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May 3, 2012

LDCF/SCCF Council Meeting
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Washington, D.C

Agenda Item 4

# FY2011 Annual Monitoring Report for the Least Developed Countries Fund and the Special Climate Change Fund

**Recommended Council Decision**

The LDCF/SCCF Council, after reviewing document GEF/LDCF.SCCF.12/04, *FY2011 Annual Monitoring Report for the Least Developed Countries Fund and the Special Climate Change Fund*, approves it as is and welcomes the progress the LDCF and the SCCF have made in reporting portfolio results.

## Executive Summary

1. The Annual Monitoring Report (AMR) of the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF) is the principal reporting instrument of the Funds, providing a snapshot of the overall health of the active portfolios for each fiscal year. A critical part of the LDCF/SCCF Results-based Management (RBM) Policy, the AMR monitors project implementation status, progress towards achieving global environmental objectives, and portfolio-level lessons learned.

2. This report provides the project highlights arising from the LDCF/SCCF AMR 2011 process, presented as: 1) Overview of the LDCF and SCCF portfolios since inception (including information on FY11 approvals); 2) performance information on LDCF and SCCF projects under implementation (projects that began implementation on or before June 30, 2010 and were under implementation for at least part of FY 2011); 3) Management effectiveness and efficiency indicators for LDCF and SCCF; and 4) LDCF and SCCF lessons learned, regarding implementation of climate change adaptation measures.

3. During FY11, twenty-two projects were approved under LDCF, amounting US $81,468,955 in total grants. During the same period, twelve projects were approved under SCCF, amounting US $40,785,014 in total grants. Also during this reporting period, the first programmatic approach, funded jointly by GEF Trust Fund, LDCF, and SCCF, was approved: “Sahel and West Africa Program in support of the Great Green Wall Initiative” implemented by the World Bank. This multi-trust fund program is funded by: $81 million from the GEF Trust Fund, $14.81 million from LDCF and $4.62 million from SCCF.

4. The LDCF active portfolio (projects under implementation) experienced a significant increase from the previous AMR, now including 14 active projects. Fifty percent of LDCF projects are rated “Satisfactory” or higher in terms of likelihood of achieving their development objectives. Regarding SCCF, the active portfolio also increased from the previous AMR, now including 13 active projects. Additionally, two SCCF projects were completed during FY11. Sixty-one percent of SCCF projects are rated “Satisfactory” or higher in terms of likelihood of achieving their development objectives.

## Table of Contents

# I. Introduction

1. As outlined in the GEF Results-Based Management (RBM) Framework, the Annual Monitoring Report is designed to provide performance information regarding the overall health of GEF's portfolio of active projects. Accordingly, the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF) Annual Monitoring Report[1] reports on these funds' active portfolio of projects and provides an assessment of achievements and progress towards targets. The 2011 LDCF/SCCF AMR covers LDCF and SCCF active portfolios in 42 countries, for 27 projects that began implementation on or before June 30, 2010. This report includes all LDCF/SCCF projects currently under implementation, or "active portfolio" (projects that have started implementation on the ground on or before June 30, 2010 and were under implementation for at least a part of FY11). The LDCF/SCCF AMR includes: 1) LDCF portfolio overview of cumulative project approvals since inception and for FY2011; 2) SCCF portfolio overview of cumulative project approvals since inception and for FY2011; 3) performance information on LDCF and SCCF active portfolios; 4) Management effectiveness and efficiency indicators for LDCF and SCCF; and 5) LDCF and SCCF adaptation lessons learned.

2. GEF agencies are responsible for monitoring individual LDCF and SCCF projects' progress against a set of performance indicators, aligned with the Climate Change Adaptation indicators included in the Adaptation Monitoring and Assessment Tool (http://www.thegef.org/gef/tracking_tool_LDCF_SCCF). Each GEF Agency submits individual annual Project Implementation Reports (PIRs) on all active projects in their respective portfolios. Each Agency also submits Mid-Term Reviews (MTRs) for all full-sized projects; Terminal Evaluations (TEs) are submitted after the project is completed and no more than twelve months after completion. The FY11 AMR for LDCF and SCCF includes performance ratings by agency and region based on 25 PIRs and 2 Mid-Term Reviews (MTRs)[2].

3. For the regional analyses in this report, the following acronyms are defined:

- AFR: Sub-Saharan Africa
- EAP: East- Asia Pacific
- ECA: East Europe and Central Asia
- LAC: Latin America
- MNA: Middle-East/North Africa
- SA: South Asia

[1] This document is consistent with the documents "GEF Annual Monitoring Report FY2011 Part 1" and "GEF Annual Monitoring Report FY2011 Part 2" submitted to the GEF Council for approval (November 2011 and June 2012).

[2] One SCCF-A project (GEF ID 3679) closed on 1 December 2010. Project is undergoing financial closure and therefore no PIR was submitted for this reporting period.

4. Table 1 provides a summary of key figures on LDCF/SCCF project approvals and for projects under implementation.[3]

**Table 1: LDCF/SCCF at a glance**

| **Cumulative LDCF/SCCF Project Approvals (as of 30 June 2011)**[4] | **LDCF** | **SCCF** |
|---|---|---|
| Number of approvals, including Enabling Activities | 96 | 34 |
| Value of Approvals, including Enabling Activities[5] | $169,741,881 | $127,371,000 |
| Planned Co-financing | $893,031,226 | $775,540,650 |
| **FY 2011 Project Approvals** | | |
| Number of Approvals[6] | 22 | 12 |
| Value of Approvals | $81,468,955 | $40,785,014 |
| Planned Co-financing | $593,569,181 | $277,154,546 |
| **FY 2011 Projects Under Implementation** | | |
| Number of projects | 14 | 13 |
| Value of Projects[7] | $45,001,050 | $54,818,685 |
| Number of closed projects[8] | 0 | 2 |
| Number of cancelled projects | 0 | 0 |
| **Percentage of projects that have received a Development Objective (DO) rating of moderately satisfactory or higher** | 85.7% | 92.8% |
| **Value of projects that have received a DO rating of moderately satisfactory or higher** | $36,640,050 | $48,028,685 |

## II. LDCF Portfolio Overview

5. The LDCF portfolio overview provides LDCF's cumulative project and program approvals since inception, and approval data for fiscal year 2011 (July 1, 2010 through June 30, 2011). The information presented in this section is based on data received from the GEF Secretariat's Project Management Information System database (PMIS) and the GEF Trustee.

[3] Throughout the AMR, data for projects under implementation are provided by the Agencies.
[4] Approvals refer to Project Approvals and CEO Endorsements during the reporting period.
[5] The "value" is the sum of the project grant and the project preparation grant (PPG); it excludes Agency Fees.
[6] Includes CEO Endorsements.
[7] "Value" is the sum of the total grants and the PPG.
[8] See pg. 9 for information on both closed projects.

**Cumulative LDCF Project Approvals since Inception**

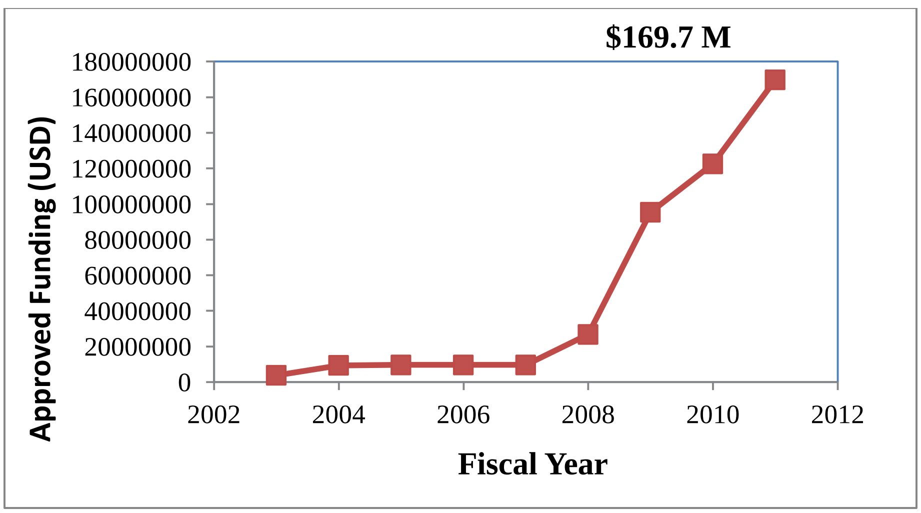
6. LDCF approvals as of June 30, 2011 totaled $169.7 million in grants; including medium-size projects (MSPs), full-size projects (FSPs), programs, enabling activities (EA), and project preparation grants (PPGs). Table 2 presents LDCF cumulative funding by modality from FY2001 to FY2011. Enabling activities under LDCF refer to the grants allocated to the least developed countries for the completion of their National Adaptation Plans of Action (NAPAs).

