



GEF/LDCF.SCCF.9/Inf.7
October 20, 2010

LDCF/SCCF Council Meeting
November 18, 2010

Follow up to the LDCF Evaluation
(Prepared by DANIDA)

INTRODUCTION

1. This paper follows up on the independent evaluation carried out by the Danish International Development Agency (DANIDA) and the GEF Evaluation Office "Evaluation of the Least Developed Countries Fund (LDCF) for Adaptation to Climate Change" published in September 2009. The evaluation provides an analysis and documentation of the results and lessons learned from the operations of the LDCF in financing and promoting climate change adaptation in the least developed countries. The evaluation was first presented to the LDCF/SCCF Council at its seventh session November 2009 in document GEF/LDCF.SCCF.7/5 and GEF/LDCF.SCCF.7Inf.4 and an initial management response was provided in GEF/LDCF.SCCF.7/Inf.5.

2. In the spring of 2010, DANIDA funded a follow up review to assess the general effort and specific actions undertaken by the GEF Secretariat in response to the conclusions and recommendations presented in the evaluation report. The follow up review included an interview round with GEF Secretariat staff and other key stakeholder, as well as an independent evaluation of reforms and operational progress over the preceding 8 months. The follow up review memo contained in annex 1 of this document, recognizes the significant effort undertaken by the GEF Secretariat to take advantage of the recommendations provided by the evaluation report and to address the concerns raised. A more detailed management response from the GEF Secretariat can be found in document GEF/LDCF.SCCF.9/Inf.7.

Danish Ministry of Foreign Affairs

Review of the follow up on the LDCF
Evaluation and information update on the
LDCF and SCCF

Memo

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Annex I: Memorandum from DANIDA on Actions Taken and Progress Made by the GEF Secretariat in follow-up to DANIDA's "Evaluation of the Least Developed Countries Fund (LDCF) for Adaptation to Climate Change"

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Executive Summary

This Memorandum has been prepared under contract to the Danish Ministry of Foreign Affairs as follow up to the evaluation report on the GEF Least Developed Countries Fund (LDCF) prepared by COWI and IIED in 2008-2009 and published in September 2009 under the title “Evaluation of the operation of the Least Developed Countries Fund for adaptation to climate change” (Ministry of Foreign Affairs, Denmark). At the Ministries’ request, this report also provides an information update on the Special Climate Change Fund (SCCF). The 2009 Evaluation Report includes some 31 recommendations on the future of the LDCF. While generally supportive of the concept of the LDCF the Evaluation Report was critical of a number of the features of its implementation. In carrying out this follow-up, the contract team has focussed on recommendations 16-31 of the Evaluation Report targeting the LDCF Council and the LDCF administration.

GEF responses to the recommendations (16-31) are summarised in Annex III. Our broad conclusions are that the recommendations have been widely welcomed within the GEF and LDC community, and that substantial efforts have been made to respond to them and are continuing. Nevertheless, the Review Team has emphasized a number of areas where future effort is still needed.

Undoubtedly, a main reason for the relatively slow start to the work of preparing National Adaptation Plans of Action (NAPAs) was the limited staff capacity at the GEF secretariat. Capacity has now been increased from two full-time equivalent positions (one full-time plus two half-time positions) to currently five full-time equivalent positions. With this increased staff capacity, the Secretariat reports that previous delays can now be avoided. This is now being manifested in an apparently faster turn around time on projects from approval to CEO endorsement due to improved communication between the LDCs, the GEF and the implementing Agencies, in particular better coordination with the UNDP.

Difficulties previously experienced at the country level are now being alleviated by the provision of a Step-by Step Guide for LDCs on how to access the Fund. This Guide has been issued by the LEG (Least developed countries Expert Group) with support from the GEF. The guide is also being used in regional workshops for LDCs on how to access the Fund. The process of country access is also now facilitated by an improved GEF website.

The Secretariat has also introduced new tools and methods to help track progress and monitor projects and programme accomplishments through a better coordination with the GEF EO as part of the overall adjustments for GEF-5. It is pertinent to recall a statement from the 2009 LDCF Evaluation Report:

“It is recognized explicitly here that what happens next to the LDCF depends to a large extent on the outcome of the negotiations on financing between the parties under the UNFCCC..... “In addition, the LDCF future could be affected by the outcome of the fifth replenishment of the GEF – since one of the proposals is to replenish the LDCF together with the GEF Trust Fund.”¹

Due in part to the inconclusive nature of the COP-15 negotiations, and the status of the GEF5 replenishment these qualifications still apply. Despite these uncertainties, the GEF

¹ Chapter 7 Lessons and Recommendations, p. 73 of the LDCF Evaluation.

Secretariat has moved forward vigorously to respond to and to implement many of the recommendations of the 2009 Evaluation Report.

The general uncertainty about the future financial regime for adaptation should not be allowed to hinder the process of improvement, which is clearly underway in the management of the LDCF. Two issues in particular seem to be worthy of special mention. First, while the proposed introduction of Results Based Management (RBM) as a tool for improved management is to be welcomed it will also require some learning and a process of familiarization. Its smooth and careful implementation is important. Second, it seems to be an anomaly that the LDCF continues to remain under the direction of a separate GEF Council. The incorporation of the LDCF into the GEF Trust Fund is overdue.

Some issues still need further attention. An delineation between the LDCF and other adaptation related funds is somewhat emerging though more work still needs to be put into this in cooperation with other funds and stakeholders in order to make it a cooperative process and not a competing process. Enhanced possibility for direct access through GEF-5 for enabling activities will be provided, though not directly relevant for LDCF, this will provide funding for a more programmatic approach in the countries and for GEF as a whole. Ways should still be sought to bring NGOs and CSOs and local communities onboard the adaptation process. In summary, we conclude that the LDCF is emerging from a somewhat difficult phase of establishment and early operations and less than convincing performance into a period marked by significant improvement. New institutions and new programmes frequently experience “teething troubles” and the GEF – LDCF has been no exception. The signs are now promising that the GEF is building on this experience and is now initiating concrete steps that will involve successful implementation of the NAPAs. The next step is then for the donors and other stakeholders to follow these initiatives more closely.

As regards the Special Climate Change Fund, the Fund has to some extent had the same starting problems as the LDCF. The GEF and its agencies have managed to deliver on time concerning the funds committed to the SCCF. A growing focus at country level for environmentally sound technologies and focus on better project identification increase the perspectives for a successful outcome of the further efforts under the SCCF on the medium to long term, if funds are being committed by relevant donors. Together with the emerging policy instruments to support the technology transfer process and a better matchmaking between supply and demand, this may ensure the relevant policy framework, which will benefit the vulnerable countries in the medium to long term. Continued focus on programmatic approach, shorter process time on projects, collection and dissemination of lessons learned and monitoring are still crucial.

I. Purpose

3. As a follow up to the Joint External Evaluation of the Operation of the Least Developed Countries Fund (LDCF)² for Adaptation to Climate Change carried out November 2008-September 2009, the Danish Ministry of Foreign Affairs (MoFA) has commissioned further work to provide a status report on the recent accomplishments by the LDCF, as follow up to the recommendations made in the Evaluation of the LDCF. MoFA has also requested a status report on the Special Climate Change Fund (SCCF)³. The Terms of Reference are appended as Annex I to this Memo.

4. The Memo provides input to the MoFA's overall appraisal in relation to the launch of the next Danish climate change financial support package totalling DKK 1.2 billion. Denmark (through DANIDA) has previously contributed DKK 90.4 million to the LDCF and DKK 50.0 million to the SCCF (of which DKK 40 million has been earmarked to the Programme for Adaptation and DKK 10 million to the Programme for Technology Transfer).

5. The review team met with Team Leader Rob Dixon and the LDCF/SCCF team on Tuesday 3rd of May 2010. Further follow up consultations and data gathering was done in the following days. A list of meetings and consultations are attached as Annex II. The mission also consulted other key stakeholders who had been previously involved in the LDCF evaluation process.

6. Efforts were also made to contact informants from UNDP, UNEP, World Bank, UNFCCC and Mr. Bruno Sekoli (Lesotho) who is the chair of the LDC Group of countries at the COP negotiations and Mr. Fred Ondori (Uganda), the Chair of the Least Developed Countries Expert Group (LEG) - however some of these have proved unsuccessful in the short time available for the preparation of this memo.

7. Findings of this review mission are those of the consultants and not necessarily that of the GEF LDCF/SCCF team, or the Ministry of Foreign Affairs.

