RESOURCE MOBILIZATION MANUAL

ENHANCING CLIMATE FINANCING ACCESS FOR SADC MEMBER STATES

ACKNOWLEDGEMENT

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Foreword

This Climate Finance Mobilization Manual provides a concise and practical guide to mobilizing financial resources for climate action in southern Africa. It serves as a comprehensive and practical resource for stakeholders engaged in climate action. Climate change impacts are negatively impacting economies and livelihoods of all member states of the Southern Africa Development Community (SADC). Financing for climate action however remains inadequate. In a region with projected increase in impacts of climate change, urgent and effective action is needed to address the challenges of climate change. Effective climate financing is crucial for implementing ambitious climate actions by SADC Member States and transitioning to low-carbon, climate-resilient economies. This manual is designed to demystify the intricacies of climate finance mechanisms, providing practical insights into funding sources, eligibility criteria, project development, and monitoring and evaluation frameworks.

As we find ourselves at a critical juncture in the fight against climate change, it has become increasingly evident that financial resources play a pivotal role in driving the necessary transformations to build a sustainable future for our planet. Climate change poses an unprecedented global challenge, threatening ecosystems, livelihoods, and human well-being on a scale never witnessed before. To effectively address this challenge, we must mobilize substantial financial resources to support climate mitigation and adaptation efforts. These resources are essential for transitioning to low-carbon economies, implementing climate-resilient infrastructure, and promoting sustainable development practices across Southern Africa.

However, the mobilization of climate finance is a complex endeavor. It requires a deep understanding of the financial mechanisms, funding sources, and investment opportunities available. It demands strategic planning, effective partnerships, and innovative approaches to unlock and channel resources towards climate-related projects and initiatives. This manual offers valuable insights and strategies for governments, organizations, and individuals seeking to navigate the complex landscape of climate finance. It provides guidance on mobilizing financial resources to support mitigation and adaptation initiatives, and outlines key principles, funding mechanisms, and project development insights in various climate investments. The manual emphasizes the need for transformative action, recognizing the scale of the challenge and the importance of mobilizing significant financial resources. It outlines various funding mechanisms, including international climate finance instruments, domestic funding sources, and innovative financial instruments such as green bonds and impact investments. It highlights the importance of collaboration and partnerships to leverage private sector investments and maximize the impact of available funds.

This manual emphasizes the integration of climate considerations across sectors, such as renewable energy, sustainable transportation, resilient infrastructure, and nature-based solutions. The manual also emphasizes the importance of capacity building, knowledge sharing, and stakeholder engagement to ensure the effective implementation of climate finance initiatives. By utilizing the principles and strategies outlined in this manual, stakeholders can mobilize financial resources at scale, accelerate the deployment of climate solutions, and drive the transition to a low-carbon, climate-resilient future.

Abbreviations and Acronyms

Abbreviations and Acronyms	Definitions
^0C	Degrees Celsius
km^2	Square kilometre
AAAP	Africa Adaptation Acceleration Program
ACCF	African Climate Change Fund
ACTC	African Climate Technology Centre
AF	Adaptation Fund
AFD	Agence Française de Développement
AfDB	African Development Bank
ASAP	Adaptation for Smallholder Agriculture Programme
AWF	African Water Facility
BioCarbon Fund ISFL	Biocarbon Fund Initiative for Sustainable Forest Landscapes
BMZ	Federal Ministry for Economic Cooperation and Development
CDM	Clean Development Mechanism
CDSF	ClimDev Special Fund
CFM	Climate Fund Managers
CI2	Climate Investor Two
CIFs	Climate Investment Funds
CIFF	Children's Investment Fund Foundation
COP 27	Conference of the Parties
CSOs	Civil Society Organizations
DANIDA	Danish International Development Agency
DBSA	Development Bank of Southern Africa
DESNZ	Department for Energy Security & Net Zero
DFIs	Development Finance Institutions
DRM IMS	Disaster Risk Management and Information System
ECF	European Climate Foundation
ENPV	Expected Net Present Value
ER-PIN	Emission Reductions Program Idea Note
ESG	Environmental, social, and governance
ESS	Environmental and Social Safeguards
EU	European Union
FAA	Funded Activity Agreement
FAO	Food and Agriculture Organization
FCPF-CF	Forest Carbon Partnership Facility—Carbon Fund
FCPF-RF	Forest Carbon Partnership Facility—Readiness Fund
GCCA+	Global Climate Change Alliance

GCF	Green Climate Fund
GCPF	Global Climate Partnership Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHG	Greenhouse Gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GPSA	Global Partnership for Social Accountability
HMR	Hermandad Marine Reserve
ICF	International Climate Finance
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IKI	International Climate Initiative
ILO	International Labour Organization
IPPC	International Plant Protection Convention
JICA	Japan International Cooperation Agency
KfW	Kreditanstalt für Wiederaufbau
LDCF	Least Developed Countries Fund
LOI	Letters of Inquiry
M&E	Monitoring and Evaluation
MCA	Multi-Criteria Analysis
MDBs	Multilateral Development Banks
MIGA	Multilateral Investment Guarantee Agency
MPA	Marine Protected Area
MRV	Measurement, Reporting and Verification
NAPs	National Action Plans
NAPA	National Adaptation Programme of Action
NCF	Nordic Climate Facility
NDA	National Designated Authority
NDCs	Nationally Determined Contributions
NGOs	Non-Governmental Organizations
NORAD	Norwegian Agency for Development Cooperation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OECD DAC	Organisation for Economic Cooperation and Development's Development Assistance Committee
OFC	Oceans Finance Company
PIF	Project Identification Form

PPPs	Public-Private Partnerships
PS	Performance Standard
RBM	Results-based Management
REDD+	Reducing Emissions from Deforestation and forest Degradation, plus the sustainable management of forests, and the conservation and enhancement of forest carbon stocks
RVAA	Regional Vulnerability Assessment and Analysis
SADC	Southern African Development Community
SARCOF	Southern African Regional Climate Outlook Forum
SCAF	Special Capital Assistance Facility
SCCF	Special Climate Change Fund
SDC	Swiss Agency for Development and Cooperation
SDGs	Sustainable Development Goals
SEFA	Sustainable Energy Fund for Africa
SIDS	Small Island Developing States
SIDA	Swedish International Development Agency
SIPRI	Stockholm International Peace Research Institute
SMEs	Small and Medium-sized Enterprises
SOEs	State Owned Entities
SSA	sub-Saharan African
TOC	Theory of Change
UK	United Kingdom of Great Britain and Northern Ireland
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Agency for International Development
USD	United States Dollar
VC	Venture Capital

1. Introduction

Resource mobilisation remains a key challenge in financing climate-related programs and projects in developing countries, negatively affecting planned climate change adaptation and mitigation actions. While several multilateral and bilateral funds exists, access to climate finance remains a challenge. This manual seeks to address climate-finance access challenges through presentation of guiding information on available financing windows and how Southern African Development Community (SADC) Member States can access relevant financial support.

1.1 Background

The SADC region is experiencing significant economic growth and has potential for sustained growth particularly in the agriculture, industry and services sectors. However, the region anticipates critical constraints arising in the water-energy and food nexus which has the potential to significantly retard economic growth. Climate change impacts in the southern African region are being experienced with ranging effects across sectors of economic importance such as agriculture, energy, infrastructure and transport among others. Droughts are negatively impacting the region, resulting in reduction in agricultural productivity and leading to food and nutrition insecurity and further economic losses. Floods are equally prominent in the region leading to damage to infrastructure and increasing the disease burden for both human and livestock.

Climate related impacts are projected to slow down Gross Domestic Product (GDP) growth by -0.5 to 2% at member states level (Quinn et al., 2020). By 2050, the SADC region is projected to be hotter and drier, with the region's average annual temperature expected to increase by 1.5 and 2.5^{0}C while annual precipitation is expected to reduce by 10% with greater reductions in the northern part of the region than in the southern part (Rehab and Prudhomme 2002). There is urgent need for investment into development pathways that are sustainable and take into account current and future climate risks and associated impacts. To respond to current and projected climate change impacts, there is need to understand the region's vulnerabilities and appropriate investments in vulnerable sectors to build resilience and reduce sensitivity.

Climate financing plays a crucial role in addressing climate change challenges. It provides the necessary financial resources to undertake mitigation and adaptation measures, supporting the transition to a low-carbon and climate-resilient future. At continental level, 51 African countries which have submitted their Nationally Determined Contributions (NDCs) would need USD 2.8 trillion for the successful implementation of the NDCs, with African countries pledging to contribute USD 264 billion (Guzman et al., 2022). In addition, the African Union has supported the Africa Adaptation Acceleration Program (AAAP) which is a joint initiative between the Global Centre on Adaptation and the African Development Bank. This initiative has mobilized USD 3 billion, and the African Union has pledged USD 25 Million to support adaptation efforts in Africa over five years (Richmond et al., 2022). The general observation is that countries in Africa have similar sources of financial resource mobilization. They all pledge to source the funds from national resources, from private sectors and international organizations such as the Green Climate Fund (GCF), the Adaptation Fund, the World Bank and Global Environment Facility (GEF). This manual presents a comprehensive resource mobilization strategy that will take into account the current global financing landscape, identify new actors, highlight new funding modalities, and outline a strategic approach to leveraging existing and new partnerships, as well as make recommendations on how to diversify the various resource bases.

1.2 Objectives of the Manual

The objective of this manual is to provide a comprehensive guide to build capacity on accessing and managing climate finance. It aims to enhance regional capacity, promote sustainable development, and support SADC Member States in securing funding for climate change mitigation and adaptation projects that contributes effectively to the achievement of climate change goals and low-emission development in SADC region.

1.3 Overview of the Manual

This manual is divided into 6 Chapters. The first chapter provides a background to climate financing highlighting the need for climate financing in achieving adaptation and mitigation goals. Chapter 2 provides an overview of climate financing in southern Africa. It covers climate finance regional needs and demands as well as climate finance resource mobilization capacity of SADC Member States. Chapter 3 presents a framework for mobilizing and accessing climate finance highlighting available different sources of climate finance which include public and private, national or international, bilateral, or multilateral. Chapter 4 provides practical steps in finance and resource mobilization and provides steps that are involved and options to mobilize resources both internally and externally. The chapter 5 provides insights into resource mobilization approaches necessary to access resources to fulfil the objectives of the Paris Agreement. Climate financing mapping is then presented in Chapter 6 as an orientation to the available funds that may be relevant to Member States and partners for financing climate-related programs and projects.

1.4 Methodology

The methodology for developing this manual involved extensive research and analysis of existing climate finance mechanisms, international best practices, and regional priorities. This included seeking information about challenges of member states to access climate financing at scale. A mapping analysis of climate financing institutions was then conducted, and thereafter aligning regional needs to global climate financing opportunities.

The development of this manual incorporated stakeholder consultations, expert inputs, and peer reviews to ensure accuracy and relevance. Interviews were conducted with Green Climate Fund NDA focal persons of SADC Member States. These key informant interviews with NDAs of member states were useful in gathering insight regarding current climate resource mobilisation efforts, capacity needs and gaps as well as current resource mobilisation challenges and pressing needs facing member states. These interviews were conducted online and had a response percentage of 63%. The manual's development also involved case studies, pilot projects, and iterative feedback loops to validate its effectiveness and usefulness in facilitating mobilization of climate finance resources.

Selected multilateral, bi-lateral, development agencies, and development finance institutions within the climate and environmental financing sphere were engaged to solicit input regarding their viewpoint of climate finance access in the region as well as gather suggested solutions that could improve resource mobilisation efforts. The purpose of reaching out to these stakeholders was to gain insights from individuals and entities with experiences about information that might not readily be available through written reports, data, or studies.

2. Climate Financing in Southern Africa

2.1 Situation Analysis

2.1.1 Regional climate needs and demands

Despite its minimal contribution to climate change, Southern Africa is among the worst-affected regions globally. Southern Africa is particularly vulnerable impacts of climate change, which include droughts, floods, heatwaves, and cyclones, which has severely affected the region's ecosystems and livelihoods. Climate change will continue to increase the frequency, intensity, duration and locations of these slow- and sudden-onset impacts. In the last four decades, the SADC has recorded 36% of all weather-related disasters in Africa. These affected 177 million people, left 2.7 million homeless and inflicted damage to infrastructure in excess of USD 14 billion (CABRI, 2021).

According to the technical assessment, international climate finance flows to the region totalled USD 13.4 billion between 2013 and 2017, or USD 2.7 billion per year. Climate finance was split equally between adaptation and mitigation, and most was dedicated to the energy, agriculture, and water and sanitation sectors. Annual flows therefore need to increase about tenfold for SADC Member States to effectively adapt to or mitigate the negative consequences of climate change and meet their emission reduction targets. However, variation in both needs and vulnerability among member states as well as the lack of a common methodology for tracking and reporting climate finance flows currently make a comparison of flows with needs, for the most part, unreliable. This led to a meeting by SADC Member States in late 2019 to discuss the status of climate finance in the region and laid out a plan for the development of a joint SADC Climate Finance Mobilization and Access Strategy for the region.

The major needs in terms of accessing climate finance include technical expertise and capacity to develop projects and access funds; coordination across institutions; data collection and monitoring; and policy, legal and regulatory frameworks. The Southern African region bears the largest financing gap in absolute terms, mostly because of the high climate finance needs identified in South Africa, estimated at USD 107 billion annually. This gap is likely even wider as member states often underestimate their financial needs, especially in relation to adaptation, due to data and methodological problems in costing their NDCs. Furthermore, the region lacks readiness to access these resources because of weak systems, institutions, and individual capacities. Figure 1 shows the number of people affected by climate change and corresponding climate investment in the SADC region.

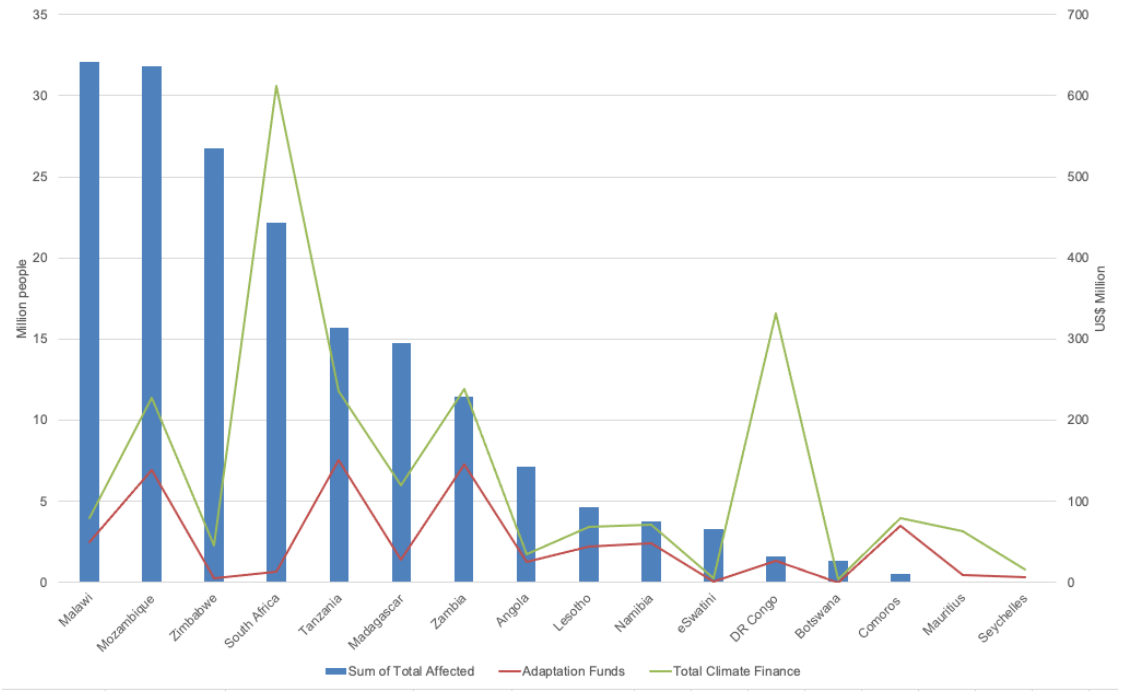

Figure 1: Number of people affected vs total climate finance and adaptation funding in Southern Africa

Source: Mbiyozo and Roux, 2021

Southern African countries finance needs are between USD 649 to USD 703 billion to implement their NDCs and meet 2030 climate goals. The cost of implementing NDCs per country is summarized in figure 2. Annual climate finance flows are currently insufficient to meet the 2030 targets.

