



NAPA implementation: Submitting projects under the LDCF



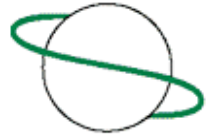
Prepared for

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by

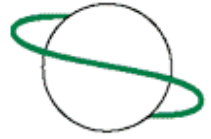
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Global Environment Facility*



From NAPA preparation to NAPA implementation: 4 operational steps

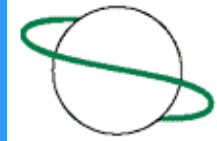
- The NAPA must be completed;
- After NAPA completion, each LDC is invited to develop and submit project proposal/s to address the urgent and immediate needs prioritized by their NAPA;
- In the case of the LDCF, both existing and new modalities may be utilized for project implementation;
- *How to proceed?*



STEP ONE:

Choosing the IA (existing modality)

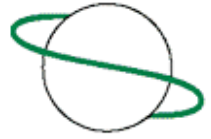
- The IA assists the LDC in preparing a project proposal and during its implementation
- The IA should be selected consistent with its operational expertise on the ground in the vulnerable sector identified by the NAPA
- The IA may or not be the same that supported NAPA preparation (i.e. AfDB, ADB, IFAD, FAO and the World Bank may be selected as well)



STEP TWO: *Preparing a project proposal*

To prepare the project proposal, the LDCs may utilize PPG (project preparation grant) resources (existing modality)

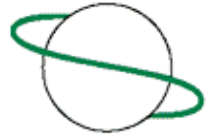
- PPG– up to \$25,000 for MSPs
- PPG – up to \$350,000 for FSPs



STEP THREE: *Developing a project proposal*

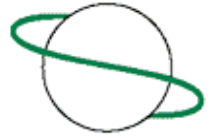
Basic concepts and principles to be included in a project proposal:

- *Goals, objectives, outcomes and outputs*
- *Context: country's vulnerability to cc and description of urgent and immediate needs as identified by the NAPA*
- *Project components (related to the adaptation measures to be implemented)*
- *Additional cost = Full cost of adaptation*
- *Compliance with review criteria*



What costs can be covered by the LDCF?

- Additional Cost (in cases where adaptation is integrated into existing development activities)
- Full Cost (in cases where adaptation is ‘stand alone’, and not related to existing development activities)



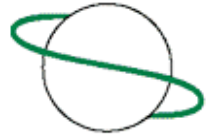
Additional Cost

- ***Definition:** the costs imposed on vulnerable countries to meet their immediate adaptation needs (Decision 3/CP.11)*

The additional cost approach includes:

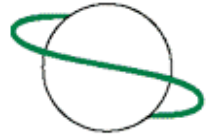
- A **baseline scenario** => what development activities would be undertaken also in absence of cc (baseline costs)
- An **adaptation scenario** => which includes additional activities to be implemented to address the adverse impacts of climate change in the vulnerable sector selected for the project (**baseline costs + additional costs**)

→ The LDCF will finance only **the additional costs** imposed on vulnerable LDC countries to meet their (urgent and immediate) adaptation needs, as identified by their NAPAs.



Additional Cost (continues)

- In the large majority of cases, climate change impacts key development sectors, such as agriculture, water and health. In these cases, the baseline costs (or co-financing) are covered by *existing development financing (resources that the country already has) and the additional costs for adaptation are covered by the LDCF grant.*



Example of additional cost

Project: Building a new water supply system

Baseline costs →

Baseline costs are met through the water agency's development budget, to fund activities that would be implemented anyway, also in absence of climate change

Baseline activities:

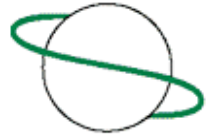
Construction, operation and maintenance, training communities for its operations

Additional cost →

Urgent and immediate adaptation measures needed to address the adverse impacts of climate change, including variability and extremes

Adaptation activities:

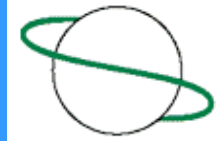
Measures to conserve more water; to improve drought planning and preparedness; to provide access to alternative sources of fresh water in extreme water-stress conditions



How to calculate the additional cost?

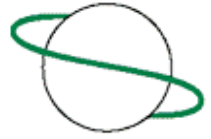
Two options:

1. *Additional cost reasoning* => explaining what are the baseline costs and the additional costs
2. *Sliding scale as a shortcut* => agreed % of baseline and additional costs



Sliding Scale for the LDCF

- $0 > \$300,000$ (total cost) \Rightarrow 100% LDCF
- $\$300K > \$500K$ (total cost) \Rightarrow 75% LDCF
- $\$500K > \$6 M$ (total cost) \Rightarrow 50% LDCF
- $\$6 M > \$18 M$ (total cost) \Rightarrow 33% LDCF
- Total cost over $\$18M$ \Rightarrow 25% LDCF



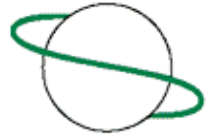
Full Cost

- In case there is *no link to development* and the proposed project is *stand alone adaptation*, the LDCF will cover the full costs (Decision 6/CP.9).
- Insofar, all projects submitted under the LDCF for NAPA implementation are linked to development, and therefore apply the additional cost approach.



STEP FOUR: *Project submission*

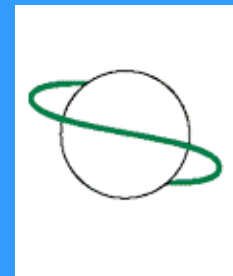
- A completed project concept (including the basic concepts, principles and criteria outlined above) is now ready to be submitted for pipeline entry through the selected IA.
- How long will it take to access the LDCF resources?



The LDCCF Streamlined Project Cycle

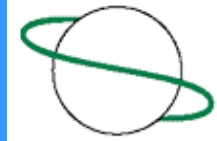
- Submission on a rolling basis
- MSP modality for up to \$2 M
- No objection-based approval – 4 written objections
- Approval phase in one step (plus PPG)
 - ➔ faster access to GEF/LDCCF funding

Outlook: Financial resources for NAPA implementation

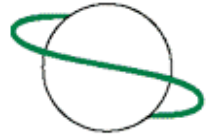


- Existing LDCF resources: over \$150 M
- Pledging meetings
- Contributions are continuing
- Rough estimate of resources needed for the first round of NAPA implementation:
\$3 M average in 47 countries with finished NAPAs or NAPAs under preparation => \$141 M
(for the first 3 years)

General observations: challenges and opportunities



- Increased focus on *development*
- Give priority to *urgent and immediate action*
- How to *integrate climate change risks* and adaptation measures into development projects and activities
- Seek for a wide range of *expertise* and experience on the ground
- Enhancing *partnerships and networks of stakeholders*, with expertise on water, agriculture, health, disaster risk management and other vulnerable development sectors
- *Importance of an ongoing dialog with the LDCs at all stages*
- *enough with studies and assessments: the time for adaptation action is now!*



Thank you

GEF Adaptation-related papers

www.thegef.org

GEF projects database:

www.gefonline.org