



World Food Programme
Programme Alimentaire Mondial
Programa Mundial de Alimentos
برنامج الأغذية العالمي

Executive Board
First regular session
Rome, 26–28 February 2024

Distribution: General

Agenda item 4

Date: 16 January 2024

WFP/EB.1/2024/4-C

Original: English

Policy issues

For information

Executive Board documents are available on WFP's website (<https://executiveboard.wfp.org>).

Update on the implementation of the Changing Lives Transformation Fund

Executive summary

The year 2023 was dedicated to setting up the Changing Lives Transformation Fund and selecting the ten countries that will receive funding over the coming three to five years. The fund has created a rigorous process for identifying transformative, catalytic and sustainable programmes that empower governments to better meet the food and nutrition security needs of vulnerable population groups in their countries. The selected programmes each aim to catalyse USD 4.27 for every dollar invested and are collectively expected to benefit more than 20 million people worldwide. In its first year, the fund has already had a significant impact on WFP's internal processes, receiving strong proposals that have attracted wide corporate attention, fostering collaboration between units at the country office, regional bureau and headquarters levels, and promoting closer partnerships with other United Nations entities. It has also given greater prominence to impact measurement and learning from WFP programmes. In 2024, attention will shift to programme implementation and learning and to ensuring that the allocated resources pave the way to future success.

Focal points:

Ms V. Guarnieri
Assistant Executive Director
Operations Department
email: valerie.guarnieri@wfp.org

Mr N. Grede
Director
Changing Lives Transformation Fund
email: nils.grede@wfp.org

Setting up the Changing Lives Transformation Fund

1. Subsequent to the approval of a budget for the establishment of the Changing Lives Transformation Fund (CLTF) at the Executive Board's annual session in 2022, WFP assigned a full-time senior staff member to coordinate and support the allocation and implementation process in collaboration with various divisions at headquarters, the regional bureaux and the country offices concerned. WFP also established a special account for the CLTF and issued a directive clarifying roles and responsibilities and formalizing the membership and terms of reference of an investment selection and learning committee.
2. The theory of change for the CLTF postulates that CLTF investments will allow country offices to invest in their own capacity and secure better technical and financial resources. WFP will then be better placed to build and support transformative programmes that have a profound impact on the lives of beneficiaries, that catalyse greater investment from governments and donors and that have a lasting impact in the fight to end hunger by supporting national governments through broader and richer partnerships. WFP regards the CLTF as a means of generating an improved body of evidence that can inform its work in support of governments, ultimately changing more lives.
3. Drawing on a Member State's contribution to the CLTF in late 2022, WFP contracted an evaluation company to support CLTF-funded country offices in measuring the impact of their work, when possible against a counterfactual. A consultant has also been hired to assist in that task.

Three thematic windows for the selection of investment proposals

4. Shortly after the Board approved the CLTF in November 2022, WFP launched its first call for proposals, to be submitted by early 2023, under thematic window 1: "transitions from humanitarian assistance towards increased self-sufficiency". Two further calls for proposals were launched in the second and third quarters of 2023 under thematic windows 2 ("systems strengthening") and 3 ("climate change adaptation"). In total, 38 country investment proposals were received and ten country offices,¹ representing all six regional bureaux, were awarded CLTF funding for an aggregate amount of USD 63.8 million.
5. The investment selection and learning committee was convened to select the country proposals for CLTF investment. The committee is chaired by the Assistant Executive Director, Partnerships Department and consists of seven members representing the partnerships, operations, and workplace and management departments. In addition to the committee members' own review, the rigorous selection process included a technical assessment of each investment proposal and "pitch sessions", where the country offices were each given up to 20 minutes to present their proposals and respond to questions. The committee ranked the proposals based on the following criteria: how transformative, catalytic and sustainable the proposal was; whether it had a good learning agenda and partnership strategy; and how feasible it would be to implement successfully. On the last criterion, the committee produced an aggregate score, with points awarded according to the readiness of the country and country office concerned, the level of ambition, the extent to which the proposal was in keeping with WFP's mandate and comparative strengths, the proposed staffing strategy and the risk matrix. Additional points were awarded during the technical assessment based on the extent to which the proposals addressed the four cross-cutting priorities of the WFP corporate results framework. One-on-one and group feedback sessions were organized for all the country offices participating under each window.