Policy context

8. It was reported to the review team that the LDCF Evaluation has been well received by the GEF and is widely supported in GEF as well as among external stakeholders. The

² Joint External Evaluation: Operation of the Least Developed Countries Fund for Adaptation to Climate Change. The Evaluation was carried out in joint management by the Danida Evaluation Office (Danida EVAL) and the GEF Evaluation Office (GEF EO) at the request of the Environmental Secretariat of the Danish Ministry of Foreign Affairs. Further reference is made to the Evaluation available at www.evaluation.dk

³ The task was carried out by COWI A/S and took place in the period 26 April- 14 May 2010. The team consisted of Dinne S. Hansen, COWI team leader and Ian Burton, climate change specialist. The Washington mission was further supported by resident COWI representative Michael Davidsen.

report also seems to have been well received in the international donor, development and climate change communities.

9. This follow up mission took place at a time when the GEF structure and operations are under revision and the policy context is in a state of flux. Proposals for change and reform of the overall GEF programme have been made (Final GEF Programming Document prepared by the GEF Secretariat (GEF/R.5/25) but are not yet adopted. Whereas some recommendations provided in the LDCF Evaluation are being targeted directly within the LDCF/SCCF framework, other changes recommended in the LDCF Evaluation are foreseen as part of the general GEF-5 reform as response to the Fourth Overall Performance study (OPS-4). Also, the Post-COP15 situation has affected the ways and context in which the LDCF currently operates.

10. The soon-to-be expected final proposals for Programmatic Approach and Project Cycle papers were not yet publicly available for this mission, and are thus being referred to only in general terms in this Memo. However, the main components of these documents and the GEF policy recommendations are already known from the meeting on March 9-10, 2010 in Rome and are expected to be adopted at the May 24 Council meeting.

11. The GEF's fifth replenishment period will cover GEF operations and activities for the four years from July 1, 2010 to June 30, 2014. The Strategy presents, inter-alia: (i) focal area strategies and crosscutting theme strategies; (ii) an approach to enhancing engagement with the private sector; (iii) a corporate programme strategy; and (iv) a results-based management framework, including monitoring and reporting on results. The GEF-5 strategy will focus GEF programming and policy more on 1) reinforcing country ownership 2) benchmarking, measuring and reporting of actual impacts and outcomes 3) further streamlining of the project cycle. As part of increased ownership, countries will now be offered voluntary portfolio identification for those countries who may wish to make use of such an instrument.

12. The above improvements, assuming that they are adopted, will also influence the LDCF/SCCF as far as the two funds follow the GEF's policies and rules in all aspects of their operations. Exceptions may occur when and if the LDCF/SCCF Council decides otherwise in response to COP guidance. However, though much depends on the May Council decisions, the follow up to the LDCF evaluation should depend not only on the further overall GEF follow up or on the COP guidance, but also on the joint evaluation, which should be addressed specifically by the GEF itself as well as in combination with other stakeholders.

13. The fifth GEF Replenishment (GEF-5) process for the period 2010-2014 is now closing, and according to the information provided by the GEF, the fifth replenishment is 'robust'. There are indications that funds for climate change focus area will be increased⁴. The GEF is furthermore foreseen to step up its efforts to engage the private sector during GEF-5, and for climate change to leverage private sector investments for the protection of the global environment, which may directly or indirectly impact the LDCF/SCCF. However, the GEF-5 proposal for replenishment addresses the mitigation aspects of climate change only and adaptation continues to be supported through voluntary funding under the LDCF and the SCCF. The adaptation effort under GEF-5 thus depends on the efficient and effective integration of adaptation into the existing portfolio.

⁴ After the finalisation of this note, GEF has notified a USD 4,2 bill. replenishment.

14. Lastly, it should be mentioned that not much time has elapsed since September 2009 and the completion and publication of the LDCF evaluation. It is therefore premature to expect actual implementation of all the recommendations in the Evaluation, but there seems to be strong intentions by the GEF to take the necessary steps.

II. The Least Developed Countries Fund (LDCF)

15. The GEF LDCF activities follows the GEF's policies and rules in all aspects of their operations except when the LDCF/SCCF Council decides otherwise in response to COP guidance, as appropriate.

Contributions to the LDCF

16. As of February 2010, the GEF has mobilised voluntary contributions of USD 195 million, of which USD 169 million have been received⁵. As of late May 2009, contributions pledged were USD 176.5 million.

Contributions to the LDCF	Contributions pledged	Received
Status as per Feb/May 2010	USD 195 million	USD 169 million
Status as per May 2009	USD 176.5 million	USD 135.4 million

17. At the 31st session of the SBI in Copenhagen, on 8 December 2009, the SBI encouraged Parties to continue to provide financial and other support for the timely implementation of priority activities identified in NAPAs, including through contributions to the LDCF⁶.

18. The GEF has asked for pledging to the LDCF in the size of USD 500 million under the draft Programming Strategy Paper for the LDCF/SCCF⁷ presented at the Rome meeting 10 March, 2010.

Key achievements under the LDCF

19. In the following, a short summary is provided of the number of projects initiated as well as of the amount actually paid under the LDCF.

NAPAs

20. 48 of 50 eligible LDCs have received a total of USD 10.6 million in support to prepare their NAPAs. As of May 2010, 44 of the funded NAPAs have been completed and

⁵ Status Report on the LDCF and the SCCF (prepared by the World Bank as Trustee), February 16,2010, GEF/LDCF.SCCF/R.3/2, and LDCF as of April 04,2010, document provided by the GEF.

⁶ Matters relating to Least Developed Countries, FCCC/SBI/2009/L.27 11 December 2009.

⁷ Draft Programming Strategy on Adaptation to climate change for the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF). GEF/LDCF.SCCF/R.2/1.Rev, 3 February 2010.

published at the UNFCCC website. Since May 2009, three more countries have thus completed their NAPAs⁸.

NAPA implementation projects

21. As of 30 April 2010, 38 countries have submitted their NAPA implementation projects for LDCF funding. End of May 2009, 29 countries had submitted NAPA projects through the PIF for LDCF support.⁹

22. 36 NAPA implementation project have been approved and had the necessary funding reserved. Approx. USD 131 million has been approved as allocations for implementation of projects. Remaining funds are on hold in order to ensure that countries with lower capacity are ensured access to funds under the principle of 'balanced access'.

23. As of 30 April 2010, 17 projects have been CEO endorsed¹⁰ or have received approval depending on the size of the project and are now under implementation. End of May 2009 five NAPA priority projects had received CEO endorsement, and one project (Bhutan) was in operation. As regards the information on the actual state of implementation and the rate of progress, the GEF secretariat reports that this information should be available from the Implementing Agencies directly.

CEO Endorsement or approvals	
As of end of April 2010	17
As of End of May 2009	5

24. With 17 projects endorsed, the number of projects has increased over the last year, and a pipeline is ready for further mobilisation. There are certain indications that the final turnover time has improved according to a status list provided by the GEF secretariat¹¹. The Secretariat stresses that this is in particular due to increased focus in getting endorsements finalised rather than creating more PIFs. Also, the Secretariat emphasizes the cooperation with and effort by the UNDP and the fact that agencies have focused on this issue last eight months. It is expected that the turnover time will be further reduced. As a tool to remind the IAs on the project deadlines, the GEF now generates automatic requests to the IAs three months ahead of the deadline.

25. Twelve more projects are expected to move to the implementation phase before the end of 2010¹². An increased effort towards other implementing agencies will be initiated (e.g. AfDB, FAO, IFAD, World Bank, UNEP). The increasing number of Agencies, which has appeared, makes the involvement of implementing agencies more diversified now. This brings

⁸ Afghanistan, Chad, Togo.

http://unfccc.int/cooperation_support/least_developed_countries_portal/submitted_napas/items/4585.php

⁹ DRAFT Progress Report on the LDCF and the SCCF GEF/LDCF.SCCF.8/inf.XXX. provided by GEF.

¹⁰ Bangladesh, Benin, Bhutan, Burkina Faso, Cambodia, Cape Verde, Democratic Republic of Congo, Eritrea, Guinea, Maldives, Mali, Niger, Rwanda, Samoa, Sudan, Tuvalu, and Zambia.

¹¹ Status of LDCF submissions May 2010 provided by GEF.

¹² DRAFT Progress Report to the LDCF/SCCF Council meeting, GEF/LDCF.SCCF.8/Inf.XXX.

in increased and more targeted expertise to the adaptation portfolio, however, the increased number of agencies also requires more hands at the GEF Secretariat.

