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PROGRESS REPORT ON THE LEAST DEVELOPED COUNTRIES FUND (LDCF) AND THE SPECIAL CLIMATE CHANGE FUND (SCCF)

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I. INTRODUCTION

1. The Least Developed Countries Fund for Climate Change (LDCF) and the Special Climate Change Fund (SCCF) were established by the Global Environment Facility (GEF) in response to guidance from the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC)¹. The operations and administrative costs incurred in connection with managing both the LDCF and the SCCF are kept separate from the GEF Trust Fund.

2. This paper reports on the current status and approved operations under the LDCF and the SCCF.

II. LEAST DEVELOPED COUNTRIES FUND (LDCF)

Report on NAPA Operations under the LDCF

3. Since the last Council meeting, seven additional National Adaptation Programme of Actions (NAPAs) have been completed (Benin, Burkina Faso, Cape Verde, Mali, Sao Tomé and Príncipe, Uganda and Vanuatu), bringing the total of completed NAPAs to 30.

4. To date, the countries that have completed their NAPAs are: Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cape Verde, Comoros, Democratic Republic of Congo, Djibouti, Eritrea, Guinea, Haiti, Kiribati, Lesotho, Madagascar, Malawi, Mali, Mauritania, Niger, Rwanda, Samoa, Sao Tomé and Príncipe, Senegal, Sudan, Tuvalu, Uganda, United Republic of Tanzania, Vanuatu and Zambia.

5. In addition, 14 NAPAs are in the final stages of preparation and are expected to be completed before the Council meeting in the fall of 2008. Finally, three NAPA proposals (Angola, Nepal and Timor-Leste) were approved in the second half of 2007 and are expected to be completed before the end of 2009. A complete list of NAPAs and their current status can be found in Table 1. Additionally, all completed NAPAs can be accessed through the UNFCCC website on the web links listed in Table 1. (Hard copies of any or all of them are also available at request from the GEF Information Desk.).

¹ UNFCCC Decisions 7/CP.7; 6/CP.9; and 5/CP.9 respectively.

Table 1. Status of preparation of NAPAs

Country	Implementing Agency	Current Status	Completion Date or Expected Completion Date	Web link for full NAPA document (completed projects only)
NAPA Completed				
Bangladesh	UNDP	Completed	November 2005	http://unfccc.int/resource/docs/napa/ban01.pdf
Benin	UNDP	Completed	January 2008	http://unfccc.int/resource/docs/napa/ben01f.pdf
Bhutan	UNDP	Completed	May 2006	http://unfccc.int/resource/docs/napa/btn01.pdf
Burkina Faso	UNDP	Completed	December 2007	http://unfccc.int/resource/docs/napa/bfa01f.pdf
Burundi	UNDP	Completed	February 2007	http://unfccc.int/resource/docs/napa/bdi01e.pdf
Cambodia	UNDP	Completed	March 2007	http://unfccc.int/resource/docs/napa/khm01.pdf
Cape Verde	UNDP	Completed	December 2007	http://unfccc.int/resource/docs/napa/cpv01.pdf
Comoros	UNEP	Completed	November 2006	http://unfccc.int/resource/docs/napa/com01e.pdf
Democratic Republic of the Congo	UNDP	Completed	September 2006	http://unfccc.int/resource/docs/napa/cod01.pdf
Djibouti	UNEP	Completed	October 2006	http://unfccc.int/resource/docs/napa/dji01f.pdf
Eritrea	UNDP	Completed	May 2007	http://unfccc.int/resource/docs/napa/eri01.pdf
Guinea	UNDP	Completed	July 2007	
Haiti	UNEP	Completed	December 2006	http://unfccc.int/resource/docs/napa/hti01f.pdf
Kiribati	UNDP	Completed	January 2007	http://unfccc.int/resource/docs/napa/kir01.pdf
Lesotho	UNEP	Completed	June 2007	http://unfccc.int/resource/docs/napa/lso01.pdf
Madagascar	World Bank	Completed	December 2006	http://unfccc.int/resource/docs/napa/mdg01f.pdf
Malawi	UNDP	Completed	March 2006	http://unfccc.int/resource/docs/napa/mwi01.pdf
Mauritania	UNEP	Completed	November 2004	http://unfccc.int/resource/docs/napa/mau01e.pdf
Niger	UNDP	Completed	July 2006	http://unfccc.int/resource/docs/napa/ner01e.pdf
Rwanda	UNEP	Completed	May 2007	http://unfccc.int/files/adaptation/napas/application/pdf/napa-rwanda-final-fr.pdf
Samoa	UNDP	Completed	December 2005	http://unfccc.int/resource/docs/napa/sam01.pdf
São Tomé and Príncipe	World Bank	Completed	November 2007	http://unfccc.int/resource/docs/napa/stp01.pdf
Senegal	UNEP	Completed	November 2006	http://unfccc.int/resource/docs/napa/sen01f.pdf
Sudan	UNDP	Completed	July 2007	http://unfccc.int/resource/docs/napa/sdn01.pdf
Tuvalu	UNDP	Completed	May 2007	http://unfccc.int/resource/docs/napa/tuv01.pdf
Uganda	UNEP	Completed	December 2007	http://unfccc.int/resource/docs/napa/uga01.pdf
United Republic of Tanzania	UNEP	Completed	September 2007	http://unfccc.int/resource/docs/napa/tza01.pdf
Vanuatu	UNDP	Completed	December 2007	http://unfccc.int/resource/docs/napa/vut01.pdf
Zambia	UNDP	Completed	October 2007	http://unfccc.int/resource/docs/napa/zmb01.pdf
Country	Implementing Agency	Current Status	Completion Date or Expected Completion Date	Web link for full NAPA document (completed projects only)
NAPA in Preparatory Phase				
Afghanistan	UNEP	Draft NAPA	Q2 – 2008	

