



World Food Programme
Programme Alimentaire Mondial
Programa Mundial de Alimentos
برنامج الأغذية العالمي

SAVING
LIVES
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13 May 2019

WFP Input to the Strategic Plan of the Green Climate Fund

Dear Mr Glemarec,

In response to the letter dated 28 March 2019 (ref: DCP/OED/2019/155.71), WFP – in its function as Accredited Entity to the Green Climate Fund – shares inputs to the Strategic Plan.

Yours sincerely,

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WFP Inputs to the Strategic Plan of the Green Climate Fund

WFP's support to governments in accessing climate finance is steadily growing. So far, 11 project proposals have been submitted to the GCF Secretariat (5 at the level of concept notes), with 3 proposals approved by the GCF Board and ready for implementation after finalisation of the related Funded Activity Agreements (FAA).

For WFP, tackling climate change means acting on one of the main root causes of food insecurity and malnutrition in the world. This is the main global challenge at the core of WFP action, as stated in WFP's 2015-2021 Strategic Plan.

Climate change threatens to break down food systems by increasing the frequency and severity of natural hazards, which destroy land, livestock, crops and food supplies with a disproportionate impact on vulnerable food-insecure households. Climate change acts as a risk multiplier, especially in contexts that are prone to social tensions and displacement.

Being the biggest humanitarian agency in the UN system, WFP uses its field presence in the most remote areas of the world and its wide expertise in conflict-affected settings to reach the most vulnerable communities and ensure that concrete actions are put in place to help them manage climate risks in livelihoods and sensitive landscapes. WFP reaches this objective by working with governments and a broad range of local partners and NGOs, **providing food-insecure communities with innovative programmes and the latest technology to reduce and manage climate and disaster risks** and supporting people to prepare for, respond to, and recover from climate shocks and stresses. The activities included in the proposed GCF project proposals respond to this imperative and rely on WFP's unique skillset in terms of:

- Risk and vulnerability analysis,
- Establishment of crisis alert and early warning systems,
- Provision of climate information services to remote populations,
- Micro and macro insurance solutions for potentially catastrophic climate hazards,
- Forecast-based financing and early action,
- Food assistance for climate adaptation and disaster risk reduction assets.

These flagship programs frame the comparative advantage of WFP in building climate resilience in food systems, reducing climate risks on food security and nutrition¹. Through the design of activities, WFP seeks also to align and integrate its capacities and programmes with the interventions and investments of governments, other United Nations agencies, the private sector and civil society, which together can generate the systemic changes for sustainable development, in alignment with the 2030 Agenda and with the GCF co-financing and upscaling goals.

I. Structure of GCF's Strategic Plan & Vision

WFP acknowledges the work by the GCF on the Strategic Plan so far and considers the current structure as useful to develop concrete and operational objectives starting from broader, more strategic goals.

To this purpose, WFP suggests the **development of a comprehensive Theory of Change to articulate more clearly strategic choices and to focus on results**; it would also facilitate the outlining of assumptions about change, which turn out to be critical in planning, monitoring and evaluation, and provide an intervention logic to follow, which could be helpful in guiding project interventions towards the achievement of the Fund's overall goals.

¹ See *The State of Food Security and Nutrition in the World 2018* published by FAO and UN partner agencies (IFAD, UNICEF, WFP and WHO): <http://www.fao.org/3/i9553en/i9553en.pdf>



The strategic vision defined in the current Plan is still valid and pivotal in guiding GCF efforts to promoting a paradigm shift towards low-emission and climate-resilient development pathways in developing countries and supporting the implementation of the Paris Agreement within the evolving climate finance landscape.

It would be useful to define more concretely how to reach the paradigm shift envisioned (the Theory of Change could be extremely useful to this purpose) and **update the Vision in order to include the latest scientific findings** included in the Intergovernmental Panel on Climate Change (IPCC) special report 'Global Warming of 1.5 °C'. This update could be useful to highlight the urgency of strengthening global efforts to combat climate change.

The new Strategic Plan should also include a wider section on the **implementation of approved projects, with a focus on operationalising results** and performance management frameworks and monitoring and evaluation requirements.

In a nutshell - Recommendations from WFP:

- Development of a comprehensive Theory of Change for GCF;
- Update GCF Strategic Vision to include latest IPCC scientific findings;
- More focus in the Strategic Plan on implementation and how to operationalise results/performance management frameworks and M&E requirements.

II. Supporting country ownership

WFP fully recognises the importance of ensuring country ownership in accessing climate finance and the efforts implemented by GCF in supporting country programming and national adaptation planning. The GCF focus on capacity strengthening for countries facilitates an effective implementation of project activities for the achievements of national priorities, thus creating a positive impact to the overall implementation of GCF portfolio of projects.