**Table 2: LDCF Cumulative Funding**

| Modality | Number of Projects | Amount |
|---|---|---|
| MSPs | 5 | $8,163,938 |
| FSPs | 40 | $132,192,575 |
| Programs (GGWI)[9] | 1 | $14,814,814 |
| Enabling Activities (NAPAs) | 50 | $10,415,219 |
| PPGs | | $4,155,335 |
| | **Total LDCF[10]** | **$169,741,881** |

7. Figure 1 presents the cumulative LDCF projects approvals by $US amount from 2001 to 2011[11].

**Figure 1: Cumulative LDCF Project Approvals**

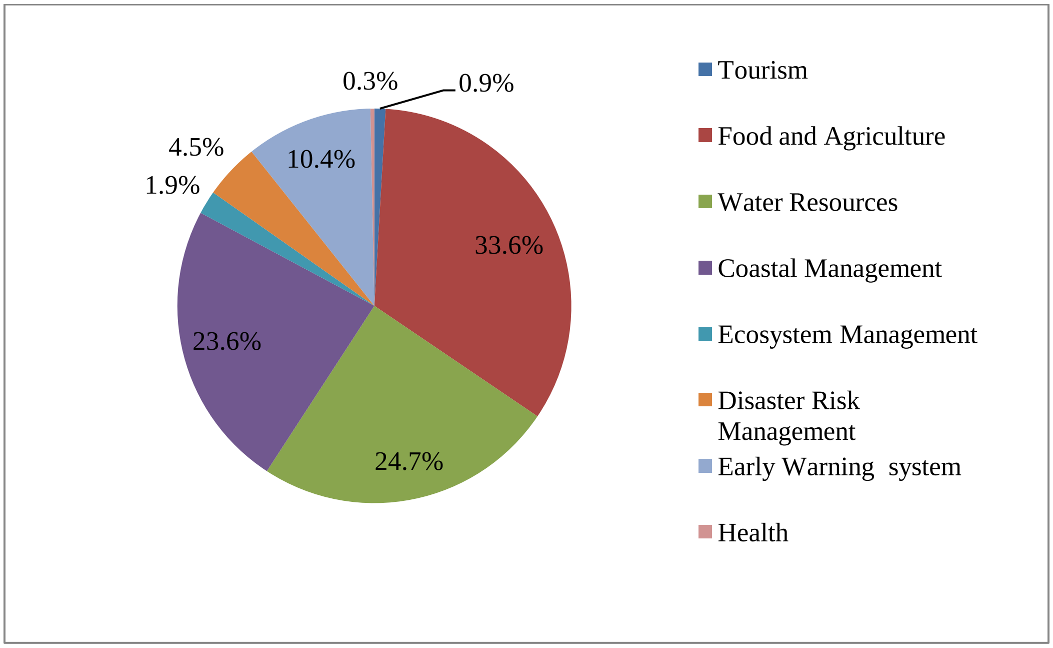



*Sectoral Analysis of LDCF Portfolio since Inception*

[9] "Sahel and West Africa Program in support of the Great Green Wall Initiative". (World Bank).
[10] Does not include Agency Fees.
[11] Cumulative project approvals do not include Agency Fees.

8. Figure 2 presents the sectoral analysis for the LDCF portfolio since inception. Food security and agriculture sector is at the top of the list, with 33.6% of the LDCF portfolio. Water resources management is the second most prioritized sector in LDCF, covering 24.7% of the portfolio.

**Figure 2: Sectoral Analysis of LDCF projects since Inception**




**LDCF Approvals in FY2011**

9. In FY 2011, project approvals amounted to $81,468,955, and $ 18.23 million in agency fees for 22 projects: 18 Full-Sized Projects (FSPs), 3 Medium-Sized Projects (MSPs), and 1 programmatic approach.

10. In FY2011, UNDP had the largest grant amount totaling $29.27 million for 8 FSPs and 1 MSP. UNDP also holds the largest number of projects approved in FY11, followed by the African Development Bank and UNEP, with 3 projects each. Table 3 presents a detailed break-down by Agency.

**Table 3: LDCF FY2011 Project Approvals by Agency[12]**

| Agency | No. of Approvals | | | Total Grant (million $) | Share of Grant (%) | No. Projects |
|---|---|---|---|---|---|---|
| | FSP | MSP | Program | | | |
| AfDB | 3 | 0 | 0 | $8,590,335 | 10.54 | 3 |
| FAO | 2 | 0 | 0 | $4,908,818 | 6.03 | 2 |
| IFAD | 2 | 0 | 0 | $7,864,800 | 9.65 | 2 |
| UNDP | 8 | 1 | 0 | $29,276,388 | 35.94 | 9 |
| UNEP | 1 | 2 | 0 | $7,743,500 | 9.50 | 3 |
| UNDP/UNEP | 1 | 0 | 0 | $3,840,000 | 4.71 | 1 |
| World Bank | 1 | 0 | 1 | $19,245,114 | 23.62 | 2 |
| **Total** | **18** | **3** | **1** | **$81,468,955** | **100.00** | **22** |

11. The AFR region received the largest grant amount of $59.81 million, of which $14.81 million is attributable to the Sahel and West Africa Program in Support of the Great Green Wall Initiative (World Bank). This region also holds the largest number of approvals with 15 projects. Table 4 presents such results.

**Table 4 FY 2011 LDCF Project Approvals by Region**

| Region | No. of Approvals | | | Total Grant (million $) | Share of Grant (%) | No. Projects |
|---|---|---|---|---|---|---|
| | FSP | MSP | Program | | | |
| ARF | 13 | 1 | 1 | $59,811,067 | 73.42 | 15 |
| EAP | 2 | 1 | 0 | $8,680,450 | 10.65 | 3 |
| LAC | 2 | 0 | 0 | $6,327,000 | 7.77 | 2 |
| SA | 1 | 1 | 0 | $6,650,438 | 8.16 | 2 |
| **Total** | **8** | **3** | **1** | **$81,468,955** | **100.00** | **22** |

*Indicative Co-financing for FY2011 LDCF*

[12] Includes CEO Endorsements for FY11.

12. By region, the ratio of indicative co-financing to total grant amount was distributed to show that AFR had the highest average ratio, of 1:7, followed by LAC, with a 1:3 ratio. Table 5 shows the average ratio of indicative co-financing to total grant, by region.

**Table 5: FY 2011 LDCF Average Ratio of Indicative Co-financing to Total Grant by Region**

| **Region** | **Average of Ratio** |
|---|---|
| AFR | 1:7 |
| EAP | 1:2 |
| LAC | 1:3 |
| SA | 1:2 |
| **Total Average** | 1:6 |

13. The distribution of indicative co-financing to total grant amount shows that World Bank has the highest average ratio (1:10), followed by the UNDP (1:8). Table 6 shows the average ratio of indicative co-financing to total grant, by Agency.

**Table 6: FY 2011 LDCF Ratio of Indicative Co-financing to Total Grant by Agency**

| **Agency** | **Average of Ratio** |
|---|---|
| AfDB | 1:3 |
| FAO | 1:3 |
| IFAD | 1:3 |
| UNDP | 1:8 |
| UNDP/UNEP | 1:2 |
| UNEP | 1:2 |
| World Bank | 1:10 |
| **Total Average** | 1:6 |

# III. SCCF Portfolio Overview

14. The portfolio overview provides an overview of the SCCF's windows A and B cumulative project and program approvals since inception and approval data for fiscal year 2011 (July 1, 2010 through June 30, 2011). The information presented in this section is based on data received from the Secretariat's Project Management Information System database (PMIS) and the GEF Trustee.

## Cumulative SCCF Project Approvals since Inception

15. Project amounts for SCCF approvals (windows A and B) as of June 30, 2011 totaled US $127.43 million in grants, including programs, enabling activities (EA), and project preparation grants (PPGs). Table 7 presents SCCF cumulative funding by modality between 2001 and 2011.