		Available		
Angola	UNEP	On-going	Q4 – 2009	
Central African Republic	UNEP	On-going	Q2 – 2008	
Chad	UNDP	On-going	Q3 – 2008	
Ethiopia	UNDP	On-going	Q2 – 2008	
Gambia	UNEP	Draft NAPA available	Q2 – 2008	
Guinea Bissau	UNDP	Draft NAPA available	Q1 – 2008	
Lao People's Democratic Republic	UNDP	Draft NAPA available	Q2 – 2008	
Liberia	UNEP	Draft NAPA available	Q2 - 2008	
Maldives	UNDP	Draft NAPA available	Q2 – 2008	
Mozambique	UNDP	Draft NAPA available	Q2 – 2008	
Nepal	UNDP	Process initiated	Q2 – 2009	
Sierra Leone	UNDP	Draft NAPA available	Q2 – 2008	
Solomon Islands	UNDP	On-going	Q3 – 2008	
Timor-Leste	UNDP	Process initiated	Q2 – 2009	
Togo	UNDP	On-going	Q3 – 2008	
Yemen	UNDP	Draft NAPA available	Q2 – 2008	
NAPA has not yet been initiated				
Equatorial Guinea		----	Not started*	-----
Myanmar		----	Not started*	Draft proposal under review by cabinet
Somalia		----	Not party to the UNFCCC	-----

* Myanmar and Equatorial Guinea have not yet agreed to project proposals to finance the preparation of their NAPAs

Report on Project Operations and Submissions of Projects for NAPA Implementation under the LDCF

6. As of February 28, 2008, eleven countries have officially submitted their NAPA implementation projects to the GEF through the Project Identification Form (PIF) for NAPA implementation under the LDCF. Among these PIFs, ten have been already approved as consistent with the LDCF eligibility criteria in the following countries: Bangladesh, Bhutan, Cambodia, Cape Verde, Eritrea, Malawi, Mauritania, Niger, Samoa and Sudan.

7. Eight LDCF projects, of which 4 Mid-Sized Projects (MSPs) and 4 Full-Sized Projects (FSPs) were originally approved under the provisional project cycle effective in the first half of 2007. As the LDCF project cycle was already streamlined into 2 steps, the transition to the new project cycle, adopted at the GEF Council meeting in May 2007 (GEF/C.31/7), has been remarkably smooth. To ensure transparency throughout the transition process, all PIFs approved under the old project cycle were web posted for information. Furthermore, in consistency with the procedures of the new project cycle, all projects will again be posted at the time of CEO endorsement/approval. Consequently, the LDCF work program now consists of 5 FSPs in the following countries: Bangladesh, Bhutan, Eritrea, Malawi and Sudan.

