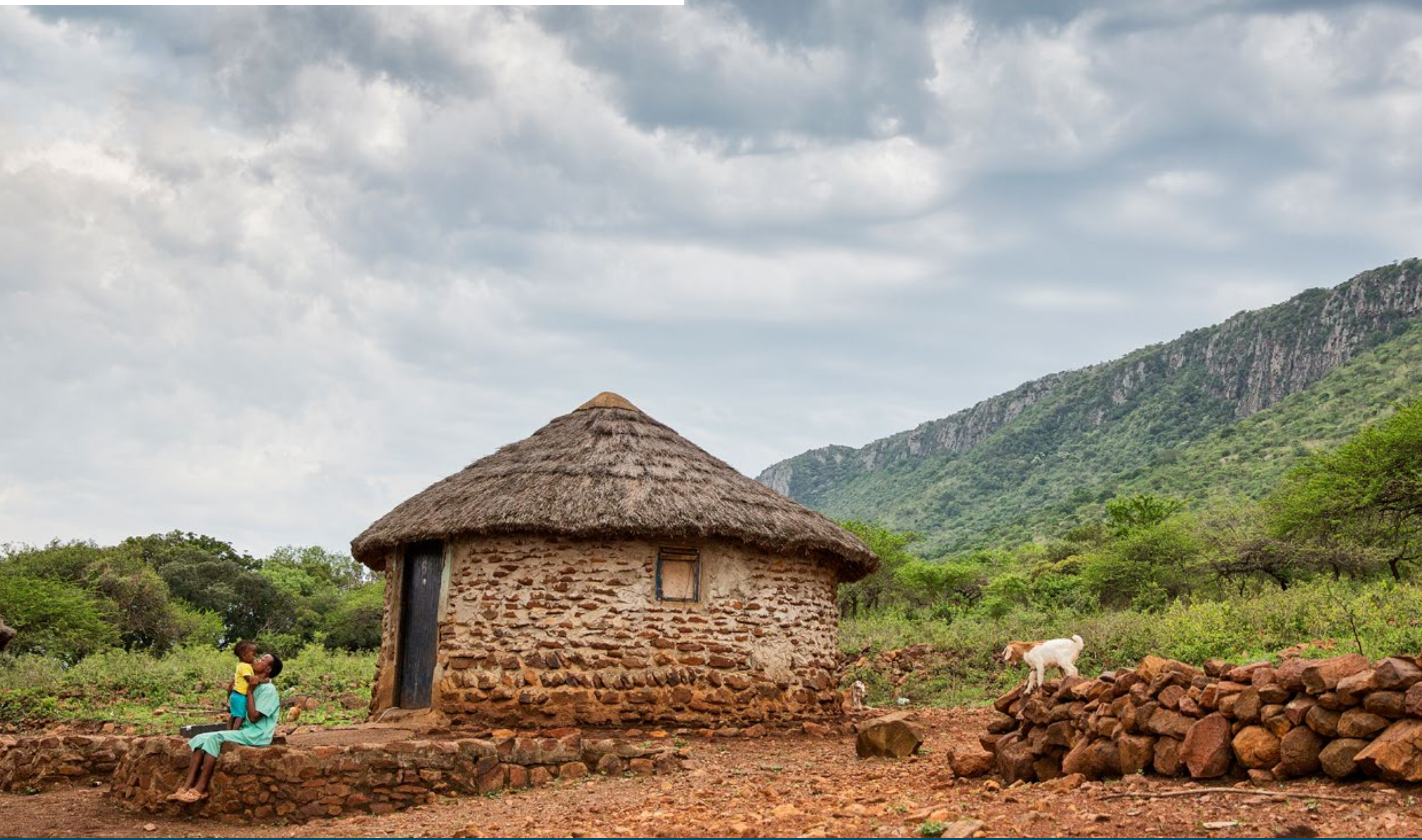
SANBI
Biodiversity for Life
South African National Biodiversity Institute



