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Agenda Item 06

**FY25 ADMINISTRATIVE BUDGET AND BUSINESS PLAN FOR THE LEAST DEVELOPED
COUNTRIES FUND AND THE SPECIAL CLIMATE CHANGE FUND**

Recommended Council Decision

The LDCF/SCCF Council, having reviewed document GEF/LDCF.SCCF.36/06/Rev.01, *FY25 Administrative Budget and Business Plan for the Least Developed Countries Fund and the Special Climate Change Fund*, approves the proposed budget for the GEF Secretariat, Scientific and Technical Advisory Panel (STAP), and the Trustee as follows:

1. \$4,247,305 (GEF Secretariat), \$139,000 (STAP), and \$590,000 (Trustee) from the Least Developed Countries Fund; and
2. \$1,341,899 (GEF Secretariat), \$139,000 (STAP), and \$130,000 (Trustee) from the Special Climate Change Fund.

The Council decides that, in the context of the Secretariat's analysis, the level of 11% indirect charge as set out in this document is the upper limit for the GEF, provided sufficient justification is provided by the World Bank for this indirect charge. It is noted that the indirect charge for the GEF is expected to exclude the cost of certain administrative services to be provided directly by the GEF.

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INTRODUCTION

1. The Least Developed Countries Fund for Climate Change (LDCF) and the Special Climate Change Fund (SCCF) were established in accordance with the decisions of the United Nations Framework Convention on Climate change (UNFCCC). In establishing these funds, the Council agreed that the operations and administrative costs incurred in connection with managing both the LDCF and the SCCF should be kept separate from the Global Environment Facility (GEF) Trust Fund.

2. This document reports on the fiscal year 2024 (FY24) LDCF/SCCF Council-approved budget and delivery of associated business plan for FY24. It proposes an administrative budget to cover the costs of the Secretariat, the Trustee, Scientific and Technical Advisory Panel (STAP) for their services to the LDCF and the SCCF for FY25 (July 1, 2024 to June 30, 2025), which is the third year of the GEF-8 period. The GEF Independent Evaluation Office (IEO) presents its own budget in a separate document.¹ Their budget request is also summarized in this document for ease of reference.

3. The document also presents the business plan for FY25 for the Secretariat. The business plan and the budget include the implementation of the Dedicated Programs, as part of the GEF Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund and the Special Climate Change Fund for the GEF-8 Period of July 2022 to June 2026 and Operational Improvements.²

KEY DEVELOPMENTS AND ACCOMPLISHMENTS IN FY24

4. FY24 was the second fiscal year of the GEF-8 period of LDCF/SCCF programming strategy with close engagement with countries in programming of LDCF and SCCF resources, intensive engagement in climate negotiations, and strategic stakeholder engagement dialogues.

5. Programming of LDCF and SCCF resources saw a significant increase in this fiscal year, with the presentation of two large Work Programs to the LDCF/SCCF Council with 35 projects and programs requesting over \$400 million of LDCF/SCCF resources, as described further below.

6. The 28th Conference of the Parties to UNFCCC (COP 28) was held in Dubai, United Arab Emirates from November 30 to December 13, 2023. A GEF Secretariat delegation, led by the Head of GEF's engagement with Multilateral Environmental Agreement, participated in COP 28 where a ministerial pledging session for the SCCF and LDCF resulted in an announcement of \$174.2 million of contributions for the SCCF and the LDCF. Ireland later announced a pledge of 2.5 million euros to the LDCF and 2.18 million euros to the SCCF, totaling approximately \$179.2 million.³

¹ GEFIO, 2024, [FY25 Work Program and Budget for the Independent Evaluation Office of the GEF under the LDCF and SCCF](#), Council Document GEF/LDCF.SCCF.36/E/01.

² GEF, 2022, [GEF Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund and the Special Climate Change Fund for the GEF-8 Period of July 1, 2022 to June 30, 2026, and Operational Improvements](#), Council Document GEF/LDCF.SCCF.32/04.

³ GEF, 2023, [In good news for adaptation, donors boost support to LDCF and SCCF](#), press release.

During the COP, the heads of Adaptation Fund, the Climate Investment Funds (CIF), the GEF, and the Green Climate Fund (GCF) issued a joint declaration on enhancing access to climate funds and increasing impact in a high-level official side event. The GEF Secretariat also prepared to participate in the UNFCCC Subsidiary Body meetings, held from June 3 to 13, 2024 in Bonn, Germany.

7. During this fiscal year, the GEF Secretariat focused on implementing the Programming Strategy for the LDCF and SCCF and Operational Improvements for the GEF-8 period of 2022-2026. This consisted of strategic outreach to the countries, GEF Agencies, other climate funds, and strategic stakeholders in programming of country allocations of LDCF and SCCF resources. The Secretariat organized several formal and informal consultations in this regard with relevant stakeholders with specific efforts made to organize regional adaptation workshops under the Dedicated Program of the LDCF/SCCF Programming Strategy.

8. The Secretariat also engaged with the donors through various forums to brief them on the progress of the GEF-8 programming and facilitate pledging their support for the LDCF/ SCCF. In addition, the GEF Secretariat continued regular business including oversight and implementation of the operational policies and programming strategies; review, and processing of project proposals for CEO or Council approval and endorsement; and coordination with the GEF Agencies, the Trustee and Convention Secretariat for LDCF/SCCF portfolio management and reporting.

