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**GEF PROGRAMMING STRATEGY ON ADAPTATION TO CLIMATE CHANGE
FOR THE
LEAST DEVELOPED COUNTRIES FUND AND THE SPECIAL CLIMATE CHANGE FUND
AND
OPERATIONAL IMPROVEMENTS
JULY 2022 TO JUNE 2026**

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INTRODUCTION

1. This document presents the proposed programming directions and strategy on adaptation to climate change that forms the basis for supporting activities under the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) for the GEF-8 period of July 1, 2022 to June 30, 2026.¹ Options for operational improvements to implement the strategy are also presented.

GLOBAL CONTEXT

2. This strategy is presented at a time when the world is recovering from the impacts of the COVID-19 pandemic, amid continued global environmental threats, including climate change. These stressors exert direct and indirect impacts, and exacerbate existing vulnerabilities. Yet it is also a time of enhanced collective global action, through partnership as well as ambitious multilateral goals.

3. The Intergovernmental Panel on Climate Change (IPCC) report released in August 2021 states that “climate change is already affecting many weather and climate extremes in every region across the globe. Evidence of observed changes in extremes such as heatwaves, heavy precipitation, droughts, and tropical cyclones, and, in particular, their attribution to human influence, has strengthened since the Fifth Assessment Report.”² Table 1 shows some of the observed and projected climate impacts for Africa, Asia and the Small Islands, which together host many of the world’s most vulnerable countries. There is also evidence that climate change has already affected food security due to warming.³

4. Coastal ecosystems are affected by ocean warming, including intensified marine heatwaves, acidification, loss of oxygen, salinity intrusion and sea level rise, in combination with

¹ For brevity and ease of reading, the duration covered by this strategy is often referred to as “GEF-8”. This term is only used in this document to refer to the applicable period of the ‘GEF Programming Strategy on Adaptation to Climate Change for the LDCF and the SCCF and Operational Improvements July 2022 to June 2026’. The use of the term “GEF-8” in this document is not in any way intended to refer to the replenishment process or the strategy of the GEF Trust Fund for 2022-2026.

² IPCC, 2021, [Summary for Policymakers](#). In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S. L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M. I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T. K. Maycock, T. Waterfield, O. Yelekçi, R. Yu and B. Zhou (eds.)]. Cambridge University Press. In Press.

³ IPCC, 2019a, [Summary for Policymakers](#). In: Climate Change and Land: an IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems [P.R. Shukla, J. Skea, E. Calvo Buendia, V. Masson-Delmotte, H.- O. Pörtner, D. C. Roberts, P. Zhai, R. Slade, S. Connors, R. van Diemen, M. Ferrat, E. Haughey, S. Luz, S. Neogi, M. Pathak, J. Petzold, J. Portugal Pereira, P. Vyas, E. Huntley, K. Kissick, M. Belkacemi, J. Malley, (eds.)]. In press.

adverse effects from human activities on ocean and land.⁴ Ocean warming is compounding the impacts from overfishing, and contributing to increasingly frequent large-scale coral bleaching events. Further, increases in tropical cyclone winds and rainfall, as well as increases in extreme waves, combined with relative sea level rise, exacerbate extreme sea level events and coastal hazards.⁵

5. For the least developed countries (LDCs) and small island developing States (SIDS), these impacts translate into myriad hazards affecting life, livelihoods, food security, and health. Their people and ecosystems are at higher risk: they are most susceptible to climate and non-climate shocks and are largely dependent on natural resources to sustain their economy, jobs, basic services, and food security, for instance through agriculture, commodity production, extractive industries, and tourism. The COVID-19 pandemic has exacerbated these stresses, imposing additional pressure via migration, economic disruption and attendant disruption to employment, service delivery, and livelihoods. Extreme pressure faced by communities can result in behaviors that exacerbate vulnerability by further degrading natural systems that can play a role in buffering stresses. Cross-cutting and transformational adaptation and resilience-building measures are needed, to enable the vulnerable poor to thrive, and to enable blue, green, and resilient recovery in the context of complex and interconnected change.

6. Many LDCs and SIDS are heavily indebted, more likely to descend into and remain in fragile and conflict situations, and with limited capacity, policy frameworks, and institutions to address such challenges. Huge gaps remain in finance for developing countries and in bringing adaptation projects to the stage where they generate real reductions in climate risks and protection against climate impacts such as droughts, floods and sea-level rise.⁶ More than ever, targeted and timely efforts are needed to support LDCs and SIDS to reduce and manage risks and vulnerabilities systematically and bridge the financing gap, with a view to safeguard livelihoods and natural ecosystems that societies depend upon.

7. Furthermore, evidence is emerging on the immense negative impacts of climate change on children and youth, highlighting their vulnerability and the intergenerational aspects of climate change. Nearly half of the world's children, or almost one billion, live in one of 33 countries classified as "extremely high risk" due to climate change impacts, where their health, education and protection are threatened by increasing exposure to diseases and other dangers.⁷ Exposure to climate extremes tends to increase with rise in mean temperature, and also for younger people, highlighting intergenerational inequities. For a 3°C warming pathway, a 6-year-old in 2020 will experience four times more crop failures, five times more droughts, and 36 times more heat waves among other impacts, compared to the reference case. These

⁴ IPCC, 2019b, [Summary for Policymakers](#). In: IPCC Special Report on the Ocean and Cryosphere in a Changing Climate [H.-O. Pörtner, D.C. Roberts, V. Masson-Delmotte, P. Zhai, M. Tignor, E. Poloczanska, K. Mintenbeck, A. Alegría, M. Nicolai, A. Okem, J. Petzold, B. Rama, N.M. Weyer (eds.)]. In press.

⁵ Ibid.

⁶ UNEP, 2021, [Adaptation Gap Report 2020](#). Nairobi.

⁷ UNICEF, 2021, [The Climate Crisis is a Child Rights Crisis: Introducing the Children's Climate Risk Index](#). New York.

analyses also highlight strong benefits of aligning policies with the Paris Agreement in order to safeguard the future of the current young generations.⁸

Table 1: Selected IPCC Findings at a Level of ‘High Confidence’⁹

AFRICA	
	The rate of surface temperature increase has generally been more rapid in Africa than the global average
	Observed increases in hot extremes (including heatwaves) are projected to continue throughout the 21st century with additional global warming
	Relative sea-level rise is <i>likely to virtually certain</i> to continue around Africa, contributing to increases in the frequency and severity of coastal flooding in low-lying areas to coastal erosion and along most sandy coasts
	The frequency and intensity of heavy precipitation events are projected to increase almost everywhere in Africa with additional global warming
ASIA	
	Average and heavy precipitation will increase over much of Asia
	Heat extremes have increased
	Relative sea level around Asia has increased faster than global average, with coastal area loss and shoreline retreat. Regional-mean sea level will continue to rise
SMALL ISLANDS	
	Warming will continue in the 21st century for all global warming levels and future emissions scenarios, further increasing heat extremes and heat stress
	Ocean acidification has increased globally as have the frequency and intensity of marine heatwaves in some areas of the Indian, Atlantic and Pacific Oceans except for a decrease over the eastern Pacific Ocean. Marine heatwaves and ocean acidification will increase further with 1.5°C of global warming
	Sea level rise coupled with storm surges and waves will exacerbate coastal inundation and the potential for increased saltwater intrusion into aquifers
	Sea level rise will cause shorelines to retreat along sandy coasts of most Small Islands

8. Many women and girls are disproportionately vulnerable to the negative impacts of climate change. The 2020 UN-wide report on gender, climate and security has highlighted how climate change impacts, such as extreme weather events, droughts, and temperature changes, expose women and men to risks and exacerbate challenges. Women’s exposure to physical hazards and their capacity to cope with risks are influenced by gender norms and power dynamics, impacting their access and use of natural resources and economic assets, mobility and migration, decision-making power, and expectations of households and communities.

⁸ W. Thiery et al., 2021, *Intergenerational Inequities in Exposure to Climate Extremes*, Science 10.1126/science.abi7339

⁹ IPCC, 2021, *Regional Factsheets*, AR6 Climate Change 2021, The Physical Science Basis.

Efforts must be made to address climate-related risks and responses from the gender lens, in order to avoid exacerbating vulnerabilities and also to uncover “...new entry points for advancing gender equality, improving climate resilience, and sustaining peace.”¹⁰

9. Against this background, this strategy identifies entry points where the LDCF and SCCF can offer the most effective and timely adaptation support, in recognition of their role as catalytic players in this space. Created two decades ago, the two funds embody a wealth of adaptation experience. Together, the LDCF and the SCCF are responsible for the longest track record of support to address climate change adaptation in vulnerable countries and on innovation in this field among all existing financial mechanisms. The proposed new strategy draws on this experience and presents an approach that is focused on enabling transformational adaptation in the context of evolving global commitments and action.

THE ROLE OF LDCF AND SCCF

10. The LDCF and SCCF were established in response to guidance received from the seventh Conference of the Parties (COP 7) to the United Nations Framework Convention on Climate Change (UNFCCC) in 2001, reflecting the need for expedited support to climate change adaptation efforts in developing countries.¹¹ The two funds have been supporting country-driven projects that address national priorities. They are also facilitating the development of initiatives with transformative potential at the global and regional levels that may be too early or risky to be rolled out at the national level, as well as enabling activities. The two funds have been the engines of a pioneering portfolio of approximately 440 climate change adaptation projects and programs, with over \$2.0 billion in grant resources to date.¹² The state of the LDCF and SCCF Program at a glance is presented in Annex I.

11. Both funds have built a significant track record in producing substantial positive human impact. The LDCF projects in the implementation phase as of March 31, 2021 seek to directly reduce the vulnerability of more than 47 million people to adverse impacts of climate change.¹³ The SCCF portfolio under implementation aims to directly reduce the vulnerability of eight million people.¹⁴

12. The LDCF has been successfully providing services tailored exclusively to LDCs which face challenging circumstances to adapt to the impacts of climate change. The LDCF remains the only fund entirely dedicated to supporting climate adaptation action in LDCs. Since the fund inception to March 31, 2021, 51 LDCs had accessed a total of \$1.59 billion for 353 projects from

¹⁰ UNEP, UN Women, UNDP, and UNDP/BSO, 2020, [Gender, Climate and Security: Sustaining Inclusive Peace on the Frontlines of Climate Change](#).

¹¹ UNFCCC, 2001, [Decision 5/CP.7](#).

¹² This figure also includes the \$50 million Strategic Priority on Adaptation (SPA) fund, which ran from 2004 to 2010 and funded 26 adaptation pilots and demonstration projects.

¹³ 174 out of 273 projects that have been CEO endorsed or approved as of March 2021 provided an estimate of direct beneficiaries.

¹⁴ The figures for direct beneficiaries are based on estimates provided by 58 out of 86 SCCF projects that have been CEO endorsed or approved as of March 2021.

the LDCF for the preparation and implementation of National Adaptation Programmes of Action (NAPAs) and towards the National Adaptation Plan (NAP) process through projects and enabling activities. The fund also supports global initiatives for the preparation of the NAP process for all LDCs, and supports the implementation of the LDC work programme in line with its mandate.¹⁵

13. The SCCF, on the other hand, has been designed to finance activities, programs and measures related to climate change adaptation and technology transfer to all eligible developing countries. The SCCF portfolio comprises of 86 projects for adaptation and technology, for a total of \$364 million as of March 31, 2021.¹⁶ Due to resource constraints, the SCCF programming in the GEF-7 period has been focused on supporting innovation and technology transfer, and to integrate climate adaptation elements into GEF Trust Fund projects.

EVOLUTION OF LDCF AND SCCF

Fund Portfolio

14. As the first dedicated climate adaptation funds under the UNFCCC, the LDCF and SCCF have been supporting a wide portfolio of adaptation initiatives. Floods and droughts are the primary climate hazards targeted by both funds, with a number of projects also supporting slow onset climate impacts such as water stress and climate variabilities related to temperature and precipitation. While LDCF has supported nearly 70 percent of projects in Africa due to its focus on LDCs, the regional distribution of the SCCF portfolio is more uniform across different regions as the fund supports non-LDC vulnerable countries.

15. Since its inception, the LDCF has been addressing urgent adaptation priorities of the LDCs, which are among the most vulnerable to climate change. As the LDCF played a very important role in enabling the LDCs to identify their adaptation priorities by supporting preparation of NAPAs, the portfolio also reflects priorities identified in NAPAs. In addition, the portfolio supports implementation of NAP priorities as well as issues articulated in the LDC work programme.

16. The LDCF has supported a wide range of sectoral and cross-sectoral priorities of LDCs. Agriculture and food security (67 percent) is the most widely supported sector followed by water (55 percent) and climate information services (53 percent). Over the years, the LDCF projects have taken a more integrated and value chain-based approach to support projects and programs which deliver both the urgent special needs of the LDCF as well as support long term resilience through enabling policies, supporting alternative livelihoods, and strengthening institutional capacities. Nearly 70 percent of LDCF projects support capacity building of institutions both at national and local levels for planning and decision making.

¹⁵ GEF, 2021, [Progress Report on the Least Developed Countries Fund and the Special Climate Change Fund](#), Council Document GEF/LDCF.SCCF.30/03.

