

Case Study 5



Clockwise: Small Grant Recipients and Technical Advisory Group members in the Mopani District during a breakout group session aimed at building capacity on how to develop projects that comply with the Adaptation Fund's Environmental and Social Safeguards (Photo: SANBI); Heat and drought tolerant climate-resilient livestock that were introduced in the Leliefontein and Kamiesberg communities, Namakwa District (Photo: SANBI); An established climate-smart communal garden in the Mamanyoha Village has introduced drip irrigation techniques to irrigate agricultural produce, Mopani District (Photo: SANBI).

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Above left: Project implementation partners of the CA SGF project with livestock farmers in the Ga-Ntata Village learning about water security challenges, Mopani District (Photo: SANBI); Above right: An officer from Conservation South Africa during a participatory project development workshop with project applicants in the Namakwa District (Photo: SANBI).



Key Messages

For the vision of the Community Adaptation Small Grants Facility (CA SGF) project to be realised, capacity development and guidance was critical to support applicants to achieve the level of planning required for a climate change adaptation project. Some key findings from the application process include:

- Input from the Facilitating Agencies enabled better proposal development which was more in alignment with the criteria and overall goals of the CA SGF project. It also helped the review process to be more streamlined.
- The most difficult criteria for the applicants to articulate were the minimum requirements to prove they were a climate change adaptation project, that their project approach used funds efficiently, and that the project was compliant with all required safeguards and could be sustainable.
- Applicants struggled to articulate their theory of change to describe their project impacts fully; this, therefore, required a significant amount of input.
- Peer-learning improved applicants' ability to present their project concepts.

Project Overview

The "Taking Adaptation to the Ground: A Small Grants Facility for enabling local level responses to climate change" project (known as the Community Adaptation Small Grants Facility project) was funded by the Adaptation Fund in 2014. The project sought to pilot a new mechanism of Enhanced Direct Access for local level climate change adaptation in South Africa, with a broad goal of understanding how such a mechanism could be scaled and replicated in the future.

The objective of the project was to increase resilience and reduce the vulnerability of local communities who are most vulnerable to climate change through building capacity and empowering these communities to identify and implement adaptation measures. It aimed to facilitate the inclusion of climate change adaptation responses into local practices so that assets and livelihoods would be protected from local climate-induced risks associated with expected dry spells and droughts, seasonal shifts and storm-related disaster events. The emphasis was to support projects that harnessed local knowledge and creativity, integrated climate science, addressed gender disparities and ultimately generated tangible adaptation responses.

Project Overview (Continued)

The Community Adaptation Small Grants Facility project targeted vulnerable, rural communities in the Namakwa District in the Northern Cape and the Mopani District in Limpopo, South Africa. The project offered grant sizes of approximately US\$100 000 to communities for the implementation of tangible climate change adaptation responses that were identified locally. The project was approved as a four-year pilot project but was extended to over five years to accommodate unforeseen delays.

Supporting Successful Grant Applications

The Adaptation Fund is an international fund that was established under the Kyoto Protocol of the United Nations Framework Convention on Climate Change. Since 2010, the Adaptation Fund has financed projects and programmes that help vulnerable communities in developing countries adapt to climate change. Such programmes are based on country needs, views and priorities. In South Africa, the Adaptation Fund funded a four-year pilot project called Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change or the CA SGF project. The CA SGF project was managed through the South African National Biodiversity Institute as the National Implementing Entity, and SouthSouthNorth as the Executing Entity. It was implemented in two districts in South Africa, the Namakwa District in the Northern Cape and the Mopani District in the Limpopo Province, to pilot Enhanced Direct Access to adaptation finance.

This Enhanced Direct Access approach was established as a direct response to South African stakeholders who called for a mechanism which empowers local communities to conceive and drive local adaptation responses to ensure that there are tangible benefits for the most vulnerable community groups. Despite the desperate need for Enhanced Direct Access type interventions at a larger country scale, a national vulnerability assessment (Turpie and Visser 2012)¹ revealed that the Namakwa and Mopani Districts were highly vulnerable to climate change and were therefore prioritised as the target areas for this pilot project (Figure 1). Conservation South Africa and CHoiCe Trust are the two Facilitating Agencies who supported the grant recipients on the ground in the two districts with project development, implementation, and monitoring and evaluation.

