

INTRODUCING THE GEF

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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

THE LEAST DEVELOPED COUNTRY FUND (LDCF)

- **Background:**

- Established by the UNFCCC COP 7 in Marrakech, 2001 to support implementation of the LDC Work Programme
- Initial guidance given to GEF on funding for the preparation of NAPAs as a priority
- NAPA preparation operationalized by GEF in April 2002
- Additional COP guidance given to GEF on implementation of NAPAs at COP 8 (December 2005)
- NAPA implementation operationalized by GEF in May 2006.
- Additional COP guidance given to GEF to fund additional elements of the LDC Work Programme in December 2008



THE LEAST DEVELOPED COUNTRY FUND (LDCF)

- **Financial situation:**

- USD 176 million pledged by 19 donors (October 2009)
- Each eligible country able to access up to USD 5 million, based on the principle of equitable access as of June 2009.
- Prior to June 2009, each country to access up to USD 3.6 million.



GEF's ROLE AS MANAGER OF THE LDCF

Key role of the GEF in NAPA process is to:

- Provide financial oversight for the LDCF and its pipeline.
- Facilitate fund-raising from donors
- Organize and facilitate LDCF/SCCF Council meetings
- Report to UNFCCC and CMP
- Screen projects to assure consistency with agreed criteria (LDCF programming paper - GEF/C.28/18), COP guidance and NAPA priorities.

The role of the GEF is NOT to:

- Overrule NAPA priorities as stated in the NAPAs.
- Micro-managing project activities, budget or implementation arrangements.
- Deliberately slow or block access to funding by complicating approval. procedures or setting too demanding technical standards.
- Manage country-agency relations.



LDCF project cycle - Overview



- **PIF** : A brief concept description, including indicative activities, budget and implementation arrangements. PURPOSE: To determine general eligibility for LDCF funding.
- **PPG**: A request for financial support for development of a more comprehensive project proposal (CEO endorsement).
- **CEO endorsement**: A comprehensive project description, including detailed project argumentation, description of activities, budget, implementation arrangements, etc. PURPOSE: To demonstrate a fully developed project ready for implementation.

LDCF project cycle

Pre PIF activities (GEF not involved)

- Project idea (based in NAPA priorities)
- Identifying implementing partner (among the 10 GEF Agencies)
- Develop project concept into PIF/PPG submission

LDCF project cycle - PIF submission – fundamental review criteria

- **Basic project idea (additional cost argument):**
 - What is the likely baseline development for the targeted sector without LDCF investment?
 - What are the CC vulnerabilities?
 - What are the specific additional activities to be implemented to make baseline development (more) ‘climate resilient’?
- **Implementation set up**
 - Who will implement project and why (including comparative advantage of implementing agency and executing agency)?
 - Coordination with existing projects and programmes to avoid duplication of activities
- **Indicative budget and ‘co-financing’**
- **Fit with NAPA priorities (very important)**

LDCF project cycle – PIF submission and Processing

- PIFs are reviewed by Secretariat on a rolling basis (max 10 working days)
- Generally, if the above 4 issues are described in a clear and technically sound way, the PIF will be cleared for work program inclusion and subsequently web posted for Council consideration for 4 weeks. Once approved, funds are reserved for the project (but not payed out), pending the submission of a fully developed project within 18 months (CEO endorsement).
- If the above 4 issues are **not** sufficiently described, or if the secretariat find technical or budgetary issues in the PIF, a review sheet will go back to the agency with a clear description of the issues blocking the proposal from being cleared.
- PIF can be resubmitted at any time (another 10 working days for review)

LDCF project cycle – PPG submission

- As soon as the PIF is cleared by the CEO (even if not yet approved by Council) the project is eligible for a Project Preparation Grant (PPG)
- Usually PIF and PPG are submitted together to facilitate speedy processing
- The PPG proposal must clearly describe a process toward developing the full project proposal (CEO endorsement), including a budget, and schedule of activities to be implemented.
- PPG's are approved directly by the CEO (no web posting)

LDCF project cycle – CEO Endorsement – Key review criteria

- **Detailed description of the 4 issues mentioned above** – at this point project components, specific (additional) project activities (based on baseline/adaptation alternative scenario argumentation), budget, and implementation set-up, should be fully established.
 - **M&E framework** – including clear ‘impact indicators’ to measure project impact (as opposed to solely ‘process indicators’)
 - **Letters of endorsement for co-financing**
- LDCF projects are endorsed directly by CEO, but web posted for Council information for 4 weeks. Once Endorsed, funds are released to Implementing agency to start implementation.

GEF AGENCIES - COMPARATIVE ADVANTAGES - continued

- When deciding upon an implementing agency for a specific NAPA implementation activity the country may wish to consider the following factors:
 - Local presence of the agency and positive/negative experiences working with the agency on previous projects.
 - The participation of the agency in relevant baseline activities
 - The comparative advantage of the agency for the type of activities considered. Details on comparative advantages can be found in the UNFCCC step by step guide and in the GEF document (GEF/C.31/5)



GEF AGENCIES - COMPARATIVE ADVANTAGES

- **Currently 10 GEF agencies**
 - **Asian Development Bank (ADB)**
 - **African Development Bank (AfDB)**
 - **European Bank for Reconstruction and Development (EBRD)**
 - **Food and Agriculture Organization (FAO)**
 - **Inter-American Development Bank (IADB)**
 - **International Fund for Agricultural Development (IFAD)**
 - **United Nations Development Programme (UNDP)**
 - **United Nations Environment Programme (UNEP)**
 - **United Nations Industrial Development Organization (UNIDO)**
 - **The World Bank (WB).**



THANK YOU!



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