¹⁶ Ibid.

17. The SCCF adopts an innovative approach targeting key drivers of vulnerability in countries beyond LDCs with a focus on technology innovation and private sector engagement. The SCCF's sectoral distribution therefore is wider, across water (43 percent), climate information services (37 percent) and agriculture (28 percent). A notable development under SCCF in the GEF-7 period has been the Challenge Program for Adaptation Innovation which has strengthened GEF's engagement with the private sector for mobilizing their investment and implementing innovative and impactful adaptation business models.

Portfolio Performance

18. The portfolio performance of the LDCF and SCCF is monitored on a regular basis and reported to the LDCF/SCCF Council. The most recent Annual Monitoring Review (AMR) covers the cohort of projects that had begun implementation on or before June 30, 2019 and that were under implementation during at least part of the fiscal year 2020 (FY20), which is from July 1, 2019 to June 30, 2020.¹⁷

19. Seventy-eight LDCF projects had begun implementation on or before June 30, 2019 and were under implementation during at least part of FY20. Among these projects, sixty-three LDCF projects under implementation, or 81 percent of the projects under implementation, were rated moderately satisfactory (MS) or higher in terms of their progress towards development objectives (DO). Sixty-two projects, or 79 percent, were also rated MS or higher in their implementation progress (IP).

20. As of June 30, 2020, the 78 projects contained in the active LDCF portfolio had already reached more than 5.2 million direct beneficiaries, brought around 1.3 million hectares of land under more climate-resilient management, and trained more than 107,000 people in various aspects of climate change adaptation.

21. Under the SCCF, forty-one projects had begun implementation on or before June 30, 2019 and were under implementation during at least part of FY20. These projects had achieved high level of implementation performance, exceeding the GEF Trust Fund average: 91 percent received a DO rating of MS or higher and 94 percent received an IP rating of MS or higher.

22. SCCF projects under implementation had reached approximately 3.5 million direct beneficiaries, brought 0.6 million hectares of land under more climate-resilient management, and trained some 36,000 people in various aspects of climate change adaptation.

23. As the COVID-19 pandemic unfolds, risk monitoring becomes more relevant and important to help inform portfolio management. The risk levels faced by LDCF and SCCF projects combined were reported as low or moderate for 77 percent of the projects. Overall, SCCF projects reported less risk compared to LDCF projects. While 72 percent of LDCF projects reported low or modest risks, approximately 90 percent of SCCF projects rated their risk as low

¹⁷ GEF, 2021, [Annual Monitoring Review of the Least Developed Countries Fund and the Special Climate Change Fund](#), Council Document GEF/LDCF.SCCF.30/04.

or modest. As LDCF is specifically for LDCs and SCCF is for any developing country, this difference in risk ratings highlight more challenges faced amongst LDCs.

24. Risk ratings at the portfolio level have not shown any discernible difference before and during the pandemic as the risk ratings from FY20 are at a comparable level as risk ratings from FY19. However, an analysis revealed that 83 percent of the projects with modest or low risk, and over 90 percent of projects with high or substantial risk, specifically mentioned the COVID-19 pandemic in their implementation documents. This implies that while the pandemic is not yet affecting the risk ratings of the LDCF and SCCF portfolio as a whole, COVID-19 as a risk factor is widely being recognized, particularly in for higher risk projects.

Responsiveness to Convention Guidance

25. As the funds were established by a COP decision, responsiveness to various guidance the GEF receives from the UNFCCC COPs is an important feature of the LDCF and SCCF.¹⁸ Each year, the GEF as an operating entity of the Financial Mechanism of UNFCCC, submits an annual report to the COP, including GEF's response to the guidance from the COP and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), as well relevant conclusions from the Subsidiary Bodies.

26. A summary of key recent COP decisions and responses is presented in Annex II as well as in the GEF COP reports. Of particular relevance for this strategy continues to be the COP 21

Relevant Findings on Responsiveness and Relevance to Conventions Guidance and Decisions in Program Evaluation of the LDCF

The 2020 Program Evaluation of the LDCF by the GEF Independent Evaluation Office (IEO) found that the LDCF support continues to be highly relevant to COP guidance and decisions, as well as to the GEF adaptation programming strategy, and countries' broader development policies, plans, and programs. The evaluation further found that "...a large portion of the LDCF's work is inherently aligned with the Paris Agreement through its support of adaptation related NDCs/INDs. Notably, in response to recent COP guidance based on findings of the 2016 LDCF program evaluation, the LDCF has enhanced domestic institutional capacities in LDCs by supporting institutional capacity development through the involvement of national institutions in LDCF project development, approval and delivery."

Further, the evaluation noted that the overall gender performance of the LDCF portfolio has improved.

Source: GEF IEO, 2020, [2020 Program Evaluation of the Least Developed Countries Fund](#), Council Document GEF/LDCF.SCCF.29/E/01.

¹⁸ A complete compilation of UNFCCC guidance and decisions of relevance from COP 1 to the most recent COP, and GEF's response, has been published annually by the GEF Secretariat. See: GEF, 2019, [United Nations Framework Convention on Climate Change Guidance from the Conference of the Parties and Responses by the Global Environment Facility COP1 – COP24](#).

decision adopting the Paris Agreement, in which the LDCF and SCCF were given an important role in serving the Paris Agreement: Paragraph 58 decided “...that the Green Climate Fund and the Global Environment Facility, the entities entrusted with the operation of the Financial Mechanism of the Convention, as well as the Least Developed Countries Fund and the Special Climate Change Fund, administered by the Global Environment Facility, shall serve the Agreement.”¹⁹ Further, the CMA has confirmed in 2018 that “the Least Developed Countries Fund and the Special Climate Change Fund shall serve the Paris Agreement.”²⁰

27. In terms of continued support to the LDCF and SCCF, the guidance to the GEF from COP 25 in 2019 encouraged “...additional voluntary financial contributions” to the LDCF and SCCF “to provide support for adaptation”.

28. Prior COP guidance of relevance for the present strategy includes: support for the NAP process; support for LDCs with adaptation technology as well as to strengthen their capacities in hydrological and meteorological services; support for national and regional systematic observation and monitoring networks; and support to activities contained in the updated LDC work programme, which was adopted at COP 24 in 2018.

29. In addition, there are relevant guidance to the GEF to promote synergies across its focal areas;²¹ enhance complementarity and coherence with other operating entities of the financial mechanism; engage with the private sector; improve access modalities for LDCs and SIDS;²² and formulate alternative policy approaches that enable joint programming.²³

Key Findings of Program Evaluations of LDCF and SCCF

30. The GEF IEO conducts periodic evaluations of the LDCF and SCCF. Implementation of all evaluation recommendations, including those on the LDCF and SCCF, are tracked and reported annually to the GEF Council.²⁴ This section presents their findings relating to the relevance, effectiveness, additionality and other aspects of the support provided by these two funds.

LDCF Program Evaluation

31. In its 2020 Program Evaluation of the Least Developed Countries Fund,²⁵ the IEO found that:

¹⁹ UNFCCC, 2015, [Report of the Conference of the Parties on its twenty-first session, held in Paris from 30 November to 13 December 2015, Addendum Part two: Action taken by the Conference of the Parties at its twenty-first session, Decision 1/CP.21 Adoption of the Paris Agreement](#), FCCC/CP.2015/10/Add.1.

²⁰ UNFCCC, 2018, Decision 3/CMA.1.

²¹ UNFCCC, 2018, Decision 6/CP.24.

²² UNFCCC, 2017, Decision 11/CP.23.

²³ UNFCCC, 2016, Decision 11/CP.22.

²⁴ GEF IEO, 2021, [Management Action Record 2021](#), Council Document GEF/E/C.60/ inf.01.

²⁵ GEF IEO, 2020, [2020 Program Evaluation of the Least Developed Countries Fund](#), Council Document GEF/LDCF.SCCF.29/E/01.

- i. LDCF support continues to be highly relevant to COP guidance and decisions, the GEF adaptation programming strategy, and countries' broader development policies, plans and programs;
- ii. LDCF support has resulted in catalytic efforts through production of public goods and their demonstration;
- iii. LDCF support has built foundations for larger scale projects; and
- iv. The current LDCF portfolio is well-aligned with all three strategic objectives.

32. The evaluation made the following two recommendations, which this strategy seeks to address through programming and operational enhancements:

- i. Build on progress made on mainstreaming gender in the LDCF portfolio and aim to decrease the knowledge gap about gender-related results, and
- ii. Continue to enhance the likelihood of the sustainability of outcomes.

SCCF Program Evaluation

33. The IEO last completed²⁶ the Program Evaluation of the Special Climate Change Fund²⁷ in 2017. Some of its main conclusions were:

- i. SCCF support has been highly relevant to UNFCCC guidance, to GEF adaptation strategic objectives, and to countries' national environmental and sustainable development goals and agendas;
- ii. The SCCF's niche within the global adaptation finance arena has been its accessibility for non-Annex I countries, and its support for innovative adaptation projects; and
- iii. The SCCF portfolio is highly likely to deliver tangible adaptation benefits and catalytic effects.

GOALS OF THE PROGRAMMING STRATEGY

34. The goal of the new Climate Change Adaptation strategy is to facilitate transformational adaptation in developing countries towards achieving the Paris Agreement's global goal on adaptation.

²⁶ The GEF IEO is currently preparing the 2021 Program Evaluation for the SCCF.

²⁷ GEF IEO, 2017, [2017 Program Evaluation of the Special Climate Change Fund](#), Council Document GEF/LDCF.SCCF.22/ME/02.

35. By fully aligning with the Paris Agreement’s adaptation goal, the new strategy continues to anchor the contributions of the LDCF and SCCF with their unique role of the GEF as an operating entity of the financial mechanism of the Paris Agreement and UNFCCC.

36. The global adaptation goal is articulated in Article Seven of the Paris Agreement as “enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring adequate response to the context of the temperature goal...”²⁸ Transformational adaptation, as defined by IPCC, refers to adaptation that changes the fundamental attributes of a system in response to climate and its effects.

37. The strategy puts a renewed focus on addressing vulnerability and embraces the whole of society approach. The whole of society approach entails engaging with multi-sectoral stakeholders and facilitating their participation in the decision-making process to take appropriate measures together, and to help mainstream climate considerations into relevant decisions across different levels of government/governance. Such participation is crucial to strengthen efforts to adapt to climate change and enhance climate resilience of communities and society as a whole. Stakeholders include: governments, the civil society, communities, academia, media, private sector, non-governmental organizations (NGOs), youth, families, and individuals.

PROGRAMMING ARCHITECTURE

Rationale for Proposed Approach

38. The strategy places an emphasis on adaptation priorities where targeted interventions will have the maximum potential to deliver transformative outcomes. These include focus on (a) ecosystem and nature-based climate adaptation solutions; (b) landscape and value-chain based approaches for food and water security; and (c) regional approaches focusing on rural, urban and coastal areas for climate resilient infrastructure and services.

39. These approaches present opportunities for the LDCF and SCCF to support vulnerable countries adopt integrated approaches to tackle multiple climate hazards, implement comprehensive and innovative solutions at the nexus of land, food and water, and build long-term climate resilience at systems level. These will also enable LDCF and SCCF to deliver key socio-economic benefits such as food security, sustainable livelihoods, improved health, social protection, and community empowerment among others. Gender and inclusion will continue to be a key driver and fundamental in the strategy.

²⁸ UNFCCC, 2015, [Report of the Conference of the Parties on its twenty-first session, held in Paris from 30 November to 13 December 2015, Addendum Part two: Action taken by the Conference of the Parties at its twenty-first session, Decision 1/CP.21 Adoption of the Paris Agreement](#), FCCC/CP/2015/10/Add.1.

40. It is worth noting that in all of these themes, the two funds have a robust history of successful support and can also build on synergy potential with the GEF Trust Fund interventions based on country preference. The portfolio analysis suggests that nearly 70 percent of the LDCF and SCCF projects target adaptation in agriculture, food and water sectors. More than 50 percent of projects supported ecosystems-based approaches and nature-based solutions. Over a period of time, LDCF and SCCF have diversified the concentration of sectors to support more integrated, cross-sectoral and systems-based approaches to tackle complex adaptation needs of vulnerable communities. The proposed strategy aims to advance this further in the new phase to contribute to the realization of the Paris adaptation goals at a significant scale.

41. The context within which the strategy development is taking place has changed since four years ago. First, the COVID-19 pandemic has pointed to an acute need for prioritized support for the poorest and the most vulnerable countries whose hard-won gains in development and poverty alleviation have been threatened. Countries emerging from the COVID pandemic need support for blue, green and resilient recovery to restore and maintain healthy ecosystems for healthy people. The two funds can support measures for enhancing resilience, creating buffers, and using nature-based solutions, which are some of the common themes to address impacts of climate change and COVID-19.

42. Another emerging context is the development of a longer-term partnerships to facilitate effective implementation. For example, the LDCF and SCCF can develop major initiatives on adaptation and be part of joint national investment plan development with the GCF, based on the Long-Term Vision on Complementarity, Coherence and Collaboration between the GCF and the GEF and ongoing discussions on collaboration with other climate funds.²⁹

43. In addition, there is growing recognition of more diverse entry points and scope for adaptation action, beyond national-level priority action. Locally-led action with full engagement of communities, civil society, and the Indigenous Peoples are an important part of the whole of society approach. Furthermore, the merit of regional approaches for effectiveness is increasingly recognized for SIDS, and shared ecosystems across national borders, such as the Sahel and the Mesoamerican Biological Corridor.

