



THE GREEN CLIMATE FUND (GCF) - CIVIL SOCIETY READINESS PROJECT II IN MALAWI



Brief Report


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List of Abbreviations Acronyms

AE	Accredited entity
AMA	Accreditation Master Agreement
CCODE	Centre for Community Organization and Development
CISONNECC	Civil Society Network on Climate Change
CSO	Civil society organization
DAES	Department of Agricultural Extension Services
DCCMS	Department of Climate Change and Meteorological Services
DoDMA	Department of Disaster Management Affairs
DoF	Department of Fisheries
DWR	Department of Water Resources
EAD	Environmental Affairs Department
EE	Executing entity
FGD	Focus group discussion
FP	Focal point
GCF	Green Climate Fund
KII	Key informant interview
LEAD	Leadership for Environment and Development
MCLIMES	Saving Lives and Protecting Agriculture-based Livelihoods in Malawi: Scaling Up the Use of Modernized Climate Information and Early Warning Systems
NAP	National Adaptation Plan
NASFAM	National Smallholder Farmers Association of Malawi
NDA	National Designated Authority
PICSA	Participatory Integrated Climate Services for Agriculture
PPF	Project Preparation Facility
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change



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1 Introduction

Civil Society Network on Climate Change (CISONECC) with funding from the German Government through CARE Germany and German Watch implemented a second phase of a project called the Green Climate Fund – Civil Society Organization Readiness (GCF-CSO Readiness) Project II in Malawi. The project aimed at enhancing the capacity of African CSOs to improve the quality of proposals submitted to the GCF while also enabling participatory monitoring of GCF projects. The project also aimed at strengthening CSO's engagement in the GCF processes at national, regional and international level and 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. The project also provided for exchange of knowledge and experiences at regional and global levels.

1.1 Objectives of the Study

The endline study had the following objectives:

- i. Assess CSO knowledge and involvement with the Green Climate Fund processes in Malawi;
- ii. Capture and document the status of all GCF activities, projects, and interventions implemented in Malawi;
- iii. Identify untapped opportunities and challenges limiting CSO engagement with the Green Climate Fund in Malawi; and
- iv. Document success stories from GCF funded projects in Malawi and provide recommendations on how Malawi can enhance its engagement with the Fund.

1.2 Approach and Methodology

The study employed qualitative data collection methods to gather secondary and primary data as follows:

1.2.1 Desk-review of relevant project and other sector specific documents

A desk-review of relevant project documents, climate change and disaster risk management policies and strategies and reports relevant to climate change and its financing in the country and beyond was conducted.

1.2.2 Key Informant Interviews

In-depth key informant interviews (KIIs) was the key data collection approach. KIIs targeted key CSOs that have benefitted from the project and GCF interventions at national and district levels to solicit detailed information related to the objectives of the study.

1.2.3 Focus Group Discussions (FGD)

Focus group discussions (FDGs) complemented KIIs and were done with community members that have benefitted GCF-funded projects in the country in the selected Mangochi and Dedza Districts.

1.2.4 Case studies

Case studies were used to gather qualitative information on GCF projects and processes that presents a picture on key achievements, success stories and lessons learnt. Case studies were identified at community level to showcase projects that have been effectively implemented under the GCF support, or where there are major challenges.



2 Study Findings

2.1 National, Regional and Global GCF processes

2.1.1 The Green Climate Fund

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.

2.1.2 Accessing GCF Funds

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

- a. **Direct access:** Subnational, national or regional institutions from developing countries (both public and private) can become national direct access entities (DAEs)
- b. **International access:** Recipient countries can submit funding proposals via international accredited entities such as Large multilateral organizations, Developed countries bilateral institutions and, private sector institutions such as commercial banks.

2.1.3 GCF at Global Level

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.

2.1.4 GCF at National Level

At the national level, the GCF operates primarily through the National Designated Authorities (NDA) or national Focal Points (FP). This is a contact point for the fund within a country and is in charge of coordinating national engagements 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.

2.1.5 Readiness and Preparatory Support

The Fund 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. The GCF Readiness and Preparatory Support Programme can also support potential DAEs to work through the accreditation process



and project development. Project Preparation Facility requests are developed by Accredited Entities in consultation with the NDA or FP and with support from the GCF Secretariat.

