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INVESTING IN OUR PLANET

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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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PROGRAMMING STRATEGY

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 in the next Chapter.

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 The Global Risk Report 2022 has ranked “climate action failure” as the number one risk with the potential to inflict the most damage globally over the next decade, followed by extreme weather and biodiversity loss.⁴

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.

⁴ World Economic Forum, 2022, *The Global Risks Report, 17th Edition*

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 adverse effects from human activities on ocean and land.⁵ 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.⁶

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.⁷ 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.⁸ 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,

⁵ 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.

⁶ Ibid.

⁷ UNEP, 2021, *Adaptation Gap Report 2020*. Nairobi.

⁸ UNICEF, 2021, *The Climate Crisis is a Child Rights Crisis: Introducing the Children's Climate Risk Index*. New York.

and 36 times more heat waves among other impacts, compared to the reference case. These analyses also highlight strong benefits of aligning policies with the Paris Agreement in order to safeguard the future of the current young generations.⁹

Table 1: Selected IPCC Findings at a Level of ‘High Confidence’¹⁰

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. Efforts must be made to address climate-related risks and responses from the gender lens, in

⁹ W. Thiery et al., 2021, *Intergenerational Inequities in Exposure to Climate Extremes*, Science DOI: 10.1126/science.abi7339

¹⁰ IPCC, 2021, *Regional Factsheets*, AR6 Climate Change 2021, The Physical Science Basis.

order to avoid exacerbating vulnerabilities and also to uncover "...new entry points for advancing gender equality, improving climate resilience, and sustaining peace."¹¹

9. Conflict and fragility also pose important contexts for determining adaptation imperatives. Twenty-six of the countries on the World Bank's list of conflict-affected or fragile countries in fiscal year 2022¹² are also LDCs or SIDS, and the GEF Independent Evaluation Office (IEO) 'Evaluation of GEF Support in Fragile and Conflict-Affected Situations 2020' found that more than one-third of the GEF's portfolio is invested in countries affected by major armed conflict.¹³ The GEF will implement the Evaluation's recommendations as per the actions identified in its Management Response.¹⁴

10. However, 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. The Global Risk Report 2022 states that "climate change is a key driver of migration. It displaces people directly because of natural disasters and it can displace them indirectly by encouraging economic migration from weakening economies vulnerable to the adverse impacts of climate change".¹⁵ Adaptation interventions can alleviate pressures contributing to migration and 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.

11. Against this background, this strategy identifies entry points where the LDCF and SCCF can offer the most effective and timely climate change adaptation support, in recognition of their role as catalytic players in this space. Created two decades ago, the two funds embody a wealth of climate 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

12. 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.¹⁶ The two funds have been supporting country-

¹¹ UNEP, UN Women, UNDP, and UNDPPA/BSO, 2020, [*Gender, Climate and Security: Sustaining Inclusive Peace on the Frontlines of Climate Change*](#).

¹² World Bank, 2021, FY22 FCS List. See page on '[*Classification of Fragile and Conflict-Affected Situations*](#)'.

¹³ IEO, 2020, [*Evaluation of GEF Support in Fragile and Conflict-Affected Situations*](#), GEF/E/C.59/01.

¹⁴ GEF, 2020, [*Management Response to \(1\) GEF/E/C.59/01: Evaluation of GEF Support in Fragile and Conflict-Affected Situations*](#), Council Document GEF/E/C.59/06.

¹⁵ World Economic Forum, 2022, [*The Global Risks Report, 17th Edition*](#).

¹⁶ UNFCCC, 2001, [*Decision 5/CP.7*](#).

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 448 climate change adaptation projects and programs, with over \$2.0 billion in grant resources to date.¹⁷ The state of the LDCF and SCCF at a glance is presented in Annex I.

13. Both funds have built a significant track record in producing substantial positive human impact. The LDCF projects in the implementation phase as of September 30, 2021 seek to directly reduce the vulnerability of more than 51 million people to adverse impacts of climate change. The SCCF portfolio under implementation aims to directly reduce the vulnerability of over seven million people. Since the start of the GEF-6 period in July 2014, which is when all GEF-managed trust funds started systematically tracking sex disaggregated data, 50 percent of beneficiaries for both LDCF and SCCF projects are expected to be female.¹⁸

14. 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 September 30, 2021, 51 LDCs had accessed a total of \$1.65 billion for 360 projects from 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.¹⁹

15. 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 88 projects for adaptation and technology, for a total of \$364 million as of September 30, 2021.²⁰ 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

16. 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 several projects also supporting slow

¹⁷ 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.

¹⁸ GEF, 2021, *Progress Report on the Least Developed Countries Fund and the Special Climate Change Fund*, Council Document GEF/LDCF.SCCF.31/04/Rev.01.

¹⁹ Ibid.

²⁰ Ibid.

onset climate impacts such as water stress and climate variabilities related to temperature and precipitation. The LDCF has supported nearly 70 percent of projects in Africa, with the remaining portfolio supporting Asia, SIDS, and global projects. The regional distribution of the SCCF portfolio is balanced across different regions as the fund supports non-LDC vulnerable countries.

17. 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.

18. 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. This approach delivers on the urgent special needs of the LDCs 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.

19. 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 as well as LDCF 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

20. 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, 2020.²¹

21. 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

²¹ GEF, 2021, *Annual Monitoring Review of the Least Developed Countries Fund and the Special Climate Change Fund*, Council Document GEF/LDCF.SCCF.30/04.

development objectives (DO). Sixty-two projects, or 79 percent, were also rated MS or higher in their implementation progress (IP).

22. 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.

23. 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.

24. 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.

25. 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 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.

26. 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 higher risk projects.

Responsiveness to Convention Guidance

27. 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.²² 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

²² 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, 2021, [United Nations Framework Convention on Climate Change Guidance from the Conference of the Parties and Responses by the Global Environment Facility COP1 – COP25](#).

of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), as well relevant conclusions from the Subsidiary Bodies.

28. 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 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."²³ Further, the CMA has confirmed in 2018 that "the Least Developed Countries Fund and the Special Climate Change Fund shall serve the Paris Agreement."²⁴

29. Climate adaptation and adaptation finance were key themes discussed at COP 26 in Glasgow, United Kingdom in November 2021. The proposed Programming Strategy has been developed to be aligned with and to support the key agreements, and also to respond to specific guidance to the GEF, the LDCF, and the SCCF. The Glasgow Climate Pact emphasized the "...urgency of scaling up action and support, including finance, capacity building, and technology transfer, to enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change in line with the best available science, taking into account the priorities and needs of developing country Parties."

30. The agreement also welcomed the recent pledges made to the LDCF, recognizing significant progress compared with previous efforts, and urged to at least double the collective provision of adaptation finance to developing countries from 2019 levels by 2025.²⁵

31. Paragraph 8 of the COP26 guidance to the GEF welcomed with appreciation contributions to the LDCF and encouraged "...additional voluntary financial contributions to the Fund and the Special Climate Change Fund to support adaptation and technology transfer. Parties also requested the GEF, as an operating entity of the Financial Mechanism of the Convention entrusted with the operation of the Special Climate Change Fund, to continue to assist developing country Parties in accessing resources in an efficient manner."²⁶

32. Further, the outcome of the Glasgow Climate Change Conference "encourages GEF to consider ways to further enhance the role of national agencies and civil society organizations as executing agencies in order to enhance country ownership of projects and programmes", and urges to "enhance its support for projects that engage with stakeholders at the local level, and to continue to provide funding for projects related to technology training and scale up South–

²³ 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.

²⁴ UNFCCC, 2018, Decision 3/CMA.1.

²⁵ UNFCCC, 2021, [Glasgow Climate Pact, COP26 cover decision, Decision-/CP.26.](#)

²⁶ UNFCCC, 2021, [Outcome of the Glasgow Conference](#), Decision -/CP.26.

South cooperation and triangular cooperation with the Technology Executive Committee and the Climate Technology Centre and Network”.

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

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.

SCCF: The 2021 Program Evaluation of the SCCF by the GEF IEO concluded that “SCCF support continues to be relevant to COP guidance, to the GEF adaptation strategy, and to countries’ national priorities.” It also stated that although the portfolio was small, “it does provide evidence of responsiveness to COP guidance on nearly all fronts”, with relevant COP guidance including encouragement of support to SIDS, enhanced engagement with the private sector, enhanced complementarity between operating entities and engagement with the GCF, mainstreaming gender, support for recently graduated LDCs, support for country-driven strategies, and alternative policy approaches, including joint mitigation and adaptation approaches.

The evaluation also concluded that the SCCF has increased complementarity with other funds in climate finance, and that the overall gender performance of the portfolio has improved, and it has been effective and performed well.