¹ Chad, Kenya and the Philippines under window 1; Bangladesh, Iraq, the Niger and Peru under window 2; and Ghana, Nicaragua and the United Republic of Tanzania under window 3.

Research agenda

6. Research agendas have been defined jointly with the evaluation company for all three thematic windows and country offices have completed their implementation plans. The country research plans encompass an impact measurement component with a counterfactual, thereby addressing the CLTF priority of contributing to the body of evidence for WFP's work.
7. For example, the research agenda of window 1 ("transitions") focuses on measuring the extent to which the work facilitated by WFP through the CLTF enables beneficiaries to move away from a recurrent need for humanitarian support. The first ever corporate definition of the term "transition" has been crafted and a transition index will be piloted for eventual inclusion in the WFP indicator compendium. This will better capture how WFP's work helps to empower beneficiaries – including refugees and internally displaced persons – to move towards more sustainable livelihoods, despite the often fragile settings in which they live.

Transformative change

8. One key ambition of the CLTF is to transform the ways in which governments seek to change the lives of poor and food-insecure people and communities. As a result, the degree of transformation envisaged in the investment proposals is a key selection criterion for CLTF funding.
9. Under window 1, for example, the Chad and Kenya country offices are both aiming to support government strategies to transform the lives of the large refugee populations in those countries by giving refugees and nearby host communities the tools for earning their own living. In both cases, highly vulnerable people will be empowered to become more self-reliant, which will also contribute to a lasting reduction in humanitarian needs.
10. In Chad, while the refugee population has doubled to 1.2 million since the start of the Sudan crisis in April 2023, some refugees have been in the country for up to 20 years. The majority still require humanitarian assistance because they have limited access to land, water and agricultural services. Under the Government's leadership, WFP and the Office of the United Nations High Commissioner for Refugees (UNHCR) are working to identify and negotiate access to agricultural land that can be restored and made productive. The CLTF investment has been key in attracting the support of potential donors – including a large contribution from the World Bank that is under negotiation – for scaling up the work and expanding the scope of the activities of other agencies, including the long-term leasing of land for UNHCR resettlement programmes.
11. In the Philippines, the aim is to leverage home-grown school feeding as a key entry point and strategic platform for empowering smallholder farmers to establish sustainable and conflict- and climate-resilient livelihoods by enhancing their self-reliance, thereby reducing their dependence on humanitarian assistance at times of shock.
12. In Peru, the Government is required by law to direct 30 percent of annual food assistance programme budgets – more than USD 150 million per year – to the purchase of food from smallholder farmers. Under window 2 ("systems strengthening"), the CLTF project gathers stakeholders who can work together to overcome obstacles to the implementation of the law including by helping predominantly Indigenous smallholder farmers to sell high-quality food in public markets; helping the Government to redesign social protection programmes for the purchase of more fresh, locally sourced foods; and improving the nutrition knowledge and practices of farmers. The Rome-based agencies – WFP, the International Fund for Agricultural Development (IFAD) and the Food and Agriculture Organization of the United Nations (FAO) – are promoting the implementation of the public purchase law and providing coordinated technical assistance.