Summary of allocations, commitments and disbursements

26. As of March 2010, the LDCF has approved allocations for USD 133,109,702 (the funding earmarked when a project is approved at PIF stage). Commitments have been made for USD 76,547,312 (commitments of the approved allocations, the amount funding for those projects that have been CEO endorsed). Disbursement of the commitments, that is, the amount that has been disbursed by the implementing agency is currently USD 23,553,575¹³.

27. The status figures end of May 2009 were approved allocations USD 87 million, a commitment of USD 31.4 million and a Trustee disbursement of USD 26.4 million for projects actually endorsed. The transfer to GEF Agencies was at the time USD 14.7 million.

Summary of allocations, commitments and disbursements	Allocations	Commitments	Disbursements
Status as per May 2010	USD 133.1 million.	USD 76.5 million	USD 23.6 million
Status as per May 2009	USD 87 million	USD 31.4 million	USD 26.4 million

Future directions

28. The GEF reported that for the next phase of LDCF implementation, emphasis would be on the implementation of the Results Based Management (RBM) System under the LDCF/SCCF¹⁴. A concrete work plan for this will be presented to the Council in June including activities on monitoring and evaluation and knowledge learning management.

29. The GEF stresses that it has been a challenge to the GEF and the adaptation portfolio to introduce RBM with the other implementing agencies, as far as Agencies have had their own systems. In some cases, e.g. with the UNDP who has had its own RBM advisor, the process has been easier. The RBM will incorporate monitoring and reporting at three levels:

- programme (LDCF/SCCF adaptation programmes)
- intervention areas (sectors/areas of intervention)
- project level.
-

This will equip the Secretariat with the tools needed to assess how the LDCF and SCCF interventions contribute toward the funds' overall objectives.

¹³ GEF document Least Developed Countries Fund as of April 04, 2010.

¹⁴ Implementation of the Result Based Management System under the Least Developed Countries Fund/Special Climate Change Fund, GEF/LDCF.SCCF.7/4 October 15, 2009.

30. The RBM will focus within the following five core areas:

- Portfolio Outcome Monitoring.
- Fund Process Monitoring.
- Learning and Knowledge Management.
- Reporting.
- Evaluation.

An Annual Monitoring Review (AMR) will be conducted as the principal instrument for reporting on the active projects.

31. For the next phase of LDCF/SCCF, the status of portfolio monitoring will be presented annually at the LDCF/SCCF Council meeting through an *Adaptation Annual Progress Report* (AAPR). Similar to the GEF Trust Fund's active portfolio, the report will be developed as the principal instrument for reporting on active LDCF and SCCF projects.

32. Comprehensive portfolio review guidelines will be developed to monitor, inter-alia, project implementation progress, progress towards achievement of increased resilience/reduced vulnerability, realization of co-financing, and actions taken to achieve sustainability and replicability.

33. An Annual Project Implementation Report (PIR) will be developed. PIR will provide ratings of the "likelihood of achieving project objective" and "implementation progress." A PIR will be complemented by the quantitative component derived from the Adaptation Annual Tracking Tool (AATT).

The Adaptation Task Force is currently compiling a list of project level indicators to be tested with partners and used.

34. The GEF has furthermore supported work on the Adaptation Learning Mechanism (ALM) as an inter-agency global knowledge platform on adaptation¹⁵. The ALM features operational guidance and good practice on adaptation contributed by practitioners from the field in particular from GEF financed adaptation projects from around the world.

Funding

35. In terms of funding of the LDCF, the GEF informed the team that it is currently known that the USA will provide USD 50 million provided that the LDCF will increase its transparency.

III. Review of the Follow-up to the LDCF Evaluation

36. The GEF management provided its response to the Evaluation¹⁶ at the Council meeting on 12 November. The Secretariat welcomed the evaluation's conclusions and agreed

¹⁵ www.adaptationlearning.net

¹⁶ "Management Response to the Joint External Evaluation: Operation of the Least Developed Countries Fund for Adaptation to Climate Change", GEF/LDCF.SCCF.7/Inf.5.

to, as appropriate, respond to the recommendations to improve the delivery, effectiveness and efficiency of the LDCF. The LDCF/SCCF Council and its Members requested the Secretariat to take appropriate actions on implementing the relevant recommendations.

37. A formal feedback to the LDCF/SCCF Council on the follow-up steps to the evaluation has not yet been made by the Secretariat, and there are currently no specific plans for this. The GEF staff did agree, however, that a "response package" could be prepared for the Council. The review team expressed its support for such a package. This may take the form of an information paper, or a Q&A session may be arranged for in the Council. The Secretariat emphasizes the need for seeing the follow up to the evaluation as part of the overall GEF-5 context as well as in the Post COP15 situation.

38. It should be noted that the Draft LDCF/SCCF Programming Strategy only refers to the Evaluation with respect to the recommendation to the UNFCCC COP that any replenishment of the LDCF for the longer term should be sufficient to support whole NAPA programmes, rather than individual project implementation¹⁷

39. Each year the GEF EO develops a management record for the GEF Council based on self-rating in which promises and follow up steps are listed including a summary for the GEF Council. Such record has not been developed for the LDCF/SCCF. As the RBM will be introduced from this year such follow up will need to be provided in the future.

40. A matrix of the concrete follow up steps to the LDCF Evaluation is presented in Annex III, with a focus on the Recommendations 16-31 of the evaluation targeting the LDCF Council and the GEF Secretariat. The matrix is based on documentation provided by the GEF and a series of interviews with the Secretariat.

41. The LDCF team has been expanded since the evaluation took place in 2008-09. The adaptation team now includes an expert on RBM and an expert with a background in environment and climate change freeing up other team experts' time for doing more programmatic work. It is expected that this will further facilitate the implementation of the recommendations of the LDCF as well as the expected GEF reform policy.

The Special Climate Change Fund (SCCF)

42. The SCCF is open to all vulnerable developing countries, and it may finance a wide range of concrete measures, which may include longer-term time horizons. Projects have the option to focus on long-term planned response strategies, policies, and measures, rather than short-term activities, unlike the LDCF, which is specifically dedicated to the urgent and immediate needs of the LDCs.

¹⁷ Draft Programming Strategy on Adaptation to climate change for the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF). GEF/LDCF.SCCF/R.2/1.Rev, 3 February 2010. (para. 66).

The SCCF finances activities related to climate change with a focus on

- a) adaptation to climate change
- b) technology transfer
- c) energy, transport, industry, agriculture, forestry and waste management
- d) activities to assist developing countries whose economies are highly dependent on income generated from the production, processing, and export or on consumption of fossil fuels and associated energy-intensive products in diversifying their economies.

43. The SCCF activities follows the GEF's policies and rules in all aspects of their operations except when the LDCF/SCCF Council decides otherwise in response to COP guidance, as appropriate.

44. As decided by the Parties to the UNFCCC, the SCCF activities have so far focused on adaptation (a) as the top priority and to some extent on technology transfer (b)¹⁸. The different balance between the windows is explained by the fact that the first set of priorities were linked directly to obligations under the Convention whereas the technology transfer part has been an area which Parties wished to promote in the longer term.

45. With regard to the future programming strategy on adaptation, reference is made to the Draft Programming Strategy on Adaptation to climate change. As regards the future priorities on technology transfer, the UNFCCC COP has given guidance to the GEF as follows: At COP13, the GEF was requested to elaborate a strategic programme to scale up the level of investment in technology transfer to help developing countries address their needs for environmentally sound technologies. COP14 welcomed the programme presented by the GEF as a step towards scaling up the level of investment in technology transfer to developing countries and renamed it Poznan Strategic Programme on Technology Transfer. The COP14 decision also requested the GEF to consider long-term implementation of a strategic programme on technology transfer. The Parties at COP15 emphasized the need for a Technology Mechanism to accelerate technology development and transfer in support of action on adaptation and mitigation that will be guided by country-driven approach and be based on national circumstances and priorities¹⁹.

46. The 2008 Poznan Strategic Programme on Technology Transfer included a funding window of USD 40 million with USD 15million coming from the SCCF B and USD 35million from the GEF Trust Fund.

47. The GEF has reported to the SBI 30 and SBI 31 on the progress made in carrying out the Strategic Programme on Technology Transfer by interim reports concerning the TNAs, the technology transfer pilot projects and long-term implementation of the strategic

¹⁸ Decision 7/CP.7, Funding under the Convention, and Decision 5/CP.9 Further guidance to an entity entrusted with the operation of the financial mechanism of the Convention, for the operation of the SCCF.

