



CREWS/SC.1/workdoc.3

Draft 12 September 2016

## Governance Document

### Climate Risk and Early Warning Systems (CREWS)

Adopted by the Steering Committee on \_\_\_\_\_

[and amended on \_\_\_\_]

## Section 1 – INTRODUCTION

1. The Climate Risk and Early Warning Systems (CREWS) Initiative aims to provide additional financing to Least Developed Countries (LDCs) and Small Islands Developing States (SIDS) that are most vulnerable to the impact of climate and weather extreme events to reduce vulnerability and strengthen resilience and adaptive capacity. This Governance Document describes governance structure and the operating principles and procedures for the CREWS Initiative. The Governance Document was approved by the Steering Committee on \_\_\_\_\_ [and amended on \_\_\_\_]
2. At the Third UN World Conference on Disaster Risk Reduction in March 2015, the Government of France announced a new initiative to mobilize the international community to support early warning systems in the most vulnerable LDCs and SIDS countries. The Government of France, in collaboration with the World Meteorological Organization, the UN Office for Disaster Risk Reduction and the World Bank Global Facility for Disaster Risk and Recovery, announced the launch of the CREWS Initiative in Paris as part of the COP21 Solutions Agenda.
3. Stakeholders of the CREWS Initiative recognized the need for effective multilateral financing mechanism to allow engagement on the required scale and therefore additional arrangements are needed on top of existing arrangements in the area. Contributors, implementing partner agencies (Implementing Partners) and recipient countries have joined to form the CREWS Initiative, supported by a financial intermediary trust fund (CREWS Trust Fund) at the World Bank. The CREWS Initiative would enable designated Implementing Partners to disburse funds from the CREWS Trust Fund.
4. Contributions to the CREWS Initiative may be provided by countries, including those participating in the World Conference on Disaster Risk Reduction in March 2015. Project proposals may be presented to the Steering Committee by the Implementing Partners on behalf of recipient countries and/or regional organizations. A Steering Committee has contributors as decision making members, and secretariat, trustee, Implementing Partners and others as non-Decision-making participants, and agree on among others, funding allocations in response to project proposals submitted by the Implementing Partners. The World Bank serves as the trustee of the CREWS Trust Fund and the World Meteorological Organization hosts the Secretariat of the CREWS Initiative. The World Bank, the World Meteorological Organization and the United Nations Office for Disaster Risk Reduction are Implementing Partners for the CREWS Initiative.

## Section 2 – DEFINITIONS

5. Capitalized terms used hereinafter shall have the meanings ascribed to them below.

**“Administrative Costs”** means the administrative and other costs incurred by the Trustee and the Secretariat in connection with the performance of their administrative services and other activities in support of the CREWS Trust Fund;

**“Administrative Fees”** means the administrative and other costs, including but not limited to, costs for Project preparation, Project supervision, preparation of reports and unaudited or audited financial reports, incurred by the Implementing Partners in connection with the management of the Projects;

**“Allocation”** means the portion of the CREWS Trust Fund funds, including the Contributions, that has been allocated to Projects, Administrative Costs, Administrative Fees, or other expenses that have been approved by the Steering Committee;

**“Contribution”** means each Contributor’s respective contribution to the CREWS Trust Fund, and  
**“Contributions”** means the aggregate of all the contributions to the CREWS Trust Fund;

**“Contribution Agreement”** means a contribution agreement entered into between the Trustee and any Contributor in respect of the Contributor’s Contribution;

**“Contributor”** means any country (including any ministry and agency thereof) or, if agreed by the Steering Committee and the Trustee, such other entity, that provides a Contribution;

**“CREWS Initiative”** means Climate Risk and Early Warning Systems Initiative;

**“CREWS Trust Fund”** means the trust fund established by the IBRD to support the CREWS Initiative;

**“End Contribution Date”** means \_\_\_\_\_, unless otherwise determined by the Steering Committee;

**“Financial Procedures Agreement”** means an agreement to be entered into between the Trustee and any Implementing Partner or the Secretariat;

**“Governance Document”** means this public document when adopted by the Steering Committee, as may be amended from time to time in accordance with its terms;

**“IBRD”** means the International Bank for Reconstruction and Development;

**“IDA”** means the International Development Association;

**“Implementing Partners”** means World Bank, WMO, UNISDR or any other agencies approved by the Steering Committee pursuant to the accreditation scheme established by the Steering Committee in consultation with the Trustee;

[**“Initial Contributors”** means \_\_\_\_\_;]

**“LDC”** means Least Developed Countries;

**“Observers (Non-Decision-making Members)”** means the Steering Committee Members who do not have the right to make decisions;

**“Project”** means a project, program or activity, or a part thereof, which is to be financed with funds from the CREWS Trust Fund, as approved by the Steering Committee based upon a proposal.

