



# Global Environment Facility

November 26, 2007

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## HIGHLIGHTS OF THE COUNCIL'S DISCUSSIONS LDCF/SCCF MEETING NOVEMBER 17, 2007

1. The following is a record prepared by the GEF Secretariat of comments, understandings and clarifications of certain points made during discussions of the agenda items of the LDCF/ SCCF Council Meeting.
2. Four information documents were circulated to the LDCF/SCCF Council at this session, including:
  - (a) GEF/LDCF.SCCF/Inf.2 – Status Report on the Climate Change Funds as of September 30, 2007, prepared by the Trustee;
  - (b) GEF/LDCF.SCCF.3/Inf.3 – Progress Report on the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF), prepared by the GEF;
  - (c) GEF/LDCF/S/Inf.4 – Notice of Council Approval of Revised Document “*Programming to Implement the Guidance for the SCCF adopted by the COP to the UNFCCC at its 12<sup>th</sup> Session*” and Corresponding Decision; and
  - (d) GEF/LDCF.SCCF.3/Inf.5 – Notice of Council Approval of Decision Concerning Direct Access of Agencies.

### *Agenda Item 4: Trustee Status Report*

3. GEF Secretariat provided a brief summary of the information provided in the document.
4. The LDCF, thanks to the generous contributions from donors, has reached the level of \$165 million and is currently capable to meet the adaptation demand and absorptive capacity of the least developed countries.
5. The situation of the SCCF remains critical. With about only \$60 million for adaptation worldwide, and a demand of over \$100 million per year from vulnerable countries, the fund cannot meet the existing demand for projects that address adaptation. The pipeline is

currently frozen even though some resources are left, as a large regional project is expected to be submitted by 10 pacific island states, which are among the most vulnerable in the world, as part of the Pacific Alliance for Sustainability. This project will receive funding priority, due to the Pacific small island states' high vulnerability and low adaptive capacity to the adverse impacts of climate change.

#### *Agenda Item 5 Progress Report*

6. GEF Secretariat provided a brief summary of the activities related to the funds.
7. The document GEF/LDCF.SCCF.3/Inf.3, *Progress Report on the Least Developed Countries Fund*, reports steady progress with respect to the LDCF. In particular, during a stocktaking meeting that was held last September in Bangkok, organized by the UNFCCC, with large participation of least developed countries and GEF Agencies, many success stories were shared among participants.
8. The decision by mail reported in GEF/LDCF/SCCF.3/Inf.4, Notice of Council Approval of Revised Document "*Programming to Implement the Guidance for the SCCF adopted by the COP to the UNFCCC at its 12<sup>th</sup> Session*" revises this SCCF programming paper to address financing areas (c) and (d) on selected sectors and economic diversification, in accordance with Convention guidance provided in Decision 1/CP.12. Now that the SCCF programming paper is complete, donors are invited to make contributions to all four financing areas included in the SCCF. It is worth noting, however, that Convention guidance gives top priority to financing area (a), adaptation to climate change, and that, as illustrated above, (a) does not have enough resources to meet demand from vulnerable countries.
9. Finally, the decision adopted by mail reported in GEF/LDCF/SCCF.3/Inf.5 confirms a practice that was, we believe, already implicitly adopted: to grant all Executing Agencies direct access to the LDCF and SCCF. It was decided that the LDCF and SCCF would adopt the same rules that the GEF, unless specified otherwise. Therefore, when the Executing Agencies with expanded opportunities were given direct access to GEF resources, it was assumed that the same access was granted in the case of the LDCF and the SCCF. However, the Trustee asked for a LDCF/SCCF Council decision.

#### *Agenda Item 6 Other Business*

10. The Council Member from Austria pledged an additional contribution to the LDCF that the Austrian Ministry of Foreign Affairs will provide before the end of the year.
11. The Council Member from Norway pledged 12 million NOK to the LDCF and 12 million NOK to the SCCF.
12. The Council Member from Finland, while unable to pledge an exact amount at the time of the meeting, noted Finland is working within the government to provide additional contributions of EU 800,000 to the LDCF and EU 400,000 to the SCCF.
13. The Council Member from Switzerland noted that Switzerland will continue to support both funds, and will make an announcement as to a specific amount in Bali.
14. Council Members expressed appreciation for the streamlined modalities for the LDCF and in particular the newly approved GEF project cycle. These are perceived as first steps to

make the GEF more accessible to least developed countries and to other countries that are among the most vulnerable, with the least capacity to adapt, such as the small island states.

15. As per the least developed countries' request, the GEF promised to prepare and circulate by the next LDCF/SCCF Council meeting an operational manual to facilitate access to LDCF funds.

16. One Council Member enquired on the progress made by the GEF Secretariat on a Monitoring and Evaluation Framework on Adaptation, and the GEF responded that the Secretariat had collaborated in the last year with the Office of Evaluation and the Inter-Agency Adaptation Task Force. The Council Member replied that it would appreciate a new paper to be delivered by the next LDCF/SCCF Council meeting.

#### **CLOSURE OF THE MEETING**

17. The meeting closed on November 16, 2007.