¹⁹ Final GEF 5-Programming Doc GEF/R.5/25.

programme. A report to the SBI32 has just been released on 14 May 2010 highlighting the most recent accomplishments²⁰.

48. The long-term aspects of the implementation of the Poznan Strategic Programme will depend on the replenishment of the GEF Trust Fund. The GEF-5 will provide financial and technical support towards the establishment and operation of technology centres and networks at the global, regional, and national levels, as appropriate, to support and accelerate cooperative actions on technology and the diffusion of environmental technologies for mitigation and adaptation in developing countries. The GEF Secretariat will establish a technology transfer coordination function as part of its knowledge management function.

Pledges and contributions to the SCCF

49. As of 25 January 2010, the SCCF has received pledges from 13 contributing participants. The total amount pledged was USD 129 million²¹ of which USD 110 million was for the adaptation programme (A) and USD 19 million was for the technology transfer program (B).

50. GEF reports that the demand for SCCF adaptation resources remain high and significantly exceeds current supply in the SCCF. Project proposals ready to be considered are therefore kept on stand-by.

51. In its Draft Programming Strategy on Adaptation to climate change for the LDCF and the SCCF, the GEF has estimated the need for USD 500 million for the SCCF adaptation window for a four-year replenishment cycle.

Key achievements

52. The GEF SCCF team reports the following key results achieved under the SCCF as per February 2010²²:

- Altogether 14 projects have been GEF CEO- endorsed and are now under implementation for national, regional and global projects covering 27 countries²³.

²⁰ FCCC/SBI/2009/3 19 May 2009; FCCC/SBI/2009/14 23 November 2009 and FCCC/SBI/2010/4 14 May 2010..

²¹ Annex 4 of Status Report on the LDCF and the SCCF (prepared by the World Bank as Trustee), GEF/LDCF.SCCF./R.3/2 February 16, 2010.

²² Further information was also provided in document Special Climate Change Fund (SCCF) as of April 04, 2010 provided by GEF and DRAFT progress Report on the LDCF and SCCF GEF/LDCF.SCCF.8/Inf.XXX. which also provides an updated list of the endorsed or approved projects under the SCCF.

²³ Barbados, Bhutan, Bolivia, China, Cook Islands, Ecuador, Egypt, Ethiopia, Fiji, Guyana, Jordan, Kenya, Mexico, Micronesia, Mozambique, Nauru, Papua New Guinea, Peru, Philippines, Samoa, Solomon Islands, Tanzania, Tonga, Tuvalu, Uzbekistan, Vanuatu, and Zimbabwe.

- Under **the Adaptation programme (A)**, 22 SCCF project proposals (6 MSPs and 16 FSPs) have been approved and had the necessary funding reserved since the Fund became operational. A round total of USD 92 million has been approved (i.e. disbursed, committed, or allocated) for concrete action in non-annex I countries. All available SCCF adaptation resources have thus been programmed.
- Under **the Technology Transfer Programme (B)**, four projects have been approved under the SCCF totalling USD 15.1 million²⁴.

Total SCCF Resources allocated to Technology Transfer Projects (Thousand USD):

SCCF	4060	Jamaica	UNDP	Introduction of Renewable Wave Energy Technologies for the Generation of Electric Power in Small Coastal Communities in Jamaica	815.5
SCCF	3907	Global	UNEP	Technology Needs Assessments	9,000.0
SCCF	4036	Jordan	IFAD	dHRS Irrigation Technology Pilot Project to face CC impact in Jordan	2,365.0
SCCF	4040	Brazil	UNDP	RCCS - Renewable CO2 Capture and Storage from Sugar Fermentation Industry in Sao Paulo State	2,970.0
SCCF Total					15,150.5

53. A global project for Technical Needs Assessment (TNA) to be implemented by UNEP was endorsed in August 2009. The TNA project will provide targeted financial and technical support to assist 35-45 developing countries in developing or improving TNAs within the framework of Article 4.5 of the UNFCCC, which will lead to development of national technology action plans and identification of good technology transfer projects that can be linked to relevant financing sources.

In parallel, a call for proposals for Technology Transfer Pilot Projects was issued in 2009²⁵ based on the following selection priorities:

- a. The proposal should include a succinct description of the technology to be targeted along with the concrete activities related to technology transfer.
- b. The targeted technology should be consistent with the national priorities as identified in the technology needs assessments, national communications to the UNFCCC, or other national policy documents.
- c. Priority will be given to projects from countries that have not received GEF support for a related technology or sector in the past.
- d. Innovative technologies and mechanisms for technologies and mechanisms for technology transfer, as well as highly leveraged projects, including investments from both the public and the private sector, will be encouraged.

²⁴ Information and graphic provided by the GEF Secretariat during May mission

²⁵ Call for proposal: Technology Transfer Projects; March 25, 2009.

- e. South-south technology transfer and international collaborative projects are also encouraged.

54. 39 projects were submitted to the GEF Secretariat to be funded from GEF Trust Fund and SCCF. Of these, two FSPs were approved by the LDCF/SCCF Council in November 2009 for SCCF funding:

- 1 Brazil RCCS - Renewable CO₂ capture and storage from the sugar fermentation industry in Sao Paulo State
- 2 Jordan - DHRS Irrigation technology pilot project to reduce agricultural climate change impact in Jordan.

55. The proposals received requested a total of USD 102 million of GEF funding, including USD 81 million from the technology transfer pilot window. These requests far exceeded the amount of GEF funding available for technology transfer projects, and the projects are currently held on a waiting list.

56. The projects that are waiting for available funding include technologies on renewable energy (solar, biomass, wind, hydrogen storage of renewable energy, and wave), energy efficiency (insulation materials and efficient and HFC-free appliances), transport (.green trucks), composting, carbon capture and storage from sugar fermentation, and membrane drip irrigation (for adaptation)²⁶.

57. Depending on the future funding committed to the SCCF, similar selection criteria for the SCCF Technology transfer pilot projects are to be expected also in future calls for projects under this window.

58. Politically, some countries were dissatisfied with focus point d) of the SCCF and feared that this would give access to rich countries. The reality is that the SCCF has not received any proposals for component d) of the SCCF so far, although these countries have the capacity and entitlement to apply for these funds.

Summary of allocations, commitments and disbursements

59. As of January 25, 2010 the cumulative net funding decisions taken by the Council and the CEO amounted to USD 108 million. Of the total funding approval decisions, the Trustee has committed USD 78 million and thus USD 30 million remains to be committed by the Trustee to the Agencies. The Trustee has transferred USD 28 million to the Agencies, and as a result, USD 49.8 million remains payable to the Agencies²⁷.

²⁶ FCCC/SBI/2009/14 para. 7-9. The project proposals are also available at the GEF website: http://thegef.org/interior_right.aspx?id=17146.

²⁷ Annex 6 of the Status Report on the LDCF and the SCCF (prepared by the World Bank as Trustee), GEF/LDCF.SCCF./R.3/2 February 16, 2010.

Future directions

60. Provided the necessary funding is forthcoming, the next phase of the SCCF will fund the current projects waiting for SCCF funding. All money in the fund has been allocated.

61. As regards the technology projects, it is generally recognized in the Poznan Strategic Programme process that more information is needed at country level for better project identification on technology transfer. There is thus -comparable to the NAPA processes under the LDCF- a need for country driven processes to identify the country specific technology needs and how to develop relevant projects within the framework of Article 4(5) of the UNFCCC. The implementation of the TNA project, which started in November 2009, will address this gap.

62. Technology transfer is unique in the sense that it requires a two-way engagement and reciprocity, which adds additional complexity to its promotion. Ongoing AWG-LCA work looks at how the involvement of both developed and developing countries can be enhanced in that process, and how the Technology Mechanism through national technology centres and national technology boards can be enhanced.

63. Whether the technology transfer pilot projects under the SCCF will be efficient in the short run may be difficult to say, however it should be recalled that the aim of the Fund is to address long-term planned response strategies, policies, and measures rather than short-term activities. The comprehensive framework on technology transfer anticipated to be agreed at COP 16 will support and promote technology transfer in the medium to long term both for the SCCF technology transfer projects as well as for those under the GEF Trust Fund.

64. A discussion is furthermore to take place at SBI32 with an assessment of the response measures window. It is also expected that the Parties may want to propose a comprehensive review for COP17.

65. The GEF reports that for the next phase of SCCF implementation, emphasis will be put on the implementation of the Results Based Management (RBM) System under the LDCF/SCCF²⁸ within the mentioned five core areas.