9. The FY24 reporting period was characterized by the following developments and accomplishments, based on the business plan approved by the LDCF/SCCF Council in June 2023:

- (a) Constituted the Work Program approved by the 35th LDCF/SCCF Council in February 2024, requesting \$180.40 million from the LDCF and \$23.00 million from the SCCF-A, both inclusive of GEF project financing and Agency fees, for 21 projects;⁴
- (b) Constituted the Work Program presented for approval to the 36th LDCF/SCCF Council in June 2024, requesting \$203.02 million from the LDCF inclusive of GEF project financing and Agency fees for 12 projects and two programs;⁵
- (c) Included all technically cleared projects except for one in the two Work Programs in a timely manner, with the average time from the initial PIF submission to the CEO PIF clearance of 74 days for the February 2024 LDCF/SCCF Work Program and 87 days for the June 2024 LDCF Work Program. While almost all projects were submitted on or near the receipt deadline of PIFs for Work Program consideration, some did not meet the technical clearance deadline for the February 2024 Work Program and therefore took longer to reach the CEO PIF clearance. Technical approval of projects and the Work Program constitution continue to be done as expeditiously as the current GEF project cycle allows;

⁴ GEF, 2024, [Work Program for the Least Developed Countries Fund and the Special Climate Change Fund](#), Council Document GEF/LDCF.SCCF.35/03.

⁵ GEF, 2024, [Work Program for the Least Developed Countries Fund](#), Council Document GEF/LDCF.SCCF.36/03.

- (d) Organized two LDCF/SCCF Council meetings, including preparation and posting of Council documents;
- (e) Finalized CEO endorsements of 10 LDCF projects and one LDCF/SCCF multi-trust fund (MTF) project totaling \$86.5 million of LDCF resources and \$0.5 million of SCCF resources, including GEF project financing, project preparation grant (PPG) and Agency fees, and CEO approval of two projects totaling \$2.6 million of LDCF resources, including GEF project financing, PPG and Agency fees. Additional projects are also expected to be endorsed and approved before the end of the fiscal year;
- (f) Organized a Ministerial Dialogue and Pledging Session during COP 28 at Dubai, United Arab Emirates, where nine donors, namely Belgium, Canada, France, Germany, Ireland, Norway, Spain, Sweden, and the United Kingdom jointly pledged \$179.2 million in the new funding to the LDCF and SCCF. Additionally, Denmark, the Netherlands, Switzerland, and the United States signaled political support for the two funds;⁶
- (g) Organized several climate adaptation-related sessions and dialogues during the seventh GEF Assembly in Vancouver, Canada, in August 2024, including the high-level ministerial event to announce the winners of the Inclusive GEF Assembly Challenge Program;
- (h) Under the Dedicated Programs on “Outreach and Capacity Support for LDC and Small Island Developing States (SIDS) Planning and Programming,” four in-person sub-regional adaptation programming and strategy workshops were organized. This includes workshop in Siem Reap, Cambodia in September 2023 for five Asian LDCs; Honiara, Solomon Island, September 2023 for four Pacific LDC SIDS; Addis Ababa, Ethiopia in October 2023 for 17 Anglophone African LDCs and Yemen;⁷ and Santo Domingo, Dominican Republic in March 2024 for 16 non-LDC SIDS from the Caribbean region. In addition, a virtual workshop was organized in April 2024 for 15 non-LDCs SIDS in the Pacific, Indian, and Atlantic Oceans;
- (i) These workshops were designed and delivered to strengthen capacity and skills of the LDCs and SIDS in translating their adaptation priorities into high impact projects for accessing LDCF/SCCF and coordinating with other climate funds for programming. The key topics covered during the workshops included requirements for accessing LDCF and SCCF finance, the LDCF/SCCF project cycle, designing for impact, strengthening the scientific basis of project concepts, and coordination with the Green Climate Fund (GCF). For in-person workshops, learning stations and field visits were organized to exchange knowledge and experience. More than 320 participants, including GEF Council members and alternates, GEF Operational Focal Points (OFPs), UNFCCC national focal points, climate adaptation experts from various ministries and national

⁶ GEF, 2023, In good news for adaptation, donors boost support to LDCF and SCCF

<https://www.thegef.org/newsroom/press-releases/good-news-adaptation-donors-boost-support-ldcf-and-sccf>

⁷ The Secretariat organized a special bilateral workshop with Yemen at COP 28, due to travel challenges encountered by the Yemeni delegation to attend the workshop in Ethiopia.

- institutions, civil society organization (CSO) representatives, private sector and GEF Agencies attended the workshop. These efforts were recognized positively by countries, with LDCs and other Parties referencing them in the SB and COP deliberations;
- (j) Launched the GEF-8 period’s first round of Challenge Program for Adaptation Innovation to support innovative climate change adaptation solutions with a focus on engagement with the private sector;
 - (k) Continued to respond to various UNFCCC COP decisions and guidance of relevance;
 - (l) Carried out reporting to UNFCCC, and engagement in relevant UNFCCC-related bodies and Committees of relevance for climate adaptation. Key engagements include the following:
 - i. Fourth Meeting of the Transitional Committee (TC4) on the operationalization of the new funding arrangements for Loss and Damage in Aswan, Egypt, October 17 to 20, 2023
 - ii. 28th Meeting of the Technology Executive Committee (TEC) on April 16 to 19, 2024 (virtual participation)
 - iii. UNFCCC Meeting “NDC 3.0 – Preparing the next round of NDCs”, in Bonn, Germany, on March 4 to 5, 2024
 - iv. UNFCCC TEC A.3.1. Activity Group (Early Warning System) meeting on March 14, 2024
 - v. Ninth Technical Expert Dialogue and the First Meeting under the Ad hoc Work Programme on the New Collective Quantified Goal on Climate Finance Cartagena, Colombia in April 2024
 - vi. UNFCCC’s NAP Expo 2024 in Dhaka, Bangladesh in April 2024
 - vii. Forty-fifth meeting of the Least Developed Countries Expert Group in February 2024 in Bujumbura, Burundi
 - viii. UNFCCC’s 60th sessions of the Subsidiary Bodies (SB 60) meeting in Bonn, Germany, June 2024
 - (m) Continued engagement in global thought leadership and partnership to accelerate climate adaptation action including participation in adaptation workshops and meetings organized during COP 28, SB meetings, and other forums such as the World Bank Spring Meetings and the Regional Consultation Meeting on Regional Programmatic Approach for Climate Action (RPACA) for Pacific SIDS, held in Fiji in April 2024;
 - (n) Further strengthened collaboration with the GCF under the Long-Term Vision (LTV) on Complementarity, Coherence, and Collaboration between the GEF and GCF⁸ through

