

GEF/LDCF.SCCF.17/04/Rev.01 October 9, 2014

17<sup>th</sup> LDCF/SCCF Council Meeting October 30, 2014 Washington, DC

Agenda Item 4

# WORK PROGRAM FOR THE SPECIAL CLIMATE CHANGE FUND

#### **Recommended Council Decision**

The LDCF/SCCF Council, having reviewed document GEF/LDCF.SCCF.17/04/Rev.01, *Work Program for the Special Climate Change Fund*, approved the work program comprising six project concepts, subject to comments made during the Council meeting and additional comments that would be submitted in writing to the Secretariat by November 13, 2014.

Total resources requested in this work program amounted to \$31.883 million which include SCCF project financing and Agency fees. The work program is comprised of the following Project Identification Forms (PIFs):

[List of PIFs]

[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 found 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 and STAP reviewer's comments on the work program, and that the CEO confirms that the project continues to be consistent with the Instrument and GEF/SCCF 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 there are 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.

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

#### **EXECUTIVE SUMMARY**

The Special Climate Change Fund (SCCF) work program presented by the Secretariat for LDCF/SCCF Council review and approval consists of six full-sized project concepts requesting SCCF project financing of \$29.117 million and Agency fees of \$2.766 million from the SCCF Program for Adaptation (SCCF-A).

The six project concepts proposed in this work program represent innovative efforts to demonstrate and mainstream climate change adaptation in the management of rural settlements; improve urban and agricultural sectors' climate resilience; mainstream ecosystem-based adaptation into public and private sector policies; enhance the adaptive capacity of the fisheries and aquaculture sector; and climate-proof the infrastructure of ports.

Currently the number of approved projects and programs under SCCF-A is 57, totaling \$240.989 million, while 11 FSPs, totaling \$55.48 million, have been approved under the SCCF Program for Technology Transfer (SCCF-B). The resources available for new funding decisions under the SCCF could meet less than 30 per cent of the resources requested. For this work program, the Secretariat received 26 priority project concepts from ten GEF Agencies, with total funding requests amounting to some \$135 million.

### **Table of Contents**

Main features of the proposed work program1
Composition of the SCCF work program1
Co-financing
Climate change adaptation strategy and the work program1
Innovative elements and potential for replication
Summary of projects in the proposed SCCF work program

## List of Annexes

Annex A:	Project Proposals Submitted for LDCF/SCCF Council Approval under the SCCF-
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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 consists of six full-sized project concepts under the SCCF Program for Adaptation  $(SCCF-A)^{1}$ .

#### COMPOSITION OF THE SCCF WORK PROGRAM

2. The proposed work program under SCCF-A consists of six full-sized project concepts, requesting project financing of \$29.117 million (see Annex A for financial details of the proposal). Associated with these proposals are requests for fees of \$2.766 million for the GEF Agencies to meet project cycle management costs, resulting in a total request of \$31.883 million.

3. The resources available for new funding decisions under the SCCF could meet less than 30 per cent of the resources requested. For this work program, the Secretariat received 26 priority project concepts from ten GEF Agencies, with total funding requests amounting to some \$135 million.

#### **CO-FINANCING**

4. Co-financing associated with this work program amounts to \$275.300 million. Each dollar of SCCF project financing is thus matched by \$9.45 in co-financing.

#### CLIMATE CHANGE ADAPTATION STRATEGY AND THE WORK PROGRAM

5. This work program addresses all three LDCF/SCCF adaptation objectives set forth in the GEF-6 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 the vulnerability of people, livelihoods, physical assets and natural systems to the adverse effects of climate change (CCA-1); (ii) strengthen institutional and technical capacities for effective climate change adaptation (CCA-2); and (iii) integrate climate change adaptation into relevant policies, plans and associated processes (CCA-3).

#### INNOVATIVE ELEMENTS AND POTENTIAL FOR REPLICATION

6. The six projects proposed in this work program represent innovative efforts to demonstrate and mainstream climate change adaptation in the management of rural settlements; improve urban and agricultural sectors' climate resilience; mainstream ecosystem-based

<sup>&</sup>lt;sup>1</sup> In accordance with guidance from the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC), 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.

adaptation into public and private sector policies; enhance the adaptive capacity of the fisheries and aquaculture sector; and climate-proof the infrastructure of ports.

7. This work program contains an innovative initiative that aims to promote the climate resilience of Morocco's port sector in a holistic fashion, including addressing capital investment, institutional strengthening, strategy development, training and monitoring needs. Overall, the project is designed to reduce the expected socio-economic losses associated with climate change and variability. As a consequence of the holistic and innovative approach, the project is well placed to enable replication beyond the targeted areas of implementation.

8. In Vietnam, the project seeks to identify and implement measures to address vulnerability and enhance climate resilience of urban centers. This project will help shape future urban development in Vietnam along a more sustainable and climate resilient pathway through the development of sustainable cities indicators and guidelines, and integrated urban management systems and investments, which will be applied through demonstration cities. This initiative will also enhance capacity and awareness of practitioners and policy-makers in developing "model" sustainable and climate resilient cities, ensuring replication and scaling-up of outputs.

9. The work program further contains two projects that will enhance the resilience and adaptive capacities in the fisheries, aquaculture and agricultural sectors. In Turkmenistan, the SCCF financed initiative will improve adaptive capacity and create enabling conditions for iterative adaptation planning, supporting the government in the integration of climate resilient policies and measures in the water and agriculture sectors. This is expected to enable future cross-sectoral collaboration for scaled-up and integrated adaptation solutions in the country. In Chile, the project will improve fisheries management practices and altering them to respond to the challenges posed by climate change. Activities will be developed in a participative fashion with the local communities, ensuring ownership and potential for scaling up successful practices.

