

# SMALL GRANTS FACILITY

*Responding to climate change*



## Cascading Compliance:

Lessons on achieving compliance within the Adaptation Fund's Environmental and Social Policy requirements

### Case Study 9



*Clockwise: A project beneficiary from the Ramotshinyadi HIV/AIDS Youth Organisations showing the importance of complying with health and safety measures in the established communal garden at Mamanyoha Village, Mopani District (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: A Ga-Ntata community member collecting water from an earth dam in the Mopani District (Photo: SANBI); Above right: A biogas digester installed at the Vuhehli village to support Climate-Smart Farming Agricultural techniques in the Mopani District (Photo: SANBI).



## Key Messages

A range of compliance and risk management requirements accompanied the channelling of international funds to the grassroots level. One compliance cornerstone of the CA SGF project was the Adaptation Fund's Environmental and Social Policy. An exploration of the practical translation of compliance mechanisms developed at a global level into implementation at the grassroots yielded the key learnings below.

- Small granting projects should be screened through a well-understood and consistent measure for potential environmental and social impacts prior to contracting. Clear communication regarding the interpretation and understanding of potential environmental and social impacts should be provided to grant applicants.
- Adequate resources should be allocated to the local implementers required to ensure community organisations build administrative capacity to undertake compliance activities with the expected rigour.
- Proportionality should be applied to Environmental and Social Policy assessments, focusing on the principles most relevant to risk identification and management in a particular project.
- A flexible approach that recognises local knowledge and practices is critical for responding to risk management requirements. Community-based organisations may have local and indigenous knowledge that should be valued alongside expert opinions.
- Local implementers require clear and practical instructions, including minimum standards, to apply the Environmental and Social Policies in practice. There is a need for clarification on the implementation of the Environmental and Social Policies, including minimum standards, for local implementers to apply these in practice.
- Small granting programmes benefit from taking a low-risk approach by selecting adaptation activities with minimal negative environmental and social impacts.
- Appropriate screening and assessment of small granting projects using the Environmental and Social Policies can avoid potential pitfalls and add value to projects.

## 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.

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.

# Compliance and Practice Within the Context of a Small Grants Facility

## Context and background

A range of compliance and risk management requirements accompanied the channeling of international funds to the grassroots level. Meeting these obligations presented both challenges and a unique opportunity to learn and enhance capacity. Adherence to the compliance requirements of this project significantly impacted how the Small Grant Recipients' projects were implemented.

One compliance cornerstone of the CA SGF project was the Environmental and Social Policy. This case study aims to use the principles of the Environmental and Social Policy to

explore what it means to translate a compliance mechanism developed at a global level into implementation at the grassroots level, including what is needed to adhere to such requirements. Notably, this requires a context of functional governance and for projects to build in the time, cost and capacity at the local level to respond to these requirements. It also requires flexibility in approach that recognises local knowledge and practices. CA SGF project learning will be illustrated using specific examples of Small Grant Recipients adhering to the Environmental and Social Policy principles and the effects that this had on project implementation.

## The Adaptation Fund's environmental and social policy

Projects and programmes supported by the Adaptation Fund need to demonstrate compliance with its Environmental and Social Policy and Gender Policy to ensure that the projects promote “environmental and social benefits and mitigate or avoid adverse” risks. A summary of the Environmental and Social Policy Principles are detailed in Figure 1. These principles are based on the highest risks<sup>1</sup> identified by the Adaptation Fund when designing and implementing adaptation projects<sup>2</sup>. The Adaptation Fund has developed guidelines for applying and reporting on the protection of these safeguards during project implementation and monitoring<sup>3</sup>.



Figure 1: The 15 Environmental and social policy principals that all projects and programmes supported by the Adaptation Fund must meet.