Source: GEF IEO, 2021, [2021 Program Evaluation of the Special Climate Change Fund](#), Council Document GEF/LDCF.SCCF.31/E/01/Rev.01.

33. 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”.

34. Prior COP guidance of relevance for the present strategy includes support for the NAP process, which the GEF has been supporting in coordination with the GCF, and adaptation communication, which the GEF is ready to support with NAPs, NDCs, and/or national communications financed by the GEF Trust Fund. Other key guidance includes: 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 2018.²⁷

35. In addition, there are relevant guidance to the GEF to promote synergies across its focal areas;²⁸ enhance complementarity and coherence with other operating entities of the financial mechanism; engage with the private sector; improve access modalities for LDCs and SIDS;²⁹ and formulate alternative policy approaches that enable joint programming.³⁰

Key Findings of Program Evaluations of LDCF and SCCF

36. 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.³¹ 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

37. In its 2020 Program Evaluation of the Least Developed Countries Fund,³² the IEO found that:

- 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;
- LDCF support has resulted in catalytic efforts through production of public goods and their demonstration;
- LDCF support has built foundations for larger scale projects; and
- The current LDCF portfolio is well-aligned with all three strategic objectives.

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

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

²⁷ UNFCCC, 2018, Decision 16/CP.24.

²⁸ UNFCCC, 2018, Decision 6/CP.24.

²⁹ UNFCCC, 2017, Decision 11/CP.23.

³⁰ UNFCCC, 2016, Decision 11/CP.22.

³¹ GEF IEO, 2021, [Management Action Record 2021](#), Council Document GEF/E/C.60/inf.01.

³² GEF IEO, 2020, [2020 Program Evaluation of the Least Developed Countries Fund](#), Council Document GEF/LDCF.SCCF.29/E/01.

SCCF Program Evaluation

39. The IEO concluded its 2021 Program Evaluation of the Special Climate Change Fund.³³ Some of its main conclusions were:

- SCCF support continues to be relevant to COP guidance, to the GEF adaptation strategy, and to countries' national priorities;
- The SCCF has increased complementarity with other funds in climate finance;
- The SCCF portfolio has been effective and has performed well;
- Beyond field-based adaptation benefits, the SCCF portfolio has resulted in strengthened institutional capacity, and achieved innovation, legal and regulatory, socioeconomic, and sustainable financing outcomes;
- The overall gender performance of the SCCF portfolio has continued to improve;
- The GEF adaptation strategy has put a stronger emphasis on private sector engagement, reflected in the portfolio of recently approved projects; and
- The SCCF has a unique role that it could play if it were refocused and adequately funded.

40. The evaluation made the following recommendation:

"The GEF Secretariat should acknowledge the semidormant state of the SCCF and— together with the key and emerging donors and stakeholders—develop a proactive action plan to revitalize the fund. Removing windows SCCF-C and SCCF-D, which are evidently unattractive to donors, targeting support under window SCCF-A towards non-LDCs—particularly SIDS—and refocusing the fund toward technology transfer and innovation in adaptation in non-LDCs in window SCCF-B is the only way forward. In doing so, the Secretariat should actively articulate and communicate the SCCF's niche and brand its focused and distinctive roles in the climate finance architecture. In the short term, and despite the preference of traditional donors to focus on few, larger funds, the existence of funds such as the SCCF could remain a proven and practical alternative for donors to diversify their funding, or an opportunity for new and emerging or smaller donor countries in climate finance".

41. In its Management Response³⁴ to the evaluation, the GEF Secretariat indicated that the draft LDCF/SCCF Programming Strategy proposes a focus for SCCF windows A and B that is aligned with the Evaluation's recommendation. As presented in this strategy document, SCCF-A is well-placed to serve the needs of the many highly vulnerable, non-LDC SIDS, that are not able to access adaptation support from the LDCF and which need to compete with other developing

³³ GEF IEO, 2021, [2021 Program Evaluation of the Special Climate Change Fund](#), Council Document GEF/LDCF.SCCF.31/E/01/Rev.01.

³⁴ GEF, 2021, [Management Response to 2021 Program Evaluation of the Special Climate Change Fund](#), Council Document GEF/LDCF.SCCF.31/05.

countries for funds from other sources of climate finance. This strategy document is also fully consistent with the IEO finding that SCCF-B is well-placed to support innovation and technology transfer for adaptation.

42. The proposed dedicated program on Communications and Visibility Enhancement addresses the identified need to actively articulate and communicate the funds' niche and distinctive roles in the climate finance architecture.

43. Some aspects of the recommendation, such as removal of windows SCCF-C and SCCF-D, are not possible to be addressed by the GEF Secretariat in absence of a decision by the UNFCCC COP, and no such decision has been taken.

GOALS OF THE PROGRAMMING STRATEGY

44. 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.³⁵

45. By fully aligning with, and supporting the articulation of, the Paris Agreement's global 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.

46. 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..."³⁶ Transformational adaptation, as defined by IPCC, refers to adaptation that changes the fundamental attributes of a system in response to climate and its effects. The Working Group II contribution to the IPCC Sixth Assessment Report on impacts, adaptation, and vulnerability, to be finalized in 2022, is expected to further articulate the role of, and the need for, transformational adaptation.

47. As transformational adaptation requires building resilience at systems level including through technical, social and political level interventions, 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

³⁵ As part of the Glasgow Climate Pact adopted at COP 26, Parties recognized "...the importance of the global goal on adaptation for the effective implementation of the Paris Agreement," and launched a two-year Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation. The GEF stands ready to contribute to this effort to help identify collective needs and solutions to address climate adaptation challenges.

³⁶ 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.

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

Proposed Adaptation Approach: Themes, Intervention Scales, and Rationale

Themes

48. The strategy includes themes of particular interest for the LDCF and SCCF in GEF-8 that will build on areas of high impact, articulated national priorities, and experience for the two funds, with potential for trans-disciplinary interventions that can catalyze change and enable systemic shifts. These themes also recognize the interdependency between human well-being and a healthy environment, well-aligned with the framework of *Healthy Planet, Healthy People* proposed in the GEF-8 programming directions of the GEF Trust Fund.

Agriculture, Food security, and Health

49. Agriculture, food security, and health will continue to be important themes in GEF-8 with a heightened focus on community wellbeing. Programs and projects will support adaptation in the context of food security and health, aligned with the concept of agroecological transformation³⁷, such as through improvements in ecosystem management, food value chains, and livelihoods.

50. Specific interventions may include support for social safety nets such as crop insurance; flood- and drought-tolerant crop species that also contribute better to meeting nutritional needs; climate-resilient aquaculture and fisheries; 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.

³⁷ Defined by FAO as “an integrated approach that simultaneously applies ecological and social concepts and principles to the design and management of food and agricultural systems. It seeks to optimize the interactions between plants, animals, humans and the environment while taking into consideration the social aspects that need to be addressed for a sustainable and fair food system”. See [The 10 Elements of Agroecology: Guiding the Transition to Sustainable Food and Agricultural Systems](#).

Water

51. It is said that climate change manifests itself primarily through changes in the water cycle.³⁸ For human societies, water is needed for residential use including consumption and sanitation. It is also needed for agricultural, industrial, power generation and other uses. Thus, ensuring sufficient, timely and reliable access to water is important for the functioning of municipal services, industry and food production. However, climate change has been impacting freshwater availability, which the IPCC Sixth Assessment Report states is expected to continue; the report refers to strengthened evidence that the global water cycle will continue to intensify as global temperatures rise, with precipitation and surface water flows projected to become more variable over most land regions within seasons, and from year to year. The report further states that a warmer climate will intensify very wet and very dry weather, climate events and seasons, with implications for flooding and drought.³⁹ It also has implications for fragility and resource conflict.

52. The above changes, as well as possible spatial changes in precipitation patterns, are expected to alter the patterns of demand and supply of water for agriculture, a critical economic sector for most of the countries served by the LDCF and SCCF. Yield and productivity of both irrigated and rainfed agriculture are likely to change, with implications for the livelihoods and sustenance of poor rural communities as well as on food security more broadly.

53. Thus, freshwater quality and quantity will continue to be an important aspect of the GEF's adaptation program via integrated water resources management interventions that mainstream climate resilience, with continued support to be provided for ways to capture and store water (e.g., rainwater harvesting, tanks, etc.), to conserve water (e.g., drip irrigation, water metering); and to enable easier and more reliable access to water. Policy measures to enable efficient water use and effective decision-making, and capacity support for improved hydrological modeling and water resource scenario planning, will be supported. The adaptation program will continue to explore measures to reduce vulnerability to droughts and floods.

Nature-Based Solutions

54. 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.

