Joint External Evaluation

OPERATION OF THE LEAST DEVELOPED COUNTRIES FUND FOR ADAPTATION TO CLIMATE CHANGE

Evaluation of the operation of the Least Developed Countries Fund for adaptation to climate change

"The best way for the voice of poor countries to be heard is by promoting a clear position on key issues, including the steps that they and their partners will take to ensure financing of adaptation and appropriate mitigation actions using new and additional sources of swiftly accessible funds – including from carbon markets – and to ensure existing international aid commitments are met."

Kofi Annan and Nicholas Stern, 15 May 2009

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Preface

In March 2008, the Environmental Secretariat (now the secretariat for Environment, Energy and Climate Change) asked the Evaluation Department (EVAL) of the Danish Ministry of Foreign Affairs to undertake an independent evaluation of the operation of the Least Developed Countries Fund (LDCF). The Evaluation Department invited the GEF Evaluation Office to participate in the Evaluation given that the LDCF is administered by the GEF and it is within the mandate of the GEF EO to evaluate activities managed by the GEF. Both evaluation offices are independent and report directly to the governing bodies of their respective organizations.

The LDCF was one of the mechanisms established in 2001 to address climate change impacts under the UN Climate Change Convention (UNFCCC). The LDCF is mandated by parties to the UNFCCC to provide support to the LDCs' climate adaptation efforts, including the preparation of National Adaptation Programmes of Action (NAPAs) and the implementation of NAPA priorities in least developed countries (LDCs).
The main purpose of the joint evaluation was to analyse and document the results and lessons learned from the operations of the LDCF in financing and promoting climate change adaptation. The main evaluation criteria included relevance, effectiveness, efficiency, sustainability and – to the extent possible – impact issues. Other issues of coherence, complementarity and coordination were also dealt with when appropriate. The Evaluation focused on the processes related to the production of NAPAs and preparation and approval of NAPA priority projects. It also analysed the relevance of LDCF related outputs and the possible catalytic effects of the work done by the LDCF in terms of increasing awareness of and action on adaptation to climate change.

The Evaluation Team was drawn from the International Institute for Environment and Development (IIED) and the Danish consultancy firm, COWI, plus experts from each of the countries chosen as case studies. The Evaluation Management Group included staff of Danida's Evaluation Department and the GEF EO, and a national water resource management specialist from Zambia. An Evaluation Reference Group was convened from representatives of LDCs, GEF Agencies, development partners, Danish and international NGOs and other climate change adaptation experts.

The major bulk of the work on the joint evaluation was carried out from November, 2008 to June 2009. Methodologies applied included an assessment of the 41 NAPAs prepared and submitted to the UNFCCC by end of May 2009; a review of documentary evidence related to the establishment and operation of the Fund; consultations with the GEF Secretariat and other GEF staff; interviews with key LDC stakeholders, implementing agencies and staff from the GEF Secretariat; an e-mail survey of stakeholders in all LDCs; five in-depth NAPA process case studies – Bangladesh, Malawi, Mali Sudan, and Vanuatu; a multi-stakeholder evidence analysis workshop; a review of various assessments of the NAPAs and NAPA processes; and, interactions with the Evaluation Reference Group, including a presentation of the preliminary key findings and possible recommendations in June 2009. The final report was prepared during the summer 2009.

Overall, the Evaluation found that the LDCF had accomplished the main target of supporting preparation of NAPAs in the majority of the least developed countries eligible for support from the fund. Thus by end of May 2009, the LDCF had supported 48 countries in their endeavors to prepare NAPAs and 41 of these had already had their NAPAs published on the UNFCCC web-site. The Evaluation found that the LDCF had been much less successful in providing funding for NAPA priority projects. This is a consequence of both insufficient and unreliable allocation of resources to the fund as well as of the complicated procedures used for preparation of priority projects reflecting the involvement of multiple actors (GEF Secretariat, GEF agencies and LDCs themselves). As a key recommendation the Evaluation calls for a reform of the LDCF and for a replenishment of the fund.

The joint evaluation will be presented to the LDCF/SCCF council at its November 2009 meeting. A GEF management response to the evaluation has been developed already and is enclosed in this report as Annex XV. The management response of the Danish Ministry of Foreign Affairs will be published together with a short summary of the report on EVALs web-site according to the normal procedures of EVAL.

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Table of Contents

Acknowledgements **7**

List of abbreviations **8**

Executive Summary **10**

1 Introduction **19**

2 Evaluation scope and methodology **21**
2.1 Activities 21
2.2 Evidence, data collection and triangulation 23
2.3 The e-survey 25
2.4 Selection of case countries 25
2.5 Limitations to the methodology 26

3 The Least Developed Countries Fund **29**
3.1 History and context 29
3.2 Governance and management structure 30
3.3 LDCF project cycle and procedures 35
3.4 Financial flows and Fund performance 39

4 The National Adaptation Programmes of Action **44**
4.1 Evidence from other LDCF and NAPA assessments 44
4.2 Processes 45
4.3 Products 49
4.4 Catalytic effects 51

5 NAPA implementation **55**
5.1 NAPA priority projects 55
5.2 Coherence 60
5.3 Sustainability 63

6 Conclusions **68**

7 Lessons and recommendations **73**
7.1 Lessons learned 73
7.2 Recommendations for the future of the LDCF 75

Annex I: Terms of Reference 80
Annex II: Evaluation Framework Matrix 97
Annex VI: Status of pledges and contributions 100
Annex VIII: List of approved and approaching projects 102
Annex IX: LDCF project cycle – process time 105
Annex XIV: LDCF Timeline: COP guidance and GEF responses 106
Annex XV: GEF Management Response 112

Additional annexes to the Evaluation Report can be found on the attached CD-ROM or viewed at the website: www.evaluation.dk. They include:

Annex III	e-survey
Annex IV	Thematic studies
Annex V	Review of the NAPAs
Annex VII	Project cycle for preparing NAPA priority projects
Annex X	Country case studies
Annex XI	Evidence sources for conclusions
Annex XII	Summary of evidence from evaluation instruments
Annex XIII	Findings from other LDCF and NAPA assessments

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Quality assurance was provided by Tom Dahl-Østergaard (COWI) and Saleemul Huq (IIED).

The Evaluation Team was led by Simon Anderson (IIED) and included Dinne Smederup Hansen (COWI), Lars Grue Jensen (COWI) and Ian Burton (IIED).

List of abbreviations

ADB	Asian Development Bank
AF	Adaptation Fund
AfDB	African Development Bank
CEO	Chief Executive Officer
COP	Conference of the Parties
Danida	Danish International Development Assistance
DFID	Department for International Development, UK
EBRD	European Bank for Reconstruction and Development
EVAL	Evaluation Department Ministry of Foreign Affairs of Denmark/Danida
FAO	Food and Agricultural Organization of the United Nations
GCCA	Global Climate Change Alliance
GEA	Global Environmental Agreement
GEF EO	GEF Evaluation Office
GEF	Global Environmental Facility
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit GmbH
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IIED	International Institute for Environment and Development
IPCC	Intergovernmental Panel on Climate Change
LDC	Least Developed Countries
LDCF	Least Developed Countries Fund
LEG	Least Developed Countries Expert Group
NAP	National Action Programmes
NAPA	National Adaptation Plan of Action
NBSAP	National Biodiversity Strategies and Action Programmes
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OECD/DAC	OECD's Development Assistance Committee
OECD	Organisation for Economic Cooperation and Development
OPS4	Fourth Overall Performance Study
PIF	Project Implementation Form
PPCR	Pilot Programme for Climate Resilience
PPG	Project Preparation Grant
PRSP	Poverty Reduction Strategy Paper
QA	Quality Assurance
RBM	Result-Based Management Framework
SBI	Subsidiary Body for Implementation
SBSTA	Subsidiary Body for Scientific and Technological Advice
SCCF	Special Climate Change Fund
SGP	Small Grant Programme
SIDS	Small Island Developing States
SPA	Strategic Priority on Adaptation
STAP	Scientific & Technical Advisory Panel
SWAps	Sector Wide Approaches
TOR	Terms of Reference
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification

UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
WB	World Bank
WDR	World Development Report

Glossary
In this Evaluation Report, the term GEF Agencies is used for the 10 operating GEF Agencies currently managing GEF projects on the ground.
The term NAPA priority project is used for the implementation projects that have been identified in the NAPAs.

Executive Summary

Background and purpose

The Evaluation Department of the Danish Ministry of Foreign Affairs (EVAL) initiated the Evaluation of the operation of the Least Developed Countries Fund (LDCF) at the request of the Ministry's Environmental Secretariat. UNFCCC COP Decision 5/CP.14 by parties to the United Nations Framework Convention on Climate Change (UNFCCC) provided an important context for the work. It invites Parties and relevant organisations to submit information on the preparation and implementation of NAPAs. At the invitation of EVAL, the Global Environment Facility Evaluation Office (GEF EO) joined the initiative, in part, due to its relevance for the Fourth Overall Performance Study of the GEF. Both evaluation offices are independent and report directly to the governing bodies of their respective organizations.

In accordance with the Terms of Reference (see Annex I), the LDCF was evaluated as one mechanism to address climate change impacts under the United Nations Framework Convention on Climate Change (UNFCCC). The LDCF was established in 2001 under the UNFCCC and was mandated by Parties, amongst other activities, to provide support for the preparation of National Adaptation Programmes of Action (NAPAs) and for the implementation of NAPA priorities in least developed countries (LDCs). The Global Environment Fund (GEF) administers the LDCF as part of its role as an operating entity of the financial mechanism of the Convention under the guidance of the Conference of Parties (COP). The LDCF was evaluated as a system with different components, phases, actors and stakeholders. The operation and performance of the LDCF were seen as being determined by the inter-actions of the various aspects of the system.

The objective of the Evaluation was to analyze and document the results and lessons learned from the operations of the LDCF in financing and promoting climate change adaptation in the least developed countries.

The Evaluation Team was drawn from the International Institute for Environment and Development (IIED) and the Danish consulting firm COWI, plus experts from each of the countries chosen as case studies. The Evaluation Management Group included staff of EVAL and the GEF EO, and a water expert from Zambia. An Evaluation Reference Group was convened from representatives of LDCs, GEF Agencies, development partners and other climate change adaptation experts.

The Evaluation was launched at the end of November, 2008, and the report was completed in September, 2009.

Scope and methodology

The Evaluation focused on the following areas:

Processes: How the LDCF built upon national capacity to devise adaptation priorities and plans, how LDCF and NAPA processes engaged actors and how NAPAs were prepared. In addition, the Evaluation examined how the LDCF supported the preparation and implementation of NAPA priority projects.

Products: LDCF related outputs, principally the NAPAs, were considered by looking at the analytical basis for the identification of adaptation priorities, the match of priority projects to identified climate challenges, and consultative aspects of NAPA processes.

Catalytic effects: The ways the LDCF promoted and increased the rate of adaptation planning and prioritization. Also how the LDCF achieved catalytic effects in the development of capacity to plan, integrate and implement climate change adaptation and related actions.

The Evaluation conducted the following activities: an assessment of the 41 NAPAs prepared and submitted to the UNFCCC by end of May 2009; a review of documentary evidence related to the establishment and operation of the Fund; consultation with the LDCF Secretariat and other GEF staff; interviews with key LDC stakeholders including UNFCCC and GEF focal points, and representatives of the UNFCCC secretariat; interviews were conducted with World Bank and UNDP staff from headquarters, regional and national offices; an e-mail survey of stakeholders in all LDCs; five in-depth NAPA process case studies: Bangladesh, Malawi, Sudan, Mali and Vanuatu; a review of a selected LDCF procedural documentation; a multi-stakeholder evidence analysis workshop; a review of various assessments of the NAPAs and NAPA processes; and, interactions with the Evaluation Reference Group, including a presentation of the preliminary key findings and possible recommendations in June 2009.

Throughout the Evaluation the Team sought advice from the Evaluation Management Group.

Main findings and conclusions

The LDCF was initiated as an expedient attempt to identify, prioritize and begin to address urgent and immediate climate change adaptation needs within LDCs. The opportunity to precipitate mainstreaming of adaptation was recognized and embodied in the eligible actions for NAPA priorities – adaptation projects, capacity development, integration of adaptation into development, and policy reform.

In reference to the initial COP guidance for the LDCF in Decision 27/CP 7, the Evaluation concludes that:

- funding has been provided to meet the agreed full cost of preparing the NAPAs and separation has been ensured of LDCF funding from the other funds of the GEF;
- adoption of "simplified procedures … for expedited access" for implementation of NAPA priority projects has proved difficult to realise and current efforts by the GEF and its Agencies to expedite access and streamline procedures have come late;
- the complexity of the structure and procedures of the LDCF has hampered the ease with which the workings of the Fund have been understood from the perspective of LDC stakeholders;
- greater use of public sector experts, less reliance on independent consultants and more attention to setting up intra-government arrangements as part of NAPA processes would have improved the technical sustainability of NAPA outputs;

- a broad platform of NAPAs has been created alongside a wide set of expectations in LDCs that NAPAs will be implemented.

The LDCF administration has had to respond to COP guidance and requests. The timeline presented in Annex XIV sets out how the LDCF has responded to COP.

The LDCF relies upon voluntary financial contributions from countries – parties to the UNFCCC. The size and unpredictability of available funding of the LDCF precluded effective support of programmatic responses to the adaptation needs identified.

The *modus operandi* of the LDCF meant that, in common with other GEF supported programmes, it has been predominantly project and sector focused, rather than addressing the thematic and transformative approaches required for more effective adaptation planning and implementation.

The NAPAs are important documents and the preparation processes have been significant in a number of LDCs. They contributed at an early and critical stage to increasing awareness in LDCs of the adaptation challenges that climate change poses. The NAPA reports have become key government statements of adaptation needs in some countries and the priorities they identify are considered generally relevant by most stakeholders.

Of the over 390 NAPA priority projects identified in the 41 completed NAPA reports 90 per cent address sectoral and 10 per cent cross-sectoral adaptation needs. Food security was the most often prioritised sector accounting for nearly a quarter of all priority projects followed by terrestrial ecosystems and water resources. Less than 10 per cent of projects are specifically aimed at education and capacity development. A small proportion of projects explicitly mentioned a mainstreaming co-objective, policy reform co-objective and livelihoods diversification. The fact that the LDCF has been constrained to offering relatively small scale funding for priority projects has meant that wider development coherence was difficult to achieve.

UNFCCC COP Decision 28/CP.7 identifies gender equality as a guiding principle for NAPAs and the Least Developed Countries Expert Group (LEG) annotated guidelines on NAPA preparation state that women need to be recognised as key stakeholders in consultations and decision-making. However, gender differentiated vulnerability and the role of women in adaptation are unevenly addressed across the NAPAs.

The programme was justified as an attempt to meet urgent and immediate adaptation needs. LDC stakeholders voice considerable frustration about the LDCF in terms of the complexity and tardiness of the processes to obtain funds for adaptation priority actions. Disbursement of finance for priority project implementation has been of an insignificant scale compared to adaptation needs in LDCs – USD 85 million committed by end of May 2009 with indicative co-financing of USD 162 million.

Climate change adaptation is a new policy area. Few public sector employees and fewer politicians have a technical background that includes climate change expertise. The low level of human resource capacity among ministries and line agencies was an important constraint in developing and implementing adaptation planning. Results from a survey conducted by the LEG of LDC parties concur and also point to the lack of guidance and capacity development.

Significant strength of opinion and explicit preferences of LDC stakeholders were revealed by the Evaluation that the LDCF should continue to function, but in ways that enable expeditious access to adaptation implementation finance and technical support. The Evaluation concurs and recommends ways that the LDCF can be made better fit for purpose.

Lessons learned

It is recognized that what happens next to the LDCF depends to a large extent on the outcome of the negotiations on adaptation financing between parties to the UNFCCC. It is anticipated that important and far reaching decisions will be reached at COP 15 in Copenhagen on the scale and modalities for adaptation funding.

This Evaluation (in common with other assessments reviewed) has identified problems of LDCF performance that are related to design and function and have resulted in very few LDCs so far being able to reach the implementation of NAPA priority projects – one project is in operation in Bhutan and four other projects in Bangladesh, Burkina Faso, Cambodia and Samoa now have the pre-requisite GEF CEO endorsement or approval for implementation to go ahead (as of end May 2009).

In part, the difficulties have been due to dealing with a complex subject that is new to many stakeholders (including both the GEF, the GEF Agencies as well as the LDCs), in countries with poorly defined climate adaptive capacity. In addition, the funding of the LDCF by contributory countries has neither been predictable nor sufficient to address programmatic adaptive responses to climate change. These are grounds for deliberate reform and then adequate replenishment of the LDCF.

The following lessons are relevant for the establishment of global funds for climate change adaptation:

Scale: the scale of financial resources and the reliability of replenishment are crucial factors in the establishment and management of a fund aimed at adaptation needs. Unfulfilled pledges can thwart the performance of a fund as can setting up a financial resource channelling programme that is of an inappropriate scale for the size of the task at hand. If resources are too limited for a fund to handle all countries at once in an effective manner, ways should be sought to allow countries to be addressed sequentially, e.g. through a stepwise approach with certain deadlines established for project submissions (a limited number of priority vulnerable countries being properly addressed rather than a large group being superficially targeted).

Design, flexibility and responsiveness: funds that need to be mobilized quickly require a clearly defined programme design including a clear overall management strategy focusing on performance and achievements within clear deadlines. Furthermore, sufficient staff resources need to be allocated. A fund that has urgent and immediate priorities as its major goal needs by design to quickly generate a programme pipeline with projects ready and mature enough for financing. This requires that clear guidance on policy and project design go hand-in-hand from the very beginning, or at least that more specific policy implementation guidelines are developed early.

Capacity: in countries with limited technical and human resource capacity, bottlenecks will occur in project preparation that will prevent the full benefits of adaptation considerations being integrated into national policies and programs. However, short-cutting this constraint by employing consultants to do the work without proper engagement with government staff and thereby capacity development will often lead to a lack of national ownership of plans developed. Moreover, adaptation is still a young discipline and it is necessary for a fund to have a large degree of flexibility and to be able to deliver the specific financial and technical resources the different countries need.

Feed-back and continuous learning: the ability to monitor and track achievements and results needs to focus not only at project level but also at the programme level. The fund must be able to draw on strategic evidence gathering and advice in terms of substantive matters but also programme management issues.

Coherence in the adaptation funding architecture: The emergence of new funds for adaptation, – most notably the Adaptation Fund under the Kyoto protocol, demands that the sequencing and synchrony of funds' objectives, targets and duration are carefully considered to maximize coverage and impact. The future of the LDCF should be decided by parties to the UNFCCC in the context of other adaptation funding and an assessment of any LDCF comparative advantage.

Key recommendations for the future of the LDCF

Parties to the UNFCCC – the following recommendations require UNFCCC COP guidance or requests

1. Given that the context of the LDCF has changed since its creation, i.e. additional funds have been created – most importantly the Adaptation Fund under the Kyoto Protocol – as well as additional information about the severity of climate change coming out of IPCC and elsewhere that implies additional costs, UNFCCC should reassess the role of the LDCF. What is the niche of the LDCF given the likely scale of its funding and the emergence of new channels and some additional funds? Parties should consider what constitutes an appropriate lifespan of the LDCF – be that short to medium term, e.g. up to 2012 and the replacement of the Kyoto Protocol, or longer term.

2. In addition, parties should consider if the present institutional arrangements for LDCF management are fit for purpose in the post-Copenhagen era. The precedent of the direct access model under development in the Adaptation Fund is important here.

3. In order to reach agreement on the reforms and improvements required to the LDCF a multi-stakeholder dialogue (perhaps electronically or through a workshop) should be convened to review the governance structure and operations of the Fund. The evidence considered would come from various sources, including this Evaluation. The dialogue should include representatives of the LDCs, current and future contributory countries to the LDCF, the LEG, the UNFCCC, the GEF Secretariat and the GEF Agencies. It should be facilitated by a third party (i.e. neither GEF Secretariat, nor GEF Agencies) and participants should agree to abide by the agreements reached. Replenishment of the Fund should take into account the reform dialogue conclusions.

4. Any replenishment of the LDCF for the longer term should be sufficient to support whole NAPA programmes, rather than individual project implementation.

5. The structure of the LDCF system needs to change such that the Fund is more responsive to LDC demands for more expeditious access. The role of the GEF Agencies, how they are contracted and who they report to should be reviewed. One option would be to enable LDCs to directly contract in the services of the GEF Agency they choose. The 'direct access' precedent being set by the Adaptation Fund is also important.

6. Clear policy frameworks need to be tailored to specific country needs and circumstances early in the NAPA implementation process. It may prove necessary to swiftly mobilize supporting tools for adaptation planning. A way of doing this could be for the COP, or the LDCF Council, to decide to entitle the Fund to allocate a certain percentage of its financial resources for technical assistance support and development of supporting tools for implementation, including sector thematic guidance on how to integrate adaptation into development and how to address adaptation within key economic sectors. This would enable the Fund to collect lessons learned from policy and project level and ensure synergies between the two.

7. Also the future development, re-structuring and updating of the NAPA reports need to be considered. In order to better serve as a flexible and updated planning tool for governments, adaptation priorities need to be established for the short, medium and longer term, and the sequencing of priority implementation needs to be designed so that effectiveness and synergies between actions are assured. NAPA report review and updating on a biannual basis would be sensible and would allow NAPA priorities to be better incorporated into budgetary decision making at a central LDC government level[1].