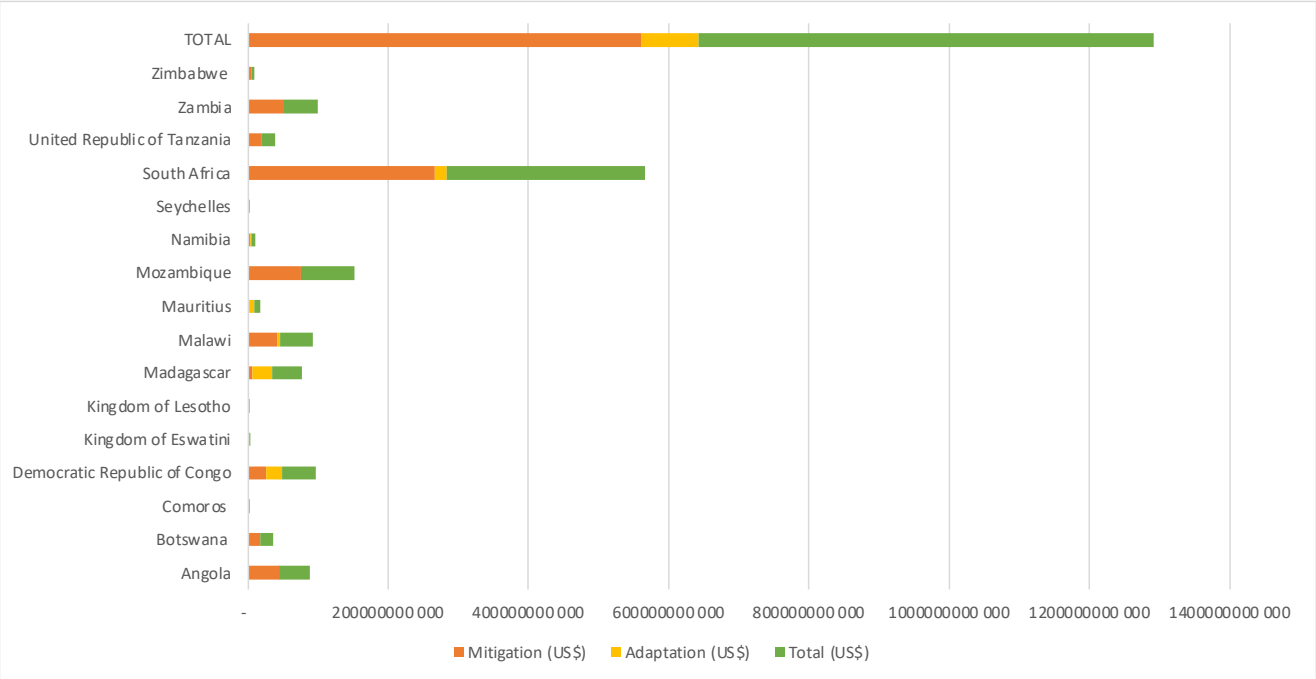

Figure 2: Cost of implementing the NDCs in Southern Africa

South Africa received the most multilateral climate financing on the continent and is placed sixth highest internationally. But only 2% is directed to adaptation, with the rest going to mitigation. Zambia, Tanzania and Comoros received relatively high amounts of adaptation financing compared to their climate vulnerabilities, yet the sums are still inadequate to meet their NDC needs. While climate financiers regularly speak about prioritizing the most vulnerable countries, vulnerability is not a key factor in determining where funds go. Germanwatch's Global Climate Risk Index 2021 ranked Mozambique, Zimbabwe and Malawi the 1st, 2nd and 5th most affected countries in the world in 2019. Yet, they respectively ranked 32nd, 108th and 75th in climate financing received. Many countries with the highest risks do not receive corresponding financing. Finance tends to flow to places where donors have a presence and to countries with strong institutional capacity to implement projects. The most active climate financing entities in the SADC region are GCF, European Union (EU) and GEF (see figure 3)

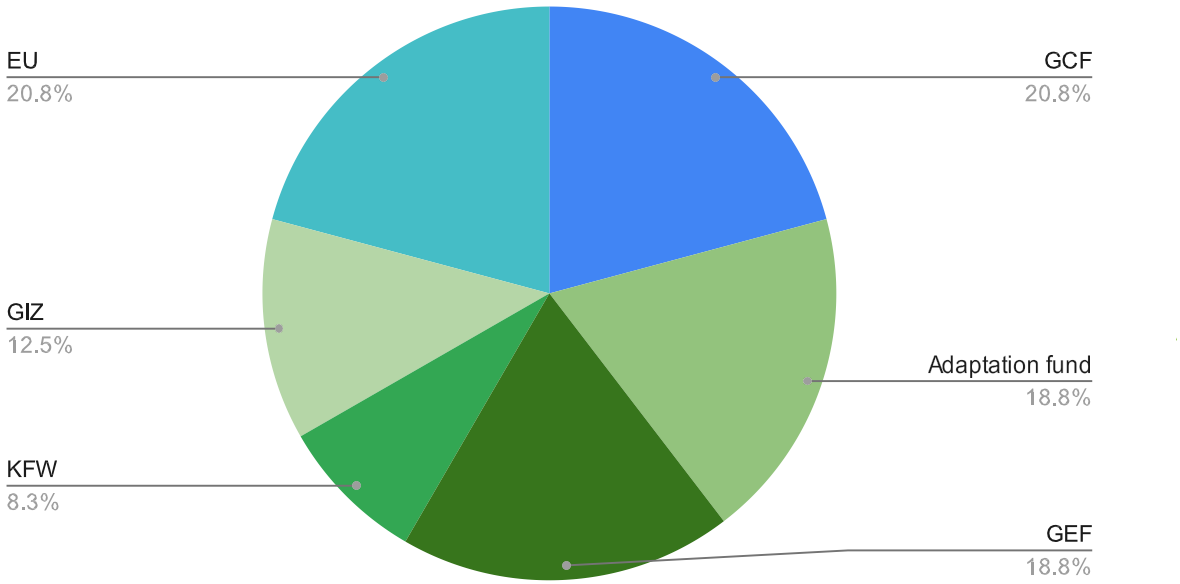

Figure 3: Source of climate financing in SADC Member States

2.1.2 Gap analysis

The limited flow of climate finance to Southern Africa to meet the region's needs can be attributed to multiple factors. These include insufficient financial commitments from developed countries to match developing countries' action plans, limited institutional capacities to enable access to international climate funds, inadequate enabling environments for attracting private sector investments, and technical capacity constraints in identifying, accessing, and effectively utilizing available funds.

A gap analysis of climate financing in Southern Africa reveals several key areas that require attention. Firstly, there is a significant gap in funding for climate change in the agricultural sector for example, where there is a inadequate financial support for scaling up climate-smart practices and technologies. This has compromised the essential blocks for building resilience against climate change impacts. Another critical gap lies in financing sustainable infrastructure projects, including those aimed at addressing rising sea levels, energy and extreme weather events. Thirdly, a gap exists in funding towards capacity building, technology transfer, and early warning systems to enhance climate mitigation and adaptation efforts. Lastly, ensuring equitable access to climate finance for vulnerable communities remains a persistent gap that must be addressed.

The Southern Africa region like other regions on the continent is facing challenges to meet the NDCs ambitions, because NDCs of member states are highly dependent on the pledges and commitments of developed countries to provide them with financial resources for their adaptation and mitigation projects (UNFCCC 2009). Developed countries on the other hand, have not met their USD 100 billion annual commitment, having only provided USD 79.6 billion as of 2019, of which two-thirds was for mitigation. In addition, the current state of the African share of climate-related development finance flow if it is assumed to be the same from 2020-2030, the resulting financing gap would be USD 99.9 to USD 127.2 billion a year in 2020–30, averaging USD 108 billion, greatly limiting countries' ability to build climate resilience. The climate finance gap is evident in the energy sector, where a total of 26% of USD 15.5 billion, the financial inflow from 2010-19 fell short of the investment need for energy to Africa which was for energy education, training and research, energy conservation and demand-side efficiency, energy policy, and administrative management or development of hydropower plants (AfDB, 2023).

2.1.3 Policy environment

Enabling policies and regulations are key to attracting investment in low-carbon, climate-resilient economic development. A policy and regulatory framework should provide targeted incentives, long-term predictability, and risk reduction. It should also ensure that public funds are used in a manner that catalyses private sector investments at scale and allows public capital to be recycled and redeployed. Promote favourable and targeted fiscal, investment, and regulatory policies on: (i) Public spending and investment; (ii) Carbon pricing; (iii) Public–private partnerships; (iv) Climate quantitative easing; and (v) Integration of climate risk analysis into collateral frameworks and central bank portfolio management.

All SADC Member States have developed national policies and strategies on climate change. Further, all member states have through their NDCs made commitments to reduce emissions as well as identified actions to address climate change in their respective countries. These national climate change strategies and action plans guide national mitigation and adaptation efforts and inform resource mobilization. The main sectors identified across climate change policies are agriculture, energy, forestry, water and transport among others. These policies aim to facilitate actions for reducing greenhouse gas emissions, promoting investment in renewable energy, and enhancing resilience to climate impacts through measures such as climate-smart agriculture, water management, and disaster risk reduction. The policy environment in Southern Africa ultimately aims to foster sustainable development, build resilience, and poverty reduction.

Results from the survey show that while all respondents confirmed the existence of climate policies and strategies, only 15% have developed resource mobilisation strategies. Inter-agency coordination systems exist in most SADC Member States, while less than half of member countries have developed climate change investment plans Figure 4 shows the climate financing policy environment among SADC Member States.

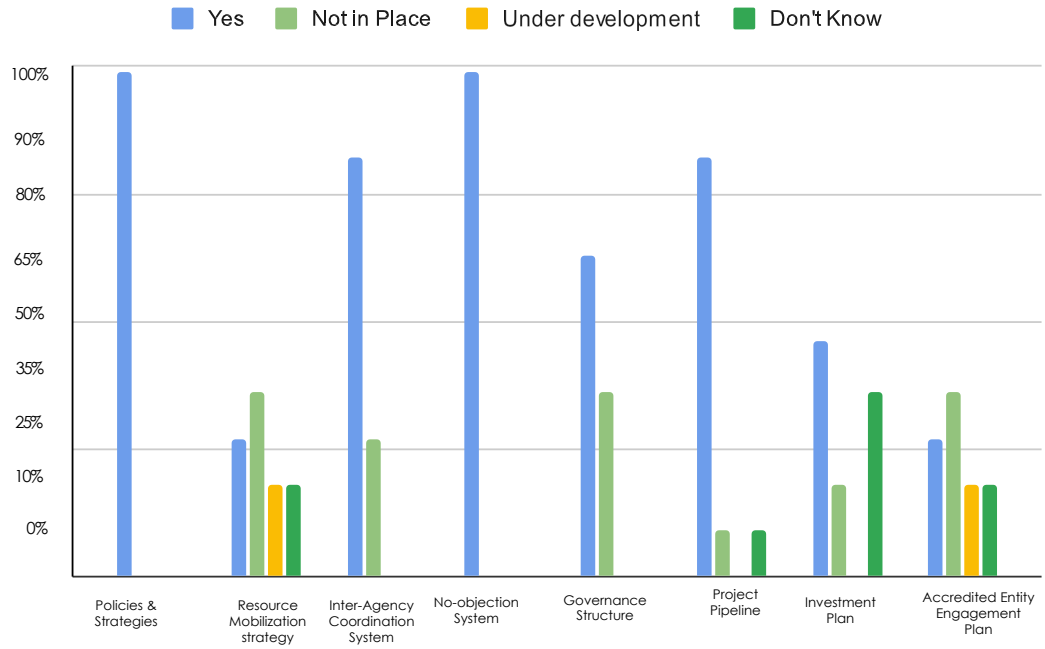

Figure 4: Climate financing policy environment in SADC

There are efforts in all SADC Member States to align climate policies with broader development goals, promote social equity, and engage stakeholders in the policy-making process. There is increasing emphasis on integrating climate change considerations into sector policy frameworks, promoting multi-stakeholder approaches for engaging

governments, consideration of civil society organizations, communities, young people and the private sector in policy-making processes to achieve inclusive, responsive policies that address the needs and aspirations of all stakeholders (Ruppel, 2022).

2.1.4 Country readiness

The level of country readiness among SADC Member States varies considerably. Country readiness involves the development of national strategies, the establishment of governance structures, capacity building, systems for financial management, and monitoring mechanisms to enable countries to effectively access and manage climate change funds. Country readiness is a continuous process that supports countries in strengthening their policy, institutional and individual capacities for resilience, promoting sustainable development, and contributing to global climate goals.

Besides each country's readiness, the region through the SADC Body has put in place regional response measure to climate change such as early warning, regular regional vulnerability assessment and disaster response have been key parts of SADC's responses. Examples of such include the Southern African Regional Climate Outlook Forum (SARCOF), the SADC Regional Vulnerability Assessment and Analysis (RVAA) Programme and the SADC Disaster Risk Management and Information System (DRM IMS) (SIPRI, 2022). The weather and climate information and regional vulnerability assessments are aimed at improving policy planning and intervention by member states and partners in response to anticipated climate risks. Despite these efforts, SADC's regional responses to climate change continue to be impeded by insufficient institutional capacity and inadequate finances, preventing effective coordination and implementation.

2.2 Capacity of Member States

2.2.1 National capacities

The SADC region encompasses diverse countries with different levels of national capacities to address climate change. National capacities refer to the country's resources, policies, institutions, and technical expertise to undertake effective climate actions. Renewable energy deployment has been the key focus on climate mitigation in the region as it not only addresses mitigation but enables access to electricity and expansion of economic activities. For instance, member states like South Africa, Zambia, and Mozambique, have invested in solar and wind energy projects, which aim to reduce reliance on fossil fuels and lowering greenhouse gas emissions. The countries sourced some of the funds from the Development Bank of Southern Africa (DBSA). For example, the Itezhi-tezhi Hydo Power and Kariba North Bank Hydro power development in Zambia was financed by the DBSA at a cost of USD 23 million and USD 105 million for Itezhi tezhi Hydro and Kariba North Bank respectively, while Area 1 LNG project in Mozambique was financed with a debt of USD 120 million (DBSA, 2023). While the region has potential for renewable energy development, it is limited by financial resources and technological constraints to attain desired expansion. Adaptation efforts in Southern Africa focus on building resilience to climate impacts such as droughts, floods, and extreme temperature.

Member States in the SADC region have established national climate change strategies and action plans, integrating adaptation into various sectors like agriculture, water management, and infrastructure. The SADC plays a crucial role in coordinating the regions effort and sharing practices. Despite identified adaptation options in national documents such as NDCs and National Adaptation Plans (NAPs), limited access to climate finance hinders the implementation of adaptation projects. This is exacerbated by weak governance structures and institutional capacities.