³⁸ IUCN, 2015, [*Issues brief: Water and Climate Change*](#).

³⁹ 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.

55. The LDCF and SCCF 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 and SCCF is complementary to the *Healthy Planet, Healthy People* framework 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 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. Policies and financial incentives that can help scale up NBS, and analytical tools and methodologies that can demonstrate the case for nature-based infrastructure (NBI) over gray infrastructure, will also be supported.

Early Warning and Climate Information Systems

56. Early warning and climate information systems have been a high priority of LDCF and SCCF 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 two funds 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.

Intervention Scales

57. The strategy places an emphasis on adaptation approaches and spatial scale where targeted interventions will have the maximum potential to deliver transformational adaptation. For the LDCF, these intervention scales include focus on: (a) ecosystem and nature-based adaptation approaches; (b) landscape and value-chain based approaches; and (c) regional approaches focusing on rural, urban and coastal areas. For the SCCF, they include focus on: (a) coastal areas and vulnerable regions; (b) ecosystem and nature-based adaptation approaches; (c) vulnerable value chain-based approaches; and (d) enterprise, business, and finance.

58. These provide targeted opportunities for the LDCF and SCCF to reduce climate vulnerability in a comprehensive manner by supporting food and water security, strengthening climate resilient infrastructure and services and resilient ecosystems for sustained adaption benefits.

Rationale

59. The above themes and intervention scales present opportunities for the LDCF and SCCF to support vulnerable countries in adopting 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.

60. It is worth noting that the two funds have a robust history of successful support across these themes and can also build on synergy potential with the GEF Trust Fund interventions based on country preference. 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.

61. 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.

62. 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.⁴⁰

63. 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. Engagement of a diversity of private sector innovators who are increasingly concerned and proactive about the risks and opportunities of climate change impacts is crucial to achieve the scale and pace of transformation that is urgently required. 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.

Levers for Transformation

64. To facilitate transformational adaptation, in the 2022-2026 period, the LDCF and SCCF will continue to build on their support for creating enabling conditions in countries targeting

⁴⁰ GEF, 2021, [*Long-Term Vision on Complementarity, Coherence and Collaboration between the GCF and the GEF*](#), Council Document GEF.C60/08.

systemic barriers. In this context, the strategy will emphasize on three key transformation levers, which are briefly described below.

65. Policy coherence and mainstreaming of climate adaptation: Mainstreaming adaptation and climate resilience 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 thrust for adaptation support in GEF-8. In addition, in order to more comprehensively support transformation, greater emphasis will be placed on policy coherence for harmonized policy environment, mobilization of additional resources for adaptation, and reduced trade-offs.

66. Strengthened governance for adaptation: An area of enhanced focus for the GEF-8 period will be LDCF and SCCF's support for adaptation at all scales, from national to sub-national to community levels. To support transformation, adaptation planning and investments need to be governed at a systems scale which cuts across different sectors, regions, and governance levels, requiring enhanced vertical (across governance) and horizontal (across sectors) institutional integration.

67. Knowledge exchange and collaboration: Knowledge exchange will serve as a key vehicle for innovation and technology transfer, sharing of best practices, and scaling-up of adaptation solutions, pioneering approaches and experience. To further catalyze transformation, the GEF - 8 strategy will advance collaboration among different stakeholders, particularly by facilitating South-South cooperation for sharing of lessons, research community findings on context-appropriate solutions, and locally-led processes that are catalyzing positive change. This lever also addresses the COP 26 guidance to the GEF.

68. The goal of the GEF-8 Adaptation strategy for the LDCF and SCCF 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 strengths and specificities of both funds in complementarity to other sources of climate adaptation finance, through a set of themes and entry points.

Theory of Change

69. Figures 1 and 2 present the theory of change for GEF's support to climate change adaptation through the LDCF and the SCCF in the next four years.

Figure 1: Theory of Change for Climate Change Adaptation Strategy for the LDCF

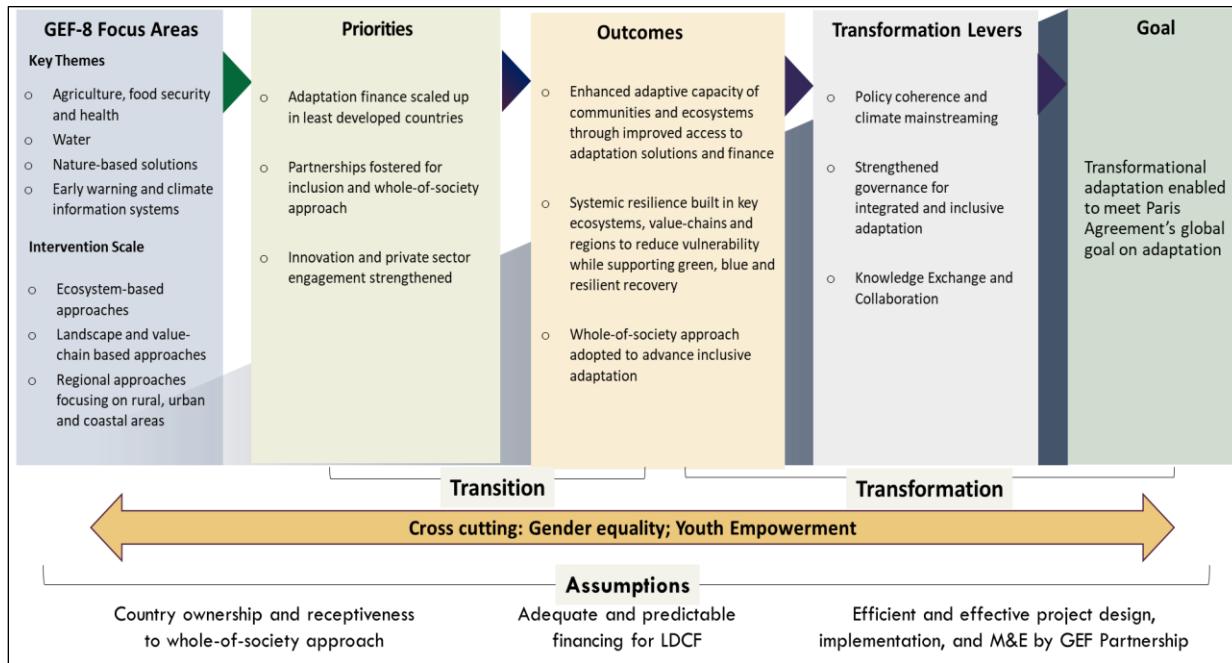
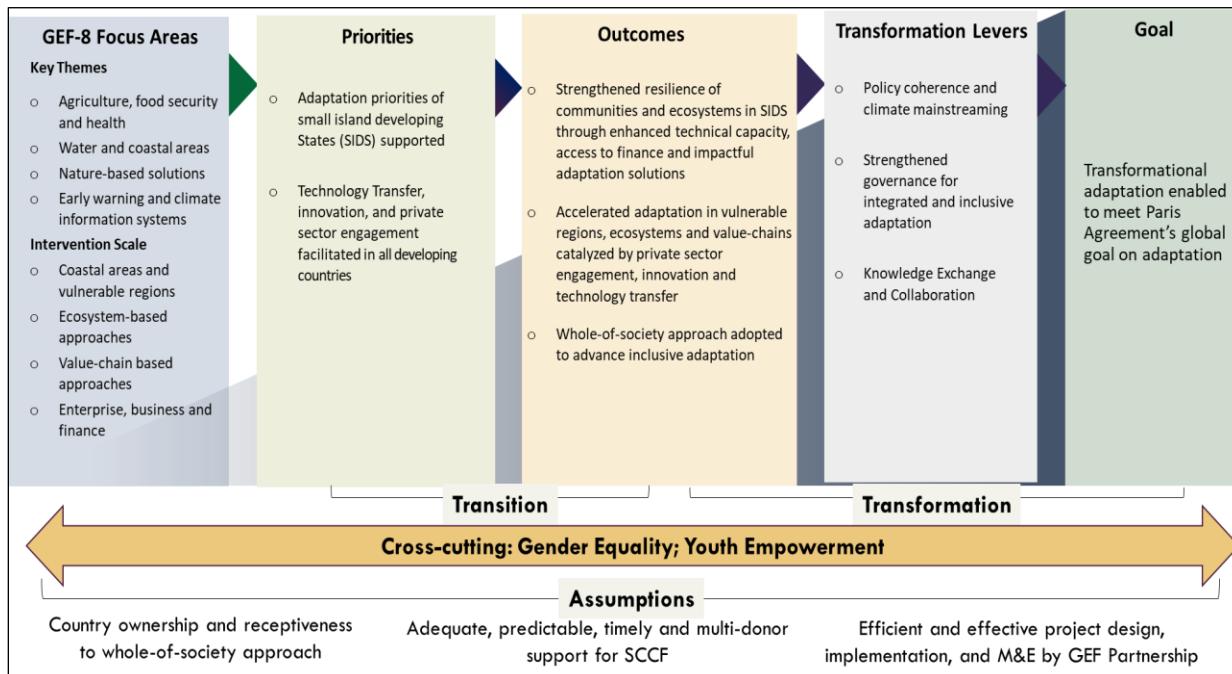


