



Intra-ACP GCCA Programme



# Climate Change Funding I

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Josh Brann, [Brann.Evaluation@gmail.com](mailto:Brann.Evaluation@gmail.com)  
Consultant to the ACP GCCA Programme  
(LTS-Baastel-CAMCO)



# Adaptation Fund (AF)





# Adaptation Fund Overview

The Adaptation Fund (AF) was established to finance concrete adaptation projects and programmes in developing countries that are Party to the Kyoto Protocol and that are most vulnerable to the effects of climate change.

Any ACP parties to the Kyoto Protocol are eligible.

Considered as the most vulnerable are countries with low-lying coastal areas; countries prone to desertification and drought; and countries that rely heavily on income from fossil fuel production and commerce. Vulnerability criteria have not yet been actively applied under the AF.





# Adaptation Fund Status

- ◆ Active for two years
- ◆ 18 approvals, totaling \$115.7m USD
- ◆ \$284m USD deposited
- ◆ Balance of \$140m, expected to reach \$204m by end 2012
- ◆ Fall in price of CERs creates significant headwinds for additional funding (CDM carbon market uncertainty, global economic crisis)
- ◆ Potential demand of \$331m through 2013, based on eligible countries and accredited IEs
- ◆ Access of maximum amounts would create possible shortfall of \$127m through 2013
- ◆ Additional fundraising target of \$100m has been specified to partially meet shortfall





# Innovative Features of the AF

- ◆ Direct Access for Developing Countries
- ◆ Primary source of Revenue: Certified Emissions Reductions (CERs)
- ◆ Balanced developing/developed governance Structure
- ◆ Mandate:
  - ◆ Projects: “Set of concrete activities aimed at addressing the adverse impacts of and risks posed by climate change”
  - ◆ Program: “A process, a plan, or an approach for addressing climate change impacts that is broader than the scope of an individual project”
  - ◆ Can be implemented at the community, national or transboundary level





# AF Strategic Priorities

- ◆ Supporting adaptation priorities determined by and within developing countries
- ◆ Consistency with relevant national development, poverty reduction, and climate change strategies
- ◆ Taking into account existing scientific and political guidance
- ◆ Special attention to the particular needs of the most vulnerable countries and populations





# AF Results Framework

- ◆ Impact: Increased resilience at the community, national and regional levels to climate variability and change
- ◆ Outcome 1: Reduced exposure at national level to climate-related hazards and threats
- ◆ Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses
- ◆ Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level
- ◆ Outcome 4: Increased adaptive capacity within relevant development and natural resource sectors
- ◆ Outcome 5: Increased ecosystem resilience in response to climate change and variability induced stress
- ◆ Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas
- ◆ Outcome 7: Improved policies and regulations that promote and enforce resilience measures





# ACP Participation in AF

- ◆ Approved projects: Eritrea, Cook Islands, Madagascar, Mauritius, Samoa, Senegal, Solomon Islands and Tanzania, Papua New Guinea
- ◆ Submitted proposals: Belize, Benin, Mauritania, Suriname, Tonga, Fiji, Ghana
- ◆ Endorsed concepts: Djibouti, Seychelles, Jamaica







# AF Direct Access: ACP NIEs

- ◆ National Implementing Entity (NIE): Must be accredited through designated process by AF. Seven ACP countries have accredited NIEs thus far:
  - ◆ Jamaica: Planning Institute of Jamaica
  - ◆ Senegal: Centre de Suivi Ecologique
  - ◆ Benin: National Environment Fund
  - ◆ South Africa: SANBI
  - ◆ Belize: Protected Areas Conservation Trust (PACT)
  - ◆ Rwanda: Ministry of Natural Resources (MINIRENA)
  - ◆ Kenya: National Environment Management Authority (NEMA)





# AF Access Pathway: MIE/RIE

- ◆ Multilateral Implementing Entity (MIE) – 10 accredited MIEs:
  - ◆ African Development Bank (AfDB)
  - ◆ Asian Development Bank (ADB)
  - ◆ Inter-American Development Bank (IDB)
  - ◆ International Fund for Agricultural Development (IFAD)
  - ◆ United Nations Development Programme (UNDP)
  - ◆ United Nations Environment Programme (UNEP)
  - ◆ United Nations Educational, Scientific and Cultural Organization (UNESCO)
  - ◆ United Nations World Food Programme (WFP)
  - ◆ World Bank
  - ◆ World Meteorological Organization (WMO)
  
- ◆ Regional Implementing Entity: West African Development Bank (BOAD)





# AF Accreditation Process

## Step 1: Submit Application

- Description of how the organization meets the specific required capabilities
- Attachment of supporting documentation

## Step 2: Accreditation Panel Reviews Application

## Step 3: Panel can request additional information/clarification from organization

- Might suggest to Board that an on-site visit is required
- Might suggest that technical support needs to be provided to an applicant to improve its capacity in order to attain accreditation

## Step 4: Panel makes recommendation to the AF Board

## Step 5: AF Board makes final decision on accreditation of entity

- Accreditation Process Experience
  - Can take from 3 months – 1 year
  - Accreditation valid for 5 years, and can be renewed, subject to review
  - If unsuccessful after 1 year process ends for a given applicant
  - Unsuccessful applicants are not made public
  - Accreditation can be revoked through due process if deemed necessary





