

Oxford Climate Policy Blog

Initiating debates on international climate policy

Some Thoughts on Access Modalities for the new Loss and Damage Response Fund

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The purpose of this post is to recapitulate some reflections on a topic I have been passionate about for some time: the devolution of funding decisions to the national and sub-national level — be it under the heading of ‘enhanced direct-’ or ‘devolved programmatic access’ — as a contribution to the operationalisation of the new loss and damage response fund.

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Enhancing Direct Access through National Funding Entities

April 2009. I have been involved in developing and promoting the idea of devolving funding decisions to the national and sub-national level for over a decade (see ecbi [Brief History of Enhanced Direct Access](#)), starting in 2009 with an ecbi Policy Brief on [The Reformed Financial Mechanism of the UNFCCC](#) which introduced ‘**national climate change funds**’ as *national climate change decision and funding hubs* for in-country direct access to (multilateral) funding.

April 2011. While advising Carol Mwape (LDC member of the Transitional Committee for the GCF), I submitted a note on [Enhanced Direct Access](#), which aimed “to synthesise some of the reasons that have been put forward as to why, at the scale envisaged in the Cancun Agreements, the climate finance regime in general, and the Green Climate Fund, in particular, will have to involve **a fundamental devolution of decision making to National Funding Entities.**”

October 2011. As elaborated in an OIES Information Note ([‘Enhanced \(Direct\) Access’ through ‘\(National\) Funding Entities’: Etymology and Examples](#), April 2013) “the term ‘funding entity’ was introduced [into the deliberations of the TC] by Carol Mwape, [...] and it was defined as follows:

- **'Funding Entities'** means the national legal entities and multilateral organizations that have been accredited by the GCF Board as meeting its criteria for accessing funding in order to approve and fund eligible activities.

This terminology was introduced to differentiate these funding entities from implementing entities:

- **'Implementing Entities'** means the national legal entities and multilateral organizations that have been accredited by the GCF Board as meeting its criteria for accessing funding in order to implement eligible activities approved by the GCF – a definition which itself was borrowed from the relevant definition in the Rules of Procedure of the Adaptation Fund Board (Rule 2.j)."

In the final meeting Carol "provided the TC Chair with text that ultimately became part of paragraph Direct Access paragraph of the GCF Governing Instrument:

47. ... The Board will consider additional modalities that **further enhance direct access, including through funding entities** with a view to enhancing country ownership of projects and programmes." [OIES (2013), emphasis added]

February 2014. The GCF Background Paper on **Additional Modalities that Further Enhance Direct Access, including through Funding Entities** (GCF/B.06/15) proposes an operational taxonomy ('understanding') of *implementing entities, intermediaries, and funding entities*.

- **Implementing Entities** (IEs) are defined as entities which have "the specialized fiduciary standards relating to the management and oversight of project or programme implementation." [para. 6]
- **Intermediaries**, in turn, are IEs, entitled "perform intermediation functions, such as allocation of grants within the criteria of an approved project or programme, and/or intermediation of reimbursable loans." [para. 7]
- **Funding Entities** are "public sub-national, national or regional intermediaries with decision-making authority over activities within the context of a project or programme in an approved funding proposal." [para. 8]
- **Government Funding Entities.** "Further enhancement of country ownership may also be envisaged if, under this special case of intermediaries that can be categorized as funding entities, a funding proposal relating to a project or programme refers to the use of national financial systems and budgets through national treasuries or ministries of finance for the implementation of a policy intervention programme." [para. 51]

Devolved Programmatic Access

March 2014 saw the publication of an ecbi Policy Brief on **Devolved Access Modalities: Lessons for the Green Climate Fund from existing practice** which analysed the notion of 'programmatic access', differentiating, in particular between programmes as bundles of projects, each of which approved by the GCF Board,

and programmes where the project funding decisions are devolved, in particular to the (sub-) national level.

April 2016 This was the basis of a joint submission on [Devolved Programmatic Access](#) to the GCF Board with some (alternate) members,^[1] recommending that the GCF Board “specify the understanding that ‘programmatic access’ is to be interpreted as devolved access [...]), and that project bundles are not ‘programmes’ but a special case of projects.”

So what?

In keeping with the recommendation of the 2016 recommendation to the GCF Board, the proposal here is simply that the language for operationalising the new Loss and Damage Response Fund of the TC Co-chairs proposal ([TC5/2023/4/Rev.2](#)) of **October 2023** be amended to refer to explicitly the devolution of funding decisions under programmatic access, particularly for direct access programmes. Another (additional) option would be to make the relevant clarifications in the initial guidance to the new Loss and Damage Response Fund.

^[1] Diann Black-Lane (Antigua & Barbuda), Tosi Mpanu-Mpanu (DRC), Cheikh Sylla (Senegal), and Anders Wallberg (Sweden)

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