



GEF/LDCF.SCCF.13/03

October 15, 2012

LDCF/SCCF Council
November 15, 2012
Washington D.C.

Agenda Item 4

**JOINT WORK PROGRAM FOR THE LEAST DEVELOPED COUNTRIES
FUND AND THE SPECIAL CLIMATE CHANGE FUND SUBMITTED FOR
LDCF/SCCF COUNCIL APPROVAL**

Recommended Council Decision

The LDCF/SCCF Council, having reviewed document GEF/LDCF.SCCF.13/0X, Joint Work Program for the Least Developed Countries Fund and the Special Climate Change Fund, Submitted for LDCF/SCCF Council Approval, approved the work program comprising five project concepts, subject to comments made during the Council meeting and additional comments that may be submitted in writing to the Secretariat by November 29, 2012.

Total resources requested in this work program amount to \$28.544 million for the SCCF and \$1.870 million for the LDCF, including project grants and Agency fees. The approved work program is comprised of the following:

[List of PIFs and PFDs]

[With respect to the following __ projects, the LDCF/SCCF Council requested the Secretariat to arrange for Council members to receive draft final project documents and to transmit to the CEO within four weeks any concerns they may have prior to the CEO's endorsing a project document for final approval by the GEF Agency.

(List of PIFs requested for second review)*

With respect to the ___PIFs approved as part of the work program, the Council finds that each of these PIFs (i) is, or would be, consistent with the Instrument and GEF Policies and procedures, and (ii) may be endorsed by the CEO for final approval by the GEF Agency, provided that the final project documents fully incorporate and address the Council's comments on the work program, and that the CEO confirms that the project continues to be consistent with the Instrument and GEF policies and procedures.

With respect to any PIF approved in this work program, the final project document will be posted on the GEF website for information after CEO endorsement. If the GEF CEO determines that there have been major changes to the project scope and approach since PIF approval, the final project document shall be posted on the web for Council review for four weeks prior to CEO endorsement.

*This paragraph will apply only should Council requests projects to be reviewed by them prior to CEO endorsement

Executive Summary

The work program presented by the Secretariat for LDCF/SCCF Council review and approval is a joint work program presenting five projects under the SCCF Adaptation Program (SCCF-A), one of which is a multi-trust fund initiative that draws resources from SCCF-A and the LDCF.

The total SCCF-A resources requested through this work program amount to \$28.544 million, which includes \$25.973 million in project grants and \$2.419 million in Agency fees. The total LDCF resources requested through this work program amount to \$1.870 million, which includes \$1.700 million in project grants and \$170,000 in Agency fees. Total co-financing amounts to \$141.605 million. Each dollar of SCCF/LDCF project grant is thus matched by \$5.12 in co-financing.

This work program does not represent the full volume of LDCF proposals that have been submitted and cleared since June 2012, but rather only the proposals that request resources under multiple trust funds. LDCF projects are normally submitted on a rolling basis and posted online for review and approval by the LDCF/SCCF Council on a no-objection basis. Twenty stand-alone full-sized projects have been Council Approved for LDCF funding since the twelfth LDCF-SCCF Council Meeting in May 2012. The total LDCF resources approved since May 2012 amounts to \$114.29 million. Total Co-financing amounts to \$463.86 million.

The four full-sized projects under the SCCF-A contained in this work program are (i) *Georgia: Enhancing Resilience of Agricultural Sector in Georgia (ERASIG)*; (ii) *Kyrgyz Republic: Promoting Climate Resiliency of Water Supplies in Kyrgyzstan*; (iii) *Lebanon: Sustainable Agricultural Livelihoods in Marginal Areas (SALMA)*; and (iv) *Tunisia: Addressing Climate Change Vulnerabilities and Risks in Vulnerable Coastal Areas of Tunisia*. The proposed work program contains one multi-trust fund project that draws resources from SCCF-A and the LDCF, namely *Regional (Angola, Namibia and South Africa): Enhancing Climate Change Resilience in the Benguela Current Fisheries System*.