# Accreditation Fiduciary Standards

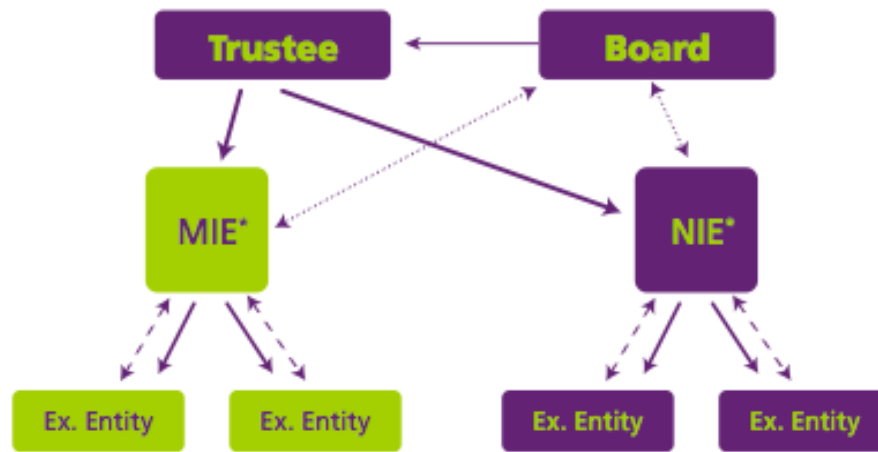
- ◆ Financial Integrity and Management
  - ◆ Accurate and regular recording of transactions and balances, audited periodically by an independent firm or organization
  - ◆ Managing and disbursing funds efficiently and with safeguards to recipients on a timely basis
  - ◆ Produce forward-looking plans and budgets
  - ◆ Legal status to contract with the AF and third parties
- ◆ Institutional Capacity
  - ◆ Procurement procedures which provide for transparent practices, including on competition
  - ◆ Capacity to undertake monitoring and evaluation
  - ◆ Ability to identify, develop and appraise projects/programmes
  - ◆ Competence to manage or oversee the execution of the project/programme including ability to manage sub-recipients and support delivery and implementation
- ◆ Transparency and Self-Investigative Powers
  - ◆ Competence to deal with financial mismanagement and other forms of malpractice





# AF Funding Pathways

FIGURE1: MODALITIES FOR ACCESSING RESOURCES OF THE ADAPTATION FUND



- ← Financial Flow
- ↔ Proposal Submission and Contract
- ↔ Proposal Elaboration and oversight
- ← Instruction from the Board to the Trustee
- Direct Access Modality





# AF Project Sizes

- ◆ Average project from first 36 projects reviewed is \$7m USD
- ◆ “Temporary” cap of \$10 m USD per country based on current AF capitalization situation
- ◆ “Regular” projects and programs: >\$1 million USD
- ◆ Small size: <\$1 million USD (no projects yet submitted)
- ◆ Maximum of 50% of funding available through MIEs – cap is near, subsequent proposals will go on waiting list until total funding allows further raising of the 50% ceiling