13. The CLTF funding awarded to Iraq, also under window 2, has been allocated to activities that build on WFP's successful collaboration with the Government to connect the dispersed information management systems of various ministries through a single registry and to make the country's social protection system more effective, efficient and sustainable. In the next stage of this initiative, WFP aims to work with partners, such as the International Labour Organization and the United Nations Educational, Scientific and Cultural Organization, to support the creation of pathways from assistance to employment. This will involve enhancing the capacity of national institutions to strengthen human capital in line with labour market demands, which will then have a major impact on the food and nutrition security of participants.
14. In the United Republic of Tanzania, under window 3 ("climate change adaptation"), WFP will support the national climate change adaptation agenda through the integration of anticipatory action into the national social protection system. Climate forecasts will be linked to cash transfers delivered through social protection infrastructure in drought-prone regions. At the same time, the introduction of climate-smart approaches in public works will strengthen the absorptive, adaptive and transformative capacity of communities that are increasingly exposed to the impacts of climate shocks.
15. In Ghana and Nicaragua, the aim of the investment proposals on climate change adaptation is to explore how smallholder farmers can improve their food and nutrition security by generating income from carbon markets – a complex endeavour of enormous potential that has not yet been sufficiently explored by WFP. Obstacles have often included issues related to the ownership of carbon credits, a lack of adequate institutional arrangements, missing links to the buyers of the credits and the need to independently validate the amounts of carbon actually captured. If the two countries can make carbon credits work for smallholder farmers in such a way as to improve their food security and reduce hunger, other WFP country offices would benefit from the experience.

Catalytic funding

16. In addition to the transformative nature of the proposed activities, another key criterion for CLTF funding is the extent to which the proposed investments can enable country offices to catalyse significant additional funding, including from governments or international financial institutions, for the causes that WFP supports.
17. Country offices have outlined the additional resources that they aim to unlock through the CLTF. Across the ten selected countries, the estimated return on investment is 427 percent, meaning that the offices, if successful, will unlock USD 4.27 for every dollar invested. The additional funding catalysed will go to the activities supported by WFP, often flowing directly to the responsible line ministries or other partners in the country.
18. International financial institutions are the main targets for efforts to catalyse funding in countries such as Bangladesh, Chad, the Niger, Peru and the Philippines, while additional funding from host governments could become a significant source in Ghana, Iraq, Peru and the Philippines. Traditional donors are targeted in all countries, but they are most prominent in Bangladesh, Kenya and the Philippines. In Ghana, advanced discussions with that country's bilateral creditors have opened up an opportunity to leverage and test the innovative "debt swap" instrument as an additional source of funding from host governments. The catalysation of private sector investments is an important priority in both Ghana and Peru.
19. The envisaged work in Peru will help to improve the cost-effectiveness of public budget allocations. In the first phase of the intervention, WFP will consolidate and validate the proposed model in a number of districts. Once the results have been validated, the second phase will focus on scaling the model up to the regional level through the mobilization of

regional public resources, before it is scaled up nationally, in the third phase, with a view to enabling the Government to introduce new budget lines for the upscaling of whatever practices or measures that the CLTF investment has proved to be workable.

Beneficiaries

20. Changing people's lives for the better by improving their food security and nutrition is the end goal of WFP's work through the CLTF. The CLTF was set up to enable WFP to support governments in a more sustainable and effective way by strengthening systems that improve food security among previously vulnerable people, for example, or by helping countries and their populations to adapt to climate change.
21. While WFP's primary focus is usually on the people whom it reaches directly with assistance (referred to as "tier 1 beneficiaries"), its reporting to the Board on its CLTF work will focus more on tier 3 beneficiaries, who stand to benefit indirectly from its work without receiving any direct transfers. Citizens receiving social protection benefits, for example, are considered tier 3 beneficiaries when WFP works with governments to improve the efficiency and effectiveness of the overall social protection system.
22. The ten country offices awarded CLTF funding have committed to reaching 20.4 million tier 3 beneficiaries over the course of the CLTF-funded work. In other words, WFP is committed to changing at least 20 million lives through CLTF investments. Equally, it is interested in understanding the types of change experienced by beneficiaries, such as the benefits they derive from significantly stronger delivery systems, greater social cohesion and increased self-sufficiency.

