



STATE OF PLAY OF GREEN CLIMATE FUND (GCF) PROCESSES IN MALAWI



BRIEF STUDY REPORT

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1. Introduction

The Green Climate Fund (GCF) is the most important multilateral instrument for climate financing and focuses its support on the least developed countries across the globe including African states. The CARE DL with support from its partners i.e., German Watch and CARE International through CARE Malawi is implementing a project called the Green Climate Fund – Civil Society Organization Readiness (GCF-CSO Readiness) Project Phase II in various African Countries including Malawi. The GCF-CSO Readiness Project aims to enhance existing capacities of African civil society to improve the quality of the GCF project proposals submitted, bringing in on-the-ground expertise and enabling the participatory monitoring of GCF projects. Project activities include, among other things, the organization of webinars and workshops, monitoring of GCF funded projects as well as the preparation of GCF related information. The project further promotes networking to strengthen the high-level involvement of civil society stakeholders, scale-up existing CSOs' capacities as well as to ensure accountability of GCF-funded activities by national authorities through a broader societal mobilization for transformation and better impacts. Moreover, the expansion of civil society engagement is encouraged through an exchange of experience at the regional and global levels. The project thus helps embedding GCF-funded activities in a broader societal support for a transformation towards a low-emission and climate-resilient society.

In Malawi, the project is being implemented by Civil Society Network on Climate Change (CISONECC) in partnership with CARE Malawi. Under the project, CISONECC commissioned a study to assess the state of play of GCF processes in Malawi.

1.2 Objectives of the Study

The objectives of the study were to;

- i. Provide an overview and understanding of the processes of GCF at a global, regional and national level;
- ii. Assess CSO knowledge and involvement in GCF processes in Malawi;
- iii. Document all GCF activities, projects, and interventions being implemented in the Malawi;
- iv. Identify challenges relating to the award and implementation of GCF grants in Malawi; and
- v. Provide recommendations on how Malawi can better benefit from the GCF.

1.3 Technical Approach and Methodology

The study used qualitative data collection methods to understand issues under investigation from participants' own voices or perspective within the given context and from relevant documents that were available on different websites as well as those that were provided by CISONECC and a few stakeholders that were interviewed. The following were the specific tools that were used during the study:

1.3.1 Desk/Literature Review

This task involved review of relevant literature to generate a broader understanding of the GCF and its associated structures and processes at different levels. The validity of information from documents

reviewed was cross-checked and validated with information from other sources such as key informant interviews, and focus group discussions. Relevant project and sector documents were also reviewed and summarized and issues were identified and documented. The information generated was triangulated with that obtained from other methods and data sources. Information from literature review was used to articulate the GCF processes globally, regionally and nationally; Compile an inventory of all GCF activities in Malawi; review progress in the implementation of the existing projects, opportunities relating to award and implementation of GCF projects in Malawi, opportunities related to monitoring and evaluation of GCF projects by CSOs in Malawi, and recommendations on how Malawi can increase her opportunities to benefit from the Green Climate Fund.

1.3.2 Key Informant Interviews (KII)

The KIIs involved the collection of data from “expert sources” known as key informants to complement Focus Group Discussion and Desk Review. The informants were met in person and where the informants were not available arrangements were made to hold discussions virtually. Other informants were sent the checklist of discussion issues and they provided written responses. Information from the documents was summarized and issues were identified. The information was triangulated with that from different methods and data sources. This information was used to review the GCF processes globally, regionally and nationally; assess CSO knowledge and involvement in GCF processes in Malawi; compile an inventory of all GCF activities in Malawi; and review progress in the implementation of the existing projects, analyze the opportunities and challenges relating to award and implementation of GCF projects in Malawi; assess existing opportunities related to monitoring and evaluation of GCF projects by CSOs in Malawi, and recommendations on how Malawi can increase her opportunities to benefit from the Green Climate Fund.

1.3.3 Focus Group Discussions (FGDs)

FGDs were conducted with selected GCF Project participants to obtain group opinions, ideas, beliefs, and experiences with the MCLIMES project. The FGDs were conducted with stakeholders at the community level and included project beneficiaries as well as representatives of institutions and community organizations participating in the M-CLIMES Project funded by GCF through UNDP in Chikwawa, Phalombe, Salima, Ntcheu and Mangochi Districts. Information from the FGDs was summarized and issues were identified. The information was triangulated with that from different methods and data sources. This information was used to explore progress in the implementation of the existing projects, and analyze the opportunities and challenges relating to implementation of GCF supported projects in Malawi; and recommendations on how Malawi can increase her opportunities to benefit from the Green Climate Fund.