2.2.2 Climate resource mobilisation capacity

Mitigation and adaptation to climate change requires significant financial resources. Climate resource mobilization capacity is crucial for southern Africa owing to the region's highly vulnerability to the impacts of climate change, and the significant costs of adaptation and mitigation on domestic resources. Findings of this study show that 90% of respondents admitted to not having sufficient climate financing skills required and therefore requiring capacity building. A further, 82% of respondents identified their need for capacity building on resource mobilization. Capacity building is further required in monitoring and evaluation tracking systems and NDA resource mobilization (see Figure 5)

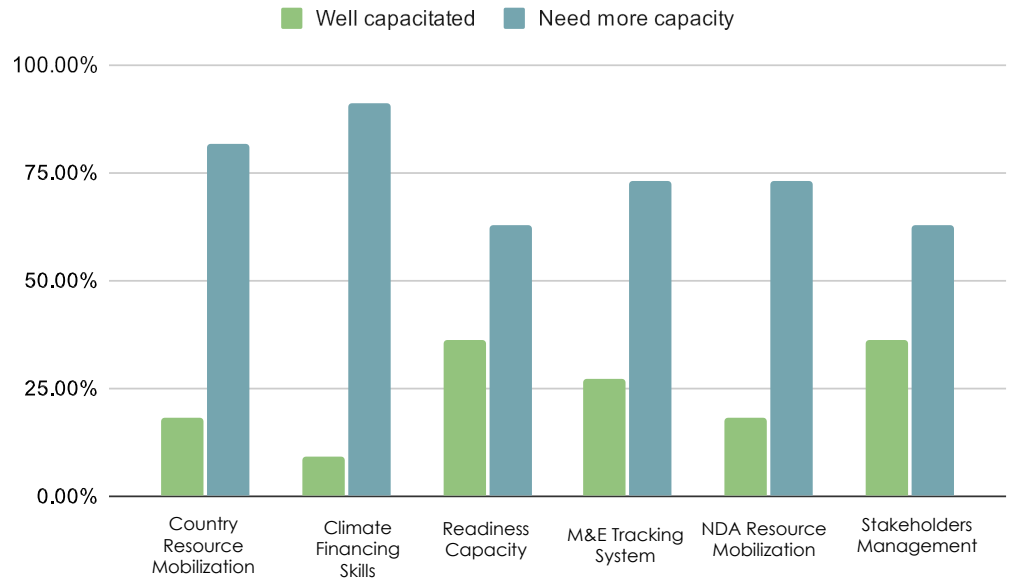

Figure 5: Climate resource mobilization

2.2.3 Capacity needs

SADC Member States require capacity-building support to enhance technical skills in negotiation; fiduciary management; tracking and reporting; data collection, monitoring, and research; access to finance; private sector engagement; transparency; and governance and regulation. The required capacity could be built through training, research, education, certification and establishing public–private partnerships. Climate resource mobilization capacity in southern Africa is low. This study shows that 82% of respondents indicated the need for more technical support to scale up climate financing in a form of readiness support for member states. Other skills needed includes project design, project preparation and policy and strategic development. Figure 6 presents capacity needs as identified by respondents.

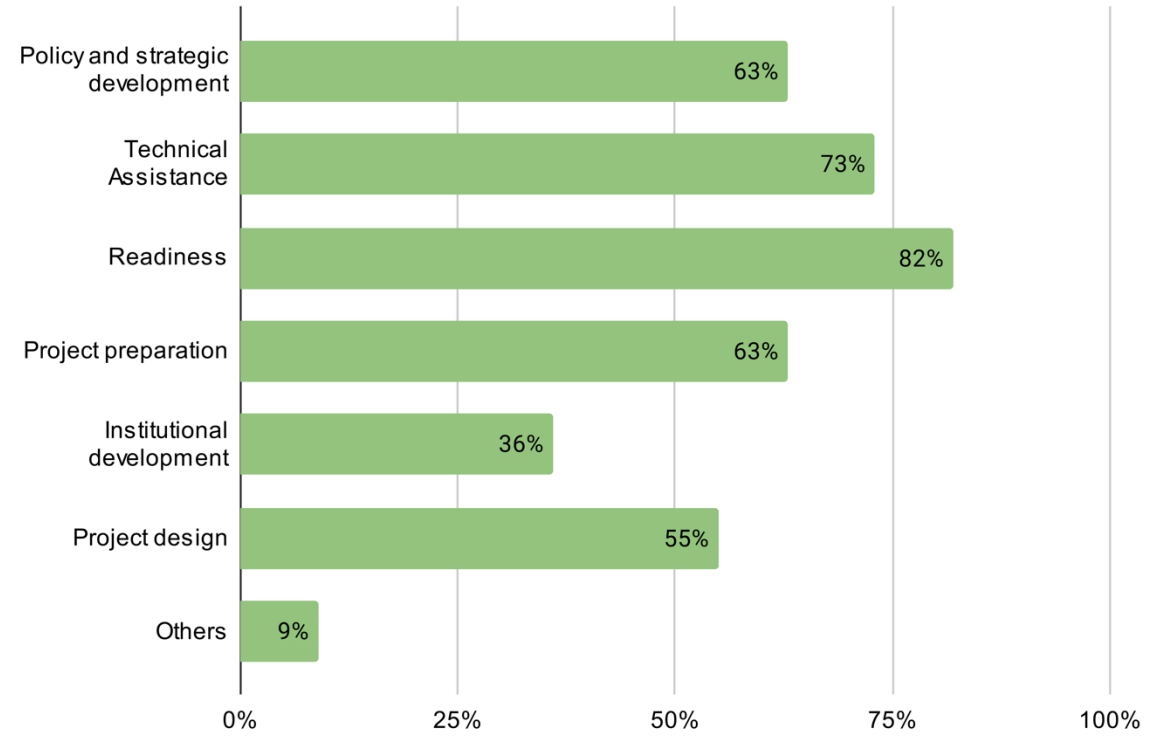

Figure 6: Capacity needs as perceived by respondents

Climate change resource mobilization capacity is critical for southern Africa to effectively respond to the challenges posed by climate change, and to support sustainable development in the region. There is need to improve resource mobilization capacity by strengthening management skills, building partnerships, and stakeholders management skills. The study shows that capacity building is required at both country and focal point level. Survey results show that 91% of respondents indicated that climate rationale, financial modelling, and project design skills are key towards unlocking climate financing at scale in the region. Demonstrating the need for concerted efforts towards training and investment towards skills development in the region. Detailed skills identified as important by respondents are presented in figure 7.

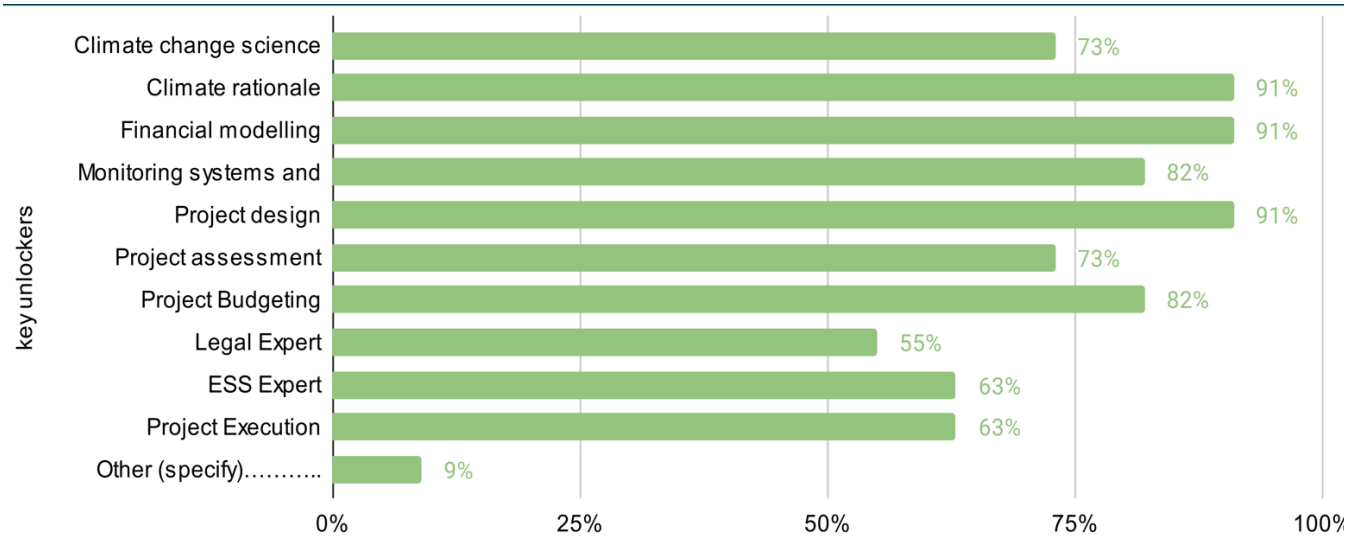

Figure 7: Specific specialisation areas requiring improvements to address climate financing access

2.2.4 Private sector participation

Private sector participation in climate finance in Southern Africa is low. Private sector investments are crucial for mobilizing additional funding for climate projects. The limited engagement of private actors restricts the potential for innovative financing models, variety of funding instruments and sustainable business-driven solutions (World Bank, 2019). The low participation of the private sector in climate financing within the SADC is a significant challenge partly due to the absence of large-scale private entities with financial capacity to contract various funding instruments. Several factors contribute to this issue. Firstly, there is limited awareness among private entities about the potential benefits and opportunities in climate financing. Additionally, a lack of clear policy frameworks and regulatory incentives discourages private sector engagement. The absence of standardized methodologies for measuring and verifying the impact of climate projects further hinders private sector involvement as it limits understanding of risks. Furthermore, perceived risks and uncertainties associated with climate investments discourage private sector participation. Addressing these barriers requires creating an enabling environment that fosters public-private partnerships for blending finance, providing financial incentives, enhancing information sharing and capacity building, and developing clear guidelines for measuring and reporting the impact of climate projects.

2.2.5 Project planning

Climate change project planning in Southern Africa involves comprehensive strategies to address the region's unique climate challenges. It requires a multidimensional approach that considers both mitigation and adaptation measures to build resilience and promote sustainable development. Key components in project planning in southern Africa includes: Assessment of the region's vulnerability and exposure to climate change impacts (Davis, 2017). This includes analysing historical climate data, identifying key climate risks, and understanding the socioeconomic and environmental implications; Considering of mitigation measures to reduce greenhouse gas emissions; Adaptation measures focus on enhancing the resilience of communities and ecosystems, including climate-smart agriculture, water management systems, and ecosystem restoration; Stakeholders engagement, including governments, communities, civil society, and the private sector. Collaborative partnerships and participatory approaches ensure that projects align with local needs, incorporate traditional knowledge, and foster ownership and sustainability; Capacity-building efforts to strengthen the skills and knowledge necessary for effective project implementation, and includes training programs, technical assistance, and knowledge-sharing platforms to enhance local capabilities in climate change management; explore various sources of climate finance, including international funding institutions, private sector investments, and innovative financing mechanisms.

2.3 Climate financing barriers

Southern Africa faces several barriers that impede the mobilization and effective deployment of financial resources to support climate change mitigation and adaptation efforts. Some of the identified climate financing barriers include: limited access to affordable long-term financing; perceived financial and technology risks; high up-front capital costs; and a lack of domestic climate finance mechanisms. Additionally, local capacity for measuring, monitoring and accounting for greenhouse gases is also often missing and limits the capacity to arrive at verifiable costs of investments, and application of internationally recognized frameworks, such as the Task Force on Climate-related financial disclosures, is limited. Climate financing barriers can be categorised into financial, institutional and operational as outlined below:

- Limited capacity to develop bankable projects and meet stringent requirements set by funding institutions.
- Lack of investment plans to inform funding applications and private sector engagement
- Lack of Coordination and Fragmentation: There is often a lack of coordination among different climate finance providers, leading to fragmentation of funding efforts. This fragmentation makes it challenging for

countries in the region to access and effectively utilize available resources (World Bank, 2019). The region has inadequate coordination among climate change stakeholders (especially those providing funding, capacity-building, or project design) within and across SADC Member States.

- Weak Institutional Capacity: Southern African countries often lack the necessary institutional capacity to attract and effectively manage climate finance. This includes limited expertise in project development, financial management, and monitoring and evaluation. Weak institutional capacity in two dimensions – to meet minimum criteria set by climate funds, large financial institutions, and international capital markets, and to develop technically feasible and economically viable climate change projects and programmes. Weak institutional capacity can hinder the efficient and transparent use of climate funds (Oxfam, 2019).
- Complex and Lengthy Application Processes: The application and approval processes for climate finance can be complex and time-consuming. The requirement for extensive documentation and technical expertise can be a barrier for Southern African countries with limited administrative and technical capacity (UNDP, 2017).

The other critical barriers to accessing and mobilizing climate finance in the region include inadequate enabling environments to incentivize green investments, which is partially responsible for low private sector participation (another barrier in itself). Addressing climate financing barriers will require concerted efforts from both Southern African countries and the international community. This will include; strengthening institutional capacity; streamlining application processes; promoting coordination among funding institutions; and facilitating private sector engagement.

2.4 Opportunities

Climate financing opportunities in Southern Africa are abundant, presenting avenues for sustainable and low emission and climate resilience development. Southern Africa presents a range of climate financing opportunities to address the pressing challenges of climate change. The region benefits from a variety of funding sources that support sustainable development and climate resilience. International institutions, such as the GCF, African Development Bank (AfDB), and World Bank, allocate significant resources to Southern Africa (AfDB, 2022). These funds can be utilized for renewable energy projects, such as solar and wind farms, which have immense potential for investment and growth in the region. Such initiatives not only contribute to reducing greenhouse gas emissions but also enhance access to energy job creation and economic growth.

Furthermore, climate financing in Southern Africa focuses on adaptation measures to build resilience to climate impacts. These projects support local communities by improving food security, access to water, and sustainable livelihoods, while also reducing vulnerability to climate risks. Other opportunities include the introduction of green banks and national climate funds. Green banks are country-driven, nationally based, catalytic finance facilities designed to mobilize private investment. They direct funding towards specific sectoral climate change needs (Gomez, 2022).

Private sector investments have an important role in climate finance opportunities in the southern Africa region, such as programmes funded by the Development Bank of Southern Africa. Companies are increasingly recognizing the importance of environmental sustainability and investing in clean technologies and energy-efficient practices. Private sector financing can support the development of innovative solutions and promote sustainable business models in sectors such as renewable energy, waste management, and sustainable tourism (DBSA, 2023).

REDD+ (Reducing Emissions from Deforestation and Forest Degradation) is also a prominent mechanism that presents opportunities for scaling climate financing. It provides financial incentives to countries or communities that successfully reduce deforestation and forest degradation. Through mechanisms such as carbon credits or payments for ecosystem services, REDD+ can mobilize funds from public and private sources to support forest conservation efforts and sustainable land use practices. Finally, impact and socially responsible investors prioritize environmental

and social outcomes alongside financial returns. They seek investment opportunities that align with climate goals and contribute to sustainable development. Lastly, philanthropic funding plays a vital role in scaling up climate financing and accelerating the transition to a low-carbon and climate-resilient future. Philanthropists and foundations have the flexibility to support innovative and high-impact initiatives that may be difficult to fund through traditional channels.

3. Framework for mobilizing and accessing climate finance

3.1 Climate financing framework

The largest financing gap on the African continent exists in the Southern African region, largely attributed to the high climate finance needs identified by South Africa combined with one of the lowest levels of regional climate investment. When compared to their GDP, the Democratic Republic of Congo, and Seychelles have the highest investments gaps, ranging from 57% to 128% of their GDP. Namibia faces investment gaps in the range of 1-5% of its GDP (Chavi, et al., 2022). Positive factors such as possessing a diverse economy, innovation, skilled labor, quality of social and physical infrastructure, and institutional capacity, have influence on a country's adaptive capacity to respond to climate shocks and the extent of accessing climate finance. Yet while they have a relatively low financing gap (as a % of their GDP), the absolute climate finance needs in these countries are still three to six times higher than their actual finance flows.

To address existing constraints in mobilizing and accessing climate finance, SADC Member States require capacity-building support to enhance technical skills in negotiation; fiduciary management; tracking and reporting; data collection, monitoring and research; access to finance; private sector engagement; transparency; and governance and regulation. The required capacity could be built through training, research, education, certification and establishing public–private partnerships. Enhancing sustainable knowledge in the finance sector could be accomplished by incorporating climate finance components into sector-specific education and certification specific to the region.

3.2 Sources of climate finance

3.2.1 Public sources of climate financing

Much of public finance is channeled through national governments to implement climate change mitigation and adaptation projects, in addition to government resources generated from tax income. As opposed to presenting a generic "government funding" source, public concessional loans prioritize non-revenue-generating, public good projects (e.g., disaster-resilience infrastructure). Public finance can also provide concessional capital to revenue-generating projects in order to attract commercial investors by improving the risk/reward profile of the investment, for instance through grants, concessional loans or guarantees; through arrangements, known as "blended finance". Public commercial sources such as Development Finance Institutions (DFIs) including commercial banks play the same role in providing private equity and direct financing for infrastructure projects when they provide equity or loans, making investment or lending decisions on the basis of market return expectations while also complying with impact mandates and ESG criteria.

3.2.2 Private sources of climate financing

Private sources of climate financing such as banks, bond investors and private equity funds, provide capital in the form of debt or equity with the expectation to realize market-level, risk-adjusted returns. Remuneration for debt investments comes primarily from the payment of interests. Remuneration of equity investments comes from dividends and/or capital gains from the sale of equity stakes. Borrowers include private or state-owned enterprises, as well as national and local governments including special purpose vehicles set up to develop and run infrastructure concessions. Equity recipients are confined to the corporate sector. The use of proceeds from a debt or equity investment varies by type of recipient: corporate recipients will typically invest in the growth of the business or refinance existing debt obligations that come due; sovereign recipients will finance their budget deficits or refinance existing debt maturities.