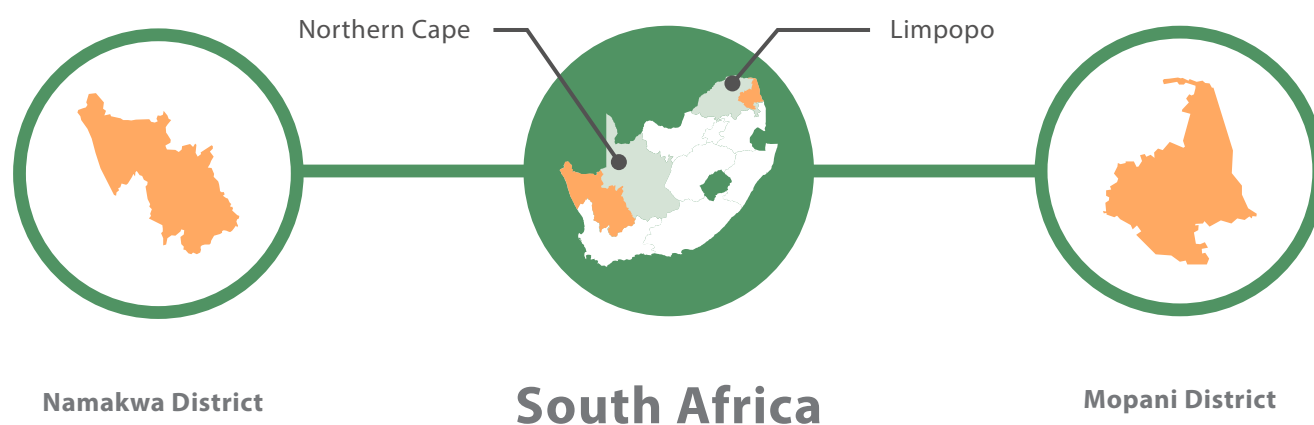


Figure 1: Map of South Africa showing the two project target areas for the CA SGF project: the Namakwa District (Northern Cape Province) and the Mopani District (Limpopo Province).

¹Turpie, J and Visser 2012. Chapter 4: The Impact of climate change on South Africa's rural areas. Technical Report: Submission for the 2013/4 Division of Revenue by the Financial and Fiscal Commission. Accessed at <http://www.ffc.co.za/index.php/reports/technical-reports>. (20 March 2014)

The CA SGF project was structured to capitalise on expertise from a variety of entities to support Small Grant Recipients. The Facilitating Agencies for the project were local Non-Governmental Organisations based in the two sites and provided local expertise and ongoing support for project implementation and administration. The Executing Entity undertook all programme management including managing the project approval process, financial disbursements, and consolidated reporting. The National Implementing Entity was responsible for oversight and

overall management of the project and reported directly to the Adaptation Fund on the project outcomes. Finally, the Department of Forestry, Fisheries and the Environment was the National Designated Authority. The Department of Forestry, Fisheries and the Environment oversaw the governance with national and provincial authorities to ensure alignment with the country's adaptation priorities. The CA SGF project management structure is outlined below in Figure 2.