8. Future project submissions under the LDCF will all follow the new streamlined GEF project cycle with a few important exceptions as described in the LDCF manual (GEF/LDCF.SCCF.4/Inf.3).

9. In February 2008 the GEF Secretariat received the first submission for CEO endorsement under the LDCF (Bhutan: Reduce climate change-induced risks and vulnerabilities from glacial lake outbursts in the Punakha-Wangdi and Chamkhar Valleys). When approved, this project will start implementation immediately and will thus be the first concrete example of on-the-ground implementation of NAPAs. Several other LDCF projects are expected to be submitted for CEO endorsement (and thus start implementation) during 2008.

Status of Donor Contributions to the LDCF

10. The LDCF now stands at \$169 million. For more details on LDCF contributions, pledges and projections, see “Status Report on the Climate Change Fund” by the Trustee (GEF/LDCF.SCCF.4/Inf.1).

Table 2. LDCF Adaptation Program (PIF approved and approaching projects)

Country/ Region	Project Title	GEF Agency	Project Status	Expected LDCF/GEF grant (including fees and PPG) (US\$M)	Co- financing (US\$M)	Total Amount (US\$M)
Bangladesh	Community based adaptation to climate change through coastal afforestation.	UNDP	PIF- approved	3.4	6.08	9.48
Bhutan	Reduce climate change-induced risks and vulnerabilities from glacial lake outbursts in the Punakha-Wangdi and Chamkhar Valleys.	UNDP	PIF- approved	3.980555	3.496224	7.458429
Cambodia	Building Capacities to Integrate Water Resources Planning in Agricultural Development.	UNDP	PIF - approved	2.085	1.95	4.035
Cape Verde	Building Adaptive Capacity and Resilience to Climate Change in the Water Sector in Cape Verde.	UNDP	PIF – approved	3.41	13.68	17.09
Eritrea	Integrating climate change risks into community based livestock management in the northwestern lowlands of Eritrea.	UNDP	PIF- approved	3.4	3.46	6.86
Malawi	Climate Adaptation for Rural Livelihoods and Agriculture (CARLA)	AfDB	PIF- approved	3.5945	24.39375	27.98825
Mauritania	Reducing Vulnerability of Arid Oasian Zones to climate change and variability through Improved Watershed Management	UNEP	PIF- approved	1.828	1.4	3.228
Niger	Implementing NAPA priority interventions to build resilience and adaptive capacity of the agriculture sector to climate change in Niger	UNDP	PIF- approved	2.19	4.05	6.24
Samoa	Integrated Climate Change Adaptation in Samoa (ICCAS)	UNDP	PIF- approved	2.29	2	4.29
Sudan	Implementing NAPA Priority Interventions to Build Resilience in the Agriculture and Water Sectors to the Adverse Impacts of Climate Change	UNDP	PIF - approved	3.4	3	6.4
Sub total - PIF-approved				29.578055	63.509974	93.088029
Djibouti	Reducing impacts and vulnerability of coastal productive systems in Djibouti	UNEP	In process for approval	2.27	1.95	4.22
Sub total - approaching projects				2.27	1.95	4.22
Total – PIF approved and approaching projects				31.848055	65.459974	97.308029

III. SPECIAL CLIMATE CHANGE FUND (SCCF)

Update on COP guidance, Council Decisions

11. The Special Climate Change Fund (SCCF) finances activities related to climate change that are complementary to those funded by the GEF, including:

- (a) adaptation to climate change;
- (b) technology transfer;
- (c) energy, transport, industry, agriculture, forestry and waste management; and
- (d) economic diversification.

12. Initially, the GEF received guidance from the COP to craft funding guidelines for items (a) and (b), only. At COP 12, the GEF Secretariat received additional guidance on how to operationalize a program in the areas of (c) and (d). The subsequent results can be found in document GEF/LDCF.SCCF.2/4/Rev.1, *Programming to Implement the Guidance for the Special Climate Change Fund adopted by the Conference of the Parties to the United Nations Framework Convention on Climate Change at its Twelfth Session*. The remainder of this document refers solely to the SCCF adaptation program.