The five projects contained in this work program represent a considerable diversity of sectors such as food and agriculture, coastal management, and water resources. They also cover different regions, GEF Agencies and approaches to climate change adaptation, with considerable potential for replication and scaling up. All the projects in this work program have different innovative aspects ranging from implementation of climate-resilient fisheries management, use of weather index-based insurance scheme and engagement with partners in the private sector.

Currently the number of approved projects and programs under the SCCF-A is 41 (6 MSPs, 32 FSPs and 3 PA) totaling \$162.24 million while 6 FSPs totaling \$26.64 million have been approved under the SCCF Program for Technology Transfer (SCCF-B). The number of approved projects and programs under the LDCF is 82 (6 MSPs, 72 FSPs and one PA, which includes 4 FSPs) totaling \$357.85 million. The present work program requests for 87.2 per cent of available SCCF resources, which amounted to \$32.72 million as of September 30, 2012. Additional projects are under review for inclusion in the next SCCF work program and the demand for SCCF resources continues to greatly exceed current supply. A significant increase in donor contributions is therefore urgently needed.

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MAIN FEATURES OF THE PROPOSED WORK PROGRAM

1. The work program presented by the Secretariat for LDCF/SCCF Council review and approval is a joint work program presenting five projects under the SCCF Adaptation Program (SCCF-A)¹, one of which is a multi-trust fund initiative that draws resources from SCCF-A and the LDCF.

COMPOSITION OF THE LDCF/SCCF WORK PROGRAM

2. The proposed work program under SCCF-A and the LDCF consists of five FSP proposals, documented in Project Identification Forms (PIFs) and requesting SCCF project grants totaling \$25.973 million and LDCF project grants totaling \$1.700 million (see Annex A for financial details of these proposals). Associated with these proposals are requests for fees totaling \$2.419 million and \$170,000 for the GEF Agencies to meet project cycle management costs, resulting in a total request of \$28.544 million from SCCF-A and \$1.87 million from the LDCF.

3. This work program does not represent the full volume of LDCF proposals that have been submitted and cleared since June 2012, but rather only the proposals that request resources under multiple trust funds. LDCF projects are normally submitted on a rolling basis and posted online for review and approved by the LDCF/SCCF Council on a no-objection basis. Twenty stand-alone full-sized projects have been Council Approved for LDCF funding since the twelfth LDCF-SCCF Council Meeting in May 2012. The total LDCF resources approved since May 2012 amounts to \$114.29 million. Total Co-financing amounts to \$463.86 million. Annex C presents all LDCF projects that have been Council Approved since May 2012 on a rolling basis.

4. Table 1 shows the projects and the amounts of resources requested from SCCF-A and the LDCF.

¹ In accordance with UNFCCC Guidance, the SCCF finances activities related to climate change that are complementary to those funded by the GEF in the following areas: (a) adaptation to climate change; (b) technology transfer; (c) energy, transport, industry, agriculture, forestry and waste management; and (d) economic diversification. At COP 9 Parties decided that adaptation activities to address the adverse impacts of climate change shall have top priority for funding and that technology transfer and its associated capacity building activities shall also be essential areas for funding.

Table 1: SCCF-A and LDCF resources requested in the November 2012 Work Program (\$m)

Project	Project Grant	Agency Fee	Total SCCF/LDCF Resources Requested in this WP	Indicative co-financing
SCCF-A Projects				
<i>Georgia: Enhancing Resilience of Agricultural Sector in Georgia (ERASIG) (IFAD)</i>	5.300	0.504	5.804	17.130
<i>Kyrgyz Republic: Promoting Climate Resiliency of Water Supplies in Kyrgyzstan (EBRD)</i>	5.000	0.500	5.500	28.560
<i>Lebanon: Sustainable Agricultural Livelihoods in Marginal Areas (SALMA) (World Bank)</i>	7.148	0.715	7.862	26.100
<i>Tunisia: Addressing Climate Change Vulnerabilities and Risks in Vulnerable Coastal Areas of Tunisia (UNDP)</i>	5.500	0.550	6.050	55.165
Sub-Total for 4 SCCF-A Projects	22.948	2.268	25.216	126.955
Multi-Trust Fund (MTF) Projects				
<i>Regional (Angola, Namibia and South Africa): Enhancing Climate Change Resilience in the Benguela Current Fisheries System (FAO)</i>	3.025 (SCCF-A)	0.151 (SCCF-A)	3.328 (SCCF-A)	14.650
	1.700 (LDCF)	0.170 (LDCF)	1.870 (LDCF)	
Grand Total for 5 Projects	27.673	2.741	30.414	141.605

CO-FINANCING

5. Co-financing associated with this joint work program amounts to \$141.605 million (see Table 2). Each dollar of SCCF-A and LDCF grant is matched by \$5.12 in co-financing.