Accreditation for climate funding

SANBI: A South African accredited entity for the Green Climate Fund and Adaptation Fund

Developing countries are the most vulnerable to the impacts of climate change, yet lack the resources to respond. International climate funds have been set up to provide financial resources for climate action projects in developing countries. The South African National Biodiversity Institute (SANBI) is accredited to receive and manage funds from the Green Climate Fund and the Adaptation Fund on behalf of South Africa. Compared to traditional development finance, these climate funds offer *direct access*, allowing national entities to access funding directly without an international intermediary. Direct access encourages national ownership, community involvement and local innovation, while reducing the administrative and institutional complexity. Effective project design and implementation are necessary for projects to achieve their intended goals to help the most vulnerable build resilience to climate change.

GREEN CLIMATE FUND

ADAPTATION FUND

International climate funding

International climate funding refers to money that is made available for projects that help to mitigate and adapt to climate change. Mitigation is about reducing emissions of greenhouse gases, such as carbon dioxide, to prevent further change in the climate. Adaptation is about helping people, ecosystems and communities to cope with the negative effects of climate change that are already happening or expected to occur. International climate funding is needed because climate change is a global responsibility that requires large-scale, global solutions. Multilateral climate change agreements have long recognised the need for financial support to developing countries, which are the worst affected by climate change. Both the Kyoto Protocol (1997) and the Paris Agreement (2015) have set up financial flows to help developing countries reach their goals under the agreements. Climate funds gather money mostly from government contributions, but also from development banks, the private sector and carbon credit mechanisms. Overall, international climate funding aims to ensure a just and equitable transition to a low-carbon, climate-resilient future.

SANBI accreditation

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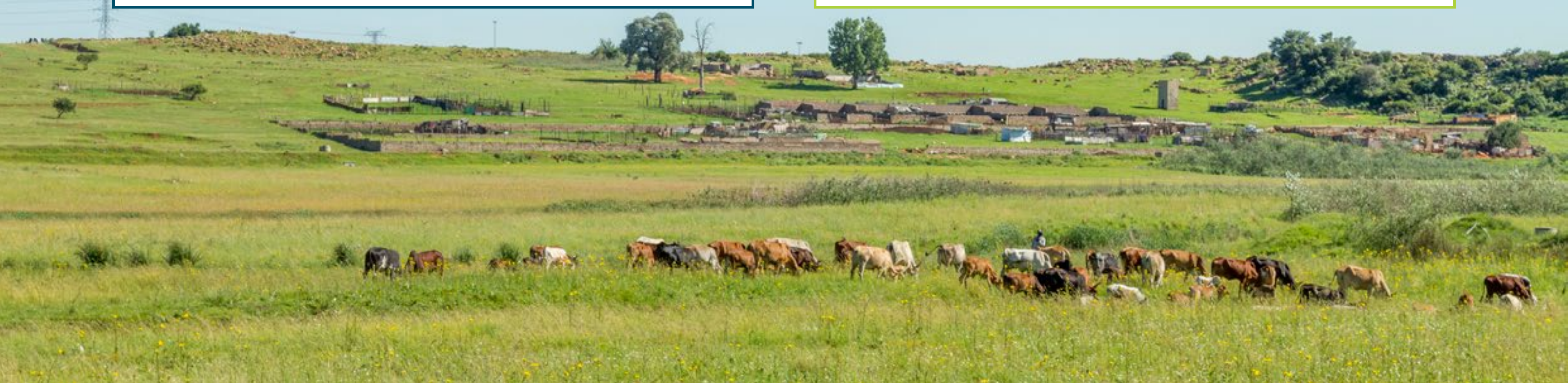
Money is distributed from international climate funds to developing countries through accredited entities. The role of an accredited entity is to prepare and submit project proposals, disburse funding to projects, oversee implementation, monitor progress and report on project performance to the climate funds. The South African National Biodiversity Institute (SANBI) is accredited with both the Adaptation Fund (since 2011) and the Green Climate Fund (since 2016). It had to undergo extensive approvals to show that it had the institutional capacity, financial systems and project management capabilities to administer the funding. SANBI is South Africa's only National Implementing Entity for the Adaptation Fund, and is one of only two Direct Access Entities for the Green Climate Fund in South Africa. As a biodiversity institute with experience in Ecosystem-based Adaptation, SANBI brings a unique perspective to climate change adaptation responses.

