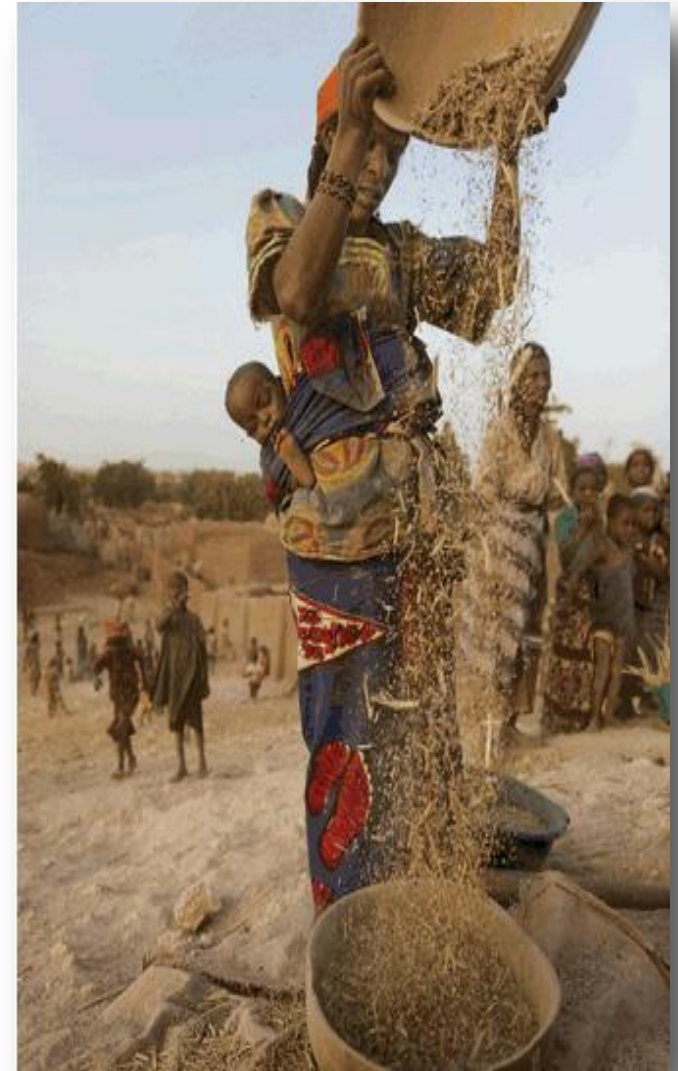


Financing Adaptation under the GEF, LDCF and SCCF

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Outline

- History
 - COP decisions
 - SPA, LDCF and SCCF
- Financing Strategy
 - Adaptation Costs
- LDCF and SCCF status
- New Grounds
 - Multi Focal
 - Programmatic Approach
- Challenges and Opportunities



History: Path to Adaptation Financing

- At the 7th COP of the UNFCCC in Marrakech in 2001, the GEF was given the responsibility of managing SCCF and LDCF and to support an adaptation pilot program.
- **Strategic Priority on Adaptation (SPA)** with allocation of \$50 million from the GEF Trust Fund.
- **Learning from and capitalizing on existing mechanisms**

How Much?

- Cost of Climate Change Adaptation
 - \$ 4 Billion to \$109 billion per year (various studies)
- Cost of Addressing Urgent and Immediate Needs
 - \$ 2.5 -3.0 billion (NAPAs)

Adaptation strategy under LDCF and SCCF

- Supports developing countries that are particularly vulnerable to climate change and in need of adaptation financing
 - Priority areas as identified by COP guidance
- Strategy
 - Reduce vulnerability
 - Increase Adaptive Capacity
 - Transfer of Adaptation Technology

Adaptation measures as part of efforts to foster
climate-resilient development

What to Finance?

- Addressing the adverse impacts of climate change imposes an additional cost on vulnerable countries in their effort to achieve their development goals.

Adaptation costs are Additional Costs to BAU Development

The costs imposed on vulnerable countries to meet their adaptation needs due to the adverse impacts of climate change

LDCF/SCCF meets the costs of adaptation defined as additional costs over business as usual.