Enabling Conditions and Capacity Building

44. The LDCF and SCCF will continue to support the establishment of enabling conditions and enhancement of adaptive capacity to address adaptation concerns. The funds stand ready to finance enabling activities in accordance with their mandate and COP guidance. Furthermore, the strategy will prioritize building capacity in countries for the following:

²⁹ GEF, 2021, [Long-Term Vision on Complementarity, Coherence and Collaboration between the GCF and the GEF](#), Council Document GEF.C60/08.

45. Mainstreaming adaptation: Adaptation mainstreaming, in national and subnational policies, plans and budgets, has been an important focus of preceding phases of LDCF and SCCF programming, and will remain an important theme for adaptation support in GEF-8.

46. Enhanced vertical and horizontal integration of adaptation: This is an area of enhanced focus for GEF-8. LDCF and SCCF projects support adaptation at national, sub-national and community levels. In 2022-2026, effort will be made to strengthen the coherence of adaptation action and needs across these levels. Projects will explore multi-stakeholder platforms connecting communities to policymakers. In addition, the strategy will take a proactive approach to facilitate coordination and coherence horizontally across multiple interconnected sectors and relevant institutions to support integrated and systems based adaptation.

47. Knowledge sharing and South-South exchange: Knowledge sharing and South-South exchange will be important considerations in GEF-8 programming as they serve as vehicles for innovation, cooperation, and scale-up of adaptation knowledge, pioneering approaches and experience. There is much to learn from sharing of lessons on national visioning and leadership on adaptation in developing countries; research community findings on context-appropriate and locally adaptable technologies; and locally-led processes that are catalyzing positive change. The LDCF will seek opportunities to support South-South adaptation exchange across LDCs, whereas the SCCF is able to support highly valuable South-South exchange between LDCs and non-LDCs, as well as across non-LDCs.

Theory of Change

48. Figure 1 presents the theory of change for GEF's support to climate change adaptation through the LDCF/SCCF in the next four years.

49. The goal of the GEF-8 Adaptation strategy is to facilitate transformational adaptation in developing countries towards achieving the Paris Agreement's global goal on adaptation. This goal will be achieved through the collective programming of the LDCF and SCCF, recognizing the unique focus and limitation of both funds in complementarity to other sources of climate adaptation finance, through a set of themes and entry points.

50. Systemic changes sought in the longer-term include:

- Sustainability of climate adaptation measures enhanced through policy coherence
- Climate resilience of key systems enhanced through post-COVID 19 green and blue recovery
- Vulnerability of people, ecosystems, and communities reduced with enhanced adaptive capacity

51. The assumptions that underpin the strategy include the following three elements:

- Adequate and predictable financing to the LDCF and SCCF
- Country ownership and receptiveness to the whole of society approach
- Efficient and effective project design, implementation, monitoring and evaluation by the GEF partnership

52. Priority themes to be addressed through the strategy include: food security and health; conflict, fragility, and migration; nature-based solutions; and early warning and climate information systems.

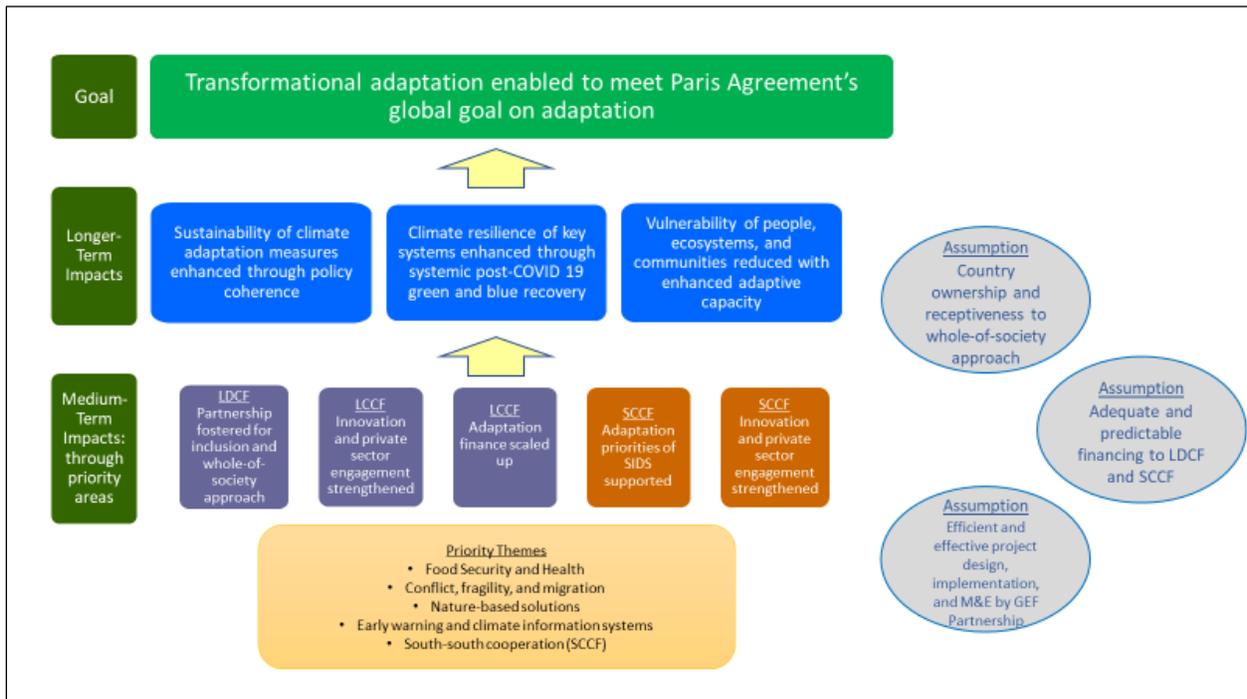
53. The priority areas, and their entry points for the LDCF, include the following:

- Scaling up finance
- Strengthening innovation and private sector engagement
- Fostering partnership for inclusion and whole of society approach

54. The SCCF strategy has the following two priority areas, which will be elaborated further as there is convergence on how to optimize the SCCF in the GEF-8 period and beyond:

- Supporting the adaptation priorities of SIDS
- Strengthening innovation and private sector engagement

Figure 1: Theory of Change for Climate Change Adaptation Strategy for LDCF and SCCF



Building on the GEF's Value Addition and Comparative Advantage

55. The proposed strategy builds on the unique value addition of the LDCF and SCCF. These are described further below.

56. First, the LDCF is the only fund that focuses on LDCs and is embraced by LDCs as their own fund. It is a unique vehicle to deliver targeted climate adaptation support to the world's most vulnerable countries and their people and ecosystems. The fund is ready to scale up its delivery. The LDCF leaves no LDCs behind: the fund has experience supporting on-the-ground adaptation implementation projects in all LDCs, above and beyond planning, assessments, readiness, and capacity building.

57. Second, the focused nature of the funds provides opportunities for targeted support, with 100 percent of resources attributable to climate adaptation benefits. The funds can serve as a ready and effective platform as global efforts continue to enhance the share of climate adaptation support in the overall climate finance. Of \$79.6 billion of climate finance provided and mobilized by developed countries towards the Paris Agreement goal of jointly mobilizing \$100 billion annually, the share of adaptation finance stood at \$20.1 billion, or 25 percent as of 2019.³⁰ Also, the two funds offer unique opportunities for donors to target contributions to support climate adaptation with focus. The SCCF is set up with specific windows, namely window A for climate adaptation and window B for technology transfer. The new strategy has the potential to further articulate priority geographical coverage for the SCCF.

58. Third, both the LDCF and SCCF have a strong track record of supporting projects that address multiple benefits, due to their unique ability to finance multi-trust fund projects with the GEF. The LDCF and SCCF can help countries address cross-cutting themes with climate adaptation and global environmental implications, such as food and agriculture systems, nature-based solutions, ecosystem-based management, and sustainable land management, in an integrated and systemic fashion with value for money. These systemic interventions are also highly relevant for blue, green and resilient recovery from COVID-19. As articulated by one Agency as part of its COVID-19 response document, "with reference to the adaptation needs of the LDCs, LLDCs³¹, and SIDS, the crucial role of LDCF is perhaps more apparent now than ever."

59. Fourth, the funds are highly relevant to UNFCCC COP guidance and national policies and plans, play a catalytic role, and effectively build foundations to enable scaling up, as described above in the section on Program Evaluations by the GEF IEO. A large portion of the LDCF's work is also found to be inherently aligned with the Paris Agreement. Furthermore, the LDCF has enhanced domestic institutional capacities.

60. Fifth, both funds are agile and are able to review and approve concepts quickly, paving the way for timely action. In the GEF-7 period, the average time from the initial LDCF and/or

³⁰ OECD, 2021, [Climate Finance Provided and Mobilised by Developed Countries: Aggregate trends updated with 2021 data](#), OECD, Paris.

³¹ LLDCs are land-locked developing countries.

SCCF proposal submission to the approval by the LDCF/SCCF Council in the Work Program is 157 days, and 146 days for medium-sized projects (MSPs) approved under delegated authority.

61. Sixth, this new strategy for the LDCF/SCCF will be aligned with the agreed Long-Term Vision with GCF, which is a blueprint for partnership. As described earlier, it is now possible to have upstream discussions and agreement on supporting major initiatives on adaptation together with GCF, and also engage in joint investment plan development with countries.

62. Seventh, the LDCF/SCCF are well-managed, with an effective set of programs and policies. The funds also have their own governance structure, with the LDCF/SCCF Council that meets twice each year to approve the Work Program, review progress, and approve the annual budget and business plan, and to review periodic independent evaluations conducted by the GEF IEO. For example, as part of the Seventh Comprehensive Evaluation of the GEF (OPS7), the GEF IEO has conducted the 2020 Program Evaluation of the LDCF and is carrying out the Program Evaluation of the SCCF, as presented earlier. Adhering to high standards of transparency and accountability, there is regular reporting on LDCF/SCCF activities and results to the COP on how the funds respond to guidance and decisions of relevance to the LDCF/SCCF and climate change adaptation. Furthermore, the funds are subject to a regular review of the Financial Mechanism by the COP. The seventh review is expected to be finalized by COP 27 in 2022.

63. Eighth, the performance of the active SCCF portfolio is very high, exceeding key performance indicators of the well-performing overall GEF portfolio. For example, 91 percent of the active SCCF portfolio in FY20 received a Development Objective (DO) rating of marginally satisfactory or higher and 94 percent received an Implementation progress (IP) rating of MS or higher: these figures exceed the GEF Trust Fund portfolio average of 84 percent for DO, and 88 percent for IP.³² Each dollar in SCCF project financing mobilized \$9.7 in co-financing for the active portfolio. In comparison, the indicative co-financing for the GEF-7 GEF Trust Fund portfolio is \$8.2, as reported in the June 2021 Corporate Scorecard.³³

64. Finally, the two funds are driven by data and scientific findings; the programming strategy and rationale are based on science. The Scientific and Technical Advisory Panel (STAP) of the GEF plays an active part in screening LDCF and SCCF projects, and produces applied research products to help inform strategy development and to enhance project quality and durability.

Building on Partnership with Green Climate Fund and Others

65. As described earlier, this strategy supports new opportunities to collaborate with the GCF within the framework of the Long-Term Vision on Complementarity, Coherence, and

³² GEF, 2020, [GEF Monitoring Report 2020](#), Council Document GEF/C.59/03/Rev.01.

³³ GEF, 2021, [GEF-7 Corporate Scorecard – June 2021](#), Council Document GEF/C.60/Inf.04.

Coordination. Specific entry points for adaptation have been articulated, and they will be developed further in the strategy.

66. Under collaborative and coordinated programming, the two funds will explore potential major initiatives that focus on adaptation and also for LDCs and SIDS to be developed and supported jointly with the GCF. Also, for countries that will undertake national investment planning with the GEF and GCF, the LDCF and SCCF will be included along with the GEF Trust Fund.

67. For sharing of information and knowledge, discussions with the Adaptation Fund and Climate Investment Funds (CIFs) are expected to further articulate merits of collaboration among different funds, and also put into practice.

68. The LDCF and SCCF will articulate partnership and synergy opportunities as distinctive funds dedicated to climate change, while also continuing to position themselves as part of the GEF.

CLIMATE CHANGE ADAPTATION INVESTMENTS AND ASSOCIATED PROGRAMMING

69. The proposed Programming Strategy addresses the seminal decisions for the Paris Agreement as well as additional guidance, and is also designed to continue supporting climate action in line with GEF's role as an operating entity of the financial mechanism for the UNFCCC.

LEAST DEVELOPED COUNTRIES FUND

70. The proposed LDCF Strategy introduces three priority areas with entry points, through which key priority themes can be addressed.

LDCF Priority Themes

71. An important consideration for 2022-2026 is to focus on thematic areas where the LDCF can deliver the greatest impact, with the overarching goal being to contribute to transformational adaptation. The LDCF will support trans-disciplinary interventions that can catalyze change and enable systemic shifts. The fund and its support will continue to be country-driven. Some standout themes identified for programming are indicated below.