A necessary condition for private finance is that climate projects have the potential for revenue generation or cost recovery. To date, these projects have fallen primarily under climate change mitigation. The most common example is debt or equity financing of renewable energy plants, which generate revenues by selling electricity into the power grid or to specific off-takers. While climate change adaptation projects are often of a public good nature, some projects are also attractive to private finance such as financing of disaster-resilient infrastructure. Other examples include water supply infrastructure with the ability to generate repayments from water tariff charges, or financing of climate-resilient agriculture technologies such as for irrigation installations. In some projects, full commercial structures may not be possible and "blended finance" solutions may be required. Specifically, concessional capital from public sources would be used to reduce the risk or enhance the return on the investment for the commercial capital provider. By mobilizing private capital, blended finance solutions also allow governments to reduce reliance on sovereign borrowing to fund their investment needs - an increasing priority for many SADC Member States.

3.2.3 Public-private partnership climate financing

To facilitate private climate investment, large-scale public-private partnerships have been established to leverage public financial resources. Public-private partnerships (PPPs) in climate financing refer to collaborations between government entities and private sector organizations to mobilize resources and address climate change challenges. These partnerships aim to leverage the strengths and expertise of both sectors to enhance the scale, efficiency, and effectiveness of climate finance initiatives. Challenges with some partnerships, such as with the Green Climate Fund, include low accreditation rates and slow disbursements, reflecting lengthy and complex processes (CABRI, 2021). This underscores the importance of capacity building for countries to leverage such partnerships.

Box 1: Examples of Public-private partnership climate financing

Nordic Climate Facility (NCF): The NCF is a joint initiative of the Nordic Development Fund (NDF) and the Nordic Investment Bank (NIB). It provides grants and loans to innovative climate projects in developing countries that are implemented by Nordic organizations or in collaboration with local partners. The NCF aims to demonstrate scalable solutions for climate mitigation and adaptation while promoting private sector involvement.

The second example is the Green Climate Fund (GCF): Established under the United Nations Framework Convention on Climate Change (UNFCCC), the GCF is one of the largest public-private climate funds globally. It aims to support developing countries in their efforts to mitigate and adapt to climate change. The fund operates by mobilizing resources from various sources, including governments, private sector entities, and philanthropic organizations, to finance projects and programs that promote low-emission and climate-resilient development. The GCF catalyzes private sector investment through its Private Sector Facility, which provides concessional loans, lines of credit to banks, equity investments, guarantees, and first-loss protection among other financing instruments. Covering both climate adaptation and mitigation projects during 2015–20, the fund co-financed or directly financed climate investments with a total value of USD 23.4 billion in 117 developing countries.

PPPs in climate financing can play a crucial role in mobilizing resources, unlocking private sector expertise, and accelerating the transition to a low-carbon and climate-resilient future. These partnerships have the potential to drive innovation, scale up climate solutions, and support the implementation of national and international climate commitments.

3.3 Strategic positioning to implement climate finance instruments

3.3.1 Regional and country policy frameworks

At a regional level, the SADC Climate Finance Mobilization and Access Strategy and the SADC Climate Change Strategy and Action Plan provides a framework for coordinating climate change interventions for Member States. Country policy frameworks on climate change in Southern Africa also play a crucial role in addressing the challenges and impacts of climate change in the region. Overall, regional and country policy frameworks on climate change in Southern Africa are essential for guiding and coordinating actions to address the impacts of climate change, promote sustainable development, and contribute to global climate objectives. These frameworks facilitate cooperation,

resource mobilization, knowledge sharing, and institutional strengthening, leading to positive socio-economic outcomes for the region.

3.3.2 Establishment of national climate financing entities

Through establishment of domestic climate funds, countries are better positioned to engage with sources of finance in different ways, using local context to determine the most cost-effective sources of finance. They can select priority sources based on ease of mobilization and fit with existing infrastructure, although the cost-effectiveness of each one depends on system requirements. Leveraging these new sources requires countries to prepare a pipeline of climate projects that either decarbonize fossil-fuel industries (for oil-dependent and semi-natural-resource-dependent countries) or new, high-potential green businesses (all countries), including renewable energy. These sectors can cover, for instance, agro-processing, forest products processing, transport, textiles, power, and basic materials.

Box 2: Examples of National Climate Funds

Domestic models for coordinating climate finance and its alignment with domestic development agendas include:

- Rwanda Green Fund (FONERWA): FONERWA is Rwanda's National Climate and Environment Fund. It was established in 2012 to mobilize financial resources for green projects and initiatives in the country. FONERWA has supported a wide range of projects, including renewable energy, energy efficiency, sustainable agriculture, and waste management.
- South Africa's Green Fund: South Africa established the Green Fund in 2012 to provide financial support to projects that promote the transition to a green economy. The fund supports initiatives related to renewable energy, green infrastructure, biodiversity conservation, and climate change adaptation.
- Kenya Climate Change Fund: The Kenya Climate Change Fund was established in 2014 to support climate change adaptation and mitigation projects in the country. It provides financial resources to various sectors, including agriculture, water resources management, energy, and forestry

Within the SADC regions, national climate funds have been developed by South Africa, Namibia, Eswatini, and Botswana with relative success, though lessons from across the region point to likely challenges in mobilizing domestic and international climate finance. The main ones are securing capital from funding sources, particularly in debt-distressed countries; obtaining the necessary technical assistance funding for designing and structuring national climate funds; and overcoming the uncoordinated approach to establishing national funds.

3.3.3 Country level funding strategies

(a) Government budget allocation

Addressing climate change requires concerted efforts and financial resources at the disposal of national governments. Member States play a crucial role in mobilizing funding and establishing mechanisms to tackle this global challenge. Government treasury commitment is paramount in capitalizing a national climate change fund. It starts with recognizing climate change as a national priority and acknowledging the need for dedicated financial resources to capitalizing the fund. This commitment sets the stage for allocating a portion of the government's budget to a newly established fund. In addition to budget allocations, governments can explore diverse funding sources to capitalize the climate change fund. This includes seeking international climate finance, forming public-private partnerships, leveraging carbon markets, or introducing environmental taxes and levies. Diversification of sources enhances the fund's financial sustainability and resilience.. The role of ministries of finance and central banks in this area is underscored.

(b) New domestic financing

Some of the best opportunities to mobilize domestic climate finance in Africa come through green banks and national climate funds. Green banks are country-driven, nationally based, catalytic finance facilities designed to mobilize private investment. They direct funding toward specific sectoral climate change needs to support, for example, climate-smart agriculture or use of clean energy from non-renewable or renewable sources. While fairly new to the region, interest in green banking is increasing.

(c) Environmental fiscal reforms

Financing an entity through environmental fiscal reforms and taxes can be an effective strategy to promote sustainable development, mitigate environmental impacts, and generate revenue. Here are some key points to consider:

- **Environmental Fiscal Reforms:** Environmental fiscal reforms involve reshaping tax and subsidy policies to incentivize environmentally friendly practices and discourage harmful activities. By introducing taxes on pollution, carbon emissions, and resource consumption, governments can internalize the environmental costs associated with these activities. This encourages businesses to adopt cleaner technologies, reduce emissions, and conserve resources.
- **Revenue Generation:** Environmental taxes can serve as a significant source of revenue for governments. The funds collected from these taxes can be allocated towards environmental protection initiatives, such as conservation projects, renewable energy development, and climate change adaptation measures. This revenue can also be used to finance public services and infrastructure projects, contributing to overall economic development.
- **Behavior Change and Market Signals:** Environmental taxes send market signals that influence consumer behavior and encourage the adoption of sustainable practices. Higher taxes on polluting products and activities make them less attractive and encourage consumers to opt for greener alternatives. This shift in consumer demand can drive innovation and create market opportunities for sustainable businesses.
- **Incentivizing Green Investments:** Environmental fiscal reforms can include tax incentives and subsidies to promote investments in clean technologies, renewable energy, and energy efficiency. By providing tax benefits and financial support for environmentally friendly projects, governments can stimulate private sector participation and accelerate the transition to a low-carbon economy.
- **Policy Coherence and Integration**: Environmental fiscal reforms should be integrated into a broader policy framework that aligns with environmental and sustainability goals. They should be supported by complementary policies such as regulations, subsidies for green technologies, and public awareness campaigns. This integration ensures policy coherence and maximizes the effectiveness of fiscal measures in driving sustainable development.
- **Stakeholder Engagement and Fairness:** It is crucial to engage stakeholders, including businesses, civil society organizations, and the public, in the design and implementation of environmental fiscal reforms. Transparent and participatory processes ensure fairness, address potential concerns, and foster support for these measures. Additionally, targeted measures can be implemented to mitigate the potential impact on vulnerable groups and ensure the reforms are socially equitable.

In summary, financing an entity through environmental fiscal reforms and taxes can provide multiple benefits. It not only generates revenue but also encourages sustainable practices, drives market transformation, and internalizes environmental costs. By integrating these fiscal measures into a comprehensive policy framework and engaging stakeholders, governments can achieve both economic growth and environmental sustainability.

(d) Increase private sector participation

Private sector still greatly lags behind public climate finance in Sub-Saharan Africa, plateauing at around 13% in 2019-20, against an average of 42% in other developing regions. Private climate financing must play a pivotal role as emerging markets and developing economies seek to curb greenhouse gas emissions and contain climate change while coping with its effects. An important first step would be to increase their capital base and reconsider approaches to risk appetite via partnerships with the private sector, supported by transparent governance and management oversight.

3.4 Instruments of climate finance

3.4.1 Grant

A grant is an award, usually financial, given by one entity to an individual or a company to achieve a goal or incentivize performance. Grants are essentially non-reimbursable under most conditions. The main sources of grants to address climate change are multilateral climate funds, MDBs, bilateral climate finance, national climate funds and philanthropic foundations.

3.4.2 Equity

Equity represents ownership of shares in a corporation. Private sources of climate finance, such as private equity funds, Venture Capital (VC) funds and incubators/ accelerators, provide capital in the form of equity with the expectation of realizing market-level, risk-adjusted returns. Remuneration from equity investments comes from dividends and/or capital gains from the sale of equity stakes. Equity recipients include private or government-controlled companies – including special purpose vehicles set up to develop and run infrastructure concessions. Equity is used typically to invest in the growth of the business or reduce existing debt obligations that come due. Public commercial sources such as DFIs play the same role as private equity and infrastructure funds (when they provide equity), making investment based on market return expectations while also complying with impact mandates and ESG criteria. They target only private sector investments.

3.4.3 Debt

A debt is a transfer of money (principal) from one party (creditor) to another (debtor) with the contractual obligation for the debtor to repay the principal (or other agreed-upon value) to the creditor in the future according to an agreed schedule. In addition to the return of the principal, the creditor is rewarded for the risk assumed through the payment by the debtor of contractually agreed interests. As a deferred repayment, or series of repayments, debt is differentiated from an immediate purchase. Debt may be owed by a sovereign state, local government, company, or an individual. Debt can take the form of loans or bonds, which are debt securities that can be traded in the financial markets.

3.4.4 Loans

Loans are often secured by a collateral (asset- based lending), such as an asset (for instance, a building if the loan was used to build or purchase such building) or recourse to the business and assets of a company. Unsecured loans rely solely on the cashflows of the debtor for repayment (cash-flow based lending), such as cashflows generated by a company during the course of business or salaries and other personal income in the case of unsecured consumer loans (e.g., credit card debt). Bonds can also be secured or unsecured. Loans can be commercial (non-concessional) or concessional. The concessionality is achieved either through interest rates below those available on the market by grace periods, or long maturities that would not be customarily offered by commercial lenders, or a combination of these. Concessional loans typically have long grace periods. Multilateral climate funds, multilateral development banks and bilateral climate finance offer concessional loans.

Non-concessional loans are loans with a market-based interest rate and substantially less generous terms than concessional loans. Commercial banks are the primary source of non-concessional loans in SADC Member States and are increasingly focused on the climate agenda. They offer a wide range of loan instruments that could suit the needs of climate finance, including: (i) project finance loans (e.g., for renewable energy or water and waste treatment projects); (ii) loans to private sector companies (including SMEs) that address climate needs; (iii) consumer loans to support small-scale purchases of equipment (e.g., solar panels or energy- efficient devices); and (iv) loans to sovereigns or SOEs for large climate-related investments.

3.4.5 Project financing

In project finance (typically loan), the debtor borrows capital for the development of a specific project and the loan is provided solely based on that project's risks and on expected future returns generated by the project (cash-flow based credit-worthiness). The project sponsor does not assume liability for the debts of the individual project. All cash obligations must be met from the cash-flow generated by the project. Therefore, an essential factor for the lending decision is for the project cash-flows to be stable and predictable enough to repay the borrowed capital and pay interest. Project finance transactions usually require numerous contracts for the allocation of risks to different partners. For this reason, project finance is time consuming and has high transaction costs. Consequently, it is used primarily for medium to large projects only - examples include large infrastructure projects in the energy and transport sectors.

3.4.6 Blended financing

The Organization for Economic Co-operation and Development (OECD) defines blended financing as finance that attracts commercial capital towards projects that contribute to sustainable development, while providing financial returns to investors. Blended finance, the use of catalytic capital from public or philanthropic sources to increase private investment can help member states leverage the private sector and close the climate finance gap. Between 2007 and 2018 it accounted for about USD 136 billion in capital for sustainable development in developing countries , with nearly 500 closed transactions.

Box 3: Blended Financing

In 2018, the Indonesian Government launched SDG Indonesia One, which is an integrated funding collaboration platform to support infrastructure development that is in line with achieving sustainable development goals (SDGs) in Indonesia. Through an innovative financing mechanism that combines public and private funding (blended finance), this platform utilizes funds from various sources, including private, philanthropic, donor agencies, bilateral and multilateral financial institutions, banking, insurance, and other investors from time to time. This blended funds from various sources is catalyzed and increased the capacity of the infrastructure funding process in Indonesia.

SDG Indonesia One attracted 35 institutional investors with a total portfolio of USD 5.5 billion. Strategic Partners for domestic and international institutions in accelerating infrastructure development in Indonesia included Ministries/Governmental Offices, Municipalities, Private/State Owned Entities, FI/Banks/Private Equity, Multilateral/Bilateral, Sovereign Wealth Fund, Capital Market, Institutional Investors (Pension Fund, Insurance, Social Security Funds, etc). The platform offered products such as development facility, de-risking, financing and equity investments.

Africa has about 46% of all blended finance transactions to developing countries. Blended finance has already been used to encourage private financing of climate change adaptation and mitigation in Africa, but at small values. It can also be used to encourage commercial financial institutions to invest in SADC Member States to bridge the infrastructure finance gap and provide finance to small and medium enterprises. International climate finance institutions such as the GCF should consider providing more blended finance.

3.4.7 Green Bonds

Green bonds are debt instruments used to finance projects, assets and activities that support environmental management, climate change adaptation and mitigation. They can be issued by governments, municipalities, banks and non-financial corporates. The definition of green bond can be used for any bond format, including private placement, securitization, covered bond and Sukuk. The rising interest in sustainable investing, reflected by a growing number of sustainability funds that target Environmental, Social and corporate Governance (ESG) or Sustainable Development Goals (SDG)-related themes or sectors, means the potential 'pot' of funding for climate change, water and sanitation has grown in recent years. In 2021, global issuance of green bonds alone reached a record USD 500 billion.

3.4.8 Guarantees

Guarantees cover defaults of debt service payments and could be granted for public sector or private sector projects. Guarantees could be powerful catalysts to attract commercial debt financing for strong development outcomes that support economic growth and improve public services in developing countries. Multilateral Development Banks (MDBs) provide guarantees to support private sector investments, commercial borrowing by the sovereign for budget financing and to support reform programmes or commercial borrowing by State-owned enterprises.

3.4.9 Debt-for-climate swaps

These swaps are gaining traction internationally, and some regional and national organizations are exploring them as options for raising climate finance for low-income and highly indebted countries. They involve debt forgiveness on the condition that debt repayments are instead invested in climate change adaptation and mitigation to boost economic spending and accelerate private investments. Because these funds are invested in local currency, they are expected to reduce countries' debt portfolios and their foreign exchange risk. Progress on frameworks, however, is slow. Instead, arrangements for debt service suspensions have been offered to some highly indebted countries, from

which some African countries have benefited. Such swaps may be of particular interest for member states because of the volume of its public debt due for repayment in the next decade.

