

Evaluation of the Special Climate Change Fund



Established in 2001, the Special Climate Change Fund (SCCF) is the first comprehensive climate change fund accessible by all developing countries. Managed by the Global Environment Facility (GEF), the fund receives pledges on a voluntary basis.

As of June 2011, the overall SCCF portfolio amounted to \$142.6 million financing 35 projects.

The GEF Independent Evaluation Office carried out the SCCF evaluation to collect evaluative evidence on progress toward SCCF objectives as well as main achievements and lessons learned during a decade of SCCF implementation. It included use of an extensive project review protocol, data analysis from the SCCF portfolio database and project reviews, comparative analysis of monitoring and evaluation systems, interviews with stakeholders, and field visits to four project sites in China, Egypt, Guyana, and Tanzania.

Findings

Relevance

The four SCCF programming strategies are relevant to Conference of the Parties (COP) guidance. The evaluation concluded that the GEF Secretariat correctly translated the United Nations Framework Convention on Climate Change COP guidance for all its funding windows, namely adaptation (SCCF-A), transfer of technology (SCCF-B), sector-specific support (SCCF-C), and economic diversification for fossil fuel-dependent countries (SCCF-D). The GEF SCCF programming documents are quite thorough and provide a comprehensive overview of how to operationalize this COP guidance.

The adaptation and technology transfer projects are relevant to COP guidance and SCCF programming. All projects approved for funding under SCCF-A are addressing issues defined both by the COP and SCCF GEF programming guidance. The four SCCF-B projects all have components

related to capacity development for technology transfer and are thus relevant to implementation of COP guidance from a qualitative perspective.

SCCF funding is not commensurate with the global mandate of the COP guidance. The SCCF receives voluntary contributions which, as of June 2011, amounted to \$180.1 million. This is well below the amount originally envisioned by the COP in 2009 and below the pledges received by comparable funds such as the Least Developed Countries Fund (LDCF) and the World Bank's Climate Investment Fund.

Although SCCF programming was formulated to implement activities under windows C and D, COP guidance for these windows has not been implemented because of a lack of funding. The inclusion of the politically sensitive funding window SCCF-D has drawn criticism from countries and created a negative perception of the SCCF. The very large scope of SCCF-C includes activities already covered by other funds.

The adaptation projects are highly relevant to national sustainable development agendas of beneficiary countries, contributing to socioeconomic development goals. Projects related to water resource management, the agricultural sector, and integrated coastal zone management are directly linked to removing barriers to development and diversifying livelihoods of vulnerable communities.

Effectiveness

SCCF projects employ innovative approaches to overcome the lack of data on many emerging adaptation issues. The SCCF portfolio features innovative ways to cope with limitations of climatic data and modeling when designing adaptation activities. Instruments employed include meta-analyses of existing climate change and variability data, supplemented by sector-specific data and down-scaled climate modeling data when available. Several SCCF projects also use participatory vulnerability assessment methods to incorporate experiences of local communities into adaptation activity designs.

In general, projects are well geared toward replication and up-scaling, yet follow-up is uncertain because of a lack of funding. Most projects are set up as pilot and demonstration projects due to limited funds and include provisions to replicate and scale up results after project completion through the co-financing made available. However, replication and scaling up depend on the availability of further funding.

Efficiency

The SCCF has been managed by the GEF in a cost-effective way, and its management costs are the lowest of comparable funds. An advantage of placing the SCCF under GEF management has been the efficiency gains from using existing GEF structures to facilitate its management and governance. Compared to the overall volume of other GEF funds, the SCCF has the lowest absolute operating cost for fiscal year 2011.

Although the formal SCCF project cycle has been implemented in accordance with GEF standards and rules, the unpredictability of funding availability has resulted in an informal, nontransparent, project preselection process.

The criteria and processes for preselection of SCCF projects are not officially documented or traceable, limiting the ability of beneficiaries and GEF Agencies to develop targeted projects that fit the requirements for entering the formal project cycle. Additionally, the narrow time frame allowed to develop project identification forms adds to the workload of GEF Agencies.

Opportunities for learning—which are highly relevant given the innovative nature of the SCCF projects—may be lost because no knowledge exchange and learning mechanism exists. The LDCF/SCCF results-based management framework acknowledges the role of learning and knowledge management, yet no comprehensive and proactive system exists at the fund level to process and systemize knowledge gathered during project implementation.

SCCF projects are systematically perceived as GEF Trust Fund projects. Generally, project beneficiaries interviewed did not perceive any difference between the SCCF grant and other regular GEF Trust Fund projects. No initiative has been taken at the SCCF management level to enhance the fund's visibility and create an identity for it.

Recommendations

- The LDCF/SCCF Council should appeal to donors to fund the SCCF adequately and predictably, preferably through a replenishment process.
- The LDCF/SCCF Council should ask the GEF Secretariat to prepare proposals to ensure (1) transparency of the project preselection process, (2) dissemination of good practices through existing channels, and (3) SCCF visibility by requiring projects to identify their funding source.

Follow-Up

In November 2011, the LDCF/SCCF Council asked the Secretariat to prepare proposals to ensure (1) transparency of the project preselection process, (2) dissemination of good practices through existing channels, and (3) visibility of the funding requiring projects to identify their funding source. In response to these requests, the Secretariat included the preselection process and criteria in the Updated Operational Guidelines for the SCCF approved by the LDCF/SCCF Council in November 2012. The guidelines were published on the GEF website. In addition, the Secretariat issued a report for the GEF Agencies for each preselection process.

The Secretariat also intensified its efforts for dissemination of good practices; current activities include the preparation of a book on lessons learned from the GEF adaptation portfolio and knowledge dissemination events. The Secretariat considering further measures to enhance SCCF visibility.

The GEF Independent Evaluation Office is an independent entity reporting directly to the GEF Council, mandated to evaluate the focal area programs and priorities of the GEF. The full version of *Evaluation of the Special Climate Change Fund* (Evaluation Report No. 73) is available on the GEF Independent Evaluation Office website, www.gefeo.org. For more information, please contact the Office at gefevaluation@thegef.org.