Food security and health

72. Food security and health will continue to be an important theme in GEF-8 with the distinction that there will be a heightened focus on community wellbeing. Programs and projects will support enhanced food security and health needs of climate vulnerable communities through adaptation measures such as ecosystem management, food value chain improvements, and resilient livelihood enhancement. Specific interventions may include support for social safety nets (such as crop insurance); flood and drought tolerant crop species that contribute to nutritional needs; post-harvest measures such as grain/fish storage and all-

weather access to market; farm digitization; pest and disease surveillance systems; strengthened extension services; and enhanced capacity of farmer/fisher and water user cooperatives. Projects seeking to reduce community risk from vector- and water-borne diseases where these are triggered by flooding and drought in areas where climate change is likely to exacerbate these risks will also be supported.

Conflict, fragility and migration

73. Impacts of climate change, such as crop failure, water stress and sea level rise, can compound the challenges faced by communities in conflict-affected or fragile contexts, thereby increasing the probability of migration under duress. Adaptation interventions can alleviate pressures contributing to displacement, with higher likelihood of sustainability when blended with other development programs. Early warning systems, access to climate information and forecasts, and improved land use planning and zoning can contribute to reduced risk and informed decision-making by communities.

Nature-based solutions

74. Nature-based solutions (NBS) has been a cornerstone of the GEF's adaptation portfolio since inception. With high potential to deliver adaptation as well as a range of additional benefits contributing to resilience of people and ecosystems, as well as for biodiversity and climate change mitigation, NBS will continue to be supported as a means of effecting adaptation. The LDCF portfolio will draw on emerging science and lessons pertaining to NBS for adaptation, and support efforts to strengthen the economic case for NBS, with a view to enabling transformative shifts. The focus on NBS for the LDCF is complementary to the approach of the GEF-8 programming directions for the GEF Trust Fund, which builds on NBS as a central theme to support a healthy planet and resilient populations of humans and other species. Opportunities will be explored for potential parallel LDCF programming with the GEF Trust Fund in order to enhance adaptation considerations in efforts to support net-zero targets, valuing and monetizing of NBS, and in addressing socio-economic priorities of LDCs, including LDC SIDS.

Early warning and climate information systems

75. Early warning and climate information systems have been a high priority of LDCF programming, with programs as well as national and regional projects supporting investments and capacity in automated weather systems and their operations and maintenance; agro-hydrometeorological forecasting and information; attendant institutional capacity building; and 'last-mile' technologies for user groups. Over the 2022-2026 period, the LDCF will continue to support these areas, with a focus on bridging climate information value chain gaps, expanding access to early warning systems, and striving for greater user uptake and application of climate information services.

LDCF Priority Areas and Entry Points

Priority Area 1: Scaling up Finance

76. According to the UNEP 2016 Adaptation Gap Report, the annual costs of adaptation in developing countries could range from US\$140 billion to US\$300 billion annually by 2030 and up to US\$500 billion by 2050. International climate finance from bilateral and multilateral funds are the fundamental sources of adaptation finance. However, they remain at a low level despite modest increase in the last few years. Private sector finance for adaptation is largely untapped due to a number of market related barriers and also because most of the adaptation is focused on public goods. The adaptation financing gap, therefore, remains very high and is increasing with added vulnerabilities caused by the current health pandemic and rapid loss of nature and associated ecosystem services.

77. The LDCF and SCCF together have provided nearly \$2 billion grant financing since its inception and mobilized nearly \$10 billion domestic and international finance to support approximately 80 countries in financing their adaptation priorities. LDCF as a catalytic adaptation fund aims to play a key role in not only directly financing adaptation priorities but also creating an enabling environment to mobilize large-scale financing from public and private sectors to bridge the adaptation financing gap.

78. Towards this, the LDCF aims to support the LDCs in addressing the systemic barriers which restrict flow and effective utilization of adaptation finance. An enhanced flow of finance for priority themes outlined in the previous section with adequate institutional capacity will contribute to transformational impact as well as support a resilient recovery in the short to medium term.

79. The LDCF will deliver this priority area in the 2022-2026 period through the following entry points.

Reinforcing policy coherence

80. The LDCF will aim to promote mutually reinforcing policies of national governments and international public and private investments to mobilize large scale adaptation finance and enable vulnerable countries to go beyond incremental to transformative action. Policy coherence will lead to a more holistic and integrated approach and will influence systemic change in budget and investment decisions to mobilize financing at scale to deliver large scale adaptation benefits. LDCF will act as a catalytic fund in working with national governments, local governments, development financial institutions and other public and private investors to facilitate this coherence. At the national level, LDCF will support projects and programs which take a whole of government approach spanning across different departments including the finance ministries to effectively mobilize resources for adaptation. Close alignments with projects and programs supported by the GEF Trust Fund towards policy coherence will be encouraged.

Strengthening institutional capacity

81. A systemic challenge with flow and access to finance is the limited capacity of institutions in LDCs to robustly manage, invest and track adaptation investments. This includes capacity gaps such as developing high impact projects, having robust financial systems and requirements to access finance and enabling policy environment to mobilize finance from the

private sector. Such capacity gap is even more prevalent in many sectoral departments, local governments and financial intermediaries, thereby restricting the effective flow of funds to actions which are bottom up and locally-led.

82. The LDCF will work with governments in strengthening capacity of these institutions and facilitate institutional coordination for effective design and implementation of cross-cutting and integrated adaptation projects. This can potentially leverage public budgets for climate adaptation. It will also collaborate with other multilateral and bilateral public funds and the private sector to develop institutional mechanisms in countries that can enable smooth flow of finance for adaptation. The LDCF will also facilitate global partnerships and collaboration especially South-South cooperation to exchange knowledge and experience on accessing climate finance and strengthen mutual capacities.

Supporting innovative financing mechanisms

83. In recent years, a number of financing mechanisms have emerged to provide investments in adaptation solutions. These include dedicated domestic and international adaptation innovation funds, climate resilient infrastructure funds and climate risk insurance mechanisms among others. Market-based financing mechanisms such as bonds are also being developed as a low cost financing options but often are hindered by high transaction cost and lack of enabling policy environment. These mechanisms overall aim to address externalities and unlock large scale finance for adaptation solutions through means such as creating incentives and risk hedging, providing low cost capital for climate resilient infrastructure, and financing residual risks.

84. The LDCF will work with governments, financial institutions, and the private sector to advance such innovative financing mechanisms by developing financing solutions that reduce the cost of capital for adaptation, building capacity of financial institutions and intermediaries, reducing transaction cost and strengthening policy and regulatory environment. It will also specifically aim to bridge the gap of financing nature-based solutions and other adaptation measures that present large scale adaptation benefits but have attracted limited finance until now due to a number of systemic barriers. Finally, the LDCF will engage with and encourage governments to utilize the COVID-19 stimulus funding packages for climate resilient recovery.

Enhancing tools and metrics as enablers for adaptation impact

85. A fundamental barrier to investment in climate change adaptation is the limitation to effectively measure the transformative outcomes as well as short-term outcomes which can catalyze long-term resilience of vulnerable communities and ecosystems. Within this context, the LDCF will work with partners and countries in strengthening their results framework, including monitoring, reporting and verification of the outputs and outcomes, and also strengthen institutional capacities to integrate this framework within their national policies and programs. This will enable countries to better estimate and track the benefits and demonstrate impact value for the funds received.

86. In addition, a significant amount of budget allocated or flowing to countries for infrastructure, economic development and social protection cannot integrate climate change

considerations sufficiently due to limited accessibility and usability of climate related data, models, and analytical tools. This barrier is also limiting the mainstreaming of climate change considerations into the blue, green and resilient recovery efforts. The LDCF will facilitate projects which collaborate with scientific, technical, and financial institutions in developing data bases, climate models and economic valuation frameworks that can influence large scale public and private finance to flow for adaptation.

87. Finally, collaboration with financial institutions, rating agencies and other stakeholders will be enhanced to strengthen tools and principles which can facilitate sustainability investment decisions and climate-related disclosure to further stimulate investments in climate resilience and direct finance away from investments that increase vulnerability.

Priority Area 2: Strengthening Innovation and Private Sector Engagement

88. Private sector innovation, action and investment in climate change adaptation and resilience is rapidly evolving, driven by commercial businesses' motivations to act, including (i) reducing risk and strengthening their own resilience to climate impacts; (ii) selling profitable goods and services for others' adaptation and resilience; and (iii) delivering financial products and services to help others cope with climate change. However, in both LDCs and non-LDCs, the private sector action has yet to achieve the transformational speed and scale that is urgently needed towards addressing the climate adaptation financing gap and creating a more climate resilient society.

89. In complementarity with other multilateral climate funds, the LDCF is well placed to strengthen these policy, institutional and capacity conditions in LDCs that are crucial for large scale concessional loans, equity investments and guarantees. This is recognized in the Long-Term Vision on Complementarity, Coherence and Collaboration between the GCF and the GEF.³⁴ More specifically, opportunities will be sought for the LDCF grants to strengthen policy, institutional, and capacity conditions which can be effectively complemented with GCF concessional loans, guarantees or equity investments to crowd in large-scale commercial investment. This also aligns with the GEF IEO evaluation on support to innovation which recommends GEF to continue to explore and partner with innovation support programs that may mobilize larger sources of risk capital, and explicitly encourage adaptive, flexible management of innovative interventions.³⁵

90. Learning gained through GEF-7 programming and other experience, including through the Challenge Program for Adaptation Innovation, provides crucial insight on high potential opportunities for the LDCF to catalyze innovation and private sector engagement for climate change adaptation. The Challenge Program for Adaptation Innovation has demonstrated strong potential to catalyze innovation to and private sector investment in climate change adaptation by identifying and testing and scalable and bankable investment approaches, business models,

³⁴ GEF, 2021, [Long-Term Vision on Complementarity, Coherence and Collaboration between the GCF and the GEF](#), Council Document GEF.C60/08.

³⁵ GEF IEO, 2021, [GEF Support to Innovation: Findings and Lessons](#), Council Document GEF/E/C.60/02.

and technologies. LDCF support is critical for this Challenge Program to be able to support regional and global approaches, as well as to support SIDS and non-LDC countries. This Program has also demonstrated a strong potential for generating ambitious adaptation impacts, through non-traditional partnerships and innovative approaches. An innovative element of this program is that submission of project concepts can be made by any proponent and is not limited to GEF Agencies.

91. The LDCF will continue to support nature-based solutions across innovation and private sector engagement opportunities, for their proven impact, effectiveness, and sustainability, in generating integrated results to address climate change adaptation, biodiversity and other critical societal challenges. The LDCF will deliver this priority area in the 2022-2026 period through five entry points described below.

Advancing technology transfer, deployment and innovation

92. Technology innovation and deployment is critical to transform the pace and scale of adaptation impact across sectors. In partnership with leading innovation actors, including universities and research centers, the LDCF will catalyze swift momentum for promising technologies to be tested and adapted; and when successful technologies emerge, create accelerated pathways to take them from RD&D through to commercialization. Scaling up use of innovative climate adaptation solutions through commercialization requires both technical assistance and accessible finance. Communities of innovation will also be considered for their potential to support local entrepreneurs and strengthen private investment through learning across sectors, as well as connecting ideas with know-how and finance. Cross-cutting opportunities on technology transfer and deployment support with climate change mitigation, as well as other GEF focal areas and programming as appropriate, will be explored.

Enabling the conditions for private sector action

93. The World Bank Group and Global Commission on Adaptation have highlighted set of key barriers impeding private sector action and investment in climate change adaptation and resilience.³⁶ Examples include the limited availability and adoption of climate risk data and tools to make informed investment decisions; weak formal metrics, standards and legal frameworks for the private sector to act for adaptation needs; perceived lack of profitable investments; and low capacity within the financial system to manage climate risks. The LDCF and SCCF are well suited to address several of these barriers, through a combination of policy support, technical assistance, and blended finance.

94. Key areas of focus for LDCF and SCCF to address constraints to enable private sector action include:

³⁶ [Enabling Private Investment in Climate Adaptation & Resilience, World Bank Group](#), 2021, pages 27-34; and [Driving Finance for the Climate Resilient Society of Tomorrow](#), Global Commission on Adaptation, 2020, pages 32-40.

- i. Improving use of climate information to drive climate investment decision-making by increasing data availability, user-friendliness and translating the climate adaptation into language of credit and operational risk;
- ii. Strengthening consistency and use of robust metrics and standards throughout financial supply chain, including in credit risk analysis, to motivate and measure commercial investment in climate adaptation and resilience;
- iii. Growing the business case for investing in adaptation and resilience by identifying, incubating and profiling commercially viable climate adaptation and resilience business models; and
- iv. Integrating climate change risk management, cost modeling, and ecosystem service valuation within regulatory frameworks, such as for insurance standards, building codes, procurement policies.