GREEN CLIMATE FUND

The Green Climate Fund is the world's largest dedicated climate fund. It is mandated to support developing countries in their efforts to reduce greenhouse gas emissions and adapt to climate change. It was established in 2010, and is a critical element of the Paris Agreement that aims to limit global temperature rise to well below 2°C. It balances half of its contribution towards mitigation and half to adaptation. The Green Climate Fund invests across four transitions, including (1) the built environment; (2) energy and industry; (3) human security, livelihoods and wellbeing; and (4) land-use, forests and ecosystems. It has a focus on transformation and innovation. The Green Climate Fund uses a country-driven approach, empowering countries to decide their own climate needs and develop tailored strategies.

ADAPTATION FUND

The Adaptation Fund was established in 2001 in response to the Kyoto Protocol. It is a financial mechanism under the United Nations Framework Convention on Climate Change designed to support developing countries to fund projects that help vulnerable communities adapt to climate change. It focusses exclusively on climate change adaptation. The Adaptation Fund works with national entities to channel funds to projects that are locally led, gender sensitive and community based. It invests across three strategic pillars of innovation, action, and learning and sharing. It seeks to enhance capacity and the scaling and replication of results. The Adaptation Fund prioritises funding towards the most vulnerable countries, emphasising adaptation approaches that are relevant to local contexts.



About direct access

Climate funds

Multilateral intermediary

Project executor

Indirect access

Funding is channelled through an intermediary institution, like a development bank or an agency of the United Nations, that sets out financial procedures and safeguards for how the money is used. The intermediary provides oversight and monitors the progress and delivery of the project. The approach is often used for large projects, which national entities may lack capacity to implement.

National Accredited Entity

Project executor

Direct access

National entities are accredited to receive funding directly from climate funds, fulfilling the same role as an international intermediary, but giving countries greater control over what the funds are used for. In some cases, it is taken a step further, and decision making is devolved to national and even sub-national level, known as enhanced direct access. Support is provided to strengthen capacity of national accredited entities.

National ownership: Developing countries can decide what projects align with their needs and can take control of their own climate actions.

Strengthened capacity: National and sub-national institutions can grow their experience in the implementation of large projects.

Locally led: Projects can be specifically tailored to the local context allowing for more flexibility and innovation in climate change solutions.

Greater accountability: With fewer bureaucratic steps, there are more transparent links between funding and the benefits for communities.

Community involvement: Communities have a greater say in decisions through meaningful community engagement and participation.

Cost effective: Transaction costs are lower with fewer intermediaries, meaning more of the funding goes directly to project implementation.

Project development process

Climate funds can offer significant amounts of money for climate change projects. To make sure that the funds are used wisely to achieve project goals, effective project design is needed. Careful project development improves transparency and accountability. Important steps include understanding the local context, determining feasibility and identifying potential risks. Involving local communities throughout the project cycle is essential so that projects are culturally appropriate, sustainable, and meet the needs of the people they are intended to benefit.