8. The COP should consider requesting the LEG to build upon the advances achieved in the LEG technical working paper on NAPA implementation strategies[2] and the OECD/DAC guidelines on mainstreaming adaptation by developing more detailed guidelines on aligning NAPA priority projects with government planning and budgetary processes, in order to ensure better implementation plans.

LDC governments

9. Ministries of finance and/or planning should call each year for climate change adaptation priorities at the sector level for the purpose of the national budget construction. A climate change adaptation planning cycle needs to be started. This would provide a way of coordinating the investment of funds available from other sources.

10. Support for the establishment of strong national inter-institutional arrangements for adaptation planning needs to be put in place in order not to lose momentum from NAPA preparation and completion to implementation of NAPA priorities.

11. NAPA implementation planning should ensure that outputs are complementary to and aligned with the government planning cycle.

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1) The Evaluation concurs with the recommendations on NAPA up-dating made in the LDC Expert Group (2009) The Least Developed Countries National Adaptation Programmes of Action: Overview of preparation, design of Implementation strategies and submission of revised project lists and profiles. UNFCCC Secretariat.

2) LDC Expert Group (2005) *Elements for Implementation Strategies for national adaptation programmes of action* UNFCCC/TP/2005/5, 2 August 2005.

12. NAPA findings should be taken more seriously into account when developing SWAps and other sector investment programmes. LDCs should demand that donor agencies harmonise around climate change support and properly consider NAPA priorities when supporting adaptation.

13. LDCs should take a stronger co-ordinating role in regard to official development assistance support for climate change adaptation to avoid duplication and achieve synergies. NAPAs should be considered as the basis for the development of central programming documents for climate change adaptation.

Development partner agencies

14. Support to help LDC governments implement NAPA priority activities should be designed that maximizes national capacity development on climate change adaptation implementation through projects, integration into development and policy reform.

15. Development partners should seek to align with LDC adaptation priorities and use updated NAPAs to do so. In addition, development partners should reduce LDC transaction costs by harmonising approaches in support of adaptation and NAPA implementation.

LDCF Council

16. The agenda of the LDCF Council should draw on lessons learned on LDCF performance, including this Evaluation, in a more systematic way. This would allow better responses to the guidance and requests from the LDCs and the LEG. In addition, the Council should advise the LDCF administration how best to support the implementation of the remaining parts of the LDC work programme thus responding proactively to the COP decisions.

17. The timeliness and thematic breadth of the advisory support to the LDCF Secretariat needs to be strengthened by greater engagement of the LEG and other relevant adaptation experts.

18. Consideration should be given to how the LDCF's performance could be strengthened through a budget line to initiate cross cutting projects on thematic issues that would support the individual NAPA priority project beyond the current "projectisised" approach and to set in place better frameworks for adaptation planning in the future.

19. LDCF should open a civil society-only funding window to support the delivery of climate change adaptation according to NAPA priorities by NGOs, CBOs and local organisations. This opportunity should be taken to test innovative funding schemes.

LDCF administration /LDCF team in the GEF Secretariat

a. Knowledge generation and dissemination:

20. Establish a help desk or hotline with direct access for countries, GEF Agencies and consultants working on project preparation.

21. Systematic and inclusive learning and reflection processes should be initiated as part of NAPA priority activity implementation so that LDCs and other stakeholders can draw lessons and identify ways of improving adaptation delivery. This will require: (a) adequate financial and technical resourcing of monitoring and evaluation for NAPA implementation, (b) that sufficient NAPA priority activities across different LDCs are synchronised to allow concurrent and therefore more easily comparable initiatives.

22. Significant multiplier effects would be possible by investing in programmatic implementation and careful scrutiny of the socio-economic costs and benefits of climate change adaptation in terms of learning outcomes and knowledge generation.

23. Implementation of NAPAs could be treated as piloting ways of (a) mainstreaming by both getting climate change adaptation priorities into sectoral planning through the generation of high level then more local scale policy developments, (b) the elaboration of policy instruments for adaptation and development objectives including in the areas of, for example, food security, water resources management, public health and disaster risk reduction and (c) to assess what approaches to project interventions, integration into development, capacity development and policy reform work best for adaptation outcomes.

24. It is essential to identify and to understand how LDCF supported adaptation actions can best address gender equality issues and women as agents of adaptation.

25. Resources should be invested in developing an understanding across different LDCs of the true escalating costs of climate change leading to adaptation needs. As part of this, finance and planning specialists from government and non-government agencies across LDCs should be convened into a community of practice on assessing costs and benefits of climate change adaptation using NAPA priority activities as case studies.

26. Issue guidelines and/or good practices on how to establish 'additional costs' in adaptation projects, how to interpret the equitable access protocol and how to deal with co-financing requirements. Guidance should be developed and disseminated on good practices in NAPA priority activity implementation.

27. A knowledge base should be developed on climate change adaptation experiences at local through to national levels across LDCs where different types of governance systems prevail.

28. The technical advice available to the LDCF administration should be strengthened both through a permanent advisory body and ad hoc groups for addressing specific thematic issues.

b. Operational aspects:

29. In order for the LDCF to play a complementary role to the emerging other climate change financing mechanisms greater responsiveness and flexibility of procedures will have to be introduced to ensure lack of duplication and complementarity

30. All the NAPA priority projects should: use evidence-based inquiry into the ways climate change effects are differentiated between genders, introduce measures that

identify women's vulnerability to climate change, and listen to the voices of climate vulnerable women.

31. In order to reduce process time for the NAPA follow-up project preparation stage, it is advised to limit the documentation needs at the early phase of the cycle. This implies a risk, but this risk must be handled and mitigated later in the project cycle. This should be addressed promptly through consultation with representatives from recipient countries and stakeholders and agencies involved. Through discussion of experiences, pragmatic ways need to be identified to:

    - Shorten the project cycle by, for example, combining the Project Identification Format and Project Preparation Grant stages within a project inception stage. This is standard practice in development assistance funding. It will require further detailed guidance to countries in order to avoid uncertainties on the feasibility of the project and the project criteria,

    - Create stricter deadlines for the GEF Agencies on submission of project documents for CEO endorsement, e.g. a 12 months deadline for submission followed by a sunset clause,

    - Create transparent and clear criteria for reviewing PIFs, PPGs and other project documents including putting review sheets, or some version thereof, into the public domain, so that these are used only for issues that are crucial for the early preparatory phase – those issues relevant for the elaboration of a full project document should be dealt with at that later stage,

    - Introduce a common tracking procedure across the LDCF and the agencies, so that the status of a given project may be found irrespective of where it is in the cycle and with which agency it is in the process.

1 Introduction

The Evaluation Department of the Danish Ministry of Foreign Affairs (EVAL) initiated the Evaluation of the operation of the Least Developed Countries Fund (LDCF) at the request of the Ministry's Environmental Secretariat. This was done in the context of the decision of the United Nations Framework Convention on Climate Change (UNFCCC) that recognizes the value of lessons learned from the preparation and implementation of the National Adaptation Programmes of Action (NAPAs) and invites Parties and relevant organisations to submit information on the preparation and implementation of NAPAs. [3] The EVAL then contacted the Global Environment Facility Evaluation Office that joined the initiative in the context of the Fourth Overall Performance Study (OPS4) of the GEF. Both evaluation offices are independent and report directly to their governing bodies. The context of the Evaluation is twofold:

a. The information on the preparation and implementation of NAPAs will be compiled by the UNFCCC secretariat as a miscellaneous document to go to the Subsidiary Body for Implementation (SBI) at its 33rd session. This Evaluation report, while not commissioned by the UNFCCC Conference of Parties (COP), will be made available for consideration for inclusion in the miscellaneous document, and

b. The GEF Evaluation Office has been mandated by the GEF Council to conduct an overall performance study of the GEF. This looks at all activities funded and managed by the GEF under the guidance of the conventions serving as a financial mechanism. The Least Developed Countries Fund (LDCF) is one of these funding sources. The GEF Evaluation Office expects to incorporate the key findings and recommendations of the LDCF Evaluation into the fourth overall performance study (OPS4) of the GEF to be completed by mid-September 2009.

In accordance with the Terms of Reference (see Annex I), the scope for the Evaluation was to evaluate the LDCF as one of the mechanisms to address the effects of climate change under the UNFCCC, providing funding for the preparation of NAPAs and implementation of NAPA priorities as part of the LDC work programme.[4]

The objective of the Evaluation was to analyse and document the results and lessons learned from the operations of the LDCF in financing and promoting climate change adaptation.

The Evaluation was conducted by a team drawn from the International Institute for Environment and Development (IIED) and COWI, plus national experts from each of the countries chosen as case studies. The Evaluation was managed by a three-person group including representatives of EVAL and the GEF Evaluation Office, and a water specialist from Zambia. An Evaluation Reference Group was convened by the Evaluation Management Group from representatives of Least Developed Countries (LDCs), GEF Executing Agencies, development partners and donors and other international climate change adaptation experts.

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3) Decision 5/CP.14 *Further guidance for the operation of the Least Developed Countries Fund.* FCCC/CP/2008/7/Add.1 page 8.
4) The programme also includes capacity building and technology transfer.

The Evaluation was launched end of November 2008 and a first Evaluation Reference Group meeting held in Poznan on 10 December 2008. Field work took place from end of January to April 2009. The Evaluation Report was completed in September 2009.

The final report has been prepared following comments from the Evaluation Reference Group and the Evaluation Management Group. Findings, conclusions and recommendations remain the responsibility of the authors.

The report is structured in the following way. Chapter 2 presents the way the Evaluation was carried out, the methods used, the selection of case study countries and reviews the methodological limitations. Chapter 3 sets out an assessment of the LDCF in terms of its history, mandate, governance structure and procedures. It also presents an analysis of the financial flows. Chapter 4 explores the merits of the NAPAs. It first reviews previous assessments of the LDCF, then assesses aspects related to the processes, products and catalytic effects achieved by the NAPAs. Chapter 5 reviews the ways the LDCF has supported NAPA priority project implementation looking at issues of performance and timeliness of project preparation and approval, and at the coherence of the LDCF achievements within the context of climate change adaptation needs context and the sustainability of institutional and technical outcomes and outputs of the Fund. Chapter 6 presents the findings and conclusions of the Evaluation and Chapter 7 the lessons learned and recommendations for different stakeholders.

The Annexes provided in the hard copy of the report give additional information on: the Evaluation's Terms of Reference and specifications; the Evaluation Framework Matrix used; the pledges, contributions and funding made available to the Fund by contributing countries; approved and approaching LDCF projects; the LDCF project cycle and process times; and a timeline of COP Guidance and GEF responses. The Annexes on the accompanying CD-ROM present detailed descriptions of: the e-survey results; the thematic studies carried out; a review of NAPAs; project cycle performance for NAPA priority projects; the five country case studies; evidence sources related to conclusions; a summary of evidence from the different evaluation instruments; and the findings from other LDCF and NAPA assessments.

2 Evaluation scope and methodology

The Evaluation was carried out in accordance with Danida's evaluation guidelines and the OECD/DAC Evaluation Quality Standards. Both OECD/DAC evaluation criteria (relevance, effectiveness, efficiency, impact and sustainability) and the 3Cs (coherence, complementarity and coordination) were used. Annex I includes the Terms of Reference for the Evaluation. The Evaluation Framework Matrix, presented in Annex II, sets out the issues that have been examined and the criteria applied for each of the areas examined. It is on the basis of this framework that the evidence and data collection has been conducted.[5] The calendar of evaluation activities is summarised in the Evaluation Work Plan presented in Annex I.

The Evaluation has focused on the following main areas:

Processes: How the LDCF built upon national capacity to devise adaptation priorities and plans, how LDCF and NAPA processes engaged actors and how NAPAs were prepared. In addition, the Evaluation examined how the LDCF supported the preparation and implementation of NAPA priority projects.

Products: LDCF related outputs, principally the NAPAs, were considered by looking at the analytical basis for the identification of adaptation priorities, the match of priority projects to identified climate challenges, and consultative aspects of NAPA processes.

Catalytic effects: The ways the LDCF promoted and increased the rate of adaptation planning and prioritization. Also how the LDCF achieved catalytic effects in the development of capacity to plan, integrate and implement climate change adaptation and related actions.

2.1 Activities

The Evaluation was carried out through the following activities to collect and analyse data and evidence:

a) Review of all NAPAs submitted by May 2009.[6] This review assessed: the duration of NAPA preparation; sectoral emphases of priority projects and how institutional aspects with regard to adaptation delivery were included in NAPA processes; methods used for prioritisation; methods used for evidence, data and information collection; composition of NAPA Teams; evidence of government structure created as part of NAPA process; and, gender issues;

b) Review documentary evidence including project documentation, relevant COP decisions including the NAPA guidelines (Decision 28/CP.7), the LDCF Programming Paper (GEF/C.28/18); documentation prepared for the LDCF Council as well as Joint Summaries of the Chairs and Highlights of the discussion documents from the LDCF Council meetings;

5) For further details, reference should be made to the TOR in Annex I and the detailed methodology presented in the Inception Report in January 2009 and available at the EVAL website: http://www.evaluation.dk
6) By end of May 2009, 41 countries have completed and submitted their NAPAs.

c) Consulting the LDCF administration staff and the GEF Chief Executive Officer (CEO) on the management of the Fund;

d) Interviews with key staff from the World Bank in January 2009 and interviews with key UNDP staff in February 2009 held in relation to case studies etc.;[7]

e) A series of interviews (approx. 35) with key LDC stakeholders to the LDCF and NAPA process as well as representatives from UNFCCC, World Bank and UNDP held in relation to the Bonn Ad hoc Working Group on Long-term Cooperative Action meeting 31 March – 8 April 2009;

f) An e-mail survey of stakeholders. NAPA management team members, users and potential users of the NAPAs, and interested third parties in 48 NAPA countries were contacted and asked to respond. An e-survey questionnaire was set up using Survey Monkey software. People were invited to fill in the questionnaire anonymously on line;

g) Five in-depth NAPA process case studies were carried out. Following consultation with the Evaluation Management Group country selection was done at the first Evaluation Reference Group meeting held in Poznan in December 2008. Countries selected were: Bangladesh, Malawi, Mali, Sudan and Vanuatu. Case studies were initiated with documentary reviews and were carried out by thorough consultation with people involved in planning and implementing NAPAs and those involved in follow up implementation project processes at country level, including interested third parties and representatives of climate vulnerable populations in LDCs;

h) GEF Agencies that provided technical support to NAPA preparation were consulted both during the country visits and in consultations with representatives from the head quarters. Consultations included gathering and interpreting evidence for the case studies and wider LDCF performance issues. Country office, regional and HQ staff were consulted;

i) Review of a selected number of Project Identification Formats (PIFs), Project Preparation Grants (PPGs), review sheets, requests for extensions of milestones and documents prepared for CEO endorsement within the LDCF project cycle;

j) Utilizing the discussions and findings of the NAPA experiences workshops being funded by the World Bank 2010 World Development Report process;

k) A regional workshop held in Nairobi on 13 and 14 May 2009 to review the preliminary findings of the Evaluation with the participation of the Evaluation Management Group, representatives from LDCs, Chair of the Least Developed Countries Expert Group (LEG), representative of the LDC Group Chair, representatives of GEF Agencies UNDP and UNEP, as well as non-governmental organisations (NGOs) and research institutions, implementing agencies and the UNFCCC secretariat;

7) Case studies were chosen only in countries where UNDP and World Bank were acting as GEF Agencies. NAPA processes in countries where UNEP acted as GEF Agency were assessed in a recent evaluation by UNEP and this information was utilized in this evaluation. UNEP staff were part of the Evaluation Reference Group and attended the multi-stakeholder analysis meeting once case studies were completed.

l) Review of various assessments of the NAPAs and NAPA processes including:

- the UNEP Terminal Evaluation of the UNEP GEF projects "Enabling activities for the Preparation of a National Programme of Action (NAPA)";
- the Independent Evaluation of United Nations Development Programme (UNDP) work with LDCF and Special Climate Change Fund (SCCF) resources conducted by UNDP's Independent Office of Evaluation;
- The LEG survey of delegates from LDC parties at the 28th session of the Subsidiary Body for Implementation (SBI) on the status of preparation and implementation of NAPAs. The results were discussed on the first day of the 14th meeting of the LEG in Ethiopia, October 2008;
- LDC 2009 report "The least developed countries National Adaptation Programmes of Action: overview of preparation, design of implementation strategies and submission of revised project lists and profiles." Published by the UNFCCC Secretariat;
- Report of World Development Report 2009/10 team workshop for Africa NAPA team protagonists;

m) Review of other relevant evaluations not directly linked with the NAPA process itself, but providing valuable insight in lessons learned from implementation of other multilateral conventions, *such as* the Evaluation of GEF support for Biodiversity, the Joint Evaluation of the GEF Activity Cycle and Modalities, the Evaluation of the Experience of Executing Agencies under Expanded Opportunities in the GEF, all conducted by the GEF Evaluation Office;

n) A presentation of key findings and recommendations from the Evaluation to the Evaluation Reference Group on 4 June 2009, including a series of comments received to the draft report of 1 June, following the presentations at the Evaluation Reference Group meeting;

o) Throughout the Evaluation, the Team has drawn on advice and input from the members of the Evaluation Management Group and the Evaluation Reference Group.

2.2 Evidence, data collection and triangulation

As indicated above, evidence and data were drawn from different sources: review of NAPAs, key stakeholder interviews, e-mail survey, country visits as well as literature and documents review.

All field visits were undertaken within a common analytical framework to enable comparison, despite the fact that each case country was unique and represented a specific country context.

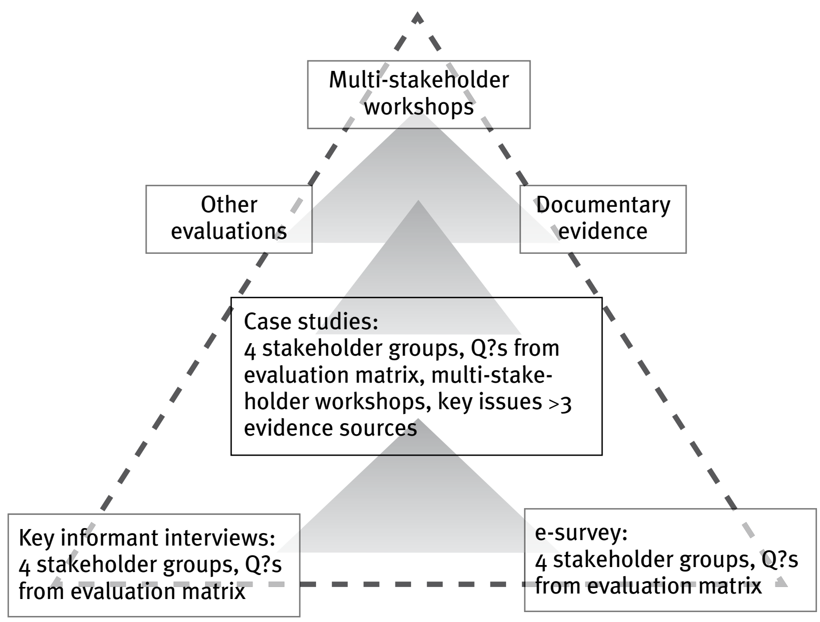
The Evaluation has been carried out in accordance with the five standard evaluation criteria (relevance, efficiency, effectiveness, impact and sustainability) and the OECD/DAC

Evaluation Quality Standards. In order to create a methodological framework, which includes not only the five standard evaluation criteria, the 3Cs and the Key Questions (outlined in the TORs – in Annex I) these were merged into one single matrix (see Annex II) under the three focus areas: NAPA process, NAPA product and catalytic effects. By analysing the NAPA products, conducting qualitative and quantitative studies and thematic analyses, a thorough evaluation that answers each question in the matrix has been delivered.

Triangulation of evidence was carried out in various ways and at various levels to ensure validity – see the diagram below. Evidence was collected on the same areas and assessed against the same criteria from three key primary sources – the e-survey, stakeholder interviews and the case studies. Secondary evidence was collated from the NAPA reports and other documentary sources. The findings of previous NAPA and LDCF assessments were reviewed, systematized and compared to the findings of the Evaluation. Findings were validated at stakeholder meetings during the case studies, the analysis workshop and at meetings of the Evaluation Reference Group. During the case studies evidence on key issues was collected from at least three sources – interviews with key stakeholders from different groups, documentary evidence where available, use of participatory appraisal methods such as timelines and network mapping, and cross checking evidence in multi-stakeholder workshops. Issues were identified as important from the case studies when evidence from more than one stakeholder group indicated so.

It was possible to triangulate evidence from the different evaluation instruments – e-survey, key informant interviews, case studies – because the inquiry through each instrument was based on the same questions in the evaluation matrix.

Figure 2.1 Triangulation of evidence



2.3 The e-survey

The e-survey was conducted by an independent researcher. The aims and objectives of the e-survey were to draw evidence from stakeholders in all countries with completed NAPAs or ones in preparation (48 countries in total). The e-survey allowed the drawing of conclusions about the perspectives of different in-country stakeholders about the NAPA process, product and catalytic effects and provided data that could be quantitatively and qualitatively assessed against the evaluation criteria.

The e-survey was accessible by web link via the internet tool Survey Monkey. The answer format for each question was a ratings scale and box for open-ended responses (see Annex III for e-survey details). There were two sections, one for all respondents and another for those involved in NAPA planning and coordination. The survey was available in English and French. The survey link was sent with a covering note to over 200 email contacts at end of March 2009. Contacts were culled from the UNFCCC list of focal points and recommendations via IIED's in-country and regional partners. The e-survey remained open until the end of May 2009.