**Table 7: SCCF Cumulative Funding (Windows A and B)**

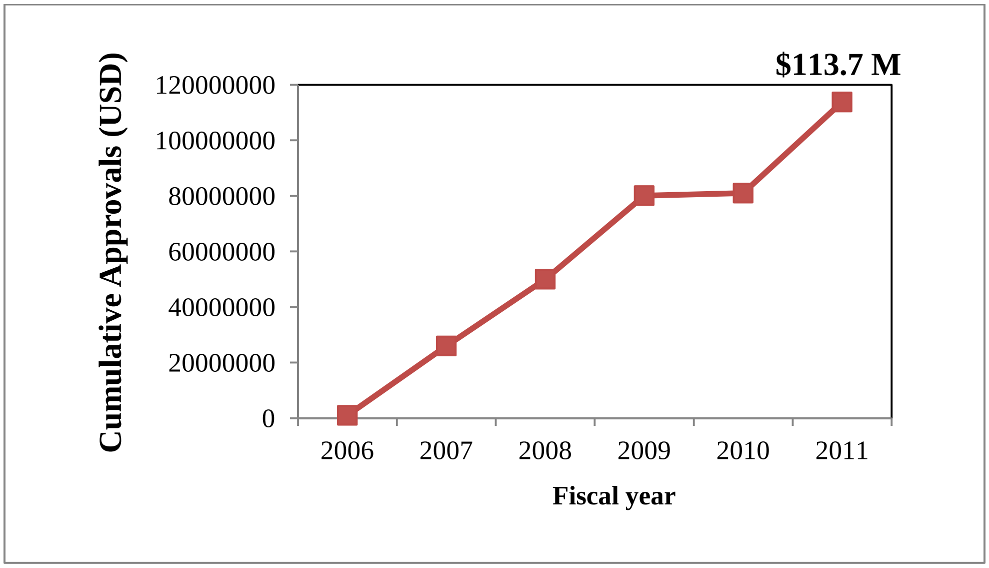
| **Modality** | **Number of projects** | | **Amount ($ millions)** | | |
|---|---|---|---|---|---|
| | **SCCF- A** | **SCCF-B** | **SCCF-A** | **SCCF-B** | |
| MSPs | 6 | 1 | 5.8 | .715 | |
| FSPs | 23 | 2 | 99.3 | 4.65 | |
| Programs[13] | 1 | 0 | 4.6 | 0 | |
| Enabling Activities (TNA)[14] | 0 | 1 | 0 | 8.18 | |
| PPG | | | 3.96 | .226 | |
| Total SCCF Funds | | | 113.66 | 13.771 | **127.43** |

[13] "Sahel and West Africa Program in support of the Great Green Wall Initiative". (World Bank).

[14] Technology Needs Assessment (TNA) is a country-driven activity to assist in identifying and analyzing the priority technology needs for mitigating and adapting to climate change, particularly in developing countries. The TNA is funded by resources from SCCF-B and is implemented by UNEP.

16. Figure 3 presents the cumulative SCCF-A projects approvals[15] by US dollars amount from 2001 to 2011. All of the SCCF-B approvals up to June 30, 2011 were done during two fiscal years, 2009 and 2010, therefore this fund is not reflected in the graph.

**Figure 3: Cumulative SCCF- A Project Approvals**

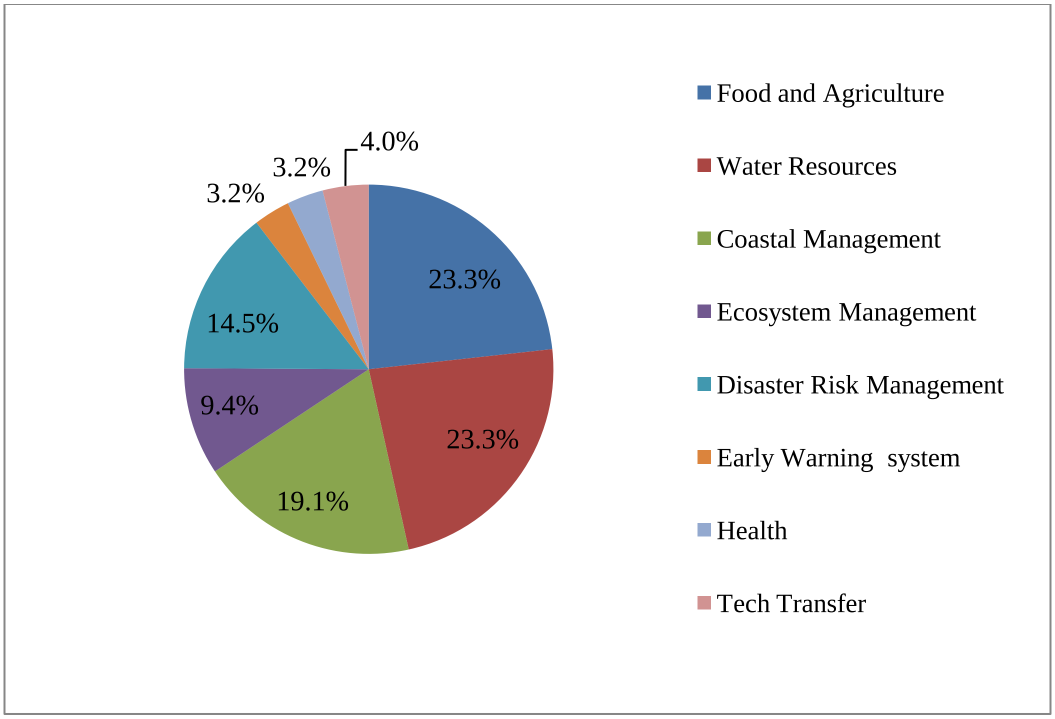



*Sectoral Analysis for SCCF Projects since Inception*

17. As indicated in the figure below, both, the food and agriculture sector and the water resources management sector are have been equally prioritized in the SCCF portfolio, holding 23.3% of the projects, respectively. These sectors are followed by coastal management sector, for which 19.1% of the projects have been approved.

[15] Cumulative project approvals do not include Agency Fees.

**Figure 4: Sectoral Analysis of SCCF (Windows A and B) projects since Inception**




## SCCF-A Approvals in FY 2011[16]

18. In FY 2011, project approvals amounted to $40.7 million, and $3.9 million in fees for 12 projects: 11 Full-Sized Projects (FSPs), and 1 programmatic approach. Two projects were completed during the reporting period: UNEP global project, "Economic Analysis of Adaptation Options in Support of Decision Making" (GEF ID: 3679)[17] and UNDP project "Mainstreaming Climate Change in Integrated Water Resources Management in Pangani River Basin", in Tanzania (GEF ID: 2832)[18].

19. In FY2011, the World Bank had the largest grant amount totaling $20.6 million for 3 FSPs and 1 programmatic approach (program), holding 50.7% of total grants approved in FY11. Both, the World Bank and UNDP have four projects approved for this fiscal year. Table 8 presents a detailed break-down by Agency.

[16] There were no SCCF-B approvals in FY2011.
[17] Project completed in 1 December 2010. There have been no activities since and therefore no PIR. The project is undergoing its terminal evaluation and financial closure.
[18] Project completed in 30 June 2011. Terminal Evaluation was not due during this reporting period.

**Table 8: SCCF-A FY2011: Project Approvals by Agency[19]**

| Agency | No. of Approvals | | | Total Grant | Share of Grant (%) | No. of Projects |
|---|---|---|---|---|---|---|
| | FSP | MSP | Program | | | |
| ADB/UNEP | 1 | 0 | 0 | $1,818,182 | 4.46 | 1 |
| EBRD | 1 | 0 | 0 | $2,727,067 | 6.69 | 1 |
| IFAD | 2 | 0 | 0 | $4,225,000 | 10.36 | 2 |
| UNDP | 4 | 0 | 0 | $11,339,682 | 27.80 | 4 |
| World Bank | 3 | 0 | 1 | $20,675,083 | 50.69 | 4 |
| **Total** | **11** | **0** | **1** | **$40,785,014** | **100.00** | **12** |

20. The ECA region received the largest grant amount of $11 million, followed by the AFR region, with $10.7 million. AFR region holds the largest number of project approvals, four. Table 9 presents project approvals by region, for FY11.

**Table 9: SCCF-A FY2011 Project Approvals by Region**

| Region | No. of Approvals | | | Total Grant | Share of Grant (%) | No. Projects |
|---|---|---|---|---|---|---|
| | FSP | MSP | Program | | | |
| AFR | 3 | 0 | 1 | $10,769,311 | 26.41 | 4 |
| EAP | 2 | 0 | 0 | $6,625,000 | 16.24 | 2 |
| EAP/SA | 1 | 0 | 0 | $1,818,182 | 4.46 | 1 |
| ECA | 3 | 0 | 0 | $11,027,067 | 27.04 | 3 |
| LAC | 1 | 0 | 0 | $6,000,000 | 14.71 | 1 |
| MNA | 1 | 0 | 0 | $4,545,454 | 11.14 | 1 |
| **Total** | **11** | **0** | **1** | **$40,785,014** | **100.00** | **12** |

[19] Includes CEO Endorsements during FY11.

*Indicative Co-financing for FY2011 SCCF-A*

21. By region, AFR holds the highest average ratio of indicative co-financing to total grant amount, with a 1:10 ratio. Lowest ratios are for the investments in LAC and ECA regions, both of which reflected ratios of 1:5. Table 10 shows the average ratio of indicative co-financing to total grant, by region.