Report on project operations and submissions of projects under the SCCF Adaptation Program

13. There have been no additional projects entered into the SCCF work program since the last Council meeting in November 2007. The total number of work program approved SCCF Adaptation Program projects are thus still nine (4 MSPs and 5 FSPs) totaling \$33.5 million. One additional project (Regional: 'Pacific Islands Adaptation to Climate Change Project (PACC)' – totaling \$14.7 million) is being proposed for work program inclusion at the present Council meeting (GEF/LDCF.SCCF.4/3), should this be approved the total of SCCF Adaptation Program projects would go up to \$48.2 million.

14. The pipeline for the SCCF Program for Adaptation contains an additional seven projects, which are expected to be submitted to the SCCF/LDCF Council as part of work programs before the next Council meeting in the fall of 2008. Together, these projects are expected to request approximately \$29.3 million of funding from the SCCF Program for Adaptation. A complete list of approved and pipeline projects under the SCCF Program for Adaptation can be found in Table 3 and 4.

15. Funding for the project proposal included in the current work program and the current pipeline would require \$79 million from the SCCF Program for Adaptation. As total pledges to the Adaptation Program of the SCCF are now \$74.6 million, programming under this program cannot continue beyond 2008. As a result, the GEF Secretariat in February 2007 decided to close the pipeline for new submissions under the SCCF Adaptation Program until new funding becomes available. With recent injection of funds to the SCCF, however, there is now a small window of around \$14 million

available for immediate programming (in addition to the funds proposed for allocation under this work program). In coordination with IAs, available funds will be allocated to the highest priority projects in the current pipeline, and submitted for council approval in an upcoming intersessional work program. As the funding situation remains fundamentally unchanged, however, the pipeline will not be reopened for new submissions at the current time. Donors are therefore urgently requested to make further contributions to the SCCF Program for Adaptation.

Table 3. SCCF Adaptation Program (approved projects)

Country/ Region	Project Title	IA/ EA	Expected SCCF Grant (US\$m)	Co-financing (US\$m)	Total financing (US\$m)
China	Mainstreaming Adaptation to Climate Change Into Water Resources Management and Rural Development	World Bank	5.847	50	55.847
Ecuador	Adaptation to Climate Change through Effective Water Governance	UNDP	3.6515	6	9.6515
Ethiopia	Coping with Drought and Climate Change	UNDP	1.08455	1.866667	2.951217
Guyana	Conservancy Adaptation Project	World Bank	4.142	16.2	20.342
Kenya	Adaptation to Climate Change in Arid Lands (KACCAL)	World Bank/ UNDP	7.4011	44.844681	52.245781
Mozambique	Coping with Drought and Climate Change	UNDP	1.0464	0.92984	1.97624
Regional (Bolivia, Peru, Venezuela)	Design and Implementation of Pilot Climate Change Adaptation Measures in the Andean Region	World Bank	8.1641	21.75	29.9141
Tanzania	Mainstreaming Climate Change in Integrated Water Resources Management in Pangani River Basin	UNDP	1.09	1.574875	2.664875
Zimbabwe	Coping with Drought and Climate Change	UNDP	1.07147	1.156	2.22747
TOTAL			33.49872	144.32205	177.82077

Table 4. SCCF Adaptation Program (pipeline projects)

Country/ Region	Project Title	IA/ EA	Expected SCCF Grant (US\$m)	Co-financing (US\$m)	Total financing (US\$m)	Status
Egypt	Adaptation to Climate Change in the Nile Delta	UNDP	4.5	5.2	9.7	PIF approved
Fiji	Adaptation to Climate Change in the Tourism sector in Fiji Islands	UNEP	1.125	1	2.125	PDF-A
Global	Piloting Climate Change Adaptation to Protect Human Health	UNDP	7.069685	18	25.069685	PDF-B
India	Climate-resilience Development and Adaptation	UNDP	5.749818	16	21.749818	PDF-B
Maldives	Implementing Tourism Adaptation to Climate Change	UNDP	1.13	1	2.13	PDF-A
Mexico	Adaptation to climate change impacts on the coastal wetlands in the Gulf of Mexico through improved water resource management	World Bank	5.25	9	14.25	PDF-B
Philippines	Climate Change Adaptation Project	World Bank	5.8113	50.13	55.9413	PIF/PPG approved
Regional (Cook Islands, Micronesia, Fiji, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu)	Pacific Islands Adaptation to Climate Change Project (PACC)	UNDP	14.7875	70.8	83.525	PDF-B (Submitted for WP inclusion at this council meeting)
TOTAL			45.423303	171.13	216.553303	