<sup>1</sup> [https://www.adaptation-fund.org/wp-content/uploads/2018/03/Final\\_AFB.EFC\\_.22.4\\_Efficiency-and-effectiveness-of-the-accreditation-process\\_12March2018.pdf](https://www.adaptation-fund.org/wp-content/uploads/2018/03/Final_AFB.EFC_.22.4_Efficiency-and-effectiveness-of-the-accreditation-process_12March2018.pdf)

<sup>2</sup> <https://climatefinanceready.org/meeting-adaptation-funds-environmental-social-gender-requirements-expert-insights/>

## Approach to assessing the Environmental and Social Policy

At the time that the South African National Biodiversity Institute submitted their CA SGF project proposal to pilot an Enhanced Direct Access mechanism for sub-granting at the local level, there was little precedent for the Adaptation Fund to approve projects without the activities being pre-defined and their potential impacts assessed. However, the Adaptation Fund updated their guidance document in 2016, which now advises on the approval of projects in certain circumstances where the full environmental and social risks have yet to be identified, as in the case of setting up a granting facility. Such activities are termed Unidentified Sub-Projects and Implementing Entities must ensure the same level of risk identification and mitigation as if they were identified prior to project submission through the inclusion of an Environmental and Social Management Plan. The Adaptation Fund notes in its guidance for 'Unidentified Sub-Project' that this may require substantial work, and require the services of specialists, with corresponding resource allocation implications. Environmental and Social Policy compliance is the responsibility of the Implementing Entities, including reporting on progress to the Adaptation Fund.

The design of the CA SGF project placed particular focus on screening for potential environmental and social risks, aiming to mitigate unintended negative impacts on an ongoing basis. The selected small grant projects had minimal risks after mitigation, in part due to the small and localised nature of the projects but also due to the carefully framed project requirements in the CA SGF project's own set-up and founding guidelines, avoiding applications which required implementing an Environmental Impact Assessment against proposed activities. Furthermore, the Small Grant Recipient selection process prioritised projects that supported vulnerable, local communities, especially women. Grant applicants were required to show at the outset how their project management structures included women.

The CA SGF project's Environmental and Social Policy assessment procedures were not finalised when the project commenced. All small grant proposals were screened

against the Environmental and Social Policy principles and included activities related to mitigating identified Environmental and Social Policy risks. During the first year of implementation, CA SGF project grant recipients' projects were assessed against Environmental and Social Policy compliance every quarter using a simple one-page template. The Environmental and Social Policy evaluation process entailed a feedback loop that began with an assessment of activities at the grant recipient project level with support from the Facilitating Agencies followed by the review and identification of mitigation measures by the Executing Entity and the National Implementing Entity. Feedback from this process was passed back down the chain to local project partners who would develop and integrate the necessary mitigation measures into their project design and implementation.

In 2017, the South African National Biodiversity Institute applied for an Adaptation Fund Technical Assistance Grant for the Environmental and Social Policy and Gender Policy to develop an Environmental and Social Policy Toolkit and Guidance Document to support the implementation of Adaptation Fund -funded projects. The resultant toolkit included a "Risk Dashboard" that was tested with the Small Grant Recipient projects in the second year of project implementation but proved challenging for the local project partners to implement and seemed to require additional documentation for risk management activities. The project reverted to simpler reporting formats thereafter, which took place on an annual basis with assistance from the South African National Biodiversity Institute staff during field visits.

Despite significant support from the National Implementing Entity as well as the Executing Entity and Facilitating Agencies, Environmental and Social Policy compliance was a challenge throughout the lifespan of the project. Some of the challenges and practical examples are highlighted in the section below, followed by opportunities that emerged as a result of the implementation of the Environmental and Social Policies.

<sup>3</sup> [https://www.adaptation-fund.org/wp-content/uploads/2016/07/ESP-Guidance\\_Revised-in-June-2016\\_Guidance-document-for-Implementing-Entities-on-compliance-with-the-Adaptation-Fund-Environmental-and-Social-Policy.pdf](https://www.adaptation-fund.org/wp-content/uploads/2016/07/ESP-Guidance_Revised-in-June-2016_Guidance-document-for-Implementing-Entities-on-compliance-with-the-Adaptation-Fund-Environmental-and-Social-Policy.pdf)

<sup>4</sup> [https://www.adaptation-fund.org/wp-content/uploads/2019/04/AFB.B.32-33.7\\_Compliance-with-ESP\\_Update-of-PPR\\_and\\_Guidance-for-USPs\\_revised.pdf](https://www.adaptation-fund.org/wp-content/uploads/2019/04/AFB.B.32-33.7_Compliance-with-ESP_Update-of-PPR_and_Guidance-for-USPs_revised.pdf)

# Case Study

## Challenges

The challenges experienced in implementing the Adaptation Fund's Environmental and Social Policies were primarily the result of a lack of clear roles and responsibilities. Furthermore, there were differing perspectives regarding their practical translation and application. One outcome, common to these challenges, was the unanticipated

time and effort required by personnel at all levels of the programme, resulting in under-funding of the resources required to meet the obligations. The specific challenges, with examples and some solutions, are provided in the following section.