**Table 10: FY 2011 SCCF-A Average Ratio of Indicative Co-financing to Total Grant by Region**

| **Region** | **Average of ratio** |
|---|---:|
| AFR | 1:10 |
| EAP | 1:9 |
| EAP/SA | 1:8 |
| ECA | 1:5 |
| LAC | 1:5 |
| MNA | 1:6 |
| **Grand Total** | **1:8** |

22. By Agency, the ratio of indicative co-financing to total grant amount was distributed to show that UNDP has the highest average ratio (1:11). Table 11 shows the average ratio of indicative co-financing to total grant, by Agency.

**Table 11: FY2011 SCCF-A Average Ratio of Indicative Co-financing to Total Grant by Agency**

| **Agencies** | **Average of Ratio** |
|---|---:|
| ADB/UNEP | 1:8 |
| EBRD | 1:9 |
| IFAD | 1:5 |
| UNDP | 1:11 |
| World Bank | 1:4 |
| **Grand Total** | **1:8** |

**Programs**

23. As of 30 June 2011, the only programmatic approach (also a Multi-Focal Area and Multi-Trust Fund project) approved thus far with LDCF, SCCF, and GEF Trust Fund resources, is the "Sahel and West Africa Program in support of the Great Green Wall Initiative" implemented by the World Bank. This program is funded by: $81 million from the GEF Trust Fund, $14.81 million from LDCF and $4.62 million from SCCF.

# IV. Projects Under Implementation

24. LDCF and SCCF projects are rated by 1) likelihood of achieving Development Objectives (DO), and 2) likelihood of achieving Implementation Progress (IP). Agencies use a six-point scale for both ratings. The DO and IP ratings for projects financed under LDCF/SCCF are defined in Table 12 and Table 13 below, (according to the "GEF Trust Fund and LDCF/SCCF Reporting Guidelines"):

**Table 12: DO Rating definitions**

| | |
|---|---|
| **Highly Satisfactory (HS)** | Project is expected to achieve or exceed **all** its major *development/adaptation objectives*, and yield substantial adaptation benefits, without major shortcomings. The project can be presented as "good practice". |
| **Satisfactory (S)** | Project is expected to achieve **most** of its major *development/adaptation objectives*, and yield satisfactory adaptation benefits, with only minor shortcomings. |
| **Marginally Satisfactory (MS)** | Project is expected to achieve **most** of its major relevant *development/adaptation objectives* but with either significant shortcomings or modest overall relevance. Project is expected not to achieve **some** of its major development objectives or yield some of the expected adaptation benefits. |
| **Marginally Unsatisfactory (MU)** | Project is expected to achieve of its major *development/adaptation objectives* with major shortcomings or is expected to achieve only **some** of its major adaptation objectives. |
| **Unsatisfactory (U)** | Project is expected **not** to achieve **most** of its major *development/adaptation objectives* or to yield any satisfactory adaptation benefits. |
| **Highly Unsatisfactory (HU)** | The project has failed to achieve, and is not expected to achieve, **any** of its major *development/adaptation objectives* with no worthwhile adaptation benefits. |

**Table 13: IP Rating Definitions**

| | |
|---|---|
| **Highly Satisfactory (HS)** | Implementation of **all** components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as "good practice". |
| **Satisfactory (S)** | Implementation of **most** components is in substantial compliance with the original/formally revised plan except for only few that are subject to remedial action. |
| **Marginally Satisfactory (MS)** | Implementation of **some** components is in substantial compliance with the original/formally revised plan with **some** components requiring remedial action. |
| **Marginally Unsatisfactory (MU)** | Implementation of **some** components is not in substantial compliance with the original/formally revised plan with **most** components requiring remedial action. |
| **Unsatisfactory (U)** | Implementation of **most** components is not in substantial compliance with the original/formally revised plan. |
| **Highly Unsatisfactory (HU)** | Implementation of **none** of the components is in substantial compliance with the original/formally revised plan. |

**Least Developed Countries Fund Active Portfolio**

25. During FY 2011, GEF Agencies submitted 13 Project Implementation Reviews (PIRs) and 1 Mid- Term Reviews (MTRs) for 14 LDCF projects. FY2011 active portfolio includes 13 FSPs and 1 MSPs which have been under implementation for at least one year as of June 30, 2011.

26. Total LDCF funds allocated to active projects in FY2011 is $44,821,050, including PPGs. Table 14 displays the LDCF active portfolio.

## Table 14: LDCF Projects Under Implementation for FY 2011

| | GEF ID | Agency | Region | Country | Project Size | Project Name | Total GEF Grant | Co-financing | DO Rating | IP Rating | PIR/ MTR |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **1** | 3219 | UNDP | SA | Bhutan | FSP | Reducing Climate Change-induced Risks and Vulnerabilities from Glacial Lake Outbursts in the Punakha-Wangdi and Chamkhar Valleys | $3,625,050 | $4,036,224 | S | S | MTR |
| **2** | 3287 | UNDP | SA | Bangladesh | FSP | Community based adaptation to climate change through coastal afforestation | $3,400,000 | $7,100,000 | S | S | PIR |
| **3** | 3358 | UNDP | EAP | Samoa | FSP | Integrating Climate Change Risks into the Agriculture and Health Sectors in Samoa | $2,050,000 | $2,100,000 | S | S | PIR |
| **4** | 3404 | UNDP | EAP | Cambodia | MSP | Promoting Climate-Resilient Water Managementand Agricultural Practices in Rural Cambodia | $1,950,000 | $2,240,350 | MS | MU | PIR |
| **5** | 3430 | UNDP | AFR | Sudan | FSP | Implementing NAPA Priority Interventions to Build Resilience in the Agriculture and Water Sectors to the Adverse Impacts of Climate Change | $3,400,000 | $3,500,000 | S | S | PIR |
| **6** | 3581 | UNDP | AFR | Cape Verde | FSP | Building Adaptive Capacity and Resilience to Climate Change in the Water Sector in Cape Verde | $3,100,000 | $63,699,027 | S | MS | PIR |
| **7** | 3684 | UNDP | AFR | Burkina Faso | FSP | Strengthening Adaptation Capacities and Reducing the Vulnerability to Climate Change in Burkina Faso | $3,000,000 | $20,094,595 | MS | MS | PIR |
| **8** | 3689 | UNDP | AFR | Zambia | FSP | Adaptation to the effects of drought and climate change in Agro-ecological Zone 1 and 2 in Zambia | $3,895,000 | $9,804,000 | S | MS | PIR |
| **9** | 3694 | UNDP | EAP | Tuvalu | FSP | Increasing Resilience of Coastal Areas and Community Settlements to Climate Change | $3,360,000 | $4,500,000 | MS | MU | PIR |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **10** | 3718 | UNDP | AFR | Congo DR | FSP | Building the Capacity of the Agriculture Sector in DR Congo to Plan for and Respond to the Additional Threats Posed by Climate Change on Food Production and Security | $3,100,000 | $4,050,000 | MS | MS | PIR |
| **11** | 3776 | UNDP | AFR | Mali | FSP | Enhancing Adaptive Capacity and Resilience to Climate Change in the Agriculture Sector in Mali | $2,440,000 | $8,477,300 | MS | MS | PIR |
| **12** | 3838 | UNEP/ UNDP | AFR | Rwanda[20] | FSP | Reducing Vulnerability to Climate Change by Establishing Early Warning and Disaster Preparedness Systems and Support for Integrated Watershed Management in flood prone areas | $3,636,000 | $12,427,000 | U | U | PIR |
| **13** | 3847 | UNDP | SA | Maldives | FSP | Integrating Climate Change Risks into Resilient Island Planning | $4,545,000 | $4,851,211 | MU | MU | PIR |
| **14** | 3916 | UNDP | AFR | Niger | FSP | Implementing NAPA priority interventions to build resilience and adaptive capacity of the agriculture sector to climate change in Niger | $3,500,000 | $10,950,000 | S | S | PIR |
| TOTAL | | | | | | | **$44,821,050** | **$157,829,707** | | | |

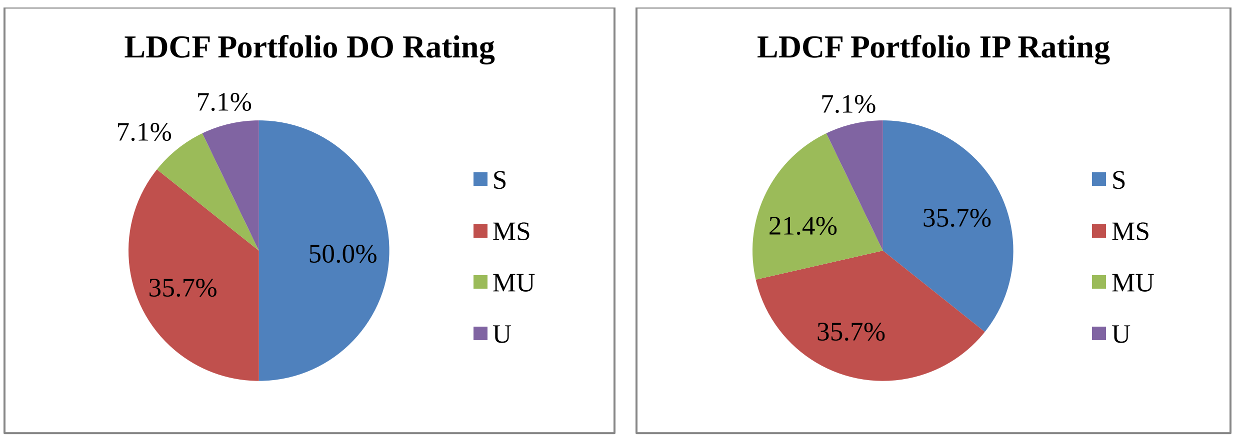
[20] The ratings for this project reflect the UNDP component only. UNEP did not undertake a PIR for this project, as the UNEP component had been under implementation for less than a year and therefore, it was not classified as eligible.

