Review of the GFDRR Partnership Charter

Discussion Note
This note has been prepared to initiate a discussion among the Consultative Group (CG) members regarding the GFDRR Partnership Charter. The note is structured in three sections: Section I provides a brief context and rationale for the discussion; Section II outlines four elements to consider in the revision process; and Section III suggests a timeline for discussion and approval of a proposed Charter.
On February 23, 2007, the CG approved the Charter. The text was amended in 2010 and 2013. The Charter provides the background and rationale for the creation of GFDRR; sets up the principles and objectives for the partnership; and defines the governance and organizational structure for program implementation and oversight.

Seven years after the Charter was approved, GFDRR has already established the institutional foundation to advance its mission and program objectives. This foundation has contributed to the growth of GFDRR, and catalyzed partnerships with governments, civil society organizations, and the private sector. Increased cooperation with the World Bank and the UNISDR has elevated GFDRR’s program profile, representing both the humanitarian and development agendas. GFDRR is now “a unique long-term global partnership”, as envisioned by the Charter.

The context, however, has changed. Resilience is increasingly at the forefront of the development agenda and numerous actors are now involved. GFDRR has gradually transformed its program to focus on areas where it has clear value-added, working towards scaling up interventions in disaster risk management.

Over the past two years, GFDRR has restructured its operational framework, in particular, to strengthen the planning, prioritization of resources and activities, and a stronger system for monitoring, evaluation, and reporting of results. These changes have set the foundation for GFDRR to support larger and more complex disaster risk management activities. In this context, a revision of the Charter is timely for two reasons:
The need for simplification and streamlining of the Charter to reflect the operational experience gained and the lessons learned since GFDRR’s inception in 2006, including consideration of external developments such as the HFA2 to be adopted in March 2015.

The required legal alignment of the governance structure with the new trust fund architecture, annual work plan, monitoring and evaluation framework, and annual report.
The revision of the Charter can be grouped into four areas: (i) Mission and Strategy, (ii) Governance, (iii) Membership, and (iv) Program Structure.

(i) Mission and Strategy

The mission, strategy and related operating principles are currently within the Charter, in the Strategy, and in the annual Work Plan. It may be effective to consolidate these elements—currently defined in the Strategy 2013-15, at a high-level directly into the new Charter, and incorporate the multi-year operating modalities in the annual Work Plans to be approved by the CG. This would allow for operational flexibility and continuing review of priorities on an annual basis.

(ii) Governance

Governance described in the Charter comprises a CG and a Secretariat. It may be useful to acknowledge and clearly state: (i) the role of the World Bank as Trustee in discharging its fiduciary role for the donors; and (ii) the role and the selection of the Co-Chair—which has an important function in promoting strategic dialogue, building consensus, broadening partnerships and mobilizing resources.

The CG has met twice a year since 2007. The Charter requires at least one annual meeting. Given this practice, it may be useful to define more clearly the role and functions of the CG members and observers in each meeting.
(iii) Membership

The Charter refers to CG members and the associated minimum contribution for developed and developing countries. In addition, it refers to invited developing country members on a rotating basis and designated ex officio members, such as the Head of the ISDR System. GFDRR encouraged various parties to attend CG meetings as observers to broaden the base of the partnership. However, the Charter does little to define these observer positions.

A revision of the Charter would be appropriate for the purpose of defining the criteria for CG membership and participation of observers. In defining this criteria, the following issues may be discussed:

Members: (i) whether a re-assessment is needed of the current minimum contribution threshold to the Multi-Donor Trust Fund (MDTF), including differentiated thresholds for developed countries, developing countries, inter-governmental organizations, and development finance institutions; (ii) whether the membership is renewed on an ongoing basis (i.e., every three years) or it becomes a one-off membership when a donor makes a contribution significantly above the minimum threshold over a sustained period; and (iii) whether contributions to implement special programs may also grant membership status on exceptional basis.

Observers: whether this status is granted to (i) developed countries, developing countries, inter-governmental organizations, and development finance institutions that contribute amounts below the minimum contribution; (ii) low-income countries after expiry of their CG term; and (iii) select United Nations agencies, development finance institutions, and inter-governmental organizations invited by the Chair on a standing basis.

(iv) Program Structure

The Charter structures the GFDRR program based on three “tracks” defined by funding mechanisms: Track I grant funding to UNISDR for global and regional partnerships; Track II multi-donor and single-donor trust funds for ex-ante support for mainstreaming disaster risk management; and Track III multi-donor and funds for ex-post disaster resilient recovery and reconstruction1.

This track structure has lost its relevance as a result of (i) the conclusion of the World Bank’s Development Grant Facility start-up funding to UNISDR; and (ii) the trust fund architecture adopted in 2014, which streamlined GFDRR’s funding vehicles around the MDTF to support program activities across the five pillars of action, and the Fund for targeted contributions in response to specific disasters.

Another element that has emerged in the past years is the management of special programs operated under exceptional single-donor trust funds. GFDRR currently manages two Special Programs that operate alongside the above-mentioned MDTF. In the future, other exceptional single-donor trust funded programs may be approved by the CG. Such programs may feature their own governing bodies (e.g., steering committees) for the purposes of allocating funds and/or defining geographic or thematic priorities.
A Callable Fund is a mechanism that allows donors to provide a speedy, predictable, and effective coordinated disaster recovery operations, such as supporting joint needs assessments by the UN, multilaterals, donors, and other stakeholders after disasters or providing supplemental financing for accelerated recovery in disaster affected countries.

It may be useful to draft new provisions to align the Charter with a new program structure featuring (i) an MDTF to support global and regional activities (formerly Track I), country-level activities across the pillars of action, and thematic initiatives (formerly Track II and III); (ii) a Callable Fund\textsuperscript{2}, which could be for contributions targeted to provide immediate response to specific situations with a scope that could cover both ex-ante and ex-post disaster interventions; and (iii) Special Programs managed under exceptional single-donor trust funds, and consistent with the Charter and aligned with the annual Work Plan.
The Secretariat proposes a process to be conducted over the next six months with the aim of drafting a new Charter to be presented to the Consultative Group in May 2015. The process may follow a timeline as outlined below:

- October 30, 2014: Introduction and initial discussion during the Fall CG.
- December 15, 2014: Discussion Note circulated to Members and Observers based on discussion at Fall CG.
- January 30, 2015: Feedback from Members and Observers to the Secretariat.
- February 28, 2015: Draft Charter circulated to Members and Observers.
- March 31, 2015: Feedback from Members and Observers to the Secretariat on draft Charter.
- April 21, 2015: Revised draft Charter circulated to Members and Observers.
- May 2015: Discussion of the proposed new Charter at the 16th CG.

The Secretariat seeks the comments of the CG members, and requests to be sent to Francis Ghesquiere at fghesquiere@worldbank.org.
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