## Environmental and Social Policies resulting in additional activities

Different project partners had varying perspectives on the Environmental and Social Policy compliance process. The National Implementing Entity interpreted the Environmental and Social Policy principles as broad principles of good practice that should apply to any development and adaptation project and indicated that these principles should not necessarily require any additional activities from the grant recipients. Largely based on principles of human rights and international convention, the Environmental and Social Policy was believed to be a logical articulation of internationally established practices that transcend context.

The Small Grant Recipients, by contrast, expressed frustration throughout the project about the compliance reporting being cumbersome and irrelevant. Grant recipients voiced within the CA SGF project learning workshops and in quarterly project reports that the Environmental and Social Policy reporting process was viewed as a separate and additional burden. The grant recipients expressed that the compliance reporting requirements were too stringent and they were unaccustomed to providing the level of documentation required to demonstrate compliance. The compliance requirements, alongside the relative inexperience of the grant recipients, required significant effort towards documentation and reporting from both the Small Grant Recipients and the supporting Facilitating Agencies. The challenges were significantly exacerbated

by the evolution of the compliance assessment process through the course of the project, as some of the Environmental and Social Policy principles were more strictly enforced or required additional documentation later in the project.

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**If compliance takes so much time, it should be relevant to the project. Communities want to adapt, they are ready to do the work, so let's avoid the bureaucracy. There should be simplification and greater clarity related to the Environmental and Social Policies.”**

**Small Grant Recipient, Inter-district Learning Event, June 2019**



The project's Environmental and Social Policy assessment process would likely have run more smoothly if, from the start of the project, all relevant partners had a clearer understanding of the Environmental and Social Policies. Furthermore, it would have been beneficial for a functioning system for monitoring and enforcement to have been in place from the initial stages of the project. The two Facilitating Agencies played an important supportive role by interpreting the Environmental and Social Policy requirements and responding to queries from the Executing Entity and National Implementing Entity. The negative experience expressed by the Small Grant Recipients could have potentially been avoided if the support and messaging

had been consistent and applied evenly throughout the project to ensure the practical application of Environmental and Social Policy compliance was relevant and the benefits well understood by Small Grant Recipients.

It is, however, easy to understand a certain level of scepticism, when compliance is cascaded to a local situation, and where enforcement of national regulations is lacking. There is an understandable level of frustration at the top-down approach of an implementing entity giving instructions on how things should be done (or documented) at the local level, where ways of working may be different.

### ***Example: Developing beneficiary selection plans***

All Small Grant Recipients were obliged to formulate a beneficiary selection process. For some of the early projects in Namakwa District, many of which entailed ongoing work with existing beneficiary groups, the process was not necessarily well-articulated and documented. The 'Two Communities Adapting Together' project included the option for some households in a community to install rainwater-harvesting tanks as an adaptation measure. Concerns were raised about Environmental and Social Policy principles 2 (Access and Equity) and 3 (Marginalised and Vulnerable Groups) regarding how beneficiaries were

selected and how these resources would be shared with others in the community in the case of limited water resources. The grant recipient felt this triggered additional work (for no added value) as they were required to document a beneficiary identification and selection plan and run training on resource sharing when the community already had experience with rainwater tanks and the sharing of resources was not an issue. Despite this additional workload, the grant recipients acknowledged some value in the beneficiary selection process and formalising existing practice.

### ***Example: Clearing alien invasive species in the Ga-Ntata Community dams***

During the earth dam refurbishment undertaken by Tsogang Water and Sanitation in Mopani District, it emerged during the Environmental and Social Policy assessment process that there were invasive alien species in the area that had been allowed to proliferate, triggering concerns around Environmental and Social Policy principles 9 (Protection of Natural Habitats) and 10 (Conservation of Biological Diversity). Although these were not introduced by CA SGF project activities, it was deemed good practice to manage such issues as they could undermine

project results or deliverables. The Department of Forestry, Fisheries and the Environment and the South African National Biodiversity Institute provided support and training on the clearing and management of alien plant species and paid community members to undertake this activity through their Alien Invasive Species project. This resulted in a broader benefit to the community as it raised awareness of the problems related to alien vegetation and improved the project outcomes.