**“Project Proposal”** means any proposal submitted by the Implementing Partners on behalf of recipient countries and/or regional organizations to the Steering Committee seeking an Allocation of funds from the Trust Fund;

**“Secretariat”** means a unit within WMO to support the work of the Steering Committee;

**“SIDS”** means Small Islands Developing States;

**“Steering Committee”** means the committee of the CREWS Trust Fund that shall oversee the operations and activities of the CREWS Initiative funded out of the Trust Fund and act as the decision-making body of the CREWS Initiative;

**“Trustee”** means the World Bank in its capacity as trustee of the CREWS Trust Fund.

**“UNISDR”** means the United Nations Office for Disaster Risk Reduction.

**“Decision-making Members”** means the Steering Committee members who have the right to make decisions in all matters relevant to the Steering Committee;

“World Bank” means IBRD and IDA.

“WMO” means World Meteorological Organization.

### Section 3 – OBJECTIVE AND SCOPE

6. **Objectives.** The overall objective of the CREWS Initiative is to support [efforts of] LDCs and SIDs countries to significantly increase the provision of weather and climate services and the capacity to generate and communicate effective impact-based multi-hazards early warning systems to protect lives, livelihoods, and assets.
7. **Scope.** The CREWS Initiative shall support activities contributing to outcomes:
  - (a) at three levels of implementation, namely: (i) National/Sub-national; (ii) Regional; or (iii) Global;
  - (b) addressing the four elements required for effective impact-based multi-hazards early warning systems, namely: (i) monitoring, detection and forecasting of hydro-meteorological hazards providing lead-times for action; (ii) analysis of at risk populations and assets; (iii) dissemination of timely and authoritative warnings; and, (iv) preparedness and response plans triggered by warnings and weather and climate predictions; and
  - (c) to achieve a reduction of deaths and economic losses consistent with Target 11.5 of the Sustainable Development Goals (SDGs)<sup>1</sup>, Targets (a), (b), (c) and (g) of the Sendai Framework<sup>2</sup> and the adaptation goal of the Paris Agreement on Climate Change<sup>3</sup>.

### Section 4 - GOVERNANCE STRUCTURE

8. The CREWS Initiative has a governance structure consisting of a Steering Committee, a Secretariat, a Trustee and Implementing Partners.

#### Steering Committee

9. The Steering Committee serves as the decision-making body of the CREWS Initiative and oversee the overall activities funded out of the CREWS Trust Fund. It comprises Decision-making Members and Observers. The Steering Committee will meet physically at least once annually to discharge its responsibilities. Decisions by the Steering Committee are made by consensus.
10. **Decision-making Members.** The Decision-making Members comprise a representative and an alternate from each of the Contributors to the CREWS Trust Fund. A designated representative and an alternate of each Decision-making Member is notified at all times to the Secretariat.
11. **Observers (Non-Decision-making Members).** The Observers of the Steering Committee do not participate in decision-making but may participate in Steering Committee discussions. The Observers

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<sup>1</sup> SDG Target 1.5 ‘By 2030 build the resilience of the poor and those in vulnerable situations, and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters’.

<sup>2</sup> Sendai Targets:

(a) Substantially reduce global disaster mortality by 2030, aiming to lower the average per 100,000 global mortality rate in the decade 2020–2030 compared to the period 2005–2015;

(b) Substantially reduce the number of affected people globally by 2030, aiming to lower the average global figure per 100,000 in the decade 2020–2030 compared to the period 2005–2015;

(c) Reduce direct disaster economic loss in relation to global gross domestic product (GDP) by 2030; and

(g) Substantially increase the availability of and access to multi-hazard early warning systems and disaster risk information and assessments to people by 2030.

<sup>3</sup> Adaptation goal: ‘enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change’.

comprise of a representative of the Trustee, a representative from the Secretariat, a representative from each Implementing Partner. The Chair of the Steering Committee may, in his/her discretion and taking into account Decision-making Members' views where feasible, invite other participants, including prospective Contributors, to Steering Committee meetings as deemed appropriate, who may participate in a non-decision making capacity to the extent indicated by the Chair... The Trustee and the Secretariat are Observers that may participate in all Steering Committee meetings. A designated representative of each Observer is notified at all times to the Secretariat.