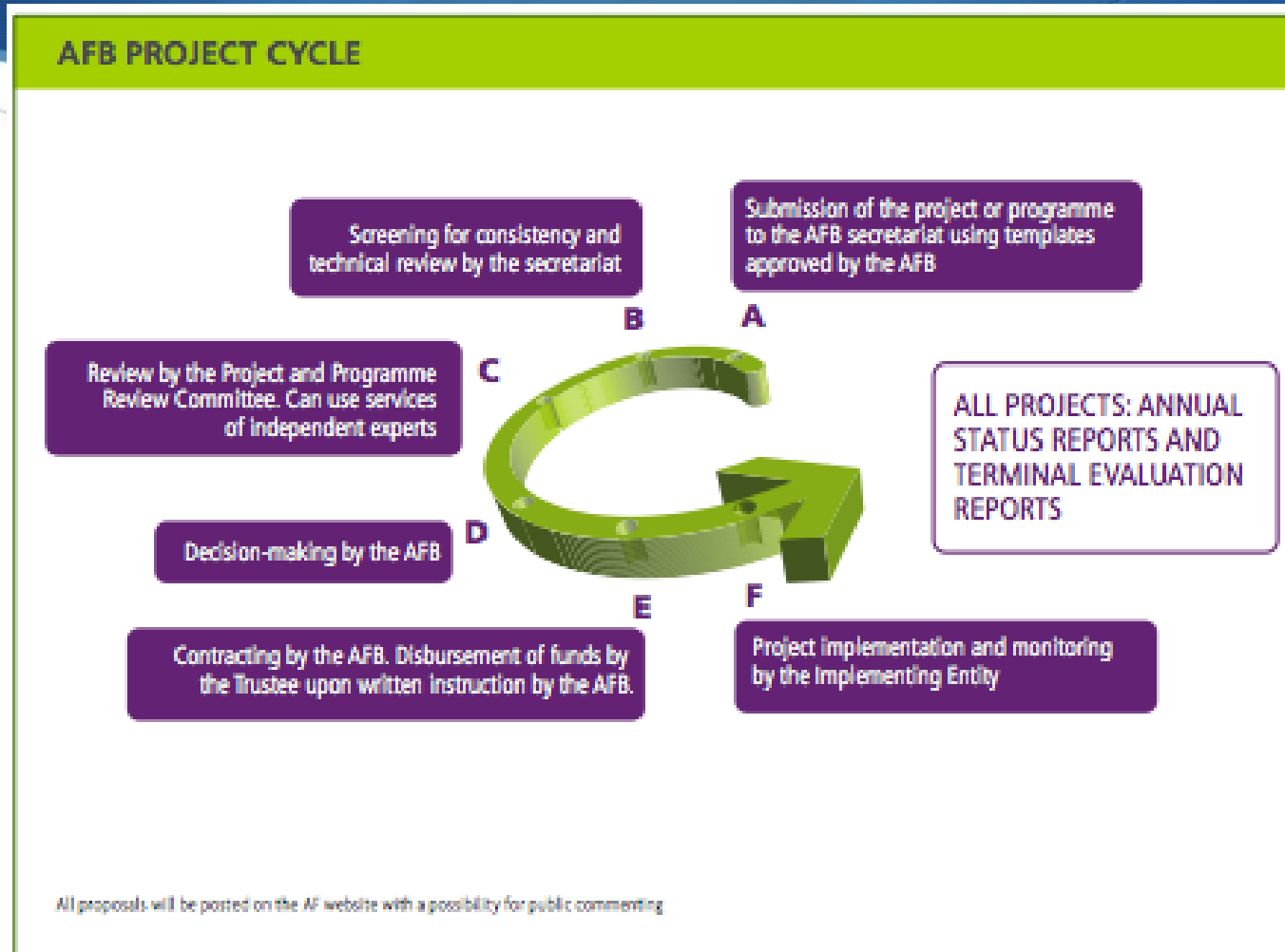
# AF Project Cycle Steps

- ◆ Eligible developing country Parties submit proposals to the AF Secretariat through NIEs, MIEs, or RIEs
- ◆ The AF Secretariat screens proposals and forwards technical reviews to the Project and Programme Review Committee (PPRC)
- ◆ PPRC reviews proposals and prepares recommendations for the Board
- ◆ Board decides on proposals
- ◆ In case of project approval the AF Secretariat processes contracts with the NIE/MIE and the Trustee transfers resources for implementation
- ◆ Reporting and disbursement directly to/from AF Secretariat on annual basis, based on planned disbursement schedule





# AF Project Cycle Diagram







# AF Application Process

- ◆ One step process: Submission of a fully-developed proposal for regular approval steps – technical screening, PPRC recommendation, board approval
- ◆ Two step process: Concept submission for endorsement, then same as above





# Project Review Criteria

- ◆ Government endorsement
- ◆ Concrete adaptation activities\*
- ◆ Economic, social and environmental benefits, particularly with reference to most vulnerable communities
- ◆ Cost-effectiveness
- ◆ Consistent with relevant national strategies
- ◆ Meets relevant national technical standards, where applicable
- ◆ No duplication of funding sources
- ◆ Learning and knowledge management component
- ◆ Justification of the basis for full cost of adaptation





# Additional Review Criteria

- ◆ Within funding cap of country
- ◆ Submitted through accredited implementing entity
- ◆ Adequate arrangements for project management
- ◆ Measures for financial and project risk management
- ◆ Arrangements for M&E, including budgeted M&E plan
- ◆ Project results framework





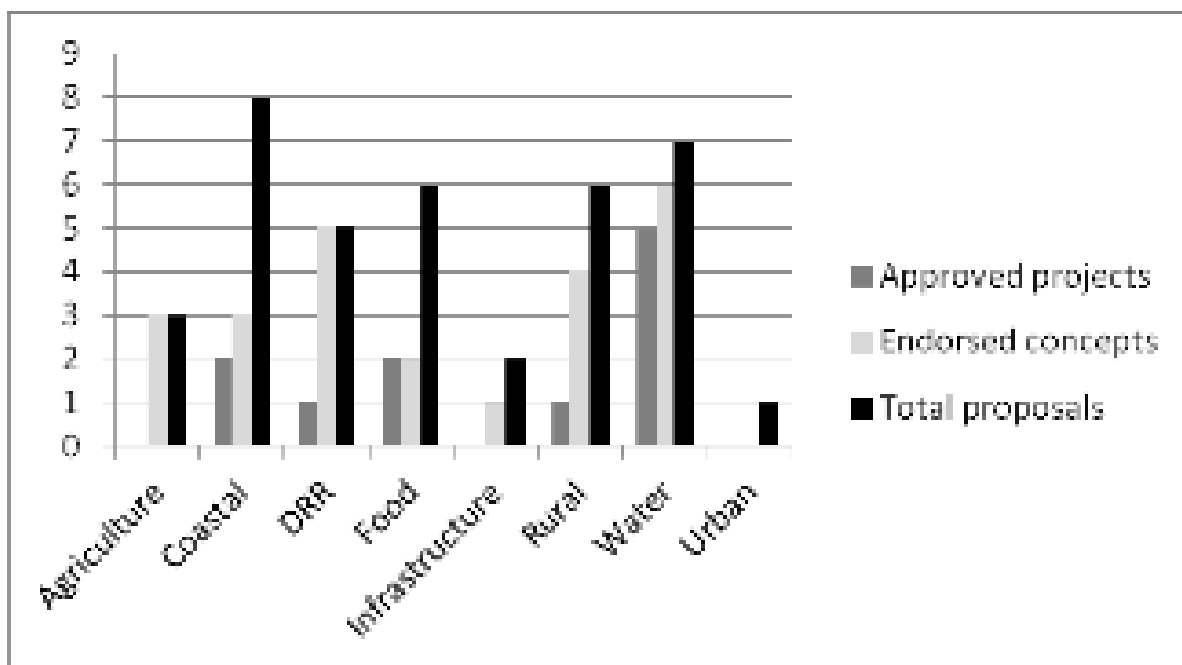
# AF Project Cycle Experience

- ◆ As of September 2011 (the 6<sup>th</sup> meeting of the PPRC), 32 concepts and 18 full proposals had been reviewed, representing a total of 36 different projects/programmes
- ◆ For the first 11 approvals, time between submission and approval ranges from 9 weeks\* to 15 months, with an average of 6.5 months
- ◆ 53% of concepts approved at first submission; 39% of full proposals approved at first submission
- ◆ For 82% of the 11 approved projects, UNDP has served as the IE, and is responsible for 63% of proposals submitted