## **Environmental and Social Policies resulting in additional budget requirements**

Activities that were unplanned but required to comply with the Environmental and Social Policies demanded resourcing, particularly with regard to developing or obtaining documentation and requisite reporting.

Planning and budgeting to ensure support for local implementers was critical, especially because it cannot be assumed that the capacity already exists in community-based organisations for the level of assessment and



reporting required by the large climate funds. Resource provision should include significant additional staff time,

technical support and should not detract from time or resources required for project implementation.

### ***Example: Ballooning budget due to environmental and social policies prohibits energy solution***

In the project, 'Building Capacity for Climate Resilient Livelihoods in Northern Cape Fisher Communities', the municipal power source failed and was not restored for several months, despite engagement with the department responsible. This resulted in the fishers operating without the added benefit of the safety system that the project had enabled and stranded related assets. The solution proposed by the grant recipient was to install a solar photovoltaic power system, which would secure electricity without reliance upon external power systems and require limited maintenance. However, the installation of the solar power system involved drilling into a roof made of asbestos, invoking Environmental and Social Policy 1 (Compliance with the Law) and Environmental and Social Policy 12 (Public Health). A specialised service provider was required to remove the asbestos and, additionally, recently promulgated regulations required the accreditation of photovoltaic system installers. New quotations that met the specified standards cost nearly seven times the

original quotation, resulting in the solar power system being rejected by the Project Management Team as it was too costly.

It should be noted that from the Small Grant Recipients perspective, they had researched and were ready to run with a practical and innovative solution that was within budget and would likely have worked. They felt that these requirements from the project's management threw additional hurdles in their path, forcing a revised specification that pushed the cost beyond what was affordable. This process took months of effort and resulted, ultimately, in a great deal of wasted time – and no solution to the power problem. This was further exacerbated by the National Implementing Entity and Executing Entity suggesting that, in the absence of a solution to the power supply problem, the project might need to be cancelled in its entirety. Ultimately, the situation was saved by the restoration of municipal power but left the Small Grant Recipient frustrated.

## **Accurately reflecting levels of community consultation and conflict on paper**

Ongoing processes of community consultation and conflict were often difficult for the Small Grant Recipients to accurately reflect through the project reporting process. Grant recipients were encouraged to be open about their experiences during the reporting process and reflect on any community processes or conflicts of interest that might affect project implementation. At times a lack of detailed contextual knowledge made it challenging for the National Implementing Entity to adequately assess the associated

level of risk and understand local needs and the local Facilitating Agencies, with their more frequent engagement with the projects, played an important role in interpreting levels of local risk. However, some misunderstandings resulted in the Facilitating Agencies and Small Grant Recipients feeling like their context or knowledge was not trusted or valued and, in some cases, this undermined their confidence.

### ***Example: Identifying indigenous peoples in Namakwa***

In the Namakwa District, the 'Climate Proofing Herder-shelter to Facilitate Climate Change Adaptation' project identified indigenous people located in their project area in response to Environmental and Social Policy principle 7 (Indigenous Peoples) during their baseline Environmental and Social Policy assessment. The Adaptation Fund's Environmental and Social Policy specifies that all projects

must be consistent with the rights and responsibilities of indigenous peoples as set out in international instruments such as the United Nations Declaration on the Rights of Indigenous Peoples. This identification resulted in the requirement for a consultative process by the grant recipient, even though the community members self-identifying as indigenous had been involved in the project

design and implementation. To assist with meeting this requirement, the Facilitating Agency conducted 'Free, Prior and Informed Consent' workshops in the affected community at an additional cost. Undertaking such activity

is potentially an example of where fulfilling Environmental and Social Policy compliance may have served only the interests of the Environmental and Social Policy officer, and no one else.

## Government processes causing delays

The Adaptation Fund places particular importance on meeting Environmental and Social Policy 1 (Compliance with the Law). The grant recipients and the respective Facilitating Agencies found it challenging at times to meet this requirement when it entailed liaising with, and obtaining information and approvals from, government departments - a notoriously slow process. The timeframes required for approvals were not well understood at the start of the project, which impacted on project implementation.

Communities expressed frustration particularly when licensure or permission was required for activities that traditionally do not demand that degree of compliance. Despite provision for government involvement in the CA SGF project and engaged participation from government stakeholders, especially around governance, the project would have benefited from greater support from a wider range of government entities, especially in relation to troubleshooting actual delays and blockages.