In all, representatives of 25 countries participated in the e-survey. All geographic regions were represented where LDCs are located and respondents were from countries where each of the GEF Agencies has assisted in NAPA preparation. While the majority of respondents were from countries with a completed NAPA, responses also came from countries with NAPAs in progress (Angola, Nepal and Yemen), who were asked to reply to the questions relevant to their context.

Respondents were from government (including UNFCCC focal points) and third party stakeholder groups.

Responses were cleaned and checked and then collated using Survey Monkey software.

2.4 Selection of case countries

The NAPA country selection was based upon a set of selection criteria set by the Evaluation Reference Group and subsequently endorsed by the selected countries and agreed by the Evaluation Management Group. The criteria were:

a) When the NAPAs were conducted – the supposition being that the way NAPAs were conducted will have varied over time as lessons were learned and the support provided improved;

b) Geographic distribution of cases agreed with the EMG – at least two cases from Africa, one from Asia and one from the Small Island Developing States; and

c) Taking into account the climate change context of the country, in particular the strength of the climate signal and the confidence in the climate projections for the country.

Account was taken of the key implementing agencies involved in the NAPA processes in the countries selected as case studies, thus the focus has been on the three major agencies involved in NAPA project preparation at the time, notably UNDP; UNEP and the

World Bank. Account was also taken of the 2008 UNEP evaluation of 13 UNEP accompanied NAPAs (Unisfera/UNEP, 2008), and in order to avoid overlap, it was considered justifiable to select countries where other implementing agencies than UNEP were involved. An additional country – Sudan – was included on the basis of the recommendation from the Evaluation Reference Group.

The table below shows the countries selected for NAPA case studies.

Table 2.1 Countries selected for NAPA case studies

Region	Country	NAPA submission date	Implementing Agency		Status of follow-up projects at the start-up of the Evaluation
			NAPA	Follow-up	
Asia	Bangladesh	Nov 2005	UNDP	UNDP	Council approved
Small Island Developing States	Vanuatu	Dec 2007	UNDP	World Bank	PIF/PPG Submitted
Eastern Africa	Sudan	Jun 2007	UNDP	UNDP	Council approved
Southern Africa	Malawi	Mar 2006	UNDP	AfDB	Council approved
West Africa	Mali	Dec 2007	UNDP	UNDP	PIF/PPG Submitted

2.5 Limitations to the methodology

As with many evaluations of process oriented themes, this Evaluation has revealed the perceptions of different stakeholders based on their experience of sets of events and the cause and effects of their occurrence. Perceptions of the same event and issues are not necessarily shared across stakeholder groups. The Evaluation has been careful to sort through statements from stakeholders to be able to distinguish opinions from rumours and to identify corroborated facts. Wherever possible, verbal statements have been corroborated with information from different stakeholder groups and with documentary sources.

Single or small sets of case studies cannot be representative of highly diverse cases. However, they do provide the opportunity to achieve a first-hand and in-depth assessment of processes that, because they are repeated across cases, can be comparable. The Evaluation does not claim that the cases studied are representative of all NAPA processes. But they were very useful to look beyond the secondary evidence and to explore and understand the different perspectives of stakeholders involved in the same NAPA processes. The use of case studies has to be done judiciously, firstly in their selection and second in the interpretation of findings that may not be representative of all cases. The report makes clear where findings coincide across case studies and those considered of more generic significance. Comparing case study findings to those from other evaluation instruments tested their wider validity.

To assure an appropriate level of impartiality, management of the e-survey was contracted out to a researcher who was independent of the Evaluation. It achieved responses from a wide coverage of LDCs (25 of 48 at different stages of NAPA processes). The facts that the e-survey was tightly tailored to focus upon the evaluation areas and criteria, that respondents were able to select categories of responses and also to give more detailed narrative answers, plus the diversity of countries and types of respondents, mean that the evidence from the e-survey was considered eligible for incorporation into the Evaluation's analytical processes.

The e-survey response rate was in the order of 15 per cent (with 32 scored responses and 35 responses used for qualitative assessment, out of an estimated 210 people who received an email invite to participate). This is the same response rate as that achieved by the e-survey applied in the UNEP/NAPA process evaluation.[8] The sample size was not large enough to justify the use of statistical testing of significance of the results. The results were assessed in terms of proportional differences in stakeholder responses by category. Conclusions were drawn on responses where clear proportional differences existed and where responses were homogeneous. Conclusions were compared and contrasted to results from other evaluation instruments on the same topics.

The limited number of approved NAPA priority actions funded by the LDCF and in operation has meant that it was not possible to conduct an analysis of the impacts and results of these actions at this stage. The large majority of the implementation projects are still in the pipeline only or their PIFs have only recently been approved. As only few projects have been endorsed at the time of finalizing the Evaluation, the assessment has focused on the project pipeline processes rather than results and impacts in the countries, which are still to come. As a consequence of this, the results of the *NAPA and NAPA implementation processes* are the main focus of this Evaluation.

The Evaluation faced some challenges on data collection in the sense that certain figures and dates provided by some stakeholders were contested by others. Further, there seemed to remain at country level, and even among the agency representatives consulted, a certain lack of clarity about the project preparation procedures and how to interpret the guidance currently available.

The progress of NAPA priority projects through the LDCF project cycle during 2008 and 2009 has been more dynamic than in previous years. This is due in part to attempts by the LDCF administration and the GEF Agencies to respond to stakeholder concerns on the less than expeditious performance of the LDCF. The Evaluation faced problems obtaining up-to-date and precise information on the status of the NAPA priority projects due to the GEF project database not being regularly updated. The database has not been updated on some country information for more than a year. In addition, no common tracking procedure exists for the LDCF and GEF Agencies where the progress of NAPA priority projects through the LDCF procedures can be observed. The Evaluation thus had to rely on information provided by the LDCF administration and other key stakeholders including the GEF Agencies. A general cut off date for information on the progress of NAPA priority projects was set as the end of May 2009. However, in some cases the Evaluation did not receive updated information beyond 30 March 2009. In such cases, the precise date of information is indicated in the relevant section or footnote.

The Evaluation took place at a crucial juncture in time, i.e. in the 12 months immediately prior to the UNFCCC COP 15, when negotiations for a new climate change regime were ongoing; and during the GEF OPS4 and preparations for replenishment. This led to some constraints for the Evaluation. Stakeholders were prepared to discuss the out-

8) UNEP Terminal Evaluation of the UNEP GEF projects "Enabling activities for the Preparation of a National Programme of Action (NAPA)."

comes so far of the LDCF, but some were cautious in discussions of the future perspectives, design, modalities and delivery mechanisms of any future adaptation funds open to the LDCs.

The Evaluation did not examine adaptation activities supported by the GEF apart from the LDCF.

The Evaluation did not participate in LDCF Council meetings, but had the opportunity to conduct a review of the LDCF Council documents.

3 The Least Developed Countries Fund

3.1 History and context

The LDCF was established in 2001 under the UNFCCC at its seventh session in Marrakech, Morocco to support the identification of and to fund urgent and immediate adaptation actions in Least Developed Countries. Parties requested the GEF, as an operating entity of the financial mechanism of the Convention, to operate the LDCF under the guidance of the COP and to support the work programme for the LDCs, including the preparation and implementation of the NAPAs.[9] In addition, the LDCF was requested to support other components of the LDC work programme[10] in order to address the special needs of the LDCs, including strengthening the national climate change secretariats and/or focal points and to provide training in negotiating skills to enable effective implementation of the Convention.[11]

Three additional funds for adaptation were defined at the seventh session – the Strategic Priority "Piloting an Operational Approach to Adaptation" (SPA) under the GEF Trust Fund, the Special Climate Change Fund (SCCF) under the UNFCCC and the Adaptation Fund (AF) under the Kyoto Protocol. The GEF manages the SCCF and the LDCF. The AF is managed by a board drawn from nominees from the UN geographic areas to which the GEF provides interim secretarial services.[12]

Under the LDCF, financing is available to all LDCs. Currently, there are 49 LDCs and all except Somalia are party to the UNFCCC.[13]

Figure 3.1 Least Developed Countries

9) In accordance with Section II, "Implementation of Article 4, paragraph 9, of the Convention", of decision 5/CP.7.

10) Decision 5/CP.7, Para. 11.

11) As the LDC work programme has been elaborated and the mandate of the LEG and the Guidance from COP have developed over time, so the scope of the LDCF has evolved accordingly.

12) The World Bank serves as a Trustee on an interim basis.

13) Cape Verde has graduated from the list of LDCs, but before doing so it submitted a NAPA in December 2007.

The mandate of the LDCF
Based on the initial guidance in UNFCCC Decision 27/CP 7, the LDCF was set up to:

a) Provide funding to meet the agreed full cost of preparing the NAPAs;

b) Ensure complementarity and separation of funding from the LDCF and the other funds with which the operating entity is entrusted;

c) Adopt simplified procedures and arrange for expedited access to the Fund by the LDCs while ensuring sound financial management;

d) Ensure transparency in all steps relating to the operation of the Fund;

e) Encourage the use of national, and where appropriate, regional experts;

f) Adopt streamlined procedures for the operation of the Fund.

The Fund was further requested to report to the COP on the specific steps it has undertaken to implement the provisions of this decision.

3.2 Governance and management structure

The Conference of the Parties (COP)
As the association of all countries that are Parties to the Convention, the COP is the highest decision-making authority. The COP provides guidance to the LDCF (as well as other financial mechanisms) on policies, programme priorities and eligibility criteria mainly in the form of its decisions. The COP reviews the implementation of the Convention and examines the commitments of Parties in light of the Convention's objectives, new scientific findings and experience gained in implementing climate change policies.

Subsidiary bodies
The Convention has two permanent subsidiary bodies: the **Subsidiary Body for Scientific and Technological Advice** (SBSTA) and the **Subsidiary Body for Implementation** (SBI). SBSTA counsels the COP on matters of climate, the environment, technology, and methods. SBI helps review how the Convention is being applied, e.g. analysis of the national communications submitted by member countries. It also deals with financial and administrative matters. It advises the COP on guidance to the financial mechanisms operated by the GEF. SBSTA and SBI work together on cross-cutting issues including capacity building, the vulnerability of developing countries to climate change and adaptive response measures.

The Least Developed Countries
Parties classified as LDCs by the UN are given special consideration under the Convention on account of their limited capacity to respond to climate change and adapt to its adverse effects.

Contributing countries
Contributions to the LDCF by countries are made on a voluntary basis. Those countries that have contributed to the Fund are listed in Section 3.4 below on financing the LDCF.

The GEF
The GEF acts as an operating entity of the UNFCCC financial mechanism – this includes management of the LDCF. The general relationship between the COP and the GEF Council is set out in a memorandum of understanding.[14] This requires the GEF Council to report annually to the COP on all GEF-financed activities in implementing the Convention, whether carried out by the GEF Secretariat or the GEF Agencies. The LDCF is separate to the GEF Trust Fund and has its own council. However, the governance structure, operational procedures and policies that apply to the GEF Trust Fund[15] are also applied to the LDCF, *unless* the LDCF Council decides that it is necessary to modify the procedures in response to Convention guidance or to facilitate the operations of the LDCF so as to achieve successfully the objectives of the Fund.

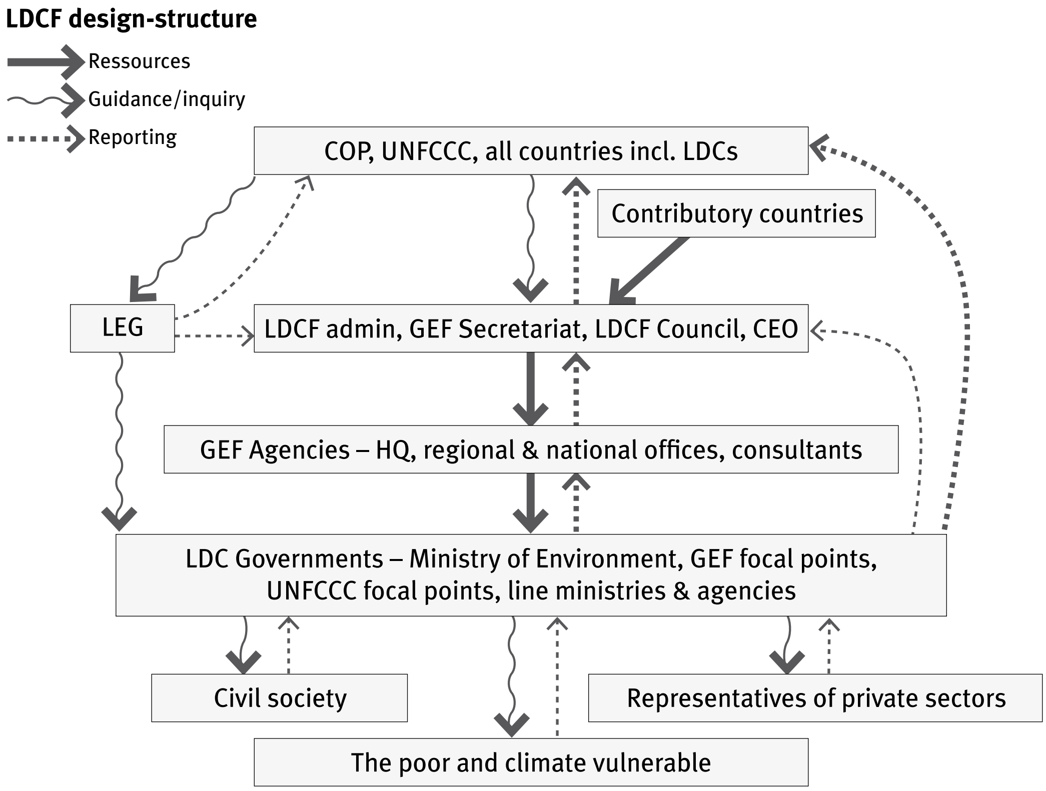
The LDCF/SCCF Council
The decision making principles for the operation of the LDCF were approved by the GEF Council in May 2002[16] and were modified in 2006.[17] Since 8 December 2006, the LDCF Council meets biannually – as the LDCF/SCCF Council in separate back-to-back sessions within the overall GEF Council. Operations and administrative costs incurred in connection with the LDCF are kept separate from the GEF Trust Fund. The World Bank is the Trustee of the LDCF and the SCCF.

Any GEF Council member (currently 32 countries) is eligible to take part in the LDCF/SCCF Council and may choose to participate in the Council or to attend as an observer. The LDCF/ SCCF Council meetings are attended by members (representatives of countries and countries with an agreed constituency) and alternate members. LDCs are represented either may virtue of being members or through their constituency member which may not be an LDC. In addition, representatives of participant countries, implementing and executing agencies, the Trustee, conventions and non-governmental organisations attend. Members and alternate members attending meetings are in the large majority from developed countries.[18] A formal vote by the LDCF/SCCF Council is taken where consensus cannot be achieved. Such vote is conducted by a double weighted majority.[19] No vote has so far been necessary.

14) Decision 12/CP.2 and Decision 12/CP.3.
15) The GEF Trust Fund is the common funding resource of the Global Environment Facility (GEF) which consists of the contributions received from donor countries to the GEF. The World Bank serves as the trustee of the GEF Trust Fund in a fiduciary and administrative capacity and is accountable to the GEF Council. The trustee administers the GEF Trust Fund in accordance with the provision of the GEF Instrument and the decisions of the GEF Council.
16) GEF/C.19/6, Arrangements for the Establishment of the New Climate Change Funds.
17) Report of the GEF to the COP at its Twelfth Session, FCCC/CP/2006/3, Annex 10 and Joint summary of the Chairs GEF LDCF/SCCF Council meeting December 8, 2006.
18) The list of GEF members, alternate members and constituencies are available at the GEF homepage. http://www.gefweb.org/interior.aspx?id=36
Council members and alternate members attending the Nov 2008 LDCF/SCCF meeting included: Spain, Norway, Belgium, New Zealand, Japan, Germany, Australia, France, Canada and UK. Council members and alternates attending the Nov 2007 LDCF/SCCF meeting included: Egypt, Netherlands, Central African Republic, Australia, Switzerland, Mozambique, Spain, Japan, Italy, Germany, Russia, Austria, UK, Eritrea, Benin, Canada, Congo, Czech Republic, Iran, Barbados and UK. Taken from: http://www.gefweb.org/uploadedFiles/Documents/LDCFSCCF_Council_Documents/LDCFSCCF3_November_2007/LDCF.SCCF.3.List%20of%20Participants.pdf and, http://www.gefweb.org/uploadedFiles/Meetings/Participant%27s%20List.LDCF.SCCF.5.pdf
19) An affirmative vote representing both a 60 per cent majority of GEF participants represented on the LDCF/SCCF Council and a 60 per cent majority of the total contributions to the fund. The total contributions is calculated based on the actual cumulative payments made to the Fund.

The LDCF administration
The daily operation of the LDCF is managed by a secretariat within the GEF Secretariat's climate change team, reporting to the GEF CEO. As of 30 June 2009, the team consists of a senior programme manager, an adaptation and country relations officer, a program officer and a junior professional officer. Only the senior manager and the programme officer work full time on the LDCF.[20] Besides screening funding applications, the LDCF administrative staff is responsible for organizing LDCF Council meetings, reporting to the LDCF Council and providing financial reviews of the Fund, managing the project pipeline and liaising with the ten GEF Agencies as well as developing policies and strategies for LDCF Council consideration and approval.
In the figure below the LDCF system is presented.

Figure 3.2 The LDCF system



GEF Agencies
There are currently 10 GEF Agencies related to the LDCF. They comprise the original three GEF 'implementing agencies' (UNDP, UNEP and World Bank) plus the seven former 'executing agencies' – Asian Development Bank (ADB), the African Development Bank (AfDB) the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IDB), the International Fund for Agricultural Development (IFAD), the Food and Agricultural Organization of the UN (FAO) and the Industrial Organization of the UN (UNIDO). These 10 GEF Agencies have direct access to LDCF for the preparation and implementation of activities financed by the funds.[21]

20) Administrative budget for the LDCF and the SCCF, GEF/LDCF.SCCF.4/4, April 2008.
21) GEF/LDCF.SCCF 3/Inf.5 Notice of Council Approval of Decision concerning Direct Access of Agencies.

Least Developed Countries Experts Group (LEG)
The LEG[22] was established to advise on the preparation and implementation strategy for NAPAs, and to serve in an advisory capacity to the LDCs. The LEG is not directly involved in the execution of activities and projects.[23] The LEG consists of 12 experts – five from African LDC parties, two from Asian LDCs Parties, two from Small Island Developing States LDC parties and three from Annex II Parties. The LEG works in support of the LDC Work Programme[24] including NAPA implementation. The LEG reports to the SBI.[25] The LEG has issued a number of technical papers on the preparation and implementation of NAPAs.

GEF Adaptation Task Force
The LDCF administration has recently begun to convene monthly meetings with representatives of the GEF Agencies and the Science and Technical Advisory Panel (STAP) that take decisions over operational guidelines.

Guidance to the LDCF
The LDCF has been guided by Decision 28/CP 7 on the rationale and scope for NAPAs including guiding elements for their preparation. This was followed by Operational Guidelines for expedited funding[26] with review and approval procedures as well as Annotated Guidelines[27] to guide NAPA preparations developed by the LEG. The original guidelines foresaw that the NAPAs would be completed within 12-18 months from the approval of funds. In November 2004, the LDCF Council issued a paper setting out additional elements to be taken into account in NAPA funding and implementation.[28]

The COP has provided further guidance to the Fund through additional decisions.[29] A timeline of key COP decisions and GEF responses is presented in the LDCF Governance thematic study in Annex XIV.

Since May 2006, the key programming document has been the LDCF Programming Paper,[30] which sought to incorporate the guidance received from COP9[31] and COP11[32]

22) Decision 29/CP.7.
23) The LEG mandate has been further extended by Decision 8/CP.13, Decision 4/CP.11 and Decision 7/CP.9.
24) The most recent work programme for 2008-10 approved in June 2008 mandates the LEG to prepare and disseminate a step-by-step guide on NAPA implementation, support the GEF and its agencies to develop a guide to accessing the LDCF, synthesize best practices of NAPAs, support LDCs in integrating NAPAs into development plans, examine NAPA project profiles, and to determine technical, capacity building and financial needs for the NAPA implementation phase.
25) For LEG reports, see http://unfccc.int/cooperation_support/least_developed_countries_portal/ldc_expert_group/items.
26) FCCC/CP/2002/4, Report of the GEF to the Eighth Session of the Conference of the Parties to the UNFCCC and GEF/C.19/6, Arrangements for the Establishment of the New Climate Change Funds.
Note on GEF Support for National Adaptation Plans of Action (NAPA), May 8, 2002 (GEF/C.19/Inf.7).
27) Decision 28/CP.7, Annotated guidelines for the preparation of NAPAs.
28) Elements to be Taken into Account in Funding the Implementation of NAPAs under the LDC Fund, (GEF/C.24/Inf.7).
29) Dec.28/CP.7; Dec. 8/CP.8; Dec 6/CP.9; Dec. 3/CP.11; Dec. 5/CP.14.
30) Programming Paper for Funding the Implementation of NAPAs under the LDC Trust Fund, GEF/C.28/18, May 12, 2006.
31) Decision 6/CP.9.
32) Decision 3/CP.11.

into the proposed programming framework for the LDCF. Decision 3/COP 11 stated that full-cost funding should be provided by the LDCF to meet additional adaptation costs; that the GEF should develop a co-financing scale for supporting activities identified in the NAPAs not supported through full-cost funding; and that the GEF should develop flexible modalities to ensure balanced access to resources given the level of funds available.