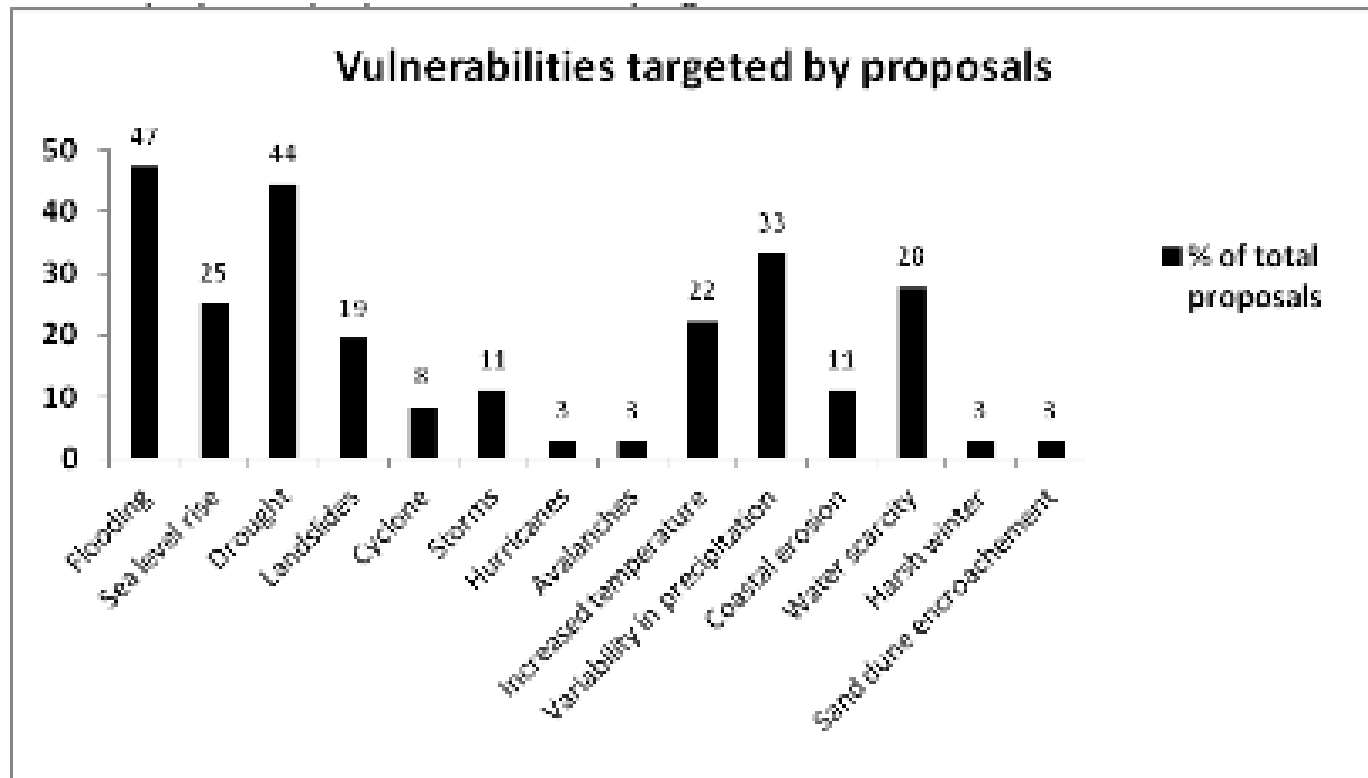


# AF Proposals by Sector





# AF Proposals by Vulnerability





# AF Project Initiation

- ◆ Designated authority requests support from (“endorses”) NIE, MIE, or RIE
- ◆ Project preparation funding of up to \$30,000 USD is available for NIEs
- ◆ NIE/MIE/RIE develops concept, or develops full project proposal
- ◆ Submission to AF Secretariat





# Strong AF Candidates

- ◆ ACP countries with an already-accredited NIE, and which do not already have plans to reach the \$10m cap
- ◆ ACP countries with a national institution or organization that can quickly pass the accreditation process
- ◆ ACP countries that have already clearly defined national plans, strategies, or priorities related to adaptation
- ◆ Project concepts that can quickly be developed into a full proposal







# Proposal Common Issues

- ◆ “Concreteness” – lack of cohesion of components of project /programme; distinguishing between adaptation and “business-as-usual”; appropriateness of proposed measures in relation to adaptation threats
- ◆ “Concreteness” – guidelines not specified, but refers to tangible project outputs; reviewed by the board on a project-by-project basis
- ◆ Cost-effectiveness – poor description of alternative options; poor assessment of project /programme cost effectiveness
- ◆ Consultative process – insufficient explanation of process and input to the proposal; roles of various stakeholders in the project /programme; insufficient consultation with most vulnerable communities
- ◆ Use of relevant national technical standards





# Project Submission Tips

- ◆ Some tips for creating a successful proposal are among the findings in the analysis:
  - ◆ Explain how the project is truly an adaptation project, as opposed to a "business as usual" development project;
  - ◆ Show that climate change is the primary cause of the problem that the project will address;
  - ◆ Offer adaptation measures that are suitable and adequate for addressing the identified climate threats;
  - ◆ Meet the Fund's requirements for cost effectiveness;
  - ◆ Specify the social, economic and environmental benefits of the project or programme.





# Adaptation Fund Resources

- ◆ Adaptation Fund - <http://www.adaptation-fund.org/>
- ◆ Adaptation Fund “**Handbook**” – <http://www.adaptation-fund.org/document/260-adaptation-fund-handbook>
- ◆ Adaptation Fund **Operational Policies and Guidelines** - [http://www.adaptation-fund.org/policies\\_guidelines](http://www.adaptation-fund.org/policies_guidelines)
- ◆ List of National **Designated Authorities**: <http://www.adaptation-fund.org/page/parties-designated-authorities>
- ◆ List of Accredited **National Implementing Entities** - <http://www.adaptation-fund.org/national-implementing-entities>
- ◆ Adaptation Fund **proposal submission materials** - <http://www.adaptation-fund.org/page/proposal-submission-materials>
- ◆ Summary of the Adaptation Fund **accreditation process and toolkit** - <http://www.adaptation-fund.org/page/accreditation-process>
- ◆ Adaptation Fund Secretariat **Contacts** - <http://www.adaptation-fund.org/about/secretariat>
- ◆ Adaptation Fund list of **funded projects** - [http://www.adaptation-fund.org/funded\\_projects](http://www.adaptation-fund.org/funded_projects)





