

Changing Lives Transformation Fund



Informal consultation

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**World Food Programme
Rome, Italy**

Purpose

1. At its annual session in June 2022 the Executive Board approved the use of USD 55 million from the General Fund to establish the Changing Lives Transformation Fund (CLTF), which seeks to strengthen WFP's support for governments in achieving the goals of the 2030 Agenda for Sustainable Development, in particular Sustainable Development Goals (SDGs) 2 and 17.
2. The Board also requested that WFP provide additional information on the envisioned activities and prioritization of countries for CLTF funding, the selection and allocation mechanism to be used, the key performance indicators (KPIs) designed to measure programme results and impact, and how cooperation with other partners, in particular development partners, would be ensured.

Background

3. In 2021, WFP provided critical assistance for 128 million people in more than 120 countries, many of which were in a state of protracted crisis. In 2022, in the context of the global food, fuel and fertilizer crisis, WFP operations are scaling up to reach more than 150 million people – a record level but still less than half of the 345 million people facing acute hunger in the countries where WFP works. Resources are simply not keeping pace with skyrocketing needs, highlighting the urgent need to link emergency assistance to medium- and long-term investments in structural and systemic solutions. As highlighted by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC) recommendation on the humanitarian–development–peace nexus, to which WFP and several other United Nations entities adhere, the international community must work jointly to ensure “prevention always, development wherever possible, humanitarian action when necessary.”
4. WFP's strategic plan for 2022–2025 captures this multi-track approach, outlining WFP's work in saving lives and changing lives, and in supporting countries, in close partnership with other actors, in achieving the SDGs. While prioritizing the life-saving needs of people facing emergencies, WFP is also committed to supporting governments in reducing and ending hunger, building self-reliance and preventing the recurrence of crises over time.
5. A strategic evaluation of the funding of WFP's work from 2014 to 2019 found that WFP operations in less visible crises and its resilience building and development activities had not tapped into financing at scale. This finding has been echoed by WFP regional and country directors. Additional, predictable funding and new ways of partnering are required in order to ensure that WFP can contribute to durable structural solutions that prevent emergencies where possible and build resilience in the face of recurring shocks, while preserving WFP's capacity to deliver emergency assistance.
6. The CLTF helps address that gap by providing selected country offices with catalytic funding that enables WFP to better support governments to design and implement policies and programmes that improve the lives of the most vulnerable people. By leveraging its comparative advantages, expanding existing partnerships and building new ones, WFP will further contribute to the transformative change envisioned in national development plans and United Nations sustainable development cooperation frameworks (UNSDCFs). Country-specific implementation will inform broader corporate learning, including by revealing any changes needed to more effectively deliver replicable and scalable solutions, that benefit those most affected by hunger and malnutrition, in partnership with

government and other actors. In other words, the CLTF will not so much change what WFP does to support governments, but how WFP works with them.

Envisioned activities

7. The CLTF will focus investments in three thematic areas:
 - i) investments that help populations move from dependence on humanitarian assistance to increased self-sufficiency;
 - ii) investments that strengthen the capacity of national programmes and systems to deliver effectively for the people and communities furthest behind; and
 - iii) investments that enable climate adaptation for the countries and people most at risk from climate shocks.
8. The following examples illustrate the kinds of work that could be supported through the CLTF.
9. *Transition to increased self-sufficiency:* In many countries, refugees, internally displaced persons and/or returnees face legal, operational and cultural barriers to earn their own living, fostering dependence on assistance. Through the CLTF, WFP can support governments by investing in skills training and employment opportunities that empower host populations, refugees, internally displaced persons and returnees to become self-reliant while also maintaining social harmony. A particular emphasis would be placed on women. This would be done in close contact with UNHCR and other partners, and includes advocacy and support for the policy changes required. Further, private sector partnerships are important for success at scale, as are strengthened efforts to ensure inclusion of refugees, returnees and internally displaced persons in national social protection schemes. Investing in the transition from dependence on assistance to self-reliance has the potential for high returns on investment. Investing in human capital, particularly through a gender-sensitive lens, can also contribute to economic growth, making it attractive for international financial institutions (IFIs).
10. Another example involves integrated packages of support for marginalized communities who struggle to pursue their livelihoods on degraded land. In such contexts, humanitarian action needs to be complemented with work on community asset creation, access to markets, financial inclusion and other social and nutritional safety nets. Participatory planning and a conflict sensitivity lens are essential to gradually shift affected populations from humanitarian assistance to increased self-sufficiency. Multiple benefits (e.g., nutrition, employment, improved gender dynamics and reduction of hardships, adaptation to climate extremes, etc.) will decrease the need for humanitarian assistance over time as the efforts made to include these groups in restoration and recovery actions bear fruit.
11. *Systems strengthening:* Large-scale food fortification is not yet in place in many contexts although it is a safe and cost-effective strategy for improving micronutrient intake, strengthening food systems for healthy diets and contributing to positive social and economic impacts. The opportunity here is to leverage social assistance programmes and create institution-driven markets that can reduce investment risk by ensuring a guaranteed demand for fortified foods, creating a powerful force for the fortification value chain. WFP can further help governments create convergence between social protection programmes and food fortification activities in order to increase the consumption of fortified foods among nutritionally vulnerable groups, including women, adolescent girls and school-age children, who are at high risk of micronutrient deficiencies. This includes ensuring that the right policies are in place to make fortification successful and to generate a high return on investment.