Strengthening partnerships

23. Fostering stronger partnerships, in particular with host governments, other United Nations entities, international financial institutions, civil society, the private sector and academia, is key to the success of the CLTF.
24. Under the CLTF, WFP country offices set out to deepen their relationships first and foremost with host governments. In Chad, for example, the CLTF investment will be key to supporting the goals of the national asylum law; a decree implementing the law was passed in April 2023 and underscores the Government's commitment to delivering on its agenda. In recognizing the long-term nature of the refugee presence in Chad, the law provides refugees with the same rights and economic opportunities as the Chadian population. In the Niger, the CLTF funds will actively support the institutionalization and rollout of the nascent national social protection system by the Government, building on existing programmes and tools, such as the national safety net programme and single registry.
25. Strengthening social protection systems is central to WFP's work in the United Republic of Tanzania, Iraq and Bangladesh. In the latter, the CLTF investment has led to the signing of the first memorandum of understanding between WFP and the Ministry of Women and Children Affairs in October 2023. In Ghana, WFP's existing relationship with the Ministry of Gender, Children and Social Protection will be strengthened by linking social protection mechanisms to carbon market opportunities derived from climate-smart agricultural approaches, with a view to diversifying incomes and boosting livelihoods. In addition, a memorandum of understanding has been signed with the country's Millennium Development Authority.
26. Country offices' intention to build stronger and deeper partnerships with other agencies is reflected in their CLTF investment proposals. The Philippines country office, for example, will team up with FAO to implement its plan for supporting the Government's efforts to expand and finance its national school feeding programme; the collaboration will include the joint

pursuit of funding from traditional donors and international financial institutions. The Philippines country office is exploring opportunities to collaborate with the United Nations Children's Fund (UNICEF) on school nutrition activities while strengthening the capacity of government and private-sector entities to implement the food fortification law, which mandates the provision of iron-fortified rice in government feeding programmes. Discussions on partnerships with FAO in Chad, Ghana, Kenya and Peru are under way or envisaged, while the CLTF-funded work in Peru will seek to foster synergies with IFAD within the framework of the latter's work in that country. Given its focus on refugees, UNHCR is regarded as a key partner in Kenya and in Chad, where the CLTF is helping to broaden WFP's partnership with UNHCR beyond emergency response to the laying of foundations for long-term collaboration on aspects of resilience. The design and implementation of CLTF-funded work in the Niger is based on WFP's solid existing collaboration with UNICEF and the World Bank – the three entities are working together with other major stakeholders to enhance the Government's rollout of its national social protection system. The United Nations Development Programme could become a key knowledge partner in Ghana, where it is the lead agency on climate action.

27. Several country offices are planning to team up with local actors from the private sector or academia. In Nicaragua, for example, insurance companies will provide smallholder farmers with parametric insurance against climate risks. In Iraq, there is scope for enhancing the contribution of private sector actors to vocational training programmes and encouraging them to hire newly graduated entrepreneurs, who will help to diversify the private sector. In Peru, the private sector will play an important role for Indigenous smallholder farmers, purchasing their produce alongside the public sector and providing knowledge and information to facilitate direct market access. In Chad, there is a critical role for the private sector in realizing the shared vision of the Government and the World Bank of having refugees and host populations restore degraded land to productive use, while also promoting the development of the agribusiness sector. In Ghana, young people will find skilled jobs in companies responsible for the measurement, verification and certification of carbon emission reductions. The work will provide a cost-effective means of reaching smallholder farmers, while loan packages will be secured against future carbon market revenues in order to support transitions to climate-smart agriculture.
28. In summary, the CLTF is already catalysing new and deeper relationships between WFP and its partners, with WFP engaging with governments in areas where it is best placed to do so and leveraging partnerships to support governments in areas where its partners can bring complementary skills and capacities.