*Performance Ratings*

27. Based on data submitted by GEF Agencies for FY11, the LDCF portfolio under implementation received a Development Objective rating of “Marginally Satisfactory” or higher for 85.7% of projects. Regarding Implementation Progress, 71.4% of projects are rated as “Marginally Satisfactory” or higher.

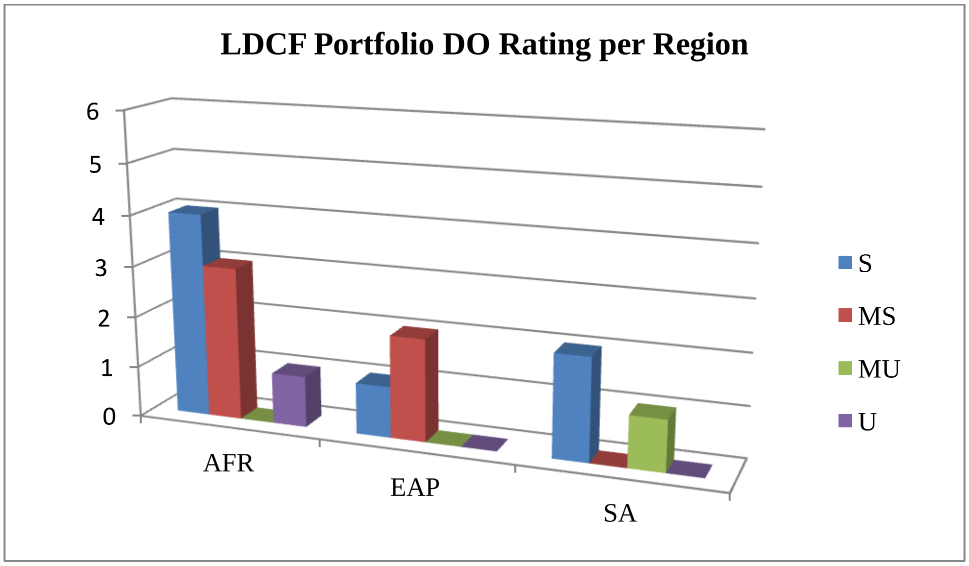
28. Figure 3 provides the distribution of agency ratings for the likelihood of attaining development objectives (DO) and the implementation progress (IP) for the 14 LDCF projects under implementation.

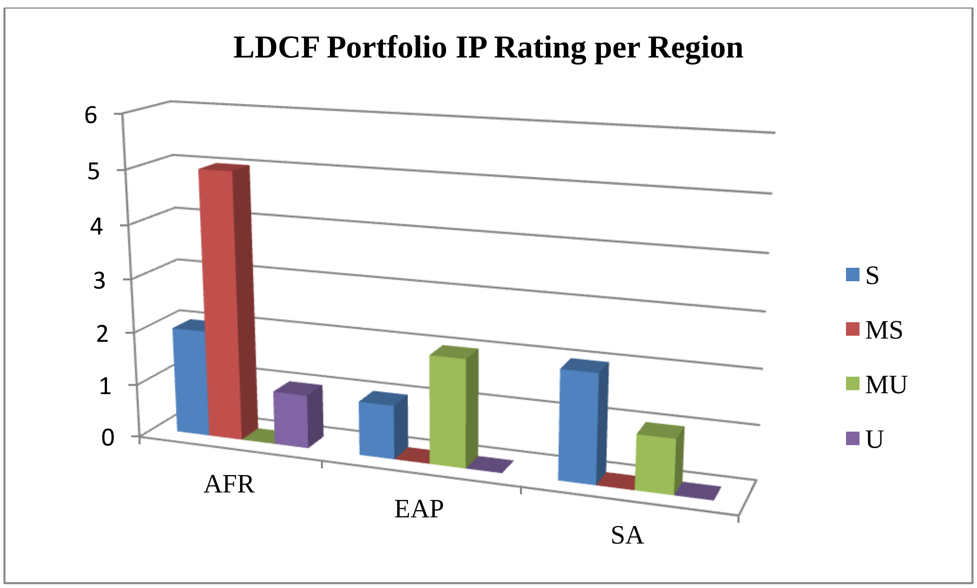
**Figure 5: LDCF portfolio Agency rating distribution**




29. Across all regions, the active LDCF portfolio reflects satisfactory results. Regarding DO rating, most projects in AFR and SA regions are “satisfactory”, while most projects in the EAP region are “marginally satisfactory”. Regarding IP rating, most projects in ARF region are “marginally satisfactory”. Figure 6 shows a detailed breakdown of DO and IP ratings by region.

**Figure 6: Breakdowns of DO and IP Ratings for LDCF Projects by Region**

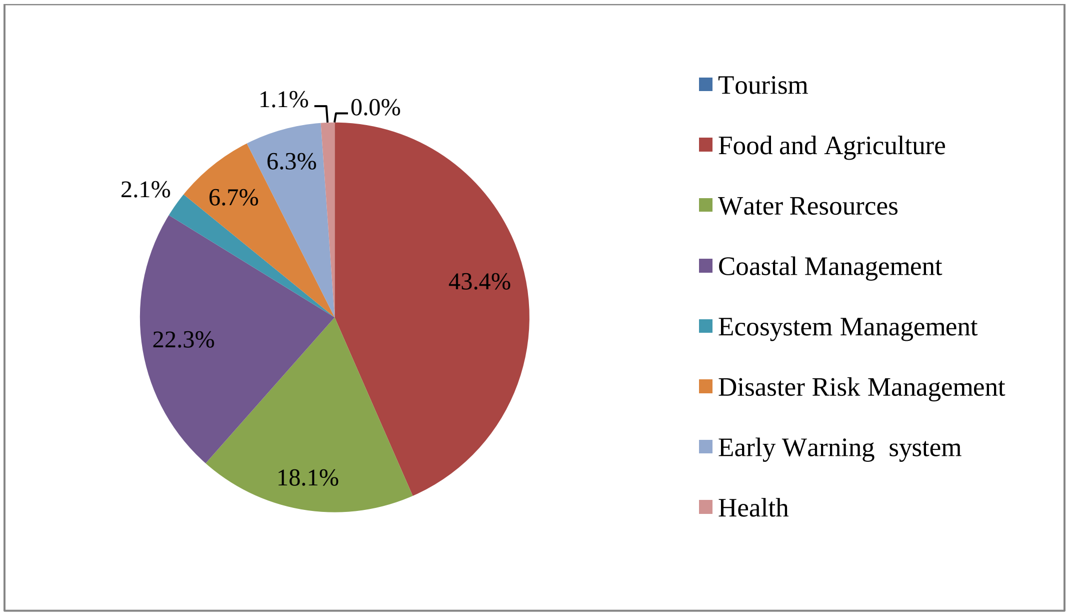


*Sectoral Analysis for LDCF Active Portfolio*

30. As indicated in the figure below, most of the LDCF active portfolio addresses urgent adaptation action in the food security and agriculture sector (43.4% of the portfolio), followed by coastal management, with 22.3% of the portfolio.

**Figure 7: Sectoral Distribution of the LDCF Active Portfolio (FY2011)**




**Special Climate Change Fund (window A)[21] Active Portfolio**

31. During FY 2011, GEF Agencies submitted 11 Project Implementation Reviews (PIRs) and 1 Mid- Term Review (MTRs) for 13 active SCCF projects. UNEP project “Economic Analysis of Adaptation Options” (GEF ID: 3679) was active during the reporting period, however it was completed on 1 December 2010. The terminal review is in progress and will be accounted for in the next fiscal year. The ratings presented here for this project, correspond to the FY10 PIR. FY2011 SCCF active portfolio includes 8 FSPs and 5 MSPs, which have been under implementation for at least one year as of June 30, 2011.

32. Total SCCF funds allocated to active projects in FY2011 is $54,818,685 including PPGs. Table 15 displays the SCCF active portfolio.