Using grant finance to share risk and catalyze private sector investment

95. Risk sharing with grant finance is a powerful approach to enable and attract private sector action and investment, in different phases and within capital structures. The use of grants for enabling commercial investment has proven to be effective, including by providing technical assistance, grant-based guarantees for lines of credit provided by microfinance institutions, and support for piloting commercially viable technology solutions that have high risk and high impact potential. Recognition will be given to opportunities and effectiveness of generating integrated impact and multiple benefits through blended finance instruments, for climate change adaptation and Global Environment Benefits. As example, recent initial success with LDCF support includes the Landscape Resilience Fund, which gained CEO approval as an MSP in early 2021 through the Challenge Program for Adaptation. With \$1.3 million in LDCF and SCCF support, this fund has already attracted its first anchor investor with a commitment of \$25 million over five years.

Incubating and accelerating Micro Small and Medium Enterprises

96. In LDCs, micro, small, and medium enterprises (MSMEs) are often the driving force of local economies and the catalysts of innovation. MSMEs also tend to be extremely vulnerable to climate impacts. In May 2021, the GEF IEO published evaluation on *GEF Engagement with MSMEs* which highlights that capacities and access to resources are lower among MSMEs, and notes that “Involving a diverse range of private sector partners beyond a co-financing role most consistently predicted successful engagement.”³⁷

97. LDCF support to MSME incubation and acceleration will have a holistic value chain approach that simultaneously focuses on climate resilient production, as well as innovative financing ensure local business have the tools and access they need to adapt to increasing

³⁷ GEF IEO, 2021, [Evaluation of GEF Engagement with Micro, Small and Medium Enterprises](#), Council Document GEF/E/C.60/05.

climate impacts. Innovative financing for MSMEs will be catalyzed through support for development of green financing products including equity funds and inclusive microfinance. Attention will also be given to strengthening the MSME startup environment, and support laboratories and ecosystems for change that build the regulatory framework needed for private sector innovation and investment in climate adaptation to thrive.

Catalyzing inclusive microfinance

98. Microfinance lenders are often the primary providers of financing to MSMEs and smallholder farmers in developing countries. Microfinance is also highly exposed to impacts of climate change because low-income clients are less likely to be able to withstand climate shocks, and risk defaulting on loans. Therefore, the microfinance sector has a motivation to reduce their exposure to climate risk by offering lending products that factor in climate resilience and deliver adaptation solutions. However, microfinance institutions typically lack the climate change expertise to design adaptation-oriented lending products, develop adaptation impact monitoring systems, and train credit agents and large volumes of customers in technical aspects of climate change adaptation and resilience.

99. The LDCF seeks to address this gap by supporting the design of inclusive microfinance products and monitoring systems that incorporate the necessary climate adaptation considerations and metrics, and through capacity building. The use of grant-based blended finance options for technical assistance and guarantees can reduce the financial risks for microfinance lenders, in exchange for their creation of dedicated commercial lines for credit at accessible terms with targeted on adaptation and resilience impacts. This support will also be used to motivate and enable commercial microfinance partners to track climate change adaptation and resilience impacts into their decision-making and results monitoring systems, which can in turn strengthen design of increasingly localized actions by microfinance institutions and small holder farmers.

100. This area of support is particularly well suited to South-South cooperation, by sharing successful experiences and methodologies among relevant actors across regions and countries. Support may also be provided to South-South cooperation learning whereby countries with different levels of economic development can learn from each other in enabling inclusive finance for localized climate adaptation and resilience. Cross linkages to share lessons learned with the SCCF, as well as the GEF Small Grants Program and its proposed micro-finance implementation modality will be sought whenever relevant. LDCF support for inclusive microfinance will also learn from and seek to amplify knowledge and impact with innovators and networks in this field, including among members of the Green Inclusive and Climate Smart Finance Action Group.

Priority Area 3: Fostering Partnership for Inclusion and Whole of Society Approach

101. Partnership is an integral part of successful implementation and enhancing ownership of adaptation solutions for ensuring long term resilience and overall effectiveness of adaptation finance. Partnership with vulnerable groups such as women and girls, youth, Indigenous Peoples, and local communities will not only make LDCF investment efficient, effective and

responsive to climate risks in LDCs but also provide critical local knowledge relevant for adaptation interventions over different timeframes. There is also a critical need to accelerate global climate adaptation action through thought leadership with influential partners.

102. Therefore, it is very important for the LDCF, and also the SCCF, to engage with a wide range of groups and organizations, including the private sector, to harness the knowledge, experiences and capabilities of affected and interested individuals and groups. In addition, women in LDCs are often more vulnerable to adverse impacts of climate change than men. Women constitute the majority of the world's poor and are highly dependent for their livelihoods on the local natural resources threatened by climate change.³⁸ Despite promising national reforms, women still have less access to land, water and other productive natural resources due to gender-discriminatory social and cultural norms and often face greater barriers than men to accessing technical and financial opportunities as well as opportunities to participating in decision making processes.^{39, 40}

103. The recent UNICEF report on Children's Climate Risk Index not only highlighted severe consequences of climate change on children, but also called for an increase in investment in climate adaptation and resilience in key services for children and inclusion of young people in all climate-related decision making.

104. Given these observations, and in light of the significant intergenerational impacts of climate change, it is essential to provide dedicated space to the wide range of stakeholders to enable their participation and recognize their role as genuine partners for change in line with the whole of society approach, not solely as beneficiaries or recipients of LDCF support. The LDCF will deliver this priority area in the 2022-2026 period through four entry points.

Focusing on institutional strengthening and capacity building efforts at all levels

105. Institutional coordination plays a critical role for building strong partnership amongst the stakeholders. These institutions, created through suitable legal, policy and regulatory enabling environment, will be critical in enabling stakeholders to share their perspectives and empower them on the overall planning and implementation of adaptation interventions. The LDCF will aim to provide support to national governments to carry out policy and institutional reforms that can effectively align climate change adaptation efforts with principles of good governance, particularly downward accountability, citizen and youth participation and transparent decision making.⁴¹

106. In particular, given the importance of enabling institutional arrangements for whole of society adaptation interventions, the LDCF will explore means to support countries in

³⁸ UNEP, 2011, *Women at the Frontline of Climate Change: Gender Risks and Hopes. A Rapid Response Assessment*.

³⁹ GEF, 2018, [Policy on Gender Equality](#).

⁴⁰ GEF, 2018, [Guidelines on Gender Equality](#).

⁴¹ Asian Development Bank et al., *Resilience Accelerating Sustainable Development. Investing in Community-Led Strategies for Climate and Disaster Resilience*, Manila.

conducting assessment of institutional strengths and weakness, with the view to helping build institutional capacities to address climate risk at all levels of society.

107. Similarly, understanding of the climate risks and uncertainties, especially at the local level, is crucial to generate solutions for the long term without being dependent on project-based donor funding.⁴² Therefore, targeted capacity building initiatives for relevant stakeholders, including community-based organizations and local level, are essential to enable them to develop robust adaptation plans and interventions which prioritize the needs of the most vulnerable communities. Leadership and process facilitation skills⁴³ are also essential to include socio-economic vulnerabilities and marginalized groups in the decision-making process.

108. In addition, the LDCF will foster sustained endogenous technical capacities of LDCs through regional or global approaches. This will build on the ongoing effort to capacitate higher education institutions in LDCs for government and other stakeholders to formulate effective, evidence-based climate change policies, as part of the GEF's support for the LDC work programme. Initiatives to develop, implement, and monitor investment-ready climate change adaptation projects will also be considered for support, as a means to enhance LDC access to public and private sector finance from other international and domestic sources.

Building partnerships with local organizations and systems to address social equity

109. Social equity issues faced by various groups such as women, youth, children, disabled, displaced, Indigenous Peoples and marginalized ethnic groups, and LGBTQ+ hamper their ability to engage effectively in decision-making and participating in initiatives to address climate adaptation challenges. Most international financial institutions lack full understanding of the structural inequalities faced by specific individual groups and likewise have failed to recognize vulnerability as a social-ecological construct. NGOs and civil society organizations have often filled this gap, albeit almost exclusively at a local level.⁴⁴

110. Through the LDCF, concerted efforts will be made to build partnerships and further enhance the participatory process with local stakeholders at both project and portfolio levels. Specifically, the LDCF will support proactive inclusion of various groups as key stakeholders for locally-led adaptation in national level outreach efforts and portfolio formulation, and encourage their engagement as executing partners at the project level. Furthermore, specific activities that address social equity constraints towards more inclusive adaptation action will be supported in projects and programs. This effort will be informed by experiences gained and lessons learned from the implementation of the GEF's Policy on Stakeholder Engagement and

⁴² GCA, 2021, *Principles of Locally Led Adaptation*.

⁴³ Morchain, D., Ziervogel, G., Spear, D., Masundire, H., Angula, M., Davies, J., Hegga, S. and Molefe C. 2019. *Building transformative capacity in southern Africa: Surfacing knowledge through participatory Vulnerability and Risk Assessments*. Action Research, 17(1): 19-41. DOI: 10.1177/1476750319829205. Link to summary

⁴⁴ Ibid.

Guidelines on the Implementation of the Policy on Stakeholder Engagement.^{45,46} The support should build mutual trust and respect, and encourage vulnerable and marginalized groups for meaningful participation.

111. At the fund level, the Secretariat will support institutional learning to create awareness about the structural inequalities faced by specific individual groups and to build and share good practices and solutions on how to integrate causes of vulnerability into the core of adaptation action with other climate funds and Agencies, as described further in the section below on Dedicated Programs. Furthermore, in response to the 2020 Program Evaluation recommendation, the Secretariat and GEF Agencies will work to ensure that the 2017 Gender Equality Policy and related guidance is fully operationalized, such as the development and implementation of robust action plans, building on progress made towards inclusion of gender considerations since the 2016 Program Evaluation.

Exploring innovative financing opportunities to support whole-of society approach

112. Financial support is crucial to realize the whole of society approach. Providing improved access to financial support to local institutions and communities can enable their engagement as executing partners, with clear responsibilities on how adaptation actions are defined, prioritized, designed, implemented; how progress is monitored; and how success is evaluated.

113. The LDCF will continue to deliver finance for local level action by encouraging integration of local needs and priorities in LDCF project and program documents. This can be facilitated by enhanced capacity at the local level that understand climate risk for the community, and improved institutional arrangement that sets the mandatory requirement at the national level to pay special attention of vulnerable communities. In addition, the LDCF may incentivize locally led action to be channeled through the government as a global program with global/regional set-aside resources, above the country resource gap.

114. The LDCF will explore innovative financing opportunities to facilitate such engagement and inclusion, for example informed by the Challenge Program on Adaptation innovation, consultations with relevant groups, and experiences of other climate funds as well as GEF Implementing Agencies. The LDCF will also explore options to mobilize support with private sector, philanthropies, and other innovative approaches.

Engaging in thought leadership through global partnerships and fostering enabling environment

115. Acceleration of adaptation action needs global thought leadership and a critical mass of alliances that can mobilize commitment, resources, and influence. In this regard, the GEF has a strategic interest to engage in global partnerships. Such partnerships and platforms include: Global Resilience Partnership (GRP), Alliance for Hydromet Development, World Adaptation Science Programme (WASP), SAMOA pathway, and Race to Resilience among others. Such

⁴⁵ GEF, 2017, *Policy on Stakeholder Engagement*.

⁴⁶ GEF, 2017, *Guidelines on the Implementation of the Policy on Stakeholder Engagement*.

engagements at the fund/institutional level will be supported through the “corporate program” as described further. Furthermore, the creation of enabling conditions at the national, sub-national, and sector levels and enhanced coordination may be supported. Specific activities may also respond to COP guidance and decisions of relevance on support for enabling activities as well as for the implementation of the LDC work programme.

SPECIAL CLIMATE CHANGE FUND

116. This strategy presents focus and streamlining of the SCCF to target priority adaptation areas in the climate finance landscape. The possible SCCF priority themes are presented with a view to supporting transformational adaptation. The two proposed SCCF priority areas build on SCCF’s strengths and capacity to support SIDS and vulnerable geographies, and to promote technology transfer, through innovation and private sector engagement.

117. Options to optimize the SCCF, presented in the section on operational enhancements below, will be discussed during the strategy negotiation process. The SCCF strategy will be updated based on the agreement among participants on the preferred option. The SCCF strategy below is therefore presented only to illustrate the possible scope of GEF-8 engagement in countries beyond the LDCs.

SCCF Priority Themes

118. The SCCF priority themes include food security and health; conflict, fragility, and migration; nature-based solutions; and early warning and climate information systems, mirroring those proposed for the LDCF. In addition, South-South cooperation and learning among all developing countries, including between LDCs and non-LDCs, are important, as countries with more advanced economies may have learning and innovation that may be useful for application in LDC contexts. South-South cooperation and learning will focus on the SCCF priority areas to be agreed during the strategy development and negotiation process, and supporting innovation, technology transfer, and private sector transformation.

SCCF Priority Areas

119. The proposed SCCF strategy presents two priority areas with entry points, as described below.

Priority Area 1: Supporting the Adaptation Needs of SIDS

120. This priority area focuses SCCF support to the climate adaptation needs of SIDS, particularly those that are not classified as LDCs. Only eight of the UN list of SIDS⁴⁷ are also LDCs and thus eligible to access LDCF resources, with another two scheduled to graduate during GEF-

⁴⁷ See <https://www.un.org/ohrlls/content/list-sids>

8.⁴⁸ This strategic focus enables the SCCF to channel its adaptation support to the most vulnerable, with priorities and needs that have not been adequately met by other sources of climate finance.