Figure 2: Theory of Change for Climate Change Adaptation Strategy for the SCCF



70. The pathway for transformation builds on addressing urgent thematic priorities of vulnerable countries particularly LDCs and SIDS, which include agriculture, food, health, water, natural resources and climate risk information among others. A critical step for transformation is transition from the current baseline towards climate resilience of communities, ecosystems and value chains by addressing adaptation barriers related to access to technologies, flow of finance, institutional capacity, knowledge and inclusion of the most vulnerable in adaptation planning. It aims to trigger transformation through key levers of policy coherence, improved governance and policies, and a robust system of evidence and knowledge exchange. While the goal of transformational adaptation will vary in different country context, the strategy aims to influence fundamental attributes of transformation and creates space for countries to identify innovative and impactful solutions for enhanced adaptive capacity and resilience and reduced vulnerability.

71. The theory of change and its transformative pathways also focuses on two specific sets of countries: the LDCs for which the LDCF is the only dedicated fund, and SIDS which are uniquely vulnerable to climate change due to their location and require special attention, which the SCCF proposes to focus on in GEF-8. The overall approach for transformation presented in the strategy through the identified themes, systemic approaches, priorities, transformation levers and ultimate outcomes and goals, revolves around their specific needs and gaps, and will continue to be driven by countries. Gender equality and youth engagement will be fundamental attributes across the strategy and the proposed pathway places a stronger emphasis engagement of private sector in adaptation in accordance with the Glasgow Climate Pact of UNFCCC.

72. Moving towards this adaptation pathway would depend on a number of factors. The key assumptions that underpin this include adequate and predictable financing for the LDCF and SCCF, country ownership and receptivity for integrated whole-of-society approach for adaptation and readiness of GEF partnership in effective design, implementation, monitoring and adaptive learning.

Building on the GEF's Value Addition and Comparative Advantage

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

74. 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 LDC behind: the fund has experience supporting on-the-ground adaptation implementation projects in all LDCs, above and beyond planning, assessments, readiness, and capacity building.

75. 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 2019.⁴¹ 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, in particular the SIDS.

76. 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, LLDCs⁴², and SIDS, the crucial role of LDCF is perhaps more apparent now than ever.”

77. 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. Similarly, the IEO’s 2021 Program Evaluation of the SCCF, discussed above, has found the SCCF to be relevant to COP guidance, countries’ national priorities, achieving innovation, effective, and with increased complementarity with other climate funds.

78. 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, as of December 15, 2021, the average time from the initial LDCF and/or SCCF proposal submission to the approval by the LDCF/SCCF Council in the Work Program is 156 days, and 147 days for medium-sized projects (MSPs) approved under delegated authority.

79. 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.

80. 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

⁴¹ OECD, 2021, [*Climate Finance Provided and Mobilised by Developed Countries: Aggregate trends updated with 2021 data*](#), OECD, Paris.

⁴² LLDCs are land-locked developing countries.

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 as well as the 2021 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.

81. 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.⁴³ 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 \$7.9, as reported in the December 2021 Corporate Scorecard.⁴⁴

82. 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

83. 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 Coordination. Specific entry points for adaptation have been articulated, and they will be developed further as major initiatives, as part of national investment planning, and other opportunities.

84. 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. Support for the new phase of the Great Green Wall program will also be explored. 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.

⁴³ GEF, 2020, [GEF Monitoring Report 2020](#), Council Document GEF/C.59/03/Rev.01.

⁴⁴ GEF, 2021, [GEF-7 Corporate Scorecard – December 2021](#), Council Document GEF/C.61/Inf.04.

85. Similar to GEF-7, the GEF and GCF will provide complementary NAP support: the GEF will continue to support NAP preparations while the LDCF/SCCF will continue to support NAP implementation.

86. For sharing of information and knowledge, as well as exploring common frameworks for results and impacts, 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.

87. 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

88. 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

89. The proposed LDCF Strategy introduces three priority areas with entry points.

LDCF Priority Areas and Entry Points

Priority Area 1: Scaling up Finance

90. According to the UNEP Adaptation Gap Report 2020, 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 2050⁴⁵. 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.

91. The LDCF and SCCF together have provided over \$2 billion grant financing since its inception and mobilized nearly \$10 billion domestic and international finance to support approximately 120 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.

⁴⁵ UNEP, 2021, [Adaptation Gap Report 2020](#). Nairobi.

92. 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.

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

Reinforcing policy coherence

94. 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 government levels and departments including the finance ministries to effectively mobilize resources for adaptation.

95. To facilitate such coherence, the LDCF will support strengthening institutional coordination, integration of climate change across national, sub-national and local policies, creating mechanisms for greater engagement of private, non-profit and community institutions, and tools and frameworks that can enable such engagements and coherence.⁴⁶ Close alignment with projects and programs supported by the GCF, Adaptation Fund and GEF Trust Fund through its impact programs and focal area projects on climate change, biodiversity and land restoration will also be encouraged and facilitated in this context to mobilize finance at scale for adaptation solutions. Moreover, the strategy will aim to collaborate and build coherence with other development aid funding in the LDCs, such as for humanitarian and emergency response purposes, with an objective of integrating adaptation in such funds as well as leveraging those resources for climate change adaptation and resilience building.

Strengthening institutional capacity

96. 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

⁴⁶ OECD, 2019, *Recommendation of the Council on Policy Coherence for Sustainable Development*, OECD/LEGAL/0381.

governments and financial intermediaries, thereby restricting the effective flow of funds to actions which are bottom up and locally led.

97. 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

98. 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, lack of enabling policy environment and limited capacity of local financing institutions to design and operationalize such market-based mechanisms. 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.

99. 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

100. 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 adaptation 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. The focus of tools and metrics will be on the key transformation levers identified in the strategy and will aim to capture climate resilience impacts across institutional, social,

economic and environmental dimensions. This will enable countries to better estimate and track the benefits and demonstrate impact value for the funds received.

101. 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. 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

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

103. In complementarity with other multilateral climate funds, the LDCF is well placed to strengthen the policy, institutional and capacity conditions in LDCs that are crucial to strengthen private sector engagement in climate adaptation. LDCF grant resources will be used according to national contexts to strengthen policies and local capacities that enable private sector support for climate adaptation, as well as create investment opportunities with private sector partners that remove the constraint of access to capital for smallholder farmers and other local producers, as well as micro, small and medium enterprises (MSMES), to invest in transitioning to more resilient practices. Due consideration will be provided to partnerships with a wide range of technology and private sector innovators.

104. The role of the LDCF as a catalyst to enable greater private sector action and support for climate adaptation is recognized in the Long-Term Vision on Complementarity, Coherence and Collaboration between the GCF and the GEF.⁴⁷ More specifically, practical opportunities of relevance to LDC contexts will be sought for LDCF grants to strengthen policy, institutional, and capacity conditions which can be effectively complemented with concessional loans, guarantees or equity investments by the GCF and other sources of climate finance to crowd in

⁴⁷ GEF, 2021, [Long-Term Vision on Complementarity, Coherence and Collaboration between the GCF and the GEF](#), Council Document GEF.C60/08.

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.⁴⁸

105. 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, in partnership with a wide range of stakeholders. 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, 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 also holds promise 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, which is particularly conducive to fostering partnerships with a wide range of stakeholders.

106. The LDCF will continue to explore areas of collaboration in support of LDCs' priorities for technology transfer and innovation with the Climate Technology Centre and Network (CTCN), as consistent with countries' priorities.

107. 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

108. 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, research centers, and start-up companies, 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.

⁴⁸ GEF IEO, 2021, [*GEF Support to Innovation: Findings and Lessons*](#), Council Document GEF/E/C.60/02.

Enabling the conditions for private sector action

109. The World Bank Group and Global Commission on Adaption have highlighted set of key barriers impeding private sector action and investment in climate change adaptation and resilience.⁴⁹ 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 finical system, governance bodies. The LDCF and SCCF are well suited to address several of these barriers and will provide targeted support for practical solutions to address these barriers, through a combination of policy support, technical assistance, and blended finance.

