



Global Environment Facility

GEF/LDCF.SCCF.1/6
November 30, 2006

LDCF/SCCF Council Meeting
December 8, 2006

Agenda Item 7

APPROACH TO MOBILIZATION OF RESOURCES

Recommended Council Decision

The LDCF/SCCF Council welcomes and endorses the proposed approach to mobilizing resources for the LDCF and the SCCF outlined in document GEF/LDCF.SCCF.1/6 and requests the Secretariat to convene the next pledging meeting for the funds in June 2007.

INTRODUCTION

1. At the pledging meeting for the climate change funds convened on October 31, 2006, in Paris, France, the Secretariat and the Trustee were requested to prepare a paper outlining an approach to the mobilization of resources for the climate change fund for discussion by the LDCF/SCCF Council. This note has been prepared in response to that request.

OBJECTIVES

2. The Least Developed Countries Fund for Climate Change (LDCF) and the Special Climate Change Fund (SCCF) were both established by the GEF in accordance with the decisions of the United Nations Framework Convention on Climate Change (UNFCCC). The funds are financed by voluntary contributions, and activities financed by the funds are consistent with the guidance provided by the Conference of the Parties to the UNFCCC.

3. Demand for financing from the funds is increasing with time. As the two funds are currently the main avenue for developing countries to request support for gaining experiences and learning how to address adaptation in primary development sectors, requests for financing from the funds are expected to continue to grow in the foreseeable future. Increasing knowledge and experience in countries and agencies, and increasing information on vulnerability and adaptation needs through enabling activities, are anticipated to lead to rapid growth in requests for projects.

4. For the funds to be viable and effective, resources should be predictable to encourage countries and agencies to invest in the project preparations necessary to bring a meaningful work program to fruition. Predictability is also beneficial to the contributors to the fund to assist them in planning their national budgets.

TIMING OF RESOURCE MOBILIZATION

5. The GEF Secretariat proposed to the pledging meeting in October 2006 that resources be mobilized for the climate change funds on the same schedule as for the GEF Trust Fund: i.e., every four years. A number of participants indicated that this would not be possible, given that their contributions are approved on an annual basis. Others noted that a four year cycle was perhaps too long, given the need to ensure that the operations of the funds take into account the deliberations of the convention. On the other hand, most participants thought that meeting every six months or annually was also impracticable. It was agreed that a more appropriate period would be two years.

PLEDGING MEETINGS

6. Recognizing the Council's decision in August 2006 to meet as the Council for the LDCF and the SCCF (LDCF/SCCF Council) to take decisions regarding the two funds, it is proposed that a pledging meeting be convened once every two years in conjunction with the LDCF/SCCF Council. The pledging meeting would be for the purpose of mobilizing resources for both the LDCF and the SCCF.

7. For purposes of the pledging meeting, the Secretariat will prepare a programming paper for each of the funds. The programming paper will include a retrospective of the activities financed by the funds during the previous two years, up-dated information on the guidance provided by the UNFCCC/COPs, information on the project pipeline, programming priorities for the forthcoming two years, and an assessment of funding needs. The Trustee will prepare for the meeting a report on the funding status of each fund and a projection of resource flows for the forthcoming two years.

8. Contributors will be invited to make pledges for a two year period at the pledging meeting. In addition to the biennial pledging meetings, a contributor will be able to make pledges at any LDCF/SCCF Council meeting. This should provide sufficient flexibility to those contributors that can only pledge on an annual basis. The Trustee will report on each LDCF/SCCF Council on the status of the two funds.

9. The Trustee has confirmed that it will work with each donor on an appropriate schedule for payment of contributions to the funds, particularly for those countries making multi-year pledges.

10. It is proposed that the two year cycle begin with a pledging meeting in June 2007, since a number of contributors have indicated that they are considering additional contributions in 2007.