⁸ GEF, 2021, [Long-Term Vision on Complementarity, Coherence, and Collaboration between the Green Climate Fund and the Global Environment Facility](#), Council Document GEF/C.60/08.

technical consultations including joint investment planning in Entebbe, Uganda in November 2024 alongside GEF National Dialogue and a joint organization of high-level adaptation events at the COP 28;

- (o) Continued engagement with the other multilateral providers of climate finance, with the view of advancing the collective efficiency and impact of their efforts to support developing countries finance climate action. Organized an official side event at COP 28 titled “Enhancing access and increasing impact: the role of the multilateral climate funds”, where the Heads of the four largest Multilateral Climate Funds (MCFs) announced their commitment to work together to develop an ambitious and concrete action plan to enhance access to climate finance and increase the joint impact of the MCFs’ work.⁹ To develop the action plan, staff from the Secretariats of the GEF, the Adaptation Fund (AF), the GCF, and the CIF gathered in Washington, DC at the GEF Secretariat’s offices for a four-day writing workshop in April 2024. The MCF principals meeting was held to discuss the joint action plan on April 21, 2024 and May 8, 2024, followed by a briefing session for co-chairs of MCF governing bodies on the joint action plan on May 24, 2024;
- (p) Enhanced communications, visibility, and outreach on LDCF/SCCF achievements and unique contributions in climate finance, through various adaptation-related events, feature stories, press releases and strategic messaging through social media platforms;
- (q) Continued to address LDCF/SCCF business needs for the GEF Portal and Dashboard, particularly LDCF SCCF results framework functionality and addressing issues as encountered by Agencies and partners; and
- (r) Continued work to improve data accuracy for LDCF/SCCF projects.

BUSINESS PLAN FOR FY25

10. FY25 marks the third year of implementation of the GEF-8 LDCF/SCCF Adaptation Programming Strategy, which aims to support transformational adaptation in LDCs, SIDS and other vulnerable countries. Through the strategy, the LDCF/SCCF continue to facilitate agile and nimble support to countries to address their urgent climate change adaptation needs and contribute to more inclusive, sustainable, and resilient development. Aligned with the GEF-9 replenishment, the LDCF/SCCF will start the GEF-9 LDCF/SCCF Climate Adaptation Programming Strategy development and negotiations in the second half of the fiscal year.

11. Major tasks to be undertaken in FY25 for the LDCF/SCCF include actions associated with implementing the GEF-8 LDCF/SCCF Adaptation Strategy with robust programming for both funds, developing and organizing consultations for the new, GEF-9 Programming Strategy development, responding to COP guidance, and participating in key events and consultations, in

⁹ <https://www.thegef.org/newsroom/news/enhancing-access-and-increasing-impact-role-multilateral-climate-funds>

addition to the ongoing tasks for the LDCF/SCCF portfolio management.

12. Special efforts will be made to support and facilitate both LDCF and SCCF programming by LDCs and SIDS that have not accessed resources, and discussing with donors to ensure that sufficient resources are mobilized to meet the programming needs in line with the approved GEF-8 financial scenarios.

13. In addition, the three pillars of the Dedicated Programs will advance their implementation with deeper technical engagement to foster sustained endogenous technical capacities for project development, ensure policy coherence and mainstreaming; synthesize portfolio-wide lessons and experiences from LDCF/SCCF investments; and strengthen communication and outreach efforts to enhance profile and visibility of the two funds.

14. The LDCF/SCCF personnel will participate in COP 29 in Baku, Azerbaijan, to be held in-person from November 11 to November 22, 2024, where the work program on setting up new collective quantified goal (NCQG) from the floor of \$100 billion per year will conclude, and deliberations to develop next generation of National Determined Contributions (NDCs) will take place among other important topics such as adaptation finance access and delivery. Guidance to the LDCF and SCCF, and to the GEF are expected.