10. Innovative water resources management, addressing risks resulting from climate change, will be demonstrated and deployed as part of two SCCF financed initiatives. In Costa Rica, an innovative project, will improve water supply and promote sustainable water practices of end-users and productive sectors by advancing community-based and ecosystem-based measures in rural aqueduct associations, representing a novelty in adaptation practice. In Egypt, this work program contains a project that will enhance the resilience of poor and vulnerable households by supporting concrete hydrological investments in unison with adaptation mainstreaming into settlement plans. Its potential for scaling up project outputs is enhanced through its full integration of private sector and cooperatives in supporting climate resilient and diversified agriculture.

#### SUMMARY OF PROJECTS IN THE PROPOSED SCCF WORK PROGRAM

11. **Chile:** *Strengthening the Adaptive Capacity to Climate Change in the Fisheries and Aquaculture Sector* (FAO) (SCCF-A Project Financing: \$2.500 million). The proposed project seeks to support capacity building and concrete investments in the fisheries sector in Chile in order to adapt fisheries management practices to climate change. Specifically, the project would (i) strengthen the public and private institutional capacities for effective climate change

adaptation in the fisheries and aquaculture sector at national and local level; (ii) enhance local fisheries and aquaculture adaptive capacity to climate change, through concrete adaptation investments in seven communities, and (iii) sensitize local coastal communities to climate change and adaptive practices. The requested SCCF grant would build on and complement investments made through the Fund for Fisheries Undersecretariat. Total indicative co-financing associated with this project amounts to \$15.600 million.

12. **Costa Rica:** *Strengthening Capacities of Rural Aqueduct Associations' (ASADAS) to Address Climate Change Risks in Water Stressed Communities of Northern Costa Rica* (UNDP) (SCCF-A Project Financing: \$5.000 million). The proposed project seeks to improve water supply and promote sustainable water practices of end-users and productive sectors by advancing community-based and ecosystem-based measures in rural aqueduct associations, to address climate-related hydrological vulnerability in Northern Costa Rica. In particular, the project would (i) support the building of infrastructure; (ii) enhance technical capacities to address projected changes in water availability; and (iii) mainstream ecosystem-based adaptation into public and private sector policy and investments in the targeted areas. The project would further work to improve the credit and purchasing policies of at least 20 agricultural and livestock trading companies and five financial institutions to promote climate-resilient ecosystem practices. Total indicative co-financing associated with this project, provided by the recipient government, amounts to \$26.850 million.

13. **Egypt:** *Integrated Management and Innovation in Rural Settlements* (IFAD) (SCCF-A Project Financing: \$7.812 million). The proposed project seeks to enhance the resilience of poor and vulnerable households in Egypt, including women and men farmers, by supporting investments related to water scarcity, soil and water salinity, increasing temperature, decreasing rainfall and other climate change impacts on the agriculture sector. In particular, the project would (i) mainstream adaptive strategic planning into Egypt's land reclamation strategies; (ii) ensure efficient irrigation technology and accessible energy at the farm level; and (iii) climate-proof value chains and diversify livelihoods at local levels. The project's potential for impact at scale is enhanced by building on investments from IFAD and by ensuring alignment with national strategies. Total indicative co-financing associated with this project amounts to \$39.950 million.

14. **Morocco:** *Enhancing the Climate Resilience of the Moroccan ports sector* (EBRD) (SCCF-A Project Financing: \$6.193 million). The proposed project seeks to reduce the adverse effects of climate change on Morocco's port infrastructure, a critical economic foundation of the country. In particular, the project would support on-the-ground investments in climate-proofing several ports in the country. This would be achieved by building on enhanced capacity and modeling aspects as part of the project and by complementing baseline co-financing mainly from the EBRD. Total indicative co-financing associated with this project amounts to \$48.900 million.

15. **Vietnam:** *Promoting Climate Resilience in Vietnam Cities* (ADB) (SCCF-A Project Financing: \$4.566 million). The proposed project seeks to support climate resilience in Vietnam cities by identifying and implementing adaptation measures and interventions to reduce the vulnerability of the urban sector to climate change impacts. This would be achieved through the development of urban investment criteria and incentives in support of climate-resilient urban

development, strengthening of capacity in the urban management sector and promoting cities' participation in the resilience program. By targeting cities with different attributes such as low-lying and mountainous cities, the project would contribute to the knowledge base and enable replication more rapidly. The project would build upon and complement an ADB-funded initiative that supports sustainable urbanization through investments and capacity building. Total indicative co-financing associated with the proposed project amounts to \$124.000 million.

16. **Turkmenistan:** Supporting Climate Resilient Livelihoods in Agricultural Communities in Drought-prone Areas (UNDP) (SCCF-A Project Financing: \$3.046 million). The proposed project seeks to address critical water scarcity issues in Turkmenistan by providing adaptation benefits to smallholder farmers, including drip irrigation kits, treadle pumps, greenhouses, wells and rainwater harvesting systems. The project would further build capacity by supporting the development of legal, structural and institutional capabilities, include adaptation considerations in sector strategies and plans and adjust sectorial infrastructure investments. Total indicative co-financing associated with this project, primarily from the recipient government, amounts to \$20.000 million.