

## **Paper on Cooperation between the Climate Risk Early Warning System (CREWS) and the Green Climate Fund (GCF)**

At its Third Meeting, 29 June 2017, the CREWS Steering Committee suggested the need for a short paper to reflect the links between the CREWS and the Green Climate Fund (GCF) to facilitate a discussion at the Fifth Meeting of the CREWS Steering Committee.

The objective is to strengthen CREWS as a mechanism that:

- i. Contributes to the efficiency and effectiveness of investments and technical assistance activities by countries and partners in early warning systems;
- ii. Leverages additional resources for least developed countries and small island developing States (SIDS), including through climate finance mechanisms; and
- iii. Systematizes efforts for long term programming, monitoring and showing results, including the measure of the impacts of investments and the coordination of activities.

### **Context**

GCF and CREWS are both initiatives that contribute, through their investments to the global climate change agenda and the reduction of climate and disaster risk. The GCF objective is to limit or reduce greenhouse gas emissions in developing countries, and to help adapt vulnerable societies to the unavoidable impacts of climate change. CREWS is specialized in generating and communication of effective early warnings and risk information to save lives and livelihoods in Least Developed Countries (LDCs) and SIDS. CREWS and GCF have distinct governance and financial modalities (oversight and trust funds) and distinct operational approaches adapted to their respective functions and scale.

Estimates of the high-priority investment needs to develop early warning systems and climate and weather services in developing countries exceed US\$ 1.5 billion to US\$ 2 billion, with an additional US\$ 400 million to US\$ 500 million per year required for operating and maintenance costs. Most of the required resources will need to come from national governments and other in-country sources of investment such as the private sector (World Bank, 2013).

### **GCF**

Following the adoption of the Paris Agreement in 2015, the Green Climate Fund (GCF) became the main financial mechanism for climate change<sup>1</sup>. To date (November 2017), the GCF has approved 54 projects, allocating the equivalent of USD 2.8 billion. When the leveraging of co-financing is considered, the financial value of the portfolio reaches some USD 7.5 billion. GCF funding policies, while broader than early warning systems, align with the stated missions of the CREWS. The results management framework for instance, emphasizes early warning systems and climate information. Several approved GCF projects include activities that support early warning and climate information systems. Some of these projects are entirely focused on the topic of early warning systems<sup>2</sup>. GCF priority countries are Least Developed Countries (LDCs), Africa and SIDS.

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<sup>1</sup> UNFCCC has the following operating entities: the Adaptation Fund that administers a percentage of proceeds from the Clean Development Mechanism (CDM) to finance adaptation project, the Least Developed Countries Fund (LDCF) and Special Climate Change Fund, both administrated by the Global Environmental Facility (GEF) and, more recently, the Green Climate Fund (GCF).

<sup>2</sup> Examples are “Strengthening Climate Resilience in Sub-Saharan Africa: Mali Country Project” implemented by the

## CREWS

The CREWS initiative was launched at the 2015 climate change conference (COP21) in Paris, France, as part of the Climate Change Action Agenda. CREWS focuses exclusively on increasing the capacity of LDCs and SIDS to generate and communicate effective early warnings and risk information. The budget, as of 2017, is USD 30 million. The initial financing target is USD 100 million by 2020. Investments have been initiated in projects with Burkina Faso, the Democratic Republic of the Congo, Mali, Niger and the Pacific (Fiji, Kiribati, Niue, Cook Islands and Tuvalu). CREWS implementation support to countries is provided by the World Bank and its Global Facility for Disaster Reduction and Recovery (GFDRR), the World Meteorological Organization (WMO) and the UN Office for Disaster Risk Reduction (UNISDR).

## Challenges

There are a number of challenges which are common to GCF and CREWS respective portfolios.

Investments are not always sufficiently aligned with countries with the highest level of risk and need regarding early warning systems. There is a convergence of experts' views on the need for more sustained engagement with national institutions based on systematic, consultative and long-term planning with governments. Programmes and projects need to be more driven by needs identified by countries, building on existing capacities and resources<sup>3</sup>. The impacts of investments need to be measured in a way that aligns with key international agreements.