66. The GEF further reports that it is working on 1) a Result Based Management Tool to identify and evaluate portfolio-level results of adaptation financing with a focus on innovation, learning and good practice, 2) a specific monitoring system for the SCCF including an adaptation tracking tool.

67. Furthermore, the GEF supported work on the Adaptation Learning Mechanism (ALM) is also relevant for the SCCF²⁹.

68. The SCCF team is now furthermore strengthening its SCCF team through hiring a technical expert on water issues from UNEP.

²⁸ Implementation of the Result Based Management System under the Least Developed Countries Fund/Special Climate Change Fund, GEF/LDCF.SCCF.7/4 October 15, 2009.

²⁹ www.adaptationlearning.net

69. The GEF EO informed the team that an evaluation of the SCCF is being planned for in 2011. The GEF EO is currently also conducting an evaluation of the SPA. These evaluations together with the LDCF evaluation will thus make GEF climate change and adaptation issues a well-monitored and evaluated focus area.

IV. Conclusions

70. It is the overall judgement of the Review Team that the Joint External Evaluation has already had important beneficial effects on the operation of the LDCF. Efforts have been made or are in hand to respond in a positive way to most of the recommendations 16 to 31 as well as more overall concerns. The request by the MoFA for this follow-up report is also welcomed and seen as helpful for the GEF Secretariat.

71. Generally speaking, communication has improved at all levels of the project cycle due to increased effort made by the GEF Secretariat and its Agencies, the LDCs and the LEG. Together with increased regional training efforts in cooperation with the UNFCCC and the LEG, this has resulted in a better understanding of the LDCF project cycle at country level and among stakeholders.

72. Furthermore, it is only just over 6 months since the completion of the Joint External Evaluation and a number of the responses to the recommendations are in process and await formal approval and implementation. To some extent, therefore, this follow-up to the Joint External Evaluation has to remain for the time being as unfinished process. There is every reason therefore to suggest that the MoFA should continue the practice of evaluation and follow-up. In this case, the process has clearly been helpful and productive. For this purpose, a series of recommendations is presented in the Matrix in Annex III emphasizing key issues for the GEF Secretariat to focus on in the nearest future.

73. The Review Team thus finds it important that the GEF Secretariat reports to the Council on the steps made to follow up on the Evaluation, and that the GEF keeps focusing on bringing the process time for the preparation of projects further down. The programmatic approach needs to be further thought through and the delineation with other adaptation related funds should be further explored. The LDCs' possibility of participating in the LDCF Council meetings can still be improved.

74. Continued success cannot be automatically assumed, however, especially in the current state of uncertainty about future funding for adaptation and the lack of clarity about how the promised sources of adaptation funding will be allocated and managed. Recognizing the positive steps in the right direction, much is yet to be resolved and further external monitoring and vigilance seem essential.

75. The SCCF has to some extent had the same starting troubles as the LDCF, however, the GEF and its agencies have managed to deliver on time. Growing recognition and focus at country level towards environmentally sound technologies and the need for better gap assessments and project identification increase the perspectives for a successful outcome of the further efforts under the SCCF on the medium to long term, provided that funds are being committed by the respective donors. Together with the emerging policy instruments to support the process and a better matchmaking between supply and demand, this may ensure a technically

and politically closely coordinated framework, which will benefit the vulnerable countries in the medium to long term. However, as with the LDCF, continued focus on programmatic approach, shorter process time on projects, collection and dissemination of lessons learned and external monitoring is still crucial.

Annexes

Annex I - TORs

Terms of Reference

Review of follow up to the LDCF Evaluation and information update on Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF)1. Background

The Danish Ministry of Foreign Affairs (MoFA) is currently considering its position towards future financing of activities on climate change adaptation in developing countries as part of its bilateral effort and in terms of financing through multilateral financing mechanisms.

Denmark (through DANIDA) has previously contributed DKK 90.4 million to the LDCF and DKK 50.0 million to the SCCF (of which DKK 40 mill. has been earmarked to the Program for Adaptation and DKK 10 mill. to the Program for Technology Transfer)³⁰. In 2008-2009, Danida EVAL carried out, together with the Global Environmental Facility (GEF) Evaluation Office, a "Joint External Evaluation on the Operation of the Least Developed Countries Fund"³¹ in order to evaluate the results and lessons learned from the use of the LDCF in financing and promoting climate change adaptation in the LDCs and in order to provide recommendations regarding the future role of the LDCF and the implementation of National Adaptation Programmes of Action (NAPAs).

The final evaluation was presented in relation to the Barcelona Climate Talks on 5 November 2009 and at the LDCF Council meeting on 12 November 2009. The GEF management provided its response to the Evaluation³² at the Council meeting on 12 November. The Secretariat welcomed the evaluation's conclusions and agreed to, as appropriate, respond to the recommendations to improve the delivery, effectiveness and efficiency of the LDCF. The LDCF/SCCF Council and its Members requested the Secretariat to take appropriate actions on implementing the relevant recommendations.

At a meeting held in Rome on 10 March 2010 Denmark declared its positive interest in future support to LDCF activities. A final pledging meeting for a 2-year period is expected in November 2010. Before making its final decision concerning pledging for the LDCF and the SCCF, Denmark needs a systematic presentation of the way the GEF Secretariat has responded to the LDCF evaluation and an updated

³⁰ The LDCF was established at the seventh meeting of the Conference of Parties to the UNFCCC (COP7) in Marrakesh in 2001 (Decision 7/CP.7). The LDCF was established to assist LDCs to prepare and implement National Adaptation Programmes of Action (NAPAs). Both the LDCF and the SCCF are managed separately from the GEF Trust Fund with their own governance structure and strategic priorities, but following GEF operational rules and procedures.

³¹ The evaluation was finalized in September 2009 and took into account the approved and approaching projects as of May 2009.

³² "Management Response to the Joint External Evaluation: Operation of the Least Developed Countries Fund for Adaptation to Climate Change", document GEF/LDCF.SCCF.7/Inf.5.

overview of recent accomplishments by the LDCF and the SCCF. The findings will form basis for MoFA's future decision-making.

Overall objective

An update on how the GEF Management has followed up upon the lessons learned and recommendations made for the future of the LDCF, meaning, in particular, recommendations 16-31 of the evaluation targeting the LDCF Council and the LDCF administration.

Recent data and information on the current status and project operations under the LDCF in order to register progress by the LDCF since the Council meetings in May and November 2009.

In addition to the above, an update and overview of the portfolio under the SCCF as per 1st May 2010 and the progress of the SCCF since last Council meeting.

Specific objective

The task will inter alia comprise the following:

- 1) A matrix on the recommendations provided in the LDCF evaluation and the ways and means by which the GEF management has responded to and followed up upon each of these recommendations. If there has been no follow-up on the specific recommendation, the matrix will indicate the reason why, what the barriers are and by when follow-up is expected.
- 2) An update on the NAPA operations under the LDCF since last Council meeting.
- 3) An update on the currently approved LDCF projects and approaching projects as of 1 May 2010. The update would also include a list of how many projects have reached actual implementation on the ground.

An update on the currently approved SCCF projects and approaching projects as of 1 May 2010. This update would also include a list of how many projects have reached actual implementation on the ground.

Output

The output from this task will be a memo (max. 10 pages) with annexes.

Method and Approach

The task will be carried out by a consultant with a background in climate change, adaptation and mitigation, a sound knowledge of the GEF project cycle and the recommendations made under the LDCF evaluation.

The task will be based on consultations with the GEF secretariat and the LDCF/SCCF team and the most recent information available from the LDCF/SCCF Secretariat, including information at portfolio level.

The task will include short interviews (by telephone or meetings) with other key stakeholders *such as* the Least Developed Countries Expert Group (LEG), the key implementing agencies (World Bank, UNDP, UNEP), STAP, the LDCF/SCCF Council members and the UNFCCC. The consultant will liaise and/or interview other stakeholders as needed.

A validation with the key expert Ian Burton involved in the LDCF evaluation will be made before presenting the memo to the MoFA.

The preliminary findings from the mission will be presented to MoFA, and comments and feedback will be included in a final memo.

Input & activities

The project comprises the following activities:

The consultant will arrange for travel and logistics for the meetings foreseen in Washington in early May and will prepare a memo on the findings and updated figures on the LDCF and SCCF.

The consultant will prepare a draft memo for comments and a short presentation on the findings, if so wished. A final memo will be submitted based on possible comments from the MoFA.