121. SIDS are among the most vulnerable countries on the planet to adverse impacts of climate change. They are eligible for support through the SCCF, Adaptation Fund, and GCF, which are open for all developing countries to access. Whereas the LDCF serves the adaptation needs of LDCs as a highly vulnerable group of countries, the SIDS do not have a dedicated funding opportunity for their adaptation needs and compete for access to climate adaptation support. Therefore, one of the priority themes under the SCCF during GEF-8 may be a geographic focus on SIDS.

122. A host of climate and non-climate factors contribute to SIDS' vulnerability, including their small land mass, geographic isolation, high energy costs, remoteness from international markets, and small, often non-diversified economies, which rely on a limited resource base. Many SIDS are heavily indebted.

123. Climate change impacts, observed and projected, are wide-ranging. The IPCC (2019b)⁴⁹ states with 'high confidence' that: extreme sea levels and coastal hazards will be exacerbated by projected increases in tropical cyclone intensity and precipitation; many low- small islands (including SIDS) are projected to experience historical centennial events at least annually by 2050; significant wave heights are projected to increase across the Southern Ocean and tropical eastern Pacific; and that almost all warm-water coral reefs are projected to suffer significant losses of area and local extinctions, even if global warming is limited to 1.5°C. In SIDS, these changes will translate into direct adverse impacts on human security, health, infrastructure, ecosystems, agriculture and food, and the economy and livelihoods.

124. In the GEF-8 period, the SCCF will support targeted interventions in SIDS that address the priority themes identified above. Alignment of SIDS programming with major parallel initiatives may also be explored in GEF-8, such as: (i) adaptation investments complementary to the proposed Blue and Green Islands integrated program or the Clean and Health Oceans integrated program, of the GEF Trust Fund; (ii) efforts to jointly program with GCF in SIDS; and (iii) complementary adaptation support for bilateral/multilateral and/or other initiatives in food security, coastal resilience, resilient urban development or other themes relevant to adaptation for SIDS.

125. In the context of regional adaptation projects and programs, opportunities to help build capacity of regional organizations such as the Secretariat of the Pacific Regional Environment Programme (SPREP), the Pacific Community (SPC), the Organization of Eastern Caribbean States

⁴⁸ Sao Tome and Principe and the Solomon Islands. Please see:

<https://www.un.org/development/desa/dpad/least-developed-country-category/ldc-graduation.html>

⁴⁹ IPCC, 2019b, *Summary for Policymakers*. In: IPCC Special Report on the Ocean and Cryosphere in a Changing Climate [H.-O. Pörtner, D.C. Roberts, V. Masson-Delmotte, P. Zhai, M. Tignor, E. Poloczanska, K. Mintenbeck, A. Alegria, M. Nicolai, A. Okem, J. Petzold, B. Rama, N.M. Weyer (eds.)]. In press.

(OECS), and others to develop, implement, and monitor ambitious climate change adaptation programs, will be explored.

Priority Area 2: Strengthening Innovation and Private Sector Engagement

126. An unprecedented pace and scale of innovation and investment is urgently needed across all sectors to avoid the most severe impacts of our increasingly broken climate. This can only be realistically achieved in partnership with the expertise, financing and innovation of the private sector. SCCF will strengthen innovation and private sector engagement in climate change adaptation, including by supporting technology transfer. This support will be available to all developing countries, including a focus on regional and global scales to foster cooperation and South-South learning.

127. The proposed entry points for SCCF focus to strengthen innovation and adaptation in the 2022-2026 period will include technology transfer and innovation; enabling the conditions for private sector action; as well as incubating and accelerating MSMEs. Recognizing the importance of accessible finance and commercial finance innovation and private sector transitions to adaptation and resilience, emphasis will also be placed on blending concessional finance to share risk and catalyze commercial investment, as well as catalyzing commercial finance for smallholder farmers and MSMEs to invest in localized adaptation action at scale.

128. Support to technology transfer has been a priority of both the LDCF and SCCF, and the SCCF has a targeted window to support technology transfer. The GEF has received various COP guidance on the subject. At COP 13, Parties requested GEF to establish a program promoting investment in technology transfer, to help developing countries address their climate tech needs. Subsequently, COP 14 requested the GEF to support long-term implementation of the Poznan Strategic Program on Technology Transfer including by strengthening private public partnership for technology transfer. More recently, COP23 encouraged the GEF to further enhance engagement with the private sector and invited the GEF to support developing countries in piloting priority technology projects to foster innovation and investment.

129. Given the fluid nature of innovation and private sector action and finance, regional and global programming is an effective approach to drive systems transformation within and across regions. Within the GEF family of Trust Funds, only the SCCF is able to directly support innovation and private sector engagement for climate change adaptation impact on a regional and global scale, among countries who are both LDCs and non-LDCs, including SIDS. The SCCF's flexibility to catalyze innovation and private sector action across developing countries provides benefit to both LDCs and non-LDCs. SCCF support for innovation and private sector engagement in the 20220-2026 period will focus primarily on multi-country, regional and global projects and programs.

130. Technology transfer and innovation is fundamental to achieve the pace and scale of adaptation impact urgently needed. Building on learning and recent success, the SCCF will continue to serve as a fund that is relevant and accessible to the ideas and resources of non-

traditional partners to the GEF, including private sector leaders, NGOs, and technology innovators. The SCCF is well suited to play this role in the broader climate finance architecture, particularly given its agility and flexibility to support projects with transformational impacts across sectors; ability to support regional and global projects that foster South-South cooperation and learning among developing countries regardless of their economic status; and flexibility to use a range of financial instruments including grants and concessional loans to attract private sector investment for climate adaptation results. The approach piloted with SCCF support through the Challenge Program for Adaptation Innovation to enable a diversity of proponents to share their concepts for consideration and subsequent partnering with a GEF Agency, has proven to be an effective way to attract transformative ideas and resources directly from technology, private sector, and local civil society leaders.

131. The SCCF will support piloting and commercialization of first-of-a-kind climate change adaptation technology solutions, as well as adoption of known technology solutions in new country contexts. The SCCF will support technology transfer and innovation along the technology development process, with a focus on deployment through piloting and commercialization of high potential technology solutions. For climate adaptation technology solutions that have been tested and have a strong potential, support will be provided for large scale deployment through commercialization. Support for deployment will combine technical assistance and innovative financing opportunities.

132. Risk sharing by blending concessional and commercial finance is a powerful approach to crowd in commercial investment. SCCF support has the flexibility to strategically blend concessional finance through both grant and loan-based instruments to catalyze private sector action and investment in both LDCs and non-LDCs. This flexibility of the SCCF is instrumental to catalyze innovation and private sector investment for climate adaptation and resilience.

133. As described above in the section on LDCF priority areas and entry points, the Challenge Program for Adaptation Innovation has demonstrated strong potential to catalyze innovation and private sector engagement in climate change adaptation. The SCCF support for the Challenge Program addressed the critical need for non-LDC countries, including non-LDC SIDS, to foster innovation and private sector engagement. Also, regional and global approaches are crucial for systems transformation and South-South cooperation.

134. Advancing the pace and impact of innovation and private sector engagement requires active learning and collaboration across countries, be it on regional or global scales. Recognizing the iterative nature of adaptation and the importance of learning for impact and efficiency, it is important to support South-South learning among developing countries, regardless of their classification of LDCs or non-LDCs. This is particularly important given countries with more advanced economies may have learning and innovation useful for application in LDC contexts. The SCCF is uniquely positioned to support regional and global initiatives that catalyze innovation and private sector action for adaptation impact among countries, as it can support innovation, technology transfer and private sector transformation across both LDC and non-LDC

developing countries, including among countries who share the same region and ecosystems and other characteristics.

Other Priorities

135. If there is an agreement to enable the SCCF to support adaptation priorities in a more comprehensive manner in all developing countries, additional priorities may include: national, regional, and ecosystem-based projects to address vulnerabilities, initiatives to address impacts of climate change on migration and displacement, gender and youth focused programs, and responses to UNFCCC COP guidance.

OPERATIONAL IMPROVEMENTS FOR LDCF AND SCCF

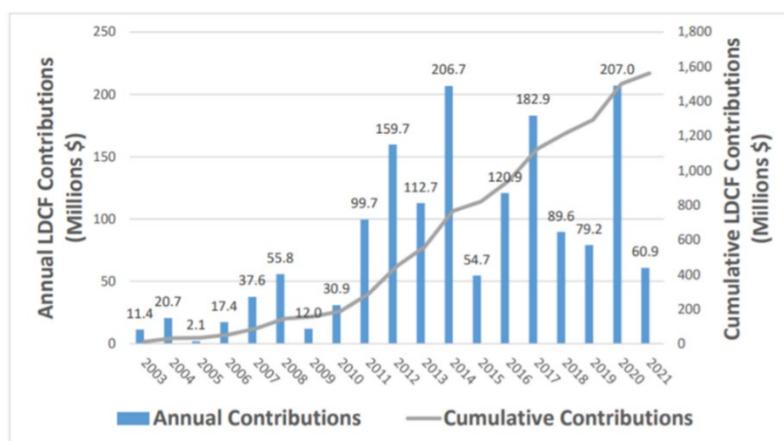
136. This section presents recommendations for operational enhancements and options to enable the LDCF and SCCF to deliver on the proposed activities as articulated in the previous section.

LDCF RESOURCE MOBILIZATION MODALITY

Overview

137. Since its establishment, the LDCF has provided support totaling \$1.6 billion for 353 projects, programs and enabling activities to meet the special needs of LDCs to adapt to the impacts of climate change. As of October 2021, 46 countries are eligible to access resources from the LDCF.⁵⁰

Figure 2: Total Annual and Cumulative LDCF Contributions Finalized as of March 31, 2021 (USDeq million)



⁵⁰ Several LDCs have graduated over the lifetime of the LDCF. For a list of eligible LDCs, see: http://unfccc.int/cooperation_and_support/ldc/items/3097.php

138. The LDCF continues to rely on voluntary contributions, rather than on a defined replenishment cycle like the GEF Trust Fund. Compared to the GEF-6 period, donor support in the GEF-7 period has rebounded, although still insufficient to meet consistent demand from LDCs for resources. In addition, there is a significant variability in annualized contributions, as shown in Figure 2. For example, FY20 saw the highest annualized contribution in the fund history, yet the year before and after had brought approximately one-third of that amount. This lack of predictability presents challenges in terms of managing country expectations, project approval and work program constitution, as well as Secretariat functions.

Options to Consider

139. In light of the above, the Secretariat proposes that the participants to the strategy negotiations consider four options for resource mobilization of the LDCF.

Option 1: Move to the replenishment modality

140. This option seeks to transition the LDCF towards a replenishment model, similar to the GEF Trust Fund model. This option will provide the highest predictability for adaptation support to LDCs, and enables to set realistic programming targets. This option, however, may impact those donors that make intermittent contributions. Also, the option entails a fundamental operational change for the LDCF, which may present challenges to prepare and introduce for the GEF-8 period.

Option 2: Maintain status quo

141. This option maintains the current voluntary contribution modality as is. This option has the least predictability of resource flows, with all the challenges already identified above. The option does not require any changes to the fund operations.

Option 3: Move to multi-year pledging

142. This option requests donors to make multi-year pledging, based on the voluntary contribution model. This option could potentially enhance the predictability of support if a critical mass of donors (in terms of number of countries and resources) commit to it. This option also enables intermittent donors to engage: those donors with special circumstances may propose alternative pledging modalities on a case by case basis.

143. It also requires little changes to the current fund operations. The Secretariat will need longer-term projections of available resources from the Trustee.

Option 4: Consider, other, donor-proposed option

144. Donors may wish to propose other options or ideas on resource mobilization to be deliberated.

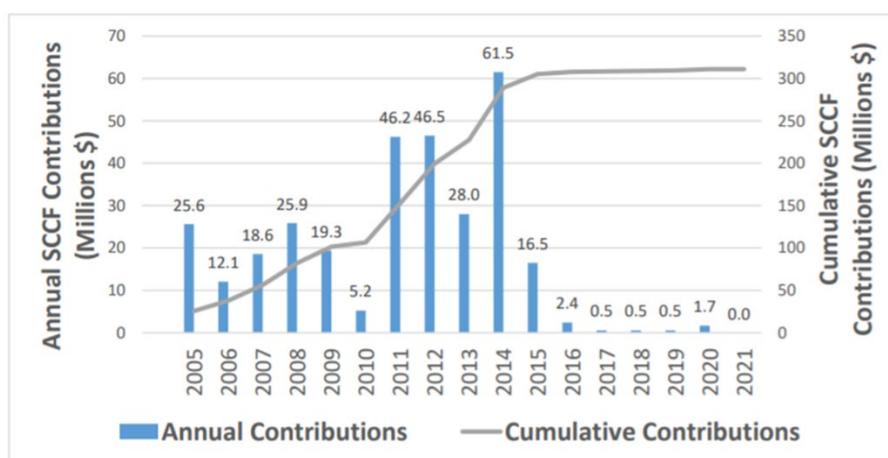
OPTIMIZING THE SCCF

Overview

145. A key topic to be discussed during the strategy negotiations is the optimization of the SCCF. The SCCF is well positioned in its ability to support non-LDCs, including highly vulnerable SIDS, on their climate change adaptation priorities. The SCCF also has flexibility to make the critical contribution of using both grants and non-grant instruments, including loan based concessional finance to blend with commercial finance for scaling up private sector engagement and investment. Furthermore, the SCCF is able to support transformative systemic actions by focus on global and regional projects involving both LDCs and non-LDCs.