110. Practical areas of focus for LDCF and SCCF to address barriers and capitalize on strengths to enable private sector action include:

- 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;
- 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;
- Growing the business case for investing in adaptation and resilience by identifying, incubating and profiling commercially viable climate adaptation and resilience business models;
- Providing catalytic support to develop innovative financing and incentive mechanisms to enhance investment flows to, and potential to generate adaptation impacts; and
- 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

111. 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. Recent examples include providing technical assistance and grant-based guarantees for microfinance institutions create lines of credit dedicated to microloans at accessible terms to help smallholder farmers and

⁴⁹ [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.

MSMEs to invest transitioning to climate resilient activities, as well as support for piloting commercially viable technology solutions that have high risk and high impact potential.

112. 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

113. In LDCs, 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.⁵⁰

114. 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 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

115. Microfinance lenders are often the primary providers of financing to MSMEs and smallholder farmers in developing countries, including in LDCs. 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. 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.

116. 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. Enabling microlending for climate

⁵⁰ GEF IEO, 2021, *Evaluation of GEF Engagement with Micro, Small and Medium Enterprises*, Council Document GEF/E/C.60/05.

adaptation is provided at accessible and fair terms is crucial, including in order to ensure sustainable wellbeing of vulnerable populations. 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 targeted on adaptation and resilience impacts.

117. 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 smallholder farmers. This area of support is particularly well suited to South-South cooperation involving LDC and SIDS contexts, by sharing successful experiences and methodologies among relevant actors across regions and countries. 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

118. Climate change impacts tend to exacerbate existing inequalities in society, whether around gender or other aspects of identity, but in some limited circumstances it can create opportunities for transformational change that address these inequalities. Therefore, partnership is an integral part of successful implementation and enhancing ownership of adaptation solutions. 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.

119. Similar to the GEF Trust Fund's proposed strategy for maximizing the contribution of Local Actions, Civil Society to support the GEF Ambition in GEF-8 and Beyond, the LDCF will consider strategic engagement and contributions of these key actors and stakeholders to achieve the ambitious goal set forth in this programming document.

120. 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. While they face unique barriers, women are also increasingly recognized as agents of change who make valuable contribution to the environment. 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.⁵¹ 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.^{52, 53}

121. 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.

122. 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. It also responds to the recent outcome of the Glasgow Climate Change Conference, where GEF is urged to enhance its supports to projects that engages stakeholders at the local level and also consider ways to enhance the role of national agencies and civil society organizations.⁵⁴ 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

123. 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.⁵⁵

124. In particular, given the importance of enabling institutional arrangements for whole of society adaptation interventions, the LDCF will explore means to support countries in conducting assessment of institutional strengths and weakness, with the view to helping build institutional capacities to address climate risk at all levels of society.

125. 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.⁵⁶ Therefore, targeted capacity building initiatives for relevant

⁵¹ UNEP, 2011, [*Women at the Frontline of Climate Change: Gender Risks and Hopes. A Rapid Response Assessment.*](#)

⁵² GEF, 2018, [*Policy on Gender Equality.*](#)

⁵³ GEF, 2018, [*Guidelines on Gender Equality.*](#)

⁵⁴ UNFCCC, 2021, [*Outcome of the Glasgow Conference, Decision -/CP.26*](#)

⁵⁵ Asian Development Bank et al., [*Resilience Accelerating Sustainable Development. Investing in Community-Led Strategies for Climate and Disaster Resilience*, Manila.](#)

⁵⁶ GCA, 2021, [*Principles of Locally Led Adaptation.*](#)

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 skills⁵⁷ are also essential to include socio-economic vulnerabilities and marginalized groups in the decision-making process. This can be delivered as part of the Dedicated Program outlined in the section below.

126. 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.

127. In addition, the LDCF will provide targeted support to raise awareness of the political leadership and decision makers, as appropriate, at the national and local level with the view to create enabling policy and regulatory environment to empower local level actors in pursuit of whole -of-the-society approach as outlined in the dedicated program below

Building partnerships with local organizations and systems to address social equity

128. 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.⁵⁸

129. 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, such as support for setting up multi-stakeholder platforms that encourages dialogues at the national and local level, which discusses common climate change adaptation problems and determines ways to address it. This effort will be informed by experiences gained and lessons learned from the implementation of the GEF's Policy on Stakeholder Engagement and Guidelines on the Implementation of the Policy on Stakeholder

⁵⁷ 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

⁵⁸ Ibid.

Engagement.^{59,60} The support should build mutual trust and respect, and encourage vulnerable and marginalized groups for meaningful participation.

130. 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

131. 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.

132. 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.

133. 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. This will be closely coordinated with efforts outlined in the Renewed Country Support Program for GEF-8 supported by the GEF Trust Fund.

134. 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. Cross linkages to share lessons learned under the Priority Area 2: Strengthening Innovation and Private Sector Engagement, as well as the GEF Small Grants Program and its proposed Civil Society Challenge Fund and Microfinance will be sought whenever relevant. The LDCF will also explore options to mobilize support with private sector, philanthropies, and other innovative approaches.

⁵⁹ GEF, 2017, *Policy on Stakeholder Engagement*.

⁶⁰ GEF, 2017, *Guidelines on the Implementation of the Policy on Stakeholder Engagement*.

Engaging in thought leadership through global partnerships and fostering enabling environment

135. 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 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

136. 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.

137. 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 based on the agreement among participants on the preferred option. The SCCF strategy below is therefore presented to illustrate the possible scope of GEF-8 engagement in countries beyond the LDCs.

138. As discussed previously , key themes for SCCF programming will include agriculture, food security and health; water; nature-based solutions; and early warning and climate information systems, paralleling 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

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

Priority Area 1: Supporting the Adaptation Needs of SIDS

140. 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 SIDS⁶¹ are also LDCs and thus eligible to access LDCF resources, with another two scheduled to graduate during GEF-8.⁶² This strategic focus enables the SCCF to channel its adaptation support to some of the world's most climate-vulnerable populations, whose priorities and needs have not been adequately met by other sources of climate finance. These include the vulnerable small island states of Caribbean, African and Indian Ocean SIDS, and the Pacific SIDS.

141. 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. Such a focus also enables the GEF to serve the adaptation needs of the Caribbean region, which only contains one LDC (Haiti) but several small and highly vulnerable island developing States. The proposed geographic focus on SIDS for adaptation support under the SCCF is also directly aligned with the recommendation contained in the IEO's 2021 Program Evaluation of the SCCF.⁶³

142. 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.

143. Climate change impacts, observed and projected, are wide-ranging. The IPCC⁶⁴ 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.

⁶¹ See <https://www.un.org/ohrls/content/list-sids>

⁶² Sao Tome and Principe and the Solomon Islands. Please see:

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

⁶³ IEO, 2021, [2021 Program Evaluation of the Special Climate Change Fund](#), GEF/LDCF.SCCF.31/E/01/Rev.01.

⁶⁴ 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.

144. In the GEF-8 period, the SCCF will support targeted interventions in SIDS that address the priority themes identified above. Opportunities will be sought, as appropriate, and feasible, to program in parallel with the GEF Trust Fund ‘Blue and Green Islands Integrated Program’, which focuses on the key socio-economic drivers of environmental degradation in SIDS, notably tourism, food, and urban development. This may be done through measures to restore mangroves and build resilience of coral reefs; support drought-tolerant species and climate-resilient fisheries and aquaculture; and enhance the climate-resilience of infrastructure design standards and building codes, for example. In addition, the SCCF-supported SIDS programming may also seek to jointly program with the GCF in SIDS, and to provide 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.

145. Programming in SIDS will respond to country needs and be aligned with strategic documents such as NAPAs, NAPs and NDCs, as well as with national and/or regional development plans such as the SAMOA Pathway. Some examples (non-exhaustive) of areas where the SCCF could offer adaptation support include: storm and flood early warning systems; improved regional forecasts; nature-based solutions such as mangroves and other protective measures interventions; enhanced resilience of roads, public infrastructure and freshwater sources; climate-resilient aquaculture, fisheries, and diversified incomes; systemic resilience interventions in the food, urban and tourism space; climate resilient health (vector- and water-borne disease); and measures to build resilience, reduce fragility and diversify the local economy, reducing dependence on imports; as well as mainstream climate resilience in policies and development planning; and build domestic capacity for adaptation.

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

Priority Area 2: Strengthening Technology Transfer, Innovation and Private Sector Engagement

147. An unprecedented pace and scale of technology transfer, 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 at the scale and pace that is needed, 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.

148. The proposed entry points for SCCF focus to strengthen innovation and adaptation in the 2022-2026 period will include technology transfer; enabling the conditions for private sector action; and incubating and accelerating MSMEs. Recognizing the importance of accessible finance 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 practical solutions for localized adaptation action at scale.

149. 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 technology 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 guidance 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.