Box 4: Climate Fund Managers USD 1.6 Billion Debt-For-Climate Conversion to Protect the Galapagos Islands

In May 2023, the Climate Fund Managers (CFM), the leading climate-centric investment firm, announced the financial close of a new debt-for-climate conversion via its marine ecosystem venture, Oceans Finance Company (OFC), that will protect one of the planet's most important ecosystems: the Galapagos Islands. The Galapagos conversion, which is the largest in history, exchanged USD 1.628 billion in Ecuadorian government bonds for a USD 656 million impact loan. The transaction will generate savings to the Ecuadorian fiscus of USD 1.126 billion through 2041. In return, Ecuador will direct savings of USD 323 million by 2041 to the conservation of the Galapagos and establish a new endowment fund maturing to USD 227 million to finance their preservation thereafter.

CFM, through OFC, was one of the key advisors in the transaction. It developed the concept to fruition, led on the financial structuring and invested USD 2 million in early-stage development capital via its Climate Investor Two (CI2) Fund, an innovative blended finance vehicle focused on oceans, water and sanitation. CI2, through a complimentary structure is expected to avail an additional USD 5 million per annum for conservation.

Debt-for-climate conversions are an innovative finance mechanism that exchanges a portion of government debt at more favourable terms, with savings spent on climate-positive action. Situated in a 200,000 km² Marine Protected Area (MPA) off the coast of Ecuador, the Galapagos are a biodiversity hotspot with the highest concentration of endemic species on the planet. Hampered by a lack of funding to enforce its protected status, overfishing combined with pollution and climate change has put the fragile ecosystem and the communities that depend on it at risk. The conservation funds will protect the 60,000 km² Hermandad Marine Reserve (HMR), providing vital protection for marine life whilst also promoting sustainable fishing and tourism, enhancing ecosystem richness, and building resilience to climate change. Extending to the Cocos Islands, the HMR also provides a safe corridor along a key migratory route for endangered marine species including the Scalloped Hammerhead shark, Oceanic Manta Ray, Blue Whale and several species of marine turtle that move between Ecuador, Colombia and Costa Rica.

Member states and institutions in Africa and SADC in particular should continue advocating for these swaps, directly with international financial institutions and indirectly through development partners. The Paris Club of creditor countries is better placed to offer debt-for-climate swaps because direct negotiations between creditors and debtors are likely to result in quicker agreements (African Development Bank, 2022).

3.4.10 Just transition financing

An emerging asset class is that of transition bonds and loans, which are instruments used specifically to finance "just transition" projects, defined by the International Labor Organization (ILO) as projects that green the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind. The just transition, embedded in the Paris Agreement, is recognized worldwide as a critical enabling factor for the shift to net-zero, and will be required for coal workers and their communities.

3.4.11 Result based financing

Results-based climate finance refers to payments made for achieving agreed-upon climate-related results, particularly for reducing carbon emissions. This approach appeals to project donors as they only pay for results achieved. It offers recipient countries another funding stream outside of already-pinched national budgets and traditional development assistance that prioritizes and scales up climate action. It can offer a source of liquidity at this critical moment and support a resilient, equitable, low-carbon recovery. It could also provide incentives to spur local communities, private sector players, and other stakeholders to participate in and benefit from climate-smart activities.

3.4.12 Carbon markets

The net-zero commitments and the finalization of the Paris Agreement's Article 6 have boosted global confidence in carbon markets and increased market demand for carbon credits from lower-cost emission reduction in Africa. After lengthy negotiations over Article 6, a consensus was reached on a global carbon market mechanism at COP 26 in 2021. There are now more stringent rules to reduce the risk of double counting and improve the transparency, reliability, and liquidity of voluntary carbon markets. Further, 5% of proceeds raised from carbon offsets will be put into a fund for climate change adaptation in developing countries. This tighter offset regime should lead to higher-

quality credits and give new impetus to governments to integrate offsets in their carbon-pricing regimes, which in turn should boost confidence in the carbon market. SADC Member States countries need stable and fair price signals in the global carbon market to fulfill the conditional components of the NDCs.

Box 5: Prospects of Carbon Markets in Africa

Africa has previously been successfully linked to compliance of emission trading carbon markets of major industrialized countries through the CDM or voluntary carbon markets. Its number of CDM projects has increased but needs to be scaled up far more if carbon markets are to help mobilize billions of dollars in additional private capital. The Paris Agreement's Article 6 and outcomes at COP26 are expected to markedly improve the global carbon market's design, reducing the unbalanced distribution among project host countries. Although the future price of carbon remains uncertain, particularly so since the outbreak of the Russia–Ukraine conflict, some assessments project that the price of carbon offsets could increase from USD 2.50 a ton on average in 2020 to USD 11–USD 215 by 2030 and to as much as USD 47–USD 120 by 2050. Other sources estimate that, if developing countries stay on emission pathways that see a later peaking in carbon emissions, which depends heavily on the aggregation of national climate targets, the global marketplace for carbon emissions could increase from USD 300 million in 2030 to over USD 1 trillion in 2050.

Changes in domestic carbon market regulations will be important for generating carbon emission credits that can be used in this emerging carbon market, requiring resolution of issues around limited liquidity and scale. Member States in the SADC region should consider creating regulations on risk disclosure and management that will influence these investors in decarbonizing their portfolios. Increasing liquidity and scale requires strong verification frameworks and transparency measures to ensure that credits from the continent meet global market standards (Garschagen and Doshi, 2022). Exchange platforms can also help ensure transparency of pricing and trading, limiting the risk of underpricing carbon and increasing the chances that returns from trading will benefit the communities that generate these credits. Carbon finance in the region needs to harmonize with domestic policies to scale up high-quality project pipelines in clean energy, urban transport, and buildings, as well as investments in natural climate solutions, such as land use and forest management.

4 Practical Steps: Climate finance and resource mobilization

4.1 Defining climate project development

Development projects and climate projects may appear intertwined, as development projects can contribute to mitigation and/or adaptation, and mitigation and/or adaptation projects may likewise have development benefits. However, these two projects are not the same, and conceptually they can be difficult to categorize. While at present there exists no explicit definition of "climate actions" under international law, reference can be made to Article 4 of the Convention, which maps out the different commitments of Parties (UNFCCC, 2021). One such commitment under the Convention is to take climate change considerations into account in relevant social, economic and environmental policies and actions. Parties to the UNFCCC have committed to employing methods that will minimize the adverse effects on the environment of projects or measures undertaken by them to mitigate or adapt to climate change.

Different country contexts often lead to variations in the development of a climate project. The complexity of the process, and the number of stakeholders from within and outside government that are involved, often require its customization in order to accommodate the circumstances surrounding the project development process. These different approaches to project pipeline development may be stakeholder-led, or driven by country priorities or climate data. Each kind of approach has its strengths and weaknesses, but in recent years, a common critical factor observed across the board is the project's alignment with country priorities informed by the NDCs and NAPs. It must be noted that the processes mentioned above are meant to facilitate the development of climate projects that are aimed at accessing international financial support.

4.2 Determining the bankability of a climate project

The bankability of the project is a critical consideration for fund providers. Bankability refers to the attractiveness of a financial proposal to a fund provider. More specifically, it refers to a project with a risk/return profile that falls within the desired range of the "Bank", Fund or Grantor. A bankable project should have a return sufficient to

service debt or to provide market yields. While associated risks that can be mitigated to a level that is acceptable to the fund provider. In more general terms, enhancing bankability can be achieved by:

a) Designing the project in ways that minimize risk;
b) Sharing the risks that the project can reasonably carry;
c) Securing enhancements such as financial guarantees or insurance.

The measures undertaken will in great part depend on the risk assessment and security requirements of the fund provider. However, it must be noted that the ability to attract funding for a climate change project goes beyond the broad definition of bankability explained above. In the context of climate finance, the "returns" (outputs) expected of project proponents in such cases consist of the meeting of climate targets and other socioeconomic benefits, as required. For example, an adaptation project that does not generate revenues may prevent or reduce future heavy loss and damage costs and generate a benefit for society that can be translated into a clear case for investment from an economic perspective, even if not immediately from a financial perspective, requiring effort to build a mix of financing instruments that can deliver a capital structure specifically to make that project viable or "bankable".

The reduction of risks in this case is often addressed through a risk assessment and mitigation process, which encourages – if not required, in the case of some funders – robust safeguards in the design and implementation of projects. It is important to highlight that the mix of financing instruments that can deliver the capital necessary for a given project will depend on the nature of the project, its size and risk profile; the latter is highly dependent on the country context. Sound projects that have a clear positive cost-benefit for society, even if the financial analysis is initially negative, may be able to secure funding as long as they are in line with governmental policies and adequate financing instruments are sought to gather the necessary capital.

4.3 Project design considerations

Funding application should be tailored to address the specific requirements and concerns of the potential funders you will approach. If you are seeking a loan from a commercial bank, you may need to present your project's business plan. If you are seeking an international climate finance grant, this section will give you an overview of important aspects to consider. Funders, public or private, will have their own specific forms, checklists and guidelines that will take you through the application process. Towards designing a bankable climate project, there are a number of common and important design considerations that determine the project's viability, appropriateness and effectiveness. In the climate change context, these design considerations include the project's:

(a) **Climate rationale:** Refers to climate related scientific basis of a proposed project. In order to arrive at a climate rationale, it is necessary to identify a problem that is meant to be addressed, and the role that climate change plays in causing or exacerbating it. This must be supported by the best available climate data and science. It may be difficult to distinguish between developmental issues and their climate components, but a number of methods may be utilized in order to provide clarity to this, such as root cause analysis tools. Once the problem – and its root cause – has been properly identified, it should then be validated. There are different ways to do this: for mitigation problems, identifying a country's and/or sector's GHG emissions trajectory is necessary in order to establish a baseline from which a potential low-emission pathway may be based. For adaptation problems, on the other hand, climate impacts, vulnerabilities, exposure and hazards must be identified and assessed. The most appropriate and effective solutions to the problem must be identified after it is validated. A set of interventions may be proposed by the project proponent in order to properly address the problem, taking into consideration existing data and potential impacts on certain sectors or vulnerable groups.

(b) **Theory of change:** A theory of change (TOC) answers the question of how change can be made to happen through the project being designed or proposed. It is a statement or narrative that takes the funder through the process of how project activities lead to outcomes that support or achieve the accomplishment of the project's long-term goal or a transformational impact. In the case of climate change projects, a theory of change takes the climate rationale and explains how the activities included in the proposal would place the country/sector on a low-carbon development pathway, towards climate-resilient development, or both.

Bringing a strong TOC into the project narrative is key to strengthen a project proposal for funding consideration. A robust TOC must take into account impacts, outcomes, outputs, activities, barriers, risks and assumptions. As with the climate rationale, the TOC must describe the problem that the proponents intend to address. Proponents are then expected to identify barriers to the resolution of the problem given

the status quo. Barriers to the resolution of the problem may be ecological, financial, gender-based, institutional, regulatory, social or technological, among others. The identification of these barriers is critical to the determination of appropriate actions needed to resolve the problem in question.

A critical component of the TOC is a long-term vision or the project's ultimate goal/objective. Having identified the barriers to the resolution of the problem, the long-term vision is a mission statement that explains how the project means to address the problem and result in a shift towards low-carbon and/or climate-resilient development. Once this is in place, a progression from the problem to the long-term vision is mapped out. Such a progression may be developed using tools or methods like back casting, which works backwards from the long-term vision, to necessary outcomes in order to achieve the long-term vision, to barriers that need to be addressed, all the way back to the problem at hand. Throughout this mapping process, the activities that are meant to lead towards the outcomes should be determined. Assumptions that have led the project proponent to believe that the TOC and the pathway or progression it puts forward should also be identified to provide more clarity as to the reasoning of the proponents. Risks that could prevent the accomplishment of the outcomes and/or activities should also be indicated. An example of the TOC diagram from the GCF readiness guidebook (GCF, 2023) is presented below:

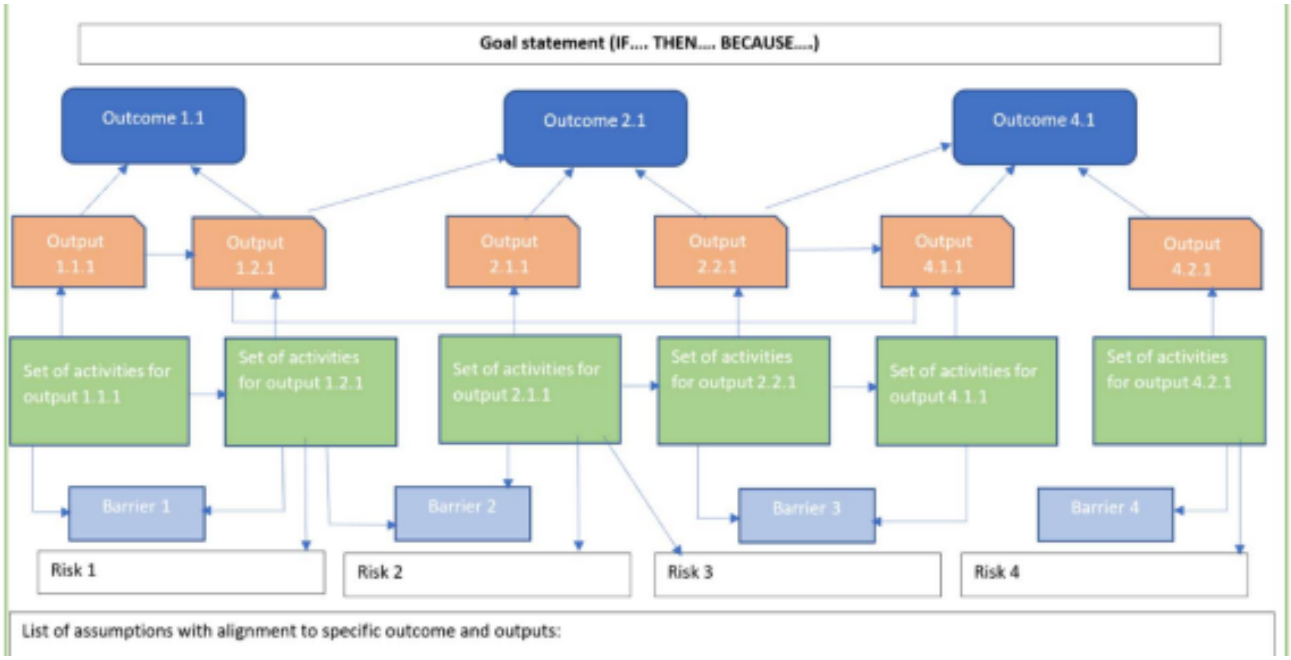

Figure 9: GCF sample Theory of Change, Readiness Guidebook, 2023

Many of the international funding sources are interested in investing in projects that are able to bring about transformational change or a paradigm shift. In this case, a paradigm shift refers to the degree to which the proposed activity can catalyze impact beyond a one-off investment and results in medium- to long-term change. The possible pathways to transformational change will be very specific to each sector.

(c) **Alignment with national priorities**: The determination of national climate priorities and strategies should likewise be based on an integrated, evidence-based assessment of a country's climate vulnerabilities, risks and needs in order to ensure the development of truly effective climate change responses. It is assumed that the existence of identified national priorities indicated in national policies and strategies is based on evidence-based assessments. It therefore follows that a truly effective climate change project should align with national climate priorities and strategies, including the country's UNFCCC reporting such as NDCs, NAPs and other related documents.

Funders, more often than not, require proponents to indicate how their projects relate to national priorities, policies, plans and/or strategies on climate change. When done well, this assures funders that the

prospective project falls within a country's climate agenda, and that it contributes to the country's efforts to ably respond to climate change. It also assures funders of government ownership or buy in, which is needed to ensure project sustainability and the effectiveness of its outcomes. Alignment with development priorities or national development goals and strategies is most often important to funders. Ensuring that a proposed project falls within this broader policy framework while at the same time addressing climate needs and priorities would not only greatly strengthen the viability of a proposal; it would also clearly contribute to the accomplishment of important development goals and promote a synergistic approach to achieving national targets.