146. Despite these merits, value propositions, and high performance, resources have been highly constrained in the GEF-7 period, as shown in the below Figure. While the SCCF is part of the financial mechanism for UNFCCC and confirmed to serve the Paris Agreement, only one donor has continued to respond to these political commitments. The situation is that the fund is insufficiently supported to fulfil the present mandate, such as support to technology transfer, adaptation communication, and other elements, or to address the emerging, urgent need for climate change adaptation in non-LDCs. The fund is also not in a position to respond to new COP guidance or relevant decisions that may emerge from COP 26 and beyond.

Figure 3: Total Annual and Cumulative SCCF Contributions Finalized as of March 31, 2021 (USDeq million)



Options to Consider

147. The Secretariat proposes that the participants to the strategy negotiations consider four options for the future of SCCF. Based on the option selected, the Secretariat will further elaborate an appropriate SCCF strategy.

Option 1: Fully revitalize

148. The first option is to support climate adaptation priorities in all GEF-eligible countries, and develop the 2022-2026 strategy accordingly. This option responds to the mandate of the SCCF and the emerging needs for additional climate adaptation support beyond the LDCs. This option also enables all GEF eligible countries to take advantage of synergy opportunities with the GEF Trust Fund to help mainstream climate adaptation into projects and programs that address global environmental benefits. The Secretariat is prepared to propose a comprehensive set of priorities for the SCCF for this option. For this option to be viable, assurances from multiple donors to support the SCCF at a higher level of resource mobilization targets would be needed.

Option 2: Maintain status quo

149. The second option is the continuation of the current situation, with continued SCCF support from the single donor. This implies that only a few MSPs could be supported in the entire GEF-8 period. Also, given the relatively modest annual contribution level, the fund may face resource constraints to cover administrative expenses sooner or later. This option thus may lead to a de-facto suspension of the fund.

Option 3: Enhance focused support

150. This option seeks to narrow and sharpen the SCCF Programming Strategy focus on key areas of comparative advantage and gaps in the multilateral climate financing architecture, which will be implemented through the existing SCCF windows. This strategic focus will include addressing critical climate change adaptation priorities for SIDS; innovation and private sector engagement; and global and regional collaborative action for systems transformation and South-South sharing for across LDC and non-LDC contexts. The rationale is to prioritize support for highly vulnerable contexts of SIDS through the existing SCCF window a, and enhanced support on technology transfer and collaborative action and South-South sharing through the existing window b of SCCF, including innovation support, blended finance opportunities, and private sector engagement.

151. This option has a merit of emphasizing support to SIDS, which as a group are highly vulnerable and have significant adaptation needs that have not been met sufficiently by other funds. Some donors have expressed SIDS as their priority for climate adaptation support, and the focused option may offer an opportunity to address such prioritization through contributions to window a. There is also multiple, recent COP guidance to the GEF to support technology transfer, which will need the engagement of the private sector and mobilization of flexible blended finance instruments that cannot be supported by the LDCF. Such efforts could be supported under window b. For this option to be viable, assurances of new donor support will be needed.

152. This option also recognizes the successful track record of SCCF support in SIDS, including green and grey infrastructure to build climate resilience (including improved building codes and regulations), nature-based adaptation solutions; resilience in the health sector; climate-resilient tourism; urban resilience, including in water supply and sanitation; adaptation in the agriculture

and fisheries sectors; early warning and climate information systems; and more. The fund has also supported adaptation policy mainstreaming at regional, national and subnational levels; and South-South exchange of innovative adaptation technology solutions. Given the importance of safety nets as well as scaled-up investment in SIDS, in GEF-7 the SCCF also supported early efforts towards micro-insurance and financial literacy for fishing communities (e.g., in Papua New Guinea) and coral reef insurance (e.g., in Solomon Islands).

Option 4: Suspend the fund

153. This option, while highly undesirable, will need to be taken if the single donor decides to stop supporting the SCCF on its own. This option means the donor community will no longer honor the commitment made as part of the Paris Agreement. For this option, steps will need to be initiated towards fund termination by the LDCF/SCCF Council, and COP and CMA may need to deliberate on revising the Paris Agreement decision as well as the financial mechanism set-up. The Trustee will need to continue to make commitments and cash transfers to the GEF Agencies until a certain date to allow continuation of implementation of the approved projects, activities or programs, and taking into consideration the standard timeframe required to fully disburse funds. Administrative budgets will need to be secured until the termination date.

ADDITIONAL OPERATIONAL IMPROVEMENTS

154. In order to ensure that strategic priorities are not only conceptualized, but applicable in practice, the operational policies of the LDCF and the SCCF merit being assessed as the new strategy is under development.

155. The LDCF/SCCF strategy for the GEF-7 period introduced significant operational enhancements, such as the transition to a work program modality with approval by the LDCF/SCCF Council based on strategic priorities. The LDCF also introduced a \$10 million initial per-country cap, to enable a larger number of LDCs to access support in a timely manner. Furthermore, the practice of maintaining a long pipeline was discontinued. These enhancements also enabled support for multi-trust fund projects and programs with the GEF Trust Fund.

156. For the upcoming GEF-8 period, the Secretariat proposes to maintain these GEF-7 improvements. The specific initial cap for LDCF resource access will be decided during the course of the strategy negotiations.

157. Regarding synergy and integration, the proposed priority themes and priority areas with entry points present a number of potential opportunities for cross-programming with the GEF-8 Programming Strategy. The continued application of GEF-7 enhancements in the GEF-8 period will facilitate multi-trust fund programming between the GEF Trust Fund and the LDCF/SCCF. If different measures, such as the provision of incentives for multi-trust fund programming, are desired by participants, their feasibility may be explored.

158. Additional operational policy improvements are presented in the section below, to be articulated further during the strategy negotiation process.

Dedicated Programs

159. The new strategy presents a vision for transformative impacts and higher ambition for climate adaptation, and wider engagement with partners based on the whole of society approach. The strategy rollout and implementation merit corporate support based on dedicated programs for communications and visibility enhancement, outreach and capacity support for LDC planning and programming, and organizational learning and coordination. These are presented below.

Communications and Visibility Enhancement

160. The need to enhance the profile and visibility of the LDCF/SCCF and to develop a robust communication plan for the Funds have been raised by several Council members at recent LDCF/SCCF Council meetings. There is growing recognition that more proactive and longer-term efforts to highlight the on-the-ground impacts of the funds and to enhance visibility of support to climate change adaptation through the LDCF/SCCF are necessary.

161. While efforts to communicate the results and updates on the LDCF/SCCF have historically been carried out, the relatively modest profile of the funds and their results and impacts may be attributable to several factors. First, as the two funds do not have their own secretariat and are wholly part of the GEF Secretariat, there had not been a strong need to establish and assert a clear, independent identity and impacts of the funds like the Adaptation Fund. This meant that outreach efforts and materials tended to present the GEF identity and branding, which may have inadvertently obscured the LDCF/SCCF identity and diminished the visibility of support to climate change adaptation. Also, communication efforts were carried out on a product-by-product basis with support from the GEF communications team. To date, there has not been a dedicated communication strategy for the LDCF/SCCF, and the overall GEF communication strategy has not explicitly included the LDCF/SCCF until very recently.

162. For this strategy, it is proposed that the two funds develop a dedicated, corporate-level Communications and Visibility Program, with a four-year plan with adequate financial and human resource provision. This approach shifts from the ongoing product-by-product approach that is in part based on an annual business plan, to a more proactive approach based on a longer-term plan, which will be outlined further in the next strategy drafts. While the built-in advantage of, and synergy opportunities within, the GEF umbrella will continue to be recognized, products and efforts that exclusively focus on the LDCF/SCCF will be developed further. Cross-support opportunities with the GEF Communications team will be explored.

Outreach and Capacity Support for LDC Planning and Programming

163. This strategy places greater emphasis on innovation and strategic relevance. The GEF Secretariat has been continuously providing country-driven capacity building elements integrated into project and programming design as they are found to be more effective. The

applicants are familiar with the LDCF process and proposal development.⁵¹ The LDCF projects are also recognized as having smooth approval and implementation.

164. The Secretariat, however, recognizes that many LDCs face unique and pronounced capacity constraints in their efforts to explore innovative or strategic adaptation programming. Additional support for LDCs may be warranted to build and maintain capacity within LDCs for project planning and preparation, so that they can strive for a higher level of ambition in climate action. Such measures may also be instrumental to help ensure that all LDCs will have an opportunity to access LDCF support, and in particular enhance the quality at entry and sustainability of projects supported by the LDCF, as recommended by the 2020 LDCF Program Evaluation, improve absorptive capacity, and to support the LDC work programme. These have not been adequately addressed through traditional capacity building support through LDCF projects through GEF Agencies, necessitating a different approach.

165. The new strategy includes the following enhanced support measures to LDCs through the dedicated program:

- i. Upstream project development workshops targeting LDCs;
- ii. Support for joint national investment plan development with the GCF;
- iii. Support for LDCF planning and discussions as stand-alone opportunities, or aligned as relevant with upstream programming discussions, national dialogues, and Expanded Constituency Workshops (ECWs);
- iv. Integration of technical assistance elements in project design to address medium to longer-term institutional and human capacity needs.

166. Depending on the country needs and circumstances, the above support measures can be also provided through virtual platform, in addition to traditional in-person setting. Building on the relevant experience gained through COVID-19 pandemic, virtual platform has demonstrated the potential to enable granular and timely support to the LDCs. The virtual platform has provided more options and flexibility for LDCs in engaging in capacity building support for their planning and programming.

167. The LDCF and SCCF can support global/regional initiatives to foster sustained endogenous technical capacities for project development, policy coherence and mainstreaming and the creation of an enabling environment among the institutions in the LDCs. This will help to achieve scaled up and effective climate change adaptation in the LDCs.

168. Some support measures listed above may also be considered for project(s) that respond to Decision 11/CP.12 paragraph 15, which requested the GEF, "...as the operating entity of the Financial Mechanism of the Convention entrusted with the operation of the Least Developed Countries Fund, to continue to enhance capacity development in the least developed countries

⁵¹ GEF/LDCF.SCCF.29/E/01

for the development of project proposals with a focus on identifying potential funding sources, both national and international, and enhancing long-term domestic institutional capacities.”

169. The expansion of this dedicated program to the SCCF can be explored once there is convergence on how to optimize the SCCF in the GEF-8 period.

Organizational Learning and Coordination

170. With over 100 completed projects and programs (excluding enabling activities) and many more under implementation, the LDCF and SCCF portfolios are arguably one of the best global collections of climate change adaptation experiences and lessons learned. In the next four-year period, the Secretariat will enhance portfolio- and partnership-oriented organizational learning and coordination. The focus is to enable the fund-level learning and performance enhancements by creating, acquiring, and sharing knowledge and insights.

171. Scientific bodies have expressed interest in formal studies on the learnings so that the knowledge can inform scientific literature. Other climate funds and institutions have expressed interest in learning from the wealth of experience in adaptation emerging from the two funds to help enhance the effectiveness and scope of adaptation-oriented support mechanisms, and to enhance complementarity. Knowledge generation and sharing will be supported to respond to this emerging need. The contribution of the LDCF and SCCF on facilitating transformational adaptation will be articulated through this dedicated program. In response to the recommendation to continue to enhance the likelihood of the sustainability of outcomes from the 2020 IEO Program Evaluation of the LDCF, efforts will also be made to build portfolio-wide lessons on factors that affect the sustainability of outcomes, and how to address them during project design and implementation.

172. Furthermore, this dedicated program will support global and regional initiatives and platforms for knowledge management, sharing of lessons and good practices, coordination, and South-South collaboration, with a special focus on those facilitating the whole of society approach, including youth, women, CSOs, IPLCs, and other key stakeholders. Such effort is also expected to help address the recommendation to aim to decrease the knowledge gap about gender-related results from the 2020 IEO Program Evaluation of the LDCF.

173. These efforts do not duplicate knowledge management components of individual projects and programs, carried out in line with the GEF knowledge management plan. Rather, they address the unmet needs at the fund and portfolio level to generate, retain, and enhance learning opportunities to enrich and enhance adaptation support within and across climate adaptation funds and initiatives. Also, they have the potential to help inform scientific literature and evidence on climate adaptation, which are more nascent compared to disciplines such as climate mitigation, energy, conservation, agriculture, and others.

Regional and Global Projects/Initiatives

174. The GEF has programmed resources at the regional and global level to support Convention obligations, enabling activities, and initiatives that are more effectively addressed

at the global level. They are also used to support testing and piloting of highly innovative and risky interventions that are too early for national level implementation.