15. In light of the above, the GEF Secretariat expects continued intensified needs and demands for LDCF/SCCF work and relevant staff engagement in FY25. The proposed business plan for FY24 consists of the following work elements for the Secretariat. The proposed business plan for the Dedicated Programs is also presented below:

- (a) Implement the 2022-2026 GEF Programming Strategy on Adaptation to Climate Change for the LDCF and SCCF and Operational Improvements;¹⁰
- (b) Intensify outreach to, and dialogue with donors, recipient countries, and stakeholders to strengthen LDCF/SCCF's support in addressing critical emerging adaptation needs as well as opportunities for innovative programming, in line with the financial scenarios and to ensure support to eligible countries and leave no LDCs and SIDS behind;
- (c) Commence engagement with donors, recipients, and strategic stakeholders through consultation meetings to develop the GEF-9 LDCF/SCCF Climate Adaptation Programming Strategy for the period of 2026-2030;
- (d) Review project concepts and CEO endorsements to assess their eligibility and to guide countries and Agencies towards impactful project/program design for the LDCF and SCCF in line with the GEF-8 Programming Strategy, also in a timely manner;

¹⁰ GEF, 2022, [*GEF Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund for the GEF-8 Period of July 1, 2022 to June 30, 2026, and the Special Climate Change Fund and Operational Improvements.*](#)

- (e) Organize two LDCF/SCCF Council meetings, including preparation of Council documents and background materials, Work Program constitution, provision of information and responses to queries, and follow-up on Council decisions;
- (f) Provide support to UNFCCC-related reporting, meetings, and other processes, including participation in COP 29 and subsidiary meetings, responding to Party and UNFCCC queries and requests for information, submission of reports, and consultations with the incoming and outgoing COP Presidencies;
- (g) Implement the Challenge Program for Adaptation Innovation supported by LDCF/SCCF based on the first call of concepts in GEF-8 announced in April 2024;
- (h) Continue and further enhance collaboration with the GCF, particularly on the joint investment plan development in five countries (Bangladesh, Fiji, Jamaica, Rwanda, Uganda) with the Taskforce on Access to Climate Finance/the NDC Partnership;
- (i) Advance MCF collaboration in implementing the action plan agreed between the funds to enhance access to climate finance and increase the joint impact of the climate funds;
- (j) Engage in relevant processes on multilateral climate finance channels and climate adaptation, including G7 and G20;
- (k) Continue to work with partners, including GEF Agencies, the GEF Scientific and Technical Advisory Panel (STAP), and other climate funds, to build and share knowledge of gender-related results, and enhance capacity to address impact and sustainability of outcomes;¹¹
- (l) Continue outreach to the LDC Group and partners on the LDC Work Programme, within the LDCF mandate;
- (m) Support the CEO and senior management in global thought leadership and partnership to build momentum for adaptation action, to mainstream climate resilience, and to explore adaptation opportunities;
- (n) Monitor the project portfolio under implementation and recently completed, and follow up with Agencies and countries on concerns articulated in the Annual Monitoring Review; and
- (o) Further engage in the improvements of data accuracy of LDCF and SCCF projects in the ongoing work on the GEF-wide Portal development.

16. For the Dedicated Programs, FY25 will continue with the implementation of the outreach and capacity support programs and the communication and visibility enhancement. The team will also launch the organizational learning and coordination element of the Dedicated Program in FY25. Specific activities are summarized as follows:

¹¹ This activity is aligned with recommendations from the [2020 Program Evaluation of the Least Developed Countries Fund](#) by GEF IEO (Council Document GEF/LDCF.SCCF.29/E/01).

- (a) Dedicated Program 1 on Communication and Visibility Enhancement: Continue to support robust outreach efforts in close coordination with the Communications Team of the GEF. Enhance collaboration with GEF Implementing Agencies to leverage project outcomes, impact, and experience in support of effective communication and outreach on LDCF/SCCF achievements, lessons learned, unique contributions, and the outcomes of partnerships to accelerate adaptation action. Update and implement the communication and outreach strategy, with a focus on the development of outputs that effectively position the LDCF/SCCF within the international climate finance ecosystem and communicate the unique contribution of the funds to global adaptation efforts.
- (b) Dedicated Program 2 on Outreach and Capacity Support: Advance implementation of the this program on country planning and programming with an deeper technical engagement on thematic area identified during the regional programming and strategy workshop. This is to foster sustained endogenous technical capacities through institutions in the LDCs and SIDS for project development, policy coherence and mainstreaming climate change adaptation into national plans and programs for scaled up and effective climate change adaptation in the LDCs and SIDS. Continue collaboration with GCF through the implementation of the LTV, including identification of additional joint initiatives between the LDCF/SCCF and the GCF, and support the national investment planning process, including joint outreach and consultations with countries.
- (c) Dedicated Program 3 on Organizational Learning and Coordination: Launch this Dedicated Program in FY25, complementing and building on networks and partnerships mobilized through LDCF/SCCF programming. Produce knowledge and learning products and/or initiatives, in coordination with communication and visibility enhancement elements advanced through Dedicated Program 1, as well as outreach and capacity support elements advanced through Dedicated Program 2.

GEF SECRETARIAT FY25 ADMINISTRATIVE BUDGET FOR LDCF AND SCCF

FY24 Current Status

17. The approved FY24 administrative budget for the GEF Secretariat was \$3,775,598 for the LDCF and \$1,229,022 for the SCCF.¹² The FY24 budget included financing for staff, consultants, travel, publications and outreach, meetings, general costs necessary for the operations of these funds, as well as the Dedicated Programs budget.

18. The FY24 projected expenditure for the GEF Secretariat currently stands at \$2,431,045 for the LDCF, at 64.4 percent of FY24 budget, and \$727,868 for the SCCF, at 59.2 percent of the approved FY24 budget. The under-run is attributed to travel and meeting cost savings from both the LDCF and SCCF through back-to-back organization of some meetings and virtual organization

¹² GEF, 2023, [FY24 Administrative Budget and Business Plan for the Least Developed Countries Fund and the Special Climate Change Fund](#), Council Document GEF/LDCF.SCCF.34/06.

of one of the SIDS workshops, and lower staff costs due to two vacancies with onboarding in mid-May 2024 and expected onboarding on July 1, 2024. Also, much of Dedicated Program 1 on Communication and Visibility Enhanced was put on hold pending the onboarding the Senior Communications Officer. Accordingly, planning started in May 2024, therefore contributing to an under-run.