Timetable

A draft memo will be presented to the Ministry of Foreign Affairs on 10 May 2010 for comments. Based on the comments received from the MoFA, a final memo will be submitted on 14 May.

Activities	Dates
Launch date - Contract signed by MoFA	Week of 19 April - 23 April
Mobilisation and arrangement for meetings in Washington	Week of 26 April - 29 April
Meetings in Washington with LDCF, SCCF	Week of 3-7 May
Interviews - other key stakeholders (LEG, UNDP, UNEP, UNFCCC)	Week of 3-7 May
Draft memo submitted to MoFA for comments	Monday 10 May

Presentation of findings in MoFA	Wednesday 12 May
Final memo submitted to MoFA	Friday 14 May

Team:

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Annex II - List of meetings and consultations

Name & title	Institution	Date
Claudio Volonte, Chief Evaluation Expert	GEF EO	3 May 2010
Robert Dixon, Team Leader	GEF LDCF/SCCF Secretariat	3 + 4 May 2010
Saliha Dobardzic, Climate Change Specialist	GEF LDCF/SCCF Secretariat	3+4 May 2010
Ganna Onysko, Associate	GEF LDCF/SCCF Secretariat	3+4 May 2010
Rawleston Moore, Adaptation and Country Relations Officer	GEF LDCF/SCCF Secretariat	3 May 2010
Lars Christensen	GEF LDCF/SCCF Secretariat	3+7 May 2010
Deborah Hines, RBM manager	GEF Secretariat	3 May 2010
Ramesh Ramankutty, Head, Operations and Business Strategy	GEF Front Office	4 May 2010
Bonizella Biagini; Program Manager	GEF LDCF/SCCF Secretariat	Absent, provided background documentation
Glynis Barber	GEF LDCF/SCCF Secretariat	3 May 2010
Ian Noble, Lead Climate Specialist, Sustainable Development Network	World Bank, Member of the LDCF Task Force	3 May 2010
Pradeep Kurukulasuriya	UNDP, Reference Group for the LDCF Evaluation	15 May 2010
Fred Machulu Onduri	Member of LEG , Reference Group for the LDCF Evaluation	[to come, depending on availability]
Bruno Sekoli	Lesotho, Chairman of the Group of Least Developed Countries	[to come, depending on availability]
Paul Desanker	Head of LDC Unit, UNFCCC Secretariat	17 May 2010
Marcelo Jordan	Programme Officer, SCCF, Financial and Technical Support Programme, UNFCCC Secretariat	17 May 2010
Claudio Volonte, Chief Evaluation Expert	GEF EO	3 May 2010
Robert Dixon, Team Leader	GEF LDCF/SCCF Secretariat	3 + 4 May 2010
Saliha Dobardzic, Climate Change Specialist	GEF LDCF/SCCF Secretariat	3+4 May 2010
Ganna Onysko, Associate	GEF LDCF/SCCF Secretariat	3+4 May 2010
Rawleston Moore, Adaptation and Country Relations Officer	GEF LDCF/SCCF Secretariat	3 May 2010
Lars Christensen	GEF LDCF/SCCF Secretariat	3+7 May 2010

Name & title	Institution	Date
Deborah Hines, RBM manager	GEF Secretariat	3 May 2010
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Paul Desanker	Head of LDC Unit, UNFCCC Secretariat	17 May 2010
Marcelo Jordan	Programme Officer, SCCF, Financial and Technical Support Programme, UNFCCC Secretariat	17 May 2010

Annex III – Matrix – Follow-up on Recommendations

Report on Progress in Response to Recommendations 16-31 of the DANIDA EVAL and GEF EO - Joint External Evaluation of the LDCF

No	Key Recommendation in evaluation	GEF follow up	Indicator /Documentation	COWI comments/recommendations
16	<p><i>LDCF Council</i></p> <p>The agenda of the LDCF Council should draw on lessons learned on LDCF performance – including this Evaluation - in a more systematic way. This would allow better responses to the guidance and requests from the LDCs and the LEG. In addition, the Council should advise the LDCF administration how best to support the implementation of the remaining parts of the LDC work programme, thus responding proactively to the COP decisions.</p>	<p>There has not yet been any reporting to the Council on the follow up to the implementation of the recommendations - however, the GEF states that it may present a briefing paper to the LDCF Council or a Q&A session on this.</p> <p>The UNDP work on the ALM (Adaptation Learning Mechanism) is helping in this process of drawing on lessons learned in a more systematic way.</p> <p>The adequateness of holding 'double' Council meetings may still have to be addressed.</p>	<p>GEF Sec recognised the possibility of preparing a “response package” for the GEF Councils.</p> <p>ALM</p>	<p>A reporting to the Council seems to be a good and worthwhile step. GEF Sec should be encouraged to do this. Donors and LDCs may request this as well.</p> <p>Now that adaptation has been recognized as one of the four main response pillars (together with mitigation, finance and tech transfer) the case for a separate “voluntary contributions” funding track for adaptation seem less justified.</p> <p>Ways should be sought to ensure integration of adaptation into the other Conventions. Consideration should be given to merging adaptation LDCF funding into the 5th replenishment of the Trust Funds,</p> <p>The adequateness of holding</p>

No	Key Recommendation in evaluation	GEF follow up	Indicator /Documentation	COWI comments/recommendations
				'double' Council meetings may still have to be addressed. It may prove more useful for the programmatic approach to hold common Council meetings.
17	<ul style="list-style-type: none"> The timeliness and thematic breadth of the advisory support to the LDCF Secretariat needs to be strengthened by greater engagement of the LEG and other relevant adaptation experts. 	Increased no. of staff through approval of the Work Programme of the LDCF.	<p>Increased no. of staff through approval of the Work Programme of the LDCF.</p> <p>SBI has recognized the effort made by LEG under the Work Programme for 2008-10 incl. the Step by Step Guide for Implementing NAPAs. The SBI as also expressed its appreciation of the effort made by GEF and its agencies to improve processing of applications for funding of the implementation of NAPA projects under the LDCF. FCCC/SBI/2009/L.27 11 December 2009</p>	<p>Issue of inter alia involving STAP expert resources more in the GEF project assessments does not seem to have been addressed by LDCF Council.</p> <p>Unclear whether increased possibility for LDCs to participate in LDCF meetings? No budget line for this yet?</p> <p>Increase in GEF Sec staff in the LDCF area has enabled greater participation of GEF/LDCF in LEG meetings but the reverse process does not seem to be addressed and LDCs does still not seem well represented at Council meetings</p>

No	Key Recommendation in evaluation	GEF follow up	Indicator /Documentation	COWI comments/recommendations
18	<ul style="list-style-type: none"> Consideration should be given to how the LDCF's performance could be strengthened through a budget line to initiate cross cutting projects on thematic issues that would support the individual NAPA priority project beyond the current "projectised" approach and to set in place better frameworks for adaptation planning in the future. 	<p>This is foreseen in the GEF-5 reform, but reforms are not approved yet. In GEF-5 all recipient countries will have access to GEF resources to undertake, on a voluntary basis, <i>National GEF Portfolio Identification exercises</i> (USD 30 000) that could serve as a basis for seeking GEF support.</p> <p>Initial limited resources only allowed the implementation of individual LDCF projects. Should adequate resources become available, the Programmatic Approach, one of the proposed GEF reforms, will be applied. The Programmatic Approach would enable thematic, cross-cutting, and cross-boundary approach to adaptation as well. All changes in operations by default apply to adaptation, including the reforms in the programmatic approach.</p>	<p>GEF/R.5/25</p> <p>The GEF-5 process is ongoing</p>	<p>The GEF -5 portfolio identification exercise does not include LDCF. The GEF Trust Fund will provide resources for climate change mitigation, while climate change adaptation will be funded through the LDCF the SCCF. The GEF-5 process may have an effect improving country level planning processes and thus indirectly on the LDCF, however not impacting the LDCF programmatic approach as such.</p>
19	<ul style="list-style-type: none"> LDCF should open a civil society-only funding window to support the delivery of climate change adaptation according to NAPA priorities by NGOs, CBOs and local organisations. This opportunity should be taken to test innovative funding schemes, e.g. 'pull' mechanisms and output-based models. 	<p>At the moment, NGOs, CBOs, and local organizations can access funding, going through the implementing agency and with GEF Focal Point endorsement being a prerequisite, as is the case for any LDCF project where a government agency is the primary project proponent. This is true for GEF projects as a whole. In addition, the</p>		<p>There seems to be little interest in the GEF Sec in following up this recommendation. Bureaucratic, operational and fiduciary explanations are offered, but the idea itself seems to have merit and is not rejected outright. This will require action/request from the COP level. The GEF</p>