12. **Chair of the Steering Committee.** The Decision-making Members will choose one Decision-making Member to serve as Chair of the Steering Committee (the Chair). The Chair will not have decision-making rights and the Chair's alternate will exercise decision-making rights on behalf of the Contributor. The term of appointment of the Chair shall be one (1) year subject to one-time renewal. At each meeting, the Chair may appoint a Vice-Chair from the rest of the Decision-making Members.
13. **Roles and Responsibilities.** The roles and responsibilities of the Steering Committee include:
  - (a) approving and amending this Governance Document;
  - (b) ensuring that the strategic operation of the CREWS Initiative is consistent with the purpose and objectives as set forth in the Governance Document and approve strategic documents of the CREWS Initiative;
  - (c) approving any additional Contributor in consultation with the Trustee;
  - (d) approving any additional Implementing Partner pursuant to the accreditation scheme to be established in consultation with the Trustee;
  - (e) agreeing on rules and procedures for Steering Committee business in alignment with this Governance Document;
  - (f) developing a communication protocol to be followed by all Contributors and the Steering Committee members;
  - (g) approving operational guidelines including eligibility, process and a common format for Project Proposals and reporting implementation results on each Project;
  - (h) reviewing and approving Projects and/or Allocations (and any material amendments thereto) submitted through the Secretariat based on funding availability as determined by the Trustee, and informing the Secretariat and the Trustee thereof;
  - (i) approving the proposed fee structure for the Administrative Fees;
  - (j) approving the Administrative Cost estimates of the Trustee and the Secretariat;
  - (k) reviewing progress reports from the Implementing Partners as compiled by the Secretariat;
  - (l) reviewing financial reports from the Trustee and financial information from the Implementing Partners provided pursuant to the Financial Procedures Agreements;
  - (m) commissioning studies and reports as the Steering Committee may deem appropriate to fulfill the purposes of the CREWS Initiative;
  - (n) determining the End Contribution Date and determining when to cease making Allocations; and
  - (o) exercising such other functions as it may deem appropriate to fulfill the purposes of the CREWS Initiative.

## Secretariat

14. The Secretariat is established to support the work of the Steering Committee. The Secretariat comprises a small team of professional and administrative staff headed by a managing staff who is seconded from an Implementing Entity other than the WMO (non-managing staff may be seconded to the Secretariat from a unit in the respective Implementing Partners that is different from the unit responsible for coordination and implementation of the CREWS funded operations. If the seconded staff also report to the organization from which they are seconded, they report to a unit different from the unit in the organization responsible for coordination and implementation of CREWS funded operations). The Secretariat is hosted by WMO in Geneva under WMO management and applicable

policies and procedures and report to the office of the Director of Resource Management in the WMO. The Secretariat is also accountable to the Steering Committee for the performance of its functions.

**15. Roles and Responsibilities.** The roles and responsibilities of the Secretariat includes:

- (a) organizing meetings of the Steering Committee;
- (b) receiving and reviewing Project Proposals to ensure completeness and consistency with the Governance Document and relevant operational guidelines before transmitting to the Steering Committee for consideration;
- (c) preparing and circulating minutes of Steering Committee discussions for their approval;
- (d) offering guidance on the processes and requirements as laid out by the Steering Committee;
- (e) developing and regularly updating a monitoring and evaluation framework and appropriate reporting guidelines and internal procedures for CREWS for review by the Steering Committee, receiving and consolidating progress and other reports from the Implementing Partners for submission and review by the Steering Committee;
- (f) collaborating with the Trustee to ensure that the Trustee has all the information necessary to carry out its responsibilities including notification to the Trustee of Allocations approved by the Steering Committee;
- (g) preparing operational guidelines relating to eligibility, process and a common format for Project Proposals and reporting implementation results on each Project for the Steering Committee approval;
- (h) preparing an operations manual as needed, in consultation with the Trustee;
- (i) approving terms of reference of the Secretariat staff to maintain impartiality;
- (j) compiling and providing public information on activities funded by the CREWS Trust Fund, including on a website to be created;
- (k) convening the CREWS community comprises of the Contributors, the Implementing Partners, and any other stakeholders, criteria of which are to be determined by the Steering Committee, in alternative years;
- (l) Fundraising for the CREWS Trust Fund and coordination with contributors; and
- (m) performing any other functions assigned to it by a decision of the Steering Committee.