FY25 GEF Secretariat Budget Request

19. The GEF Secretariat's budget request for FY25 amounts to \$4,247,305 for the LDCF and \$1,341,899 for the SCCF.

20. Similar to the FY23 and FY24 budgets, the Secretariat budget includes allocations for the Dedicated Program 1 on Communication and Visibility Enhancement; Dedicated Program 2 on Outreach and Capacity Support; and Dedicated Program 3 on Organizational Learning and Coordination. The introduction of the Dedicated Programs was agreed as part of the Programming Strategy and Operational Improvement negotiations, with an approved four-year resource allocation for the GEF-8 period of \$8 million from the LDCF and \$2 million from the SCCF. These figures are in addition to the agreed four-year administrative budget of \$9 million for the LDCF and \$4.5 million for the SCCF.

21. In order to continue to program the approved GEF-8 resources, the FY25 budget includes \$1,800,000 for the Dedicated Programs from the LDCF, and \$250,000 for Dedicated Programs from the SCCF, including the World Bank administrative support charge of 11 percent described in the section below. The LDCF figure is reduced by \$200,000 compared to the FY24 request, while the SCCF figure is unchanged. This allocation will enable continued intensified efforts on the Dedicated Programs.

22. In FY23, the Council approved the SCCF portion of the Dedicated Program budget (\$250,000) which was to be used upon confirmation of contributions from more than one donor totaling \$10 million or more. With the announcement of contributions to the SCCF at COP 27 and subsequent payments, the Secretariat has started to plan SCCF-focused activities under the Dedicated Programs in the second half of FY23, and continued with modest efforts in FY24. In FY25, the efforts will intensify while maintaining the cost at the low level.

23. The business plan is presented in the above section. Similar to the FY23 and FY24 budgets, the FY25 budget allocations for the Dedicated Programs are included in the budget request to ensure transparency. The requested budget is as follows:

- i. Staff: \$520,000 from the LDCF to cover costs associated with a senior position for the Communications and Visibility Program and a mid-level position on monitoring and organizational learning, included in the personnel charge;
- ii. Consultancies/contracts: \$200,000 from the LDCF and \$50,000 from the SCCF, to cover additional costs associated with the Outreach and Capacity Support Dedicated Program and the Organizational Learning and Coordination Dedicated Program. Both

Dedicated Programs will entail tasks to be carried out by selected partners. The consultancy/contract budget request is reduced for the LDCF, as more duties are to be carried out by staff and also in light of the FY24 expenditures that were somewhat lower than anticipated;

- iii. Travel: \$226,622 from the LDCF and \$50,000 from the SCCF, to cover missions and meeting participation, comparable to the FY24 budget, as described below;
- iv. Publications and Outreach: \$175,000 from the LDCF and \$30,000 from the SCCF, to develop and disseminate outreach materials and to intensify efforts across different media, based on a plan to be developed under Dedicated Program 1;
- v. Costs of meetings: \$500,000 from the LDCF and \$95,255 from the SCCF, to organize and support thematic clinics of priority themes identified by LDCs and SIDS, to organize consultations for the GEF-9 LDCF/SCCF Programming Strategy, and to support joint national investment planning development with the GCF, with a focus on enhancing access to adaptation finance. Cost reduction efforts will be explored by holding meetings jointly or in tandem, and by seeking hybrid modalities.

24. With the inclusion of the Dedicated Program budget as above, the proposed overall increase from the FY24 budget for the FY25 LDCF budget is \$471,707 (12.5 percent) and for the FY25 SCCF budget is \$112,877 (9.2 percent).

25. Requested budgets for regular LDCF/SCCF activities besides the Dedicated Programs are explained below.

26. For staff costs, an amount of \$2,443,479 is included in the FY25 budget request for the LDCF and \$814,493 for the SCCF. Of this amount, \$520,000 is allocated to the Dedicated Programs share of the LDCF, as described above. The amounts requested, including the Dedicated Programs share, reflect an increase of 35.1 percent for the two funds. The increase is attributable to the following: (i) to move from cost-shared staffing at GG and GF level to full-time positions focused on LDCF/SCCF, due to increased workloads associated with growth in the portfolio and programming; (ii) to add two junior/mid-career positions to reinforce financial and data management; and (iii) to account for the FY25 Salary Rate Increase (SRI). Similar to the GEF corporate budget, the LDCF/SCCF personnel cost increases annually based on the SRI approved by the Board of the World Bank for staff, which applies automatically to staff of the GEF Secretariat. This increase is expected to be 5.6 percent.¹³

27. For consultants, \$20,000 is requested from the LDCF and \$10,000 for the SCCF for FY25, which is reduced for the LDCF and comparable to the SCCF request for FY24. The amounts are proposed for tasks associated with the initiation of the GEF-9 Programming Strategy development.

¹³ As stated in the GEF Business Plan and Corporate Budget for FY25, the level of SRI increase is based on current information from the World Bank.

28. As for travel, \$87,500 and \$30,000 are requested in FY25 under the LDCF and SCCF, respectively. The requested amount is at the same level for the LDCF and slightly reduced for the SCCF compared to the approved FY24 budget. The travel figures reflect the following:

- (a) Engagement on climate funds-related consultations, coordination, and workshops;
- (b) Travel needs associated with the implementation of the GEF-8 Programming Strategy for LDCF/SCCF, such as engagements in National Dialogues and Constituency Meetings;
- (c) Travel needs associated with the launch of the development of, and consultations for, the GEF-9 Programming Strategy for LDCF/SCCF; and
- (d) Travel costs associated with UNFCCC negotiations, committees, and other working bodies.