No	Key Recommendation in evaluation	GEF follow up	Indicator /Documentation	COWI comments/recommendations
		<p>GEF implementing agencies have to follow their own policies that require consultation and other involvement of community, local groups, and NGOs. A specific financing window for NGOs, however, has not been included in the COP guidance to the GEF under LDCF matters.</p> <p>Article 28 of the GEF instruction defines who the GEF can work with. As part of the GEF-5 reform, this group is being broadened up.</p> <p>GEF is also foreseeing reform of the GEF Small Grant Programme in GEF-5, where the role of civil society organizations, both in the national planning exercises, and in project implementation will be strengthened.</p>		<p>Secretariat should be encouraged to think further into this in order to provide a vision on this issue for future LDCF pledges.</p>
20	<p><i>LDCF administration/LDCF team in the GEF Secretariat</i></p> <p>a. Knowledge generation and dissemination: Establish a help desk or hotline with direct access for countries, GEF Agencies and consultants working on project preparation.</p>	<p>This is de facto established as the GEF is available all the time for such requests. The GEF explains its partnership model and direct the request to the Implementing Agencies. As country relations and relations with the IAs have improved, the LDCF has also improved on this. Increased use of sub-regional meetings is another vehicle where focal points meet the IAs and the LDCF.</p>	<p>The UNFCCC Step-by-Step Guide, September 2009, made by the LDC Expert Group in collaboration with the GEF and its Agencies, available at http://unfccc.int/resource/docs/publications/ldc_napa2009.pdf</p>	<p>The Step-by- Step- Guide made by the LEG also helps in this regard. There is now no need for a help desk or a hot line. Communication lines seem to have improved at country level, agency level as well as with the GEF Sec.</p>

No	Key Recommendation in evaluation	GEF follow up	Indicator /Documentation	COWI comments/recommendations
21	<ul style="list-style-type: none"> Systematic and inclusive learning and reflection processes should be initiated as part of NAPA priority activity implementation so that LDCs and other stakeholders can draw lessons and identify ways of improving adaptation delivery. This will require: (a) adequate financial and technical resourcing of monitoring and evaluation for NAPA implementation, (b) that sufficient NAPA priority activities across different LDCs are synchronised to allow concurrent and therefore more easily comparable initiatives. 	<p>The Adaptation Learning Mechanism supported by the GEF is an example of this. Information can be drawn across sectors as entry point to draw lessons from sector to sector.</p> <p>Constituency meetings and sub-regional meetings are used for sharing lessons learned.</p> <p>Two specific budget lines have been established for ALM and tools for methodologies and guidelines.</p> <p>The GEF-5 will provide financial and technical support towards the establishment and operation of technology centres and networks at the global, regional, and national levels, as appropriate, to support and accelerate cooperative actions on technology and the diffusion of environmental technologies for mitigation and adaptation in developing countries. The types of activities to be funded by the GEF-5 may involve technical assistance, training, information sharing, and knowledge management, taking into account the specific functions of technology centres and networks as reflected in the UNFCCC discussions.</p> <p>The GEF Secretariat will establish a technology transfer coordination function as part of its knowledge management function, and link it with regional</p>	<p>There are as yet no specific indicators or measures in place to respond to this recommendation but the GEF Sec says that it is being addressed as part of the RBM as set out in the Work Plan for Implementing Results Based Management (RBM) and Evaluation under the LDCF and SCCF.</p> <p>ALM</p> <p>Work Plan/Budget</p>	<p>Important though to find the right balance so that the RBM will not add another “safeguard” step and slow things down.</p> <p>At this stage of the process not very many countries have started implementation yet, so experiences so far are still very much within the agencies in terms of the project preparation.</p> <p>LEG is for COP 16 preparing a publication on the lessons learned from the early phase of NAPA implementation.</p>

No	Key Recommendation in evaluation	GEF follow up	Indicator /Documentation	COWI comments/recommendations
		<p>technology transfer centres to be established in regional development banks.</p>		
22	<ul style="list-style-type: none"> Significant multiplier effects would be possible by investing in programmatic implementation and careful scrutiny of the socio-economic costs and benefits of climate change adaptation in terms of learning outcomes and knowledge generation. 	<p>The GEFs programming document sets the GEF-5 priorities. The GEF policy papers deals with the adjustments.</p> <p>As an example, TORs have been developed for a project on socio economic and global benefits to establish a framework for socio-economic and gender analyses in order to develop guidance to effective inclusion of socio-economics (SE) aspects in GEF projects and to facilitate the measurement of SE benefit. Gender issues will be an integral part of socio-economic aspects of the projects. The output will include recommendations for inclusion of SE indicators in the GEF corporate and Focal area framework as well the LDCF/SCCF and 2) guidance to GEF Secretariat and Agencies to assist in analysis of SE in project preparation, design and monitoring.</p> <p>An exercise of the development of cost curves for adaptation has been carried out by the McKinsey Consulting Company with GEF support.</p>	<p>GEF Programming Document GEF/R.5/25</p> <p>Draft Programming Strategy on Adaptation to climate change for the LDCF/SCCF, GEF/LDCF.SCCF/R.2/1.Rev February 16, 2010</p> <p>Consultant TORs</p>	<p>As regards the McKinsey study, a number of independent experts have expressed some concerns about this exercise. One question concern the way in which the benefit costs approach may adversely affect the choice of adaptation measures and policies.</p>

No	Key Recommendation in evaluation	GEF follow up	Indicator /Documentation	COWI comments/recommendations
23	<ul style="list-style-type: none"> Implementation of NAPAs could be treated as piloting ways of (a) mainstreaming by both getting climate change adaptation priorities into sectoral planning through the generation of high level then more local scale policy developments, (b) the elaboration of policy instruments for adaptation and development objectives including in the areas of, for example, food security, water resources management, public health and disaster risk reduction and (c) to assess what approaches to project interventions, integration into development, capacity development and policy reform work best for adaptation outcomes. 	<p>The new LDCF/SCCF Programming document should facilitate a more programmatic and regional approach. So far, GEF has barely scratched the surface of the NAPAs derived from the countries, and a lot of things still need to be addressed.</p>	<p>LDCF/SCCF Programming document, GEF/LDCF.SCCF/R.2/1.Rev .3, February 16, 2010</p>	<p>While some recognition exists of the need to think about moving beyond the project-driven approach of the NAPAs to a more programmatic and sectoral approach this does not seem to be high on the current agenda yet. GEF Sec should be encouraged to initialise more concrete planning steps for this process now. This would furthermore assist the countries in their effort to try to update and rethink the NAPAs and to see clearer delineation between the climate change funds available.</p>
24	<ul style="list-style-type: none"> It is essential to identify and to understand how LDCF supported adaptation actions can best address gender equality issues and women as agents of adaptation. 	<p>Gender will achieve greater visibility in the NAPA implementation process following the latest RBM policy for adaptation -- the project results frameworks for the LDCF and SCCF will include indicators that are disaggregated by gender as appropriate, in particular those related to outputs and outcomes related to adaptation assets created in support of individual or community livelihood strategies.</p> <p>Gender will be integrated as appropriate in all results frameworks and in updated</p>	<p>RBM Consultant TORs</p>	

No	Key Recommendation in evaluation	GEF follow up	Indicator /Documentation	COWI comments/recommendations
		<p>operational guidance.</p> <p>The LDCF/SCCF funds will also benefit from the work underway by the GEF Secretariat to develop specific operational guidance for strengthening socio-economic and gender analysis and identifying appropriate indicators (a 30 day consultancy work). The results of this work will become part of project design requirements and part of project review criteria. As described under Rec. 22), TORs have been developed for a project on socio economic and global benefits to establish a framework for socio-economic and gender analyses in order to develop guidance to effective inclusion of socio-economics (SE) aspects in GEF projects and to facilitate the measurement of SE benefit.</p>		