### *Example: Obtaining the right to water-use permissions in Mopani District*

It is common practice in South Africa's rural areas to use borehole water without a licence or formal water-use registration. There was, therefore, frustration from grant recipients when this became a requirement for Environmental and Social Policy compliance. There was little local knowledge on how to obtain the licence. Despite guidance provided by government, project participants struggled to navigate the process and encouraged the nationally-delegated authority to expedite the process.

Further investigation revealed that if the grant recipients and beneficiaries were using less than 10,000 litres of water per day for a community project, they need only register as water users, rather than requiring a formal licence.

This registration process could only take place after the relevant borehole had been drilled and use of the water should legally only commence once the registration was acknowledged, despite it being common practice to begin use immediately. The CA SGF Project Management Team could not reach agreement on the commensurate degree of enforcement regarding the use of unregistered borehole water. The result was a 12-month delay of project activities while, after drilling the borehole and submitting the required application, the community had to await formal water-use registration. The process was frustrating but did allow the grant recipient to better plan their activities before subsequent activities commenced.



**The process of licensing is a wonder to us. These licenses, if you want to drill down a certain number of meters, you have to have a license. We were doing this before without any license."**

**6 June 2019, Beneficiary Focus Group Discussion**

## Drawing the line on enforcing the Environmental and Social Policies

In some cases, activities that were funded by the CA SGF project built on activities already supported by the grant recipients in the beneficiary communities, using other sources of funding. This raised the question of where to draw the line on which activities were required to comply with the Environmental and Social Policies when the Adaptation Fund did not fund all aspects of the project. The National Implementing Entity noted that if other project elements were reported as co-financed activities and contributed to the overall project success, then the same principles should apply even if they did not receive Adaptation Fund funding. Unanticipated compliance activities also had a significant impact on budget allocation. This lack of clarity led to confusion on the appropriate application of Environmental and Social Policies. The framing of responses to the assessments also impacted on whether there was a direct link made to the triggering of an Environmental

and Social Policy. The Facilitating Agencies played a role in guiding grant recipients away from activities that would trigger Environmental and Social Policy reporting.

The Adaptation Fund's Environmental and Social Policy required core labour rights to be protected under Environmental and Social Policy principle 6 (Core Labour Rights). The National Implementing Entity and Executing Entity aimed to ensure that South Africa's minimum wages and labour standards were adhered to by all grant recipients even though, at times, the local beneficiaries were willing or accustomed to working for lower wages. The project decided that an appropriate minimum wage should be the rate paid by the government's Extended Public Works Programme. It was, at times, easier for grant recipients to avoid offering any employment to beneficiaries through their project.



**Future climate change initiatives should look at existing policies that exist within a particular country. Also encourage the use of relevant Departments.”**

**Small Grant Recipient, June 2020**

### ***Example: Enforcing core labour rights over local traditions or preferences***

The 'Concordia Farmers Adaptation Project' in Namakwa District raised concerns during the Environmental and Social Policy baseline assessment around principle 6 (Core Labour Rights). The project's beneficiaries included both local farmers and herders, and a concern was raised around whether the historical contractual agreements between

the farmers and herders were compliant with labour laws. In response, the Small Grant Recipient was required to document and verify the traditional farmer/herder relationships and contractual arrangements in the area to demonstrate that this Environmental and Social Policy need not be triggered.

## Opportunities

Despite challenges experienced throughout the CA SGF project, particularly by the Small Grant Recipients, small granting programmes can benefit from taking a low-risk approach. Selecting adaptation activities with minimal negative environmental and social impacts promotes more efficient project delivery given the limited time

and funds available for complex assessments and mitigation measures. Establishing criteria that ensured that “no significant risks” were incurred with regard to the Environmental and Social Policy and disallowing projects that require a Basic Assessment or full Environmental Impact Assessment potentially minimised costs and delays.

