



GEF/LDCF.SCCF.18/05
May 08, 2015

18th LDCF/SCCF Council Meeting
June 04, 2015
Washington, D.C.

Agenda Item 05

**WORK PROGRAM
FOR THE SPECIAL CLIMATE CHANGE FUND**

Recommended Council Decision

The LDCF/SCCF Council, having reviewed document GEF/LDCF.SCCF.18/05, *Work Program for the Special Climate Change Fund*, approved the work program comprising three project concepts, subject to comments made during the Council meeting and additional comments that would be submitted in writing to the Secretariat by June 18, 2015.

Total resources requested in this work program amounted to \$15.537 million which include SCCF project grants and Agency fees. The work program is comprised of the following Project Identification Forms (PIFs):

[List of PIFs]

[With respect to the following __ projects, the LDCF/SCCF Council requested the Secretariat to arrange for Council members to receive draft final project documents and to transmit to the CEO within four weeks any concerns they may have prior to the CEO's endorsing a project document for final approval by the GEF Agency.

(List of PIFs requested for second review)*

With respect to the [PIFs] approved as part of the work program, the Council found that each of these PIFs (i) is, or would be, consistent with the Instrument and GEF Policies and procedures, and (ii) may be endorsed by the CEO for final approval by the GEF Agency, provided that the final project documents fully incorporated and addressed the Council's comments on the work program, and that the CEO confirmed that the projects continue to be consistent with the Instrument and GEF/SCCF policies and procedures.

With respect to any PIF approved in this work program, the final project document will be posted on the GEF website for information after CEO endorsement. If the GEF CEO determines that there have been major changes to the project scope and approach since PIF approval, the final project document shall be posted on the web for Council review for four weeks prior to CEO endorsement.

*This paragraph will apply only should Council requests projects to be reviewed by them prior to CEO endorsement

EXECUTIVE SUMMARY

The Special Climate Change Fund (SCCF) work program presented by the Secretariat for LDCF/SCCF Council review and approval consists of three full-sized project concepts requesting SCCF project grants of \$14.189 million and Agency fees of \$1.348 million. Project grants and Agency fees requested from the SCCF Adaptation Program (SCCF-A) amount to \$9.589 million and \$0.911 million, respectively; whereas project grants and Agency fees amounting to \$4.600 million and \$0.437 million are sought from the SCCF Program for Technology Transfer (SCCF-B).

The three project concepts proposed in this work program represent innovative efforts to demonstrate, mainstream and invest in disaster risk planning and infrastructure; enhance rural climate resilience and contribute towards reducing greenhouse-gas emissions through improved access and adoption of renewable energy technologies; and mainstream ecosystem-based adaptation into urban planning and investments.

Currently the number of approved projects and programs under SCCF-A is 63, totaling \$273.75 million, while 11 FSPs, totaling \$55.48 million, have been approved under SCCF-B. The present work program requests 74.31 per cent of available SCCF-A resources and 77.16 per cent of available SCCF-B resources, which amounted to \$14.13 million and \$6.53 million, respectively, on March 31, 2015. For this work program, the Secretariat received 33 priority project concepts from ten GEF Partner Agencies, with total funding requests amounting to some \$185.760 million.

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Annex A: Project Proposal Submitted for LDCF/SCCF Council Approval under the SCCF

MAIN FEATURES OF THE PROPOSED WORK PROGRAM

1. The work program presented by the Secretariat for LDCF/SCCF Council review and approval consists of two full-sized project (FSP) proposals under the SCCF Adaptation Program (SCCF-A)¹ and a single FSP under the SCCF Program for Technology Transfer (SCCF-B).

COMPOSITION OF THE SCCF WORK PROGRAM

2. The proposed work program under SCCF-A consists of two FSP proposals, documented in a Project Identification Form (PIF), requesting project grants of \$9.589 million (see Annex A for financial details of the proposals). Associated with these proposals are requests for fees of \$0.911 million for the GEF Agencies to meet project cycle management costs, resulting in a total request of \$10.500 million.