Learning and contributing to the body of evidence

29. Each of the country offices awarded CLTF funding has committed to subjecting some of the work carried out with that funding to robust impact measurement in order to contribute to WFP's growing body of evidence. To ensure the independence, impartiality and high quality of the output, an external research agency has been contracted to support the exercise. Unlike regular monitoring, impact measurement entails the collection of data for a counterfactual so that any changes in outcome can be reliably attributed to WFP's work. The aim is that many of these exercises will meet the high standard of a credible counterfactual and will therefore constitute impact evaluations.²

² Evaluation designs will be reviewed by the Office of Evaluation to ensure that the standards for an impact evaluation are met and maintained.

30. In Chad, for example, the research will focus on changes in the incomes, food security and peaceful cohabitation of the refugees and vulnerable host communities participating in WFP's integrated resilience programming.
31. In Kenya, research will be conducted to evaluate the impact on refugees and vulnerable host communities of an enhanced social protection support package known as the "cash+ model". The study aims to determine whether the integration of social protection with resilience building interventions can lead to better outcomes for refugees and host communities, including increased self-sufficiency and climate-adapted livelihoods. The research will also explore the factors that facilitate a successful transition from reliance on humanitarian assistance programmes to self-sufficiency, and the likely barriers to such a transition.
32. In the Niger, the research aims to measure the extent to which predictable multi-year assistance provided with a development lens will deliver better impact than ad hoc humanitarian assistance provided solely during the lean season. The evidence generated will enable the Government and WFP to advocate forward-looking delivery models and multi-year interventions designed to reduce reliance on humanitarian funding. Findings on the transformative potential of the CLTF will be disseminated regionally with a view to contributing to a paradigm shift in lean season response strategies in the Sahel countries and highlighting the role of safety nets in reducing humanitarian needs.
33. In Ghana and Nicaragua, the research will set out to quantify and describe the impacts of climate financing and carbon markets on the incomes, livelihoods, food security and resilience of smallholder farmers; assess the incentives for farmers to adopt climate-smart agriculture; and appraise the effectiveness, inclusiveness and scalability of the institutional mechanisms designed to deliver climate-smart agriculture.
34. In Peru, the research will focus on how changes in the productivity and incomes of smallholder farmers impact nutrition at the household level. A cost-benefit analysis of the inclusion in social protection programmes of local products procured from smallholder farmers will provide important insights into the scalability of the envisioned work. An agreement is being negotiated with the National University of San Antonio Abad del Cuzco to commit USD 4 million to the development of the research agenda and other evidence-generating initiatives within the framework of the CLTF-funded work.

Incorporating cross-cutting priorities

35. As part of the selection process and the technical review, the CLTF investment selection and learning committee also evaluates how well WFP's corporate cross-cutting priorities have been incorporated into the design of the projects included in the investment proposal.
36. With regard to nutrition integration, for instance, the Bangladesh country office has included a separate results area on that priority in its CLTF-funded work, which seeks to improve the effectiveness and efficiency of two government social protection programmes – one for vulnerable women and one for mothers and their children. The planned activities are designed to improve targeting, strengthen management information systems and develop new learning hubs, with the possible addition of components on financial literacy and shock-responsiveness. The separate results area will also ensure that the design of both programmes will be optimized to produce positive nutrition outcomes.
37. In Iraq, the work aims to allow the Government to include additional vulnerable people into its social protection system by targeting households with young people among the current recipients, facilitating their transition from social assistance to self-reliance and ensuring their food and nutrition security. The programme incorporates financial inclusion measures that take into account the multiple dimensions of poverty and address its root causes,

covering young people in urban and rural areas and focusing on the inclusion of women and girls.