[21] There are no implementation reports submitted for the four approved SCCF- B projects. Two projects were cancelled: GEF ID 4040 and GEF ID 4060, after this reporting period. Project GEF ID 4036 was CEO Endorsed in FY2012, and therefore a PIR is not yet expected for this project. Lastly, project GEF ID 3907 is an Enabling Activity. GEF Secretariat does not report on Enabling Activities in the AMR.

## Table 15: SCCF Projects Under Implementation for FY 2011

| | GEF ID | Agency | Region | Country | Project Size | Project Name | Total GEF Grant | Co-financing | DO Rating | IP Rating | PIR/ MTR |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **1** | 2553 | UNDP | Global | Barbados, Bhutan, China, Fiji, Jordan, Kenya, Uzbekistan | FSP | Piloting climate change adaptation to protect human health | $4,969,685 | $15,963,559 | S | S | PIR |
| **2** | 2832 | UNDP | AFR | Tanzania | MSP | Tanzania: Mainstreaming climate change and adaptation into integrated water resource management in the Pangani River Basin | $1,000,000 | $1,574,875 | MS | S | PIR |
| **3** | 2902 | WB | LAC | Regional -Bolivia, Peru, Ecuador | FSP | Design and Implementation of Pilot Climate Change Adaptation Measures in the Andean Region | $8,080,000 | $25,232,000 | MS | MS | MTR |
| **4** | 2931 | UNDP | LAC | Ecuador | FSP | Adaptation to Climate Change through Effective Water Governance in Ecuador | $3,350,000 | $16,185,432 | MS | MU | PIR |
| **5** | 3101 | UNDP | EAP | Regional (Cook Islands, Micronesia, Fiji, Nauru, PNG, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, Marshall Islands, Palau, Niue) | FSP | Pacific Adaptation to Climate Change (PACC) | $13,475,000 | $44,503,799 | S | MS | PIR |
| **6** | 3154 | UNDP | AFR | Ethiopia | MSP | Coping with Drought and Climate Change | $995,000 | $1,866,667 | S | MS | PIR |
| **7** | 3155 | UNDP | AFR | Mozambique | MSP | Coping with Drought and Climate Change | $960,000 | $929,840 | S | S | PIR |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **8** | 3156 | UNDP | AFR | Zimbabwe | MSP | Coping with Drought and Climate Change | $983,000 | $1,156,000 | HS | S | PIR |
| **9** | 3227 | WB | LAC | Guyana | FSP | GY-GEF Conservancy Adaptation Project | $3,800,000 | $16,200,000 | MS | S | PIR |
| **10** | 3242 | UNDP | MNA | Egypt | FSP | Adaptation to Climate Change in the Nile Delta through Integrated Coastal zone Management | $4,100,000 | $12,838,060 | S | S | PIR |
| **11** | 3249 | WB/UNDP | AFR | Kenya | FSP | Adapting to Climate Change in Arid and Semi Arid Lands (KACCAL) | $6,790,000 | $42,170,000 | U | U | PIR |
| **12** | 3265 | WB | EAP | China | FSP | CN- GEF-Mainstreaming CC Adaptation | $5,316,000 | $50,500,000 | HS | HS | PIR |
| **13** | 3679 | UNEP[22] | Global | China, Guyana, India, Mali, Samoa, Tanzania, United Kingdom, USA | MSP | Economic Analysis of Adaptation Options | $1,000,000 | $3,500,000 | S | S | 2010 PIR |
| **TOTAL** | | | | | | | **$54,818,685** | **$234,486,899** | | | |

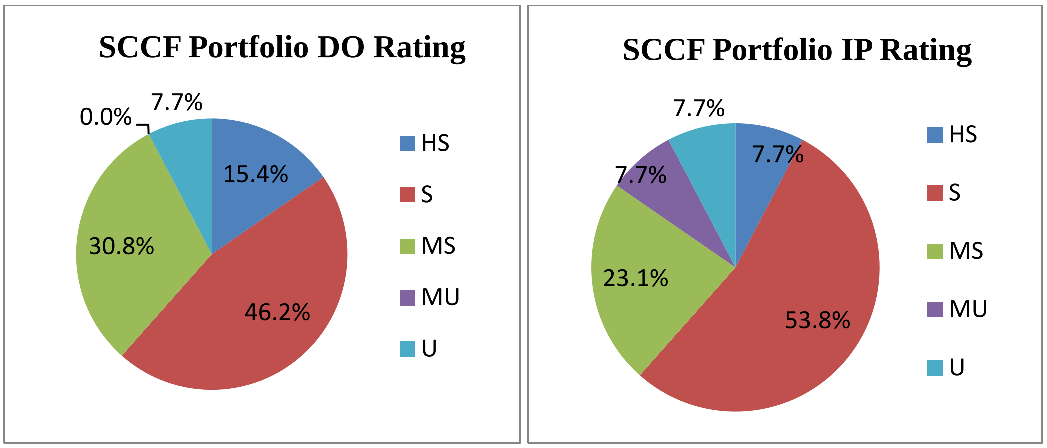
[22] This project was completed on 1 December 2010. There have been no activities since and therefore, no PIR. The project is undergoing its terminal evaluation and financial closure. The ratings reflected in this table are extracted from the FY10 PIR.

*Performance Ratings*

33. Based on data submitted by GEF Agencies for FY11, the SCCF portfolio under implementation received a Development Objective Rating of "Marginally Satisfactory" or higher for 92.4% of projects. Regarding Implementation Progress Rating, 84.6% of projects are rated as "Marginally Satisfactory" or higher.

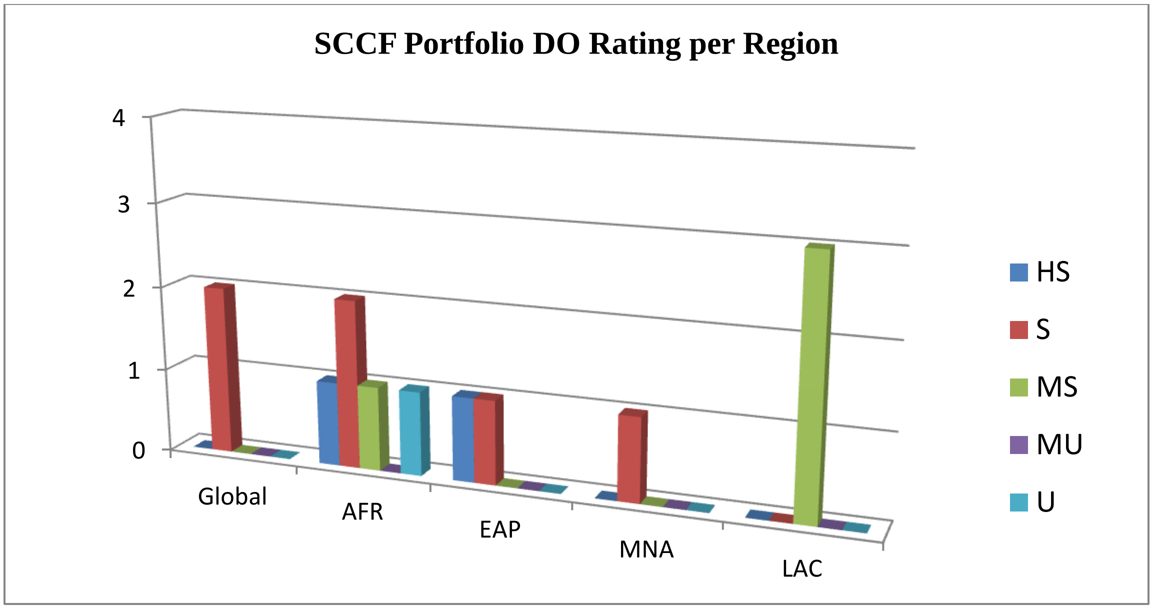
34. Figure 8 provides the distribution of agency ratings for the likelihood of attaining development objectives (DO) and the implementation progress (IP) for the 13 SCCF projects under implementation.