29. For publications and outreach, the request for the LDCF and SCCF is zero, as virtually all efforts related to publications and outreach will be aligned with, and financed by, Dedicated Program 1.

30. For general operations costs, the LDCF/SCCF will assume a larger percentage and monetary amount of the GEF Secretariat's share of lease in FY25, at 10 percent and \$198,000, and requests for office lease for \$118,800 for the LDCF and \$79,200 for the SCCF. As described in the GEF Trust Fund FY25 budget request, the lease budget presented for the LDCF/SCCF includes costing figures for office space based on the longer-term lease, for Council consideration.¹⁴

31. A budget for IT systems (Portal) of \$40,000 for the LDCF and \$35,000 for the SCCF is requested for FY25 to continue to develop the GEF-8 LDCF/SCCF results framework functionality, and to carry out other tasks identified. The requested budget figures are comparable to the FY23 and FY24 approved figures.

32. The costs of meetings are requested for \$15,000 for the LDCF and \$15,000 for the SCCF, recognizing the projected increase in costs to be borne by the LDCF/SCCF to support additional meeting organizations. The budget is expected to jointly support LDCF/SCCF consultations organized for the initiation of the GEF-9 Programming Strategy development with the Dedicated Programs budget, UNFCCC meetings, expenses from and for the LDCF/SCCF Council, and other key activities. Some meetings are expected to take place virtually, resulting in cost savings.

World Bank Administrative Support

33. Similar to the GEF corporate budget, the FY25 budget request includes a cost line introduced in FY24 to pay for administrative support from the World Bank.¹⁵ This is calculated at an indirect charge of 11 percent on all direct costs, leading to a cost of \$420,904 for the LDCF and \$132,981 for the SCCF in FY25. This is in line with the decision taken at the 64th Council in June

¹⁴ GEF, 2024, [GEF Business Plan and Corporate Budget for FY24](#), Council Document GEF/C.64/03.

¹⁵ Ibid.

2023 to apply an indirect rate of 11 percent (ceiling), otherwise to be adjusted to 7 percent.

34. In addition to the new indirect charge rate, the LDCF/SCCF would also continue to pay the World Bank for the costs of IT equipment (laptops, printing, etc.) and for work to support and develop IT systems tailored to the LDCF/SCCF business needs, including the GEF Portal.

35. The GEF Secretariat's FY25 budget requests are summarized in Table 1 and Table 2.

Table 1: GEF Secretariat FY25 Budget Request for LDCF

L D C F							
Expense Category	FY24 Approved Budget	FY24 (Actual/Projected Costs)	Comparison between FY24 Actual/Projected and Approved Budgets		FY25 Budget Request	Comparison between FY24 Approved and FY25 Requested Budgets	
	\$	\$	\$	%	\$	\$	%
Staff Costs (Salaries and Benefits)	1,687,747	1,191,490	-496,257	-29.4%	2,443,479	755,732	44.8%
Variable Costs	1,597,500	882,697	-714,803	-44.7%	1,224,122	-373,378	-23.4%
Consultants	30,000	133,795	-146,205	-52.2%	20,000	-10,000	-33.3%
Consultants for Dedicated Program	250,000				200,000	-50,000	-20.0%
Travel	87,500	253,795	-133,705	-34.5%	87,500	0	0.0%
Travel for Dedicated Program	300,000				226,622	-73,378	-24.5%
Publications and Outreach	0	90,535	-134,465	-59.8%	0	0	0.0%
Publications and Outreach for Dedicated Program	225,000				175,000	-50,000	-22.2%
Costs of Meetings	5,000	404,572	-300,428	-42.6%	15,000	10,000	200.0%
Costs of Meetings for Dedicated Program	700,000				500,000	-200,000	-28.6%
Fixed Costs	116,193	115,944	-249	-0.2%	158,800	42,607	36.7%
General Operations Costs (office lease)	76,193	75,029	-1,164	-1.5%	118,800	42,607	55.9%
IT systems (Portal)	40,000	40,915	915	2.3%	40,000	0	0.0%
Total without indirect charge	3,401,440	2,190,131	-1,211,309	-35.6%	3,826,401	424,961	12.5%
WB Admin Support (11% indirect charge)**	374,158	240,914	-133,244	-35.6%	420,904	46,746	12.5%
GRAND TOTAL	3,775,598	2,431,045	-1,344,553	-35.6%	4,247,305	471,707	12.5%