Simplified procedures
As part of the 2006 LDCF Programming Paper a simplified approval process was established by the LDCF administration and endorsed by the LDCF Council, under which projects are reviewed and approved on a rolling basis throughout the year. The intention was to speed up planning and implementation of LDCF funded activities in line with COP decisions.

For NAPA priority projects, the principle of financing incremental costs to achieve global environmental benefits that underlies the GEF Trust Fund was replaced by the principle of financing the 'additional costs' necessary to respond to the adverse impacts of climate change. An optional sliding scale was introduced as a simplified approach to estimate additional costs. Full projects, requesting more than USD 2 million can be approved by Council on a 'no objection' basis. Also an increased limit of CEO project approval was introduced up to USD 2 million, notifying the Council of such approval on a 'no objection' basis.[33] Furthermore, the Resource Allocation Framework applied to biodiversity and climate change in GEF-4 was not applied to the LDCF.[34] The programming paper also recognizes the need for stand-alone interventions unrelated to existing development activities to implement a NAPA where relevant.[35] The features of the additional costs principle, the sliding scale and the balanced access are further described in Section 3.3 below.

Monitoring and Evaluation
The LDCF administration presents overviews of financial support commitments and progress on NAPA planning and completion, and priority project applications preparation etc. to the LDCF/ SCCF Council. However, no programmatic or fund level monitoring and evaluation system has been conducted so far by the LDCF. Monitoring is done at the project level based on a logical framework approach and according to GEF Agencies' procedures. The GEF Council reports on this basis to the COP at its various sessions. LDCF management therefore lacks measures to assess progress against strategic priorities, bench marks or indicators.

In April 2008 to strengthen LDCF monitoring and evaluation, the LDCF Council requested the Secretariat to submit a results-based management framework (RBM) drawing on the framework developed for the GEF trust fund[36] but tailored to the adaptation mandate of the LDCF. This should ensure monitoring and reporting at three levels: programme, funding areas (sectors/areas of intervention) and projects in order to introduce both planning and reporting instruments. The RBM specifically developed for the LDCF and the SCCF was approved at the LDCF/SCCF Council meeting in June 2009.

33) An increase in CEO commitment authority, which is normally limited to USD 1 million for projects within the GEF Trust Fund.
34) Programming Paper for Funding the Implementation of NAPAs under the LDC Trust Fund, GEF/C.28/18, May 12, 2006, para. 2-3.
35) It was foreseen in the Programming Paper that the programming elements would be kept under review and revised as necessary to take into account further guidance from the COP as well as lessons learned in the financing the implementation of NAPAs cf. Para. 57 of GEF/C.28/18, May 12, 2006.
36) GEF/C.31/11

Changing context of climate adaptation planning
The adaptation financing context within which the LDCF is embedded has become contested in terms of how best to address climate adaptation and the links to development, and congested in terms of the sources of support for climate change adaptation activities. (See the thematic study in Annex IV on this topic for further information).

Since the completion of the first set of NAPAs a number of new initiatives have begun to emerge that potentially offer significant funding opportunities for climate change adaptation. The initiatives include the UNFCCC Adaptation Fund established during 2008-09, the Pilot Programme for Climate Resilience (PPCR) managed by the World Bank, the Japanese Government's grant to UNDP to support adaptation in certain African countries, the climate change funds being set up by national governments (e.g. Bangladesh), multi-donor trust funds being negotiated between LDCs and development partners (e.g. Bangladesh, and potentially Malawi and Nepal), as well as the EU's Global Climate Change Alliance Support Facility. To these can be added pipeline initiatives demonstrating the recognition by development agencies that facilitating climate adaptation is part of good development – especially under the context of increasing climate vulnerability and the recent projections of climate change effects. These initiatives could and should take account of NAPA findings and priorities.

For some, but not all, of these climate change funding initiatives, certain countries including some LDCs have priority access. For example, the PPCR has identified the following vulnerable countries: Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan, Yemen and Zambia, and of these six are LDCs. All of these financing initiatives will require information and evidence to inform climate change adaptation planning, some of which can be drawn from the NAPAs.

The development programming of LDC governments also covers areas where climate change effects have to be factored in and where public sector investments will have direct or indirect effects on adaptive capacity of people and institutions.

3.3 LDCF project cycle and procedures

NAPAs
NAPAs were intended to be country-driven assessments of immediate and urgent adaptation needs. The NAPA process includes the prioritization of adaptation actions – priority projects.

At the initiation of the LDCF proposals for funding the preparation of NAPAs were submitted by the GEF Agencies (at this stage termed "implementing agencies") to the LDCF administration according to the 2002 Operational Guidelines.[37] The LDCF administration reviewed the proposals in line with expedited approval procedures for enabling activities.[38] Support was on a full agreed cost basis, as with the GEF enabling activities. Proposals not exceeding USD 200,000 were approved by the GEF CEO, subject to the availability of funds in the LDCF. Country proposals that exceeded this amount could be processed for submission to the GEF Council as regular GEF projects.[39]

37) An application was made according to Annex A of the Operational Guidelines for Expedited Funding for the Preparation of NAPAs by Least Developed Countries, April 2002.
38) In accordance with Annex B of the Operational Guidelines.
39) Operational Guidelines, April 2002, para. 20.

A NAPA is considered complete when the NAPA official report is finalised, made public and submitted to the UNFCCC. All NAPAs followed the preparation guidelines[40] as developed by the LEG.

NAPA priority projects
The NAPAs were designed and conducted to identify the top priority urgent and immediate adaptation actions. These actions once identified were then put forward to the LDCF for funding by the GEF Agency together with the LDC. Approximately USD 3.5 million was made available to each country as the LDCF contribution to the implementation of NAPA priority projects, irrespective of the timing of submission of projects for funding. This limit has now been removed.[41] The LDCF approval process for NAPA priority projects consists of the following two steps.[42]

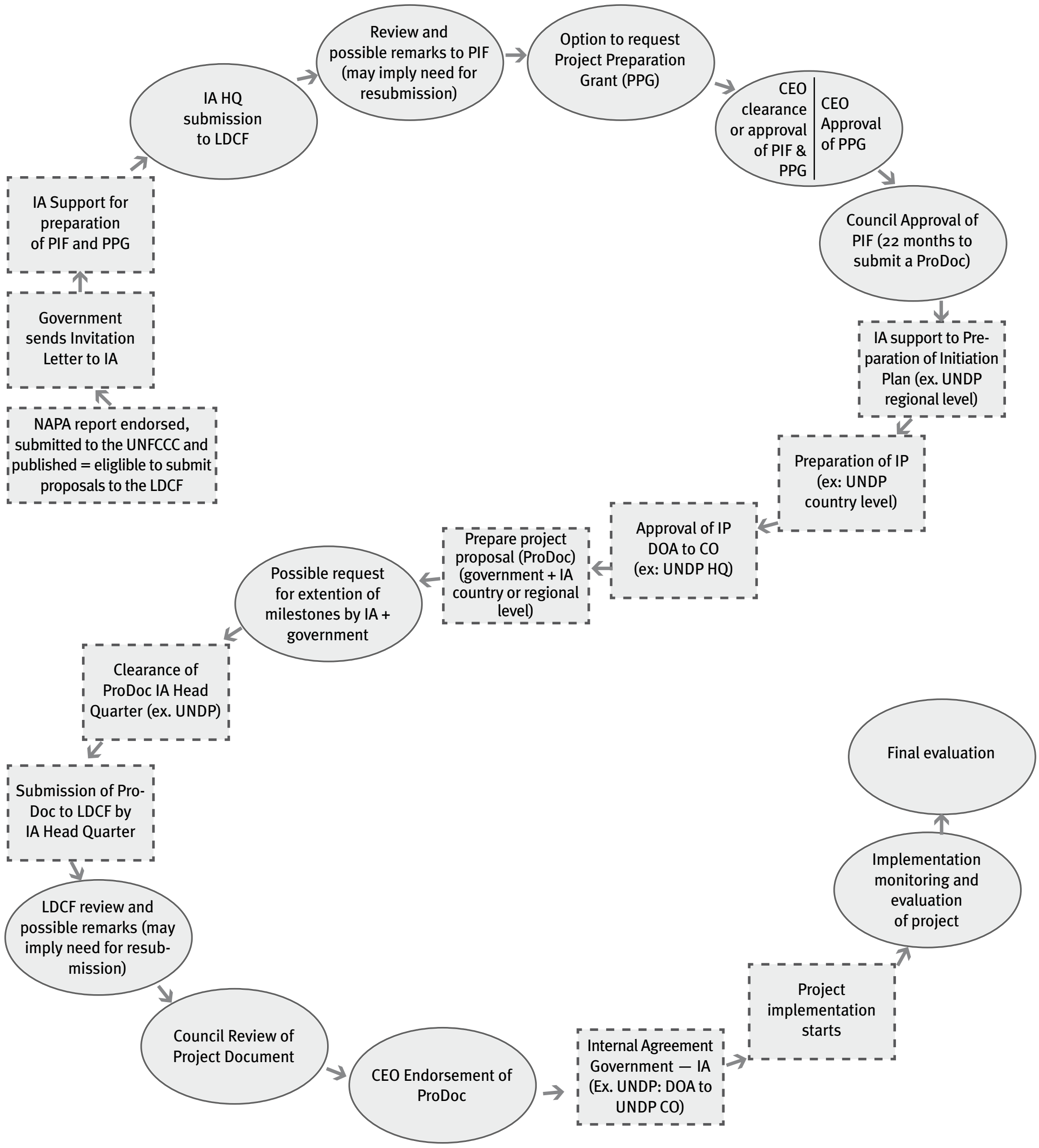
1) Project Identification Format (PIF) approval: PIFs can be submitted on a rolling basis. LDCF administration review of the PIF takes place within a maximum of ten days. Upon clearing for LDCF Council approval the PIF is posted on the GEF website for four weeks for review by the LDCF Council on a 'no objection basis'. Following clearance for Council approval, the project is eligible for a project preparation grant (PPG). Once the PIF is approved by the LDCF Council, the proposed funding is reserved;

2) CEO endorsement requests: CEO endorsement requests can be submitted at any time no later than the date indicated in the PIF and approval letter. CEO endorsement requests, based on a fully developed project document, are reviewed and endorsed by the GEF Secretariat on a rolling basis. After a 10 day review period in the Secretariat, projects are either endorsed by the CEO (subject to four weeks of LDCF Council review), or returned to the relevant Agency with indication of issues preventing recommendation for CEO endorsement.

Although a 22 month deadline has been instigated for PIF preparation and endorsement, considerable time and effort is spent by the governments and GEF Agencies outside the narrow LDCF approval cycle in preparing the PIFs and PPGs, which are to be followed by fully developed project documents.[43] The figure below describes both the LDCF project cycle activities for NAPA priority project preparation, as well as the preparatory work by governments and GEF Agencies leading to the various submissions to the LDCF. A detailed description of the various steps of the project cycle for preparation of PIFs and fully developed project documents is presented in Annex VII.

40) FCCC/Decision 28/CP.7.
41) Information from interview with LDCF management and from Mali case study.
42) The various steps of the project cycle are further described at www.gefweb.org/interior_right Also available at the site are LDCF templates for proposals (PPG template, PIF template, CEO Endorsement template including preparation guidelines and LDCF Operational Focal Point Endorsement Letter template) in December 2008 versions.
43) As further described in Chapter 5.1. regarding process time, there is no common tracking system across the GEF Agencies for the time spent on preparation of PIFs. UNDP is reported to have spent an average of 10½ months preparing a PIF.

Figure 3.3 LDCF project cycle for preparing NAPA priority projects (with UNDP as a GEF Agency)



Notes to Figure: Boxes indicate actions taken by the Governments and/or the GEF Agencies (in this case UNDP procedures are used to illustrate the process which a NAPA implementation project needs to undergo if UNDP acts as the implementing agency). Circles indicate actions by the LDCF administration, GEF CEO or LDCF/SCCF Council.

Additional cost principle

Countries present the 'additional costs' of adapting to climate change impacts for the LDCF, meaning the costs imposed on vulnerable countries to meet their immediate adaptation needs, i.e. the difference between the full project costs with climate change and the baseline costs without.[44]

44) As defined in Dec.3/CP.11, para. 2.

Optional Sliding Scale
Instead of the additional cost approach, countries may use an optional sliding scale[45] that identifies how much of the total project cost the LDCF will provide. The table below shows the LDCF contribution to total project costs. The sliding scale recognizes that in practice it may be difficult to assess *ex-ante* the additional costs of adaptation. This approach removes the need to submit the detailed baseline and scenarios required for determination of additional costs.

Table 3.1 The Sliding Scale

Project total costs (USD)	LDCF may provide funding
<0.3 million	Up to 100 %
0.3-0.5 million	up to 75 %
0.5-6 million	up to 50 %
6-18 million	up to 33 %
>18 million	up to 25 %

Co-financing criteria
Co-financing may include utilization of existing resources in the form of bilateral grants, IDA loans, or other in-cash and in-kind contributions. These co-financing contributions may include existing government budget lines of the relevant sector. The total project cost is the sum of the LDCF contribution and all co-financing.

Equitable Access (Balanced Access)
The balanced access to LDCF resources[46] should have removed any advantage or disadvantage in submitting projects for NAPA implementation at different times, and avoids a first-come, first-served approach. The balanced access approach was supposed to be flexible, and to take into account different factors, such as vulnerability to climate change and type of interventions to address it; national and local circumstances including population and country size; and national and local capacity to cope with current variability and future climate change. The approach was examined and revised to take into account experience gained, the balance of distribution of the LDCF and the continuing needs for further support from the LDCF.[47]

Project Identification Format (PIF)
In May 2006 the LDCF launched a Programming Paper for dealing with the second step of NAPAs – the implementation of priority projects. Countries have to submit PIFs to the LDCF as part of the project preparation, and could in principle do this, as soon as they had completed and submitted their NAPAs to the UNFCCC.

45) Programming Paper for Funding the Implementation of NAPAs under the LDC Trust Fund, GEF/C.28/18, May 12, 2006, para.27-31. Programming Paper, GEF/C.28/18, May 12, 2006, para 22.
46) Programming Paper, GEF/C.28/18, May 12, 2006, para.51-54.
47) Programming Paper, GEF/C.28/18, May 12, 2006, para.54 and 57.

3.4 Financial flows and Fund performance

Financing the LDCF
Countries contribute to the LDCF on a voluntary basis.[48]According to the recent Status Report on the Climate Change Funds[49] from the Trustee, nineteen countries have pledged contributions to the LDCF totalling USD 176.5 million.[50] At the June 2009 LDCF Council meeting some countries pledged further support. Annex VI shows the details of the status of pledges, commitments and payments made to the LDCF since inception.

LDCF support for NAPA development
A total of USD 12 million has been provided to support NAPA development.
As of late May 2009, the LDCF had supported the preparation of 48 NAPAs, of which 41 had been completed and published by the UNFCCC,[51] the three most recent countries being Solomon Islands (NAPA submitted in December, 2008) Yemen (April, 2009) and Lao People's Democratic Republic (May, 2009). Annex V lists the countries, the GEF Agencies, approval dates and completion dates for the NAPAs.

27 countries have completed NAPAs with UNDP technical support, 12 countries with UNEP, and 2 with the World Bank. Of those with UNDP support the total NAPA preparation costs were USD 5.15 million, at an average of USD 0.19 million per country. For the 12 NAPAs supported by UNEP, the total disbursed costs were 2.3 million – USD 0.193 million per country.

Table 3.2 Completed NAPAs and GEF Agencies

GEF Agency	Country
UNDP	Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cape Verde, DR of Congo, Eritrea, Ethiopia, Guinea, Guinea Bissau, Kiribati, Lao, Malawi, Maldives, Mali, Mozambique, Niger, Samoa, Sierra Leone, Solomon Island, Sudan, Tuvalu, Vanuatu, Yemen, Zambia
UNEP	Comoros, Central African Republic, Djibouti, Gambia, Haiti, Lesotho, Liberia, Mauritania, Rwanda, Senegal, Uganda, Tanzania
World Bank	Madagascar, Sao Tomé and Principe

Of the seven NAPAs still in process, four are supported by UNDP and three by UNEP. One country, Equatorial Guinea, has not yet agreed to a project proposal for preparation of its NAPA. Three NAPAs (Afghanistan, Chad and Togo) are in their final stages of preparation and expected to be completed in 2009. Four proposed NAPAs (Angola, Myanmar, Nepal and East Timor) are expected to be completed in 2010.[52]

Status of NAPAs and priority projects
The development of a NAPA priority project includes the design, development, and implementation of a PIF and then the design, development and implementation of the

48) Germany together with UK, France, Netherlands and Denmark have been the major contributors to the LDCF.
49) Status Report (prepared by the Trustee) GEF/LDCF.SCCF.6/Inf.2, May 26, 2009.
50) Australia, Austria, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom.
51) All submitted NAPAs are available at www.unfccc.int/napas/
52) Based on information provided in the Progress report on the LDCF and the SCCF, GEF/LDCF/SCCF.6/inf.3 May 22, 2009.

projects. In some cases, a PPG is also approved to assist the country and the GEF Agency to prepare the project and project document for CEO review and endorsement.

By the end of May 2009, the LDCF had committed a total of USD 85 million with an indicative co-financing of 162.3 million.[53] A list of approved projects and projects in the LDCF pipeline as of 22 May 2009 is included in Annex VIII, which also indicates subtotals. By end of May 2009, there were priority projects close to approval for a further USD 14.7 million with an indicative co-financing of USD 35.6 million in the pipeline.

Table 3.3 Total LDCF allocations for approved NAPA priority projects per end of May, 2009

GEF Agency	Number of countries	LDCF total allocations USD Million	Co-financing total (indicative) USD Million
UNDP	18	62.6	114.6
AfDB	1	3.6	24.4
UNEP	3	5.1	5.7
IFAD	2	7.0	7.4
World Bank	1	3.0	5.7
UNDP/UNEP	1	3.6	3.4
Total	26[54]	85.0	161.3

Approved Project Identification Formats
Out of the 41 NAPAs completed, 29 countries have submitted NAPA priority projects through the PIF for LDCF support. 28 PIFs have been approved as consistent with the LDCF eligibility criteria.

Nine PIFs (Congo DR, Guinea, Lesotho, Liberia, Maldives, Mali (UNDP as GEF Agency), Mauritania (IFAD as GEF Agency), Rwanda and Vanuatu) have been approved by the LDCF Council since November 2008.

Three PIFs (Comoros, Mali (FAO as GEF Agency) and Yemen) have been recently posted for Council approval.[55] The Mali PIF, the first LDCF PIF submitted by FAO, is a second PIF approved for the country. Mali is thus the first country to have two approved priority projects with a total LDCF financing (grants, fees and a PPG) of up to USD 5.81 million.

Mauritania decided to cancel its previously approved PIF submitted by UNEP, and a new PIF submitted by IFAD was Council approved. The Yemeni Government chose the World Bank as their GEF Agency, and two other previously submitted PIFs for Yemen, one from UNDP and one from IFAD, were cancelled.

53) Table 2 in Progress report on the LDCF and the SCCF, GEF/LDCF/SCCF.6/inf.3 May 22, 2009.
54) As per the cut off date for this report end of May 2009. Information was requested from the LDCF administration on the most recently approved PIFs (i.e. after the 30 March). However, this was not received in time for the preparation of this report. Allocation and co-financing figures by agency are rounded off.
55) See Annex VIII, List of approved and approaching LDCF projects.

11 countries with finalized NAPAs are yet to submit their first PIF – Central African Republic, Ethiopia, Guinea Bissau, Kiribati, Madagascar, Mozambique, Sao Tome and Principe, Senegal, Solomon Islands, Tanzania and Uganda.
The table below summarises the above.

Table 3.4 Status of LDCF funded activities (as of end of May 2009)

Parameter	No of cases	Countries
NAPAs completed	41	See table in Annex V
NAPA priority projects		
– under implementation	1	Bhutan
– CEO endorsed ready for implementation	4	Bangladesh, Burkina Faso, Cambodia and Samoa
– under LDCF administration review	11	Cape Verde, Eritrea and Niger, Benin, Congo DR, Guinea, Mali, Rwanda, Sudan, Tuvalu and Zambia
PIFs for NAPA priority projects		
– approved, preparing project documents	28	
Countries with NAPAs without NAPA priority projects or PIFs cleared	11	Central African Republic, Ethiopia, Guinea Bissau, Kiribati, Madagascar, Mozambique, Sao Tome and Principe, Senegal, Solomon Islands, Tanzania and Uganda
Countries that have submitted NAPA priority projects as PIFs	29	See table in Annex VIII
PIFs approved as consistent with the LDCF eligibility criteria	28	See table in Annex VIII
PIFs approved by the LDCF Council since November 2008	9	Congo DR, Guinea, Lesotho, Liberia, Maldives, Mali (UNDP as GEF Agency), Mauritania (IFAD as GEF Agency), Rwanda and Vanuatu
PIFs recently posted for approval	3	Comoros, Mali (FAO as GEF Agency) and Yemen
PIFS cancelled	3	Yemen (2) and Mauritania
Countries with completed NAPAs yet to submit first PIF	11	Central African Republic, Ethiopia, Guinea Bissau, Kiribati, Madagascar, Mozambique, Sao Tome and Principe, Senegal, Solomon Islands, Tanzania and Uganda

Status of CEO Endorsed NAPA priority projects
As of 22 May 2009, five NAPA priority projects have received CEO endorsement. These projects are located in Bangladesh, Bhutan, Burkina Faso, Cambodia and Samoa, all with UNDP as GEF Agency.[56] The project in Bhutan is in operation, while the four other projects have received GEF EO endorsement/ approval for implementation.