150. Given the fluid nature of technology transfer, innovation and private sector action and finance, regional and global programming is a practical and effective approach to drive systems transformation within and across regions. Among the GEF-managed trust funds, only the SCCF is able to directly support technology transfer, 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 technology transfer, innovation and private sector action across developing countries provides benefit to both LDCs and non-LDCs. SCCF support in this area during the 20220-2026 period will focus primarily on multi-country, regional and global projects and programs. This focus will enable support to non-LDCs, including Latin American countries, on their climate change adaptation priorities, with a focus on technology innovation and private sector engagement.

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

152. 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. The SCCF will continue to explore opportunities for further collaboration in support of technology transfer and innovation with the CTCN.

153. 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.

154. 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 for Adaptation Innovation 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.

155. 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

156. Subject to agreement among participants 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, multi-trust fund projects and programs, gender and youth focused programs, and more in-depth responses to COP guidance.

OPERATIONAL IMPROVEMENTS FOR LDCF AND SCCF

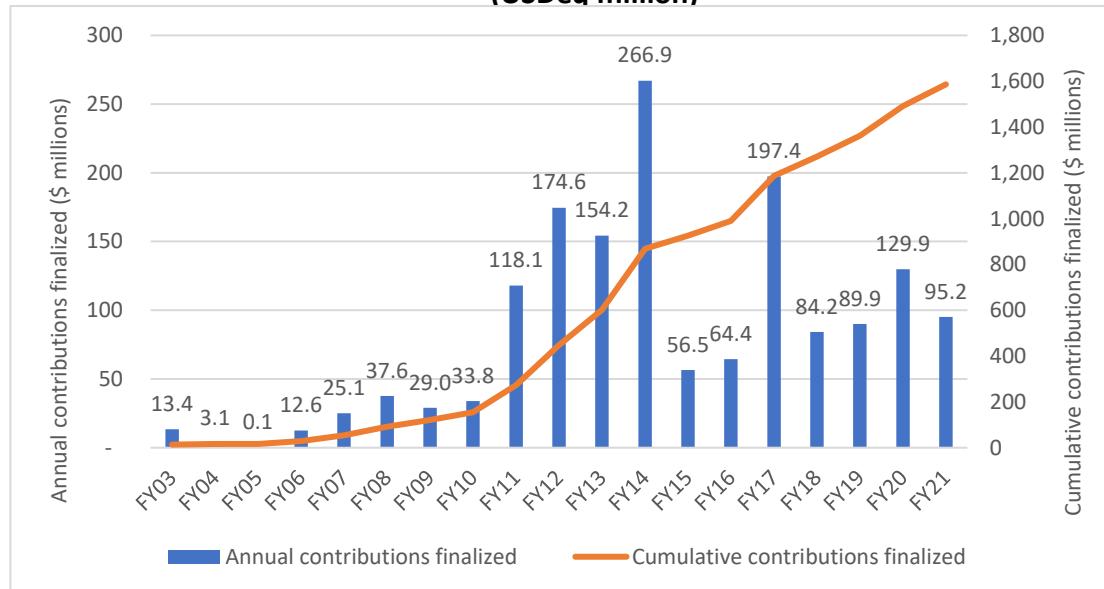
157. This section presents recommendations for operational enhancements and options to enable the LDCF and SCCF to deliver on the proposed activities as articulated in the previous section.

LDCF RESOURCE MOBILIZATION MODALITY

Overview

158. 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.⁶⁵ 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 3 below.⁶⁶ This lack of predictability presents challenges in terms of managing country expectations, project approval and work program constitution, as well as Secretariat functions.

**Figure 3: Annual and Cumulative LDCF Contributions Finalized as of September 30, 2021
(US\$ million)**



⁶⁵ 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

⁶⁶ GEF, 2021, *Progress Report on the Least Developed Countries Fund and the Special Climate Change Fund*, Council Document GEF/LDCF.SCCF.31/04/Rev.01.

Options to Consider

159. 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

160. 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 in the GEF-8 period. During the first Programming Strategy meeting in October 2021, one participant expressed its readiness to consider this option.

Option 2: Maintain status quo

161. 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

162. This option requests donors that are able to do so 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) commits to it. This option preserves the possibility to provide additional, top-up contributions by those that make multi-year pledging. This option also enables intermittent donors to engage: those donors with special circumstances may propose alternative pledging modalities on a case by case basis.

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

164. During the first Programming Strategy meeting in October 2021, many participants expressed their preference for this option.

Option 4: Consider, other, donor-proposed option

165. Donors may wish to propose other options or ideas on resource mobilization to be deliberated. During the first meeting in October 2021, no new options were suggested.

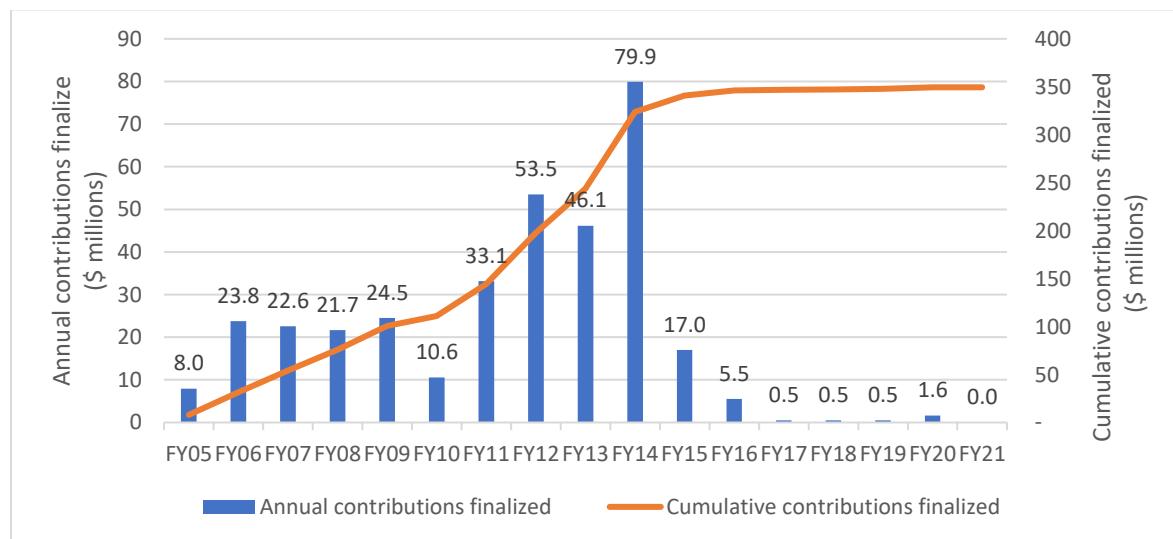
OPTIMIZING THE SCCF

Overview

166. 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.

167. Despite these merits, value propositions, and high performance, resources have been highly constrained in the GEF-7 period, as shown in Figure 4 below.⁶⁷ 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 without additional and sustained donor support.

**Figure 4: Annual and Cumulative SCCF Contributions Finalized as of September 30, 2021
(USDeq million)**



⁶⁷ GEF, 2021, *Progress Report on the Least Developed Countries Fund and the Special Climate Change Fund*, Council Document GEF/LDCF.SCCF.31/04.01.

Options to Consider

168. 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

169. 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

170. 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.

171. Furthermore, the current donor to the SCCF has indicated that it will not continue to support the SCCF without additional donors. As such, the feasibility of option may be quite low. Another participant also rejected this option, as it would ultimately result in suspending the fund (option 4).

Option 3: Enhance focused support

172. 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.

173. 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, which was originally set up to support technology transfer. For this option to be viable, assurances of new donor support will be needed. During the October 2021 Programming Strategy meeting, some participants expressed support for this option.

174. 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

175. 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. This option is not aligned with the most recent, COP 26 guidance on SCCF, which requested the GEF to continue to assist developing country Parties in accessing resources in an efficient manner.

ADDITIONAL OPERATIONAL IMPROVEMENTS

176. 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.

177. 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.

178. For the upcoming GEF-8 period, the Secretariat proposes to maintain these GEF-7 improvements. The specific initial cap for LDCF resource access and the potential to introduce one for the SCCF for the GEF-8 period described further in the illustrative financial scenarios section below, to be decided during the course of the strategy negotiations.

179. 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.

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

Dedicated Programs

181. 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

182. 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.

183. 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 identify 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.

184. 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

185. 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.⁶⁸ The LDCF projects are also recognized as having smooth approval and implementation.

186. 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.

187. 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);

⁶⁸ GEF/LDCF.SCCF.29/E/01

iv. Integration of technical assistance elements in project design to address medium to longer-term institutional and human capacity needs.

188. 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.