Issuing early warnings based on weather and climate services that save lives and livelihoods, and that contribute to climate resilience, cannot be looked at in isolation of the capacity of the relevant national institutions. There have been investments over the years to develop the capacity of national institutions to provide early warning systems and climate and weather services with variable results and impact. A number of National Meteorological and Hydrological Services (NMHSs), particularly least developed countries in Africa and SIDS, continue to operate with low capacity, funding and visibility. They face challenges in marketing their products and retaining qualified staff. This affects their capacity to develop regulatory agreements to deliver quality products, to access regional and global data and operational guidance as well as to access external investments and to effectively implement projects and programmes.

At the same time lessons from successes are insufficiently learnt and institutionalized. This is particularly true for solutions in early warning systems that are innovative or require specific adaptation to a given local context.

Financial viability of the infrastructure and equipment installed following project completion is another common challenge. It requires long term-engagements and upstream work with the project proponents and the beneficiary countries to elaborate credible project exit strategies and financially viable post-implementation operation and maintenance plans.

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World Bank and co-financed by the Climate Risk and Early Warning Systems (CREWS) Initiative; and "Scaling Up of Modernized Climate Information and Early Warning Systems in Malawi" implemented by UNDP.

<sup>3</sup> Meeting Summary: Development Partners Roundtable, 13-14 April 2016: Geneva, Switzerland (WMO, GFDRR, 2016)

Aligning the demand for technical and normative expertise and support with the appropriate regional and global institutions contributes to the required continuity in service and feedback on effective engagement.

Finally, in order to access climate financing, such as the GCF, countries need to include up to date localized climate information in their proposals, requiring both the observation and science capacity of the NMHSs.

### **Actions to promote coherence**

The following actions are either existing modalities of the CREWS and GCF or proposed activities that would benefit from stronger alignment and exchange of experience. These are drawn, in part, from ongoing practice of project roll-out in countries.

#### *Programme effectiveness*

- Promote a culture of accountability based on systematic use of project and portfolio level evaluations, including, when applicable, impact evaluations, based on aligned sets of indicators;
- Demonstrate that the capital invested delivers on the shift required in the way that early warning systems are designed, operated and maintained in order to save lives and livelihoods.

#### *Country programmes and country engagement*

- Make investment decisions against an updated and long-term planning process on early warning systems;
- Build-on existing global and regional operations and projects to support cost-effective programming. Examples include the Severe Weather Forecast Demonstration Project (SWFDP) for cascading forecasting processes and the work that the WMO Integrated Global Observing System (WIGOS) carries out with countries on specification, procurement, installation and operation of Automatic Weather Station (AWS);
- Implement through existing partnerships and agreements with regional entities (SPREP, ACMAD, RSMCs, CIMH, CDEMA);
- Support the development of climate data required for accessing climate finance, including 1.5- 2 °Celsius scenarios;
- Facilitate linkages between institutions involved in early warning systems, such as NMHSs and GCF National Designated Authorities (NDA's).

#### *Deliver at scale*

- Invest in countries where projects can build on and contribute to existing initiatives to influence beyond its own portfolio through policy change – leveraging existing investments;
- Provide a programmatic context and strengthen institutional readiness to operationalize external investments of key national institutions, including already accredited GCF direct access entities, to develop early warning system projects;
- Engage, with status of early warning reviews, in GCF promoted regional and national dialogues whose outcomes define the pipeline of priority projects for climate finance.

## Recommendations

1. CREWS investments to assist countries access climate finance through above proposed actions. CREWS to measure its progress in this regard as part of its M&E framework.
2. In working with countries on projects, CREWS Implementing Partners to promote alignment with ongoing or potential GCF financing mechanism; targeting countries' readiness programmes, regional and national structure dialogues, project preparatory facility or funding proposals.
3. CREWS Secretariat, in consultation with the Implementing Partners, to develop a structured implementation feedback loop into the design of country projects and report back to the 7<sup>th</sup> Meeting of the CREWS Steering Committee on progress. This can create a cycle of improvement in project outcomes with each iteration and in turn, provide an opportunity for potential scaling-up and replication in all funding mechanisms.
4. Seek further coordination and collaboration to enhance climate finance support to early warning systems, including as part of the complementarity and coherence discussion under the GCF and UNFCCC and keep the CREWS Steering Committee informed on progress.