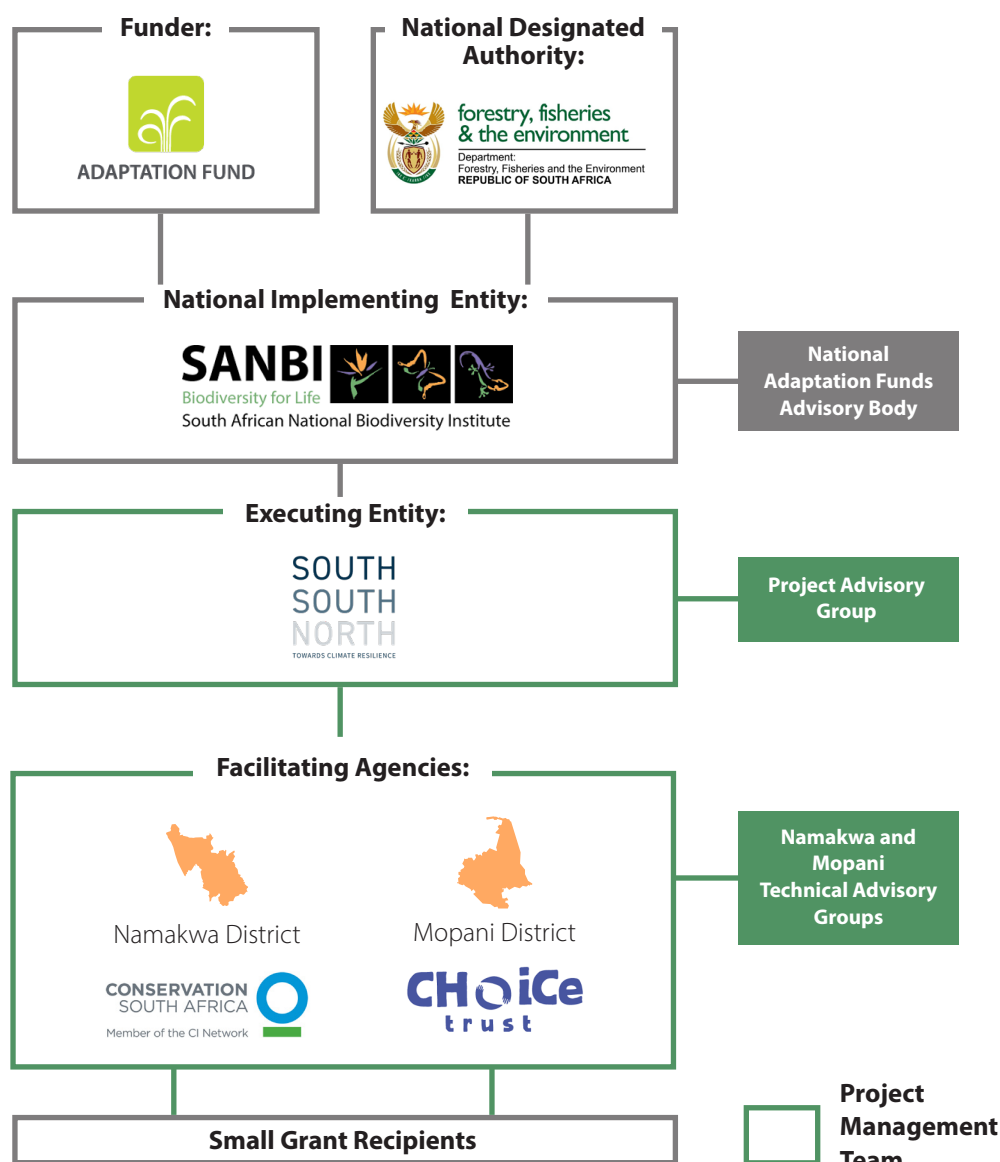


Figure 2: CA SGF project management & execution.

Purpose of this Document

South Africa is fortunate to be given the opportunity to pilot this Enhanced Direct Access mechanism via the CA SGF project. This document captures our lessons on the tools we have used for enhancing direct access to adaptation finance for vulnerable communities. This case study provides an overview of two approaches taken for the solicitation and development of projects over two different stages of implementation of the CA SGF project in Namaqualand. It also reflects on the lessons learned and the outcomes of the two different approaches. The approaches were as follows:

1. Round One: Broad call and independent project preparation by grantees, where the Facilitating Agencies played a project assessment/screening role only.
2. Round Two: More targeted call for proposals and a workshop-facilitated project preparation and development phase by the Facilitating Agencies with the potential grantees, where project proposal development and writing occurred, with inputs from expert stakeholders.

Context for Project Development

The basic criteria and operational governance procedures in both processes remained consistent:

1. Eligibility criteria that applicants needed to fulfil in order to apply for funding under the CA SGF project (see Table 1);
 - Notably, one criterion was reconsidered in the second round /call for proposals relating to 1.3 in Table 1: "Small Grant Recipients must have previous positive experience receiving a combination of funds in the order of R250 000 per year over a period of at least two years";
2. CA SGF project granting process which included two stages from project concept development to detailed proposal approval (see Figure 3); and
3. CA SGF project contracting stage (Stage 3 in Figure 3).

