



Practitioners Exchange Experience of Swiss NGOs with the Green Climate Fund

27th August 2020





Some starting remarks

- Thank you for muting your mics during the presentations
- Questions can be made through the chat function or orally after the presentation
- The exchange will take approx. 2.5 hours with a small break in the middle
- The meeting will be recorded and the recording and all presentations shared with you after the meeting

- Welcome and Introduction Round
- *Presentation 1 and Q&A: Becoming an Accredited Entity to the Green Climate Fund* (Maya Wolfensberger/Helvetas)
- *Presentation 2 and Q&A: Experiences from GCF Proposal development process in Uzbekistan* (Nickolai Denisov/Zoi Environment Network)
- Break (10 minutes)
- Discussion: Sharing your experiences with and questions about the GCF together with Jürg Klarer / Æquilibrium Consulting
- Presentation 3 and Q&A: The official engagement of Switzerland with the GCF (Stefan Schwager/FOEN)
- Closing

The Speakers

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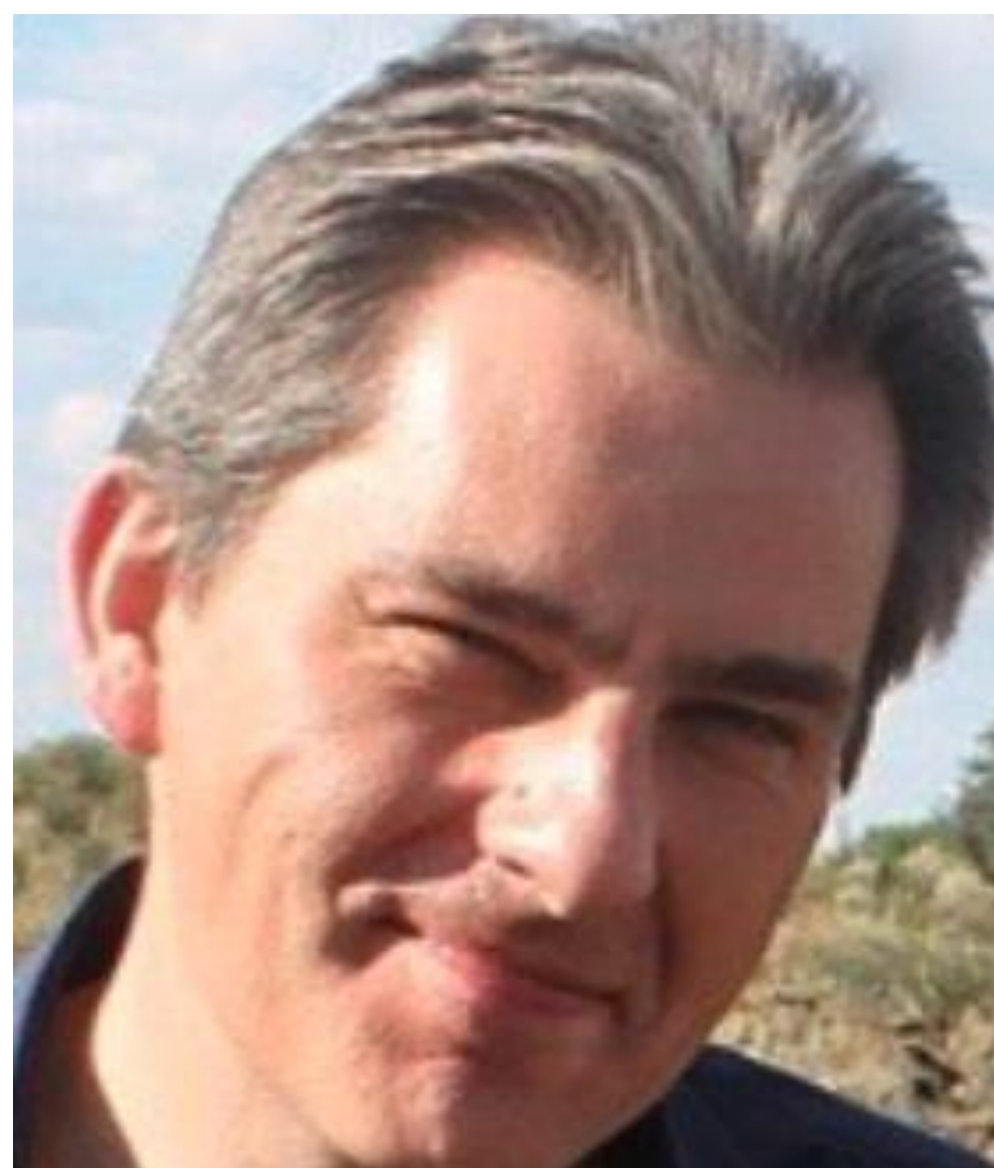