2.1.6 Accreditation Process

The GCF works with an Online Accreditation System (OAS) where the application of the organizations or institutions interested in becoming an AE is managed.

2.2 CSO Knowledge of the GCF

The study found that almost all CSOs interviewed have seen an improvement in their level of knowledge on the GCF. More than 70% of the interviewees indicated that their knowledge level is above 60% against 50% of knowledge level 5 years ago. In terms of attribution, more than 90% indicated that this transformation has been driven by the activities implemented by CISONCECC, supplemented, for a few, by their own interaction with GCF processes such as development of proposals and concept notes and participation in international or virtual GCF meetings.

Some of what CSOs know about the GCF

- *adopted at COP15 in 2009 and it was formalized in 2010. **developing countries** access funds to **mitigate** and be **resilient** to Climate change.*
 - *Institution needs to be **accredited** before accessing funds, get clearance from **Environmental Affairs Department** and show **accountability, experience and ability** to handle **finances***
 - ***application form** is applicable in our situation since it is a simplified version*
 - *project design and implementation should **involve the government**. **Designated authorities** need to be at the core of the project*
 - *the process is very **complex**; and the requirements are **very heavy** and **prohibitive***
 - *funding focuses on Carbon financing, Climate/weather insurance, climate change early warning systems, clean energy and carbon emission reduction*
 - *proposals are **approved by the GCF Board**. There are different funding mechanisms based on **amount ranges**.*
 - *has a number of **financial instruments***



2.3 CSO Involvement in GCF Processes

The study further found that most CSOs have been involved in GCF processes through one or more of the following ways:

- Awareness and advocacy meetings and workshops organized by CISONNECC and other players in the country
- Meetings or workshops specifically organized by the NDA or any government agency
- Participation in meetings as members of the National Technical Committee on Climate Change and Disaster Risk Management
- Participation in engagements as members of the governance structure for the readiness project being implemented by EAD
- International meetings and forums
- Participation in concept note and proposal development processes
- Implementing GCF funded project
- Engagement in the accreditation process

Most players felt their engagement has not been adequate as they have just participated in one or two meetings and there is limited information sharing among the parties.

2.4 NDA activities in Malawi in relation to capacity building on GCF

The NDA has not had deliberate interventions to build the capacity of CSOs and other actors on the GCF in the country. The NDA cited lack of funding towards this process. However, the NDA has been invited to various forums to raise awareness on the GCF, including several meetings organized by CISONNECC. The NDA has presently received readiness funding from the GCF which will be utilized to build the capacity of CSOs and other players to access GCF financing for the country.

2.5 GCF Activities in Malawi

The Green Climate Fund website shows that there are presently three projects and four readiness activities that the GCF has funded in Malawi, with a total funding of \$35.3 million for the projects and \$4.1 million for the readiness activities.

Table 1: GCF Activities in Malawi

Name of Project	Duration (years)	Budget (\$ Million)	Executing Entity	Status
Scaling up of modernized climate information and early warning systems in Malawi – MCLIMES	5	16.3	DoDMA	Under implementation



Climate Investor One	19	821.5	Coöperatief Climate Fund Managers U.A.; Stichting Development Fund; Coöperatief Construction Equity Fund U.A.; Nederlandse Financierings Maatschappij voor Ontwikkelingslanden N.V.(FMO)	Under implementation but no action in Malawi
Cooling Facility	10	879.8	Ministry of Finance, Economic Planning and Development, and acting through Ministry of Industry, Trade and Tourism	Not yet under implementation
National framework for leapfrogging to Energy Efficient Appliances and Equipment in Malawi (Refrigerators and Distribution Transformers) through regulatory and financing mechanism	1.5	0.35	The Climate Technology Centre and Network (CTCN)	Under implementation
Advancing the NAP process: climate resilience for sustainable development in Malawi	3	2.85	UNEP	Under implementation
Resilient Recovery Rapid Readiness Support in Malawi	1	0.2	EAD	Under implementation
Readiness support to strengthen the Malawi NDA and key national	1.5	0.71	EAD	Under implementation



stakeholders' capacities in climate change programming in Malawi				
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2.6 CSO Capacities to Manage GCF Projects