2. Findings Of the Study

The following is a summary of the findings of the study with reference to the study objectives:

2.1. Overview and understanding of the processes of GCF at a global, regional and national levels:

The Green Climate Fund (GCF) is a fund established within the framework of the United Nations Framework Convention on Climate Change (UNFCCC) as an operating entity of the Financial Mechanism to assist developing countries in adaptation and mitigation practices to counter climate change. An agreement to establish the Green Climate Fund as a new fund under the UNFCCC was formalized at the climate summit, 16th meeting of the Conference of Parties (COP16) in Cancún in 2010. The purpose of the Fund is to contribute to the achievement of the ultimate objective of the UNFCCC. In the context of sustainable development, the Fund will promote the paradigm shift towards low emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change.

Developing countries as recipients of climate finance can access GCF funding in two ways through accredited implementing entities which are:

- i) *Direct access:* Subnational, national or regional institutions from developing countries (both public and private) can get accredited to submit funding proposals directly to the GCF;
- ii). *International access:* Recipient countries can submit funding proposals via international accredited entities such as Large multilateral organizations like United Nations institutions or multilateral development banks (MDBs), Developed country bilateral institutions like Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) or Department for International Development (DfID), and Private sector institutions such as commercial banks.

At the international level, the fund is administered by the board which is formed of 24 members with equal representation of developed and developing country members. The fund has a Secretariat which is the fund's independent coordinating body responsible for day-to-day activities. It reports back to the Board whose work and activities it also supports.

At the national level, the GCF operates through diverse actors and institutions, including the National Designated Authorities (NDA) or national Focal Points (FP). They are the primary institutional contact point for the fund within a country and are in charge of coordinating national engagement and processes around its financed activities as well as stakeholder participation. Accredited Entities (AE) are national, regional or international organizations that become accredited with the fund so that they can elaborate and submit funding proposals for projects or programmes, and implement those approved in developing countries. Executing Entities (EE) are national governmental, non-governmental or private sector institutions selected by AEs to support the implementation of GCF financed activities. Currently in Malawi, the only Accredited Entity is the United Nations Development Programme (UNDP) and the main EE which is implementing a GCF project, the *Saving Lives and Protecting Agriculture Based Livelihoods in Malawi: Scaling Up of Modernized Climate Information and Early Warning Systems in Malawi (M-Climes)* project, is the Department of Disaster Management Affairs (DoDMA). Other supporting EEs are Department of Agriculture Extension Services (DAES), Department of Climate Change and Meteorological Services (DCCMS), Department of Fisheries (DOF), Department of Water Resources (DWR) and National Smallholder Farmers Association of Malawi (NASFAM).

The proposals for funding need correspond to at least one of GCF's strategic priorities which are Mitigation and Adaptation to the impacts of climate change. The GCF Board approves proposals based on the GCF's Investment Framework that includes six criteria. These criteria are Impact potential, Paradigm shift potential, Sustainable development potential, the needs of the recipient (both the host country and those affected by the activity), Country ownership, and Efficiency and effectiveness.

Table 1: Criteria for Evaluation of GCF Funding Proposals

Criteria	Description
i. Impact potential	<ul style="list-style-type: none"> ○ For mitigation it is the total tons of avoided or reduced carbon dioxide equivalent (CO2 eq.) per year; ○ For adaptation it is the total number of direct and indirect beneficiaries and their share of the total population.
ii. Paradigm shift potential	<ul style="list-style-type: none"> ○ Proposals that have the potential for/to; <ul style="list-style-type: none"> – being scaled up and replicated in other places and by other actors; – promote innovative solutions as well as learning & knowledge creation; – contribute to creating an enabling environment; and, – contribute to establishing an appropriate regulatory framework and policies at the local, regional or national level
iii. Sustainable development potential	<ul style="list-style-type: none"> ○ Economic benefits i.e., job creation ○ Social benefits i.e., access to education and health ○ Environmental benefits i.e., improved soil quality or biodiversity ○ Contribution to gender equality and empowerment of women and the achievement of one or more of the Sustainable Development Goals (SDGs)
iv. The needs of the recipient (both the host country and those affected by the activity):	<ul style="list-style-type: none"> ○ The scale and intensity of the vulnerability of the country and the project beneficiaries to climate change impacts. ○ The economic and social development level of the country and beneficiaries, including particularly vulnerable population groups or communities, ○ The need to strengthen institutions and implementation capacity in the respective country. ○ The existence of alternative sources of financing for the project or programme is an important factor
v. Country ownership	<ul style="list-style-type: none"> ○ How it is aligned with strategic national objectives and priorities defined in national plans such as climate change policies and plans, NAPs or NDCs
vi. Efficiency and effectiveness	<ul style="list-style-type: none"> ○ Project should have a financially viable model that is cost-effective and efficient. ○ It needs to establish a financial structure that corresponds to objectives and planned activities. ○ It should demonstrate how best practice or technologies are implemented in the funding proposal.