The Speakers

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Thank you!



UPDATE ACCREDITATION PROCESS GCF

Maya Wolfensberger
Advisor Climate Change

August 2020



Entry points to the GCF of Helvetas

As Accredited Entity

- stepwise procedure with regular checks if it still worthwhile to continue
- Only if it brings added value for other donors as well

As Executing Entity

- Developing CN in BOL & MMR
- opportunities in further countries currently being assessed



**GREEN
CLIMATE
FUND**

Accreditation process



**“Go” from MB
September
2017**

**Preparation
2018**

**Submission
Sept
2019**

**Stage I
started
August
2020**

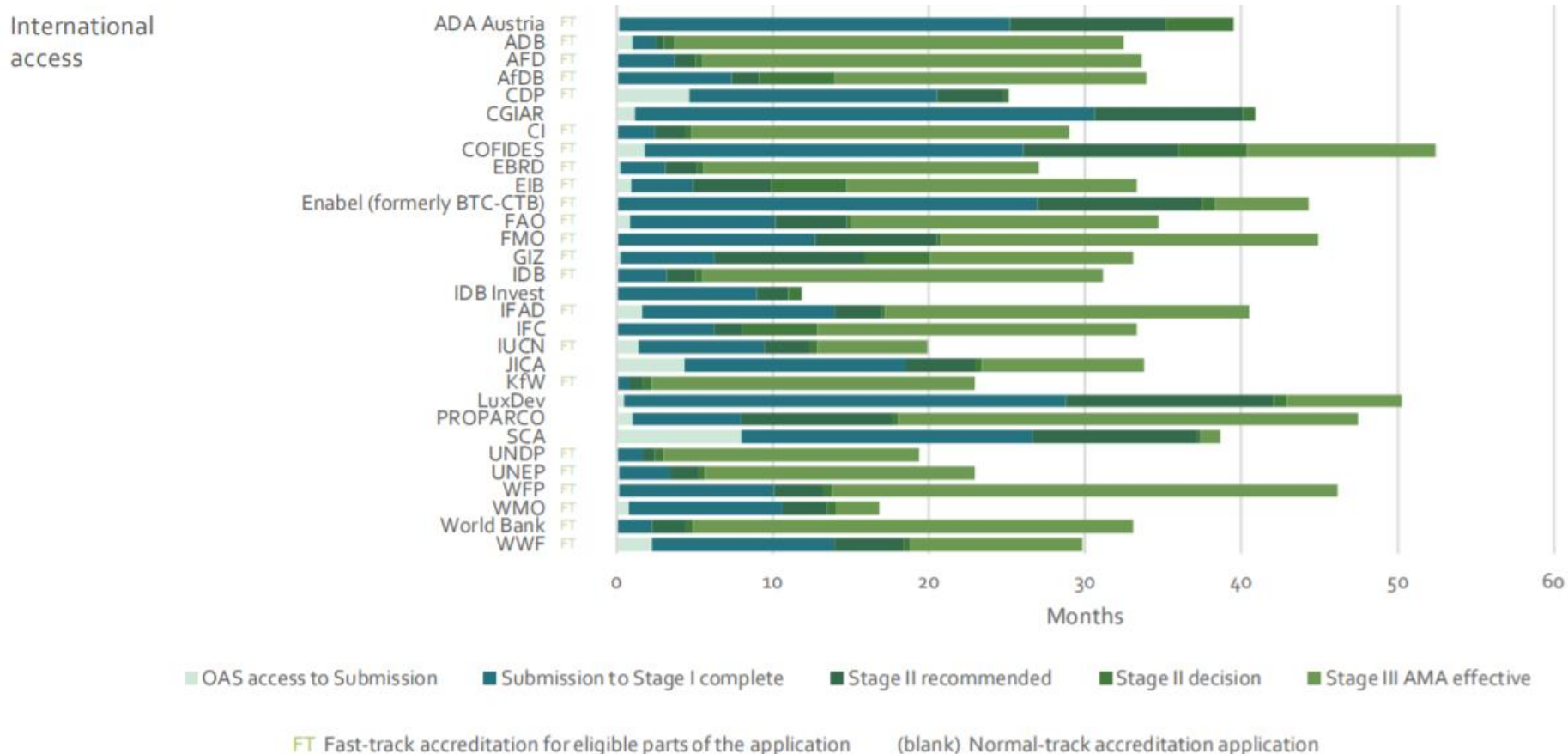
- ✓ Approval by MB
- ✓ Hired consultant to support process
- ✓ Working group created