(d) **Risks and mitigation measures:** Taking the various components of the proposed project into consideration, proponents must then assess and identify the possible substantial risks that may be encountered during the project's implementation. The risks identified may then be classified into categories (i.e., governance, legal, reputational, operational, etc.) and assessed as to their likelihood and severity of impact. Once this is done, measures to address these risks should be determined. These measures referred to as mitigation measures may be preventive in that their objective is to avoid the risks occurring entirely, or may be mitigative in that they reduce the impact of a risk should it occur. Response or contingency measures may also be encompassed within this broad range of mitigation measures; these actions are to be undertaken should a risk occur.

(e) **Environmental and social safeguards:** ESS are very closely tied to the determination of risks and mitigation measures. These safeguards are meant to reduce – if not entirely avoided – negative environmental and social impacts on the stakeholders, vulnerable communities, marginalized groups and environment arising from the implementation of the project. These safeguards must be built into the project's design and implementation. For the GCF, in particular, project proponents are required to take into account the International Finance Corporation (IFC) Performance Standards, which serve as the Fund's interim ESS framework. The IFC Performance Standards are considered as one of the most comprehensive ESS frameworks available. They consist of one overarching performance standard that is further fleshed out by seven supporting performance standards. Performance Standard (PS 1) pertains to the assessment and management of environmental and social risks and impacts in general, while the others go deeper into labour and working conditions (PS 2); resource efficiency and pollution prevention (PS 3); community health, safety and security (PS 4); land acquisition and involuntary resettlement (PS 5); biodiversity conservation and the sustainable management of living natural resources (PS 6); indigenous peoples (PS 7); and cultural heritage (PS 8).

(f) **Gender mainstreaming:** Gender equality is a serious consideration for most, if not all, fund providers. Existing problems such as gender-based violence and inequality are exacerbated by climate change; studies have consistently shown that women and girls are especially vulnerable to the adverse effects of climate change as a result of climate impacts compounding existing social, cultural and institutional issues. Fund providers have therefore actively begun requiring the inclusion of gender components and objectives into project proposals, with the intention of closing the gender gap and promoting gender equality. As part of the project proposal, project proponents may be required to submit gender-related documents such as a gender assessment report, gender action plan and evidence of how the gender elements are mainstreamed throughout the project cycle.

(g) **Indigenous peoples' policies:** Indigenous peoples are often disadvantaged and marginalized during the pursuit of economic development as it is traditionally understood. Actions or activities that promote low-carbon and climate-resilient development may also pose social and economic threats to indigenous peoples and other vulnerable communities. Informed consent, consultation and participation of indigenous peoples and vulnerable communities are therefore critical in the design and implementation of climate projects. This is supported not only by legal instruments such as the Paris Agreement, but also the United Nations Declaration on the Rights of Indigenous Peoples and Convention No. 169 of the ILO, among others.

Depending on the scope of the project proposed, project proponents and implementers may be required to secure free, prior, and informed consent, which is achieved through a detailed and rigorous process that ensures indigenous peoples' participation in the design and implementation of the project. In addition to this, safeguards are put in place to make sure that concerns or grievances may be properly communicated and addressed. The IFC Performance Standards, for instance, include numerous requirements and

indicators to safeguard the rights of indigenous peoples in PS 7, as well as across a number of other relevant performance standards.

(h) **Stakeholder consultation and engagement:** Stakeholder consultation and engagement seeks to ensure that all parties affected, whether actually or potentially, by the implementation of a project are properly and meaningfully consulted and engaged with. This requires a thoroughly involved process through which stakeholders are allowed to take part in the design of the project, its implementation, and the determination and achievement of its long-term objective.

A well-designed and executed stakeholder consultation and engagement plan makes room for more nuanced, realistic and even practical solutions to actual issues on the ground, while at the same time feeding into a broader climate-responsive development trajectory. In order to accomplish this, the GCF puts forward five key principles for a stakeholder engagement plan, namely: Transparency; Accountability; Inclusiveness; Non-discrimination; and "Do no harm.

(i) **A grievance and redress mechanism**: While not all fund providers require comprehensive grievance and redress mechanisms for projects, most, if not all require the inclusion of a means through which issues or concerns arising from the implementation of projects may be addressed. This necessarily includes a way for issues and concerns to be communicated to project managers and decision-makers, as well as a process that allows responsible stakeholders to take action and respond to the concerns raised.

A grievance and redress mechanism is often built into components or processes that involve greater consultation, involvement and participation, especially in relation to vulnerable/marginalized sectors or communities. Indigenous people's policies, for instance, as well as policies that require or encourage stakeholder consultation and engagement, would need to include components of a grievance and redress mechanism in order to be considered truly robust and effective. In addition, redress mechanisms must maintain a degree of independence from project management and decision makers, in order to ensure equity and avoid conflict of interest.

(j) **Robust monitoring and evaluation framework:** A robust project or programme-level M&E framework is needed. This framework usually requires certain indicators such as a baseline, mid-term targets and final targets to assess the achievement of project or programme goals overtime. There are many approaches to M&E that are commonly used in climate change projects, and this include a results-based M&E (RBM) framework which is based on the results-based management theory and the logical framework analysis or approach which was developed by USAID. A good M&E framework will allow adaptive management of challenges faced on the ground as well as documentation of the lessons learned throughout the project or program's lifetime.

(k) **Co-financing:** Co-financing on the part of project proponents is often encouraged by grant providers; some require it, and a number of those who do may name a certain amount or percentage of co-financing that must be met. The idea behind co-financing is the demonstration by project proponents of greater intent, ownership, sustainability and interest in the objectives, implementation and outcomes of the project. In relation to developing countries, fund providers see co-financing as proof of an alignment of priorities and interests, which implies heightened levels of country buy-in and ownership. This is expected to promote the continuation of efforts towards the achievement of long-term goals even beyond the lifespan of the project.

Co-financing can take various forms; it can be provided or met through grants, loans, guarantees and equities, or a combination of these types of financing. In some cases, co-financing may also be provided in-kind, such as through the provision of goods and/or services.

4.4 Project cycles

A project cycle is the division of the project process by the project proponent, manager and/or implementer into manageable stages. Each stage would then have its own identified goals and deliverables, which allows for better control of the project and the quality of its outputs. It is also important to keep in mind that there is a wide variety

of project cycles. These cycles differ depending on the entities involved; each fund provider could have its own project cycle based on its nature, policies, needs and priorities, just as each project proponent does. Both cycles, however, can be taken together and incorporated into a single timeline. While project cycles may vary in detail and complexity, the steps and processes involved can be divided into two main phases, pre-approval and post-approval.

The pre-approval phase for project proponents could include the decision to submit a concept note or proposal, all the way down to the planning, design, drafting and submission of a full proposal package. The post-approval phase, on the other hand, assumes that a project is approved for financing. This phase covers the negotiation stage, if any, the completion of legal and institutional arrangements, and the implementation of the project to its closure. These two phases, when parsed through, indicate specific steps or stages to be undertaken by the project proponent, the fund provider, or both, depending on the actions to be taken and/or decisions to be made.

It must be noted that the different stages in project cycles often do overlap with the process of securing project preparation support, as well as steps in the project development process. The overlap of steps or stages does not cancel out the steps or stages in question; rather, this provides greater detail to the process by illustrating possible subcomponents to each step, and gives project developers more insight into the complexity of project development.

4.5 Project preparation support

Given that designing a bankable project for international funding requires a considerable upfront cost, particularly for entities or project developers that might not be experienced or familiar with the intricacies of the requirements, there are facilities that were established to support the development of project ideas or concept notes into a full-fledged project proposal. These facilities may provide support in the form of funding (grants) or even technical assistance for developing required documents as part of a full-fledged project proposal. These may include funding for the development of feasibility studies, logical framework, or documents related to ESS.

4.6 Step-by-step project development process

As mentioned in the preceding sections, project development processes vary across institutions and organizations for a number of reasons, such as the country context, the approach to project pipeline development, and the nature and organizational structure of a particular entity. While by no means comprehensive or applicable to all, what follows is a sample step-by-step process that could be utilized or built upon by project proponents or developers.

Step 1: Screening: The project development process generally begins at the screening phase, which encompasses the selection of thematic areas in climate projects, and identification of initial screening points. These thematic areas include: (a) climate change adaptation; (b) climate change mitigation; (c) loss and damage; and (d) cross-cutting issues.

Climate change adaptation refers to reducing vulnerability to, and increasing resilience against, the adverse impacts of climate change. This thematic area may therefore pertain to actions relating to: (a) water supply and sanitation, which includes designing and maintaining systems for increased and sustainable access to fresh water resources and enhancing knowledge on surface and groundwater management and water distribution and network efficiency; (b) public health, or strengthening the capacity of national health system institutions in responding to and managing long-term climate change- sensitive health risks; (c) biodiversity, forestry and watershed management; (d) food security, which can be accomplished by introducing irrigation technologies, combating soil erosion, and processing and conserving agricultural products; (e) researching and applying climate-resilient crop varieties and production methods; and (f) coastal zone protection and marine resources, which includes responding to the impacts of sea level rise by creating artificial underwater reefs and ensuring beach nourishment.

On the other hand, areas of work under climate change mitigation – or the reduction of greenhouse gases in the atmosphere – include: (a) fostering an enabling environment for the development and use of renewable energy technologies and energy-efficient appliances, building the capacity of the private sector in relation to energy efficiency, developing technical capacity, and introducing standards for energy-efficient buildings; (b) developing a nationally appropriate mitigation action for the transport sector, introducing more efficient vehicles, and improving and expanding public transportation; and (c) expanding sustainable forest management and reforestation efforts, reducing deforestation, strengthening degraded land rehabilitation and peat restoration, and designing and setting up an MRV mechanism.

Areas under loss and damage, which include extreme weather events and slow onset climate impacts, can refer to actions such as: (a) enhanced cooperation and facilitation in relation to slow onset events; (b) enhanced cooperation and facilitation in relation to non-economic losses; (c) comprehensive risk management approaches (including assessment, reduction, transfer and retention) to address and build long-term resilience of countries, vulnerable populations and communities to loss and damage, including in relation to extreme and slow onset events; (d) emergency preparedness, including early warning systems; (e) measures to enhance recovery and rehabilitation and build back/forward better; (f) social protection instruments including social safety nets; (g) transformational approaches; (h) enhanced cooperation and facilitation in relation to human mobility, including migration, displacement and planned relocation; and (i) enhanced cooperation and facilitation in relation to action and support, including finance, technology and capacity-building, to address loss and damage associated with the adverse effects of climate change.

A cross-cutting approach addresses deficiencies in traditional issue-based approaches to environmental assessments. This approach often covers health frameworks and gender approaches. Health frameworks that could support a cross-cutting approach include: (a) political ecology of health; (b) environmental justice; (c) eco-health; (d) one health; (e) ecological public health; and (f) planetary health. These frameworks represent a shift towards a fuller understanding of the links between human health and well-being and the natural environment.

A gender approach, on the other hand, looks at the state of the environment through the lens of social relationships and how they are reflected in human– environment interactions. This approach therefore places particular emphasis on different dimensions of human– environment relationships. Incorporating this approach would require the utilization of methodological tools and approaches, as well as gender-disaggregated data.

Initial risk screening efforts may be incorporated into this step as well, providing bases for a more robust analysis at the outset. Risk screening efforts can be categorized according to the following: (i) specific climate risk screening tools, providing methodologies to assess particular programmes and projects using a 'climate lens'; (ii) generic guidance documents, targeting the entire mainstreaming process, but also including specific subcomponents on climate risk screening; and (iii) portfolio screening exercises, conducted by some donors to systematically examine their programmes and/or projects applying a climate change lens. In addition to intrinsic differences, risk screening in these three areas may also differ in terms of the aim, approach, level of analysis and target groups.

Step 2: Assessment of investor criteria: This step refers to taking into consideration the nature and requirements of potential investors or funders. It touches on the bankability of projects and involves the assessment of whether or not the project developer or the project being developed would meet the requirements posed by potential funders or investors.

Factors that investors often look into before participating in projects include: (a) the strength and experience of the project sponsors and the government department or parastatal currently responsible for the function; (b) project fundamentals and economics, which include critical ratios such as liquidity, leverage, activity and profitability; (c) the credit of project participants; (d) contractual arrangements; (e) competition; (f) risks in implementation, operations, procurement and maintenance; (g) financial covenants; (h) other covenants; (i) added value; and (j) the legislative environment and available incentives with regard to taxes, regulatory requirements, the legal structure and implementation arrangements, and legal due diligence.

Step 3: Identification of adaptation and mitigation options: Adaptation and mitigation options available to project proponents may either be: (i) structural, (ii) social, or (iii) institutional. Structural options include: (a) adaptation options that are discrete, with clear outputs and outcomes that are well defined in scope, space and time; (b) structural and engineering options, the application of discrete technologies, the use of ecosystems and their services to serve adaptation needs, and the delivery of specific services at the national, regional and local levels; and (c) "concrete activities" that reflect the priorities of the funds, where the focus is on discrete activities with collective objectives and concrete outcomes and outputs that are more narrowly defined in scope, space and time.

Social options target the vulnerability of disadvantaged groups, including targeting vulnerability reduction and social inequities. Institutional options encompass measures that can range from economic instruments such as taxes, subsidies and insurance arrangements to social policies and regulations. Further, considerations that must be taken into account in selecting adaptation and/or mitigation options include: (a) the effectiveness in reducing vulnerability

and increasing resilience; (b) efficiency; (c) equitability, especially to vulnerable groups; (d) mainstreaming with broader social goals, programmes and activities; (e) stakeholder participation, engagement and support; (f) legitimacy and social acceptability; (g) environmental and institutional sustainability; (h) flexibility and responsiveness to feedback and learning; (i) designed for an appropriate scope and time frame; (j) likely to avoid maladaptive traps; (k) robust against a wide range of climate and social scenarios; (l) available resources; (m) the need for transformative changes considered; and (n) coherence and synergy with other objectives.

However, there exist constraining factors that have potential implications for adaptation and mitigation options. These may refer to: (a) adverse externalities of population growth and urbanization; (b) deficits of knowledge, education, and human capital; (c) divergences in social and cultural attitudes, values and behaviours; (d) challenges in governance and institutional arrangements; (e) lack of access to national and international climate finance; (f) inadequate technology; (g) the insufficient quality and/or quantity of natural resources; (h) adaptation and development credits; and (i) inequality.

Step 4: Situation, sensitivity and project risk analyses: In this phase, climate indicators are identified and assessed by project proponents. These indicators may take into consideration: (a) climate classification and description (e.g. Köppen classification); (b) determinants of climate (e.g. topography, ocean currents, global atmospheric circulation); (c) general description of natural hazards; and (d) future projections. The projections require proponents to ask questions such as: what models are used? What maps are available? What scenarios are used and how are they used?

After accounting for these indicators, proponents can then conduct a situation analysis. Doing so requires proponents to identify indirect threats and opportunities behind all critical threats and degraded targets. This is done through hypothesized linkages showing where intervention would have the most impact. Moreover, it is also important to identify key stakeholders in the context of situation analysis. A sensitivity analysis may also be conducted. This type of analysis is increasingly being used in environmental modelling for uncertainty assessment, model calibration and diagnostic evaluation, dominant control analysis, and robust decision-making. Questions to be asked under this type of analysis are: what sorts of changes are relatively certain to take place? What changes are more speculative?

Project risk analysis may also be helpful in identifying external and internal risks that may greatly impact the project. These involve factors that are: (a) political (e.g., political unrest, lack of transparency, political interference in allocation of resources); (b) institutional (e.g. lack of coordination between implementing agencies, lack of capacity to manage project implementation, staff turnover, lack of participation from relevant stakeholders); (c) financial (e.g. sustainability of financing for project outputs/outcomes, cost overruns); or (d) technical (failure to obtain data and information relevant to the project).

Step 5: Development of an implementation plan: Developing an implementation plan covers steps such as: (a) redesigning the project in order to integrate climate variability and change; (b) seeking the necessary approvals; (c) developing the capacity needed to implement the project; (d) investing the necessary financial resources; and (e) selecting strategies in climate project development.

Step 6: Monitoring, evaluation and reporting: The process of monitoring the project begins with establishing an approach for evaluation, such as a results-based framework or a framework that applies the theory of change. It is also important to select indicators that the proponent can use within the framework. Most funders require the identification of indicators prior to project approval, that is, as part of the project proposal and elaborated in a logical framework.