# Least Developed Countries Fund (LDCF)





# LDCF Overview

- ◆ Least Developed Countries Fund (LDCF)
- ◆ Established at UNFCCC COP 7 in Marrakesh (2001)
- ◆ LDCF addresses the special needs of 48 LDCs, which are especially vulnerable to the adverse impacts of climate change
- ◆ Focuses on development and implementation of National Adaptation Programmes of Action (NAPAs)
- ◆ GEF manages fund, World Bank serves as Trustee
- ◆ Governed by the LDCF/SCCF Council (meetings twice per year)
- ◆ Technical guidance provided by the LDC Expert Group (LEG)





# LDCF Status and Innovation

- ◆ 64 projects totaling \$244.31m approved as of May 2012
- ◆ \$213.8m available for approvals as of March 31, 2012
- ◆ Significant additional pledges since September 30, 2011
- ◆ “Equitable allocation”: Resources are divided evenly among LDCs; current approximate cap of \$15m per LDC, rises with new deposits
- ◆ Proposals approved on a rolling basis
- ◆ MSP (Medium-Sized Project) ceiling up to \$2m for streamlined one-step approvals





# LDCF Contingent on NAPAs

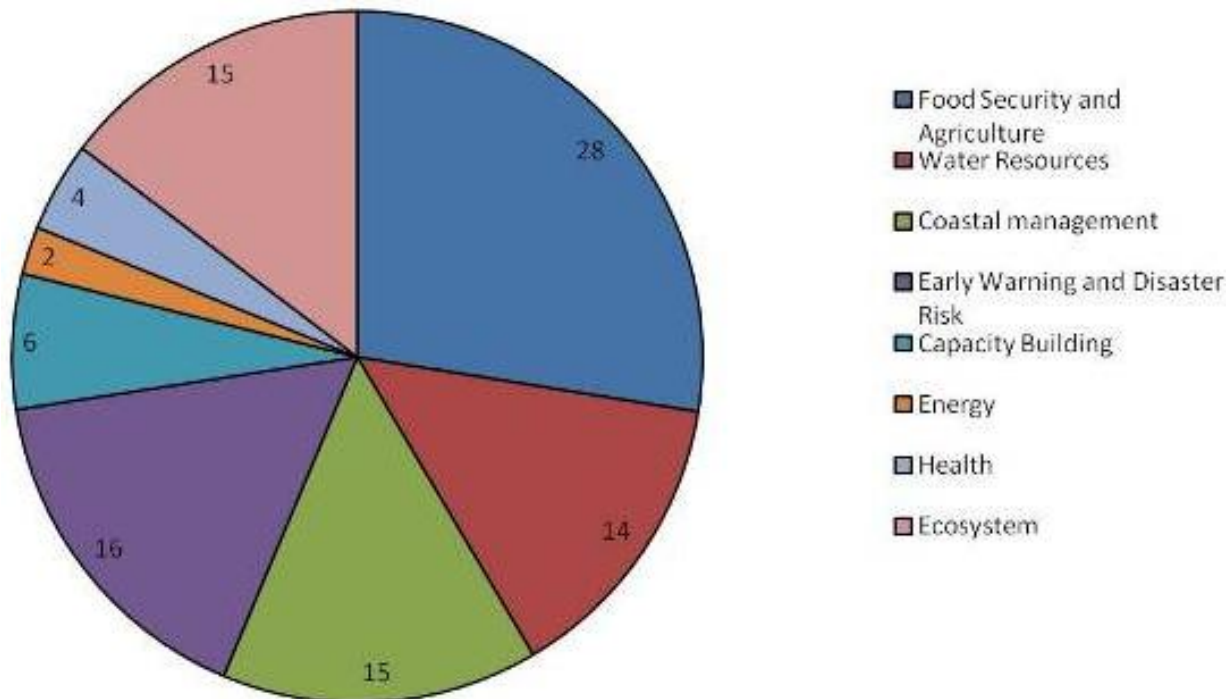
- ◆ “National adaptation programmes of action (NAPAs) provide a process for Least Developed Countries (LDCs) to identify priority activities that respond to their urgent and immediate needs to adapt to climate change – those for which further delay would increase vulnerability and/or costs at a later stage”
- ◆ Completed by 47 of 48 LDCs (Myanmar TBC)





# NAPA Sector Prioritization

Development Sectors Prioritized in NAPAs (in %)

