

## Devolved Programmatic Access

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### JOINT SUBMISSION TO THE GREEN CLIMATE FUND BOARD

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This submission is in response to the invitation by the Green Climate Fund (GCF) Board in Decision B.12/22 for *submissions, no later than 10 April 2016, from Board and alternate members, observers, accredited entities, NDAs/FP, and delivery partners, in relation to the review and in accordance with decision B.11/11 paragraph (j), as well as paragraphs (c) and (d).*

Paragraph 35 (§35) of the [Progress Report](#) on the review of the Initial Proposal Approval Process (IPAP) states that:

*While a programmatic approach could be promising to achieve scale, the programmatic funding proposals received to date confirm the importance of providing guidance for the programmatic approach. In some programmatic proposals, the subprojects involve multiple sectors, multiple countries and different types of interventions. The level of advancement of the subprojects varies. The cohesiveness among the subprojects is not sufficiently clear and the value of structuring the standalone subprojects into a programme is questionable. **A clear guidance on key subjects such as what qualifies as a programme (minimum requirements for a programmatic proposal), the required level of details for each of the subprojects in a programme, and process-related aspects such as proposal template, assessment and decision procedures (e.g. possible delegation of authority)** will help to guide the accredited entities, NDAs, the Secretariat, the TAP and other stakeholders in developing and assessing high-quality and impactful programmes which provide scale to the pipeline.[emphasis added]*

This submission about the nature of ‘programmes’ and the ‘programmatic approach’ (‘programmatic access’) is intended to suggest possible guidance with respect to the key subjects referred to in this paragraph.

### Varieties of Programmatic Access

The notion of a ‘programmatic approach’ has a well-established meaning, particularly in the context of development assistance. Its defining characteristic has been a specific contractual arrangement between the funder and the programme implementer for a set of activities that is broader than a single

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project. As alluded to in §35, programmatic approaches can differ with respect to different levels of delegated/devolved authority. Müller & Pizer,<sup>6</sup> for example, used the following taxonomy of programme types based on increasing levels of devolution in decision making:

- [B.1] The specific projects associated with a particular programme in a given country are approved by the GCF at the same time as the programme approval.
- [B.2] A programme of activities is approved by the GCF, but requires subsequent GCF approval for each project once they are fully specified.
- [DA.1] The approved programme specifies in less detailed terms how the money will be spent – say, a particular wind farm and a sea wall – but without all the details that normally accompany project approval at a development bank (such as listings of co-financing partners, contracts, etc.)
- [DA.2] The approved programme allocates money for particular purposes – such as renewable energy and coastal protection – together with agreed criteria for project selection but does not specify particular projects.
- [DA.3] The approved programme provides a sum of money, perhaps into a multi-donor trust fund, and lists types of eligible activities – such as renewable energy and coastal protection – together with agreed criteria for project selection but without any sub-allocation. Payment might be provided up front, in line with projected expenditures, or upon completion and based on demonstrated results.
- [DA.4] Rather than focusing on a particular country, the GCF develops and approves funding rules for eligible activities – for example, a subsidy formula for eligible renewable energy projects – that could be used in multiple countries.

The key distinction here is between programmatic approaches with devolved sub-project approval, and those without. The latter, exemplified here by [B], treat “programmes” essentially as Bundles of (sub-) projects. As such, the issues alluded to in §35 regarding the cohesiveness between sub-projects and the added value of collecting individual projects into such bundles does indeed arise, but only because the underlying conception is that of a programme as a bundle of projects, without any devolution of decision making. However, the real promise of the programmatic approach ‘to achieve scale’ is in Devolved Access, as exemplified in programmatic access types listed under [DA].

## **The Need to Incorporate Devolved Programmatic Access in the IPAP**

The real problem with the IPAP as approved by the Board in Decision B.07/03 is that it fails to accommodate such devolved programmatic access. Indeed, this was the very reason why a reference to ‘additional modalities that further enhance direct access’ was added to the same Decision in the context of reasons why the IPAP will have to be reviewed, and it is probably the reason why at present ‘programmes’ seem to be interpreted as bundles of sub-projects.

As it happens, the status quo has already overtaken the IPAP. Not only has the Board agreed in the TOR of the Enhanced Direct Access Pilot Phase that ‘*unlike the traditional direct access modality, there will be no submission of individual projects or programmes to the Fund because decision-making for the funding of specific pilot activities will be devolved to the country level*’ [§4.e, emphasis added], but it has already approved an activity, the *Acumen KawiSafi Ventures Fund*<sup>7</sup>

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<sup>6</sup> See Müller & Pizer (2014), [Devolved Access Modalities: Lessons for the Green Climate Fund from existing practice](#)

<sup>7</sup> See Appendix to Müller (2015), [On the Virtues of Strategic Divisions of Labour: Some thoughts on strategies for the Green Climate Fund and the Financial Mechanism of the Paris Agreement](#).

which is nothing else than a (non-national) devolved programme. Keeping in mind that the majority of the GCF accredited entities are actually accredited under the ‘specialized fiduciary standards’ to award grants or loans, it seems to us high time that the IPAP are revised ***to formally allow for the option of devolved programmatic access to GCF funding.***

We therefore submit that the review of the IPAP should address this shortcoming as a matter of urgency, and that the Board might wish to specify the understanding that ‘programmatic access’ is to be interpreted as devolved access (as exemplified under [DA]), and that project bundles are not ‘programmes’ but a special case of projects.