The logical framework for indicators covers: (a) what is to be monitored and evaluated; (b) the activities needed to monitor and evaluate; (c) persons responsible for M&E activities; (d) when M&E activities are planned; (e) how M&E is carried out; and (f) what resources are required and where they are committed. In terms of guidance, proponents can: (a) define indicators based on reporting needs; (b) decide on the level of aggregation needed to meet reporting requirements; (c) create and define indicators through stakeholder engagement; (d) develop a mini logic frame for each indicator to test the assumption that the indicator provides evidence of performance; (e) review existing data- collection efforts; (f) establish a baseline for each indicator and identify a process for updating it in defined increments of time; (g) create packages with a mix of quantitative and qualitative indicators for the essential elements of the adaptation plan; and (h) develop an indicator reference sheet.

Moreover, proponents must also consider establishing a data collection, storage and use plan which includes: (a) sources of data; (b) data-collection tools; (c) frequency of data collection; (d) responsibility for data collection; (e) data quality standards; (f) data validation; and (g) definition of the data output collection. It is also important to design an internal and external reporting structure centered on the purpose of the project, the need for learning and transparency. There is a need to align reporting with project development.

Finally, the proponent must define the evaluation through the use of: (a) evaluation triggers; (b) evaluation purpose and expected use; (c) evaluation type (formative, summative, economic evaluation, impact evaluation) and methodology; (d) timing and frequency; (e) estimated budget; and (f) the names of stakeholders.

Step 7: Evaluation of project sustainability: In evaluating the sustainability of the project, proponent must ensure ownership by the beneficiaries, whether they are government entities, non-governmental organizations, or civil society organizations, or beneficiaries from other sectors or communities. Such ownership encourages the continuation of the project or further support for the maintenance of its accomplishments/ outputs even after the project period. Sources of funding, staffing and administration, the operation and maintenance plan with estimated costs, and the cost-recovery plan must also be accounted for during evaluation. In addition, the proponent may consider the associations and organizations established or expanded by the project. Maintenance and monitoring capacity, replicability and scalability, and management of data and information are also important in determining whether the project is sustainable.

Step 8: Project closure : Under the GCF, project closure usually centers on the proper recording and archiving of project documentation, recording and handing over/disposing of project assets, making final payments, releasing project staff and reimbursing any unutilized resources to the GCF. A final project audit is required to confirm the proper utilization of funds.

Accredited entities are also required to: (a) confirm that the project activities were executed and completed in line with project objectives and FAA requirements; (b) submit a project completion report or final annual performance report; (c) complete any procurements and related payments, cancel any supplier contracts, reimburse any unutilized resources to GCF and release project staff and consultants; (d) inform stakeholders of the closure of the project; (e) execute the exit strategy as per the FAA, including handing over assets to the beneficiaries or as per the relevant legal agreements with the GCF; (f) ensure that all required documents are finalized and properly archived; (g) submit the project audit report; and (h) complete the exit strategy.

It would also be helpful to take note of how other climate projects are decommissioned. For example, wind farm projects often have a lifespan of 20-25 years. During the design and planning stage, proponents must consider how to ease and reduce decommissioning costs. In most jurisdictions, this is done by executing a report that specifies how decommissioning will be carried out. However, there still exists a large amount of uncertainty in decommissioning projects, which is largely influenced by the life expectancy of the project.

Another example of decommissioning is seen in projects that cover man-made infrastructures on marine ecosystems, which include oil and gas structures and offshore wind installations. It has been observed that in many places, decommissioning options are restricted to complete removal, with no consideration for alternative options. It must be noted that strategies for decommissioning that may result in benefits to some stakeholders may also be detrimental to others. There is therefore a need for "evidence-based decision-making and management based on robust methodologies and on reliable and comprehensive evidence-bases, in order to provide the best possible advice to policy- and decision makers, and optimize the trade-offs of the chosen management options". Decommissioning strategies should be considered in the light of the best current understanding and quantification of their effects on ecosystem functions and services.

5. Resource Mobilization Approaches

5.1 Overview of resource mobilization

In recognition that resource mobilization can be a challenging exercise, the SADC Secretariat has developed this manual to assist member states understand what resource mobilization is, the steps that are involved and options to mobilize resources both internally and externally. This will contribute towards contracting parties being able to access adequate resources to fulfil the objectives of the Paris Agreement. The approach to be followed when mobilizing resources can be identified in five steps that sequentially flow into each other. By following the very successful approach, member states will ensure their cover off important aspects during each step. The Resource Partner Matrix is a useful template to use to during the approach, to analyze the national resource mobilization situation of member states and potential matches for future partnerships.

5.2 Principles of resource mobilization

Resource mobilization focuses on forging partnerships built on trust and mutual accountability so as to attract adequate and more predictable contributions, with the long-term goal of sustainability. To do this a contracting party should identify their needs and determine what results they want to achieve from a project or activity. It is by knowing this that they can ensure they are focused on areas where they can have the greatest impact.

When mobilizing resources to establish, manage or strengthen a national phytosanitary system, it is important that contracting parties following some basic principles.

- **Principle 1:** All resources mobilized supports national climate change policies and frameworks, and are focused at achieving the strategic objectives therein.
- **Principle 2:** Resource partnership agreements are in alignment with the obligations of implementing the UNFCC Convention and the Paris Agreement.
- **Principle 3:** All resources mobilized are monitored by both resource partners for accountability.
- **Principle 4:** Relationships with resource partners are fostered for mutual trust and benefits.
- **Principle 5:** All resource mobilization efforts are coordinated and undertaken to achieve national good in a supportive manner.

5.3 Resource mobilization strategy and action plan

The ability of member states to effectively meet their mitigation and adaptation targets is heavily influenced by the various domestic climate policies and frameworks. Beyond simply enabling access to climate finance, technical assistance for the development and implementation of climate- related policies is crucial to ensure and safeguard sustainable long-term climate action. Many member states possess very limited in-country technical capacity to develop the necessary climate policies and mechanisms required to meet national development agendas and climate targets.

In the fight against climate change, designing a resource mobilization strategy is a crucial initial step towards increasing climate financing. It provides a framework for setting clear objectives, identifying funding sources, strengthening partnerships, enhancing proposal development, and ensuring long-term sustainability. A well-crafted strategy empowers member states to leverage financial resources effectively, accelerate climate action, and drive the transformative changes needed for a sustainable future. By prioritizing resource mobilization, stakeholders can unlock the necessary financial support to combat climate change and safeguard the planet for generations to come. Some funds such as the GCF and the GEF have been supporting countries to design fund specific strategies such as the Country Program Strategies, NDC Investment Plans, etc., specifically tailored to a contracting parties' national situation. However, by having a consolidated national strategy and plan, member states will ensure that your resource mobilization efforts are coordinated appropriately and achieve the desired results with a high level of impact. This manual identifies four avenues for improving the climate finance architecture. It's emphasized that member states should develop well-tailored domestic resource mobilization instruments for financing climate resilience and the energy transition, helping lighten overdependency on external climate finance resources. with support from development partners such as the African Development Bank, countries should push through ambitious tax reforms

covering green taxes, subsidies, real estate taxes, and import duty reforms to give them the financial leeway to support climate resilience actions.

- **Getting better coordination:** The complex architecture of climate finance presents coordination challenges, causing overlapping initiatives and inefficient resource allocation, which could be eased with better engagement between fund secretariats and governing bodies. For instance, the LDCF could focus on supporting the least developed countries in adaptation planning, while the Adaptation Fund or GCF could support adaptation projects and programs that stem from those plans. Coordination could also be tighter between fund providers and recipients in developing countries, through a single institution, equipped with all the necessary human, technical, and financial resources, designated by the government as the focal point for all climate funds. Progress would significantly lower the administrative costs that recipient countries bear (given the often-numerous national management entities), enhance the efficiency of funds received, and improve their implementation. Cooperation among enterprises, government, and civil society organizations, as well as with development partners, in an ideal scenario can help generate bankable projects aligned with domestic development agendas, creating a pipe- line of complementary projects. But this requires investment in capable and accountable institutions as well as technical and financial expertise.
- **Harmonizing resource mobilization process:** Member States should harmonize procedures to ease the burden of multiple applications by designated national, regional and international climate funds, while maintaining functional no objection processes, stakeholders' participation, and country ownership.
- **Funding programs, not one-off projects:** Funding programs involves bringing together activities that contribute to a common outcome, such as a sustainable initiative in several member states countries as opposed to one or several isolated projects. This change could increase efficiency because entities would develop a larger pool of resources under a single proposal and reduce transaction costs. The GCF and CIFs are particularly well placed to support more programmatic approaches.
- **Specializing existing funds:** Funds could leverage their comparative advantage to specialize in different key areas and project sizes and assume increased risk. In the long term, and depending on the performance and evolution of the architecture, some funds could merge or close once they have served their purpose.

5.4 Key areas for partnership

There are different levels at which partnerships can be formed. The size of the project and the intended results help determine at what level to seek a potential resource partner to ensure that mutual interests are aligned. It is therefore important to be aware of priority areas and initiatives underway at each level, to target the most appropriate partner.

- **International:** At the highest level, potential international partners often provide resources and support under large scale programmes with the purpose of achieving results that are globally applicable.
- **Regional:** Regional initiatives usually reflect priority challenges and emerging issues of importance to the region. Due to geographic, climatic and often economic similarities, countries often benefit from being part of regional projects that address their collective issues.
- **National:** An analysis of the national situation can identify needs that require specific support for a country. Once needs are identified a government can lobby for support from resource partners.

5.5 Practical steps for engaging funders

Step One - Identify funding sources: There are many different types of potential resource partners that can be engaged with. From your initial analysis of potential partners, you should look to match mutual interests in areas where you require support and where a potential partner will also benefit from the end result. To do this, you can use web searches, subscribe to fora where members include potential partners, join groups and net- works and engage other countries who have been successful in their resource mobilization efforts to learn from them. When undertaking Step One it is important to consider the current resource environment, which can change frequently. This can include a potential partner's interests, the mode of funding or support and the terms which may accompany a partnership agreement. With each type of partner there will be different requirements and modalities.

The type of support a potential partner can offer will also vary. Apart from traditional financial resources, there are other kinds of support that may be beneficial to you. These can include in-kind contributions such as human

resources (e.g., consultants, experts, interns, and volunteers), hosting meetings (e.g., venue, administrative support and logistics) or provision of goods (e.g., printing of materials) or services (e.g., translation of documents).

Step Two - Engage: When it comes to engagement of potential partners, you should use every available opportunity to promote your strategy or project/area for which you are seeking resources. This should include approaching potential partners on a regular basis and being honest and transparent to build a good partnership foundation. There are many aspects to consider when approaching a potential partner, to be sure that you communicate information in the most appropriate and appealing way. During engagement of potential partners, it is al- ways important to remember you are trying to sell yourselves to them. Therefore, you need to make sure your presentations, proposals or concept notes are relevant to their interests.

Step Three - Negotiate: Negotiation is perhaps the most complex step in the resource mobilization process. Therefore, it is important you have the right people available on your team to undertake this role. This step occurs when you are finalizing the terms of your partnership, with the agreement being the end product of negotiations. The lead institution in the negotiations will vary from country to country and depending on the nature of funds. In the case of the CIFs funding ministries of finance are the preferred leads even if the funds being negotiated are for climate change where a ministry of environment could be the lead.

Often a partnership will have a set of standard conditions to be met, including rules, procedures and requirements for using the resources. Some of these may be open to negotiation and where possible your objective should be to keep the partner- ship and the resulting agreement as flexible (e.g., less-earmarked funds) as possible. This will allow for adaptability when small changes occur. However, if the circumstances around your agreement change too much, then it is likely an amendment will be necessary, which will be included as a clause in the agreement.

Step Four - Manage and report: The appropriate management of a project or initiative for which you have gained support is very important to ensure effective and efficient implementation. The first action in this step is to appropriately acknowledge your partner's contribution, which may be through writing a formal letter, press release, website article, at meetings, or using social media. This ensures your partner has recognition for their contribution and helps to maintain a positive relationship.

The management of the project or initiative throughout its duration may be formalized in your agreement and at a minimum will include requirements for a responsible officer to oversee the management of the project, reporting of work activities and budget expenditure. This management is most effectively undertaken by closely following the project work plan and timeline, which is often in the form of a Logical framework (logframe). The IPPC strongly encourage the use of logframes to manage, monitor and evaluate projects, to ensure your project is results-based. The frequency and method of reporting should also be included in your agreement and are usually set for specific intervals in the project, e.g., inception, mid-term and terminal report, or are at project milestones or some other frequency requested by your partner. Whichever way you report it is essential to comply with their requirements and submit updates on time to demonstrate you are effectively implementing the project.

Step Five - Communicate results: To communicate results of your project you should have a communication strategy planned at the beginning of your partnership. This communication can be done internally or by an external professional, which is de- pendent on what expertise you have available to you. Your messages should be appropriate for your audiences, which may result in developing multiple products to achieve this. Project results can be used to advocate what you have achieved and the value of the work you do, in conjunction with your re- source partner. The use of brochures and factsheets is an effective way to do this, as well as delivering presentations at conferences and relevant committee meetings. How you choose to communicate is up to your country/organization, but at a minimum should acknowledge your partner, key results, lessons learned and opportunities for future work.

It is for this reason that promotion of a successful project is so beneficial, as it demonstrates to your partner and other potential partners that you are worth investing in and can add value to their reputation through association. This provides a strong base to advocate for further support to continue your partnership. Finally, as with highlighting the beginning of a project it is important to publicize the completion of the project. The most effective way to do this is through a press release

5.6 Tools for determining economic and financial viability

Different funds and climate finance providers will have specific requirements, which should be determined prior to analysis.

5.6.1 Economic analysis

Economic analysis is carried out from the perspective of the entire economy and assesses the overall impact of a project on the welfare of all the citizens of the country. Its purpose is to assess whether a project is economically viable for the country.

(a) **Demand analysis:** As part of the project preparation or feasibility study, demand analysis establishes the existing and future consumer demand for goods and services to be produced by a project and provides a basis for estimating the economic benefits. A project that fails to attract an adequate level of demand for its output, at an appropriate price, will not operate efficiently and will be a misuse of scarce resources. Market research and user surveys can be undertaken to estimate demand at different price levels. Project demand should also be assessed in the context of the likely total future demand for and supply of the product to establish how far it will take market share from existing producers and whether its output will have an impact on the market price. Decisions on project scale should allow for the impact of proposed tariffs on the level and timing of project demand.

(b) **Alternative analysis:** Economic efficiency requires that the proposed project represent the most efficient option among available feasible alternatives for addressing the identified problem. In many cases, this means that it should have the lowest discounted cost per unit of output or outcome. However, when project alternatives have very different benefit flows for example, because of quality differences alternative analysis cannot be based on the cost comparison alone, and the most efficient project option is the one with the highest expected net present value (ENPV), provided that its investment is within budget. Alternative analysis should be carried out as part of the project preparation. In some cases, it may be supplemented by multi-criteria analysis, depending on the data available.

(c) **Multi-criteria analysis:** Multi-criteria analysis (MCA) is used to assess the different investment alternatives available to achieve a given set of outcomes. Typically, the appraiser would have a predefined set of criteria that are aligned to the intended outcomes of the proposed investment, with weights assigned to each criterion. In cases where standard cost–benefit analysis or cost-effectiveness analysis is not possible or inadequate, MCA helps to decide the most preferred option among investment alternatives with clearly laid-out criteria and transparency.

(d) **Cost–benefit analysis:** Estimating economic benefits and costs associated with the proposed project requires establishing the 'with project' and 'without project' scenarios and comparing the two. The without project scenario is not necessarily the business-as-usual case, as there may be instances where the current position is untenable and some steps toward mitigation are needed even without the proposed project. Monetary values of project benefits and costs associated with outputs and inputs must be identified in the years in which they arise. Any external influences affecting the rest of the economy but not reflected in market transactions by the project itself such as adverse or beneficial environmental impacts where they can be identified must also be included.

(e) **Risk and sensitivity analysis:** Project economic analysis should highlight the factors that are important to the success of the project but subject to risk, the sources of risk and possible mitigating measures. Sensitivity analysis must assess the impact of changing values of the different parameters on project outcome. Switching values showing the change in a parameter required for the project decision to shift from acceptance to rejection should be presented for key parameters. Project economic analysis may draw on ex-post evaluation results for similar projects to assess the likelihood of these switching values actually occurring. For projects that involve large investment, a quantitative risk analysis applying a probability distribution to key variables can be applied.