No	Key Recommendation in evaluation	GEF follow up	Indicator /Documentation	COWI comments/recommendations
25	<ul style="list-style-type: none"> Resources should be invested in developing an understanding across different LDCs of the true escalating costs of climate change leading to adaptation needs. As part of this, finance and planning specialists from government and non-government agencies across LDCs should be convened into a community of practice on assessing costs and benefits of climate change adaptation using NAPA priority activities as case studies. 	<p>This is being addressed as part of sub-regional meetings and constituency meetings, as well as being a part of every project.</p>	<p>Work Plan</p>	<p>Very general and not really any indicator yet. LDCs are still requesting this not only for them to estimate the huge amounts of costs at country level, but also to decide on the most effective way of implementing the steps needed. The GEF is encouraged to keep focus on this issue of planning and financial planning for adaptation.</p>
26	<ul style="list-style-type: none"> Issue guidelines and/or good practices on how to establish 'additional costs' in adaptation projects, how to interpret the equitable access protocol and how to deal with co-financing requirements. Guidance should be developed and disseminated on good practices in NAPA priority activity implementation. 	<p>A first go on a tool to establish additional adaptation costs for an individual project is made in the UNFCCC Step-by-Step guide.</p> <p>From the new fiscal year from July 1st, GEF will look at a series of publication on best practices as recommended by the LDCF evaluation. There has so far not been a culture for promoting best practice elaboration and dissemination within GEF, but this is now changing.</p>	<p>Work Plan/Budget Step-by-Step guide</p>	<p>Not really any indicator yet besides the intention in the Work Plan/budget. GEF should be encouraged to issue some concrete examples on the co-financing issue as exemplification to the countries. LEG is working on a practically oriented best practice publication for COP16 which may address this as well.</p>
27	<ul style="list-style-type: none"> A knowledge base should be developed on climate change adaptation experiences at local through to national levels across LDCs where different types of governance systems prevail. 	<p>ALM supported by GEF is an example of this.</p>	<p>ALM</p>	<p>More can be done and needs to be done. The GEF Sec has not got around to doing this knowledge base yet.</p>

No	Key Recommendation in evaluation	GEF follow up	Indicator /Documentation	COWI comments/recommendations
28	<ul style="list-style-type: none"> The technical advice available to the LDCF administration should be strengthened both through a permanent advisory body and ad hoc groups for addressing specific thematic issues. 	<p>Involvement of inter alia STAP expert resources more in the GEF project assessments does not seem to have been addressed by Council (cf. Rec. 17) above. The STAP is not having an official role in LDCF/SCCF as with the GEF Trust Fund.</p> <p>At the STAP programme of work, a project is foreseen to identify vulnerability issues and a portfolio analysis.</p>	<p>No budget for inclusion of STAP expertise in LDCF projects.</p> <p>STAP work Programme</p>	<p>Other ways of drawing on external expertise does not seem to be considered. May need a COP request/decision.</p>
29	<p>b. Operational aspects:</p> <ul style="list-style-type: none"> In order for the LDCF to play a complementary role to the emerging other climate change financing mechanisms greater responsiveness and flexibility of procedures will have to be introduced to ensure lack of duplication and complementarity. 	<p>The GEF reform package including policy papers and project cycle papers respond to this.</p> <p>Portfolio formulation programmes (35 000 USD) on a voluntary basis may address this issue.</p>		<p>This action needs to be taken much further. Explicit contacts and negotiations with other climate change adaptation funding mechanism are urgently needed. Steps are required to make this a cooperative process and not a competitive process.</p>
30	<ul style="list-style-type: none"> All the NAPA priority projects should use evidence-based inquiry into the ways climate change effects are differentiated between genders, introduce measures that identify women's vulnerability to climate change, and listen to the voices of climate vulnerable women. 	<p>See point 24 above.</p>	<p>RBM Consultant TORs</p>	<p>Will happen as part of the general GEF process.</p>
31	<ul style="list-style-type: none"> In order to reduce process time for the NAPA follow-up project preparation stage, it is advised to limit the documentation needs at 	<p>This problem is recognised by GEF Sec but it has insufficient ways to control or influence the lack of country capacity.</p>		<p>This is a GEF assertion – is it fully correct? GEF Sec should continuously be very attentive</p>

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	<p>the early phase of the cycle. This implies a risk, but this risk must be handled and mitigated later in the project cycle. This should be addressed promptly through consultation with representatives from recipient countries and stakeholders and agencies involved. Through discussion of experiences, pragmatic ways need to be identified to:</p>	<p>Stricter deadlines could be established , but GEF Sec and Agencies also claim that ‘agencies have to have flexibility on the ground” “There is an important quality aspect – if we rush and push people too quickly then the quality suffers”</p>		<p>to the process time for each project in cooperation with its agencies. Some stakeholders are of the opinion that even though process time may have gone down, there is still room for improvements on the process time when considering that these funds are for expedited access.</p>

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31	<ul style="list-style-type: none"> Shorten the project cycle by, for example, combining the PIF and PPG stages within a project inception stage. This is standard practice in development assistance funding. It will require further detailed guidance to countries in order to avoid uncertainties on the feasibility of the project and the project criteria, 	<p>Under the LDCF, PIF and PPG are submitted and reviewed at the same time.</p> <p>Under the general GEF reform package, further simplified procedures are being proposed including a further streamlining of the project cycle and a programmatic approach as well as limited options for direct access. This will per default apply to the LDCF/SCCF unless the LDCF/SCCF Council decides otherwise in response to COP Guidance.</p>	<p>The overall response to Evaluation recommendations in 31 is that "we are doing our best" and having the recommendations out there on the table with our donors and partners is very helpful. General conclusion that the Evaluation was very helpful and it did a great service for the LDCF which is continuing. Also the fact that DANIDA has come back for a follow up is very helpful.</p>	
31	<ul style="list-style-type: none"> Create stricter deadlines for the GEF Agencies on submission of project documents for CEO endorsement, e.g. a 12 months deadline for submission followed by a sunset clause, 	<p>The 22 months deadline is mostly kept for the FSPs, sometimes the projects are able to process in less than 22 months. The trend is towards shorter preparation time. Some full size projects have gone through the process in 8-15 months. Other countries still need 22 months. For the FSPs, the IAs argue that projects can easily be delivered in less time than 22 months, however if the process is to be encouraged and supported too, some countries will need the full 22 months.</p> <p>MSPs (up to USD 2 mill) have 12 months to submit project documents. Under</p>	<p>Status of LDCF submissions May 2010, document provided by GEF.</p>	<p>GEF Sec should continuously be very attentive to the process time for each project. Consultation with UNDP confirms improved process time for the LDCF projects.</p>

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		<p>exceptional circumstances, extensions for deadlines can be requested and granted to countries.</p> <p>The GEFs Project Management Information System automatically generates reminder letters to agencies 3 month prior to, and 1 months past due date for submissions of project document. These letters clearly state that one of the possible outcomes is the cancellation of the project.</p>		
31	<ul style="list-style-type: none"> • Create transparent and clear criteria for reviewing PIFs, PPGs and other project documents including putting review sheets, or some version thereof, into the public domain, so that these are used only for issues that are crucial for the early preparatory phase – those issues relevant for the elaboration of a full project document should be dealt with at that later stage, 	<p>Efforts to improve communications on LDCF procedures has led to the Secretariat preparing an LDCF Step-by-Step Guide in collaboration with the GEF agencies, the UNFCCC Secretariat and other partners, and is in the process of finalizing additional Council documents on accessing financing under the LDCF (a similar product is also under preparation for the SCCF).</p> <p>The criteria for projects are publicly available at the GEF website at www.thegef.org/gef/LDCF. Review sheets are technical tools to be sent to agencies' staff who is fully capable to handle them, They are not written for the public and must ensure that established criteria are</p>	<p>www.thegef.org/gef/LDCF.</p>	<p>Parties generally confirm improved communication, more guidance and better understanding of procedures at all levels.</p>

No	Key Recommendation in evaluation	GEF follow up	Indicator /Documentation	COWI comments/recommendations
		followed.		
31	<ul style="list-style-type: none"> Introduce a common tracking procedure across the LDCF and the agencies, so that the status of a given project may be found irrespective of where it is in the cycle and with which agency it is in the process. 	<p>The status of a given project can be accessed, irrespective of where it is in the cycle and with which agency through the publicly accessible GEF Project Database: http://www.gefonline.org/</p> <p>The GEF website has recently been improved.</p> <p>Furthermore, the GEF database generates automatically a reminder to the GEF Agencies, when a deadline is getting close.</p>	<p>Database: http://www.gefonline.org/</p>	<p>Currently the GEF cannot provide the overview of the full length of the process time and refers to Agencies for these time spent after CEO endorsement. When the progress reporting in the form of yearly project implementation reports (PIRs) will start to take place on more projects, the PIRs will be the primary tracking tool for the projects. The GEF should be encouraged to keep focus on this aspect in cooperation with the Agencies and the LDCs/LEG and to document its improved process time record.</p>