

ADAPTATION FUND, SOUTH AFRICA

INVESTMENT FRAMEWORK

THE ADAPTATION FUND

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.

SOUTH AFRICA'S INVESTMENT STRATEGY

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.

THE APPLICATION PROCESS

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 CONCEPT DEVELOPMENT PROCESS