175. Support to regional and global initiatives continues to be a valuable feature of the LDCF as well as the SCCF, as other major climate adaptation funds have not supported them in a similar, flexible fashion.⁵² In the GEF-7 period, the LDCF and SCCF have supported regional and global initiatives (i) to build capacity and facilitate cross-learning, in response to COP guidance; and (ii) to foster innovation and private sector engagement with significant adaptation and de-risking potential for all developing countries, such as through the Challenge Program for Adaptation Innovation.

176. For the GEF-8 period, the following regional and global initiatives will be considered for the LDCF and SCCF:

- Major initiatives to be developed and supported with the GCF and other partners;
- Capacity building and cross-learning support and response to COP guidance;
- Incentive to integrate adaptation and climate resilience enhancement into regional/global multi-trust fund projects and programs;
- Innovative projects with significant adaptation and de-risking potential for developing countries and with private sector engagement; and
- Relevant elements of the LDC work programme and relevant COP guidance.

177. The regional and global projects are expected to deliver and report on adaptation impacts, and will complement national projects. Similar to GEF-7, the LDCF will maintain the ceiling of 10 percent of expected total resources for regional and global initiatives. For the SCCF, the ceiling figure will be determined once the scope of the SCCF support is clarified.

DEVELOPMENT OF ILLUSTRATIVE FINANCING SCENARIOS FOR LDCF AND SCCF

178. Given the progress made in programming resources through the LDCF and the SCCF and noting the continued high demand for adaptation support, as well as the proven absorptive capacity of the eligible recipient countries, two illustrative financing scenarios will be developed and presented for discussion during the second strategy discussion.

RESULTS FRAMEWORK

179. The GEF-8 results framework will be similar to the results framework used by the LDCF and SCCF in GEF-7, which included significant innovations over past GEF phases.

⁵² Regional and global initiatives refer to projects with activities that seek to address regional and global needs and priorities and without a specific country focus. As such, regional and global initiatives differ from multi-country projects, where GEF-funded activities take place in countries with national endorsements.

180. The core indicators will remain the same as in GEF-7. The GEF-7 results framework comprised four core indicators, sex-disaggregated where feasible. These are shown in Table 2.

Table 2: Core Indicators for the LDCF and SCCF (2022-2026)

	Core Indicator	Sex-disaggregated?
1.	Number of direct beneficiaries	Yes
2.	Area of land managed for climate resilience (ha)	n/a
3.	Total number of policies/plans that will mainstream climate resilience	n/a
4.	Number of people trained	Yes

181. In continuation of current practice, each core indicator will have associated outcome and output level indicators. These will continue to collect and analyze gender disaggregated data, to enable assessment of gender relevance of LDCF and SCCF support.

182. Results will be monitored and reported to the LDCF/SCCF Council as projects reach inception, mid-term, and at completion, in line with the overall GEF policy on results-based management. Updates will also be included in the GEF annual report to the UNFCCC COP.

ANNEX I: LDCF AND SCCF AT A GLANCE, AS OF MARCH 31, 2021

	LDCF	SCCF	Total
Pledges and contributions			
Total cumulative pledges (US\$ million)	1,772.26	356.09	2,128.35
Cash receipts (US\$ million)	1,580.01	349.44	1,929.45
Project approvals			
Total cumulative funding decisions, including projects, fees, and admin budgets (US\$ million)	1,592.86	363.68	1,956.54353
Total co-financing (US\$ million)⁵³	5,007.40	2,489.95	7,497.35
Number of projects	353 ⁵⁴	86 ⁵⁵	439
Number of countries	51	79	130
Projects endorsed or approved by the CEO			
Total cumulative funding commitments (including projects and fees) (US\$ million)	1,227.29	353.34	1,580.63
Total co-financing (US\$ million)⁵⁶	4,793.08	2,474.07	7,267.15
Number of CEO endorsed/approved projects and enabling activities	242 ⁵⁷	82 ⁵⁸	330
Number of countries	51	79	118
Funds available for new funding approvals			
Current funds available for new approvals (US\$ million)	77.63	10.60 ⁵⁹	88.23

⁵³ Excluding multi-trust fund (MTF) projects between GEF Trust Fund.

⁵⁴ These include Full-Sized Projects (FSP)s, Medium-Sized Projects (MSPs), Enabling Activities, programmatic Approaches with LDCF support and their child projects, including 24 MTF projects with the SCCF and/or the GEF Trust Fund. The number of projects is based information from the GEF Portal as of March 31, 2021.

⁵⁵ These include FSPs, MSPs, Enabling Activities, and programmatic Approaches with SCCF support, including 13 MTF projects with the LDCF and/or the GEF Trust Fund. This data is based on information from the GEF Portal as of March 31, 2021.

⁵⁶ Excluding MTF projects between GEF Trust Fund.

⁵⁷ One additional project has been CEO endorsed on November 17, 2020.

⁵⁸ This data is based on information from the GEF Portal as of March 31, 2021.

⁵⁹ This amount comprises \$3.42 million under the SCCF-A and \$7.18 million under the SCCF-B.

ANNEX II: SELECTED GUIDANCE FROM RECENT COPs AND RESPONSE OF GEF-8 RELEVANCE

A complete compilation of UNFCCC guidance and decisions of relevance from COP 1 to the most recent COP, and GEF's response, has been published annually by the GEF Secretariat.⁶⁰

COP Guidance of Relevance to the GEF from COP 25 and COP 24	GEF Response and Relevance to GEF-8
COP 25 DECISIONS (2019)	
<p>Decision 7/CP.25 National adaptation plans <i>Support to NAPs</i> <i>Notes</i> that funding has been made available for developing country Parties under the Green Climate Fund, the Least Developed Countries Fund and the Special Climate Change Fund for the process to formulate and implement national adaptation plans, and that other channels of bilateral, multilateral and domestic support have also contributed to enabling developing countries to advance their work in the process to formulate and implement national adaptation plans.</p>	<p>The LDCF and SCCF continue to support NAP processes with a focus on their implementation, subject to approval of the proposed strategy.</p>
<p>Decision 13/CP.25, Paragraph 4: <i>Operational improvement</i> <i>Invites</i> the Global Environment Facility to continue its efforts to minimize the time between the approval of project concepts, the development and approval of the related projects, and the disbursement of funds by its implementing/executing agencies to the recipient countries of those projects.</p>	<p>The GEF continues its efforts to strengthen efficiencies in the project cycle. In the current phase, the GEF has instituted a maximum time period of 12 months for medium-sized projects (MSPs), and 18 months for full-sized projects (FSPs) for the project to receive endorsement by the Chief Executive Officer (CEO) after approval by the Council of the relevant Work Program, in line with the Project Cancellation Policy^[1] approved by the Council in December 2018.</p>
<p>Decision 13/CP.25, Paragraph 9: <i>Engagement with GCF</i> <i>Also invites</i> the Global Environment Facility, in accordance with its existing mandates and in collaboration with the Green Climate Fund, to report on lessons learned in supporting developing countries in collecting and managing information and data on adaptation.</p>	<p>The application of lessons learned is an explicit objective of the Long-Term Vision (LTV) on Complementarity, Coherence and Collaboration between the GCF and the GEF.</p>

⁶⁰ GEF, 2019, [United Nations Framework Convention on Climate Change Guidance from the Conference of the Parties and Responses by the Global Environment Facility COP1-COP24](#).

COP Guidance of Relevance to the GEF from COP 25 and COP 24	GEF Response and Relevance to GEF-8
<p>Decision 13/CP.25, Paragraph 10: <i>Support to smooth transitions of countries graduating from LDC status</i> <i>Requests</i> the Global Environment Facility, in administering the Least Developed Countries Fund, to continue facilitating the smooth transition of countries graduating from least developed country status by continuing to provide approved funding through the Least Developed Countries Fund until the completion of projects approved by the Least Developed Countries Fund Council prior to those countries’ graduation from least developed country status.</p>	<p>The LDCF and SCCF continue to proactively engage with countries graduating from LDC for its smooth transition.</p>
COP 24 DECISIONS (2018)	
<p>Decision 6/CP.24, Paragraph 14: <i>Partnership</i> <i>Requests</i> the Global Environment Facility to continue to monitor the geographic and thematic coverage, as well as the effectiveness, efficiency and engagement, of the Global Environment Facility Partnership, and to consider the participation of additional national and regional entities, as appropriate.</p>	<p>This will be discussed further within the context of the GEF-8 replenishment.</p>
<p>Decision 16/CP.24, Paragraph 4: <i>Least developed countries work programme</i> <i>Noted</i> that support for the work programme should come from a variety of sources, including the Least Developed Countries Fund, the Global Environment Facility, the Green Climate Fund, and other bilateral and multilateral sources within their respective mandates, and the private sector, as appropriate</p>	<p>The LDCF continues to support implementation of LDC work programme.</p>
CMA.1 DECISIONS	
<p>Decision 3/CMA.1, Paragraph 7: <i>Matters relating to the implementation of the Paris Agreement</i> <i>Confirmed</i> that the Least Developed Countries Fund and the Special Climate Change Fund shall serve the Paris Agreement;</p>	<p>The proposed Programming Strategy and Operational Improvements is developed to respond to this important mandate to serve the Paris Agreement.</p>
<p>Decision 9/CMA.1, Paragraph 20 <i>Support to Adaptation Communication,</i> <i>Invites</i> the Global Environment Facility, in line with its existing mandate, to consider channeling support to developing country Parties for the preparation and submission of their adaptation communications, as a component of or in conjunction with other communications or documents, including a national adaptation plan, a nationally determined contribution</p>	<p>The GEF will support Adaptation communication, as a component or in conjunction with other communications or document, such as a NAP, NDC, and/or national communication.</p>

COP Guidance of Relevance to the GEF from COP 25 and COP 24	GEF Response and Relevance to GEF-8
<p>as referred to in Article 4, paragraph 2, of the Paris Agreement, and/or a national communication;</p> <p>Paragraph 21: <i>Encouraged</i> the Green Climate Fund, the Global Environment Facility, the Adaptation Fund, the Climate Technology Centre and Network and the Paris Committee on Capacity-building, in line with their existing mandates and governing instruments, to continue channeling support to developing country Parties for the implementation of their adaptation plans and actions in accordance with the priorities and needs outlined in their adaptation communication;</p>	

¹¹ GEF, 2018, [Project Cancellation Policy](#), Document OP/PL/2

ANNEX III: STATUS OF LDCF RESOURCE ACCESS BY LDCs AS OF SEPTEMBER 2021

Country	Total LDCF Resources Approved, Excluding NAPA Preparation (\$)	LDCF Resources Approved in GEF – 7 (July 2018 to September 2021) (\$)	Number of Projects Supported by LDCF
Afghanistan	40,019,500	10,000,000	5
Angola	40,432,409	10,000,000	7
Bangladesh	38,192,600	10,000,000	6
Benin	40,468,000	10,000,000	7
Bhutan	40,193,437	10,000,000	5
Burkina Faso	39,941,862	10,000,000	7
Burundi	29,789,671	10,000,000	4
Cambodia	36,843,788	10,000,000	8
Central African Republic	21,172,300	10,000,000	3
Chad	39,746,375	9,745,500	6
Comoros	29,961,781		4
Congo DR	39,911,137	10,000,000	6
Djibouti	32,233,725	9,991,875	6
Eritrea	20,019,250	10,000,000	2
Ethiopia	39,933,138	10,000,000	6
Gambia	39,543,095	9,999,995	6
Guinea	35,373,000	9,909,750	6
Guinea-Bissau	24,684,250	6,734,250	3
Haiti	33,484,327	9,999,999	7
Kiribati	32,297,625	10,000,000	7
Lao PDR	37,534,558	10,000,000	8
Lesotho	40,657,673	10,000,000	7
Liberia	27,905,040	10,000,000	5
Madagascar	19,623,064		3
Malawi**	34,947,043	5,000,000	8
Mali	36,966,626	8,060,001	9
Mauritania	35,073,250	10,000,000	7
Mozambique	31,729,900	10,000,000	4
Myanmar	31,851,831	10,000,000	5
Nepal	35,682,260	4,999,013	6
Niger	29,711,875		5
Rwanda	40,615,374	9,368,424	6
Sao Tome and Principe**	26,736,730		6
Senegal	39,983,756	10,000,000	7
Sierra Leone	36,580,905	10,000,000	6

Country	Total LDCF Resources Approved, Excluding NAPA Preparation (\$)	LDCF Resources Approved in GEF – 7 (July 2018 to September 2021) (\$)	Number of Projects Supported by LDCF
Solomon Islands**	28,132,750	5,000,000	5
Somalia	39,651,945	10,000,000	5
South Sudan	19,550,000	9,495,250	2
Sudan	41,945,450	9,960,000	9
Tanzania	25,937,534	9,225,604	5
Timor Leste	37,109,400	10,000,000	8
Togo	30,000,000	10,000,000	4
Tuvalu	16,908,750	5,000,000	7
Uganda	39,797,388	10,000,000	6
Vanuatu*	36,663,250	10,000,000	8
Yemen	26,534,499	10,000,000	3
Zambia	35,000,472	7,905,572	6

* Countries which have graduated from LDC status during GEF-7 period

** Countries with PIF under review with Secretariat