The Fund has established the Readiness and Preparatory Support Programme (the Readiness Programme) which is meant to promote country ownership. In addition, GCF has in place the Project Preparation Facility (PPF) that supports project and programme preparation requests from all Accredited Entities, with a special focus on direct access entities and for micro-to-small size category projects. Project Preparation Facility requests are developed by Accredited Entities in consultation with the NDA or FP and with support from the GCF Secretariat.

2.2. CSO knowledge and involvement in GCF processes in Malawi:

It was learnt that most CSOs are aware of GCF, though with varying degrees of knowledge. This knowledge has been gained through meetings and workshops they have attended. These workshops are those that have been organized by CISONNECC although they may not have been specifically convened to discuss the GCF. It was noted that due to high staff turnover within the CSOs, there is no continuity of knowledge and information flow within the CSOs.

Below is a summary of CSOs knowledge regarding GCF.

Box 1: What CSOs know about GCF

What CSOs know about GCF:

- GCF is funding a project called M-CLIMES
- GCF is a climate financing window for adaptation programmes
- GCF is a fund created for countries to contribute for implementation of adaptation programmes. Those countries that pollute more should contribute more
- GCF is a global platform responding to climate change by investing in low emissions and climate resilient development.
- GCF is a climate change financing mechanism.
- GCF is another financing mechanism in addition to the Adaptation Fund

In terms of CSO engagement in GCF processes, NASFAM is participating in the implementation of the M-CLIMES project. Leadership for Environment and Development (LEAD) applied for accreditation as a National Entity in 2016 but the process stalled because of the rigorous process that is associated with the GCF approval process. Similarly, a consortium of Malawi Environment Endowment Trust (MEET) and Coordination Unit for the Rehabilitation of the Environment (CURE), led by Development Aid from People to People (DAPP) has engaged with GCF through an Accredited Entity known as Sahara and Sahel Observatory.

2.3. GCF activities, projects, and interventions being implemented in Malawi:

According to the GCF dashboard, so far, in Malawi there are 2 GCF Approved projects, one which is under implementation while the other one is understood to be in its development stage. The first project is the “*Saving Lives and Protecting Agriculture Based Livelihoods in Malawi: Scaling Up of Modernized Climate Information and Early Warning Systems in Malawi (M-Climes)*” project. This project is being led by United Nations Development Program (UNDP) as the Accredited Entity (International) with the Department of Disaster Management Affairs (DoDMA) as the main Executing Entity (EE). Other EEs are Government line departments and other stakeholders that include the Department of Climate Change and Meteorological Services (DCCMS), Department of Water Resources (DWR), Department of Fisheries (DoF), Department of Agriculture Extension Services (DAES), and NASFAM.



Figure 1: Some of the Modern Meteorology equipment (Thunderstorm Detector and Lake Buoy from left to right respectively) procured and installed under the MCLIMES project in Mangochi Monkey Bay

The second project is the *Climate Investor One (CIO) Programme*. The programme is targeting 11 low and lower-middle income countries with sizable energy deficits, which are also heavily reliant on fossil fuels in their energy mix. These are Burundi, Cameroon, Djibouti, Indonesia, Uganda, Kenya, **Malawi**, Madagascar, Mongolia, Morocco, and Nigeria. Discussions with the Director of Energy revealed that there is no project being implemented in Malawi. It was mentioned that the department is currently in the process of getting registered with the GCF and developing a project proposal on the CIO Programme for Malawi.

2.4. Capacities of CSOs in Malawi to implement GCF projects:

In terms of capacity of the CSOs focusing on selected basic fiduciary requirements and policies, all the CSOs/NGOs consulted are registered with the Malawi Non-Governmental Organizations (NGO) Board and are members of Council for Non-Governmental Organizations in Malawi (CONGOMA). They are well structured with a governance board of some kind at the top level that provides direction and oversight roles. All of them have strategic plans which are currently running or have just expired and in the process of developing successor strategic plans that are aligned to the national climate change strategies. Some CSOs said that their strategies are aligned to the Malawi Growth and Development Strategy III (MGDSIII), the Sustainable Development Goals (SDGs) while others are aligned to their organization's international strategy. There were mixed responses as to whether the strategies were aligned to the GCF objectives.