- ✓ Acces to OAS = Online Application System (application process)
- ✓ Gap Assessment
- ✓ Development of new strategies, policies aligned with internal processes (e.g. revision of Code of Conduct, Gender Policy, ESS Management Policy)
- ✓ Approval of BoD

- ✓ Payment of Fees (7'000 USD)
- ✓ Pre-Check and re-submission

Time frame to accreditation

- Took between 1-5 years for International access entities
- There is currently a pipeline of 118 applications (more direct access entities, which are currently prioritized), additional 110 entities with OAS that have yet to submit their application.
- Most of International Accredited entities are fast-tracked



Results Gap - Assessment

Fullfillment

SECTION IV

Basic fiduciary criteria

4.1 Key administrative and financial capacities

4.1.1	General management and administrative capacities	95%
4.1.2	Financial management and accounting	100%
4.1.3	Internal and external audit	83%
4.1.4	Control frameworks	100%
4.1.5	Procurement	40%

4.2 Transparency and accountability

4.2.1	Code of ethics	77%
4.2.2	Disclosure of conflicts of interest	50%
4.2.3	Preventing financial mismanagement	50%
4.2.4	Investigations	64%
4.2.5	Anti-money laundering and anti-terrorist financing policies	0%

SECTION V

Specialized fiduciary criteria

5.1 Project management

5.1.1	Project identification, preparation and appraisal	98%
5.1.2	Project oversight and control	100%
5.1.3	Monitoring and evaluation (KAI & MWO)	80%
5.1.4	Project-at-risk systems and related project risk management capabilities	100%

5.2 Grant award and/or funding allocation mechanisms (optional)

5.2.1	Grant award procedures	0%
5.2.2	Public access to information on beneficiaries and results	0%
5.2.3	Transparent allocation of financial resources	0%
5.2.4	public expenditure reviews)	0%

SECTION VI

Environmental and social safeguards

6.1	Policy (B/I-2, not required for C/I-3)	0%
6.3	Management Programme	0%
6.4	Organizational Capacity and Competency	10%
6.5	Monitoring and Review	60%
6.6	External Communications	0%

Section VII

Gender

7.1		100%
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Results Gap Assessment: Main construction sites



- ✓ Finance Manual, incl. Procurement policies outdated
- ✓ Code of conduct incomplete, e.g. unclear regulations in case of conflict of interests
- ✓ Anti-Corruption Guidelines outdated
- ✓ Anti-money laundering and anti-terrorist financing policies missing
- ✓ Grant award and/or funding allocation mechanisms missing
- ✓ Environmental and social safeguards Management system missing

- **Revisions made in 2018 improved our overall compliance for all donors**
- **Process significantly accelerated pending revisions that were planned anyway**

