

INTRODUCING THE GEF

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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 paid 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

- **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!



UNEPCC



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