**16. Limitations of Secretariat Responsibility.** The Secretariat has, without limitation, no responsibility for (i) reviewing the appropriateness of any decision by the Steering Committee; (ii) confirming that funds transferred to the Implementing Partners were used for their intended purposes; (iii) implementing, monitoring, supervising, evaluating, or providing quality assurance with respect to the operations; or (iv) providing individual Contributors with customized financial, progress, results, impact or other reporting.

## Trustee

**17.** The World Bank, in its capacity as the Trustee, will establish the CREWS Trust Fund that supports the CREWS Initiative to receive Contributions and will hold in trust, as a legal owner, and administer the funds, assets and receipts that constitute the Trust Fund pursuant to the terms of the Contribution Agreements. The Trustee operates as part of the World Bank under World Bank management and applicable policies and procedures. In this respect, the Trustee operates in accordance with the World Bank's Access to Information Policy.

**18. Roles and Responsibilities.** The roles and responsibilities of the Trustee include:

- (a) subject to the availability of applicable funds held in the CREWS Trust Fund as determined by the Trustee and subject to the terms of the Contribution Agreements, committing, transferring and/or using the Trust Fund funds for any purpose approved and in the amount allocated by the Steering Committee, in accordance with the terms of this Governance Document and the Contribution

Agreements. Commitments and transfers of the Trust Fund funds to the Implementing Partners will be made pursuant to the Financial Procedures Agreements;

- (b) requiring and accepting from, the Implementing Partners certain periodic financial reports;
- (c) providing to the Steering Committee regular reports on the financial status of the CREWS Trust Fund; and
- (d) collaborating with the Secretariat to ensure that the Secretariat has all the information necessary to carry out its responsibilities.

19. **Limitations of Trustee Responsibility.** The Trustee has no responsibility for the use of funds transferred to Implementing Partners from the CREWS Trust Fund. (For clarity, as with other Implementing Partners, the World Bank as Implementing Partner retains its responsibilities under its respective Financial Procedures Agreement and this Governance Document.) In particular, the Trustee has no responsibility, fiduciary or otherwise, for the use of funds by Implementing Partners that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. The Trustee has, without limitation, no responsibility for (i) reviewing the appropriateness of any decision by the Steering Committee; (ii) confirming that funds transferred to Implementing Partners were used for their intended purposes; (iii) implementing, monitoring, supervising, evaluating, or providing quality assurance; (iv) collecting funds from any Implementing Partners or other entity in connection with an Allocation; (v) handling any alleged misuse or misprocurement that may arise with respect to funds transferred to Implementing Partners; (vi) or ensuring the repayment or return of any funds.

## Implementing Partners

20. World Bank, WMO and UNISDR serve as Implementing Partners of the CREWS Initiative. Other organizations may serve as an Implementing Partner of the CREWS Initiative upon approval of the Steering Committee in accordance with the accreditation scheme established by the Steering Committee in consultation with the Trustee.

21. **Applicable Policies and Procedures.** Funds received from the Trustee are expected to be used and administered in accordance with the Implementing Partner's applicable policies and procedures, as the same may be amended from time to time. This includes the Implementing Partner's procurement, financial management, disbursement and safeguards (environmental and social) and cost recovery policies, its framework to prevent and combat fraud and corruption, and its screening procedures to prevent the use of CREWS resources to finance terrorist activity, in line with any Implementing Partners obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the Charter of the UN, it being understood that this provision does not create any obligations of the Implementing Partners under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of any countries of individual Contributors..

22. **Roles and Responsibilities.** The roles and responsibilities of the Implementing Partners include:

- (a) conducting discussions with recipient countries and partners on financing operations, coordinating and exchanging information with relevant country level coordination mechanisms and relevant government and non-governmental organizations;
- (b) the use of the CREWS Trust Fund funds Allocation transferred by the Trustee for the purposes intended including carrying out Projects in accordance with (i) the Governance Document and applicable decisions of the Steering Committee and (ii) its own policies and procedures;
- (c) assisting the selected recipient countries and/or regional organizations in the design of the Projects and providing support to them with respect to the implementation of the Projects; and
- (d) providing financial and progress reporting to the Steering Committee through the Trustee and Secretariat;
- (e) cooperating with reviews or evaluations of the CREWS funded operations

23. **Adverse Conditions.** An Implementing Partner is expected to notify the Steering Committee, through the Trustee and Secretariat, subject to its policies and procedures including with respect to disclosure of information, at any time it becomes aware of a materially adverse condition that interferes or threaten to interfere with an operation or the Implementing Partner's obligations under its Financial Procedures Agreement.