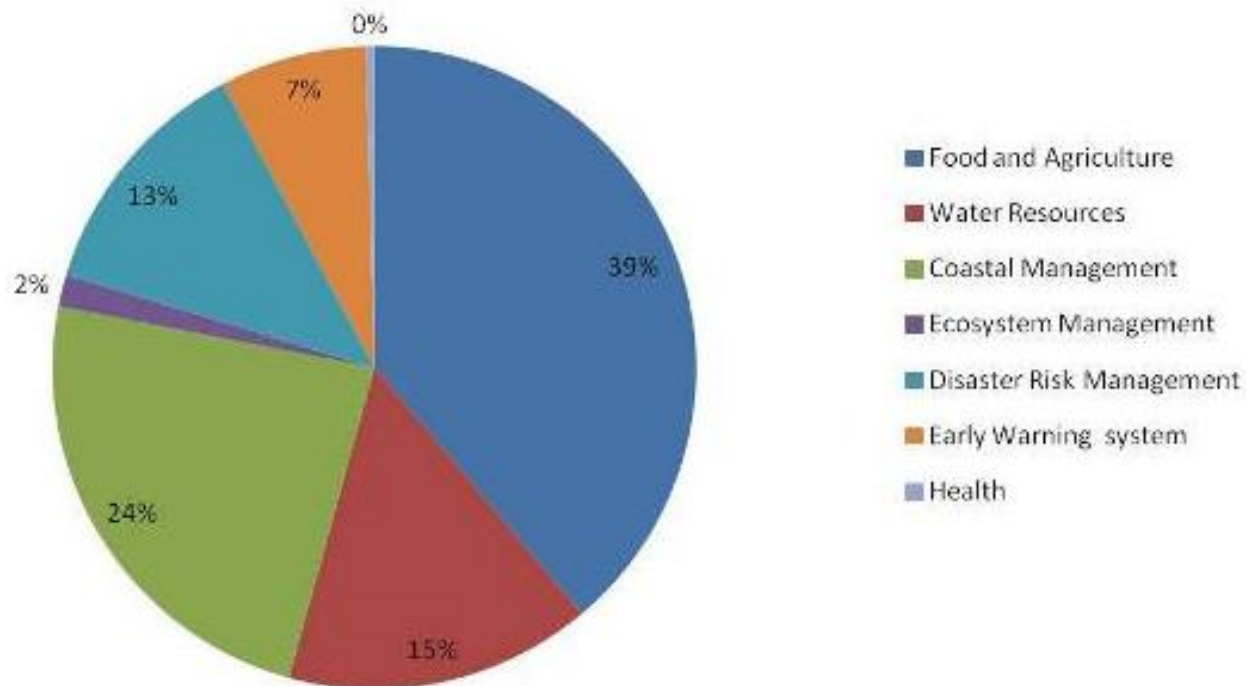






# LDCF Funding by Sector

## Development Sectors addressed through LDCF funding





# LDCF-SCCF Results Framework

- ◆ Impact: Reduced absolute losses due to climate change, including variability
- ◆ Objective 1: Reduce vulnerability and increase adaptive capacity to address the adverse impacts of climate change, including variability
- ◆ Objective 2: GEF Focal Area projects and programs increase resilience to climate change



# Results Framework Outcomes

## ◆ Objective 1 Expected Outcomes

- ◆ Adaptation objectives and budget allocations incorporated in broader development frameworks
- ◆ Strengthened institutional capacity to implement adaptation measures
- ◆ Awareness raised on the impacts of climate change
- ◆ Risk analysis and vulnerability assessment incorporated as part of development programs and project planning
- ◆ Adaptation practices developed and implemented to respond to climate change-induced stresses linked to the global environment

## ◆ Objective 2 Expected Outcomes

- ◆ Adaptation objectives and budget allocations incorporated in broader sector frameworks
- ◆ Risk analysis and vulnerability assessment incorporated as part of GEF programs and project design
- ◆ Adaptation practices developed and implemented to respond to climate change-induced stresses in sectors linked to GEF Focal Areas
- ◆ Enhanced climate resilience of relevant natural resources and ecosystems



# LDCF Criteria

- ◆ Country ownership (country eligibility – LDC party to the UNFCCC with completed NAPA, and country drivenness)
- ◆ Program and policy conformity (program conformity, project design, sustainability, stakeholder involvement)
- ◆ Financing (financing plan, cost-effectiveness)
- ◆ Institutional coordination and support (to eliminate duplication of efforts)
- ◆ Monitoring and evaluation (M&E plan, incl. indicators, baselines)
- ◆ Co-financing: Cost that would be incurred in Business-as-Usual scenario for a development activity





# Additional Cost & Co-financing

- ◆ LDCF/SCCF fund the “additional cost” of adapting to climate change - projects should not include regular development activities that would take place in the absence of climate change
- ◆ The costs of adaptation additional to the Business-as-Usual (BAU) development scenario, referring to development activities that would be implemented in the absence of climate change. LDCF-SCCF are for measures that would not otherwise be necessary in the absence of climate change; i.e. would you be doing this if climate change did not exist? If yes, then it should not be considered for LDCF-SCCF funding.
- ◆ LDCF/SCCF projects require co-financing in the form of development activities to be undertaken that require adaptation to climate change
- ◆ Standalone projects can also be financed as long as the project is shown to be exclusively adaptation interventions not linked to BAU development
- ◆ Co-financing can be bilateral or multi-lateral development assistance, government budget, civil society organization contributions, cash/grant, loan, soft loan, in-kind





# LDCF/SCCF Project Focus

- ◆ LDCF/SCCF fund concrete adaptation activities in the form of investments needed for adaptation
- ◆ Projects cannot have as primary activities “soft” technical assistance in the form of studies, vulnerability assessment, training, capacity development, policy strengthening, etc.
- ◆ Any planned activities of this nature have to be contributing to a larger project strategy involving investment for adaptation
- ◆ This should be reflected in the relative budget proportions of the project plan





# LDCF Proposal Development

- ① Identify and cultivate a concept
- ② Request assistance from an implementing agency (among the 10 designated GEF agencies); each agency has a “comparative advantage” and should be selected accordingly
- ③ Secure endorsement of the GEF Focal Point
- ④ Project Preparation Grant (PPG): Optional availability in the two step approval process - no cap, but should be reasonable relative to expected project size (~up to \$150,000)
- ⑤ One or two step approval process:
  - ① One-step (“expedited”) Process for MSPs: May start with CEO Endorsement Request, but can also submit Project Identification Form (PIF) if PPG resources are requested
  - ② Two-step Process for all FSPs and MSPs requesting PPG funding: 1.) PIF approval; 2.) CEO Endorsement





# GEF Implementing Agencies

- ◆ Asian Development Bank (ADB)
- ◆ African Development Bank (AFDB)
- ◆ European Bank for Reconstruction and Development (EBRD)
- ◆ Food and Agriculture Organization (FAO)
- ◆ Inter-American Development Bank (IADB)
- ◆ International Fund for Agricultural Development (IFAD)
- ◆ United Nations Development Programme (UNDP)
- ◆ United Nations Environment Programme (UNEP)
- ◆ United Nations Industrial Development Organization (UNIDO)
- ◆ World Bank





# Project Cycle and Timeframes

## (Two step process)

- ◆ Same Project Cycle as regular GEF projects, except for LDCF specific exceptions
  - ① GEF Secretariat has 10 business days to review PIFs; few PIFs are accepted without further revisions
  - ② PIF approval triggers release of PPG funding
  - ③ Once PIF is approved by the GEF Secretariat, it is posted for LDCF/SCCF Council approval on a no-objection basis for 4 weeks
  - ④ Submission of full project proposal document must be within 18 months of PIF approval (12 months for MSPs (<\$2m)) [1 step process starts here]
  - ⑤ Again 10 business days for GEF Secretariat review, then CEO endorsement
  