189. 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, including raising awareness with political leadership and decision makers to create enabling policy and regulatory environment for engaging local level actors. This will help to achieve scaled up and effective climate change adaptation in the LDCs.

190. 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 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."

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

Organizational Learning and Coordination

192. 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.

193. 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.

194. 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, Indigenous Peoples and local communities, 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.

195. These efforts do not duplicate knowledge management components of individual projects and programs, carried out in line with the GEF knowledge management plan, or the current and planned knowledge management initiatives supported by the GEF Trust Fund. Rather, they address the unmet and specific 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.

196. The proposed Dedicated Programs will be supported at the corporate level with funding for the four-year period as follows, including increased staffing and cross-support costs:

- Dedicated Program 1 on communications and visibility enhancement: \$2 million from LDCF and \$1 million for SCCF
- Dedicated Program 2 on outreach and capacity support for LDC planning and programming: \$4 million from LDCF and \$2 million from SCCF (if SIDS focus is agreed)
- Dedicated Program 3 on organizational learning and coordination: \$2 million from LDCF and \$1 million from SCCF.

Regional and Global Projects and Initiatives

197. 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.

198. 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.⁶⁹ In the GEF-7 period, the LDCF and SCCF have supported regional and

⁶⁹ 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.

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.

199. 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.

200. 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

201. 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 are presented. The scenarios also take into consideration the Glasgow Climate Pact to double the adaptation finance from the 2019 level by 2025.

LCCF Financing Scenarios

202. For the LDCF, scenario A is \$1.0 billion total in resource mobilization. This amount is the floor for the LDCF called for by the LDC Group. Scenario B is \$1.3 billion. This figure is also informed by the anticipated approximate climate change mitigation-relevant financing for the GEF Trust Fund's more ambitious \$6.5 billion scenario,⁷⁰ which is then prorated to the 46 LDCs out of the total 144 eligible countries.

⁷⁰ Climate change mitigation-relevant financing is estimated based on Rio Marker analysis on the share of GEF-7 projects as of June 2021. Approximately 68 percent of GEF projects were reported to have significant or principal climate mitigation support according to the Rio Marker analysis.

203. The initial access cap for the LDCs in the GEF-8 period will be set at \$20 million. This figure is set in recognition of the Glasgow Climate Pact decision to double adaptation finance by 2025.

SCCF Financing Scenarios

204. The SCCF financing scenarios are challenging to present at this juncture, as the resource figures will depend primarily on the preferred option to take for optimizing the SCCF, presented above. Nevertheless, scenario A is presented at \$200 million total, with scenario B presented at \$400 million. Under both scenarios, windows A and B are projected to receive similar shares of contributions.

205. For SIDS under window A, the possibility to set an initial access cap depends on optimization scenario for the SCCF and the donor feedback on the SCCF contributions.

206. GEF-7, the LDCF will cap global and regional initiatives to 10 percent of the total programmed amount. The SCCF will not set a cap, recognizing the need for regional and global support for SIDS and to enable programming to mainstream climate adaptation with the GEF Trust Fund programming.

207. For the Challenge Program, the LDCF and SCCF may allocate up to \$40 million each, outside the 10 percent global and regional cap for the LDCF. All countries will have access to the Challenge Program. If a country has a winning concept, its initial allocation cap will not be impacted.

RESULTS FRAMEWORK

208. 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.

209. The core indicators are updated from GEF-7, to reflect the evolution of the CCA strategy in GEF-8. The main addition to the core-indicators is to include an ability to identify and monitor private sector engagement more explicitly. Sex-disaggregation is required and tracked for all relevant indicators.

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, and frameworks that will mainstream climate resilience	n/a
4.	Number of people trained or with awareness raised	Yes
5.	Number of private sector enterprises engaged in climate change adaptation and resilience action	n/a

210. Several Core Indicators are aligned with those of other international financial mechanisms for climate adaptation. For example, sex-disaggregated direct beneficiaries and hectares of area managed for climate resilience are also covered under GCF's Integrated results management framework.

211. However, each financial mechanism has tailored indicators and methodologies responding to each mandate and it may not be desirable or feasible to harmonize them entirely. Having said that, in light of potential gains in fully understanding differences to promote coherence where possible, the GEF is participating in *Climate Funds Collaboration Platform on Results, Indicators and Methodologies* for measuring impact, where different international climate adaptation financial mechanisms exchange ideas and collaboratively seek for the best practices in the areas of results management. In 2021, five financial mechanisms participated in this platform: Adaptation Fund, CIF, GCF, NAMA Facility, and GEF.

212. Whereas only Core Indicators are required for reporting at the PIF stage, in subsequent stages of the project cycle (CEO Endorsement, Mid-Term Review and Terminal Evaluation), agencies are also required to report against the sub-indicators in Table 3, as relevant. The sub-indicators to be utilized are further updated to reflect the evolution of the LDCF/SCCF strategy for 2022-2026. All sub-indicators are directly linked and will be monitored in relation to one of the Core Indicators, which avoids potential for double counting. Sex and age disaggregation⁷¹ is required and tracked for all relevant indicators.

Table 3: Core and Sub-Indicators for the LDCF and SCCF (2022-2026)

Core Indicators (used at PIF, CER, MTR, TE stages)		Sub-Indicators (used at CER, MTR, TE stages)
1. Number of direct beneficiaries (sex disaggregated)	a)	b) Number of direct beneficiaries from more resilient physical and natural assets (sex disaggregated)
	c)	d) Number of direct beneficiaries with diversified and strengthened livelihoods and sources of income (sex disaggregated)
	e)	f) Number of direct beneficiaries from the new/improved climate information systems (sex disaggregated)
	g)	h) Number of entrepreneurs supported (sex disaggregated)
	i)	j) Number of entrepreneurs supported to test, pilot, deploy, and/or commercialize new technologies for adaptation or resilience to climate impacts (sex disaggregated)
	k)	l) Number of youth (15 to 24 years of age) benefiting from the project (sex disaggregated)

⁷¹ Feasibility of age-disaggregated reporting to be confirmed pending consultation with Agencies.

Core Indicators (used at PIF, CER, MTR, TE stages)		Sub-Indicators (used at CER, MTR, TE stages)
		[to be confirmed pending consultation with Agencies]
	m)	n) Number of elderly (over 60 years of age) benefiting from the project (sex disaggregated) [to be confirmed pending consultation with Agencies]
	o)	p) Increased income, or avoided decrease in income (per capita in US\$ across all relevant beneficiaries)
2. Area of land managed for climate resilience (hectares)	a)	b) Hectares of agricultural land
	c)	d) Hectares of urban landscape
	e)	f) Hectares of rural landscape
	g)	h) Number of residential houses
	i)	j) Number of public buildings
	k)	l) Number of irrigation or water structures
	m)	n) Number of fishery or aquaculture ponds/cages
	o)	p) Number of ports or landing sites
	q)	r) Km of road
	s)	t) Km of riverbank
		k) Km of coast
		l) Km of stormwater drainage
3. Number of policies/plans/frameworks that will mainstream climate resilience	a)	b) Number of policies/plans that will mainstream climate resilience (regional, national, sub-national)
	c)	d) Number of climate risk and vulnerability assessments conducted
	e)	f) Number of systems and frameworks established for continuous monitoring, reporting and review of climate adaptation impacts
	g)	h) Number of national climate policies and plans enabled, including national adaptation planning processes
	i)	j) Policies, plans or frameworks to that target youth (15-24 years) climate change adaptation and resilience [to be confirmed pending consultation with Agencies]
	k)	l) Policies, plans or frameworks to that target elderly (over 60 years) climate change adaptation and resilience [to be confirmed pending consultation with Agencies]

Core Indicators (used at PIF, CER, MTR, TE stages)		Sub-Indicators (used at CER, MTR, TE stages)
4. Number of people trained or with awareness raised (sex disaggregated)	a)	b) Number of people trained regarding climate change impacts and appropriate adaptation responses (sex disaggregated) at: <ul style="list-style-type: none">• Line Ministries (sex disaggregated) c) Community associations (sex disaggregated) <ul style="list-style-type: none">• Extension services (sex disaggregated) d) Hydromet and disaster risk management agencies (sex disaggregated) <ul style="list-style-type: none">• School children, university students or teachers (sex disaggregated)
	e)	f) Number of people made aware of climate change impacts and appropriate adaptation responses (sex disaggregated)
5. Number of private sector enterprises engaged in climate change adaptation and resilience action		a) Amount of investment mobilized (US\$)
		b) Number of enterprises engaged to adapt to or become more resilient to climate impacts
	g)	h) Number of businesses engaged to adapt their supply chains or make them more resilient to climate impacts
	i)	j) Total financial value of lines of credit and/or investment funds of engaged to track, report, and manage risks of climate impacts from their loans and investment
	k)	l) Number of incubators and accelerators supported
	m)	n) Number of MSMEs incubated/accelerated with technical assistance, financial matchmaking, and/or direct financing
	o)	p) Number of new adaptation technologies supported by testing, piloting, and/or commercializing for resilience to climate impacts incubated/accelerated

213. 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.