Table 2: Indicative co-financing in the November 2012 Work Program

Total project grant	27.673
Total co-financing	141.605
Co-financing ratio	1:5.12

CLIMATE CHANGE ADAPTATION STRATEGIES AND THE WORK PROGRAM

6. This work program addresses all three LDCF/SCCF adaptation objectives set forth in the GEF-5 Programming Document. These objectives are the subject of monitoring and reporting in accordance with the results-based management (RBM) policy as projects progress through their implementation phases. These objectives are to (i) reduce vulnerability to the adverse impacts of climate change, including variability, at local, national, regional and global levels; (ii) increase adaptive capacity to respond to the impacts of climate change, including variability, at local,

national, regional and global levels; and (iii) promote the transfer and adoption of adaptation technology.

INNOVATIVE ELEMENTS AND POTENTIAL FOR REPLICATION

7. The five projects contained in this work program represent a considerable diversity of sectors such as food and agriculture, coastal management, and water resources. They involve GEF Agencies and approaches to climate change adaptation, with considerable potential for replication and scaling up. The work program contains the first SCCF-A projects in Georgia, the Kyrgyz Republic, Namibia, Tunisia and Lebanon, as well as the first NAPA implementation project financed under the LDCF in Angola.

8. FAO's regional project in the Benguela Current fisheries system is the first under the LDCF and SCCF-A to focus specifically on the climate-resilient management of marine fisheries. The project will strengthen the knowledge base and institutional capacities for climate-resilient fisheries management, and pilot innovative practices. As a result, the project is well positioned to inform and catalyze additional investments in the region and beyond.

9. In Lebanon and the Kyrgyz Republic, the projects contained in this work program will support climate-resilient, integrated water resources management in rural and urban areas respectively. In addition to tangible investments aiming to strengthen water supplies and to promote the efficient use of water in the face of climate change, both projects contribute towards strengthening national and sub-national institutions and frameworks for water governance. The two projects also place considerable emphasis on community participation in the climate-resilient management of water resources.

10. In Georgia, IFAD will pilot an innovative, weather index-based insurance scheme, which responds to a clear demand among smallholder farmers and which, based on experiences in other middle-income countries, holds considerable potential for replication and scaling up. The proposed insurance scheme will allow the project to have an impact at a greater scale, and in the medium- and long-term, in addition to responding to the urgent adaptation needs of vulnerable rural communities affected by natural disasters in recent years.

11. In Tunisia, the project contained in this work program will strengthen the climate resilience of considerable investments by the Government in coastal erosion control. In addition to safeguarding vulnerable coastal settlements, the project plays an important role in protecting Tunisia's tourism industry from the adverse effects of climate change. The project will engage with partners in the private sector to ensure sustainability and replication of the adaptation measures introduced.

SUMMARY OF PROJECTS IN THE PROPOSED LDCF/SCCF WORK PROGRAM

SCCF-A Projects

12. Georgia: *Enhancing Resilience of Agricultural Sector in Georgia (ERASIG)* (IFAD) (SCCF Project Grant: \$5.3 million). The proposed project seeks to enhance the climate resilience of Georgia's agriculture sector, with a focus on rehabilitating and strengthening the physical and

natural assets that underpin agricultural production. The project addresses the urgent needs of smallholder farmers who have been affected by severe weather events in recent years, while building the long-term resilience of agricultural production and rural livelihoods. The project builds on IFAD's Agricultural Support Project and its small-scale rural infrastructure component in particular.