- ◆ “Programmatic” approaches are also possible: Strategic long-term arrangement of individual but inter-linked projects, taking advantage of synergies and scale





# LDCF Review Questions

- ◆ What is the likely Business-as-Usual development for the targeted sector, in the absence of climate change?
- ◆ What are the climate change vulnerabilities?
- ◆ With the LDCF investment, what are the specific adaptation activities to be implemented to increase the climate resilience of the baseline development activity?
- ◆ Does the project respond to the highest priorities identified in the NAPA, and if not, why?
- ◆ Who will implement the project and why? (Including comparative advantage of the implementing agency)
- ◆ Is the project being coordinated with related projects and programs to avoid duplication of activities?
- ◆ How will the project components be weighted in terms of budget and why?
- ◆ What levels and sources of co-financing is the project expecting?





# Strong Country Candidates

- ◆ LDCs that have not yet developed proposals reaching the \$15m/country cap
- ◆ Proposals with clear linkages to NAPAs
- ◆ Proposals clearly financing the “additional cost” of adaptation from Business-as-Usual development activities





# LDCF Online Resources

- ◆ LDCF overview: <http://www.thegef.org/gef/LDCF>
- ◆ Links for information on accessing LDCF funds: [http://www.thegef.org/gef/LDCF Funds](http://www.thegef.org/gef/LDCF_Funds)
- ◆ Step-by-step guide for implementing NAPAs: [http://unfccc.int/resource/docs/publications/ldc\\_napa2009.pdf](http://unfccc.int/resource/docs/publications/ldc_napa2009.pdf)
- ◆ Publication on accessing resources under the LDCF: <http://www.thegef.org/gef/node/4433>
- ◆ LDCF/SCCF programming strategy for adaptation for GEF-5: [http://www.thegef.org/gef/pubs/Strategy on Adaptation 2011](http://www.thegef.org/gef/pubs/Strategy_on_Adaptation_2011)
- ◆ NAPAs submitted to the UNFCCC: [http://unfccc.int/cooperation\\_support/least developed countries portal/submitted\\_napas/items/4585.php](http://unfccc.int/cooperation_support/least_developed_countries_portal/submitted_napas/items/4585.php)
- ◆ GEF online project database: <http://gefonline.org/>





# Special Climate Change Fund (SCCF)





# SCCF Overview

- ◆ Four funding windows; finances activities on:
  - ◆ (a) adaptation to climate change
  - ◆ (b) technology transfer
  - ◆ (c) energy, transport, industry, agriculture, forestry and waste management
  - ◆ (d) economic diversification
- ◆ Initially only windows A and B were operationalized; at COP 12 windows C and D were operationalized, but have yet to be funded by donors
- ◆ Funding approval process follows same 1 step/2 step project cycle as LDCF / GEF Trust Fund (except rolling submission and \$2m MSP of LDCF)





# SCCF Funding to Date

- ◆ 39 projects totaling \$147.85m as of May 2012 under SCCF-A
- ◆ One of the two completed projects to date was in Tanzania (Integrated Water Management in Pangani River Basin)
- ◆ 2 projects for \$11.36m under SCCF-B (one of which is in Jamaica - Introduction of renewable wave energies for small coastal communities)
- ◆ A joint LDCF/SCCF programme has been approved - Asia-Pacific Climate Technology Network and Finance Center





# SCCF Status

- ◆ \$38.8m available for approvals as of March 31, 2012
- ◆ \$18.2m in new pledges since September 30, 2011
- ◆ All remaining currently available funds under SCCF-B have been programmed under submitted proposals not yet approved
- ◆ Current demand far outstrips available resources







# SCCF Pre-Screening Criteria

- ◆ Project or programme quality: country driven; concrete adaptation activities; sound design; sustainable; replicable; public participation; gender considerations as appropriate
- ◆ Balanced distribution of funds in the eligible countries: Support for projects and programs in developing countries that have not yet accessed SCCF funds, and regions that have accessed a relatively lower share
- ◆ Equitable regional distribution: Balanced regional support proportional to the number of vulnerable countries per region
- ◆ Balanced support for priority sectors: Support for sectors that have received a relatively lower share of resources
- ◆ Balanced distribution among GEF agencies based on comparative advantage
- ◆ “If funding levels increase, a pre-selection process will at a certain moment no longer be necessary”





# Strong Country Candidates

- ◆ Non-LDCs interested in conducting adaptation, that have good capacity to work with an implementing agency to develop a strong proposal
- ◆ Non-LDCs that have not yet participated in an SCCF funded project
- ◆ Proposals in thus far under-funded regions and sectors





# SCCF Online Resources

- ◆ **SCCF Overview (with GEF contacts):** <http://www.thegef.org/gef/sccf>
- ◆ Publication on **accessing resources** under the **SCCF**: <http://www.thegef.org/gef/node/4434>
- ◆ **SCCF Pre-selection Process and Criteria:**  
<http://www.thegef.org/gef/https%3A/%252Fwww.thegef.org/gef/sccf/criteria>
- ◆ **SCCF Evaluation (2011):** <http://www.thegef.org/gef/SCCF%20Evaluation>
- ◆ **LDCF/SCCF programming strategy** for adaptation for GEF-5:  
[http://www.thegef.org/gef/pubs/Strategy\\_on\\_Adaptation\\_2011](http://www.thegef.org/gef/pubs/Strategy_on_Adaptation_2011)
- ◆ **LDCF/SCCF Funds Status Report** May 2012:  
[http://www.thegef.org/gef/council\\_document/status-report-least-developed-countries-fund-and-special-climate-change-fund](http://www.thegef.org/gef/council_document/status-report-least-developed-countries-fund-and-special-climate-change-fund)
- ◆ GEF online **project database**: <http://gefonline.org/>