## Improved environmental conservation capacity in communities

Several Environmental and Social Policies promote environmental conservation. Environmental and Social Policy principles 9 (Protection of Natural Habitat), 10 (Conservation of Biological Diversity), 12 (Pollution Prevention and Resource Efficiency) and 15 (Land and Soil Conservation) have each been developed to ensure that land upon which Adaptation Fund projects are conducted is protected and conserved. Activities related to these Environmental and Social Policies required considerable awareness-raising and often training and technical

assistance, which resulted in increased understanding of potentially harmful environmental activities. Knowledge and capacity building to this effect has the potential to change local practices over time to promote improved land conservation and biodiversity. Furthermore, compliance with these principles builds institutional capacity and gives community-based organisations a track record that can be used to their advantage in attracting future sources of funding that have safeguarding compliance conditions.

### ***Example: Ensuring Alien Invasive Species do not Proliferate***

A community-based and community-owned farmers' cooperative implemented the 'Climate Proofing Small-Scale Rooibos Production' project, which included conducting demonstration trials to test various innovative approaches to enhancing crop resilience, including mulching. In accordance with Environmental and Social Policy principles 9 (Protection of Natural Habitats) and 10 (Conservation of Biological Diversity), the project aimed to use Port Jackson Willow (*Acacia saligna*), an alien invasive species, in a mulching process and thereby encourage alien clearing. The CA SGF Project Management Team expressed concern that the farmers might not be adequately informed about

how to prevent this invasive species from proliferating during the mulching process, requiring an additional research and documentation process by the grant recipient to justify this action. The grant recipient noted that the Environmental and Social Policy assessment process helped to focus attention on the risk posed by this invasive species. The participating farmers debated whether or not to mulch with *Acacia saligna* material and considered the costs and benefits of using the material in the light of the potential germination of seed and spread of alien trees. To date, no alien trees have grown where the *Acacia saligna* material was used.

### ***Example: Preventing pollution through the management of building materials***

Seven of thirteen projects were required to develop Waste Management Plans due to the impact of construction material wastage. The Waste Management Plans ensured the separation of biodegradable and non-biodegradable materials with the overall goal to assist beneficiaries to identify the most appropriate means to dispose of various materials. All materials involved in the building of structures or other project activities were identified alongside the

potential waste materials and an appropriate storage or disposal plan was created for each. Although resources were required to provide the support necessary to facilitate the development of the plans and their implementation by communities, it helped the community to better understand the importance and mechanism of proper waste management.

*Below: Traditional herder shelters for livestock farmers in the Namakwa District (Photo: DFFE).*





## Conclusion

The CA SGF project encountered many challenges as a result of differing interpretations and understanding of the Environmental and Social Policies and how these were communicated to grant recipients. There was also a lack of clarity concerning roles and responsibilities, due in part because formal systems for Environmental and Social Policies were not initially established. These issues undermined a consistent and articulated approach to ensuring the policies were understood, applied and integrated as part of the project rather than an add-on.

Applying reasonable proportionality with respect to Environmental and Social Policy assessments and compliance may ease the burdens experienced by Small Grant Recipients and highlight their potential value to local practices. This could be achieved by focusing on the principles most relevant to risk identification and management in a particular project, while some principles may be considered adequately covered at project screening stage and require minimal reflection in future assessments. Proportionality could also be considered when assessing activities that are not directly funded by the project. The Environmental and Social Policy assessment process for small granting programmes must be kept simple and limit the reporting burden on local implementers.

Implementing the CA SGF project was a learning process for all parties involved, from the National Implementing Entity to the Executing Entity, Facilitating Agencies and the local-level grant recipients. This included learning how to apply and monitor the Adaptation Fund's Environmental and Social Policies to ensure good practice in local adaptation projects. South Africa's National Implementing Entity took a rigorous approach to Environmental and Social Policy assessment for this project, particularly as they were asking the Adaptation Fund to venture into new territory by funding a programme where they were not able to assess the impacts of the specific Small Grant Recipient projects at the time of approval at Adaptation Fund's Board level. This pilot programme has resulted in a number of learnings that relate to implementing and assessing Environmental and Social Policies at the local level that could have a useful application to future Enhanced Direct Access projects. Ultimately, the Environmental and Social Policy assessment process can improve the outcomes of local projects – although viewed as onerous by many grant recipients – particularly when they are interpreted in practical ways that acknowledge local practices and knowledge, and empower the communities which they ultimately seek to serve.

*Below left: Project beneficiaries from the Suid Bokkeveld region collecting water from an installed Rainwater Harvesting System in the Namakwa District (Photo: SANBI); Below right: A service provider building a reservoir in an established communal harden at the Mamanyoha Village in the Mopani District (Photo: SANBI).*



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