13. Kyrgyz Republic: *Promoting Climate Resiliency of Water Supplies in Kyrgyzstan* (EBRD) (SCCF Project Grant: \$5 million). The proposed project seeks to improve the climate resilience of water supplies in cities in the Kyrgyz Republic by fully mainstreaming climate change considerations into water infrastructure rehabilitation. The project includes tangible investments to enhance the resilience of water infrastructure, measures to integrate climate change assessments into the development of the water sector, and capacity building for strengthened water governance and community participation. The project builds on current EBRD investments in the water sector.

14. Lebanon: *Sustainable Agricultural Livelihoods in Marginal Areas (SALMA)* (World Bank) (SCCF Project Grant: \$7.15 million). The proposed project seeks to increase access to reliable sources of supplementary irrigation in remote, ecologically vulnerable hilly areas using sustainable land and water management approaches. The project takes an integrated approach to climate-resilient water resources management, promoting supply-side measures to enhance upstream water retention, as well as demand-side measures for increased water-use efficiency in agriculture. The project is fully blended with an IBRD loan of \$20 million and also builds on IFAD's Hilly Areas Sustainable Agricultural Development (HASAD) project.

15. Tunisia: *Addressing Climate Change Vulnerabilities and Risks in Vulnerable Coastal Areas of Tunisia* (UNDP) (SCCF Project Grant: \$5.5 million). The proposed project seeks to promote innovative adaptation strategies, technologies and financing options to address the additional risks posed by climate change on populations and key socio-economic sectors in Tunisia's most vulnerable coastal areas. The SCCF project strengthens the institutions responsible for coastal land use and planning, and implements concrete adaptation actions to facilitate learning by doing. The project builds on Tunisia's National Programme for Coastal Erosion Protection.

Multi-Trust Fund Projects

16. Regional (Angola, Namibia and South Africa): *Enhancing Climate Change Resilience in the Benguela Current Fisheries System* (FAO) (SCCF Project Grant: \$3.03 million; LDCF Project Grant: \$1.7 million). The proposed project seeks to enhance the resilience of the Benguela Current marine fisheries systems to climate change through policy support and institutional capacity building at the regional and national levels, and by introducing climate-resilient management practices in high-risk fisheries. The project builds on several baseline initiatives at the regional and national levels, financed and implemented by FAO, the Benguela Current Commission, UNDP and the three national governments in partnership with regional development banks and bi-lateral agencies.

PROJECT PROPOSALS SUBMITTED FOR LDCF/SCCF COUNCIL APPROVAL

Under the SCCF Trust Fund

November 2012

All amounts shown in US\$.

#	GEF ID	Country	Agency	Project Title	PPG Amt	PPG Fees Paid	SCCF Project Grant	Project Agency Fees	SCCF Project	Cofin.	Total Project Cost
<u>Special Climate Change Fund</u>											
1	5147	Georgia	IFAD	Enhancing Resilience of Agricultural Sector in Georgia (ERASIG)			5,300,000	530,000	5,300,000	17,130,000	22,430,000
2	5115	Kyrgyz Republic	EBRD	Promoting Climate Resiliency of Water Supplies in Kyrgyzstan			5,000,000	500,000	5,000,000	28,560,000	33,560,000
3	5125	Lebanon	World Bank	Sustainable Agricultural Livelihoods in Marginal Areas (SALMA)			7,147,635	714,763	7,147,635	26,100,000	33,247,635
4	5105	Tunisia	UNDP	Addressing Climate Change Vulnerabilities and Risks in Vulnerable Coastal Areas of Tunisia	100,000	10,000	5,500,000	550,000	5,600,000	55,165,000	60,765,000
Sub total for Special Climate Change Fund					100,000	10,000	22,947,635	2,294,763	23,047,635	126,955,000	150,002,635
<u>Multi Trust Funds</u>											
5	5113	Regional (Angola, Namibia, South Africa)	FAO	Enhancing Climate Change Resilience in the Benguela Current Fisheries System			3,025,000	302,500	3,025,000	10,380,000	13,405,000
Sub total for Multi Trust Funds							3,025,000	302,500	3,025,000	10,380,000	13,405,000
<u>Grand Total</u>					100,000	10,000	25,972,635	2,597,263	26,072,635	137,335,000	163,407,635

MULTI-TRUST FUND PROJECT SUBMITTED FOR LDCF/SCCF COUNCIL APPROVAL

Submitted under the LDCF/SCCF Trust Funds

November 2012

All amounts shown in US\$.