Below left: Representatives from local and national government during an Intra District Learning Event for community-based organisations on developing climate change adaptation projects, Mopani District (Photo: SANBI). Below right: A representative from the Gondwana Alive project sharing best practice project development and experiences from the Biodiversity and Redmeat Cooperative's Land & Livestock Adaptation project, Namakwa District (Photo: SANBI).



Table 1: Eligibility criteria for Small Grant Recipients and their projects funded by the CA SGF project.

Small Grant Recipient Criteria	1.1	Applicants must be registered organisations with a South African bank account.
	1.2	Applicants must be South African institutions with proven project implementation experience over the last 2-5 years .
	1.3	Applicants must have previous experience and the capacity to receive, manage and audit project funds for a period of at least two years .
	1.4	Civil society organisations must be fully involved in the project management of the small grant project.
	1.5	Organisations must have women included in their project management structures .
	1.6	Small Grant Recipients must have proof of land or asset ownership, and/or sustainable land tenure or permission e.g permits and licences to carry out proposed activity, as relevant.
	1.7	Small Grant Recipients must have a clear mandate from anticipated beneficiaries and local community stakeholders to work in the project target areas on the identified project activities.
	1.8	Small Grant Recipients will be required to take part in learning and knowledge sharing events .
	1.9	Small Grant Recipients may only receive one small grant from the Community Adaptation SGF. (NOTE: Organisations may submit more than one idea for consideration in initial calls for concepts, but no organisation will receive multiple grants).
	1.10	Preference will be given to small grant projects led by civil society organisations .
	1.11	Where there are capacity gaps in the applicants organisations we encourage the development of partnerships to meet the project implementation needs.
	1.12	Preference will be given to Small Grant Recipients that have established long-standing relationships with communities in the Namakwa or Mopani District Municipality.
Project criteria	2.1	The proposed project must be a climate change adaptation response
	2.2	Small grant projects must be located in rural/semi-rural project target areas in Namakwa District Municipality, or Greater Giyani or Greater Letaba in the Mopani District Municipality
	2.3	Small grant projects must align with at least one of the three Community Adaptation SGF Investment Windows: Climate Smart Agriculture; Climate-Resilient Livelihoods; and Climate-Proof Settlements .
	2.4	Small grant projects must show an efficient use of resources (i.e. include value for money principles).
	2.5	Small grant projects must benefit vulnerable, local communities, and especially women and youth .
	2.6	Small grant projects must beneficiate an average of 50 direct beneficiaries per project
	2.7	Small grant projects should fit within the broader development context (provide economic, social, and/or environmental co-benefits) of the area .
	2.8	Small grant projects must not leave anyone worse off as a result of the project and will be screened for compliance with the Adaptation Fund's Environmental and Social Safeguards.
	2.9	Small grant projects will be sustainable and ideally be replicable and/or scalable in other communities.



Figure 3: Flow diagram showing the initially design stages of the CA SGF project's small granting process.



Facilitating Successful Project Development

Round One: Broad call followed by independent grantee development

The CA SGF project team held a briefing meeting with potential stakeholders in each District in February 2014 to build awareness about the future call for proposals. The meeting was received positively, and many participants began to engage with the Facilitating Agency on potential project development. Unfortunately, to allow for simultaneous operations in the Mopani District and to ensure all institutional arrangements were in place, the first call for concepts was made 18 months later in September 2015 and by then much of the momentum from this original meeting was lost.

The call itself was very broad, but spoke to the overall proposal which aimed to address any of the three investment windows, namely Climate-Resilient Livelihoods, Climate-Proof Settlements and Climate-Resilient Agriculture. The call directed potential applicants to documents where further information could be obtained. Briefing sessions were held again in each District to address any questions, and applicants could contact the Facilitating Agencies via phone or email for further assistance and information. The deadline for submitting concepts was November 2015, three months after the call.