Lessons learned to consider

- **requires significant time, energy and dedication:** Ideally a small team of people is largely freed up from day-to-day tasks to focus on the process.
- Important to conduct a '**gap analysis**' to better understand effort and expertise needed.
- **Major management decision** and considered part of the organisation's efforts to increase its institutional capacity-> Ownership and full support of MB and BoD
- The revision of our guidelines and policies **makes us fitter for other donors** as well, these requirements might become a reference in the near future.
- Several standards and default practices for the private (especially banking) sector are **not easily translated to non-profit entities or NGOs**.
- **Direct access entities are prioritized.** As international access entity need to calculate with 2-4 years at least
- Argumentation based on similar **precedents** (GIZ, Enable  **HELVETAS** (implements Belgium's international development policy), CI)

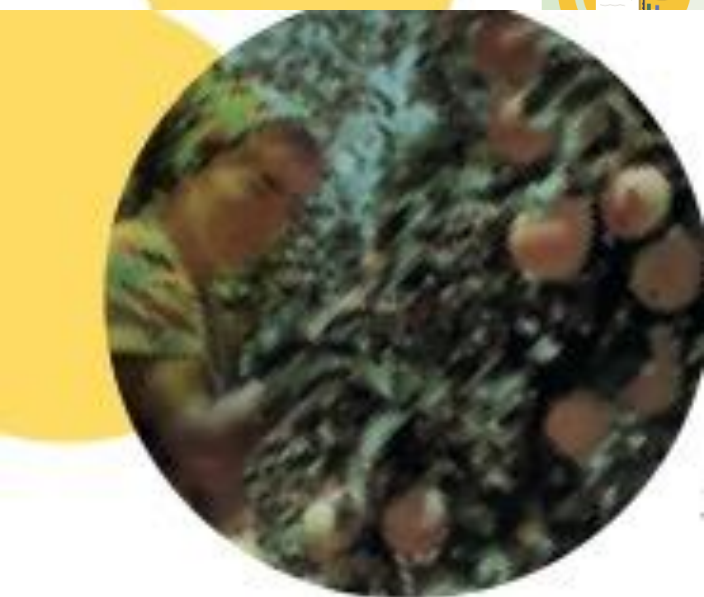


**THANK
YOU!**



HELVETAS





DEVELOPING AGROMETEOROLOGICAL INFORMATION SERVICES FOR CLIMATE CHANGE RESILIENT PRODUCTION OF FRUIT AND VEGETABLES IN UZBEKISTAN (2020-2023)

PROJECT LONG-TERM GOAL:



Increased resilience of vulnerable rural communities and people;



Increased health, well-being and food security of Uzbekistan at large.

MAIN ACTIVITIES:



Support to long-term climate-informed planning of horticultural land-use, crop selection and agrotechnology



Improvement of agrometeorological data processing, delivery and use



Modernization and automation of agrometeorology data collection in 57 districts



Helping in development of user-driven, climate responsive agrometeorological services

USERS/BENEFICIARIES:

estimated over **7 million** dehkans and farmers in **57** fruit- and vegetable-growing rural districts of Uzbekistan



45% of rural and **23% of the total population** of Uzbekistan



IMPLEMENTATION:

UNEP

UNDP

Uzhydromet

IN COOPERATION WITH

ADB

OSCE

FAO

USAID

World Bank

Government of Uzbekistan

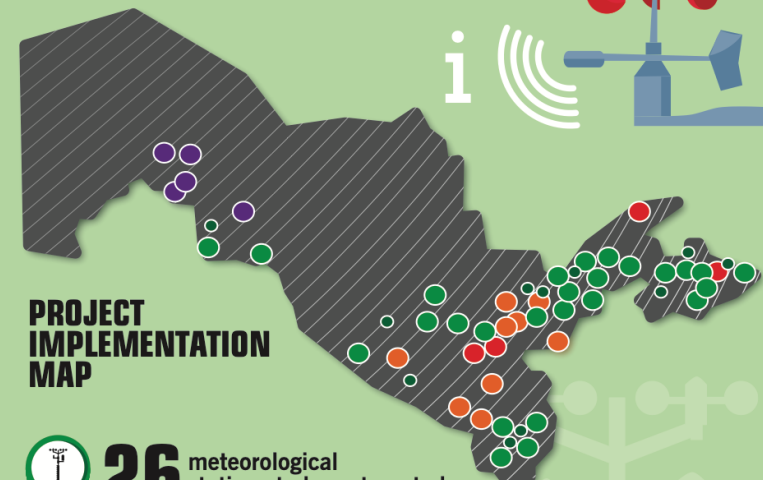
BUDGET:

USD 14.5 million from the Green Climate Fund

USD 3 million co-financing by Uzbekistan, UNEP and UNDP



By 2040 yields of selected horticultural crops may decrease by 40-60% due to climate change. (World Bank)



PROJECT IMPLEMENTATION MAP



26 meteorological stations to be automated under the GCF project



13 agrometeorological posts to be automated under the GCF project

GCF-supported extension service around infrastructure automated through parallel financing



9 stations to be automated under FAO project



5 stations automated by UNDP project



4 sites automated through other parallel contributions (China, USAID)

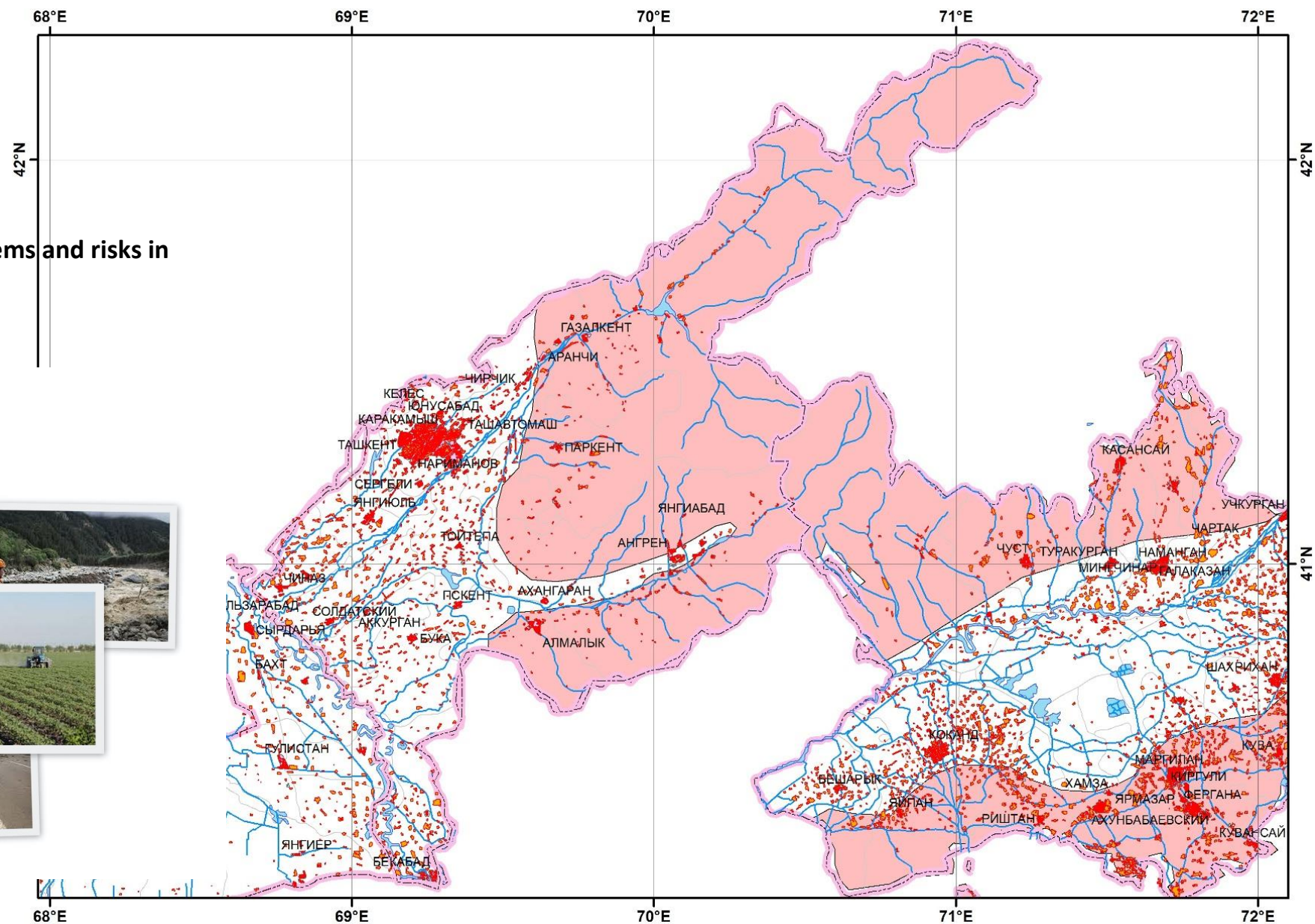
+ 23

local, regional and central soil quality laboratories (not shown on the map)

GCF Readiness Project in Uzbekistan, the joint project of Center for Hydrometeorological Service under the Cabinet of Ministers of the Republic of Uzbekistan, UNDP, UN Environment and WRI

Feasibility study

Multi-hazard climate-related warning systems and risks in Uzbekistan



Similarities

Started as SAP [simplified approval process = < 10M fast track]

Executed by state agencies

Part of GCF readiness programme of UNDP

Adaptation, with focus on observations and add-on services

Differences

Subject matter: agrometeorology for horticulture vs early warning for DRR

Local counterpart: Hydrometeorology service vs Ministry of Emergencies)

The **agrometeorology project** developed by UNEP-UNDP-[FAO] constellation

Compact and constant development team (UNEP-Zoï-Uzhydromet)

Strayed away from SAP to full-scale proposal, then hit the wall due to complicated loops and lack of follow-up

The **early warning project** developed by UNDP alone

Large and changing group of external consultants (Zoï including)

Made it through several GCF loops, still there (the latest iteration submitted a month ago, waiting for feedback)

Zoï role

Development of concept notes / project proposal + annexes (incl. coordination of necessary inputs)

Field missions, meetings with stakeholders and [pre-]feasibility study (only agrometeorology)

Addressing GCF feedback (response tables, clarifications, updated proposals and annexes)

Zoï lessons I: overall impressions

Interesting: strong potential to imagine and conceptualise innovative stuff that can really help countries