All the CSOs except one indicated that they have finance policies and procedures that guide financial related issues and the finances are audited by an external auditor every year with an exception of one CSO whose accounts are audited every 3 years. Very few CSOs have developed Environmental and Social Safeguard policies as well as Gender policies for their organizations. The CSOs have varying numbers of staff in key departments of Finance, Fundraising, M&E, and Programmes. Almost all the CSOs that were interviewed had a Finance team of 2 to 3 staff. Only one CSO said they do not have specific finance staff. All but one CSOs said they have M&E teams with varying numbers. Others said all programme staff are involved in monitoring and evaluation

2.5. Progress of GCF projects in Malawi:

Records regarding the progress of the M-CLIMES project show that programme delivery is on track. NASFAM pointed out that there has been notable progress regarding the benefits of the project to farmers despite facing several challenges. Climate information messages are reaching Lead Farmers who in turn pass on to fellow farmers. Farmers, Fishermen and Agro-dealers are now able to make informed decisions based on climate information and weather forecast that they have received.

Box 2: M-CLIMES Case Study

Jesse Kondowe

Having grown up on the beach area called Mbvunguti, Jesse has seen the worst of weathers hitting the area posing a menace on the lives of hundreds of hard-working men who depend on the lake for survival. Traditionally, men would leave every day in the morning or evening into the lake in-order to fish and support their families just by physically observing that day's weather outlook.

Fatal off shore accidents have claimed lives of many fishermen rendering many women widows and children orphaned.

On one particular day Jesse's in-law had set out to the lake when the weather looked alright but after an hour, an alert through her phone predicted that there would be strong winds and raging waves on the lake. Noting this, Jesse called her in-law on the lake to turn back in time before the strong winds and the waves hit the lake. Lucky enough her in-law noticed the alert and returned to shore in time before the lake got destabilized by the strong winds. According to Jesse, the weather alert saved her in-law from imminent danger.

2.6. Opportunities and challenges relating to award and implementation of GCF projects in Malawi:

Opportunities include; partnering with existing and potential AEs, availability of GCF support programmes, space for CSOs to build capacity of other actors, voicing community and CSO demands, and advocacy for quality proposals and the way GCF funding is used. Opportunities related to M&E of GCF projects by CSOs in Malawi include; monitoring project implementers and the Accredited Entity to check whether they are meeting the planned targets, monitoring how resources are being utilized, and empowering local communities to demand and track progress of the GCF projects.

Challenges that CSOs are facing include inadequate awareness about GCF, its processes, modalities and requirements for CSOs to access the fund. The CSOs have also experienced the challenge that the application process is very complex and that most CSOs find difficulties to meet the fiduciary requirements, including institutional capacity requirements in addition to environmental & social safeguards, and gender policies.

3. Conclusion

The study has revealed that most CSOs have heard about the Green Climate Fund. However, the level of knowledge among CSOs is at varying degrees. Most CSOs are ignorant of the processes and requirements that need to be followed for an interested organization to access resources from the Green Climate Fund. Discussions with CSOs that have attempted to apply for accreditation have indicated that the complex conditions that organizations are assessed on are a hindrance for most of the CSOs to meet.

Opportunities include partnering with existing and potential AEs, availability of GCF support programmes, space for CSOs to build capacity of other actors, voicing community and CSO demands, and advocacy for quality proposals and the way GCF funding is used, monitoring project implementers and the Accredited Entity to check whether they are meeting the planned targets, monitoring how resources are being utilized, and empowering local communities to demand and track progress of the GCF projects.

4. Recommendations

Several recommendations have been proposed and these include:

- i. Raising awareness among CSOs and communities about the GCF, its processes and eligibility requirements.
- ii. CSOs should be partnering with Accredited Entities in developing GCF proposals.
- iii. CSOs should be partnering with private sector.
- iv. CSOs should endeavor to strengthening their fiduciary standards.
- v. CSOs should develop environmental and social safeguards and gender policies.
- vi. Government should support potential CSOs in the accreditation process.
- vii. Government should deliberately put in place pre-investment mechanisms to support CSOs in the development of GCF proposals.

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