12. Supporting governments to scale up national school feeding programmes is another good example. This entails technical assistance for the costing and design of a national school feeding programme, the drafting of policy or legislative documents, the estimation of economic returns and the compilation of investment strategies, including the dialogue with IFIs and other donor mechanisms. WFP investments can catalyse the establishment of a national programme and help unlock budget lines beyond the scope of WFP's current engagement. Such investments have already been successful in a number of countries, managing to unlock significant sustainable funding from national budgets.
13. *Climate adaptation:* The fragile and highly vulnerable contexts in which WFP operates are characterized by a lack of access to systems which enable communities to anticipate, reduce or absorb the accelerating impacts of climate change. The CLTF fund can help WFP focus its work on the need to predict such impact on local communities and protect vulnerable livelihoods. Climate information and early warning systems can be introduced or improved alongside disaster risk financing solutions and ecosystem-based approaches to ensure that food-insecure communities are informed about impending climate hazards and protected from losses and damages. As part of a broader risk management strategy, tools such as weather index insurance, forecast-based finance and community-based contingency funds can protect livelihoods and food systems. By integrating such approaches with national climate strategies and adaptation plans, WFP can support governments to implement national climate adaptation plans and reduce the likelihood and potential impact of future emergencies.
14. All the examples above have one thing in common: existing national programmes already deliver benefits for many, yet still present significant potential to reach more people more effectively. The CLTF will allow WFP to work with governments and other partners on such a transformative value proposition for scale-up using national budget resources, IFI funding or thematic funds.

Prioritization of countries

15. The CLTF will focus investments on vulnerable populations and fragile settings while ensuring that sufficient national and subnational capacity is in place to drive and manage the transformative change process over time. Two criteria were used to prioritize the WFP country offices eligible to submit proposals for investment under the CLTF: the country's readiness and its needs. Countries can lead a successful effort with support from WFP and others only if they are effective in designing and implementing policies and programmes and administering resources.¹ Also, in line with WFP's focus on those most vulnerable to food insecurity and malnutrition, the country's ranking on the Global Hunger Index² was used as a criterion. The analysis of countries was carried out separately for each region in order to ensure that all regions had an opportunity to participate in the CLTF. The annex provides an indicative list of the eligible countries resulting from the regional analysis.
16. Based on the indicative list of eligible countries and additional data (such as IFI funding trends, numbers of refugees and internally displaced persons, and country office capacities and readiness), regional directors will invite a subset of the country offices in their regions to develop proposals that outline the opportunities, strategies and requirements for contributing to the transformative objectives of the country concerned, demonstrating links to the 2030 Agenda, in particular SDGs 2 and 17, national development plans, UNSDCFs and agreed contributions through country strategic plans (CSPs).

¹ World Bank. [GovData360](#).

² [Global Hunger Index 2021](#).

Selection and allocation mechanism

17. The fund requires a solid analytical selection process that enables WFP to select the right country investment and ensures the optimal use of each dollar granted in maximizing the transformative impact. The intention is to catalyse change at the country level while also promoting broader corporate learning.
18. The Deputy Executive Director of Partnerships and Advocacy will convene a CLTF investment selection and learning committee to review the final proposals submitted through regional directors and select those that meet the selection criteria. The committee will also oversee an evidence-based, data-driven and transparent selection process applying clear, predefined selection criteria.
19. The selection criteria will include:
 - a) the country's readiness for a CLTF project, including an assessment of its potential for scaling up and achieving transformative change;
 - b) the WFP country office's ability to drive transformative change and expand existing partnerships or set up and sustain new ones to achieve that outcome;
 - c) the potential of a proposal based on how effectively it supports national objectives in achieving transformative change while leveraging WFP's comparative advantage;
 - d) how well a proposal prioritizes fragile settings and populations within a country, particularly in settings with significant refugee, internally displaced persons and other populations of concern; and
 - e) how well a proposal incorporates cross-cutting priorities.
20. Once country proposals have been selected by the investment selection and learning committee, the multilateral budget committee will allocate funding to the respective CSPs through their country portfolio budgets. Existing mechanisms at regional and global levels will ensure the necessary oversight and support for the approved activities.