38. In Peru, Indigenous women smallholders are at the centre of a project that supports the formation and strengthening of formal women-led associations, promoting women's leadership and autonomy and encouraging the creation of social capital. Unequal access to credit is one of the main difficulties that women face in creating or maintaining productive assets, which are vital for their economic resilience. On nutrition, the project will help to tackle malnutrition and food insecurity by working with smallholder farmers, who play an essential role in ensuring the availability and accessibility of the variety of nutritious foods required to meet the needs of vulnerable population groups, either in markets or through their own production. The project will involve comprehensive nutrition training for smallholder farmers so that they can produce, purchase, prepare and consume healthy food and the promotion of good practices for the care of children under 3 and pregnant women and girls.
39. With regard to the protection of and accountability to beneficiaries, environmental sustainability and social safeguards, all those submitting investment proposals were requested to highlight how those priorities would be addressed over the course of the work. The proposals awarded CLTF funding are expected to conduct environmental and social standards screening as a matter of good corporate practice.

Outlook

40. The year 2023 was dedicated to setting up the CLTF and selecting the ten countries that would work with CLTF funding over the coming three to five years. The involvement of country offices, regional bureaux and various departments at headquarters, combined with the competitive process used to select countries for CLTF funding, ensured the submission of high quality investment proposals with the potential to secure a strong return on investment. In 2024, the focus will shift to working with the CLTF-funded country offices to meet some of the goals of the fund – generating evidence, deepening and improving partnerships, transforming lives and attracting catalytic funding to support the causes embraced by WFP in line with its mandate and comparative advantages.
41. The CLTF is achieving those goals by working with – and leveraging – WFP's existing technical support structures at the country office, regional bureau and headquarters levels rather than by setting up a separate team. Staff working on the CLTF are embedded in the Operations Department and comprise a senior manager and one consultant focused on evidence generation and impact measurement. Given that the lessons learned from the ten countries are meant to inform WFP's overall changing lives work, the leanness of the model ensures the establishment of a community of practice that will facilitate broad-based organizational learning, including in relation to CLTF activities. At the same time, the close interaction between various units has started a process of identifying bottlenecks and better defining the roles and mechanisms for co-creation within WFP, both at headquarters and between headquarters and the regional bureaux and country offices.
42. Thanks to the CLTF, WFP now has a solid mechanism for the solicitation and review of funding proposals – a mechanism that can be leveraged to deepen and expand existing partnerships and attract additional resources for its work, particularly for efforts to reduce dependence on humanitarian assistance – an area more crucial than ever in the current context of growing needs and dwindling resources.

43. The CLTF has also stimulated horizontal and vertical collaboration within WFP. At headquarters, the departments for partnerships and operations are working together to make the CLTF a success. Staff involved in the CLTF are working closely with the workstream 4 team of the strategic plan implementation initiative, which supports many country offices – including CLTF funding awardees and unsuccessful applicants – in formulating their value propositions and elaborating partnership action plans. At some country offices, the CLTF has enabled the design and development of cross--departmental programmes, often bringing together three or four technical units and the field offices in a community of practice. Joint headquarters and regional bureau staff missions to selected country offices are leading to shared agendas and workplans.
44. The CLTF is encouraging country offices to share learning and is linking that learning to WFP's knowledge management system, which will ensure that best practices are captured and disseminated. Lastly, the planned impact measurement exercise will add substantially to the body of evidence available to WFP for its long-term work. Much of that evidence will ultimately be published, enabling WFP to share its insights with a wider audience.
45. Overall, the CLTF will help WFP to reduce humanitarian needs by working with governments to find ways of empowering beneficiaries to gradually move away from relying on assistance. It will allow the organization to reach more beneficiaries for every dollar received, as the work will be carried out in partnership with others and is focused on government-owned systems. It will also allow WFP, in an era of dwindling resources, to sharpen its focus by better defining the areas where it can add value based on its comparative advantages. Finally, it will improve the cost-effectiveness of WFP's changing lives work.

Acronyms

CLTF	Changing Lives Transformation Fund
FAO	Food and Agriculture Organization of the United Nations
IFAD	International Fund for Agricultural Development
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund