

39th LDCF/SCCF Council Meeting

December 17, 2025

Virtual

HIGHLIGHTS OF THE COUNCIL'S DISCUSSIONS

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The following is a record prepared by the GEF Secretariat of comments and clarifications of key points made by Council Members. This record is supplemental to the Summary of the Co-Chairs, which records the decisions agreed upon by the Council.

Agenda Item 01 Opening remarks and Adoption of the Agenda

1. The 39th meeting of the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) Council was opened by Mr. Richard Bontjer, the Co-Chair and Council Member for the Constituency of Australia, New Zealand, and the Republic of Korea.
2. In his opening remarks, the Co-Chair emphasized the importance of ensuring the flow of climate funds to those most in need, particularly in LDCs and SIDS.
3. The Co-Chair highlighted the significant climate vulnerability and uncertainty in the Greater Pacific region, where four of its 26 members are LDCs facing extreme sea level rise, ecosystem degradation, infrastructure degradation, and heightened water and food security.
4. The Co-Chair also expressed Australia's readiness in working with the GEF to raise visibility and strengthen GEF partnership in the region. He concluded his remarks by underscoring the potential of the 31st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP31) to provide opportunities for advancing climate resilience priorities, particularly in the Pacific.
5. The outgoing LDC Group Chair, who is also the current Council Member for the Southern Africa constituency, Mr. Evans Njewa, provided opening remarks. He expressed gratitude to the Council and the GEF Secretariat for supporting over the past two years during his tenure as LDC

Group Chair and informed the Council that this meeting marks the conclusion of his term as the LDC Group Chair.

6. Mr. Njewa commended the convening of the Council meeting, noting that it took place immediately after COP30. He expressed concern about the deferral of technically cleared projects for the second time in row, following the previous deferral during the 38th Council meeting in June 2025, due to insufficient LDCF financial resources.

7. Mr. Njewa concluded by calling for renewed support for LDCs through the LDCF, which provides unmatched value compared to other climate finance mechanisms in supporting over 1.6 billion people in the LDCs to adapt to climate challenges.

8. The incoming LDC Group Chair, Mr. Adao Soares Barbosa, Timor-Leste's Special Envoy and Ambassador for Climate Affairs, delivered introductory remarks. He thanked the Council and the GEF Secretariat for the invitation to engage ahead of officially assuming Office and highlighted the importance of collective efforts in building resilience in vulnerable countries.

9. The Co-Chair presented the meeting agenda to the Council and invited comments and additional items under AOB. Some Council Members requested the inclusion of a pledging session to announce additional financial contributions to the LDCF and SCCF. The request was confirmed, and the agenda was adopted.

Agenda Item 02 Work Program for the Least Developed Countries Fund and Special Climate Change Fund

10. Council Members welcomed the Work Program and congratulated Eritrea, Haiti, Kiribati, Senegal, and the Marshall Islands on accessing the LDCF and SCCF resources for the first time in GEF-8. They also welcomed the level of co-finance to be mobilized, especially by the World Bank, and hoped to see some more co-finance from the private sector in future Work Programs.

11. Council Members further expressed appreciation for the strong private sector engagement across all projects, through small and medium enterprises, public-private partnerships, and entrepreneurship incubation for women and youth.

12. Council Members acknowledged the resource constraints affecting LDCF's ability to support all technically cleared projects and urged all donor countries to contribute to the LDCF. They further encouraged the GEF Secretariat to strengthen its outreach to nontraditional donors in order to achieve LDCF's financial scenario A, as agreed for the GEF-8 period.

13. Some Council Members highlighted the importance of aligning projects with national policies, including adaptation plans, and of involving local actors to achieve project success. They also appreciated the level of holistic synergies across biodiversity, climate, and other environmental challenges, as well as the complementarity with other financial institutions like the Green Climate Fund.

14. Some Council Members commended the inclusion of several fragile and conflict-affected countries (FCS) in the Work Program, noting that this demonstrated progress towards conflict-sensitive programming. They also recommended that a dedicated section on FCS be included in future Work Programs, in line with Council feedback and recent evaluations.

15. Some Council Members also welcomed the project to be implemented in Senegal, stressing on the importance of genuine country ownership and inclusive engagement. They requested clarification on how the project would be institutionally embedded within national policies, strategies, and implementation processes, as well as how complementarities within the project would be operationalized in practice.

16. The civil society network (CSO Network) welcomed the Work Program and appreciated the focus on inclusion, gender equality, and community engagement. The Network also expressed concern over the continued postponement of several LDCF projects due to resources limitations and urged donor countries to ensure greater predictability and timely access to finance, especially for countries facing urgent adaptation needs.

17. In response to some of the comments, the GEF Secretariat thanked Council Members for their positive comments and continued support for the LDCF and SCCF Work Program. Regarding the Senegal project, the Secretariat informed the Council that it would work closely with the concerned Agency to ensure that a thorough planning exercise is undertaken during the preparation of the CEO endorsement document, with all institutional elements, including policy coherence and concrete private sector engagement modalities adequately addressed and reflected in the final project documentation.

Agenda Item 03 Progress Report on the Least Developed Countries Fund and the Special Climate Change Fund

18. Council Members welcomed the Progress Report and thanked GEF Secretariat for its emphasis on measurable results, as presented in the report. They expressed satisfaction with the progress achieved so far, noting that nearly half of all direct beneficiaries and trained individuals are women, and expressed optimism that a 50:50 gender ratio will be achieved soon. They also welcomed countries' renewed commitments to the LDCF, despite the resource constraints, and underscored the pioneering role of the SCCF and the challenge program on adaptation as sources of innovation, demonstrating the fund's capacity to catalyze private capital.

19. The CSO Network welcomed the report and appreciated the progress made on whole-of-society approaches, gender responsiveness, and community ownership as critical factors for effective climate finance, as well as the progress under the SCCF in fostering innovation and partnerships, including with the private sector. They proposed four recommendations to further strengthen LDCF and SCCF programming, including meaningful stakeholder engagement, disaggregated results, capacity building, and enhanced transparency and accountability.

20. Some Council Members noted an overlap between the Progress report and the Annual Monitoring Review (AMR), and suggested that the two reports be streamlined in the future for greater efficiency and clarity. Additional discussion on this took place in Agenda Item 5, as noted below.

Agenda Item 04 Update on the Development of the GEF Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund and the Special Climate Change Fund and Operational Improvements July 2026 to June 2030

21. No interventions were requested

Agenda Item 05 FY25 Annual Monitoring Review of the Least Developed Countries Fund and Special Climate Change Fund

22. Council Members welcomed the Annual Monitoring Review (AMR) report and expressed appreciation for the strong overall performance, as demonstrated by the high level of satisfactory result ratings and the continued progress on gender equality. They further welcomed the introduction of the portfolio-wide risk analysis aligned with the GEF risk appetite, viewing it as a positive step toward a more strategic portfolio oversight. Some Council Members requested clarification on the differences between the timelines presented for the overall portfolio and those for the portfolio under implementation.

23. Council Members welcomed the balanced distribution among implementing agencies reflected in the report and commended the Secretariat for its achievements. They noted with concern the low disbursement rates and suggested that strengthening co-financing, particularly from the private sector, could help address the issue.

24. Some Council members suggested to streamline the Progress Report and the AMR into one report.

25. Some Council Members noted with concern the significant backlog of projects and resources dating back to earlier replenishment periods, including GEF-5, GEF-6, and GEF-7. They recommended that the GEF Secretariat actively push for the conclusion of these outstanding commitments and also requested the Independent Evaluation Office to consider examining the causes of such delays in future evaluation cycles.

26. The CSO Network welcomed the AMR report and appreciated the Secretariat for presenting the portfolio results in a clearer and more trackable manner and recommended more active use of the report as a learning tool during implementation. They also took note of the issues affecting projects delivery and underscored the need for greater flexibility in project delivery modalities, alongside sustained and predictable support for local institutions.

27. In response, the GEF Secretariat thanked Council Members for their positive feedback and constructive comments. The Secretariat clarified the portfolio timelines question, stating that the analysis in the report focused specifically on projects under implementation between July 2024 and June 2025. The Secretariat further acknowledged that there were more projects beyond those analyzed and that it is engaging with agencies to ensure the timely submission of projects implementation reports.

28. On the issue of combining the two reports, the GEF Secretariat clarified that the reports serve different purposes: the AMR focuses on active portfolio within a given fiscal year, while the progress report provides a cumulative operational overview for both funds. However, the Secretariat noted that it is ultimately for the Council to decide on the way forward and advise the

Secretariat on how to proceed. Accordingly, the Secretariat plans to continue to produce the AMR and discontinue the Progress Report.

Agenda Item 6 Other Business

29. During this session, some Council Members from donor countries, including Belgium, Germany, Ireland, and Sweden, announced financial contributions to the LDCF and SCCF.

30. The Co-Chair thanked the four countries for their contributions, noting that they would have a substantive impact on the lives of vulnerable communities affected by climate change. The Outgoing LDC Group Chair also welcomed the contributions and highlighted their timeliness, as several projects were not included in the Work Program due to limited resource availability, and encourage others to contribute.

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