Concepts were approved in December 2015 and applicants were invited for full proposal development or provided with suggestions on phasing projects. During this stage, the applicant received feedback and queries from various project partners (Facilitating Agency, Executing Entity and external reviewers) via the Facilitating Agency. Applicants found this quite frustrating and often did not have the capacity to handle these queries on their own, even when interpreted by the Facilitating Agency or Executing Entity. At this stage, although the Facilitating Agency could filter questions and provide some understanding around what was required, grantees struggled to address some questions. The extent to which the Facilitating Agency should be involved in the proposal writing process was also not clear; this was an important lesson for the second round, where more support was provided. Grantees received funds to hire consultants to strengthen their proposals, which proved to

be useful in highlighting issues upfront but caused a delay to the start of projects.

The most difficult criteria for the applicants to articulate were:

- The minimum requirements to prove they were a climate adaptation project (criteria 2.1);
- That their project approach was an efficient use of funds (criteria 2.4);
- That the project was compliant with all required safeguards (criteria 2.7); and
- That the project would be sustained after the life of the project funding (criteria 2.9).

Applicants had good concepts but limited knowledge of, or experience with, climate change studies, budget narrative development, safeguard concepts, or articulating sustainability plans. They also struggled with some of the concepts outlined in the proposal template, specifically relating to the project summary table, where they were asked to link their concept problem statement with climate change adaptation, specific outputs and project activities. Some grantees were able to articulate this better than others, depending on their experience.

The applicants also struggled to articulate their theory of change to fully describe their project impacts and a significant amount of input was required from the Facilitating Agency in supporting this understanding. In all final project proposals approved from Namakwa, decisions and recommendations were provided by the Facilitating Agencies via email and phone calls and proved to be challenging for the applicants, especially regarding the level of detail required at this stage. While all grantees felt that they had learned from the process, their reflections highlighted that it was inefficient and complex. Four proposals were approved through this process for the Namakwa District in April 2016. One of the project proposals was declined but invited to do further revisions and stakeholder engagement and to resubmit in the second call if they wished to.

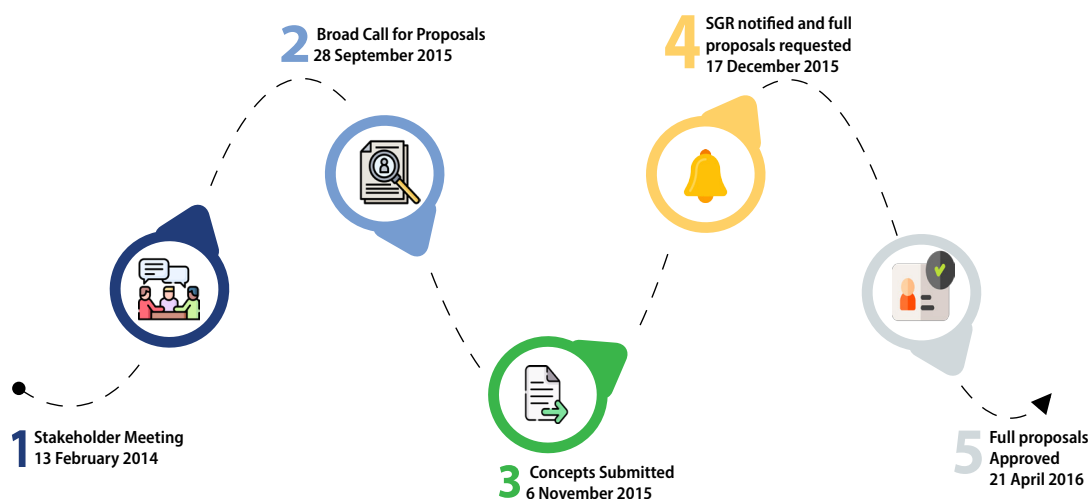


Figure 4: CA SGF project first round proposal development process.

Round Two: Targeted call and workshop-facilitated project development

For the second call for proposals in February 2017, the CA SGF project team focused on under-represented project areas, namely climate resilient livelihoods and climate-proof settlements. The call and instructions were more specific for this round and provided applicants with greater guidance. Additionally, the Namakwa Facilitating Agency proposed a change in the project development process to shorten the turnaround time from Stage one to two, and to enhance the input and support provided by Facilitating Agency and experts in the detailed proposal phase.