#	GEF ID	Country	Agency	Project Title	Trust Fund	PPG Amt	PPG Fees Paid	GEF Project Grant	Project Agency Fees	GEF Grant	Cofin.	Total Project Cost
1	5113	Regional (Angola, Namibia, South Africa)	FAO	Enhancing Climate Change Resilience in the Benguela Current Fisheries System	LDCF			1,700,000	170,000	1,700,000	4,270,000	5,970,000
					SCCF			3,025,000	302,500	3,025,000	10,380,000	13,405,000
					Sub Total			4,725,000	472,500	4,725,000	14,650,000	19,375,000
				Grand Total				4,725,000	472,500	4,725,000	14,650,000	19,375,000

Annex C – LDCF projects that have been Council Approved on a rolling basis since May 2012

Project	Total LDCF Resources Requested in this WP	Indicative co-financing
Full-Sized Projects (FSPs)		
<i>Benin: Strengthening Climate Information and Early Warning Systems in Western and Central Africa for Climate Resilient Development and Adaptation to Climate Change (UNDP)</i>	4.510	18.087
<i>Bhutan: Addressing the risk of climate-induced disasters through enhanced national and local capacity for effective actions (UNDP)</i>	12.750	45.798
<i>Burkina Faso: Strengthening Climate Information and Early Warning Systems in Western and Central Africa for Climate Resilient Development and Adaptation to Climate Change (UNDP)</i>	4.510	28.815
<i>Burkina Faso: Integrating climate resilience into agricultural and pastoral production for food security in vulnerable rural areas through the Framers Field School approach (FAO)</i>	4.191	19.470
<i>Comoros: Enhancing Adaptive Capacity and Resilience to Climate Change in the Agriculture Sector in Comoros (UNDP)</i>	10.000	35.000
<i>Ethiopia: Strengthening Climate Information and Early Warning Systems in Ethiopia to Support Climate Resilient Development (UNDP)</i>	5.500	20.750
<i>Liberia: Strengthening Liberia's Capability to Provide Climate Information and Services to Enhance Climate Resilient Development and Adaptation to Climate Change (UNDP)</i>	7.513	28.428
<i>Madagascar: Adapting Coastal Zone Management to Climate Change in Madagascar (UNEP)</i>	6.013	11.965
<i>Malawi: Strengthening Climate Information and Early Warning Systems in Malawi to support climate resilient development (UNDP)</i>	4.510	17.136
<i>Malawi: Climate Proofing Local Development Gains in Rural and Urban Areas of Machinga and Mangochi Districts (UNDP)</i>	6.015	36.000
<i>Niger: Integrating Climate Resilience into Agricultural and Pastoral Production for Food Security in Vulnerable Rural Areas Through the Farmers Field School approach (FAO)</i>	4.180	19.380
<i>Rwanda: Landscape Approach to Forest Restoration and Conservation (LAFREC) (World Bank)</i>	4.449	24.009
<i>Samoa: Enhancing the Resilience of Tourism- Reliant Communities to Climate Change Risks (UNDP)</i>	2.220	9.300
<i>Sao Tome and Principe: Strengthening Climate Information and Early Warning</i>	4.510	17.850

<i>System in Western and Central Africa for Climate Resilient Development and Adaptation to Climate Change (UNDP)</i>		
<i>Sierra Leone: Strengthening Climate Information and Early Warning Systems in Western and Central Africa for Climate Resilient Development and Adaptation to Climate Change (UNDP)</i>	4.510	18.389
<i>Solomon Islands: Water Sector Adaptation Project (SIWSAP) (UNDP)</i>	7.700	40.225
<i>Tanzania: Strengthening Climate Information and Early Warning Systems in Tanzania to Support Climate Resilient Development (UNDP)</i>	4.510	19.790
<i>Uganda: Strengthening Climate Information and Early Warning Systems in Uganda to Support Climate Resilient Development (UNDP)</i>	4.510	23.664
<i>Zambia: Strengthening Climate Information and Early Warning Systems in Zambia to Support Climate Resilient Development (UNDP)</i>	4.510	23.710
Sub-Total for Full-Sized Projects	114.292	463.865