# Climate Change Focal Area of the GEF Trust Fund (Mitigation)





# CC Focal Area of the GEF Trust Fund: Overview

- ◆ Funds “Global benefits” of climate change mitigation activities, supporting the objectives of the UNFCCC
- ◆ Available to all ACP parties to the UNFCCC
- ◆ GEF is funded on a four-year cycle; current cycle is GEF-5, from July 2010 – June 2014





# CC Focal Area of the GEF Trust Fund: Funding

- ◆ More than \$1 billion in total for GEF-5
- ◆ Per country resource allocation based on the System for a Transparent Allocation of Resources (STAR)
- ◆ Per country allocation varies significantly, but many ACP countries are allocated the floor of \$2.0m for GEF-5
- ◆ No maximum project size, except for country allocation cap





# GEF CC Mitigation Strategy (GEF-5)

- ① Promote the demonstration, deployment, and transfer of innovative low-carbon technologies.
- ② Promote market transformation for energy efficiency in industry and the building sector.
- ③ Promote investment in renewable energy technologies.
- ④ Promote energy efficient, low-carbon transport and urban systems.
- ⑤ Promote conservation enhancement of carbon stocks through sustainable management of land use, land-use change, and forestry.
- ⑥ Support enabling activities and capacity building.





# CC Focal Area of the GEF Trust Fund: Project Cycle & Development

- ◆ Approval process is the same as LDCF/SCCF (1 step/2 step), with PIF (including PPG), and CEO Endorsement Request
- ◆ Co-financing is required
- ◆ Must go through a GEF Agency (10 designated)
- ◆ Initiation and development process is the same
- ◆ Requires GEF Focal Point endorsement
- ◆ There can be “multi-trust fund” proposals, including mitigation aspects funded from the GEF CC Trust Fund, and adaptation aspects funded from LDCF/SCCF





# CC Focal Area of the GEF Trust Fund: Resources

- ◆ GEF website: <http://www.thegef.org>
- ◆ GEF Climate Change overview:  
[http://www.thegef.org/gef/climate\\_change](http://www.thegef.org/gef/climate_change)
- ◆ GEF Climate Change Mitigation Strategy for GEF-5:  
[http://www.thegef.org/gef/CC\\_mitigation\\_strategy](http://www.thegef.org/gef/CC_mitigation_strategy)
- ◆ GEF Templates and Guidelines:  
<http://www.thegef.org/gef/guidelines>





# Comparing Funds (AF, LDCAF, SCCF, CC Focal Area of the GEF Trust Fund)





# Comparing Funds: Basics

Fund	Funding Available	ACP Eligibility	Strategic Focus	Funding Caps
Adaptation Fund	Potential negative balance of \$127 m by end of 2013 – On NIE side there is availability of funds	ACP countries that are party to the Kyoto Protocol and are particularly vulnerable to the effects of climate change	“concrete activities aimed at addressing the adverse impacts of and risks posed by climate change”	No project limit; temporary \$10m cap/country
LDCF	Approx. \$213.8m available as of March 31, 2012	ACP LDCs that are party to the UNFCCC and have completed NAPAs	“additional costs of adaptation”	No project limit; Current approx. ~\$15m cap per country (“Equitable Access”)
SCCF	Currently limited - \$38.8m as of March 31, 2012, and highly competitive	ACP parties to the UNFCCC	“additional costs of adaptation”; technology transfer	No project limit, no country limit, but preference given to countries without prior project
Climate Change Focal Area of the GEF Trust Fund	Varies by country; next replenishment in 2014	ACP parties to the UNFCCC	Climate change mitigation only; “Global benefits”	No project cap; country cap varies, but floor is \$2m





# Comparison: Pros and Cons

Fund	Pros	Cons
Adaptation Fund	<ul style="list-style-type: none"> <li>-Direct access</li> <li>-Broad sector coverage</li> <li>-Quick approval</li> <li>-Doesn't require co-financing</li> <li>-No sector preference</li> </ul>	<ul style="list-style-type: none"> <li>-Limited funding currently available</li> <li>-Requires an accredited implementing entity, preferably national</li> </ul>
LDCF	<ul style="list-style-type: none"> <li>-Rolling approvals</li> <li>-Streamlined approval up to \$2m</li> <li>-Significant funding available</li> <li>-No sector preference</li> </ul>	<ul style="list-style-type: none"> <li>-Requires co-financing</li> <li>-No direct access (currently)</li> </ul>
SCCF	<ul style="list-style-type: none"> <li>-Technology transfer window</li> <li>-Only GEF option for adaptation funding for non-LDCs</li> </ul>	<ul style="list-style-type: none"> <li>-Very limited current funding availability</li> <li>-Requires co-financing</li> <li>-No direct access (currently)</li> </ul>
Climate Change Focal Area of the GEF Trust Fund	<ul style="list-style-type: none"> <li>-Significant resources available for countries with high allocations</li> </ul>	<ul style="list-style-type: none"> <li>-Mitigation only</li> <li>-No direct access (currently)</li> <li>-Requires co-financing</li> <li>-Resource allocation cap by country</li> </ul>





# Green Climate Fund: Status Update





# What is the Green Climate Fund?

- ◆ GCF is the anticipated major future funding source for climate change, agreed under the UNFCCC
- ◆ Legal basis in Copenhagen Accord (COP 15, 2009)
- ◆ Climate fund launched politically at COP 17 in Durban (2011)
- ◆ Aims to channel \$100 billion USD in climate funding by 2020
- ◆ To cover mitigation and adaptation
- ◆ Website: <http://gcfund.net/home.html>





# GCF Startup Process

- ◆ Transitional Committee for the Green Climate Fund met four times in 2011, and submitted report to the COP in Durban
- ◆ First Board meeting to be held May 31-June 2, 2012 in Bonn
- ◆ Six countries bidding to host the Secretariat
- ◆ To be governed by a board of 24 members with equal representation from developing and developed countries