Boring: highly regulated and bureaucratized process feels like a straight-jacket, little appetite for the unorthodox

Ultra-**complicated** format

- templates, guidelines, requirements are many, complex and NOT user friendly, GCF web site unusable
- too many things are carved in stone (e.g. result areas, indicators, inflexible terminology)
- fast track may in reality not exist outside LDCs, track differences are blurred. Is there a preference for larger projects?
- annexes, including safeguards, are not to be underestimated; nor are feasibility studies

Zoï lessons II: GCF feedback *the masters of complications*

- different among reviewers (and you never know who you will fall upon)
- can be highly inconsistent between iterations [we love it / we hate it; give us this and that in addition to all we have asked for; we know it says 10 pages but why don't you give us 50; we know it says this annex is not compulsory – give it to us]
- or too consistent [= stubborn: I told you twice before, just do it and don't argue; this is what you need, I know best]
- high but often unrealistic ambitions, with not much understanding of national contexts or how countries function

“Some of these projects [which have been approved], of course they are good for the development of the country, but they are not paradigm-shifting, game-changing types of projects... We are getting rather business-as-usual types of investment proposals and these are getting approved by the board” [interview of ex-GCF ED Héla Cheikhrouhou with FT, sept 2016]

- same for the financial expectations, especially in adaptation projects (GCF are investment bankers: both good and bad)
- feedback loops can take months...

Zoï lessons III: it's expensive

GIZ estimate:

A 2016 survey of AEs found that so far proposal development took an average of 6 months, requiring 2.5 person-years in effort and around USD 150,000 to prepare (Eco, 2016b). However, for medium and large projects/programmes this may not be sufficient: the preparation of feasibility studies alone can take between 6 and 12 months. The preparation of the actual proposal can take an additional 4 to 6 months, bringing total time required up to 10 to 18 months. Time and cost requirements strongly depend on the size of the proposal (see chapter 2.2) and the nature of the activities.