Table 2: GEF Secretariat FY24 Budget and FY25 Budget Request for SCCF

S C C F							
Expense Category	FY24 Approved Budget	FY24 (Actual/ Projected Costs)	Comparison between FY 24 Actual/Projected and Approved Budgets		FY25 Budget Request	Comparison between FY24 Approved and FY25 Requested Budgets	
	\$	\$	\$	%	\$	\$	%
Staff Costs (Salaries and Benefits)	723,320	411,341	-311,979	-43.1%	814,493	91,173	12.6%
Variable Costs	295,225	228,665	-66,560	-22.5%	280,225	-15,000	-5.1%
Consultants	10,000	125,203	65,203	108.7%	10,000	0	0.0%
Consultants for Dedicated Program	50,000				50,000	0	0.0%
Travel	35,000	26,953	-58,047	-68.3%	30,000	-5,000	-14.3%
Travel for Dedicated Program	50,000				50,000	0	0.0%
Publications and Outreach	20,000	-	-50,000	-100.0%	0	-20,000	-100.0%
Publications and Outreach for Dedicated Program	30,000				30,000	0	0.0%
Costs of Meetings	5,000	76,509	-23,716	-23.7%	15,000	10,000	200.0%
Costs of Meetings for Dedicated Program	95,225				95,225	0	0.0%
Fixed Costs	88,681	87,861	-820	-0.9%	114,200	25,519	28.8%
General Operations Costs (office lease)	53,681	52,861	-820	-1.5%	79,200	25,519	47.5%
IT systems (Portal)	35,000	35,000	0	0.0%	35,000	0	0.0%
Total without indirect charge	1,107,227	727,868	-379,359	-34.3%	1,208,918	101,691	9.2%
WB Admin Support (11% indirect charge)**	121,795	80,065	-41,729	-34.3%	132,981	11,186	9.2%
GRAND TOTAL	1,229,022	727,868	-501,154	-40.8%	1,341,899	112,877	9.2%

STAP FY25 Administrative Budget for LDCF and SCCF

Responsibilities of STAP

36. In FY24, STAP continued to collaborate with GEF Partners and the GEF Secretariat to enhance the delivery of adaptation benefits from GEF investments. STAP paper on “delivering climate change adaptation benefits in GEF Trust Fund projects” focuses on how to enhance climate change adaptation benefits from GEF Trust Fund projects by improving their design. The paper analyzed 37 GEF Trust Fund projects to determine the extent to which they could also deliver climate adaptation benefits in addition to their targeted GEBs and then provided advice on how their adaptation benefits can be enhanced. STAP also screened 17 LDCF and 3 SCCF full-sized projects, as well as 7 multi-trust funds full-sized projects (involving climate change adaptation) in FY24.

37. STAP will continue to screen full-sized LDCF/SCCF projects for their scientific and technical soundness and provide advice on how they can be improved to maximize the adaptation benefits of GEF investments. In addition, STAP will continue to provide advice on strategies and policies for the LDCF/SCCF.

38. STAP’s FY25 budget request for LDCF and SCCF is summarized in the Tables below. STAP work program activities for FY24 have been implemented within the approved budget. The FY25 budget request includes a slight increase to reflect cost-of-living increases. Figures for FY24 expenditures are estimates, as final audited results are not yet available.

Table 3: STAP FY25 Budget Request for LDCF

STAP – Secretariat Expense Category	FY24 Budget \$ millions	FY24 Estimated expenditures* \$ millions	FY25 Request \$ millions
Staff Costs			
Salaries and Benefits	0.059	0.059	0.082
Travel	0.007	0.007	0.01
Consultant Costs, Fees, Travel (excludes PM travel)	0.020	0.020	
Panel Members Honoraria, STAP Meetings	0.025	0.025	0.025
Travel	0.012	0.012	0.012
General Operating Costs			
Office space, equipment, printing/design, communications, supplies, corporate services	0.010	0.010	0.010
TOTAL	0.133	0.133	0.139

Table 4: STAP FY25 Budget Request for SCCF

STAP – Secretariat Expense Category	FY24 Budget \$ millions	FY24 Estimated expenditures* \$ millions	FY25 Request \$ millions
Staff Costs			
Salaries and Benefits	0.059	0.059	0.082
Travel	0.007	0.007	0.01
Consultant Costs***, Fees, Travel (excludes PM travel)	0.020	0.020	
Panel Members Honoraria, STAP Meetings	0.025	0.025	0.025
Travel	0.012	0.012	0.012
General Operating Costs			
Office space, equipment, printing/design, communications, supplies, corporate services	0.010	0.010	0.010
TOTAL	0.133	0.133	0.139

*Audited figures not yet available

TRUSTEE FY25 ADMINISTRATIVE FEES FOR LDCF AND SCCF

Least Developed Countries Fund

39. As agreed with donors under the Trust Fund Administration Agreements, the Trustee receives an annual administrative fee to cover reasonable actual expenses incurred by the Trustee in carrying out the Trustee function for the LDCF.

40. The core elements of the Trustee’s work program in FY25 include: (i) management of donor contributions; (ii) financial and investment management of resources; (iii) commitments and disbursements to the GEF Agencies; (iv) infrastructure and systems support; (v) accounting and reporting for the financial and operational activities of the LDCF; and (vi) preparation of amendments and finalization of Financial Procedures Agreements (FPAs) between the Trustee and the GEF Agencies. Table 1 below shows the breakdown of the Trustee fee by services provided to the LDCF.

Table 5: LDCF: Budgetary Requirements for Services Provided by the Trustee (in USD)

Trustee Services	FY24 Approved Budget	FY24 Expected Actual	FY25 Proposed Budget
Financial Management and Relationship Management	65,000	65,000	75,000
Investment Management ^{a/}	383,000	448,000	459,000
Accounting and Reporting	27,000	23,000	28,000
Legal Services	27,000	19,000	28,000
Total Costs	502,000	555,000	590,000
a/ Investment management cost is a variable cost that is calculated based on 4.5 basis points of the average annual balance of the Trust Fund.			

41. The fees for Trustee services for FY24 will be \$555,000. These fees are \$53,000 higher than approved budget mainly due to increased investment management fees, which is partially offset by reduction in accounting and legal fees. The actual average liquidity balance for LDCF of \$995 million for FY24 was higher than the projected balance of \$850 million which led to higher investment management fees.

