MANAGEMENT RESPONSE TO:
2020 PROGRAM EVALUATION OF THE
LEAST DEVELOPED COUNTRIES FUND
INTRODUCTION

1. The Secretariat welcomes the 2020 Program Evaluation of the Least Developed Countries Fund (LDCF) by the Independent Evaluation Office (IEO), which focuses on performance and progress toward LDCF objectives and results in the four years since the 2016 evaluation, and includes an update to the 2016 program evaluation of the LDCF during fiscal year 2020.

2. This paper presents the Secretariat’s management response to the 2020 Program Evaluation of the LDCF (GEF/LDCF.SCCF.29/E/01).

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3. The Secretariat welcomes IEO’s report on the 2020 Program Evaluation of the Least Developed Countries Fund and is pleased by the IEO’s findings, including:

(a) 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;

(b) LDCF support has resulted in catalytic efforts through production of public goods and their demonstration;

(c) LDCF support has built foundations for larger scale projects; and

(d) The current LDCF portfolio is well-aligned with all three strategic objectives.

4. The Secretariat is pleased with the conclusion that a large portion of the LDCF’s work is inherently aligned with the Paris Agreement. Furthermore, the Secretariat appreciates the finding that the LDCF has enhanced domestic institutional capacities, responding to recent COP guidance based on the findings of the 2016 LDCF Program Evaluation.

5. The Secretariat welcomes the report’s finding that “across the whole LDCF portfolio, gender mainstreaming ratings have clearly improved” and that “the revised gender policy is being applied more consistently and has already supported improvements in the gender ratings of LDCF projects approved during GEF-7”. Moving forward in GEF-7, the Secretariat will, as recommended by the IEO, endeavor to continue to build on progress in gender mainstreaming and aim to reduce the knowledge gap on gender-related results.

6. The Secretariat acknowledges IEO’s recommendation to continue to enhance the likelihood of sustainability of outcomes. In this regard, the Secretariat will continue to carry out relevant actions in project design and implementation as highlighted in the Council document Towards Greater Durability of GEF Investments, as recommended by the IEO, and will continue to urge Agencies to emphasize contextual factors affecting sustainability outcomes.
7. The Secretariat notes with appreciation the observations and findings regarding the comparative advantages of the LDCF, which include:

(a) Its distinctive facet of “sole dedication to LDCs,” appreciated by the majority of interviewed stakeholders, so that “LDCs need not “compete” with higher-capacity countries”;

(b) Comparatively smooth approval and implementation, based on well-established procedures that countries and Agencies “are now well-practiced in, compared to more recently established funds such as the Green Climate Fund (GCF)”;

(c) Openness to taking risks in LDCs and investing in innovation compared to other funds; and

(d) Applicants’ familiarity with processes and proposal development.

8. The Secretariat also appreciates the acknowledgement of efficiency gains from operational improvements introduced in GEF-7 as well as recognition of professionalism and support of the LDCF staff by interviewees.

9. The Secretariat will continue to build on these strengths and comparative advantages. Acknowledging the IEO’s finding that the private sector tends to be less developed in LDCs, which makes its engagement in adaptation challenging, the Secretariat will continue to strengthen its focus on expanding catalytic financing and supporting enabling environments for the private sector to act as an agent for market transformation. One such example is the Challenge Program for Adaptation Innovation, which aims to address unmet needs for stimulating adaptation innovation and private sector engagement.

10. With regard to the report’s finding that “the pool of involved Agencies is diversifying” of LDCF projects and funding, the Secretariat confirms that it has been striving to achieve greater Agency balance across the LDCF portfolio in GEF-7.

11. The Secretariat takes note of the IEO finding that “despite welcome operational improvements, uncertainty over resource availability remains a concern among stakeholders”. It understands that the means to address this need falls within the purview of the donors of the fund.