Version 1

July | 2017

Guidebook:

Writing a Green Climate Fund Funding Proposal

Zoï experience:

agrometeorology ca. 15 months, ½ to 1 person-year including the AE and local counterparts ☐ not completed

early warning ca. 30 months, 2-3 person-years by a large team including the AE and local counterparts ☐ in progress

[some] Solutions?

Strong GCF [and similar] experience within the implementing organization

Well-oiled project development machine, ideally back-door access to GCF...

Full trust and a 'hot line' with local counterparts / the government / NDA

Solid climate and development expertise in the team

Zoï lessons IV: looking around

Organisations (World Bank, ADB) increasingly stay away from GCF funding

UNDP is dominant in 'zoï region' (e.g., implementing all NAP projects)

Quality of financed operations is not always high (GCF opportunism)

Reputation increasingly under pressure (critical evaluations, bad press ▶)

Switzerland is a strong player (GCF funder and constituency member)

▶ has means to influence things and impose changes

UN-backed climate fund faces wave of abuse allegations from staff

Former and current employees describe incidents of sexism, racism and harassment at Green Climate Fund



The Green Climate Fund building in Songdo, South Korea, where employees allege that misconduct has been rife © Newscom/Alamy

UN's flagship green finance fund fights to regain credibility

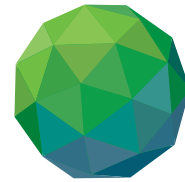
A body that aimed to create a new model for aid has been beset by infighting



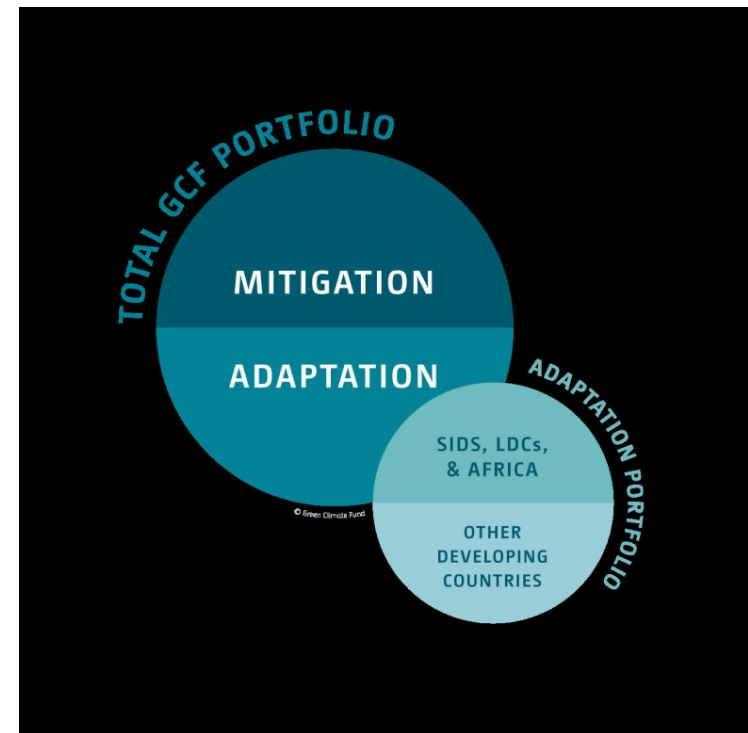
The GCF backs projects to protect India's coastal communities from climate change © Bloomberg



Green Climate Fund (GCF)



- 2010: Established by UNFCCC COP decision
 - Initial Resource mobilization 2014: USD 10.3 bn
 - First Replenishment 2019: USD 9.8 bn (for 2020-2023)
- paradigm shift at scale
- 50% / 50% / 50%
- Direct Access
- Private Sector Facility





Governance

- HQ: Secretariat in Songdo, Korea (staff: ~400)
- Executive Board: 24 members (12/12)
- 2 CSO + 2 PSO active observers (no vote)