3. The proposed work program under SCCF-B consists of one FSP proposal, documented in a PIF, requesting a project grant of \$4.600 million. Associated with this proposal is a request for a fee of \$0.437 million for the GEF Agency to meet project cycle management costs, resulting in a total request of \$5.037 million.

4. As at March 31, 2015, the resources available for new funding decisions under the SCCF amounted to \$14.130 million from SCCF-A and \$6.528 million from SCCF-B, amounting to a total of \$20.659 million available for Council/CEO approval. For this work program, the Secretariat received 33 priority project concepts from 10 GEF Partner Agencies, with total funding requests amounting to some \$185.760 million.

CO-FINANCING

5. Co-financing associated with this work program amounts to \$189.087 million in total. Each dollar of SCCF financing is thus matched by \$13.10 in co-financing.

CLIMATE CHANGE ADAPTATION STRATEGY AND THE WORK PROGRAM

6. This work program addresses all three strategic objectives set forth in the GEF Programming Strategy on Adaptation to Climate Change for the LDCF and the SCCF. These objectives are the subject of monitoring and reporting in accordance with the results-based management (RBM) policy as projects progress through their implementation phases. These objectives are to (i) reduce the vulnerability of people, livelihoods, physical assets and natural systems to the adverse effects of climate change (CCA-1); (ii) strengthen institutional and technical capacities for effective climate change adaptation (CCA-2); and (iii) integrate climate change adaptation into relevant policies, plans and associated processes (CCA-3). In addition,

¹ In accordance with guidance from the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC), the SCCF finances activities related to climate change that are complementary to those funded by the GEF in the following areas: (a) adaptation to climate change; (b) technology transfer; (c) energy, transport, industry, agriculture, forestry and waste management; and (d) economic diversification. At COP 9 Parties decided that adaptation activities to address the adverse impacts of climate change shall have top priority for funding and that technology transfer and its associated capacity building activities shall also be essential areas for funding.

the work program also addresses one climate change mitigation objective as set forth in the GEF-6 Programming Directions: to promote timely development, demonstration and financing of low-carbon technologies and mitigation options (CCM-1, Program 1).

INNOVATIVE ELEMENTS AND POTENTIAL FOR REPLICATION

7. The three projects proposed in this work program represent innovative efforts to demonstrate, mainstream and invest in disaster risk planning and infrastructure; enhance rural climate resilience through improved access and adoption of renewable energy technologies; and mainstream ecosystem-based adaptation into urban planning and investments.

8. This work program contains an innovative initiative that will address climate change adaptation and mitigation by promoting the large-scale adoption of renewable energy technologies (RET) in Cambodia's rural development sector. The proposed project will introduce and disseminate locally adapted, small-scale RETs for smallholder farmers. The technologies have benefited from field trials and have shown clear potential in terms of cost-effectiveness and sustainability, but they are as of yet not widely known or used. By creating a critical mass of smallholders that use RETs for agricultural production and processing as well as other income-generating activities with demonstrated economic returns; by supporting the local private sector; and by removing policy barriers; the project aims to make a significant contribution towards the large-scale adoption of RETs by Cambodia's 2 million smallholder households.

9. In Tonga, this work program contains a project that seeks to complement and build on other climate finance to invest in early warning and support disaster preparedness, integrating climate change considerations into multi-sectoral planning and development processes. In addition, by supporting the Pacific Islands Forum Secretariat in its effort towards establishing a mutual insurance fund, the project is expected to strengthen the financial resilience of participating countries to climate-induced disasters.

10. Integrated urban resilience and ecosystem-based adaptation, addressing risks resulting from climate change, will be demonstrated and deployed as part of a SCCF-financed initiative in Sri Lanka. The project will promote the mainstreaming of climate change adaptation into urban planning and development, hand in hand with ecosystem-based adaptation approaches. This mix of soft adaptation measures, such as development zoning, with hard infrastructure investments is expected to address climate risks in a sustainable fashion, delivering results beyond project completion.

