitigation**, despite agreement that there needs to be a balance between the two. The recently released IPCC Special Report on 1.5 degrees should leave no doubt that, even under a best case scenario,

vulnerable countries will need to dramatically scale up their adaptation efforts. Any responsible planner needs to be seriously considering much more dire, but likely more probable scenarios as well. We are open to exploring new innovative sources as a supplement, however, most finance for adaptation should be grant-based. Private markets have proven not interested in funding adaptation, and it is too expensive to boot. SIDS bear very little responsibility for creating the climate crisis, but suffer its worst impacts. We should not have to bear the costs of adaptation alone.

3. Many had high hopes that the GCF would become the primary multilateral fund for mobilizing climate finance when it was established. The initial capitalization of the Fund, while modest in scale, relative to need, was nonetheless an important milestone in our effort to scale up climate finance. These contributions served as an important vote of confidence in a new and untested institution, and the countries that made them have our gratitude. Some growing pains at the GCF can be expected, however, the slow progress on its replenishment has become a growing concern, as have the statements of some countries that they will no longer contribute to the GCF in the future. Make no mistake, climate finance is the lynchpin of the Paris Agreement and the GCF is its most important source. The GCF has taken some important strides towards becoming the transformational institution we need, particularly with regards to its allocation of climate finance for adaptation in SIDS, however, too often the Fund has been used as a bargaining chip in political games. We strongly urge the **GCF Board to agree to a reliable and predictable replenishment process.**

In conclusion, we recognize the slow progress of the negotiations, especially on climate finance. The many attempts by others to dilute obligations of the elites to provide climate finance are worrisome. For Nauru, **Climate Finance must be new, additional and predictable.**

Thank you