Key performance indicators and reporting

21. Outcomes achieved through CLTF funding will be reported through annual country reports and the global annual performance report. A set of CLTF-specific KPIs will be developed to monitor the progress achieved by each CLTF project and the CLTF as a whole. There will be two categories of KPIs. The following reflects the current thinking and is subject to change.
 - a) At the project level:
 - i) Process indicators such as the establishment of a project team, the signing of memoranda of understanding, the approval of a logical framework and a monitoring and evaluation framework and the presence of functioning governance mechanisms led by the government. These indicators will be particularly important in the first period of a CLTF project when other KPIs cannot yet be measured.
 - ii) Indicators for measuring the achievement of a project:
 1. Catalytical – the investment is meant to lay the seeds for a much bigger effort, drawing in a multiple of the CLTF funding:
 - a. CLTF funding as a percentage of total project funding will decrease over time; and
 - b. absolute number of beneficiaries will increase year on year.

2. Transformative – these indicators will be from the corporate results framework and will vary according to each programme proposal.
 3. Sustainable – KPIs will measure the national government’s involvement and leadership:
 - a. agreement signed for post-CLTF funding and implementation in the third period; and
 - b. government has included work in national plans and budgets.
- b) At the corporate and national level:
- i) Increased learning:
 1. Number of lessons learned, captured and disseminated internally; and
 2. Number of publications published externally, possibly jointly with an academic institution or think tank.
 - ii) Increased resources (possibly using a control group):
 1. WFP and national government investments in changing lives have increased in CLTF countries; and
 2. Resources from national governments, IFIs and thematic funds expended on CSP objectives have increased.
 - iii) Diversified and ever closer partnerships:
 1. Percentage of outputs achieved within partnerships; and
 2. Percentage of funding provided to partners (of overall effort).
22. The CLTF will be evaluated after three years. By demonstrating the potential for transformation, the work conducted with CLTF funding must include not only identifying sustainable, longer-term financing solutions that national governments can tap into, but also enabling governments to do so successfully. It is anticipated that the evaluation will consider programmatic outcomes and establish whether the CLTF has delivered on its promise to add substantial value to WFP’s support for national governments, catalysing transformative impact and proven scalability.

Partnerships

23. A critical success factor for proposals funded through the CLTF is that WFP country offices work with national governments to build coalitions with all the stakeholders that are needed for the achievement of transformative change. At the outset of the proposal design phase, a rigorous planning process will be required aimed at developing an understanding of not only where and how WFP can complement the existing efforts of national governments and their partners, but also of which other partners are needed. Those partners may include other United Nations entities, IFIs, civil society, the private sector and academia.
24. National governments, themselves or through their IFI funding, will in many cases contribute the necessary funding for the scale-up. While national governments are the lead, IFIs will often be the partner that ensures that the CLTF funding proves to be catalytic.

25. WFP will therefore seek opportunities to work with United Nations partners as envisioned in each country's UNSDCF. Such work may include providing joint support to the government in project design or implementation. WFP will proactively reach out to other United Nations entities to make sure that they can contribute and to ensure that activities under their mandate and relevant to the achievement of desired outcomes are included in the project and funded. This may require, for example, working closely with the Office of the United Nations High Commissioner for Refugees to ensure that refugees, internally displaced persons and other populations of concern are taken into consideration and their needs addressed; working with the United Nations Children's Fund on malnutrition-related topics; and joint work with the other Rome-based agencies to explore other funding mechanisms, including with the Food and Agriculture Organization of the United Nations Investment Centre or the International Fund for Agricultural Development/United Nations Capital Development Fund.

ANNEX

List of countries for CLTF projects

Analysis of all the countries where WFP works against the two selection criteria results in a list of 42 countries. As indicator values are dynamic and lagging, this list is tentative. These are presented in the following, by region and in alphabetical order:

- a) RBB – Regional Bureau for Asia and the Pacific: Bangladesh, Cambodia, India, Indonesia, Lao People’s Democratic Republic, Pakistan, the Philippines, Sri Lanka, Timor-Leste.
- b) RBC – Regional Bureau for the Middle East, Northern Africa and Eastern Europe: Armenia, Egypt, Islamic Republic of Iran, Jordan, Lebanon.
- c) RBD – Regional Bureau for Western Africa: Benin, Burkina Faso, Cameroon, Côte d’Ivoire, the Gambia, Ghana, Guinea, Mauritania, the Niger, Senegal, Togo.
- d) RBJ – Regional Bureau for Southern Africa: Eswatini, Lesotho, Malawi, Mozambique, Namibia, United Republic of Tanzania, Zambia.
- e) RBN – Regional Bureau for Eastern Africa: Djibouti, Ethiopia, Kenya, Rwanda, Uganda.
- f) RBP – Regional Bureau for Latin America and the Caribbean: Ecuador, Guatemala, Honduras, Nicaragua and the Plurinational State of Bolivia.

Acronyms

CLTF	Changing Lives Transformation Fund
CSP	country strategic plan
IFI	international financial institution
KPI	key performance indicator
SDG	Sustainable Development Goal
UNSDCF	United Nations sustainable development cooperation framework