



منتدى التغيرات المناخية

Forum sur les changements climatiques  
Climate Change Forum



## The Least Developed Countries Fund & the Special Climate Change Fund

At the seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) held in Marrakesh in 2001 (COP7), the GEF, as a financial mechanism of the Convention, was requested to operate two new funds related to the UN Framework Convention on Climate Change (the Special Climate Change Fund and the Least Developed Countries Fund).

### The Least Developed Countries Fund (LDCF)

The objective of the LDCF is to address the special needs of the 48 Least Developed Countries (LDCs), which are especially vulnerable to the adverse impacts of climate change. This includes preparing and implementing National Adaptation Programmes of Action (NAPAs) to identify urgent and immediate needs of LDCs to adapt to climate change.

In May 2009 the total amount deposited was USD 135.45 million, from 17 countries contribution. The United States announced in 2009 that up to \$10,000,000 shall be made available for a contribution if the GEF makes a clearer policy of the LDCF results. As to now, the fund disbursed US\$ 111.86 million as grants to 83 approved projects.

The activities supported by the LDCF are divided in two phases: preparation and implementation of the National Adaptation Programmes of Action (NAPAs). Preparation of the NAPAs includes: (i) synthesis of available information; (ii) participatory assessment of vulnerability to current and future climate variability and extreme events; (iii) identification of key adaptation measures as well as criteria for prioritizing activities and; (iv) selection of a prioritized short list of activities. Short profiles of projects and/or activities intended to address urgent and immediate adaptation needs are required. In the second phase the LDCF supports the implementation of activities identified, in order to promote the integration of adaptation measures in national development and poverty reduction strategies, plans or policies. The NAPA implementation phase includes the design, development, implementation, monitoring and verification of projects. It requires the mobilization of significant additional resources as well as the identification and involvement of key agencies, individuals, communities and entities depending on the priorities highlighted in the NAPA report.

All Least Developed Countries are eligible. However, proposals submitted for funding under the LDCF are reviewed in light of agreed project criteria, which include: (i) country ownership; program and policy conformity; (ii) financing; (iii) institutional coordination and support and; (iv) monitoring and evaluation.

## **The Special Climate Change Fund (SCCF)**

The overall objective of the fund is to implement long-term adaptation measures that increase the resilience of national development sectors to the impacts of climate change. Projects must focus on long-term planned response strategies, policies, and measures, rather than short-term (reactive) activities. The SCCF should serve as a catalyst to leverage additional resources from bilateral and other multilateral sources.

In May 2009, the total amount deposited by 11 countries was equivalent to US\$ 100.53 million, from which US\$ 91.20 million was disbursed, providing grants to 24 approved projects.

The SCCF fund supports activities within the scope of the following sectors: 1. Water resources management; 2. Land management; 3. Agriculture; 4. Health; 5. Infrastructure development and; 6. Linkages with fragile ecosystems, integrated coastal zone management and disaster preparedness. Within the scope of these sectors, projects must include elements of at least two of the following three activities:

- Integration of climate change risk reduction strategies, policies, and practices into sectors;
- Implementation of adaptation measures;
- Institutional and constituency capacity building, and awareness raising.

All Non-Annex 1 countries are eligible to apply. However, geographical emphasis is given to the most vulnerable countries in Africa, Asia, and the Small Island Developing States (SIDS). The project size can be small, medium or large.

The LDCF and the SCCF have received many criticisms since their creation. The most striking one being that the GEF has not prioritized the adaptation needs of the most vulnerable and has disproportionately funded projects in countries that have relatively low rates of poverty. Amongst other criticisms by donors and eligible countries we find:

1. The governance structures that are judged too complex and weighted in favour of donor countries by developing countries. Implementing agencies such as the UNDP, the UNEP and the World Bank, add further bureaucracy to the process.
2. The rules and structures that make accessing funding difficult, many countries cannot afford to meet the baseline development costs, and time-consuming.
3. The lack of transparency in decision making
4. The emphasis on supporting projects rather than programmatic approaches and environmental projects rather than development projects, which results in fewer global benefits.
5. There are not enough funds to meet adaptation needs in developing countries.
6. Distinguishing 'additional' costs of climate change impacts from baseline development needs is extremely complex.

During the COP14 in 2008, the least developed countries group expressed their frustration at the speed with which least developed countries are allocated funding for their adaptation activities. According to the Chair of LDC negotiating block, LDCs had submitted NAPA to the UN convention as requested in 2004; however, NAPA implementation activities have not been funded because of technical and legal problems hampering the operationalization of the Adaptation Fund. Despite the structural and functional issues related above, the LDCF and the SCCF represent an additional source of funding for adaptation to climate change, a crucial issue in the NENA region.

### **References and further reading about the LDCF and the SCCF:**

<http://www.climatefundsupdate.org/listing>