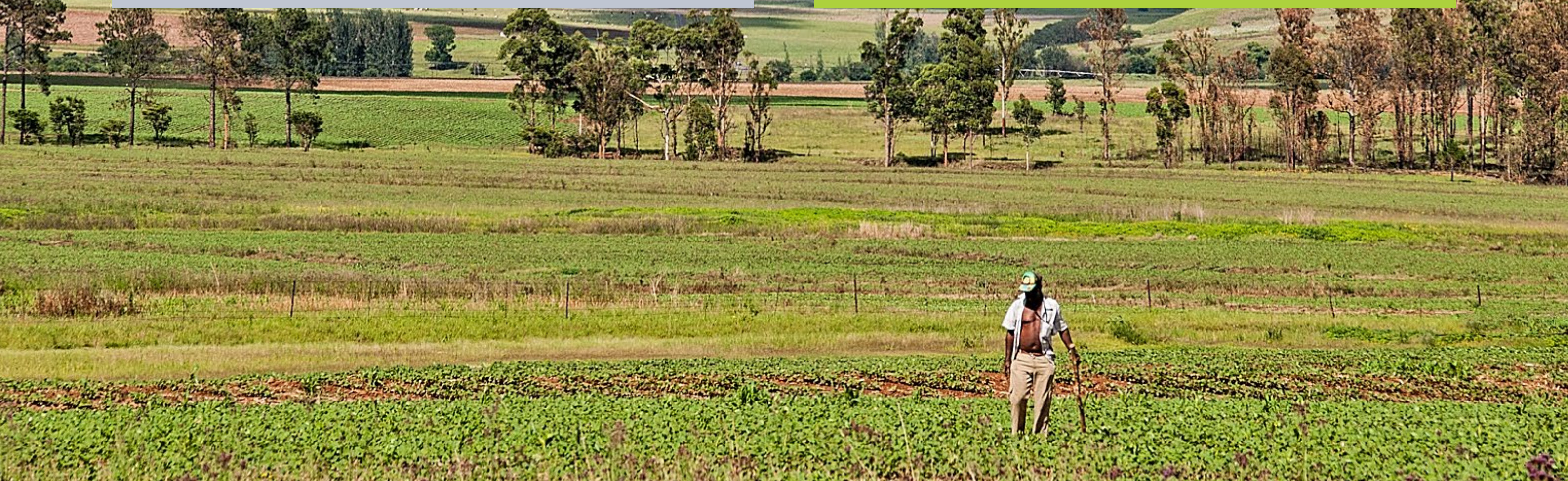
SANBI, as a national implementing entity, has developed a *Funding Framework* and *Endorsement and Approval Process* to guide the process of project development. These Board-approved procedures define the criteria for how projects will be selected in line with national priorities, as well as setting out the steps to be taken in preparing project proposals. The procedures underscore the transparency and inclusivity of the direct access model. Since project development involves several stages of review and refinement, it can take a number of years for a project to be developed to the point of implementation.

Criteria

- ☑ Are **transformative** in design and scale
- ☑ Align with relevant **South African policies**
- ☑ Respond to the needs of **vulnerable communities**
- ☑ Based on **best available science** and local knowledge
- ☑ Are informed by **stakeholder engagement**
- ☑ Are led and supported by **South African institutions** with relevant mandates
- ☑ Include (but not limited to) **nature-based solutions** to climate change
- ☑ Support concrete **adaptation actions**
- ☑ Have **no adverse risks** for the environment or society
- ☑ Promote **multi-disciplinary** approaches and integration

Process

1. A potential **project idea** is put forward to SANBI by an applicant for consideration
2. An **abbreviated concept note** is prepared for review and approval by SANBI leadership
3. A **first stage concept note** is prepared and submitted to the climate fund for endorsement and approval to proceed
4. An application is made to the **project preparation facility** for funding for project development
5. A detailed process of project design is undertaken, including feasibility and stakeholder engagement, to develop a **full funding proposal** for submission to the climate fund for Board approval



For more information:

SANBI. 2024. Green Climate Fund funding framework for the period 2023 – 2027. South African National Biodiversity Institute, Pretoria.

SANBI. 2024. SANBI endorsement and approval process for Green Climate Fund proposal development and submission (2022 – 2025). South African National Biodiversity Institute, Pretoria.

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