The alternative process that was implemented involved using a facilitated workshop involving the applicants as well as the Executing Entity, Facilitating Agency, and relevant external experts. Where possible, the Namakwa District Municipality joined the workshop to help the successful applicant move from the concept stage to the detailed proposal and budgeting sections, the challenging components from Round one. At these workshops, the applicant was invited to give a presentation on their proposed project and a discussion ensured a clearer and more comprehensive understanding of the undertaking and the context of implementation in the proposed community. Once all queries around the project were clarified, experts and project partners in the room gave input to help strengthen the proposal for submission and reduce the likelihood of additional queries from reviewers.

Experts invited to the workshop had specific knowledge in the most challenging criteria from the first round. A climate specialist, an architect who could speak to value-for-money design options, and the technical team of the Facilitating Agency and Executing Entity supported the projects at the workshop with extensive input on the project and their application. Additionally, project grantees from round one also participated and shared lessons with new applicants on how they “translated donor-speak” into a language they could understand, effectively localising the proposal development process. By the end of the workshop, each applicant had a draft proposal which contained input from experts and was ready for submission to external reviewers and the Project Advisory Group for final approval.

It was also decided at the Project Advisory Group that at least one of the experts that had been part of the workshop would form part of the other two external reviewers outsourced to review the detailed proposals. The advantage was that one of the reviewers had at least seen the project concept and fully understood the context but still had the opportunity to make further comment once the detailed proposal was drafted. After the workshop, the Facilitating Agency then worked closely with the applicants to ensure all comments from the workshop were adequately addressed in the detailed proposal (Stage 2). The proposal template also changed to allow for more focused input and links between the proposals and climate change adaptation; it

removed the need for in-depth theories of change, but still showed detail in the required activities. It also included key focus areas, namely sustainability, beneficiary selection and past project experience.

The Facilitating Agency, learning from their experiences from the first round, was able to facilitate more in-depth and better-interpreted input into the project proposals. This assistance was more aligned with the criteria and overall outcomes of the CA SGF project, which helped the review process to be more streamlined and allowed for better proposal development.

Feedback sessions with the applicants indicated a positive response to both the easier template (one applicant had been part of both rounds) and this workshop-based approach to proposal development. Applicants reported

that they felt well supported in the proposal development phase, and there were fewer questions asked in the review processes. In the group where two projects shared a focus on agriculture, the applicants expressed that they learned from hearing the other project's presentation and feedback. Since this change in process, the Facilitating Agency noticed that the proposals were generally stronger. This made the decision-making process simpler and therefore shortened the timeframe of the proposal process. The Project Advisory Group approved two of the Small Grant Recipients in June 2017, and they were finally approved by the National Climate Funds Advisory Body in July 2017. One of the Small Grant Recipients was required to provide more details in their proposal. Following from the time of approval, the Small Grant Recipients experienced delays in the contracting process. For some, this process took up to a year.

From project approval to contracting

In both scenarios, an additional challenge was meeting the administrative requirements for contracting. The criteria required by the Adaptation Fund are extensive and small community groups in Namakwa were often not able to meet these, for example, in terms of having the requisite tax clearance, or audited financials. This led to extensive delays in implementation and, to avoid negating the "time-saving" that the workshop process provided, a review is

recommended on how to address these issues. One option put forward is for a Facilitating Agency or the Executing Entity to "incubate" a project until all the necessary capacities are in place for good project delivery. Another option could be to organise a similar workshop with the correct authorities to fast-track some of the administrative hurdles needed for contracting.

Conclusion

Capacity development and guidance was critical to achieving the vision of the CA SGF project and Enhanced Direct Access. The change in the project proposal process enhanced the level of support provided to applicants in Namakwa for developing concepts and robust proposals. The findings from this project could be beneficial for

other entities seeking to support Enhanced Direct Access for small community organisations. Future innovations in building administrative capacity are encouraged to assist other Community-Based Climate Change Adaptation projects which may face similar challenges.

Below: Heat and drought tolerant climate-resilient livestock that were introduced through the implementation of the Biodiversity and Redmeat Cooperative's Land & Livestock Adaptation project, Namakwa District (Photo: DFFE).



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