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**Statement**

**by**

**Ms. Olga Algayerova**

**United Nations Under-Secretary-General**

**Executive Secretary**

**of the United Nations Economic Commission for Europe**

**at**

**“Bridging the gap in climate finance: Perspectives and key initiatives  
by the UN Regional Commissions”**

Glasgow, 3 November 2021

Scottish Event Campus, Hall 4, PV 06, SDG Pavilion

Excellencies,  
Distinguished Guests,  
Colleagues,

I am pleased to join my fellow Executive Secretaries to present how the United Nations Economic Commission for Europe is partnering with countries and a myriad of stakeholders to mobilize climate finance. **We do it by creating suitable conditions through regulatory frameworks and specific projects. First, UNECE partners with International Financial Institutions to integrate the principles of Public Participation and Environmental Impact Assessments in their climate-related investment projects in the region.**

- Normative UNECE tools such as the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) and the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) set out the obligations of Parties to assess the environmental impact of certain activities early in the planning process. These norms are routinely used by multilateral development banks in the UNECE region when considering their investment projects.
  - A concrete example for UNECE collaboration with International Financial Institutions is the partnership with the European Investment Bank, the financial investment arm of the European Union. Together, we seek to promote economic cooperation and cohesion and support countries in the implementation of the 2030 Agenda for Sustainable Development, specifically targeting greening of investments in transport, energy and other fields. We explore collaboration opportunities on specific investment projects, such as support for the implementation of national action plans and transboundary agreements for joint activities based on UNECE's multilateral environmental
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agreements, investment plans and projects. Our norms are also used by other financial institutions, such as the European Bank for Reconstruction and Development (EBRD) and the World Bank.

- Another normative tool is UNECE's Convention on the Protection and Use of Transboundary Watercourses and International Lakes. The Water Convention provides a global legal and intergovernmental framework for cooperation between countries on climate change adaptation in shared basins, including sharing knowledge and supporting basins in accessing finance for climate change adaptation.

**Second, UNECE helps governments prioritize financing for climate goals through the recommendations made in Environmental Performance Reviews (ERPs).**

ERPs assess the progress of a country in reconciling its environmental and economic targets with meeting its international environmental commitments. Performance Reviews have been conducted for some 25 countries in the region to date.

- The 1st cycle of ERPs (from 1994) established baselines on trends, policy commitments, institutional arrangements and routine capabilities for carrying out national evaluations.
  - The 2nd cycle (since 2000) assessed progress and helped to stimulate greater accountability. It emphasized the implementation and financing of environment policy, integration of environmental concerns into economic sectors and the promotion of sustainable development.
  - The 3rd cycle (since 2012) focuses on environmental governance and financing in a green economy context. This supports policy shifts towards climate-smart blending and upscaling domestic green finance.
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**Third, as part of its High-Performance Buildings Initiative, UNECE helps scale up finance availability and create sustainable financing models to support the decarbonization of the housing stock.**

Buildings are responsible for 40% of greenhouse gas emissions due to the energy services they require. UNECE - through a partnership under framework of the International Climate Initiative - is developing a project to improve building energy performance and reduce embodied carbon and energy. The project will include the assessment of market and financing mechanisms to support the introduction of new energy and resource efficient approaches and products in the global building value chain industry to deliver high performance buildings.

Other UNECE contributions in the housing sector include:

- the “Compendium of Practices on Innovative Financing”. This compilation with a strong focus on climate smart cities was prepared by the UNECE Committee on Urban Development, Housing and Land Management secretariat, as lead of the United for Smart Sustainable Cities thematic group on Innovative Financing.
- the 2021 publication #Housing2030 “Effective policies for affordable housing in the UNECE region”. It contains a dedicated chapter on investment pathways and best practices to deliver affordable and inclusive housing.

**Fourth, enhanced regional cooperation is needed to develop nature-based and technological solutions for capturing CO2 emissions from the atmosphere and ensuring its long-term storage. In UNECE, we advocate for favorable investment conditions for carbon dioxide removal and the development of related legal, financial and regulatory frameworks in collaboration with infrastructure and banking institutions.**

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- I am pleased that the Executive Secretaries of all Regional Commissions have joined this call for urgent action, including at the High-level Dialogue on Energy at the General Assembly last September.
- Just this morning, UNECE and the University of Glasgow held an event as part of a related UNECE project. It seeks to better understand implications and opportunities of moving to carbon neutrality in the UNECE region across the power and energy-intensive industries by 2050. One objective is to support countries in creating funding mechanisms for carbon capture, use and storage (CCUS) and direct investments towards the modernization of energy infrastructure.

**Fifth, UNECE also supports its member States, through the Conference of European Statisticians, in identifying information needs and measurement challenges related to climate finance.**

- The 2021 Expert Forum for Producers and Users of Climate Change-Related Statistics discussed information needs and measurement challenges related to green finance and the role of National Statistics Offices (NSOs) in addressing them.
- Green finance products must have mechanisms in place that assist in the selection of projects but, even more importantly, in the collection and verification of related performance information. Here environmental statistics and other indicators that may be collected as part of other reporting obligations are key.

There are other areas with potential to grow that UNECE is exploring for the near future. One of them is financing forest landscape restoration, a nature-based solution to adapt and to mitigate climate change.

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UNECE is supporting member States in integrating this issue into national strategies, to build more resilience and to align national, regional and international forest restoration and planting efforts. Going forward, we will continue our work to attract further financing for these initiatives.

Thank you for your kind attention.

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