56) See Annex VIII cf. Progress Report on the LDCF and the SCCF, GEF/LDCF/SCCF.6/inf.3 May 22, 2009.

NAPA priority projects under review
Three project documents are currently under CEO endorsement review as per the cut-off date of this Evaluation (as of end May 2009): Cape Verde, Eritrea and Niger, all with UNDP as GEF Agency. Eight more projects in Benin, Congo DR, Guinea, Mali (UNDP as GEF Agency), Rwanda (UNDP & UNEP as GEF Agencies), Sudan, Tuvalu and Zambia (one per country) are expected to be recommended for CEO endorsement and move to the implementation phase before the end of 2009.

LDCF project cost, co-financing
The LDCF has committed USD 85 million for 26 NAPA priority projects with a total co-financing of USD 161 million. It should be noted that these projects are at different stages of preparation and approval. The USD 85 million includes GEF Agency fees and PPG costs. Also as of 22 May 2009, USD 15.4 million had been allocated for projects endorsed by CEO in five countries.

The LDCF support/co-financing ratio is 1:1.9. Since none of the projects have been completed there is no assurance that this ratio will stay as indicated. It should be noted that in practice, the co-financing definition is administered in a flexible way by the LDCF and may also include in-kind contributions or other ongoing projects complementing the NAPA project.

Annual Cash Transfers to GEF Agencies
The Trustee makes commitments for financial transfers to the GEF Agencies upon CEO approvals following the procedure agreed between the Trustee and the GEF Agencies. The following table shows the annual cash transfer to the GEF Agencies up to 7 May 2009.[57] The majority of the funds were transferred in 2005 to pay for the first NAPAs.

Table 3.5 Annual Project Cash Transfer to GEF Agencies (USD)

	2005	2006	2007	2008	2009
AfDB	0	0	0	274,000	0
IBRD	400,000	0	0	0	0
UNDP	5,805,000	0	1,016,000	0	700,000
UNEP	2,575,000	0	0	475,000	0
Total	8,780,000	0	1,016,000	749,000	700,000

The following table shows the Agency fees transferred to the GEF Agencies as of 7 May, 2009.[58]

57) GEF/LDCF.SCCF.6/inf.2, May 26, 2009, Annex 6. Transfers to GEF Agencies are rounded off.
58) GEF/LDCF.SCCF.6/inf.2, May 26, 2009, Annex 6. Transfers to GEF Agencies are rounded off.

Table 3.6 Annual Agency Fees transferred to GEF Agencies (USD)

	2005	2006	2007	2008	2009
AfDB	0	0	0	0	0
IBRD	44,000	0	0	0	0
UNDP	699,000	0	22,000	0	0
UNEP	283,000	0	0	40,000	0
Total	1,026,000	0	22,000	40,000	0

A total of USD 12.3 million had been disbursed to the GEF Agencies for NAPA preparation costs. This corresponds to approximately seven per cent of the pledged amount or 13.4 per cent of that received by the LDCF. In the Trustee's most recent report[59] it is stated that whereas the Council has approved approx. USD 87 million for projects in the pipeline, out of a total commitment of USD 31.4 million, the Trustee has disbursed USD 26.4 million for projects that have actually been endorsed, including project preparation.[60] Out of the USD 31.4 million, the Trustee has transferred USD 14.7 million to the GEF Agencies, meaning that USD 16.7 million still remains payable to the GEF Agencies. Cash transfers are made to the GEF Agencies on an as-needed basis to meet their projected disbursement requirements. For further detailed information on the funding approvals, Trustee commitments and cash transfers to the GEF Agencies are referred to Annex VI.

59) GEF/LDCF.SCCF.6/Inf.2, May 26, 2009, para. 11-13 and Annex 6.
60) The remaining USD 5 million is spent on fees and administrative expenses.

4 The National Adaptation Programmes of Action

The National Adaptation Programmes of Action (NAPAs) are the main outputs of the LDCF support to LDCs in climate adaptation planning so far. They are discussed here in terms of the processes of NAPA preparation, the NAPA reports and other products, and what the NAPAs have catalyzed both during the preparation stage and subsequent to their completion. NAPA priority project implementation is discussed in Chapter 5.
This section presents a summary of the findings of previous assessments on NAPA processes. It then draws upon the evidence derived from the instruments used in the current Evaluation, i.e. a review of all NAPAs (see Annex V), e-survey responses, the five country case studies and the key informant interviews. Each of these sources is described in full in the relevant annexes and a summary of evidence annex is also provided that presents key issues gathered from each of the evaluation instruments.

4.1 Evidence from other LDCF and NAPA assessments

Other assessments of NAPA processes supported by the LDCF related activities have been carried out.[61] These include:

a) LEG questionnaire survey of delegates from LDC parties at the 28th session of the SBI on the status of preparation and implementation of NAPAs.[62]

b) UNEP commissioned an evaluation of NAPAs where UNEP was the GEF Agency, entitled "Enabling activities for the Preparation of a National Adaptation Programmes of Action". It covered NAPA processes in 13 countries: Mauritania, Senegal, Djibouti, Haiti, Comoros, Tanzania, Uganda, Liberia, Lesotho, Rwanda, Gambia, Central African Republic and Afghanistan.

c) At the time of writing this report the UNDP Evaluation Office was concluding an LDCF evaluation – entitled "Independent Evaluation of UNDP work with Least Developed Countries Fund and Special Climate Change Fund Resources." That evaluation assessed UNDP's performance as GEF Agency assisting LDCs in their LDCF and SCCF processes.

d) Finally, the World Development Report (WDR) 2009/10 team of the World Bank held a workshop in Africa that assessed NAPA processes.

Despite the very different sample sizes and the country cases considered there are commonalities across the assessment findings and recommendations made in the LEG, UNEP, UNDP and WDR reports. Common findings are listed below:

- The objectives of preparing the NAPAs have been largely met;

61) Annex XIII provides a comparative synopsis of the methods, findings and recommendations in these assessments.
62) Results from this survey have been included in the recently published LDC Expert Group (2009) *The Least Developed Countries National Adaptation Programmes of Action: Overview of preparation, design of Implementation strategies and submission of revised project lists and profiles*. UNFCCC Secretariat, Bonn, Germany. See specifically Chapter III Summary of Experiences, lessons learned and best practices from LDC NAP.

- Human resource capacity constraints exist – both in national organisations and in the GEF Agencies, particularly at the country level, and;

- Procedural problems have occurred in the release of LDCF funding for the implementation of NAPA priority actions. These have caused cases of significant loss of momentum in addressing urgent and immediate adaptation needs and have led to unmet expectations in LDCs.

The recommendations arising from these assessments have commonalities also:

- The NAPA implementation phase should be made more expeditious and responsive;

- The process of applying for financing for NAPA priority actions needs to be simpler, streamlined and better communicated, and;

- Capacity needs to be developed in LDCs on project management and how to mainstream climate change adaptation into development policy and implementation.

The WDR report's recommendations are not labelled as such but there are findings that indicate what needs to happen to make climate change adaptation planning effective. From the perspective of the evaluation reported here the most significant are:

- The need to establish intra-governmental organisational structures that are capable of convening concerted action across ministries and agencies on climate change adaptation;

- That these new structures are capable of making the transformative changes in governance and planning at local through to national scales that addressing climate change adaptation challenges in LDCs demands.

The evidence generated by the present Evaluation is considered in the remaining sections of this and the subsequent chapters.

4.2 Processes

Relevance
The NAPAs were often the first experience in the LDCs of climate change adaptation planning. Most stakeholders consulted during the case studies and through the e-survey considered the methods used by NAPA teams to be suitable for the LDC context, and the topic of urgent and immediate adaptation needs as very relevant to LDCs.

Key stakeholders reported that there was little or no consultation in the preparation of the LDCF Operational Guidelines between the GEF and GEF Agencies and the recipient LDCs, resulting in little or no opportunity for LDCs to explain how the Guidelines related to their own capacities and requirements. This situation is further compounded by the GEF Agencies having their own guidelines for operation. However, the LDCF administration reports that there are now monthly meetings between them and GEF Agencies and decisions over operational guidelines are taken as part of the GEF Adaptation

Task Force. Nevertheless, neither LDCs representatives nor the LEG members participate in these meetings.

A combination of expert opinion and national and sub-regional consultations were used in most of the NAPA processes to define priority activities. Stakeholders considered that this combined model provided a rounded view of adaptation needs. The relevance of the NAPA processes was ensured in part by the use of nationally developed criteria for prioritization of adaptation actions as per the LEG guidelines.

The NAPA guidelines developed by the LEG recommend three main techniques for prioritization of adaptation actions – Cost Benefit Analysis (CBA), Cost Effectiveness Analysis (CEA), and, Multi-criteria Analysis (MCA). CBA is presented in the Guidelines as more objective and therefore superior to MCA and the Guidelines recommend it "should be applied whenever possible." Only in cases where criteria that cannot be accommodated in CBA are important, or when benefits cannot be quantified and valued should MCA be employed. In the cases studied the Guidelines were interpreted as condoning the use of MCA through expert judgment due to apparent scarcity of economic data. Annex V assesses the methods used for data & information collection and prioritization of adaptation actions. MCA was used in most cases because CBA and CEA were considered too data intensive. The Cape Verde NAPA report provides a long description on why its NAPA used MCA instead of the other two methods (see table in Annex V).

All the NAPA teams included officials from various governmental ministries and departments, national and often regional consultants. In addition, in some countries such as Samoa, academics and NGOs were included in the NAPA teams. Sierra Leone and Bangladesh received assistance from international advisors as did Nepal.

As highlighted in Annex V the priority issues of women – one of the most vulnerable groups to climate change impacts – and ways how best to integrate gender approaches into adaptation processes are largely absent from NAPA reports. Insufficient consideration was given to gender issues in the NAPA training workshops. The annotated NAPA guidelines prepared by the LEG purposely adopted a non-prescriptive approach in keeping with the country-driven principle. They do not suggest concrete actions nor provide a structured framework for addressing gender issues. NAPA processes have not sufficiently addressed how to enhance women's adaptive capacity or assessed how to empower women as agents of adaptation. LDCF supported adaptation planning activities have not recognized the need to provide women with opportunities to make independent adaptive decisions.

Efficiency

The e-survey responses approve of the ways stakeholder views were consulted and reported in the NAPA processes and products. In addition, the NAPA cases studied followed the LEG guidelines and were carried out close to budget. Evidence from the e-survey suggests that nearly three quarters of all respondents were very or largely supportive of the value of the investment in the NAPAs. Some stakeholders interviewed in the case studies (e.g. Bangladesh) considered that meeting time deadlines meant that the prioritisation processes through consultation and expert opinion were sometimes foreshortened. Osman and Downing[63] also report that the planning process in some of east and southern

63) Osman,Elasha, B. and Downing, T.E. (2007). *Lessons learned in preparing national adaptation programmes of action (NAPAs) in Eastern and Southern Africa*. European Capacity Building Initiative. http://www.eurocapacity.org/downloads/ecbi_NAPA_PA_Project_2007.pdf

Africa suffered from the lack of time and resources to develop the NAPAs. But geographic factors – such as in the dispersed islands states, e.g. Vanuatu which has 83 islands, and countries where access to regions is impossible at certain parts of the year – also made it difficult to do proper consultations across the whole countries.

The e-survey results also shed light on the inefficiencies that LDC stakeholders experienced. The table below is excerpted from the Annex III describing the results of the e-survey. It shows that most respondents consider the efficiency of accessing LDCF funds and the time taken to gain finance for priority activities to be low.

Table 4.1 Results of the e-survey on efficiency

% of respondents	Very	Largely	A little	Not at all
How efficient was the ease of access to LDCF funds?	13	27	40	20
How efficient was the time taken from priority activity identification to project approval in LDCF cycle?	20	0	70	10

Given the fact that urgent and immediate adaptation needs are determined by both slow and sudden onset climate change effects, changes in prevailing conditions will change priority activities. This adds complications to the adaptation planning process and demand flexibility of the LDCF.

It is the nature of urgent and immediate adaptation needs that their relative importance will vary over time. If not addressed in a timely way urgent needs are exacerbated and may escalate into immediate needs – accumulation of quantitative changes leading to qualitative change e.g. water accumulating in a glacial lake that reaches a tipping point and an outburst occurs, or increasingly invasive species lead to the situation where the production of certain agricultural crops are no longer feasible. Such adaptation needs justify the development of innovative "fast track" processes for finance delivery. In the view of the Evaluation, the small and unreliable scale of contributions to the LDCF seems to have mitigated against the development of such an approach, and, as a consequence, stakeholders consider that the GEF Agencies have treated the LDCF projects as little different from other development assistance projects.

Effectiveness
The development of NAPAs and NAPA priority activities has been concentrated in ministries or departments of Environment and/or Meteorological Agencies. This despite a suggestion in the NAPA guidelines to house the planning process in a development planning institution. Institutional barriers have been identified as a key constraint to NAPA preparation, whereby bureaucratic structures serve to impede the exchange of information.[64]

Most LDCs have national expertise in public and civil sectors that have developed policy and planning reports analogous to the NAPAs, e.g. the Poverty Reduction Strategy Papers, and the national plans under the UN Convention to Combat Desertification and the Convention of Biodiversity i.e. National Actions Programmes (NAPs) and National Biodiversity Strategies and Action Programmes (NBSAPs) respectively. However, the use

64) Osman,Elasha, B. and Downing, T.E. (2007). Ibid.

of this expertise in the NAPA processes is not evident. The guidelines prepared by the LEG state the need to identify priority action that is complementary to existing plans and programmes (including NBSAPs and NAPs) aimed at sustainable development.[65] The effectiveness of the GEF Agencies' tendency to rely on independent consultants was questioned by stakeholders in all cases studied. Establishing and building capacity within national teams drawn from government and non-government sources was considered a better option even if more time consuming. In Bangladesh, for example, the decision by the GEF Agency to employ a team of specialists on a consultancy basis rather than to seek ways of institutionalising the NAPA process within government agencies meant that public sector human resource capacity was not fully utilised in the NAPA and was in part displaced by the individual consultants contracted.

In several key stakeholder interviews the view was expressed that the LDCF 'system' was often overstretched. Cases were reported where there were not enough staff or expertise to manage the process and the associated problems at the various levels of the project cycle. Capacity building at the level of LDC national agencies is widely acknowledged as required to deal with the complexity of the LDCF procedures. Similarly, the GEF Agencies recognize the need to build their own capacity. This was echoed by LDC representatives – especially with regard to the GEF Agency country office level.

The recent change to enlarge the number of GEF Agencies is perceived by LDC stakeholders as desirable. GEF Agencies and LDC stakeholders consider that this expansion in agency numbers needs to be accompanied by rational assessment of comparative advantage and robust rules to ensure collaboration between agencies. The need to better focus the agency's contributions in areas where they have comparative advantages is being addressed by GEF.[66]

The case studies showed and key informants interviewed confirmed that in some LDCs there is a lack of understanding of the source of the LDCF funds. LDC governments see no need to treat the LDCF funds differently from other funds available to them through the GEF Agencies. Some stakeholders consider that LDCs do not sufficiently understand that it is the UNFCCC that rules the process, and to which LDCs are parties.

When asked in the e-survey how effective the NAPA process was in identifying the additional costs of adaptation activities, two-thirds of respondents considered it to be either only a little effective or ineffective.

The Evaluation finds that the adaptation planning supported by the LDCF through the NAPA processes could have been more effective in terms of providing the economic justification for addressing particular urgent and immediate adaptation needs if investments had been made in technical support and data collection methods to enable cost/benefit analysis and cost segregating between climate change adaptation in one hand and development on the other. Stakeholders considered that the NAPA guidelines are insufficient in this regard and that the time and financial resources allocated to carrying out the NAPA were insufficient to generate economic justification information. This is a weakness that merits attention.

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65) See for further details: Anju Sharma (2009) *Planning to deliver: Making the Rio Conventions more effective on the ground – climate change, biodiversity, desertification*. Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH. Convention Project to Combat Desertification and Climate Protection Programme. Eschborn, Germany.

66) GEF/R.5/7/rev.1 Future positioning of the GEF.

UNFCCC guidance was that LDCF funds are supposed to be distributed "equitably" across LDCs. For at least the earlier years of the Fund, the LDCF management substituted this concept for the simpler idea of "equal" distribution. The concept of the upper limit to priority action support through the LDCF was supported by LDCs as a way of ensuring equitable access for the poorest countries. In effect it was a "gentlemen's agreement" to have equal allocation. The equal distribution created the perception that all LDCs were entitled to a first allocation before any others got a second. Plus it introduced an incentive to move the most costly activities to top priority, or to combine a number of "top" priority activities into a single project thus increasing the size of first project. Since the Fund has received more resources the LDCF administration reports that the ceiling is now being removed plus a recent shift in LDCF policy means that countries can have more than one priority project funded, e.g. as in the case of Mali.

4.3 Products

Relevance
The Evaluation found in all cases studied that the list of priority activities generated in the NAPA process received the approval of members of all stakeholder groups interviewed in terms of the relevance of the priorities identified. This finding is corroborated by evidence from the e-survey.

The NAPA priority activities identified are largely project type interventions targeting specific interventions in single sectors. The UNFCCC NAPA database currently lists 425 priority activities from 38 NAPAs. A review of the database was conducted as part of this Evaluation. It examined priority projects in the sectors considered central to adaptation – food security, early warning systems & disaster relief, education and capacity development, human health and water resources. The review also examined the UNFCCC Index of NAPAs by country where priority projects are described. This review revealed that (see Annex V for further details):

- 394 NAPA projects are categorized as addressing sectoral adaptation needs, and 32 cross sectoral.
- Integration of adaptation into development, and policy reform are largely absent.
- Food security was the most often prioritised sector (n=93) followed by terrestrial ecosystems (n= 70) and water resources (n=62). There were between 30 to 36 projects prioritised for each of early warning systems & disaster relief, education and capacity development, health and cross-sectoral.
- Early warning systems & disaster relief, and cross-sectoral projects had the highest average ranking in the NAPAs where it was prioritised, followed by food security, education and capacity development, health and lowest water resources.
- An explicit role was planned for delivery of adaptation by local civic and informal institutions in 24 projects.
- In addition to the 36 projects specifically aimed at education and capacity development, another 25 had a capacity development co-objective.

- Three projects explicitly mentioned a mainstreaming co-objective, six a policy reform co-objective and 10 a livelihoods diversification co-objective.

In order to meet the expectations of the COP for "simplified and direct channels of communication for information" relating to adaptation needs, the data and evidence collated through the NAPA processes were aggregated most often for economic sectors, but in some cases by sectors within sub-regions in a country (e.g. Sudan and Mali) in order to define national scale priorities. Further squeezing of evidence occurred in the preparation of a summarized NAPA report format.[67] This meant that detailed sub-regional assessments were not included in the final report nor published separately, thereby reducing the value of the product for those looking for higher resolution information.

In all cases reviewed, apart from the Malawi and Eritrea NAPAs, cost data on adaptation responses to climate effects were either not available and/or not provided in the NAPA report. Therefore urgent and immediate adaptation needs were not identified in terms of the escalating costs criteria set out in the annotated guidelines.[68] Similarly, case study stakeholders stated that "additional" adaptation costs, as compared to the cost of development, were not adequately addressed in the NAPAs. This finding is corroborated by evidence from the review of all NAPAs (see Annex V) and the e-survey. These are complex areas where the technical capacity to carry out the economic analysis necessary to estimate costs and benefits of climate effects and adaptation responses is only recently emerging.[69] It is not surprising therefore that NAPA teams chose to use multi-criteria assessment that relies on expert opinion and consultation, rather than on more data hungry economic analyses of cost effectiveness or cost/ benefit analysis.

Efficiency
The time taken to complete the NAPAs varies between countries. The review of NAPA duration (see Annex V) showed the average time for the preparation of NAPAs was 1398 days (almost four years) based on the time from approval of the NAPA grant to the completion date. The shortest time for the preparation of NAPA was experienced in Mauritania with 670 days, less than two years. The longest period was in Yemen with 2282 days (6 years and 92 days), followed by Lao People's Democratic Republic (5 years and 305 days) and Mozambique with 1918 days (5 years and 93 days). There is little difference in the NAPA process time between cases where different GEF Agencies are involved. Few comparable processes are available. The closest are the national action programmes for the Biodiversity and Desertification Conventions and process times are not dissimilar. However, the latter processes were to be designed to produce more detailed outputs.[70]

Effectiveness
A concern of various stakeholders, most notably the civil society representatives but also government officials in the case study countries, is that the NAPA reports have led to an

67) The annotated guidelines for NAPA preparation state the report should be concise communications and brief documents (5-10 pages long plus about two pages for each activity profile).
68) The annotated guidelines for NAPA preparation produced by the LEG state that immediate and urgent support to adaptation actions is required where further delay could increase vulnerability, or lead to increased costs at a later stage.
69) See for example the work of the "From Risk to Resilience" Team exemplified in their working paper series available at: http://climate-transitions.org/climate/
70) Anju Sharma (2009) Planning to deliver: making the Rio Conventions more effective on the ground. Climate Change, Biodiversity, Desertification. Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH Convention Project to Combat Desertification and Climate Protection Programme, Eschborn, Germany.

implicit and significant underestimation of the true costs of climate change adaptation. The NAPAs are ambitious attempts to produce a list of priority activities that were possible to implement under the scale of financial resources offered by the LDCF (i.e. USD 3 million per country). Cutting the climate change adaptation suit to fit the LDCF cloth in this way is understood to be a pragmatic strategy by stakeholders, but repercussions are recognised in terms of the effectiveness of the NAPA document to inform interested parties about the scale of the urgent and immediate adaptation challenges faced by countries. The e-survey respondents corroborated the above giving low scores to the way the NAPAs monitored and documented adaptation costs and benefits.