Drought resistant crops

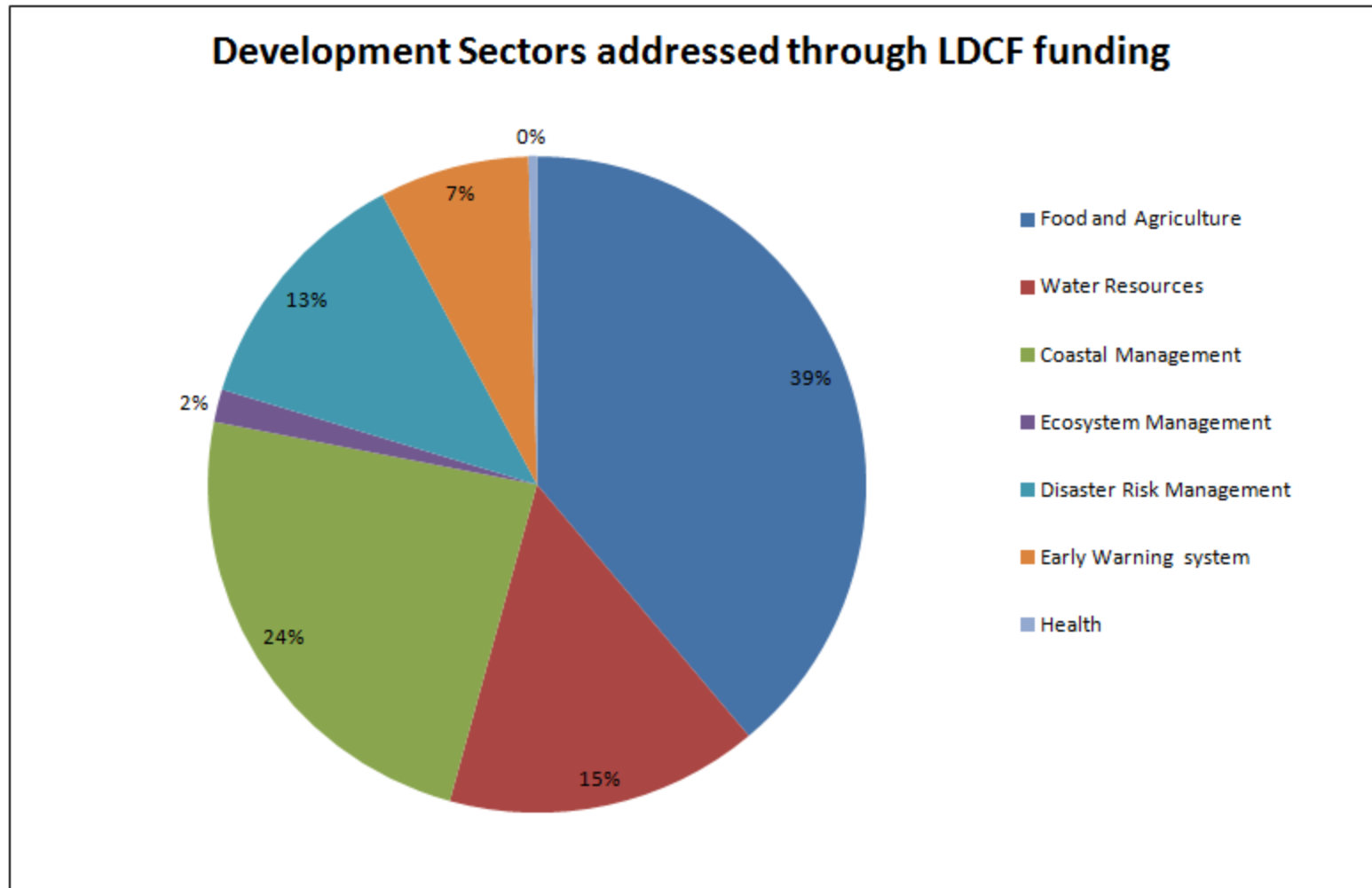


Change in infrastructure design

LDCF Status

- 41 countries have at least one NAPA implementation project
- 51 total projects and programs approved
- 1 regional programmatic approach
- Total grant approved \$212 million (Nov 2011)
- Total pledges to LDCF : Approximately \$ 460 million

LDCF Status



Development Sectors made Climate Change Resilient through LDCF Support

SCCF Status

- By the end of Nov 2011, the SCCF adaptation program (SCCF-A) had mobilized \$137.14 million for projects and programs in non-Annex I countries.
- 39 projects have been approved for SCCF-A funding, leveraging \$1.03 billion in co-financing.
- Total pledges to SCCF: Approximately some \$250 million.

New Grounds

- Scaling up and maximizing impacts
 - Programmatic Approaches
 - Responds to both donors and recipient demand
 - New procedures under the GEF-5 makes it possible
- Building synergies and maximizing impacts
 - GEF's conventional operations under the GEF Trust Fund
 - Multi Focal and Multi Trust Fund Initiatives

Multi-Trust Fund and Programmatic Approaches

A number of LDCF/SCCF programs and projects have mainstreamed adaptation into:

- Natural Resource Management
- Mitigation efforts
- Sustainable Forest Management/REDD
- Finance and Technology Mechanisms



Multi-Trust Fund and Programmatic Approaches

Name	Areas Climate Change Resilience Integrated into	Region/Countries	Grant Amount (Adaptation)	Agency
Sahel and West Africa Program in Support of the Great Green Wall Initiative	Natural Resource Management	Africa	LDCF: \$16 million, SCCF: \$5 million	World Bank
Desert Ecosystems and Livelihoods Program (MENA-DELP)	Biodiversity, Land Degradation, Climate Change Mitigation	Middle East and North Africa	SCCF: \$3 million	World Bank
Greater Mekong Sub-region Forests and Biodiversity Program (GMS-FBP)	Biodiversity, Land Degradation, Climate Change Mitigation, SFM/REDD	Asia	SCCF: \$0.5 million	Asian Development Bank
Shire Natural Ecosystems Management Project	Land Degradation, Biodiversity, SFM/REDD	Malawi	LDCF: \$1.65 million	World Bank
Climate Change Adaptation to Reduce Land Degradation in Fragile Micro-Watersheds Located in the Municipalities of Texistepeque and Candelaria de la Frontera	Land Degradation	El Salvador	SCCF: \$1.1 million	FAO
Pilot Asia-Pacific Climate Technology Network and Finance Center	Technology and Finance mechanisms	Asia Pacific	SCCF: \$2 million	Asian Development Bank and UNEP

Synergies with \$145 M from GEF Trust Fund

Least Developed Countries Fund

Special Climate Change Fund

Challenges

- No regular replenishments
- Voluntary funding sources
- Increasing the predictability of the funding
- Large financial gap
 - LDCF: \$2.5 billion only for urgent and immediate needs
 - SCCF: Demand sharply exceeds the funding available (approximately by 5 times)

Opportunities

- Modalities for scaling up already exist and are operational
- Funds have experience in multi trust fund projects and programmatic approaches
- The momentum of growth and innovation in adaptation activities can lead to fulfillment of COP guidance
- LDCF and SCCF has generated concrete adaptation benefits and made development sectors climate resilient.
- Continuation of such efforts can make significant progress in meeting adaptation needs of vulnerable countries.



Thank You!

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SCCF: <http://www.thegef.org/gef/sccf>