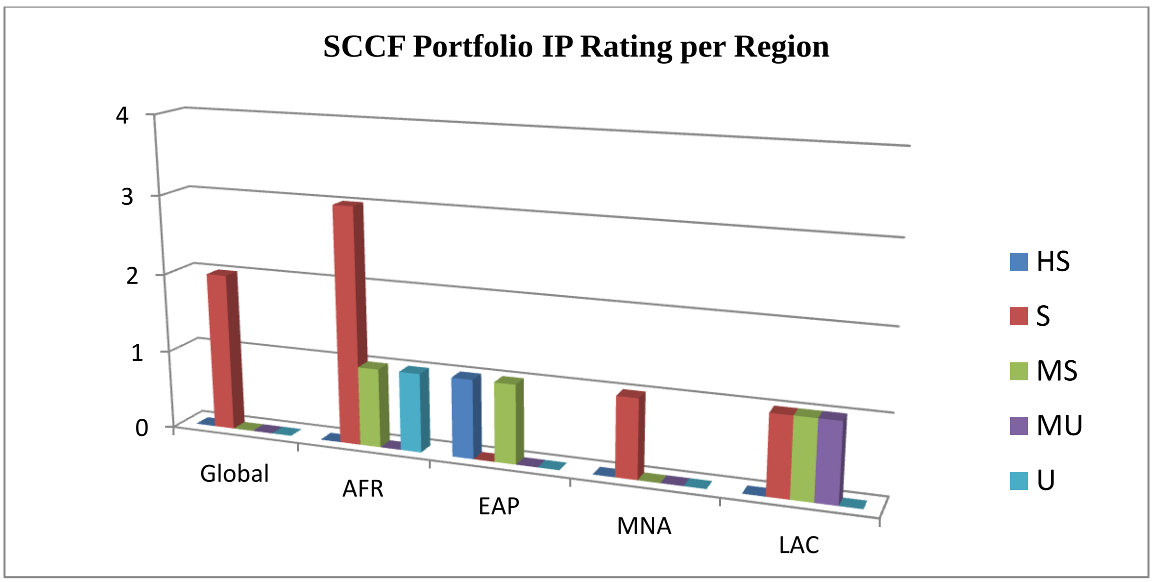
**Figure 8: SCCF portfolio Agency rating distribution**




35. Regarding DO rating, all regions, except LAC show "satisfactory" projects, however, LAC projects are rated "marginally satisfactory" only. Regarding IP ratings, the region with highest rates for most projects is AFR. Global projects were rated "satisfactory" under both criteria. Figure 9 reflects the regional distribution of such ratings.

**Figure 9: Breakdown of DO and IP Ratings for SCCF Projects by Region**

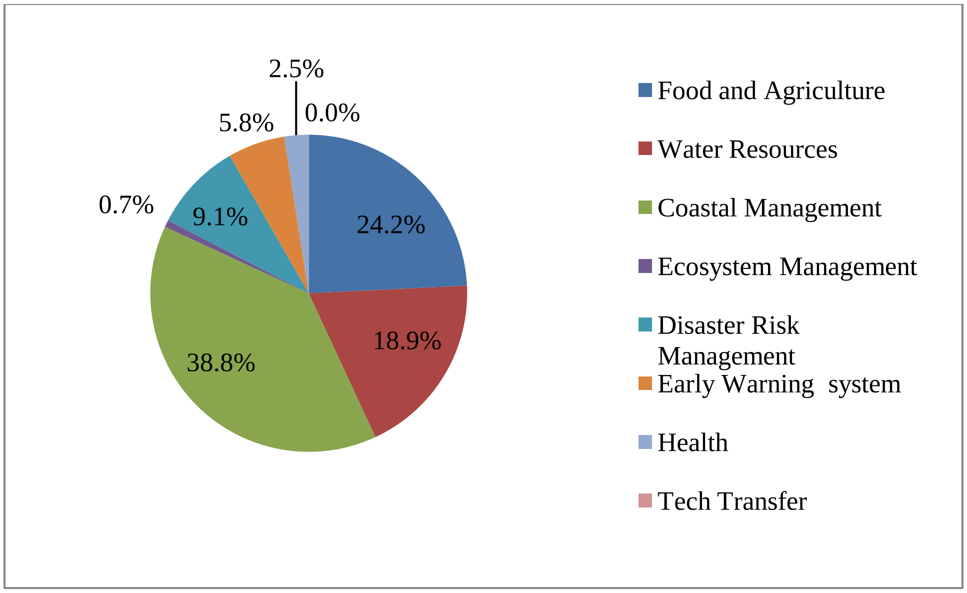


*Sectoral Analysis for SCCF Active Portfolio*

36. Figure 10 presents the sectoral distribution of the SCCF Active Portfolio, demonstrating that most projects under implementation target the coastal management sector (38.8% of the portfolio), followed by the food security and agriculture sector (24.2% of the portfolio).

**Figure 10: Sectoral Distribution of the SCCF Active Portfolio (FY2011)**




## V. Management Effectiveness and Efficiency Indicators for LDCF and SCCF

37. The GEF introduced a number of management indicators with the aim of tracking organization effectiveness, in the GEF AMR Part I, approved by Council on November 2011 (GEF/C.41/04/Rev.02). Similarly, LDCF and SCCF are introducing management effectiveness and efficiency indicators for FY11 and compare them to the same targets established by GEF Trust Fund.

### Table 16 Management Effectiveness and Efficiency Indicator

| | | |
|---|---|---|
| **I. Secure financing and financing mechanisms** | | |
| A. Increased and diversified contributions | FY11 | |
| 1. Total Value of contributions pledged for FY11 (US$) | LDCF: $203,392,792<br>SCCF: $62,073,832 | |
| 2. Number of Donors Pledging for FY11 | LDCF:15<br>SCCF: 6 | |
| B. More efficient cost structure | FY11 | GEF Target |
| 1. Project management cost against LDCF/SCCF project grants for PIF approval[23] | LDCF: 8.21%<br>SCCF: 7.34% | 10%[24] |
| 2. LDCF/SCCF corporate expenses as % of total LDCF/SCCF grants (without agency fees) | LDCF: 1.57%<br>SCCF: 2.06% | <5% |
| **II. Enhance Visibility of LDCF/SCCF** | | |
| | FY11 | GEF Target |
| 1. Number of hits on LDCF and SCCF websites | LDCF: 14,480<br>SCCF: 11,140 | 5% increase/ year |
| 2. Number of published articles (Factiva search criteria- English, French, Spanish) | LDCF only: 152 articles<br>SCCF only: 174 articles<br>LDCF and SCCF in the same article: 104 articles | NA |
| **III. Improve Efficiencies in Project Cycle** | | |
| A. Improved timeliness of program design | FY11 | GEF Target |
| 1. Share of processed PIF that exceed the 10 day standard service[25] | 7.14% | 20% or less |
| 2. Average time from project approval to CEO endorsement for FY11 | LDCF: 16.4 months<br>SCCF: 11.5 months | 22 months[26] |
| 3. Share of FSP projects (of all PIFs approved/endorsed by Council in FY11) that exceed the 40 day benchmark for time elapsed from first PIF submission to PIF clearance by CEO[27] | 30% | 30% |
| **IV. Results-Driven Implementation** | | |
| A. Grant Performance Rating | FY11 | GEF Target |
| 1. Percentage of projects on track to achieve stated objectives with a development objective (DO) rating of **moderately satisfactory** of above | LDCF: 85.7%<br>SCCF: 92.4% | 85% |
| 2. Percent of projects that are on track to reach stated objectives, with a development objective (DO) rating of **satisfactory** or above | LDCF: 50%<br>SCCF: 61.6% | 70% |

[23] Average for LDCF and SCCF.
[24]The target for Project Management Costs was 10% for projects approved for most of FY11. This target was changed to 5% on 17 June 2011.
[25] Does not include enabling activities. This is an average of LDCF and SCCF projects.
[26] Most projects that were CEO Endorsed in FY11 were approved during the period that corresponds to GEF-4, in which the target for average time between approval and CEO endorsement was 22 months. This target changed to 18 months, on November 2010 ("GEF Project and Programmatic Approach Cycles" Council information document).
[27] This is an average of LDCF and SCCF projects.

## VI. LDCF and SCCF Adaptation Lessons Learned

38. For this AMR, the LDCF and SCCF portfolios for the FY11 cohort were analyzed to respond to three learning questions, derived from Learning Objectives 4, 5, and 6, of the "Knowledge Management Strategy for LDCF and SCCF" (GEF/LDCF.SCCF.10/Inf.4/Rev.1). These questions are phrased below:

- What type of **policy level measures** is the project undertaking to reduce vulnerability and enhance adaptive capacity? What type of policy level measures is the project undertaking to enable technology transfer? (Identify barriers for the implementation of the policies laid out during the design phase, and ways to overcome barriers).
- How does the project contribute to or **enable effective community participation** in decision-making during implementation? Does the project contribute to effective involvement of women in decision-making and implementation and if so, how?
- How is the project during implementation preparing for **scaling up, sustainability, and/or replication** of adaptation measures?

39. For this qualitative analysis, the Secretariat reviewed 24 PIRs and 2 MTRs submitted by Agencies for the FY11 active LDCF and SCCF portfolios. As mentioned before, there was no PIR submitted for project 3679, as terminal evaluation is in process. Below, are the main lessons learned in terms of 1) policy level measures; 2) effective community participation, including gender; and 3) scaling up, sustainability, and/or replication.