Recently, and certainly since many of the NAPA documents were completed, there has been a realisation of the significance of factors determining adaptation effectiveness. Such factors include institutional adaptive capacity, local and national governance systems, the need for inter-governmental agency co-ordination and gender aspects related to climate vulnerability.[71] These issues are inadequately addressed in nearly all the NAPA reports reviewed for this Evaluation[72] (see the review of all NAPA report in Annex V for information on institutional aspects of adaptation delivery).

4.4 Catalytic effects

Catalytic effects are defined here as those outcomes directly precipitated by LDCF support to LDC climate adaptation planning.

The review of all NAPA reports showed that most countries established new, if temporary, government structures such as project steering committees, project management teams, technical committees, ad hoc groups, as part of the NAPA process (see Annex V). However, the information available on this topic in the NAPAs from Cape Verde, Rwanda, Zambia, Sao Tomé and Principe is unclear.

Evidence from the case studies and the e-survey shows that the NAPA processes opened up thinking about climate change and its impacts within the different LDC governments in most cases for the very first time. This catalytic effect was most marked in those agencies involved in the process. However, evidence from the government line agencies relevant to adaptation (e.g. agriculture) not involved in the NAPA processes suggests that much work is still needed to mainstream climate change awareness.

In the cases of Malawi, Mali, Sudan and Vanuatu the NAPA reports have become the official climate change adaptation document used by the governments for orientation on climate change effects and adaptation response measures. In the case of Bangladesh, the NAPA was a basis for the national Climate Change Strategy and Action Plan. To this extent the NAPAs have filled a gap as strategic policy documents in the high level planning arena.

71) See for example Ian Christoplos, Simon Anderson, Margaret Arnold, Victor Galaz, Merylyn Hedger, Richard J.T. Klein, and Katell Le Goulven (2009) *The Human Dimension of Climate Adaptation: The Importance of Local and Institutional Issues*. Swedish Commission on Climate Change and Development. available at www.ccdcommission.org and Agrawal, Arun. 2008. The role of local institutions in adaptation to climate change. Paper prepared for the Social Dimensions of Climate Change, Social Development Department, The World Bank, Washington DC, March 5-6, 2008.

72) An exception here is the Malawi NAPA that has specific information on gender aspects of climate change effects – see the Malawi case study in the Annexes and the Annex on gender aspects of climate adaptation planning.

There was a considerable weight of opinion across key stakeholder groups and country case studies that climate change adaptation planning is hampered when the involvement of the stronger and more influential government ministries is lacking. In retrospect, the importance of high level political interest in adaptation becomes clear. Subsequent developments in Bangladesh and in Malawi, where high level political interest was manifest, demonstrate this. In Bangladesh, in 2008 the interim Government created the first national climate change fund in an LDC, the new Government at its first cabinet meeting at the beginning of 2009 instigated cross-ministerial committees on climate change. The Bangladeshi Government has commissioned a revision to the Climate Change Strategy and Action Plan.

In Malawi, the President's launch of the NAPA in early 2008 – some two years after completion – led to high level government interest in adaptation issues and in part precipitated the process that has led to the Government and development partner working group on climate change co-chaired by the Economic Planning and Development ministry and the UNDP.

For the purposes of the NAPA and NAPA implementation phases, the GEF Agencies are often linked to the ministries of environment. Seldom are these ministries considered to have strong cross-government convening power and this has limited the benefits to the public sector from wider involvement in LDCF supported activities. An indicator of this lack so far of intra-governmental catalytic effects is the absence of shared policy implementation instruments covering climate change adaptation and other major policy objectives, such as poverty reduction. The ways that climate change adaptation can be integrated into other major policy areas such as poverty reduction, environmental management, agricultural development and food security will depend upon the political circumstances of each LDC.

Both government and non-government stakeholders pointed to a lack of awareness of climate change issues as limiting the ways adaptation challenges have so far been addressed by and among government agencies. Guidelines for mainstreaming climate adaptation into sectoral development are lacking. In addition to a lack of human resource capacity, stakeholders identified a paucity of climate projection information as limiting technical service provider agencies' capability to address climate change adaptation issues in planning. These observations resonate with conclusions of the recently prepared OECD/DAC guidelines on integrating adaptation into development co-operation.[73]

Recently the Malawi Government, together with development partners and the multilateral agencies, has sought to make a combined response to climate change challenges. This has come years after the completion of the NAPA process and attribution of the contribution of LDCF supported activities to this concerted action is difficult to prove. However, the government staff involved in the NAPA are active within the current combined activities and a legacy of the NAPA is apparent. An institutional framework for addressing climate change challenges is being shaped by the Government and development partners including Norway and the UNDP. As noted in a previous section above, the strategy of the presidential NAPA launch succeeded in precipitating wider interest across ministries. The Government and development partners have formed a climate change working group convened and chaired by the Economic Planning and Development Min-

73) See OECD/DAC (2009) *Policy Guidance on Integrating Climate Change Adaptation into Development Co-operation*. Organization for Economic Co-operation and Development, Development Assistance Committee, Environmental Policy Committee. Pre-publication version April 2009.

istry co-chaired by UNDP. The department that led the NAPA team provides secretariat and technical support to the working group.

The findings from the e-survey are noteworthy with regard to how stakeholders perceive the way the NAPA processes were coordinated with other actors and the ways NAPA findings have been integrated into policy areas. The table below presents an excerpt of the data on responses.

Table 4.2 Excerpt of data from the e-survey responses regarding coordination of NAPAs with other processe

% of respondents Questions	Very	Largely	A little	Not at all
Improvements to institutional capacity to address climate change adaptation	36	20	32	4
Coordination across government ministries	58	25	17	0
Effectiveness in facilitating integration of adaptation measures into national policies, strategies and plans	19	39	27	8
Alignment of LDCF funding with government development budgets	14	24	29	14
Impacts resulting in development of non-NAPA plans and projects	14	23	46	9
Alignment of LDCF funding with ODA initiatives	16	10	37	16
Alignment of LDCF funding with private sector investment	0	6	33	39

These e-survey responses indicate that improvements to institutional capacity on climate change adaptation were variable across the 25 countries represented in the survey. However, coordination across government ministries was high or medium. The effectiveness of integrating NAPA findings into national planning and development budgets was largely medium or low. NAPA impacts on government spending, ODA financed initiatives and private sector investments were generally low.

The data indicate the difficulty of the task of achieving catalytic effects from planning exercises where both technical capacity and financial resources for implementation are scarce. The e-survey responses and evidence from the case studies suggest that the LDCF procedures are poorly aligned with government plans, budgets, other ODA and private sector initiatives.

Many of the key stakeholders interviewed, including during the case studies, were well aware of planning requirements and processes. They recognise climate change to be a long-term process of both sudden and delayed-onset effects. There is a realisation therefore that the NAPAs need to be regularly updated to be of value in longer term planning so as to provide a baseline against which to address needs and to assess the effectiveness of adaptation actions.[74]

74) See the Malawi and Mali case studies in Annex X.

Although stakeholders recognised the NAPAs as a starting point for climate change adaptation planning, they also expressed concerns that the integration of adaptation planning into other major policy areas (such as poverty reduction) has not happened as yet in most cases except at the high level policy statements. Policy instruments that integrate adaptation and poverty reduction are yet to be designed and implemented. However, some experience has been gained of the integration in NAPA priority activities in proposal preparations that seek to initiate adaptation actions to benefit poor and marginalised communities, e.g. Bangladesh and Mali.[75]

75) For further exploration of this topic please see the discussion of mainstreaming in the following section on catalytic effects and in the discussion of findings.

5 NAPA implementation

This chapter presents the evidence and an analysis of the LDCF performance in supporting adaptation planning and implementation activities after the completion of the majority of the NAPAs. Performance is assessed in terms of management and processing of applications to the LDCF for finance to implement NAPA priority projects. The coherence of the LDCF with other climate adaptation related programmes and interventions – including aspects of complementarity and co-ordination, and the sustainability of the LDCF are also considered.

5.1 NAPA priority projects

The LDCF has faced difficulties in achieving expeditious access to funding for implementation of NAPA priority activities by the LDCs. The GEF was repeatedly requested to speed up the process and support funding of the NAPA implementation projects, to assist the remaining LDCs in submitting their NAPAs, and finally to facilitate the implementation of the remaining elements of the LDC Work Programme – most recently in Decision 5/CP.14.[76] The LEG has specified its concerns and pointed to a number of improvements needed in its Report on the Fourteenth meeting of the LEG.[77]

Stakeholders from different groups and across the country cases studied agreed that the technical inputs and procedural requirements of the LDCF in terms of preparing the documentation for the financing of NAPA priorities were out of balance with the resources made available through the Fund for implementation of priority activities.

The current structure for the LDCF decision making process is complex and involves many actors.[78] In addition, there has been a lack of management focus until recently on how to improve the processes taking into account LDC perspectives. The following sections provide an analysis of the project cycle for the preparation and financing of NAPA priority projects based on an assessment of the processing time required.

It should be noted that the LDCF management and other key stakeholders have taken some steps to expedite funding delivery. At the end of January 2009 the GEF Secretariat with the UNDP set definitive deadlines for submission of final project documents in order to limit the turn round time for PIF/Council approval, so that as a minimum 12 projects may be endorsed before COP 15 at the end of 2009.

Late in 2008 UNDP HQ initiated an internal evaluation into LDCF & SCCF procedures. Also at UNDP Regional level some evaluations are currently being carried out, e.g. at the UNDP Regional Office in Fiji covering the SIDS in the South Pacific, to propose how to improve internal UNDP procedure and shorten process time.

76) Decision 5/CP 14 Further guidance for the operation of the Least Developed Countries Fund, FCCC/CP/2008///Add.1.

77) FCCC/SBI/2008/14 Report to the SBI on the fourteenth meeting of the LEG, in particular para. 6, 11, 24, 25 as well as a general need for improving the flow of information, especially on problems encountered by specific countries.

78) Reference is made to the project cycle for the NAPA follow-up projects in Section 3.3.

Assessment of the current LDCF Project Cycle for NAPA priority projects
In order to assess the performance of the LDCF in terms of the time taken to achieve the steps in the project cycle the Evaluation looked into the templates for the PIF, PPG and CEO endorsement. A selection of PIFs and CEO endorsements documents, review sheets and request for extension of the CEO endorsement submission dates were also examined.[79] The findings of this are presented in the following box.

Box 5.1 Review of templates

PIF template
For a project idea format, the PIF template requires considerable details. Indicative documentation of the co-financing, an indicative financing plan, as well as documentation for the additional cost reasoning is required, the latter with reference to the additional cost principle. Information on the expected cost effectiveness is also requested. But these requirements can be counter-productive at the project idea stage, as most government commitments or analyses of cost effectiveness are unlikely to be available at this time. If the information requested is not in place, the LDCF administration cannot recommend the PIF for CEO clearance and LDCF Council approval and would have to request the GEF Agency to provide the missing information in a revised PIF. The UNDP, in particular, stressed during interviews that the PIFs often needed to be re-submitted to the LDCF administration as the Secretariat requested further information on the indicative co-financing.

PPG template
The PPG is supposed to assist the countries in preparing a fully developed and documented project proposal. It requires at this relatively early stage that countries specify co-financing on past and proposed project preparation activities. In addition, countries need to specify cost items for both local and international consultants along with position titles, fees and tasks to be performed. These requirements are posed at a stage of the process when the national and international consultants typically are not yet hired.

Review sheets
If the PIF is not in line with the LDCF eligibility criteria or information is lacking, the GEF Agency is requested by the LDCF administration to resubmit the PIF. The LDCF administration provides appropriate comments to the agencies in the Review sheets[80] on the submitted PIFs when they address the project framework and expected outputs. However, other comments seem either too detailed or irrelevant at this stage and may have led to further delay in the process without adding value. Of the first 20 PIFs submitted, 14 countries had to re-submit once and five countries had to re-submit their PIFs twice.[81]

79) The current LDCF templates as of December 2008 including the templates for Operational Focal Point Endorsement Letter are available at the GEF website (under projects). Each template is guided by specific guidelines, to which is referred. These were the documents relevant to the five case country studies as well as a randomly selected set from across the portfolio and particular documents to which the Evaluation's attention was drawn by either the LDCF or the GEF Implementing Agencies.
80) Review sheets are the communicating record between the GEF Secretariat and the GEF Agencies regarding comments on PIFs proposals (before approval) and during project preparation (before approval).
81) Figures are based on the first 20 PIFs submitted. Information on the data for the nine most recent PIFs had also been requested from the LDCF, however not yet received.

CEO endorsement request template
In general, the CEO endorsement request template is employed at the stage of the project document. But the template and projects assessed are time consuming for the countries to use e.g. as regards to the details on project management budget/costs.[82]The CEO endorsement is contingent on the letters of endorsement for co-financing from the source of the finance.

Requests for extension of project milestones
If GEF Agencies experience delay in project preparation or implementation, they inform the LDCF administration to seek approval for an extension. There have been requests for extension in five of the first 20 PIFs submitted (Cambodia, Cape Verde, Eritrea, Niger and Sudan). The reviewed requests from the GEF Agencies for extension of project milestones[83] represent all types of arguments. These include: language barriers and the need for revised deadlines due to municipal elections or political tensions in the countries, which affected the cooperation among the relevant agency and the government. The extension requests, for three-ten months, have been accepted by the GEF Secretariat. Requests for extensions and approvals are not registered in the GEF database. Some of these pass the 22 months deadline before approval/endorsement[84].

The average time from the first submission of a PIF to its final approval has been 100 days. This indicates that it has been difficult for the applicant countries and the GEF Agencies to comply with the criteria for PIF approval, and that these in some cases may be too detailed for the purpose.

The time spent by countries and GEF Agencies *before* the submission to the LDCF administration should be estimated from the date the GEF Agency is invited to support the development of a PIF.[85] However, there is no common tracking system across the ten GEF Agencies that allows this assessment. The situation may be improved in the future with a central database for all phases of the project cycle.

The first 19 PIFs submitted by the UNDP, in its role as GEF Agency, had an average process time of approximately 320 days (10½ months) from the government's invitation letter to the first PIF submission to the LDCF administration.[86] The Evaluation finds that this is a long time.

The average of 100 calendar days for approval of the final PIF from the date of first PIF submission has been significantly exceeded in the case of some LDCs.[87] For Djibouti it took over 400 days from the first PIF submission to receiving the final approval of the

82) According to the Guideline, the issue of what can be included under project management is under review in the Administrative Cost Study.
83) Request for Extension templates follow the general template by the GEF trust fund.
84) Referred to in Chapter 3 and explained in Annex VII as part of the detailed description of the project cycle
85) The country is eligible as soon as it has completed and submitted its NAPA. As the first step, the country should choose its implementing agency for the task and send an invitation letter to the agency.
86) Information provided by the UNDP Headquarter on May 12, 2009.
87) See Annex IX for details on each country case

PIF. Bangladesh and Cambodia experienced a period of around 200 days. A table with the process time of the first 20 PIFs submitted is presented below.[88]

The time taken to LDCF Council approval of the final PIF once received by the LDCF administration is on average 30 calendar days. The LDCF administration has taken an average of 14 days to approve and provide the PPG – the grant for project preparation. Fortunately, a clear improvement can be observed in the processing times of final PIF submissions. Prior to 2008 the average was 51 calendar days. This declined to 16 calendar days in 2008. However, this should not be seen in isolation from the time spent in the review phase and on requests for re-submissions. A table showing the process time for the PIF submission is presented below.

Table 5.1 Process time from PIF submission to approval

	Country	Days from first PIF submission to approval[89]	Days from final PIF submission to approval[90]	Days from first PPG submission to approval[91]	Days from final PPG submission to approval[92]
1	Bangladesh	185	28	28	28
2	Bhutan	80	1	n.a.	n.a.
3	Eritrea	49	49	15	15
4	Niger	48	4	41	0
5	Malawi	167	31	149	1
6	Samoa	17	59	106	14
7	Sudan	121	21	21	21
8	Cambodia	212	212	87	4
9	Cape Verde	45	14	103	7
10	Burkina Faso	17	17	24	24
11	Tuvalu	47	47	47	47
12	Zambia	98	22	22	22
13	Djibouti	410	31	31	31
14	Gambia	3	3	71	1
15	Haiti	13	13	13	13
16	Sierra Leone	52	3	28	3
17	Benin	90	8	90	8
18	Congo DR	79	15	79	15
19	Vanuatu	43	11	43	11
20	Guinea	140	5	140	5
Average		95.8	29.7	56.9	13.5
Standard deviation		94.7	46.0	43.5	12.4

88) Figures are based on the first 20 PIFs submitted. Information on the data for the nine most recent PIFs had also been requested from the LDCF, however not yet received.
89) PIF approval date (CEO clearance) as referred to in the GEF project database. For further details, see Annex IX.
90) As above.
91) PPG approval date by the CEO, as referred to in the GEF project data base.
92) As above.

Only five NAPA priority projects have been endorsed or approved by the GEF CEO. The time from submission of the first PIF to the CEO endorsement/approval has taken on average 607 days. The Bangladesh project took 772 days, Bhutan 576 days, Burkina Faso 374 days, Cambodia 646 days and Samoa 665 days. As the days spent for preparing the PIFs (prior to submission of the PIF to the LDCF administration) are not registered consistently across the GEF Agencies, it is not possible to state the full length of the average preparation time.

When the starting point is calculated from the date of NAPA completion, the time spent on preparation is: Bangladesh – 1135 days, Bhutan – 675 days, Burkina Faso – 509 days, Cambodia – 727 days, and Samoa – 1166 days. This process has taken 842 days on average. The projects currently undergoing CEO endorsement review are already close to the 22 months preparation time deadline, and Niger and Eritrea have passed this deadline already.

Annex IX presents further details on the process time spent for each step in project cycle in various countries. The data are in general obtained from the LDCF internal database. For each country the table shows the approval date of the NAPA preparation grant as well as the NAPA completion date and the NAPA preparation time in days. The date of the first PIF submitted and the final PIF submitted for approval are presented as well as the PIF approval date. The process time in days from the first and the final PIF submitted to approval is shown. The similar estimates are made for the PPG part of the process. Finally, information on the five projects which have obtained CEO endorsement/approval are provided including the date of endorsement, the number of days and month from PIF approval to CEO endorsement/approval, the number of days from the first PIF submission to actual CEO endorsement/approval and finally is shown the number of days the NAPA completion date to the actual CEO endorsement/approval date.

Even though the LDCF project cycle is not strictly comparable with that of other 'conventional' GEF project cycles, it is illustrative to make a comparison. The following box provides an example.

Box 5.2 Joint Evaluation of the GEF Activity Cycle and Modalities

A previous GEF evaluation[93] showed that the GEF activity cycle was not efficient and that the situation had grown worse over the years. The evaluation found that a significant number of GEF projects were moving slowly through the cycle, and that the time needed for a project to be identified, prepared, approved and launched increased through the various replenishment periods (from 36 months in the first replenishment period to 50 months in second and 66 months in the third replenishment). The average duration of the GEF projects was 47 months (1410 days), with a disproportionate share of preparation time. When considering the entire life-span of the projects from pipeline entry to actual closing, 43 per cent of the time was spent on pre-implementation steps. The same evaluation found that the average time elapsed during implementation itself was not a major cause of concern. Another GEF evaluation[94] found that the GEF project preparation cycle was not cost effective and that longer preparation time did not result in better projects and that too much energy was spent on obtaining quality on paper but with limited value added. That evaluation looked at projects where incremental costs were assessed.

93) Joint Evaluation of the GEF Activity Cycle and Modalities, Evaluation Report No. 33, May 2007.
94) Evaluation of Incremental Cost Assessment, Evaluation Report No. 34 (2007).

The GEF projects assessed in the two evaluations referred to in the box above were often larger with longer time horizons than the NAPA priority projects proposed for funding to the LDCF. So, in view of the LDCF's focus on the urgent and immediate adaptation needs of the LDCs, the time taken to complete project preparation ought to be faster than the general GEF process. Furthermore, process times in bilateral assistance programmes show that it is possible to conduct project preparation of a similar cross-cutting nature faster than the average time for LDCF projects. Incremental costs assessment in the LDCF is less demanding than for other GEF programmes. However, the trend of longer than warranted project preparation time is common.

