

## **SOUTH AFRICAN NATIONAL IMPLEMENTING ENTITY TO THE ADAPTATION FUND POLICIES AND PROCESSES MANUAL**

*Version 2: AUGUST 2013*

### **1. INTRODUCTION**

The purpose of this document is to set out the policies and procedures that govern the operations of the South African NIE to the Adaptation Fund. This document will be amended from time to time, as policies and procedures are amended and/ or added.

### **2. BACKGROUND**

The Adaptation Fund (AF) was established by the Parties to the Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC), as a mechanism to finance concrete adaptation projects and programmes in developing country parties. The fund is capitalised mainly from a percentage of proceeds of the Clean Development Mechanism. It was specifically initiated to assist developing countries in meeting the costs of adaptation, and to finance concrete projects and programmes that are country driven.

Adaptation Fund resources are accessed via Multilateral Implementing Entities (MIEs) and National Implementing Entities (NIEs). Adaptation projects and programmes are developed by executing entities, under the oversight of implementing entities, either MIEs or NIEs.

In late 2011, with the endorsement of the Department of Environmental Affairs (DEA), SANBI successfully met the criteria of the global AF Board to achieve the accreditation to be a NIE. As South Africa's NIE, the South African National Biodiversity Institute (SANBI) is responsible for vetting and endorsing project and programme proposals, and will disburse resulting funding released from the AF in the event a proposal is successful. SANBI also has full responsibility for overall management of projects and programmes including financial, monitoring and reporting responsibility.

All projects and programmes will need to align with the results framework of the AF and meet its eligibility criteria (see <https://www.adaptation-fund.org/document/results-framework-and-baseline-guidance-project-level>). Within this framework, South Africa is able to focus its programme of investment.

### **3. NIE ADMINISTRATION**

(DECISION 2013:1, LETTER TO SANBI FROM THE ADAPATION FUND DATED SEPTEMBER 7, 2011; NOTED AT NIE SC MEETING OF 31 JANUARY 2013)

#### **NIE Secretariat**

Following nomination by DEA, and after a lengthy application process, SANBI was accredited as South Africa's National Implementing Entity (NIE) to the Adaptation Fund in September 2011. The NIE Secretariat is housed within SANBI's Climate Change Adaptation Division. The operations of the NIE Secretariat are governed by SANBI's policies and procedures.

#### **4. NIE GOVERNANCE**

(DECISION 2013:2, NOTED AT NIE SC MEETING OF 28 FEBRUARY 2013)

##### **NIE Steering Committee**

The NIE is supervised by the NIE Steering Committee.

The NIE Steering Committee is Chaired by the CEO of SANBI. In the event of the unavailability of the SANBI CEO to chair a meeting, Prof Guy Midgley as Chief Director of the Climate Change Adaptation Division will serve as alternate Chair. It comprises mandated individuals from the following institutions and networks, who are invited to join the SC by way of a formal invitation from the Chair of the SC.

- DEA
- SANBI
- Treasury
- National Planning Commission
- The Adaptation Network

Members are expected to provide support to the NIE, attend steering committee meetings, and to contribute to the agenda and discussions.

##### **Objectives of the Steering Committee**

The objectives of the NIE Steering Committee are as follows:

- Support SANBI to ensure overall compliance with the spirit, policies and procedures of the Adaptation Fund
- Support the NIE to build a coordinated adaptation response that delivers tangible outcomes
- Guide the development of and endorse the NIE investment strategy, ensuring optimal linkages with the policy environment and that projects are driven by country needs
- Set up and oversee the project review process, including guiding the development of terms of reference for reviewers, setting up the review panel, and considering the recommendations of reviewers.
- Endorse projects for submission to the Adaptation Fund, ensuring appropriate linkages with Adaptation Fund criteria and facilitating appropriate consultation with and, where necessary, endorsement from relevant spheres of government. From time to time this may involve promoting agreement on the roles of relevant institutions in implementing AF projects and facilitate the resolution of disputes among project partners.
- Promote cooperation between relevant South African Institutions and funding agencies to enhance synergy and avoid duplication between adaptation efforts, to leverage additional resources where

appropriate, and to support information management and flows between and feedback between the NIE and the NCCC and IGCCC and contribute towards climate finance and climate change adaptation policy development.

### **Meetings of the NIE Steering Committee**

The NIE Steering Committee meets according to an agreed schedule that responds to the programmatic needs of the NIE and at least twice yearly. The NIE will provide logistical and administrative support to Steering Committee meetings.