III. Streamlining processes & ensuring transparent and inclusive procedures to enhance accessibility

From the experience acquired so far with the GCF project cycle, WFP encourages to continue on the path of improving GCF processes and placing the **efficiency of operations as a top priority** in the Action Plan, with a **focus on accelerating the approval process of funding proposals, including by shortening the time between project approval and initiating implementation.**

In order to ensure the timely implementation of activities that can reinforce the resilience of the most vulnerable communities, it is relevant to rely on fast processes to start the implementation of GCF projects. WFP experience so far has witnessed long procedures when dealing with the accreditation process, the Accreditation Master Agreement (AMA) and FAAs. This aspect is also highlighted as an existing challenge by the *Report on the implementation of the initial Strategic Plan of the GCF: 2015-2018* (section 'Key Findings').

The accreditation process

The current accreditation model represents a constraint for countries accessing GCF resources. As highlighted in the *Report on the implementation of the initial Strategic Plan of the GCF: 2015-2018*, paragraph 18, *'the current need for project advocates to go through the entire, rigorous accreditation process makes the timely advancement and implementation of those projects nearly impossible'*. WFP welcomes the GCF initiative of revising this process, with the suggestion of **further simplifying the proposed project-based accreditation process** which will be presented at B.23, in order to make it substantially easier and more straightforward than the institutional one.



The AMA and FAA processes

The AMA process takes a considerable amount of time to be finalised and approved. A similar experience is characterising also the FAA process for the approved GCF project proposals, thus implying that approved projects are waiting months (and sometimes even years) before implementation begins. To accelerate these procedures, GCF could include in the planning of its operations the opportunity to have **ad hoc missions and meetings with AEs** to ensure mutual understanding, speed up the ongoing procedures, and make sure projects can start according to the planned timeline. Moreover, GCF requirements on the FAA frequently include a revision of elements which had already been approved in the project proposal, such as the logical framework. With this regard, GCF should clarify and differentiate procedures (Secretariat review, iTAP, FAA preparation), defining what is verified and approved at which step in order to **avoid the re-discussion of issues which have already been treated and agreed on** – both with GCF and with the government counterparts – during the project proposal review, and to ensure this is clearly communicated to AEs and respected by the GCF itself. A **log of the decisions taken and validated by GCF during the revision** process might avoid the double assessment.

The proposal review process

From the perspective of project proposal review, it would be helpful to rely on a **streamlined set of comments**. At the moment, the quantity of comments received both by the Secretariat and iTAP have a high degree of redundancy that requires numerous backs and forth. The fact that the GCF relies on many different thematic experts for different parts of the review (budget, legal, gender, environmental and social safeguards, M&E, climate rationale, etc.), and that these various experts are not always reading the proposal as a whole but focus only on 'their' respective parts, leads to an overwhelming amount of questions – which sometimes are similar/repeated. The degree of operational details to be provided is greater and more time-consuming than with other multilateral climate funds, which creates a feeling among AEs and government counterparts that the GCF does not trust its partners' expertise, experience and knowledge of the context. This contributes to making the project approval process long, convoluted and inefficient, adding further delays to the implementation of urgently needed climate change adaptation and mitigation measures. A suggestion for improvement would be to have the **proposals reviewed by one person as a focal point, ideally with implementation/field experience**, who relies on advice from technical experts but coordinates the review process and reduces the amount of duplicative questions. WFP would suggest also to **further simplify and streamline processes for the Simplified Approval Process (SAP)**; what we experience so far is a similar workload and timeframe compared to the normal procedures, compressed in a lower number of pages but with still a rather long and cumbersome review process. It would also be very useful to have **all the comments and reviews in an on-line repository system**, instead of using emails. In this case, WFP proposes to extend the new GCF Document Review System announced in an email on 23 April 2019 also to the review and evaluation of project proposals. The advantages would be multiple: a one-stop shop where all the information related to the project proposal is correctly saved and available, keeping track of all the comments and replies, without running the risk of losing parts of the email conversations and with more security guaranteed on the information flow. The GCF Apps Portal could be used for this purpose.

The high standard for transparent and inclusive processes adopted by the GCF – including its Information Disclosure Policy, consultation procedures, Gender Policy and Indigenous People Policy are of utmost importance to ensure transparency towards the project beneficiaries. A similar path should be initiated to provide the **same level of transparency towards AEs regarding internal procedures**, namely those regulating the review of project proposals timely presented for Board's consideration and the approval of policies. At the moment, there is no institutionalised mechanism which guarantees that a project proposal timely submitted will be actually reviewed for presentation to the next GCF Board meeting: **rules on prioritization of project proposals should be better communicated and made available**. Similarly, policy drafts are not automatically considered at the next available Board, postponing the completion of the GCF policy framework to an indefinite date. The Strategic Plan could **highlight the need to establish**



clear decision-making rules for the Board to go through all the agenda items and accelerate adoption of decisions and policies.

Another proposal to further improve the understanding of GCF investment criteria and submission requirements to foster accessibility to climate finance is to establish **Open days for AEs to have a clear overview of GCF priorities, submission procedures, implementation and reporting requirements.** This initiative could follow the example set by the conferences organised in 2018 for the NDAs and private investors. It could also be articulated in multiple sessions by grouping AEs according to their main thematic focus (i.e. in case of WFP, climate change adaptation issues from the food security perspective), and be organised around a Board meeting to take advantage of many AEs representatives traveling to Songdo.