MONITORING AND EVALUATION

214. Recently issued GEF guidelines have clarified the focus on results of GEF-financed projects and programs and harmonized further the capture of results data from identification to completion. They bring together key elements from existing guidelines, policies and project

documents that help strengthen the results focus of GEF-financed operations along the project life cycle. This includes using Core Indicators, but also designing a results framework and a monitoring and evaluation plan. The guidelines also highlight how projects report on implementation progress and results. A checklist appended to the guidelines helps Agencies ensure that critical M&E and results dimensions are considered when preparing and implementing projects. Altogether, these changes have enhanced the GEF's ability to harness data and information on results for evidence-based decision-making and learning. As LDCF and SCCF are covered under the broader GEF policies and guidelines, these will also apply to the GEF-8 Adaptation Strategy for these two funds.

215. Efficient project delivery starts with ensuring readiness for implementation at the design stage. The GEF strives for interventions that achieve their intended environmental objectives on time. In this connection, the proposed results framework for LDCF and SCCF and theory of change will help Agencies and countries think through project design by clarifying the objectives and the logic of intervention that guide project design. The use of theories of change in projects and programs has strengthened design and will continue to enhance learning and measurability of results. Theories of change have been used across projects and programs more consistently in the second part of GEF-7, in part motivated by STAP's work in this area. They not only articulate what outcomes the project aims to change and how (causal pathway), but also build into them the critical assumptions and barriers that could impact the achievement of expected results. This includes possible constraints or risks, so that those risks can be better managed. Altogether, theories of change help articulate core design elements, promote learning and enhance measurability of results at the time of evaluation. Promoting the development of effective theories of change will continue in GEF-8.

216. Going forward, the GEF will continue to enhance its focus on ensuring that projects and programs effectively capture the logic of intervention. This will also include ensuring that implementation arrangements are sound, clear and in line with good practices, allowing for effective implementation of the M&E plan. This effort is supported by the fact that the GEF is now consistently budgeting for results at the project level, linking outcomes to expenditure categories. Bringing intended results and financial resources in one table as is now the case allows for heightened financial management analysis. In future, the GEF will continue to improve the recording of project budgets to generate more accurate information about expenditures and to improve the value for money of the activities it finances.

ANNEX I: LDCF AND SCCF AT A GLANCE, AS OF SEPTEMBER 30, 2021

	LDCF	SCCF	Total
Total cumulative pledges (US\$eq million)	1,787.45	356.09	2,143.54
Cash receipts (US\$ million)	1,601.14	349.44	1,950.58
Total cumulative funding decisions, including projects, fees, and admin budgets (US\$ million)	1,656.57	364.54	2,011.11
Total co-financing (US\$ million)⁷²	7,644.80	2,685.14	10,329.94
Number of projects	360 ⁷³	88 ⁷⁴	448
Number of countries	51	79	130
Current funds available for new approvals (US\$ million)	36.91⁷⁵	9.83	46.74

⁷² Co-financing figures are generated by the GEF portal and include multi-trust fund (MTF) projects with the GEF Trust Fund.

⁷³ These include Full-Sized Projects (FSPs), Medium-Sized Projects (MSPs), Enabling Activities, programmatic Approaches with LDCF support and their child projects, including 28 MTF projects with the SCCF and/or the GEF Trust Fund. The number of projects is based information from the GEF Portal as of September 30, 2021.

⁷⁴ These include FSPs, MSPs, Enabling Activities, and programmatic Approaches with SCCF support, including 11 MTF projects with the LDCF and/or the GEF Trust Fund. This data is based on information from the GEF Portal as of September 30, 2021.

⁷⁵ This amount does not reflect the projects approved in the December 2021 LDCF Work Program, which totaled \$19.62 million.

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.⁷⁶

COP Guidance of Relevance to the GEF from COP 25 and COP 24	GEF Response and Relevance to GEF-8
COP 25 DECISIONS (2019)	
Decision 7/CP.25 National adaptation plans <i>Support to NAPs</i> Notes 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.	The LDCF and SCCF continue to support NAP processes with a focus on their implementation, subject to approval of the proposed strategy.
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.	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.
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.	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.
Decision 13/CP.25, Paragraph 10: <i>Support to smooth transitions of countries graduating from LDC status</i>	The LDCF and SCCF continue to proactively engage with countries graduating from LDC for its smooth transition.

⁷⁶ 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><i>Requests 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.</i></p>	
COP 24 DECISIONS (2018)	
<p>Decision 6/CP.24, Paragraph 14: Partnership <i>Requests 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.</i></p>	<p>This will be discussed further within the context of the GEF-8 replenishment.</p>
<p>Decision 16/CP.24, Paragraph 4: Least developed countries work programme <i>Noted 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</i></p>	<p>The LDCF continues to support implementation of LDC work programme.</p>
CMA.1 DECISIONS	
<p>Decision 3/CMA.1, Paragraph 7: Matters relating to the implementation of the Paris Agreement <i>Confirmed that the Least Developed Countries Fund and the Special Climate Change Fund shall serve the Paris Agreement;</i></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 Support to Adaptation Communication, <i>Invites 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 as referred to in Article 4, paragraph 2, of the Paris Agreement, and/or a national communication;</i> Paragraph 21:</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><i>Encouraged 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;</i></p>	

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

ANNEX III: STATUS OF LDCF RESOURCE ACCESS BY LDCS AS OF DECEMBER 2021

Country	GEF-7 Cumulative LDCF Resources including December 2021 Work Program and MSPs	Cumulative LDCF Resources Accessed including December 2021 LDCF Work Program	Number of projects supported by LDCF
	(with PPG and Fees) \$ million	(with PPG and Fees) \$ million	
Afghanistan	\$10.00	\$40.02	5
Angola*	\$10.00	\$40.43	7
Bangladesh	\$10.00	\$39.92	6
Benin	\$10.00	\$40.47	7
Bhutan	\$10.00	\$40.19	5
Burkina Faso	\$10.00	\$39.94	7
Burundi	\$10.00	\$29.79	4
Cambodia	\$10.00	\$35.26	8
Central African Republic	\$10.00	\$21.17	3
Chad	\$9.75	\$39.75	6
Comoros	\$0.00	\$29.96	4
Djibouti	\$10.00	\$32.24	6
DR Congo	\$10.00	\$39.91	6
Eritrea	\$10.00	\$20.01	2
Ethiopia	\$10.00	\$41.02	6
Gambia	\$10.00	\$39.54	6
Guinea	\$9.91	\$25.49	6
Guinea-Bissau	\$6.73	\$24.68	3
Haiti	\$10.00	\$33.48	7
Kiribati	\$10.00	\$33.24	7
Lao PDR	\$10.00	\$39.90	8
Lesotho	\$10.00	\$40.66	7
Liberia	\$10.00	\$25.71	5
Madagascar	\$0.00	\$19.62	3
Malawi	\$10.00	\$43.45	9
Mali	\$8.06	\$36.97	9
Mauritania	\$10.00	\$35.16	7
Mozambique	\$10.00	\$31.73	4
Myanmar	\$10.00	\$30.17	5
Nepal	\$5.00	\$37.41	6
Niger	\$0.00	\$29.81	5
Rwanda	\$9.37	\$40.62	6
São Tomé and Príncipe	\$10.00	\$36.74	7
Senegal	\$10.00	\$40.01	7

Country	GEF-7 Cumulative LDCF Resources including December 2021 Work Program and MSPs	Cumulative LDCF Resources Accessed including December 2021 LDCF Work Program	Number of projects supported by LDCF
	(with PPG and Fees) \$ million	(with PPG and Fees) \$ million	
Sierra Leone	\$10.00	\$36.58	6
Solomon Islands	\$10.00	\$25.69	6
Somalia	\$10.00	\$39.65	5
South Sudan	\$9.50	\$19.77	2
Sudan	\$9.96	\$41.95	9
Tanzania	\$9.23	\$27.03	5
Timor-Leste	\$10.00	\$38.80	8
Togo	\$10.00	\$30.00	4
Tuvalu	\$5.00	\$16.99	7
Uganda	\$10.00	\$29.80	6
Vanuatu*	\$10.00	\$36.57	8
Yemen	\$10.00	\$26.53	3
Zambia	\$7.91	\$35.00	6

* Country which has graduated from LDC status during GEF-7 period.