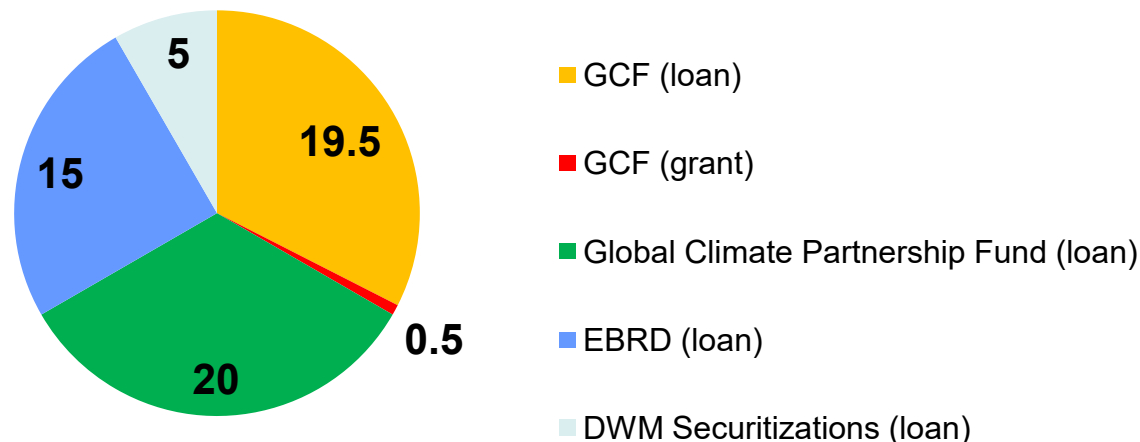




Project Example: XacBank, Mongolia

Business loan program for MSMEs

- GHG emissions reduction
 - Energy generation and access
 - Buildings, cities, industries and appliances
- Gender benefits
- Investment : TOTAL 60.0 Mio \$ / 66.7% co-financing
- Financing Structure [Mio \$]





Switzerland and the GCF

- **Engagement from the outset 2011**
- **US\$ 100 million** for 2015-2017 / **US\$ 150 million** for 2020-23
- **Initial phase: Constituency with Russian Federation**
- **Board representation** (constituency CH/FIN/HUN + LIE/MON)
- **Coordination BAFU-DEZA-SECO**
- **Since 2013 Co-Chair Private Sector Advisory Group**
- **Since 2019 Chair Ethics and Audit Committee (EAC)**



Swiss priorities

- Clear profile of GCF (complementarity / coherence with other climate financiers)
- Transformational change
- Ensuring transparency in procedures and effective use of funds
- High standards, equity considerations, gender
- Efficient network of partner organizations (accreditation)
- Enhanced private sector engagement

GCF – Challenges and Strengths

- **Politicized Board – fundamental differences re.:**
 - Interpretation of main objectives and modus operandi
 - Remaining policy gaps / profile of the GCF
 - Consensus difficult to reach; voting procedure since 2019-06
- **Secretariat – staffing / location**
- **Processes and procedures** (long time from developing funding proposals to decision; lack of transparency of pipeline, etc.)
- **Main policies in place**
- **Solid structure** with 3 independent units for Evaluation, Redress and Integrity
- **Network of partner institutions** covers all regions and all types of organizations



Accreditation 1

- **Current status:** 97 accredited; 76 with legal arrangements; 70 process completed; 118 in pipeline – selection process could be clearer
- **Board members from developing countries push for accreditation of national (regional) direct access entities (DAE)**
- **How many AE does the GCF need to succeed in its mission?** – adopting a more strategic approach to accreditation
- **Still no accreditation strategy** (see GCF/B.14/09 of 28 September 2016)



Accreditation 2

- Accredited Entities (AE) can be private or public, non-governmental, sub-national, national, regional or international
- AE have to meet the standards of GCF
- Countries may access GCF resources through multiple entities simultaneously
- GCF will scale up pre- and post accreditation support
- In search of offering other forms of collaboration with the GCF and its network of AE's – for ex. project specific accreditation.