



Least Developed Country Fund (LDCF)

Climate Adaptation Fund for the Least Developed Countries

BACKGROUND

The LDCF finances climate change adaptation measures in the Least Developed Countries (LDCs). The fund was established in 2001 and its initial purpose was to support LDCs in developing their National Adaptation Programmes of Action (NAPAs).

Since 2009, the purpose of the LDCF has been to support the main adaptation projects identified in those adaptation plans. With 415 million euros to date, Germany is the largest donor to the fund, followed by the United Kingdom and Sweden. In total, almost 1.5 billion US dollars has been provided for projects in LDCs.

The LDCF is managed by the Global Environment Facility (GEF). The GEF supports projects in developing countries that benefit global environmental protection and climate action by providing funding in the areas of climate change, biodiversity, desertification, international waters, chemicals and forests. The LDCF is administered by the GEF Secretariat based in Washington, D.C., USA.

OBJECTIVES

The LDCF holds a unique place within the climate finance architecture because of its specific focus on the needs of LDCs and its close linkages with the GEF. The Fund's projects are aligned with three strategic objectives to support LDCs in adapting to climate change:

1. Innovation and Technology Transfer: Reducing the vulnerability and increasing the resilience of partner countries through innovation and technology transfer for climate change adaptation;

2. Resilient Systems: Mainstream climate change adaptation for systemic transformation;

3. Strengthen Institutions: Foster enabling conditions for effective and integrated climate change adaptation.

IMPACTS

The LDCF reports regularly and transparently on the impacts that have been achieved. A set of Core Indicators have been defined to measure progress towards the above objectives. The results are reported annually. In addition, an independent, comprehensive evaluation of the LDCF was published in December 2020. The findings were positive: the Fund's projects contribute effectively and efficiently to the objectives of the LDCF and the beneficiary countries. The report's findings include the following:

→ **Effective progress on Core Indicators:** Since its inception, the fund has reached 16.13 million beneficiaries. 3.1 million hectares of land are better equipped to withstand the impacts of climate change. Climate adaptation has been included in 178 national and 1859 sub-national strategies and processes.

→ **Focus on Africa:** The LDCF primarily supports African LDCs. Since its inception, more than 437 million US dollars (approximately 67.5 per cent) has flowed to Africa. 33 of the 46 eligible countries are in Africa.

- **Support for those most in need:** The LDCF supports only the most vulnerable countries. Small Island Developing States (SIDS) receive a significant share of the funds, around 130 million US dollars (approximately 20 per cent).



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ROLE IN THE BMZ'S ADAPTATION PORTFOLIO

The number of multilateral actors in the field of climate adaptation has increased in recent years. In order to ensure the complementarity of the international climate finance architecture and to clearly differentiate the LDCF's remit from that of the Adaptation Fund (AF) and the Green Climate Fund (GCF), it was necessary for the LDCF to take a new strategic direction. The LDCF Programming Strategy on Adaptation for 2018-2022, therefore, defines three work streams:

- **Support for holistic approaches to international environmental policy:** The fund should make greater use of interfaces with other GEF work areas (e.g. biodiversity, desertification).
- **Complementarity with existing climate funds:** Joint programming and workshops (especially with the GCF) and exchange with other climate funds (e.g. AF) will ensure meaningful consultation and division of labor.
- **Stronger focus on the private sector:** The LDCF should increasingly promote innovation and cooperation with private actors.

MANAGEMENT OF THE FUND

The BMZ is the lead agency for the LDCF within the German government and represents Germany on the LDCF Council. The Council determines the business policy and approves the projects of the LDCF. Recipient and donor countries are equally represented and meet twice a year in Washington, D.C. The Secretariat, in turn, is responsible for the implementation of Council decisions and manages the project portfolio. Since August 2020, the Secretariat has been headed by Carlos Manuel Rodriguez (Costa Rica).

Eighteen accredited implementing organizations are responsible for the implementation of GEF and LDCF projects. These include the World Bank, the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP), as founding members of the GEF. In addition, several multilateral organizations, numerous non-governmental organizations, and national and bilateral implementing agencies are involved in the implementation of GEF projects.



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