## **5. GRIEVANCE PROCESS AND DISPUTE RESOLUTION**

(DECISION 2013:4, AGREED AT THE NIE SC MEETING OF 12 JULY 2013)

Any objections that stakeholders wish to raise in respect of the work of the NIE should first be raised with the NIE Secretariat. If not resolved at this level, these could be forwarded to the NIE SC, via the Chair. Should the matter still not be resolved, objections should be sent to the DG of DEA for final arbitration and resolution.

## **6. NIE INVESTMENT FRAMEWORK**

(DECISION 2013:2, NOTED AT NIE ISC MEETING OF 28 NOVEMBER 2012; NOTED AT NIE SC MEETING OF 28 FEBRUARY 2013)

A nominal country cap of \$10 million has been set for developing country parties by the AF – subject to funds remaining in the fund. Projects can be 3 – 5 years long.

This limited level of funding provides a key opportunity for South Africa to learn how to develop, resource and implement adaptation projects, gear up for scaled up implementation, and demonstrate how investments in climate change adaptation can deliver tangible and lasting benefits to those who are most vulnerable to climate change. In this way, successful project outcomes will provide a foundation for future investments in climate change adaptation

In support of these learning outcomes, the NIE will support the development of a community of practice to ensure that knowledge and experiences are shared, and will endeavour to capture and publish case studies to assist further adaptation efforts. We will also seek opportunities for sharing experiences with other NIEs and implementers in other countries.

In our efforts to build a coordinated adaptation response that delivers tangible outcomes, the NIE will work with project proponents to build between one and three integrated projects that support these learning and demonstration objectives. The NIE will be investigating the possibility of one of these projects being a small grants facility whereby vulnerable communities can directly access project funds.

Projects that are supported must align with the AF results framework and will need to meet the eligibility criteria that are set out below:

### **Concrete and tangible results**

Projects must support concrete adaptation actions. Projects should increase the resilience of communities to climate change and decrease climate related vulnerability, at present and into the future. They should focus on high impact and vulnerable areas. Supported by the best-available science, all proponents must be able to demonstrate that their interventions are responses to climate change and not business-as-usual.

### **Co-benefits and focus on vulnerable communities**

Projects must provide economic, social and environmental co-benefits, with particular reference to the most vulnerable communities, including gender considerations. Investments should benefit communities in

geographic areas that are most vulnerable to climate change at the local level, and in lasting ways. Gender considerations should be mainstreamed in all stages of the project cycle.

### **Linkages**

Projects must align with and be guided by national and local policies, plans and priorities concerning climate change (especially the White Paper and Second National Communication), sustainable development, poverty reduction and the green economy, and should demonstrate multi-disciplinary approaches and cross sectoral linkages. Where possible, projects should align with and complement – but not duplicate - related climate and other initiatives, as a mechanism of leveraging additional funding and as part of a process of achieving improved coordination and integration.

### **Partnerships**

Projects should support sustainable partnerships between government, communities and individuals that continue once projects are completed. Vertical and horizontal integration should be promoted. Relevant stakeholders should be involved and engaged at all stages of the project identification, planning and implementation processes. Climate change champions and ambassadors, including leaders from rural areas, could be identified to support the process.

### **Cost-effectiveness, sustainability and replication**

Projects must be cost effective and must be able to provide justification for the funding requested on the basis of the full cost of adaptation. Projects should contribute to long term outcomes and should be sustainable beyond the AF investment period, and should be replicable and scale-able.

### **Knowledge management and learning**

Project should seek to capture lessons and to build local capacity and awareness, empowering citizens and decision makers to develop and implement climate change adaptation responses.

## **7. PROJECT CONCEPT APPLICATION PROCESS**

(DECISION 2013:3, NOTED AT NIE ISC MEETING OF 28 NOVEMBER 2012; NOTED AT NIE SC MEETING OF 28 FEBRUARY 2013)

Taking its lead from the AF itself, the NIE project approval process (see **Figure 1**) will be accessible and transparent. The NIE will call for the submission of project concepts. These will be reviewed with the support of a qualified and experienced review panel, and applicants will be notified of the outcomes. In order to build a coherent programme of investment, and to provide an opportunity for organisations who may not qualify as Executing Entities to participate in and implement components of AF investments, the NIE may request successful applicants to partner and collaborate.

The NIE Secretariat will support successful applicants to develop project concepts more fully into the format this is required by the AF. These will be submitted to the AF for approval.

The Adaptation Fund makes an effort to make the project cycle simple, and this process is clearly explained on the AF website and in supporting materials. The Adaptation Fund Board meets four times a year to consider project applications, and concepts must be submitted 9 weeks ahead of board meetings.

**FIGURE 1: NIE PROJECT DEVELOPMENT PROCESS**