42. For FY25 budget to cover expenses of the above work program, the Trustee requests a budget of \$590,000. This is \$35,000 higher compared to the FY24 estimated actual cost due to the expected growth of activities in the LDCF. The actual investment management costs will vary depending on the actual average liquidity level during FY25.

Special Climate Change Fund

43. As agreed with donors under the Trust Fund Administration Agreements, the Trustee will receive an annual administrative fee to cover reasonable actual expenses incurred by the Trustee in carrying out the Trustee function for the SCCF.

44. The core elements of the Trustee’s FY25 work program for the SCCF include: (i) management of donor contributions; (ii) financial and investment management of resources; (iii) commitments and disbursements to the GEF Agencies; (iv) infrastructure and systems support; (v) accounting and reporting for the financial and operational activities of the SCCF; and (vi) preparation of amendments and finalization of Financial Procedures Agreements (FPAs) between the Trustee and the GEF Agencies. Table 2 below shows the breakdown of the Trustee fee by services provided to the SCCF.

Table 6: SCCF: Budgetary Requirements for Services Provided by the Trustee

Trustee Services	FY24 Approved Budget	FY24 Expected Actual	FY25 Proposed Budget
Financial Management and Relationship Management	46,000	46,000	47,000
Investment Management /a	21,000	31,000	38,000
Accounting and Reporting	19,000	19,000	19,000
Legal Services	24,000	19,000	26,000
Total Costs, including Special Initiative	110,000	115,000	130,000
a/ Investment management cost is a variable cost that is calculated based on 4.5 basis points of the average annual balance of the Trust Fund.			

45. The FY24 fees for Trustee services are expected to be \$115,000, which are slightly higher than the approved budget of \$110,000 due to higher investment management fees.

46. To cover FY25 expenses of the above work program, the Trustee requests a budget of \$130,000 which is higher with the total FY24 approved budget. It is expected that there would be a marginal increase in financial management, investment management and legal costs. The actual investment management costs will vary depending on the actual average liquidity level during FY25.

GEF INDEPENDENT EVALUATION OFFICE FY25 ADMINISTRATIVE BUDGET FOR LDCF AND SCCF

47. The GEF IEO has submitted a FY25 Work Program and Budget for the IEO under the LDCF and SCCF to the 36th LDCF/SCCF Council as a separate document for Council decision.¹³

48. For FY25, the GEF IEO requests \$203,073 from the LDCF and \$144,715 from the SCCF, for a total of \$347,788. In comparison, the FY24 approved IEO budget was \$204,400 for the LDCF and \$135,100 for the SCCF, for a total of \$339,500.

TOTAL FY25 REQUESTED ADMINISTRATIVE BUDGET FOR LDCF AND SCCF

49. The total consolidated FY25 budget request for the GEF Secretariat, STAP, and the Trustee is \$4,976,305 for the LDCF and \$1,610,899 for the SCCF as shown in Table 7.

50. With the GEF IEO budget request, to be separately approved by the LDCF/SCCF Council, the total FY25 budget request stands at \$5,179,378 from the LDCF and \$1,755,614 from the SCCF.

51. The agreed four-year Dedicated Program budget is \$8 million for the LDCF and \$2 million for the SCCF. The agreed four-year administrative budget is \$9 million for the LDCF and \$4.5 million for the SCCF. The FY25 budget request is 30.5 percent of the sum of the agreed LDCF budget for the Dedicated Programs and the administrative budget, and 27.0 percent of the agreed SCCF four-year budget figures. The Secretariat is committed to manage the GEF-8 LDCF/SCCF budget within the agreed envelope.

Table 7: Consolidated FY25 Budget Request for LDCF and SCCF

	LDCF FY25 (\$)	SCCF FY25 (\$)	Total FY25 (\$)
GEF Secretariat	4,247,305	1,341,899	5,589,204
STAP	139,000	139,000	278,000
Trustee	590,000	130,000	720,000
Total Request	4,976,305	1,610,899	6,587,204
GEF IEO*	203,073	144,715	347,788
Total	5,179,378	1,755,614	6,934,992

* to be approved separately by LDCF/SCCF Council

52. As presented in Table 8, the total FY25 budget request for LDCF, including the GEF Secretariat, STAP, the Trustee, and the GEF IEO is \$5,64,380 or 12.2 percent, additional to the FY24 budget. Most of the increase is attributable to the additional inclusion of the GEF-8 Dedicated Programs, personnel, and the start of the GEF-9 Programming Strategy development.

Table 8: Comparison of FY24 and FY25 Budget Requests for LDCF

	LDCF FY24 (\$)	LDCF FY25 (\$)	Difference (\$ and %)
GEF Secretariat	3,775,598	4,247,305	471,707
			12.5%
STAP	133,000	139,000	6,000
			4.5%
Trustee	502,000	590,000	88,000
			17.5%
GEF IEO*	204,400	203,073	-1,327
			-0.6%
Total	4,614,998	5,179,378	564,380
			12.2%

* to be approved separately by LDCF/SCCF Council

53. As for the SCCF, the total FY25 budget request is \$148,492, or 9.2 percent, more than the FY24 budget, as presented in Table 9.

Table 9: Comparison of FY24 and FY25 Budget Requests for SCCF

	SCCF FY24 (\$)	SCCF FY25 (\$)	Difference (\$ and %)
GEF Secretariat	1,229,022	1,341,899	112,877
			9.2%
STAP	133,000	139,000	6,000
			4.5%
Trustee	110,000	130,000	20,000
			18.2%
GEF IEO*	135,100	144,715	9,615
			7.1%
Total	1,607,122	1,755,614	148,492
			9.2%

* to be approved separately by LDCF/SCCF Council