The majority of CSOs indicated to have sufficient capacity to implement GCF projects. However, International NGOs appear to have adequate capacity to implement GCF projects as compared to local NGOs. Most local CSOs do not meet the minimum fiduciary, gender and social and environmental standards demanded by GCF. Nonetheless, most of the CSOs indicated the following as the main challenges:

- Lack of pre-finance to guide the development of their proposals, particularly in conducting gender, social and environmental studies that are a requirement for GCF financing;
- Lack of institutional finances for co-financing due to dependence on donor-project funds: Save the Children shares experience:
- Complexity of the process as well as the time it takes for one to develop a concept note to the time of proposal development
- Lack of experience to manage projects with higher volumes of resources, making it difficult to execute GCF projects
- Awareness on requirements for one to implement GCF projects is low

2.7 Opportunities for enhanced CSO engagement with the GCF

The study has identified 12 key opportunities that the CSO can capitalize on to engage more with the GCF across all levels:

- The readiness funding from GCF to EAD to be used for stakeholder engagement, awareness and capacity building. CSOs should capitalize on this opportunity to learn more about the GCF.
- Several CSOs in Malawi (both local and international), UN agencies and government departments have prepared and submitted concept notes and proposals to GCF. This provides an opportunity for experience sharing and learning for other CSOs. DAPP shares some experience:
- CSOs can apply for accreditation to GCF so as to submit applications directly
- GCF provides opportunities for CSOs to observe its meetings. Through these processes, local organizations that have participated in GCF board meetings as observers, such as CISONNECC can provide important information that would be helpful in seeking support from GCF
- GCF organizes Regional Structured or Programming Dialogues on annual basis in different parts of the globe, where the civil society can learn more about the GCF, its processes and requirements and provide recommendations on how to improve the functionality of the GCF



- f. Participation in forums such as those provided by CISONNECC and the National Technical Committee on Climate Change and Disaster Risk Management provide an opportunity for CSOs to contribute to GCF issues at the local level
- g. Partnerships with other Malawi based AE such as UNDP, UNEP, FAO and the World Bank.
- h. Participate in UNFCCC organized meetings, including the COPs, and use such meetings to negotiate for more access to GCF as a country
- i. Participation in regional forums which helps to gain the knowledge on how best to access GCF funds
- j. Take advantage of the simplified application processes to access GCF funding for low-budget projects which are less strenuous
- k. Partnerships with international CSOs to access GCF financing
- l. Interacting with the GCF website which is wealthy of information <https://www.greenclimate.fund>

2.8 Challenges Limiting CSO Engagement with the GCF in Malawi, and Recommendations

The following highlight the key challenges that are limiting CSOs engagement with the GCF in Malawi that were noted during the endline study:

Table 2: Challenges Limiting CSO Engagement with the GCF and Recommendations

Challenge	Recommendation
Lack of knowledge of the GCF	The NDA's readiness project should reach out to as many potential applicants as possible. CSO should be proactive and access information from the GCF website
Lack of adequate network that is adequately supported to advocate for GCF	Networks such as CISONNECC needs to be adequately supported and reach out beyond the current reach where only CISONNECC members are benefitting
Government is a key player in accessing GCF	There is need to more transparency and access on the part of the NDA and other government departments and ministries involved in GCF processes
CISONNECC is the only CSO in Malawi that has been monitoring GCF activities	There need for deliberate efforts by the NDA to ensure that more CSOs are engaged in monitoring GCF processes and projects in the country
Requirements to access GCF funding are prohibitive	CSOs could explore partnering with other international CSOs that have more capacity to access GCF financing. CSOs to ensure that they develop the necessary policy instruments and safeguards within their organizations that are required by GCF
Lack of national accredited entities for Malawi to represent CSOs in Malawi	There is need for the NDA to build capacities of CSOs, private sector and other players in Malawi so that the country can have its own accredited entities
Lack of resources to develop proposals	CSOs should explore applying for seed funding from GCF or other donors to assist them in the development of GCF proposals



Lack of finances to co-finance GCF projects	Identify and partner with other CSOs, private sector or UN agencies that have the co-financing ability
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2.9 Case study

LEADSEA and the Accreditation Process

Background

As a way of background, it was in 2016 when LEAD wrote the Environmental Affairs Department expressing interest for LEAD to become an accredited entity. The EAD wrote to GCF recommending LEAD as a potential candidate for Malawi. GCF sent us an application portal with a LEAD account.