**Policy Level Measures**

40. In most LDCF and SCCF projects, policy level measures were developed after the previous identification of climate change risks and the appropriate adaptation measures. Drafting of recommendations and local action plans are usually the tools that project managers on the ground rely on to enhance climate change resilience in the future. Such plans are then, ideally, used to further develop national and/or regional level policy instruments. In the case of LDCF-UNDP project in Bhutan, for example, (GEF ID 3219) the executing agency, Department of Disaster Management (Ministry of Home and Cultural Affairs), is expected to review an already existing policy (the National Disaster Risk Management Framework) and integrate GLOF and other climate change risks in it. This can only be achieved after accumulating some relevant initial impacts and technical knowledge, which the project already does.

41. Some proven effective ways in which policy measures have materialized into enhanced adaptive capacity, are: 1) building solid partnerships with relevant stakeholders, especially if

government ministries are involved; 2) integrating climate change risks into national development plans and sectoral development plans after conducting V&A assessments, relevant studies, and consultations; and 3) the development of training manuals, as support tools to help key sectoral staff (at national and provincial levels) to mainstream climate change into policies.

42. A common barrier of successful policy integration is the insufficient capacity of administrative and technical staff to adjust national/ regional/ provincial policies to incorporate climate change and adopt relevant adaptation technologies and options at community level. Most projects identify this barrier in the baseline scenario and utilize strategic institutional capacity building measures to overcome it. When performing capacity building activities, a common source of confusion amongst trainees is the conceptual difference between “business-as-usual” environmental actions and climate change adaptation actions. Such was the case, for example, of LDCF-UNDP project in Bangladesh (GEF ID 3287). However, the project managed to provide the necessary training to help institutions and stakeholders understand this difference, delivering good results: 100% of targeted planners are now able to identify climate risks in coastal areas and differentiate adaptation actions from business- as-usual afforestation.

43. The SCCF-World Bank regional project in the Andean Countries (GEF ID 2902) is a good example of pilot adaptation interventions that use technology transfer to influence policy. Pilot activities involving a network of glacier monitoring stations have contributed to scientific knowledge; this will in turn contribute to planning of policies including regional plans and strategies that take into account and enhance adaptive capacity. Another approach to enabling technology transfer to involve national partners with better capacity to identify appropriate technologies. Such is the case of the LDCF- UNDP project in Mali (GEF ID 3838), for which the project is closely collaborating with the Environment and Sustainable Development National Agency for the identification and demonstration of climate resilient agro-pastoral technologies.

**Community Participation**

44. Most adaptation projects in the portfolio, especially most of LDCF active projects, involve and/or depend on organized and trained communities for the project’s implementation. These communities are also strategically consulted to participate in the decision-making process. A barrier to community involvement was identified as the lack of documented local community experiences with adaptation practices and/or technologies.

45. Community participation in most LDCF and SCCF projects is directly linked to the projects’ sustainability and scale-up efforts. It was noted that for effective community participation, the adaptation activities (afforestation, climate-resilient seeds planting, conservation agriculture, water harvesting, or disaster risk management) are often supported by economic incentives for the communities through alternative climate-resilient livelihoods. This approach supports sustainability of the adaptive measures, through community ownership.

Equally important is providing training to the local target community on climate resilient development, as well as raising awareness.

46. Taking advantage of existing decentralized governance at the municipal and local levels can help ensure local community participation. Some projects rely on locally elected community functionaries, or existing committees (water committees, women committees, farmer unions) and encourage them to be actively involved in the project activities. This can be particularly beneficial in terms of awareness raising and organized planning. One example is SCCF –UNDP project in Tanzania (GEF ID 2832), in which registered local Water User Associations (WUAs) have helped raise awareness and organize activities for conservation of water sources.

47. Participation of indigenous communities has been critical for numerous LDCF and SCCF projects. Most projects involve training of indigenous people on various themes for the achievement of their objectives, which contributes to the sustainability of the project. The best practice is to engage these communities in the planning and consultation process. Such is the case of SCCF –UNDP regional project in the Pacific Islands, "PACC" (GEF ID 3101), in which indigenous communities' experiences were accounted for in the planning and executing of adaptation measures (already under implementation in Samoa and Fiji). Another approach is implemented LDCF – UNDP project in the Democratic Republic of Congo (GEF ID 3718) in which indigenous farmer organizations have been capacitated as "climate risk management committees" and have a double responsibility: sharing information on project objectives/results to developing shared vision for implementation and policy formulation; and implementation of adaptation measures (i.e., testing resilient seeds).

*Gender Inclusion in LDCF and SCCF projects*

48. This is the first year that the Secretariat reports on the inclusion of gender in adaptation projects financed under LDCF and SCCF. LDCF and SCCF focus on reducing climate change vulnerabilities in sectors such as water, food and agriculture, disaster risk management, health and ecosystems, all of which are closely related to well-being and livelihoods of women in particular. The Funds have systematically incorporated criteria in design and implementation of projects in these sectors that necessitate special focus on women and now the results are visible in the implementation reports. To illustrate, the LDCF – UNDP project in Bangladesh (GEF ID 3287) trained women in target sub-districts on community based adaptation measures and involved them in mangrove planting activities to increase their ownership of the project.

49. The climate change adaptation projects financed through the LDCF are based on projects prioritized in National Adaptation Programmes of Action (NAPAs). As of April 2009 over half of the then-completed 39 NAPAs "identified gender differentiated impacts from climate change, and most of these recognized women as a particularly vulnerable group." This is

a relevant figure since most of the LDCF projects under implementation today stem from NAPAs that were completed on 2009 or before. Such an observation is a result of consultations with and involvement of women in the process of NAPA preparation. Countries like Bangladesh, Burkina Faso, Mali, Samoa, and Tanzania consulted women's groups, including indigenous women, in preparing their NAPAs. Indicators used to track project progress are disaggregated by gender as well in the Adaptation Monitoring and Tracking Tool (AMAT), which help ascertain whether the desired project benefits have been delivered to women or not.

50. Incorporating women in the decision-making stage can translate into higher percentage of women trained in adaptation and engaged in the project. For example, in LDCF –UNDP project in Cambodia (GEF ID 3404) women's needs on water and agriculture were assessed prior to identifying project priorities (for resilient agriculture and water management). Later on, when workshops were held the percentage of women trained on the project's climate change risks and causes was the same as men in the targeted communities (50%). Also significant for economic incentives that accompany adaptation interventions is enabling women to manage resilient livelihoods. For example, in Burkina Faso, the LDCF-UNDP project is supporting women goat and sheep farmers with credit for stock and inputs. Women are also in charge of managing the stocks of drought-resilient seeds. As mentioned before, resilient alternatives to existing livelihoods usually increase overall community engagement.

51. Barriers to women participation can be caused by the natural role they play at home. In the case of LDCF- UNDP project in Bhutan (GEF ID 3219), even when women participation in decision-making committees (disaster management committees) is significant, some members commented that local women may be reluctant to participate because their domestic responsibilities, long travels, and absence from home at night, hinders the time they can contribute to being active in the committees. It should be considered that, in the long-term, the decrease in risk of floods and disaster will facilitate these women's role at home.

52. LDCF and SCCF take a comprehensive and systematic approach towards integration of gender matters in their operations and will continue to do so in the future, fulfilling their commitment to reduce the climate risks to the most vulnerable in the world.

**Scaling-up, sustainability and replication**

53. Most of the projects aim to ensure sustainability through comprehensive training, reports, increased visibility, and exchange of lessons learned.

54. Some projects present efforts for scaling up, even when the impacts on the ground cannot be assessed. This may be partly attributed to the "knowledge management" components in some projects in which communicating "lessons learned" is a usual outcome. Such is the case

of the UNDP – LDCF project in Niger (GEF ID 3916). Enthusiastic communities have perceived some visible results in terms of farming and agricultural yield. As much as this may trigger higher community participation, and that it allows for sharing knowledge and outreach, this should not account for impacts that may serve as basis for scale-up efforts. Instead, best practices and lessons learned must be recorded and scale-up efforts can benefit on this at a more mature stage of the project.

55. Successful replication and scale-up activities can be observed at an advanced stage in the project and may be supported by high level of stakeholder ownership and engagement in the project and, in some cases, by the fact that other countries with similar climate change vulnerabilities and environments can replicate the adaptation intervention.

56. To illustrate the points above:

A) In LDCF- UNDP project in Burkina Faso (GEF ID 3684) the local government has been directly involved as implementing partner and this has been key to assure sustainability of the adaptation practice so far.

B) The LDCF – UNDP project in Bhutan (GEF ID 3219), already in its third year of implementation, has considerable demonstration value for replication as it is the first of its kind in the world and the presence of similar GLOF risks in other parts of Bhutan or in different countries with similar geographic conditions (for example, in Nepal) could benefit from this pilot's methodology and resilience activities. The LDCF - UNDP project in Samoa (GEF ID 3358) is a model for other Pacific island countries in the region that are in the initial stages of developing a climate information system or early warning systems.