The assessment of this Evaluation is that if serious steps are not taken to support project preparation and generate a pipeline with many more adaptation projects ready for financing, procedural changes by themselves will have no major effect on the project cycle process time and thus the problem of slow response times will be repeated also in the next round of submissions to the LDCF. It should be noted that there are but a few projects in the pipeline at PIF or subsequent stages for a second round of LDCF support once each country has received support for the first NAPA priority project.[95]

Besides the assessment and comments on the current project cycle and the templates in use, the Evaluation has noted a weak focus on performance within the LDCF governance structure:

- The informal task force between the GEF Secretariat and the GEF Agencies seems to focus on concrete project proposals and pipeline issues only;
- The LDCF Council meetings focus on project pipeline and eventual pledges made to the Fund;
- Both the Joint Summaries of the Chair and the Highlights of the Council's Discussions indicate the Council discussions are sporadic and do not indicate that substantial discussions take place in this forum.

5.2 Coherence

Coherence of the LDCF with other climate adaptation programmes and interventions will improve the effectiveness of the impacts achieved. It can be seen as an outcome of the complementarity of LDCF objectives with those of other processes, and the co-ordination of LDCF activities with others. Hence, 'coherence' is conceived as a composite index of these three "C's" criteria.

Relevant evidence from the e-survey results is presented in the table below. It shows that: Respondents considered NAPA priority activities relevant to both national and local development processes;

However, coordination of NAPA follow-up projects with bilateral and multi-lateral initiatives is perceived as lacking effectiveness.

95) Progress Report on the LDCF and SCCF, GEF/LDCF/SCCF/6.Inf.3 May 22, 2009 which indicate projects in the pipeline for approximately USD 14.7 million only.

Table 5.2 Relevant evidence on coherence from the e-survey results

Questions / % of respondents	Very	Largely	A little	Not at all
Relevance of priority adaptation projects to national development processes	67	22	4	4
Relevance of priority adaptation projects to local development processes	50	30	15	0
Complementarity of current development programmes subject to climate risk with NAPA priorities	19	19	48	7
Coordination in development of PIFs with other bilateral and multilateral ODA development partners	20	40	30	10

The LEG paper on mainstreaming NAPAs into development planning advises the building of links between NAPAs, Poverty Reduction Strategies (PRSs) and national development planning processes. The more recent OECD/DAC Policy Guidance on Integrating Climate Change Adaptation into Development Co-operation provides ways of achieving policy and implementation coherence. However, it is difficult to generalize how coherence, complementarity and coordination can be achieved between climate change adaptation and other policy areas. Concrete lessons from experience are emerging but as yet are few and far between. The case studies conducted as part of this Evaluation show clearly how the many determining factors that affect coherence alter greatly between countries making each case unique. The rates of change over time in these factors serve to demonstrate how dynamic the circumstances are and what a moving, and often highly susceptible, target coherence really is. As such evidence on coherence is presented in the Box below on a case-by-case basis – further details are available in the Annex X of country case studies and the thematic studies in Annex IV.

Box 5.3 Evidence from three case studies on the coherence of the NAPA implementation processes

In Bangladesh coherence has emerged in terms of high level policy statements. The Poverty Reduction Strategy Paper has 19 policy matrices one of which focuses comprehensive disaster management targets on: "factor vulnerability impacts, and adaptation to climate change into disaster management and risk reduction plans, programmes, policies and projects". The Bangladesh NAPA refers to PRSP policy matrices on "comprehensive disaster management" and "environment and sustainable development" in devising strategies to address climate change issues and raise awareness. However, apart from the case of the Government's water resources management department using NAPA findings in policy development and planning the case study found little evidence of NAPA priorities being taken up into development planning either by government agencies or development partners.[96] Civil society organizations considered that their portfolios of climate related interventions do overlap with NAPA priorities. The issues of attributing cause and effect under such circumstances are too complicated to attend to here.

96) This assessment is based on a strict interpretation of what a NAPA priority is i.e. an adaptation action derived largely through the NAPA process. The NAPA does contain priorities that based upon the priorities that Bangladesh government agencies had prior to the NAPA process.

Apart from disaster management actions, the Bangladesh NAPA priority list shows little specific coherence with development partner interventions. Development partners have not taken the NAPA priority list and set about providing the resources to implement it. However, the IA has the expectation that the most relevant policy outputs of the NAPA phase 2 may provide a revised urgent and immediate priority list that could attract development partner support.

The Government of Malawi and development partners are negotiating an agricultural sector wide approach (SWAp). Given that the NAPA priority action chosen for the application to the LDCF for financing addresses agriculture and rural livelihoods, this initiative could provide the opportunity to integrate climate change adaptation planning and implementation. The application to the LDCF proposal is being developed between the AfDB and the Environmental Affairs Department and will be part of a larger initiative on agriculture.

Despite there being the precedent of an effective intra-governmental structure for sustainable land management in Mali the coherence of climate change adaptation planning with other sectors is still to appear.

As in Malawi, the Government of Mali and development partners are negotiating SWAps (agriculture and water), in addition there are negotiations on direct budgetary support. These provide great opportunities to include elements of climate change adaptation in public sector planning and implementation at central and local scales.

The endpoint funding envelope in terms of priority project financing provided by the LDCF was considered by stakeholders to be too small to provide incentives for cross government agency collaboration especially when compared to the support that development partners are providing for initiatives such as SWAps related to natural resources management and in the case of Mali for environmental policy development and sector wide approaches.

In Vanuatu the NAPA process has led to a better basis for climate change adaptation to be integrated into development partner supported initiatives. The NAPA provides the very first policy framework on climate change adaptation.

The Government of Vanuatu through the National Adaptation to Climate Change Committee screens for adaptation options to avoid duplication and emphasize complementarity of investments. The Government recognizes that if adaptation is properly addressed, it will add to the overall development purpose of Vanuatu and give local communities a broader economic activity base. The NAPA is being used as a basic reference document in discussion of climate change adaptation initiatives, and has served as the starting point for better integration of climate change adaptation into newly proposed government strategies and legislation.

Coherence is multi-factorial and often difficult to achieve in and across policy arenas. Lack of awareness of climate change adaptation issues has hindered the initiation of complementary actions in response to LDCF supported NAPA related initiatives. However, for the cost of a modest investment in climate change adaptation planning (the NAPAs) there is evidence that the potential exists to increase the coherence of LDCF supported outcomes within the wider public sector policy and implementation developments. The fact that the LDCF has been constrained to offering relatively small scale support to projects means that wider scale coherence is difficult to achieve, particularly where the options are few to link the NAPA priority action project with other investments in the sector identified.

In neither the case studies, the review of NAPAs, nor the e-survey did the Evaluation find any evidence of adaptation initiatives having contrary to the intended results, i.e. maladaptation. A fuller examination of these issues will be possible once more NAPA priority projects have reached implementation.

In the case studies and the review of secondary evidence only a few examples were found of where wider development policies had taken on-board the NAPA findings, e.g. Malawi where a climate change adaptation addendum to the poverty reduction strategy has been drafted.[97]

Evidence from the case studies, discussions with key stakeholders and responses to the e-survey indicate that donor agencies have been slow to use NAPA findings or to support outcomes in many LDCs. This is understandable as many of the donor agencies are from the contributory countries to the LDCF and may expect therefore that LDCF funding supports implementation of NAPA priority projects – at least in the first instance. Some countries (e.g. Australia, Canada, Germany, Japan and UK) have decided to support adaptation through such programmes as the Pilot Programme on Climate Resilience managed by the World Bank. It remains to be seen to what extent such programmes take up NAPA priorities – PPCR guidelines indicate this as a component of programme preparation.

The Evaluation finds that there is ample opportunity for better coordination among GEF Agencies and donor partners on NAPA implementation. In Nepal, donor agencies are supporting the NAPA preparation process and an expanded NAPA that includes PPCR preparations. In Mali and Malawi, donor agencies are seeking to harmonise support to climate change adaptation.

5.3 Sustainability

A distinction is made here between technical and institutional sustainability. The former is related to how the products of the NAPA processes continue to inform adaptation planning and investments, while the latter is about the arrangements and working relationships set up between stakeholder groups. LDCF sustainability then is related to the ways people, social spaces and knowledge have been generated and interact within the ambit of climate change adaptation.

The new OECD/DAC policy guidance on integrating climate change adaptation into development co-operation points out that the real impact of bringing in climate change issues will “materialise only at the stage where it is translated into actual enforcement of decisions, and implementation of activities and investments on the ground. Sectoral planning, programming and project implementation stages, in particular, provide opportunities for the translation of results and recommendations of the climate lens into actions on the ground.” Bearing in mind that adaptation needs to be integrated at all levels of government, nationally, regionally and locally, this is indeed why the whole effort needs to be supported by tailored and targeted guidelines and effective tools for planning and implementation.

97) Data taken on 20 August from http://www.climatefundsupdate.org/listing/pilot-program-for-climate-resilience.

Sustainability of the NAPA product and process

A generalized criticism of the LDCF NAPA implementation process by LDCs and other stakeholders was the slow pace of NAPA priority activity approval and implementation. According to the e-survey and case studies evidence exists of improvements in capacity and awareness, and that in some cases across government coordination was initiated during the NAPA preparation. But these were not often followed through to impacts on wider development policy and expenditure.

The NAPA implementation processes lost momentum – as can be seen from the evidence presented in Section 5.1 for time taken between key stages in the project cycle. NAPA implementation activities became focused on the lengthy bureaucratic processes of preparing PIFs etc. This has tended to involve few people in governments and GEF Agencies and the NAPA profile is lost to the wider policy and development arenas. There seems to be no one simple or single explanation – opinions range from the complexity of the guidelines, delays caused by work overburden in GEF Agency country offices from competing higher priority work streams, the technical complexity and newness of climate change adaptation and its perceived importance compared with other basic needs and priorities of development. There was also a lack of operational guidance on how to process NAPA implementation projects.

A wide array of sectoral and regional studies has been developed as part of the different NAPA processes.[98] These finer grain reports have seldom if ever been put into the public domain but they represent a tremendous resource for sectoral and subregional planning because of their specificity. However, the NAPAs have not become planning tools for stakeholders outside of the upper levels of government. NAPAs have very seldom been reported as being utilised in the development of sectoral plans at either national or decentralised scales. This is part is due to some NAPA processes being consultant rather than government driven, also to type and level of policy formation relevant information available in the NAPA reports. Evidence for this includes the case studies, the e-survey, the key informant interviews and other NAPA assessments reviewed here.

Many stakeholders interviewed in the five case studies and in the key informant interviews shared the belief that an effective USD 3.5 million ceiling existed for LDCF funding of NAPA priority projects. They identified this as a factor that limited the ambition and effectiveness of the planning process. It may also have, in effect, thwarted the possibility of a more programmatic approach being taken through the NAPAs. This despite mention in UNFCCC Decision 28/CP.7 and in the annotated guidelines for the NAPA preparation provided by the LEG in 2002 that adaptation “activities should include, *inter alia*, projects, integration into other activities, capacity building and policy reform.” The box below provides an illustration of this point from one of the case studies.

Since 2006 project selection has been on project quality irrespective of size of budget. In principle there are no limits to project size – according to the sliding scale – provided that the country can identify all the remaining co-financing. Co-financing under the LDCF administrative system has a very wide definition – most financial allocations and in-kind inputs from public sector count. Hence, co-financing is not a serious constraint. However, the small scale of resources pledged to the Fund and the interpretation of the equitable access principle have meant that the leverage potential of LDCF funding has small purchase.

98) See the reports of all the country case studies in the Annex X and the review of NAPAs in Annex V.

The LDCF has only opened up to having more than one priority project per country since the beginning of 2009. The LDCF management now imposes no limits to the scale of proposed priority activities and there can be more than one project per country. Mali, for example, has two priority activities agreed.

Box 5.4 Getting NAPA findings into priority activities – the Malawi case

A case in point is the way priorities from the Malawi NAPA are being processed into a proposal to the LDCF. The Malawi NAPA process identified 31 adaptation options from eight sectors to address the urgent adaptation needs. The emphasis was on vulnerable rural communities. The 31 were ranked using multi criteria analysis and a 15 item short list of priority adaptation options was developed. These were further ranked and prioritized for urgency, and categorized either as high, medium or low – see Malawi case study in the Annex X.

Stakeholders in Malawi from different groups consider the NAPA a good starting point for climate change adaptation planning. They point to the validity of the five priority areas developed and the progress made on estimating the costs of interventions. The list of five top priority and urgent actions include:

- Improving community resilience to climate change through the development of sustainable rural livelihoods;
- Restoring forests in the Upper and Lower Shire Valleys catchments to reduce siltation and associated water flow problems;
- Improving agricultural production under erratic rains and changing climatic conditions;
- Improving Malawi's preparedness to cope with droughts and floods; and
- Improving climate monitoring to enhance Malawi's early warning capability and decision making and sustainable utilization of Lake Malawi and lakeshore areas resources.

The estimated cost of implementation in 2006 was modest at USD 22.43 million. Yet due to the effective ceiling on priority action implementation proposals and the equal allocation procedure of one priority project per country in the first round, only the first priority on the list was chosen for incorporation into a wider agricultural development investment under the coordination of the AfDB.

The sliding scale for priority activity implementation grants from the LDCF was adopted to try to accelerate the implementation process for priority activities and to avoid measurement of additional costs of climate risks. It was developed by the LDCF management with the GEF donor contact group who considered that baseline co-financing can be assessed easily. The LDCF management expressed a preference for co-finance from LDC government investment. However, stakeholders from LDCs and GEF Agencies gave different explanations of the sliding scale to the Evaluation leading to the conclusion that the concept has not been well enough explained. The LDCF management together with the UNFCCC Secretariat is now developing a step-by-step guide to better explain the LDCF procedures.

Stakeholders from different groups in the case study countries expressed the concern that the expectations of adaptation funding created by LDCF led to reticence of the national governments to invest their own resources to instigate climate change adaptation processes. In Malawi, some considered that this factor had also meant that the Government had not "marketed" until relatively recently the expected climate change effects and the corresponding adaptation needs to donors.

The Evaluation finds that LDC governments need to take measures to set aside budget for climate change adaptation costs and investments. These costs are huge and will not be solved through sources such as the LDCF, or ODA alone. NAPAs findings should be made known to ministries of finance so that NAPA priority projects can be integrated in the yearly national budgets and in the longer three and five year planning cycles. Without this sustainability is challenged. Developing countries such as Bangladesh, Indonesia and Kenya are addressing this issue.

Due to the time that has elapsed between NAPA completion and start up of priority activities with LDCF funding (over three years in some cases) stakeholders in different countries expressed concern that updating the urgent and immediate climate change adaptation priorities was necessary. Indeed, in Bangladesh the UNDP has initiated a NAPA phase 2 in part to address the updating required (see the Bangladesh case study in Annex X). The need to update NAPAs has been explored by the recent LEG report. It presents a possible approach for updating NAPAs, to be used by LDCs in submitting information that would supplement previously submitted NAPAs as a way to update risks and priorities being faced.[99]

Sustainability of the LDCF
So far this section has dealt with in-country sustainability of LDCF outputs and outcomes. The sustainability of the Fund from the perspective of contributing parties also needs assessment.

During interviews, different key stakeholders characterized the LDCF as an experiment in adaptation financing. The climate change adaptation negotiations are now at a stage where there is a general recognition and acceptance that there must be more money for adaptation. This comes at a time when donor countries are looking for more effective and lower transaction cost ways of allocating and spending on adaptation. The sustainability of the LDCF from this perspective in part is determined by what is thought to be the sustainability of alternative adaptation finance delivery mechanisms. Among these are the PPCR managed by the World Bank and assisted by the regional development banks. Bilateral donors are also seeking ways to better integrate adaptation into development The availability of more significant financial resources from sources other than the LDCF for climate change adaptation, added to the perception of slow progress through LDCF procedures, challenges the sustainability of the Fund in, for instance, Bangladesh and has tainted its legacy in the minds of stakeholders.

Sustainability is not about rushing to achieve, more fundamentally it is about putting in place frameworks that facilitate medium and long-term actions and gauging the pace of developments to allow an effective assembly of the right stakeholders to be involved. An effective assembly requires the right leadership. The momentum of development partners'

99) See: LDC Expert Group (2009) The least developed countries National Adaptation Programmes of Action: overview of preparation, design of implementation strategies and submission of revised project lists and profiles. UNFCCC Secretariat, Bonn, Germany.

interventions of climate change issues in Malawi for example has been moderated by the recognition of the importance that the Government should lead and co-ordinate such initiatives.

However, certain development partners have internal targets and deadlines to meet in terms of rolling out climate change adaptation initiatives. For example, the Pilot Programme for Climate Resilience managed by the World Bank has issued invitations for applications to nine countries including LDCs, and requires prompt expressions of interest and full proposals for financing climate adaptation related investments at a later stage. This may force the hand of some development partners and require them to urge/ facilitate the Government to take actions pre-emptively.

The opposite is true of the LDCF which is characterised in the perception of many stakeholders as being slow to move through the steps necessary to get finance for adaptation. Hence, there is the likelihood of climate change adaptation initiatives funded from different multi-lateral sources working at different rhythms and causing significant transaction costs to national governments. If there is sufficient concern about how synchrony brings about synergy this should be avoided.

In conclusion, the technical sustainability – the legacy of the NAPA findings – of the LDCF supported activities is predicated to a large extent on the institutional sustainability – the capability of organizations to comprehend and action climate change adaptation. Both aspects of sustainability are difficult to achieve and will require serious country-by-country consideration of how they can be achieved.

6 Conclusions

This chapter presents the conclusions of the Evaluation. Overarching conclusions come first followed by those on the way the LDCF has addressed COP expectations, then conclusions on the LDCF, the NAPAs, and NAPA implementation phase are presented.[100]

Overarching conclusions

The LDCF was an expedient attempt to identify, prioritize and begin to address urgent and immediate adaptation needs within LDCs. In addition, the opportunity to precipitate mainstreaming of climate change adaptation was recognized and embodied in the eligible actions for NAPA priorities – capacity development, integration of adaptation into development, and policy reform. These three elements, in addition to the sectoral projects identified in the NAPAs, should be developed into programmatic approaches for addressing urgent and immediate adaptation needs across the LDCs.

The NAPAs have contributed at an early and critical stage to increasing awareness in LDCs of the adaptation challenges that climate change poses. The NAPA reports have become key government statements of adaptation needs in some countries and the priorities they identify are considered generally relevant by most stakeholders.

The scale of the Fund precluded effective support of programmatic responses to the adaptation needs identified. The LDCF was established well before the Inter-governmental Panel on Climate Change 4th Assessment report and when the predominant stakeholder awareness of climate change challenges and adaptation responses to be addressed was still low. In addition, the *modus operandi* of the LDCF has been predominantly project and sector focused, rather than addressing the integrated, cross-sectoral thematic and transformative approaches required for more effective adaptation planning and implementation.

This Evaluation consulted widely and used different means of obtaining the views of LDC stakeholders. Perhaps the greatest frustration voiced about the LDCF by different stakeholders is simply the length of time required to obtain funds for adaptation priority actions. That disbursement has been slow and too little compared to the need in a programme that was justified as an attempt to meet urgent needs does no credit to those who established the Fund and those who have attempted to administer and implement it. An almost unanimous verdict from informants is that such funds are needed more than ever but that the LDCF as presently constructed does not meet that need. The Evaluation concurs and recommends in the last chapter ways that the LDCF can be made better fit for purpose.

COP expectations

In reference to the initial COP guidance for the LDCF in Decision 27/CP 7, the Evaluation concludes that:

- funding has been provided to meet the agreed full cost of preparing the NAPAs and separation has been ensured of LDCF funding from the other funds of the GEF;

100) The table in Annex XI summarizes the conclusions and indicates the sources of supporting evidence.

- adoption of "simplified procedures … for expedited access" has proved problematic and current efforts by the GEF and its Agencies to expedite access and streamline procedures have come late in the process;

- the complexity of the structure and procedures of the LDCF (a sum of LDC governments, GEF Agencies, GEF Secretariat as the LDCF administration, and the LDCF Council) has hampered understanding of the workings of the fund from the perspective of LDC stakeholders;

- greater use of public sector experts, less reliance on independent consultants and more attention to setting up intra-government arrangements in NAPA processes would have improved the technical sustainability of the NAPA outputs;

- a broad platform of NAPAs has been created alongside a wide set of expectations in LDCs that NAPAs will be implemented.

The LDCF – resources, structure & actors

i) The scale of the financial resources made available by contributory countries to the LDCF was insufficient for the task set. Insufficient when compared to the scale of what is needed to resource climate adaptation planning and implementation in LDCs.[101] Insufficient also in terms of being available from contributory countries on a voluntary basis and hence deemed not reliable enough by the LDCF administration to allow for the programming of implementation of adaptation needs across all LDCs. Inadequate resources and a limited cognizance of the challenges that climate change poses to development goals has meant that opportunities were missed to develop NAPAs as strategic and sequenced programmes of adaptive activities. A more ambitious aspiration for the NAPAs and greater resources (financial and technical) from the LDCF could have led to more programmatic approaches in NAPA preparation.

ii) The LDCF structure places the LDCs and the GEF Agencies in a relationship where accountability and reporting are not as direct as they should have been. The GEF Agencies receive the financial resources from the Trustee and deliver the applications for funding to the LDCF administration. The Agencies are accountable to the GEF. The LDCs do not have direct access to the LDCF funds and to report to the UNFCCC on NAPA outcomes. Hence, the LDCs have little effective control over either decisions or resources. The LDCs can decide which GEF Agency to work with – and changes in agencies have occurred between the NAPA preparation and implementation stages – but other than that the LDCs have little effective negotiating power in their relationship with the GEF Agencies.[102]

iii) Climate change adaptation is a new policy area for the LDCs. Few public sector employees and fewer politicians have a technical background that includes climate change expertise. The low level of human resource capacity among ministries and

101) The most recent report to assert the scale of resources needed for adaptation in poor countries following a review of evidence is that by the Swedish Commission on Climate Change and Development.