Basic requirements

The portal has 5 if not 6 sections. The first was LEAD profile where we were required to provide background of LEAD and its track records related to aspects of climate change. The second aspect was contribution to GCF objectives, and we managed to come up with 6 objectives. The third was intended projects which LEAD could do as a national implementing entity. The fourth one was basic fiduciary criteria where it was pure questions on administration experiences of LEAD. This is where issues of capacity, transparency and financial management were provided. The fifth aspect was specialized fiduciary criteria. This was a very specific aspect for projects where we were required to provide information if we are to start a project in a new area e.g., whether feasibility studies were conducted, vulnerability assessments. Section number six was about environmental and social safeguards. The very last aspect was about gender. For example, with the basic fiduciary criteria, we were supposed to say that in terms of management LEAD has experience on this with a provision of evidence by attaching documents as proof.

Lessons learnt

First of all, when you want to be a GCF implementing entity, you need to be a big institution not a smaller institution consisting of very few staff. On the documents issue, I could agree to say, yes, LEAD does not have these documents but we rely on government documents of which for GCF this was not adequate, they want you to own the documents. At one point I mentioned that LEAD rely on documents from Chancellor College since it was within the center of the university of which they still insisted that they need documents specifically for LEAD. With these 2 main issues, we could not proceed: thus, limited staff to occupy all the needed positions/committees and lack of some documents. We could not even think of producing them right away because they are very clever and they would have definitely noticed.

Recommendations

I have my own suggestions on how we can forge ahead. Firstly, in terms of preparing documents, we need readiness funds to support us coming up with the much-needed documents. In terms of staff, there are 2 ways of doing it; firstly, some of the committees can be occupied by LEAD fellows, only if they agree. Secondly, staff recruited by different projects under LEAD can occupy different positions in the committees. What is urgent now is to have readiness funds for production of the documents by a consultant. This is where we are now.

Are you still planning to go on with the process or after sometime you will have to start all over again?



The good thing about the GCF is that they don't have a time span. In fact, there is a certain lady in GCF who keeps on reminding me of where we are. So, you can see that GCF is still very keen for us to move ahead.

Did the challenges come along the way or they were known? Are there guidelines of what is required?

To me, an ideal NGO, an institution which is well set we should have all these documents. What I can say is that we knew that we needed some of the documents by the way GCF was questioning us. At the same time, I don't think we have that NGO which has all these documents e.g., the due diligence manual.

Did you get adequate support from the NDA?

We were getting adequate support from NDA such that they were also keen on having a national entity and they were checking on us now and again on what we are doing and the kind of support we needed through Mr. Evans Njewa. To say the truth, the NDA was doing what they were expected to do.

(Source: Interview with Dr. Gibson Mphepo Lead Deputy Director. Additional input from Professor Sosten Chiotha, LEAD Director)

3 Conclusion

The GCF CSO Readiness Project II that CISONECC implemented was largely able to achieve its objectives. Just like any project, there were areas where it could have done better. Recommendations made during the baseline stage still remain relevant today and can be taken up for action by other stakeholders.

Overall, stakeholders were satisfied with the performance of the project. At present, there has been an improvement in the state of knowledge on the GCF, including the funding application processes. Several CSOs, both local and international have prepared funding concept notes and proposals, which have been submitted to GCF, with the majority of them showing possibilities of receiving funding. However, capacity challenges still remain, particularly for local CSOs, mainly in meeting the minimum requirements to access GCF funding.

Multiple opportunities are available for more CSO engagement as well as for Malawi to access GCF financing. However, the weakness ought to be tackled first if the country is to benefit more from the GCF. There is need to improve the accreditation, capacity building, information management and learning, screening processes and strengthen the capacity of and role of the NDA.

4 Recommendations

Several recommendations have been proposed and these include:

- a. Increase the number of accredited entities
- b. Build the capacity of different actors (CSOs, academia, private sector, government ministries departments and agencies, etc) to ably prepare and submit proposals for funding
- c. CSOs should endeavor to strengthen their fiduciary standards; as well as their environmental and social safeguards
- d. Enhance the capacity of the NDA to effectively guide the design of GCF proposals and concept notes




- e. Strengthen information and data management on GCF and, experience sharing to enhance learning on GCF related processes



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