SUMMARY OF PROJECTS IN THE PROPOSED SCCF WORK PROGRAM

11. **Regional (Tonga): *Pacific Resilience Program*** (World Bank) (SCCF-A Project Financing: \$5.479 million). The proposed project seeks to support climate change adaptation in Tonga and participating Pacific Islands Forum countries, in particular through (i) investments in early warning and preparedness, including strengthened regulations, modernized observation infrastructure, and enhanced delivery systems; (ii) investments in the retrofitting of key public assets; (iii) the development of multi-sectoral planning processes for integrating climate risk in development; and (iv) a regional disaster risk financing component that will support the Pacific

Islands Forum Secretariat to strengthen the capacity of participating island countries to partake in financial resilience programs. The requested SCCF grant would build on and complement investments made through the World Bank's region-wide Pacific Resilience Program (PREP). Total indicative co-financing associated with this initiative amounts to \$38.087 million.

12. **Cambodia:** *Building Adaptive Capacity through the Scaling-up of Renewable Energy Technologies in Rural Cambodia (S-RET)* (IFAD) (SCCF-B Project Financing: \$4.600 million). The proposed project seeks to promote the large-scale adoption of renewable energy technologies in Cambodia's rural development sector by testing high-potential renewable energy technologies, improving the rate of adoption of proven renewable technologies, and by establishing the enabling conditions necessary for scaling-up. In particular, the project would (i) enable 10,000 smallholder households to adopt renewable energy technologies for agricultural production, processing, marketing or other income-generating activities, thereby improving their living standards, enhancing resilience against the adverse effects of climate change, and reducing pressures on natural resources; and (ii) put in place an enabling policy framework and appropriate institutional arrangements to facilitate the scaling-up of low-emission and climate-resilient renewable energy technologies in agriculture. Several national strategies and initiatives have identified the multiple benefits of small-scale renewable energy technologies for rural development and agricultural production, including: removed pressures on land and natural resources due to charcoal production, opportunities for agricultural processing and value-addition in the absence of on-grid energy, as well as benefits for public health and women's empowerment. The project's potential for impact at scale is enhanced by building on investments from IFAD, the national government and the beneficiaries, with indicative co-financing amounting to \$23.000 million.

13. **Sri Lanka:** *Resilient and Integrated Urban Development for Greater Colombo* (ADB) (SCCF-A Project Financing: \$4.110 million). The proposed project seeks to support measures to integrate resilience to climate variability and change in urban planning and processes of the Greater Colombo area. In particular, the project would work to establish an integrated urban resilience planning framework, strengthen the management of natural ecosystems for urban resilience, and invest in ecosystem-based adaptation. It would further support the development of financial mechanisms for urban investments in resilience, and will improve knowledge management and partnership development for sustainable cities. By pursuing ecosystem-based approaches, the project's investments would rehabilitate degraded ecosystems, improve construction zoning and integrate soft and hard infrastructure rehabilitation to enhance urban climate resilience. This initiative would complement an ADB-funded baseline project in the area of improved water and wastewater infrastructure. Indicative co-financing for this project amounts to \$128.000 million.

ALL PROPOSALS MARKED FOR SUBMISSION TO COUNCIL

Under the SCCF Trust Fund

June 2015

All amounts shown in US\$.

#	GEF ID	Country	Agency	Project Title	PPG Amt	PPG Fees	SCCF Project Grant	Project Agency Fees	SCCF Grant	Cofin.	Total Project Cost
<u>Climate Change</u>											
1	5814	Regional (Tonga)	World Bank	<u>Pacific Resilience Program</u>			5,479,452	520,548	5,479,452	38,087,000	43,566,452
2	9103	Cambodia	IFAD	<u>Building Adaptive Capacity through the Scaling-up of Renewable Energy Technologies in Rural Cambodia (S-RET)</u>	150,000	14,250	4,600,000	437,000	4,750,000	23,000,000	27,750,000
3	9107	Sri Lanka	ADB	<u>Resilient and Integrated Urban Development for Greater Colombo</u>	91,324	8,676	4,109,589	390,411	4,200,913	128,000,000	132,200,913
Sub total for Climate Change					241,324	22,926	14,189,041	1,347,959	14,430,365	189,087,000	203,517,365
<u>Grand Total</u>					241,324	22,926	14,189,041	1,347,959	14,430,365	189,087,000	203,517,365