102) The voice of the LDCs on the LDCF/ SCCF Council is weak due to being few in number and often not being able to be present at meetings. LDC representatives on the LDCF/ SCCF Council are GEF Focal Points and are seldom those that attend UNFCCC meetings.

line agencies was an important constraint in developing and implementing adaptation planning. Results from the LEG survey of LDC parties concur and also point to the lack of guidance and capacity development.

iv) The GEF Agency country offices responsible for climate adaptation planning have heavy workloads and often lack adequate specialist technical capacity to address climate change adaptation issues. The GEF Agencies have recognised this and are currently seeking to recruit and train staff that can specialise on climate change adaptation.

v) In the cases where the GEF Agencies employed consultants to do tasks related to NAPAs, this limited the opportunities for experiential capacity development by LDC government staff. The e-survey points to institutional capacity being built where government and public sector technicians were involved.

LDCF procedures

vi) LDC stakeholders find LDCF procedures overly complex and the processes of priority activity proposal preparation for financing non-transparent. A lack of clarity of understanding exists among key LDC and GEF Agency stakeholders as to how the optional sliding scale and the 'additional cost' criteria apply, and how co-financing functions in LDCF.

vii) The LDCF procedures lack the operational flexibility needed to deal with the complex issues of climate change adaptation planning across the very diverse settings represented by the LDCs, and their varying needs over time.

viii) LDC demands for expeditious access to finance for NAPA priority activity implementation were clear and repeated during the Evaluation. The GEF and the GEF Agencies have recently improved response times of the LDCF procedures. Innovative processes to 'fast track' urgent and immediate adaptation needs that might have been expected from such a Fund, given its mandate, have been slow to appear.

ix) The true national scale and total costs of climate change adaptation were under estimated by the NAPA processes. This is attributed to: (i) the project-by-project approach to prioritisation, (ii) the effective ceiling on priority project cost (and therefore project size) allowed by the financial capacity of the LDCF in turn due to the scale of donor country contributions, and (iii) the difficulty in using economic costing methods – including cost/ benefit analysis – in the context of a dearth of quantified evidence.

x) Room for a programmatic approach to climate change adaptation seems not to have existed within the LDCF system. The NAPA processes narrowed down – most often using multi-criteria assessment and expert opinion – from a wide set of priority actions to identify few top priority projects. This process missed the opportunity to develop a strategic set of activities that by combining and sequencing could have resulted in more comprehensive programmes for climate change adaptation.

The NAPAs

xi) The NAPAs are recognized in the LDCs and elsewhere as important documents and good value for the resources invested in their preparation. Most of the stakeholders involved in carrying out the NAPA exercises consider the methods used to be suitable for the LDC context. However, concern exists particularly on behalf of civil society groups as to the adequacy of the consultation processes with climate vulnerable populations. The relevance of the NAPA processes was ensured, at least in part, by the use of nationally developed criteria for prioritization of adaptation actions as per the LEG guidelines.

xii) All NAPAs succeeded in collating and processing information (both the reports and the component studies), in capacity development, and in awareness raising on climate change adaptation issues. In some cases the NAPAs led to the establishment of institutional arrangements for climate adaptation planning, albeit of varying duration, and achieving political recognition of the challenges of adapting to climate change.

xiii) The NAPA priority activities identified are largely project type interventions targeting specific interventions in single sectors.[103] Integration of adaptation into development and policy reform are largely absent.

xiv) The NAPA reports provide summarized lists of priorities selected across sectors and sub-regions – yet the subsidiary reports examined in the case study countries do provide more detailed and specific assessments and they merit re-examination for the purpose of integrating the adaptation needs and measures they identify into sectoral development.

xv) Given the vulnerability of women to climate change impacts and the importance of women as central protagonists in climate change adaptation efforts, the lack of attention to gender differentiated vulnerability in LDCF supported activities has led to gender being unevenly addressed across the NAPAs and unless this is put right this imbalance will reduce the effectiveness of adaptation implementation.

Catalytic effects and synergies

xvi) The potential for catalytic effects of NAPA processes has depended in large part upon the institutional framework that governments had or have set in place. Absent or poor intra-government collaboration has limited NAPA take-up by other ministries and hence the possibilities for mainstreaming NAPA findings into sectoral policy areas. There are exceptions – the water resources policy area in Bangladesh is one such – but few cases of NAPA related mainstreaming of climate adaptation into other than high level policy statements were encountered.[104]

Coherence and sustainability

xvii) The technical sustainability of NAPAs is predicated to a large extent on the institutional sustainability, i.e. the capability of organizations to comprehend and take action on climate change adaptation.

103) The UNFCCC NAPA database currently lists 425 priority activities from 38 NAPAs of which 394 are categorized as addressing sectoral adaptation needs and 31 have a cross-sectoral scope.

104) For corroboration, see the recent OECD-DAC *Policy Guidance on Integrating Climate Change Adaptation into Development Co-operation.* Development Assistance Committee (DAC) Environmental Policy Committee (EPOC) 2009.

xviii) The expectation that the LDCF will fund urgent and immediate adaptation priorities has led some LDC governments and development partners to direct their funding to other objectives.

xix) The time taken to get NAPA priority actions funded and into operation is being addressed by the GEF and the GEF Agencies, and there are healthy signs that reduced time intervals are being achieved between different stages of the project cycle. However, in order for the LDCF to play a complementary role to the emerging other climate change financing mechanisms, greater responsiveness and flexibility of procedures will have to be introduced to ensure complementarity and avoid duplication.

xx) Despite the recognition by most if not all UNFCCC parties of the need to support climate adaptation in LDCs, no cases were encountered through any of the evaluation instruments where bi-lateral donor agencies directly supported NAPA priority activity implementation. This situation may change with donor agencies being prepared to harmonise support on climate change in certain LDCs and donors channelling funding for adaptation through programmes such as the PPCR that should address NAPA priorities.

xxi) NAPAs were designed to address urgent and immediate needs. As such these needs, if they remain unaddressed and are exacerbated, can be expected to change e.g. flooding in Zambia led to a re-assessment of priorities. Similarly, the ranking of priorities will change over time and if very few NAPA priorities can be addressed, the likelihood of the top priority in 2005 being the top priority in 2009 is very small.[105]

xxii) The recent emergence of significant financial resources for climate adaptation from sources other than the LDCF (e.g. the PPCR, the Japanese fund for climate change adaptation in Africa, the UNFCCC Adaptation Fund and the EU's Global Climate Change Alliance) added to the perception of slow progress towards priority activity implementation through the LDCF procedures, challenge the sustainability of the LDCF. However, there is significant strength of opinion and explicit preferences by LDC stakeholders that the LDCF should continue but be reformed to allow expeditious access to implementation finance and technical support.

105) UNDP – the GEF Agency in Bangladesh – instigated a review of NAPA priorities for this reason. In addition, the LEG have come to the conclusion that NAPA priority review may be warranted in some cases and sets out a procedure for doing so in their 2009 document – LDC Expert Group (2009) The least developed countries National Adaptation Programmes of Action: overview of preparation, design of implementation strategies and submission of revised project lists and profiles. UNFCCC Secretariat, Bonn, Germany.

7 Lessons and recommendations

It is recognized explicitly here that what happens next to the LDCF depends to a large extent on the outcome of the negotiations on financing between the parties under the UNFCCC. It is anticipated that important and far reaching decisions will be reached at the COP 15 in Copenhagen on the scale and modalities for adaptation funding. In addition, the LDCF future could be affected by the outcome of the fifth replenishment of the GEF – since one of the proposals is to replenish the LDCF together with the GEF Trust Fund.

This Evaluation (in common with other assessments reviewed here) has identified problems of LDCF performance that are related to design and function and have resulted in very few LDCs so far being able to reach the implementation of NAPA priority projects – one project is in operation in Bhutan and four other projects in Bangladesh, Burkina Faso, Cambodia and Samoa now have the pre-requisite GEF CEO endorsement or approval for implementation to go ahead.

In part, the difficulties have been due to dealing with a complex subject that is new to many stakeholders (including both the GEF Agencies as well as the LDCs), in countries with poorly defined climate adaptive capacity. In addition, the funding of the LDCF by contributory countries has neither been predictable (being on a voluntary basis) nor sufficient to address programmes for adaptation. These are grounds for a significant reform and then replenishment of the LDCF.

The NAPAs represent an investment of resources that have resulted in consultations and prioritized plans for adaptation, increased climate change adaptation awareness, and in some cases political will to address climate change effects on vulnerable people. Significant strength of opinion and explicit preferences of LDC stakeholders were revealed through this Evaluation that the LDCF should continue to function, but in ways that enable expeditious access to adaptation implementation finance and technical support.

7.1 Lessons learned

The following lessons are drawn on the role and functions of the LDCF based on the evidence gathered during the Evaluation. The lessons are relevant to how global funds for climate change adaptation are set up.

Scale

- The scale of financial resources and the reliability of replenishment are crucial factors in the establishment and management of a fund aimed at adaptation needs. Unfulfilled pledges can thwart the performance of a fund as can setting up a financial resource channelling programme that is of an inappropriate scale for the size of the task at hand.

- If resources are too limited for a fund to handle all countries at once in an efficient manner, ways should be sought how countries may be addressed gradually, e.g. through a stepwise approach with certain deadlines established for project submissions (a limited number of countries being sufficiently addressed rather than a large group not being sufficiently targeted).

Flexibility and responsiveness

- A fund that has urgent and immediate priorities as its major goal needs to be designed so that it can quickly generate a programme pipeline with projects ready and mature enough for financing. This requires that clear guidance on policy and project design go hand-in-hand from the very beginning, or at least, that more specific policy implementation guidelines are elaborated early. Policy implementation guidelines are needed in order for the countries and the project developers to be able to set individual projects into context. This requires clear templates and guidelines at the project design level. If this type of guidance is not provided at an early stage, there is a risk that the fund will become based on ad hoc individual projects rather than a strategic approach providing guidance on how to implement adaptation in practice.

Design

- Funds that need to be mobilized quickly require a clearly defined programme design including a clear overall management strategy focusing on performance and achievements within clear deadlines. Furthermore, sufficient staff resources need to be allocated. Otherwise, there is a risk that the development of the fund's strategic priority setting, its planning process and project procedures will be hindered.

- A project preparation fund may have the potential of boosting possible co-financing and complement other types of adaptation funding as long as it is still provided within a clear overall agreed policy framework. Although in purely financial terms this may only meet a tiny proportion of the countries' needs, it may play a key role in leveraging co-financing operations with other programs or funds. To do so the incentives need to be clear and well communicated to possible partners in order to create a high degree of commitment.

Capacity

- In countries with limited technical and human resource capacity, bottlenecks will occur in project preparation that will prevent the full benefits of adaptation considerations being integrated into national policies and programs. However, shortcutting this constraint by employing consultants to lead the work, without proper engagement with government staff and thereby capacity development, will often lead to a lack of national ownership of plans developed.

- Adaptation is still a young discipline and it is necessary for a fund to have a large degree of flexibility and to be able to deliver the financial and technical resources the different countries need. As countries are ready, direct finance resource access should be made available. Others need to receive support in project identification and programme preparation. A fund would need to be able to cover this diversity, so that progressive steps in countries with stronger capacity do not become missed opportunities.

- Outreach and communications capacity need to be specifically addressed. Procedural aspects need to be well communicated to implementing agencies and recipient countries. This should be provided at an early stage.

Lesson learning

- The ability to monitor and track achievements and results needs to focus not only at project level but also at the programme level. Fund management must be able to draw on strategic advice in terms of substantive matters but also project management issues. If such issues are not addressed, reporting and monitoring may tend to focus only on money pledged to the fund, where projects are in the project cycle and specific issues to be solved in project applications. Such issues should be addressed by a task force or established as a protocol across the fund and its implementing agencies.

7.2 Recommendations for the future of the LDCF

The recommendations are presented according to the stakeholder group they are targeted at.

Parties to the UNFCCC – the following recommendations require UNFCCC COP guidance or requests

1. Given that the context of the LDCF has changed since its creation, i.e. additional funds have been created – most importantly the Adaptation Fund under the Kyoto Protocol – as well as additional information about the severity of climate change coming out of IPCC and elsewhere that implies additional costs, UNFCCC should reassess the role of the LDCF. What is the niche of the LDCF given the likely scale of its funding and the emergence of new channels and some additional funds? Parties should consider what constitutes an appropriate lifespan of the LDCF – be that short to medium term, e.g. up to 2012 and the replacement of the Kyoto Protocol, or longer term.

2. In addition, parties should consider if the present institutional arrangements for LDCF management are fit for purpose in the post-Copenhagen era. The precedent of the direct access model under development in the Adaptation Fund is important here.

3. In order to reach agreement on the reforms and improvements required to the LDCF a multi-stakeholder dialogue (perhaps electronically or through a workshop) should be convened to review the governance structure and operations of the Fund. The evidence considered would come from various sources, including this Evaluation. The dialogue should include representatives of the LDCs, current and future contributory countries to the LDCF, the LEG, the UNFCCC, the GEF Secretariat and the GEF Agencies. It should be facilitated by a third party (i.e. neither GEF Secretariat, nor GEF Agencies) and participants should agree to abide by the agreements reached. Replenishment of the Fund should take into account the reform dialogue conclusions.

4. Any replenishment of the LDCF for the longer term should be sufficient to support whole NAPA programmes, rather than individual project implementation.

5. The structure of the LDCF system needs to change such that the Fund is more responsive to LDC demands for more expeditious access. The role of the GEF Agencies, how they are contracted and who they report to should be reviewed. One

option would be to enable LDCs to directly contract in the services of the GEF Agency they choose. The 'direct access' precedent being set by the Adaptation Fund is also important.

6. Clear policy frameworks need to be tailored to specific country needs and circumstances early in the NAPA implementation process. It may prove necessary to swiftly mobilize supporting tools for adaptation planning. A way of doing this could be for the COP, or the LDCF Council, to decide to entitle the Fund to allocate a certain percentage of its financial resources for technical assistance support and development of supporting tools for implementation, including sector thematic guidance on how to integrate adaptation into development and how to address adaptation within key economic sectors. This would enable the Fund to collect lessons learned from policy and project level and ensure synergies between the two.

7. Also the future development, re-structuring and updating of the NAPA reports need to be considered. In order to better serve as a flexible and updated planning tool for governments, adaptation priorities need to be established for the short, medium and longer term, and the sequencing of priority implementation needs to be designed so that effectiveness and synergies between actions are assured. NAPA report review and updating on a biannual basis would be sensible and would allow NAPA priorities to be better incorporated into budgetary decision making at a central LDC government level[106].

8. The COP should consider requesting the LEG to build upon the advances achieved in the LEG technical working paper on NAPA implementation strategies[107] and the OECD/DAC guidelines on mainstreaming adaptation by developing more detailed guidelines on aligning NAPA priority projects with government planning and budgetary processes, in order to ensure better implementation plans.

LDC governments

9. Ministries of finance and/or planning should call each year for climate change adaptation priorities at the sector level for the purpose of the national budget construction. A climate change adaptation planning cycle needs to be started. This would provide a way of coordinating the investment of funds available from other sources.

10. Support for the establishment of strong national inter-institutional arrangements for adaptation planning needs to be put in place in order not to lose momentum from NAPA preparation and completion to implementation of NAPA priorities.

11. NAPA implementation planning should ensure that outputs are complementary to and aligned with the government planning cycle.

12. NAPA findings should be taken more seriously into account when developing SWAps and other sector investment programmes. LDCs should demand that

106) The Evaluation concurs with the recommendations on NAPA up-dating made in the LDC Expert Group (2009) The Least Developed Countries National Adaptation Programmes of Action: Overview of preparation, design of Implementation strategies and submission of revised project lists and profiles. UNFCCC Secretariat.

107) LDC Expert Group (2005) *Elements for Implementation Strategies for national adaptation programmes of action* UNFCCC/TP/2005/5, 2 August 2005.

donor agencies harmonise around climate change support and properly consider NAPA priorities when supporting adaptation.

13. LDCs should take a stronger co-ordinating role in regard to official development assistance support for climate change adaptation to avoid duplication and achieve synergies. NAPAs should be considered as the basis for the development of central programming documents for climate change adaptation.

Development partner agencies

14. Support to help LDC governments implement NAPA priority activities should be designed that maximizes national capacity development on climate change adaptation implementation through projects, integration into development and policy reform.

15. Development partners should seek to align with LDC adaptation priorities and use updated NAPAs to do so. In addition, development partners should reduce LDC transaction costs by harmonising approaches in support of adaptation and NAPA implementation.

LDCF Council

16. The agenda of the LDCF Council should draw on lessons learned on LDCF performance – including this Evaluation – in a more systematic way. This would allow better responses to the guidance and requests from the LDCs and the LEG. In addition, the Council should advise the LDCF administration how best to support the implementation of the remaining parts of the LDC work programme thus responding proactively to the COP decisions.

17. The timeliness and thematic breadth of the advisory support to the LDCF Secretariat needs to be strengthened by greater engagement of the LEG and other relevant adaptation experts.

18. Consideration should be given to how the LDCF's performance could be strengthened through a budget line to initiate cross cutting projects on thematic issues that would support the individual NAPA priority project beyond the current "projectisised" approach and to set in place better frameworks for adaptation planning in the future.

19. LDCF should open a civil society-only funding window to support the delivery of climate change adaptation according to NAPA priorities by NGOs, CBOs and local organisations. This opportunity should be taken to test innovative funding schemes, e.g. 'pull' mechanisms and output-based models[108].

LDCF administration /LDCF team in the GEF Secretariat

a. Knowledge generation and dissemination:

20. Establish a help desk or hotline with direct access for countries, GEF Agencies and consultants working on project preparation.

108) See discussion in the Malawi case study in Annex X.

21. Systematic and inclusive learning and reflection processes should be initiated as part of NAPA priority activity implementation so that LDCs and other stakeholders can draw lessons and identify ways of improving adaptation delivery. This will require: (a) adequate financial and technical resourcing of monitoring and evaluation for NAPA implementation, (b) that sufficient NAPA priority activities across different LDCs are synchronised to allow concurrent and therefore more easily comparable initiatives.

22. Significant multiplier effects would be possible by investing in programmatic implementation and careful scrutiny of the socio-economic costs and benefits of climate change adaptation in terms of learning outcomes and knowledge generation.

23. Implementation of NAPAs could be treated as piloting ways of (a) mainstreaming by both getting climate change adaptation priorities into sectoral planning through the generation of high level then more local scale policy developments, (b) the elaboration of policy instruments for adaptation and development objectives including in the areas of, for example, food security, water resources management, public health and disaster risk reduction and (c) to assess what approaches to project interventions, integration into development, capacity development and policy reform work best for adaptation outcomes.

24. It is essential to identify and to understand how LDCF supported adaptation actions can best address gender equality issues and women as agents of adaptation.

25. Resources should be invested in developing an understanding across different LDCs of the true escalating costs of climate change leading to adaptation needs. As part of this, finance and planning specialists from government and non-government agencies across LDCs should be convened into a community of practice on assessing costs and benefits of climate change adaptation using NAPA priority activities as case studies.

26. Issue guidelines and/or good practices on how to establish 'additional costs' in adaptation projects, how to interpret the equitable access protocol and how to deal with co-financing requirements. Guidance should be developed and disseminated on good practices in NAPA priority activity implementation.

27. A knowledge base should be developed on climate change adaptation experiences at local through to national levels across LDCs where different types of governance systems prevail.

28. The technical advice available to the LDCF administration should be strengthened both through a permanent advisory body and ad hoc groups for addressing specific thematic issues.

b. Operational aspects:

29. In order for the LDCF to play a complementary role to the emerging other climate change financing mechanisms greater responsiveness and flexibility of procedures will have to be introduced to ensure lack of duplication and complementarity.

30. All the NAPA priority projects should use evidence-based inquiry into the ways

climate change effects are differentiated between genders, introduce measures that identify women's vulnerability to climate change, and listen to the voices of climate vulnerable women.

31. In order to reduce process time for the NAPA follow-up project preparation stage, it is advised to limit the documentation needs at the early phase of the cycle. This implies a risk, but this risk must be handled and mitigated later in the project cycle. This should be addressed promptly through consultation with representatives from recipient countries and stakeholders and agencies involved. Through discussion of experiences, pragmatic ways need to be identified to:

    - Shorten the project cycle by, for example, combining the PIF and PPG stages within a project inception stage. This is standard practice in development assistance funding. It will require further detailed guidance to countries in order to avoid uncertainties on the feasibility of the project and the project criteria,

    - Create stricter deadlines for the GEF Agencies on submission of project documents for CEO endorsement, e.g. a 12 months deadline for submission followed by a sunset clause,

    - Create transparent and clear criteria for reviewing PIFs, PPGs and other project documents including putting review sheets, or some version thereof, into the public domain, so that these are used only for issues that are crucial for the early preparatory phase – those issues relevant for the elaboration of a full project document should be dealt with at that later stage,

    - Introduce a common tracking procedure across the LDCF and the agencies, so that the status of a given project may be found irrespective of where it is in the cycle and with which agency it is in the process.

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