In a nutshell - Recommendations from WFP:

Faster project approval process, including shortening the time between project approval and initiating implementation

- Accreditation process: more straightforward process for PSAA
- AMA and FAA:
 - ad hoc missions with AEs to accelerate AMA/FAA validation
 - clarification and differentiation of procedures to avoid the re-discussion of issues which have already been treated and agreed on
 - log of decisions taken during revision
- Proposal review:
 - One focal point with implementation/field experience as AE counterpart for project review. This focal point should have read a project proposal in its entirety, coordinate comments by other reviewers, and filter duplicative or redundant observations.
 - Online system for comments and reviews for all project proposals (through the GCF Apps Portal)
 - Further simplify and streamline the Simplified Approval Process (SAP) by simplifying the review process and level of details requested during the review
- More transparency for AEs on internal procedures for prioritizing project proposals and policy approval
- Clear decision-making rules for the Board to accelerate adoption of decisions and policies
- Open days for AEs to have a clear overview of GCF priorities, submission procedures, implementation and reporting requirements

IV. Maximize impact through greater flexibility, knowledge management and familiarity with local contexts

As outlined by the Secretariat, the Strategic Plan is a living document, intended to guide the GCF as a continuously learning institution (see *Report on the implementation of the initial Strategic Plan of the GCF: 2015-2018*, paragraph 6). Its revision would therefore be an iterative process, which should adapt to rapidly changing climate scenarios. With this approach in mind, WFP acknowledges the importance for the GCF to have clear rules on funding proposal policies and related tools (i.e. investment criteria definition, results indicators, etc.) but strongly suggests **allowing a reasonable level of flexibility** to be adapted to every different AE.

Several operational rules and procedures established by the GCF do not match with the internal procedures and rules established by the governing bodies of AEs, especially those within the UN system. This makes the preparation of project proposals, the finalization of AMAs and FAAs a cumbersome and long process. A broader degree of flexibility in the approach to established AE operational frameworks would support the feasibility of projects and accelerate their revision and implementation, thus shortening



the time needed to achieve results. Considering that the effects of climate change are becoming more visible and detrimental every day, **a fast approach geared towards flexibility and implementation should be an imperative.**

To bring an example, the GCF requirements on co-financing and its reporting can hardly be implemented in the real contexts where AEs operate. Extending GCF requirements to the co-financing activities would e.g. require any co-financer of a project (other than the host government) to wait for GCF project approval before moving ahead with implementation. In the real world, this is not always possible. This rigid approach might lead to missed opportunities for complementarity, thus damaging the overall effort of enhancing the impact of GCF projects and the achievement of the paradigm shift.

Rigid rules and approaches also delay AMA and FAA negotiations, as AEs own rules – often established by the AEs' governing bodies – are hardly accommodated. This contributes to further delaying implementation of urgently needed activities in the field.

WFP would suggest a more **user-friendly publication of applicable policies and tools**, where all the updated requirements and rules applying to the project proposal process are listed. The recent publication of the GCF Handbook (*Decisions, policies and frameworks as agreed by the Board on the Green Climate Fund from B.01 to B.21 December 2018*) is a very appreciated step forward towards a clearer overview for AEs and might also help reduce the flows of comments after the presentation of concept notes and full proposals.

In the upcoming future, the implementation of projects will require a systematic collection of lessons learned that could feed into policies and project development, possibly through a **knowledge management platform** that could foster exchange of best practices and cutting-edge technologies among countries and entities.

Finally, WFP encourages a **more direct entity relationship management approach**, for GCF to engage meaningfully with the AE pool. The establishment of **more regular GCF regional presence** might help interactions and support the strengthening of knowledge of the local context and challenges. As a matter of fact, the interaction of GCF staff with the local contexts and conditions AEs are working with could bring an added value in better understanding the activities included in project proposals and adapting GCF rules and procedures to the reality of the ground. Moreover, **guaranteeing sufficient time for interactions with AEs during the Board meetings** (i.e. with a specific day dedicated to Q&A form AEs, and scheduled meetings with all the AEs representatives who wish/need to interact with GCF representatives) would greatly smoothen the concerns or uncertainties in project proposal submission or revision, and further consolidate mutual understanding and collaboration between GCF and AEs. Finally, **regular sessions between GCF Executive Director and AEs would be useful to provide a 'reality check' on project cycle efficiency.**

In a nutshell - Recommendations from WFP:

- More flexibility in the application of GCF rules and procedures with AEs
- User-friendly publication of applicable policies and tools available online
- Knowledge management platform systematically collecting lessons learned
- More direct entity relationship management approach through:
 - GCF regional presence and interaction with AEs in local contexts
 - Regular sessions between GCF Executive Director and AEs, to provide a 'reality check' on project cycle efficiency