5.6.2 Financial analysis

These analyses help establish whether a project is intrinsically viable, can the project generate sufficient internal cash resources to fully cover all costs, including debt service. Projects that are not intrinsically viable will need external support for operations and maintenance and/or debt servicing to be sustainable. The extent and nature of the analysis varies with the financing modality and nature of the project.

(a) **Incremental recurrent cost analysis and financial statement analysis:** There are two broad methods for conducting financial analysis: (i) incremental recurrent cost analysis; and (ii) financial statement analysis. Where the implementing entity is a government agency, the financial analysis involves assessing whether it will have adequate cash resources to finance incremental recurrent costs. Where the implementing entity is a public corporation, or a private sector or other non-governmental entity, the financial analysis is based on an analysis of historical and projected financial statements.

(b) **Financial cost-benefit analysis:** Where a project is intended to recover all costs without external support, financial evaluation is required to assess the financial viability of the project. Cost recovery should not be dependent on any unpredictable subsidy or external support. The project must recover costs through user charges, improved efficiency leading to lower costs or other predictable revenue sources (e.g., earmarked taxes and feed-in tariffs).

6. Climate Finance Mapping

6.1 Introduction

This section aims to provide an initial orientation to the available funds that may be relevant for financing climate-related programs and projects to member states and partners. For this purpose, a wide range of possible donors of climate finance has been screened, covering various windows of the global climate finance architecture. To begin, the first window includes multilateral institutions, i.e. UNFCCC-related financial institutions like the Green Climate Fund and non-UNFCCC-related funds, as for example those established by multilateral development banks or UN programs. Many of these funds are relatively large, and well known, but are not necessarily easily accessible by SADC Member States. This is particularly true for the Green Climate Fund, the 'flagship fund' of climate finance.

A second important funding window is bilateral climate finance with various budget lines from bilateral donors, mainly from developed countries including for instance the United Kingdom (UK), Germany and Japan. There are also other donors, including Abu Dhabi. The Nordic Funds and agencies might be particularly relevant due to their strong focus on having civil society organisations as a recipient of funds. A third window, which may be the most attractive for many member states, consists of a broad variety of non-governmental grants, including private foundations, and donor agencies. These funds, unlike many bilateral or multilateral funds, usually have a strong preference for civil society organisations.

The fourth and final window includes various national and regional funds from developing countries themselves. After having identified potential donors, it is important that the applicant fulfils the respective climate finance readiness criteria of the funder. Applicants must be able to elaborate well written and innovative concept notes and applications, in line with the applicant's particular strength or unique dimension. The unique selling point of each application must be striking, the relevance for the donor must be clear, result-oriented, convincing, and the proposed implementation strategy must be feasible.

6.2 Multilateral Climate Funds

Multilateral climate funds (MCF) play a key role in channelling publicly sourced finance to facilitate economic and societal transformation required for addressing climate change. Faced with increasing financial pressure of addressing climate change impacts, there is growing demands for policymakers to make the structure of funds more effective and coherent in recipient countries[1].The scale of financing by different MCF varies across the spectrum and countries can make decisions on the fund to target based on the scope and scale of project design. Below is an illustration of the spectrum of funding scale and thematic areas.

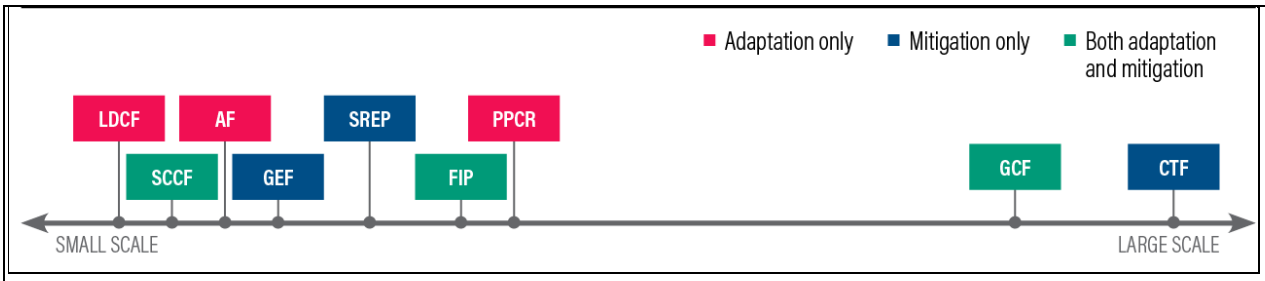

Figure 10: Spectrum of Scale and Thematic Focus of MCF. Source: wri.org

[1] WRI (2017), A. A. Manel *et al* Future of the funds: exploring the architecture of multilateral climate finance

6.2 UNFCCC Climate Funds

To facilitate the provision of climate finance, the climate change Convention established a financial mechanism to facilitate provision of financial resources to developing countries. Parties to the climate change Convention agreed for the financial mechanism to serve the Kyoto Protocol and the Paris Agreement. The Convention has, to-date designated, the Global Environment Facility (GEF) and the Green Climate Fund (GCF) as operating entities of the financial mechanism. Under the financial mechanism, five funds have been established, namely; Green Climate Fund, Adaptation Fund, Special Climate Change Fund, Least Developed Countries Fund and more recently the Loss and Damage Fund and are summarized below.

6.2.1 Adaptation Fund (AF)

Fund's Objective	To finance concrete adaptation projects and programmes in developing countries that are parties to the Kyoto Protocol and are particularly vulnerable to the adverse effects of climate change.
Website	https://www.adaptation-fund.org/about/
Focal areas	Agriculture, Coastal Zone Management, Disaster Risk Reduction, Disaster risk reduction and early warning systems, Ecosystem based Adaptation, Food Security, Forests, Multisector Projects, Rural Development, Urban Development, Water Management
Access requirements	Proposals must be submitted by an accredited entity, which can be National, Regional or Multilateral[2]
Financing Instruments	Grants
Eligible applicants	Developing countries that are party to the Kyoto Protocol
How to Apply	Submit proposals through an accredited institution

6.2.2 Least Developed Countries Fund

Fund's Objective	To help vulnerable communities in developing countries adapt to climate change
Website	https://www.thegef.org/what-we-do/topics/least-developed-countries-fund-ldcf
Focal areas	Adaptation in agriculture, food security and health, water, climate information services, and nature-based solutions
Access Requirements[3]	Country NAPA must be completed and published on the UNFCCC Secretariat website
Financing Instruments	Grants
Eligible Applicants	Exclusively dedicated to Least Developed Countries to assist them to address their short, medium, and long-term resilience needs and reduce climate change vulnerability in priority sectors and ecosystems

[2] https://www.adaptation-fund.org/apply-funding/implementing-entities/multilateral-implementing-entities/
[3] https://www.thegef.org/sites/default/files/publications/23469_LDCF_1.pdf

How to Apply	Submit to GEF a Project Identification Form (PIF) for GEF to determine whether the project meets certain basic criteria.

6.2.3 Special Climate Change Fund

Fund's Objective	To help vulnerable communities in developing countries adapt to climate change
Website	https://www.thegef.org/what-we-do/topics/special-climate-change-fund-sccf
Focal areas	Strengthening technology transfer, innovation, and private sector engagement; Adaptation needs of Small Island Developing States (SIDS)
Access requirements	Country NAPA must be completed and published on the UNFCCC Secretariat website
Financing instruments	Grants
Eligible applicants	All developing countries
How to Apply	Submit to GEF a Project Identification Form (PIF) for GEF to determine whether or not the project meets certain basic criteria.

6.2.4 Green Climate Fund

Fund's Objective	To drive a paradigm, shift towards low emissions and climate resilience
Website	https://www.greenclimate.fund/document/governing-instrument
Focal areas	Adaptation and mitigation across eight result areas
Access requirements	Direct or international accredited entity
Financing instruments	Grants, concessional debt, guarantees or equity instruments to leverage blended finance and crowd-in private investment
Eligible applicants	All developing countries
How to Apply	Submit a project concept note through an accredited entity or a readiness concept note through a delivery partner

6.2.5 Loss and Damage Fund

Fund's Objective	The fund aims to provide financial assistance to nations most vulnerable and impacted by the effects of climate change
Website	At the time of preparing this document, the Loss and Damage Fund was under the process of being designed by a Transitional Committee
Focal areas	
Access Requirements	https://unfccc.int/topics/adaptation-and-resilience/groups-committees/transitional-committee

6.3 Non-UNFCCC Financial Institutions

6.3.1 UN REDD Program

Objective	To help realize forest solutions to the climate emergency by avoiding carbon emissions and fostering carbon sequestration
Website	https://www.un-redd.org/
Focal Areas	Forestry (REDD+ programming)
Access Requirements	An accredited UN-REDD National Programme and not restricted to ODA eligible countries
Financing Instruments	Grants
Eligible Applicants	National governments, regional development banks and non-governmental organizations (NGOs) can receive funding through UNDP, FAO or UNEP
How to Apply	Request the UN-REDD Programme for support to design and implement a national REDD+

6.3.2 Forest Carbon Partnership Facility—Readiness Fund (FCPF-RF)

Objective	To restore and protect ecosystems, support land transformation and create new revenue streams for improved livelihood of rural communities
Website	https://www.biocarbonfund-isfl.org/
Focal areas	Environmental restoration, reforestation, afforestation, REDD+ activities, sustainable agricultural land management
Access requirements	Forest countries propose projects that can certify their emission reductions under a variety of standards
Financing Instruments	Grant funding, grant-based technical assistance, results-based payments for achieved emission reductions
Eligible Applicants	Forest countries which are World Bank's Borrower Members (beyond ODA eligible countries)
How to Apply	A project Idea Note project is proposed by an entity associated with a host country

6.3.3 Forest Carbon Partnership Facility—Carbon Fund (FCPF-CF)

Objective	To help reduce climate change impacts from forest loss and degradation by making standing forests more valuable through piloting payment of incentives for REDD+ efforts in developing countries
Website	https://www.forestcarbonpartnership.org/carbon-fund
Focal areas	Forest and Land-use/REDD+ activities: reducing emissions from deforestation and forest degradation, forest carbon stock conservation, sustainable management of forests, and the enhancement of forest carbon stocks
Access Requirements	Only open to developing countries that have prepared a Readiness Preparation Proposal, and have had their Readiness Package (R-Package) endorsed
Financing Instruments	Result-based finance
Eligible Applicants	Developing country participant: Regional, National and Sub-national levels

How to Apply	Emission Reductions Program Idea Note (ER-PIN) should be proposed from an FCPF REDD Country Participant that has signed its Readiness Preparation Grant Agreement, using the ER-PIN template

6.3.4 Global Environmental Facility (GEF)

Objective	To help developing countries tackle the root causes of biodiversity loss, climate change, and pollution.
Website	https://www.thegef.org/
Focal areas	Biodiversity, Climate Change Mitigation, Land Degradation, International Waters and Chemicals and Waste
Access requirements	Must have identified a partner agency to develop and implement the project idea
Financing Instruments	Grants, blended finance, and policy support
Eligible applicants	Country must have ratified the conventions that the GEF serves, must be eligible for World Bank financing, recipient of UNDP technical assistance
How to Apply	Submit proposal, using the relevant templates[4], to the GEF portal

6.3.5 Global Environmental Facility - Small Grant Program (GEF-SGP)

Objective	To assist local civil society and community-based organizations to develop and implement innovative local actions that address global environmental issues, while also improving livelihoods and reducing poverty
Website	https://sgp.undp.org/
Focal areas	Land degradation, Climate change, biodiversity, sustainable forest management, international waters
Access requirements	Proposal should be aligned with the Country Program Strategy and demonstrate its contribution to the GEF Small Grants Program focal areas
Financing Instruments	Grants
Eligible applicants	Non-government organizations, Community-based organizations, Grassroots organizations
How to Apply	Eligible organization submits a brief project concept paper to the National Coordinator

6.3.6 Global Partnership for Social Accountability (GPSA)

Objective	To support and develop green accountability among social accountability practitioners and sustainable development CSOs
Website	www.thegpsa.org

[4] https://www.thegef.org/projects-operations/templates

Focal Areas	Social accountability in climate change
Access Requirements	Grant applications must not include partisan, sectarian and religious proselytizing activities
Financing Instruments	Grants to CSOs through country-tailored Calls for Proposals issued only in countries where governments have consented to 'opt-in' to the program
Eligible Applicants	Legally registered CSOs and CSO consortia
How to Apply	Respond to call for proposals and submit applications GPSACall4Proposals@worldbank.org

6.3.7 Climate Investment Funds - Strategic Climate Fund (CIF-SCF)

Objective	To help countries to adapt to climate change and mitigate its impacts
Website	https://www.cif.org/cif-funding#strategic-climate-fund
Focal areas	Forestry, energy, nature-people-climate
Access requirements	Accessible through the MDBs (the World Bank Group, the Inter-American Development Bank, the African Development Bank, the European Bank for Reconstruction and Development, and the Asian Development Bank), which serve as implementing partners
Financing Instruments	Blended finance including grants, contingent grants, concessional loans, equity, and guarantees
Eligible Applicants	Low- and middle-income countries
How to Apply	Funding accessed through a relevant multilateral development bank

6.3.8 Climate Investment Funds - Clean Technology Fund (CIF-CTF)

Objective	To provide large-scale financial resources for investing in clean technology projects in low- and middle-income countries
Website	https://www.cif.org/cif-funding#clean-technology-fund
Focal areas	Low-carbon technologies
Access Requirements	Accessible through the MDBs (the World Bank Group, the Inter-American Development Bank, the African Development Bank, the European Bank for Reconstruction and Development, and the Asian Development Bank), which serve as implementing partners
Financing Instruments	Blended finance including grants, contingent grants, concessional loans, equity, and guarantees
Eligible Applicants	Low- and middle-income countries
How to Apply	Funding accessed through a relevant multilateral development bank

6.3.9 African Development Bank - African Climate Change Fund (AfDB-ACCF)

Objective	To support African countries to build their resilience to the negative impacts of climate change and transition to sustainable low-carbon growth
Website	https://accf.afdb.org/
Focal areas	small–scale or pilot adaptation initiatives, climate-resilient agriculture, water and sanitation
Access requirements	Alignment with NAPs and NDCs; Counterpart financing of at least 5% for external beneficiaries
Financing Instruments	Grants
Eligible Applicants	African governments including sub-national, local and municipal governments; African regional organizations from the public sector; African Funds that are legally registered in an African country; African research institutions that are legally registered in an African country
How to Apply	A proposal must be submitted to the Secretariat during a call for proposals

6.3.10 African Water Facility (AWF)

Objective	To support projects designed to increase water, energy and food security
Website	https://www.africanwaterfacility.org/
Focal areas	Water
Access requirements	No application deadline to request AWF funding
Financing Instruments	Grants, expert technical assistance
Eligible Applicants	Regional member countries of the African Development Bank
How to Apply	Submit an application form[5] to the AWF email africanwaterfacility@afdb.org

6.3.11 ClimDev Special Fund (CDSF)

Objective	Support African countries, institutions and communities to build resilience to the impacts of climate change
Website	https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/CDSF_at_a_glance_web.pdf
Focal areas	Climate information for development in Africa; Capacity enhancement; Pilot adaptation practices
Access requirements	ClimDev-Africa partners engagement
Financing instruments	Grants
Eligible applicants	All African Countries

[5] https://www.africanwaterfacility.org/file/380

How to Apply	Competitive call for proposals or direct solicitations based on results of analytical work on climate change

6.3.12 African Climate Technology Center

Objective	Support sub-Saharan African countries in scaling-up the deployment of low-carbon and climate resilient technologies for climate change mitigation and adaptation
Website	https://www.african-ctc.net/about-us/
Focal areas	Water sector for adaptation and on the energy sector for mitigation
Access requirements	No direct financing in any form; No civil works; No purchase of equipment is permitted.
Financing Instruments	Technical assistance through consultancy companies, individual experts or advisory or training.
Eligible Applicants	Research institutes, universities, national climate technology centres, national designated entities; All public and private sector entities of sub-Saharan African countries and sub-regional institutions
How to Apply	Submit an expression of interest to the ACTC in a prescribed form

6.3.13 AfDB Green Bonds Program

Objective	To facilitate the achievement of the AfDB's corporate priority of green growth through the financing of eligible climate change projects
Website	https://www.afdb.org/en/financial-information/investor-resources/capital-markets/green-bond-program
Focal areas	Energy efficiency, Renewable Energy
Access requirements	Co-financing not required
Financing Instruments	Concessional loans
Eligible Applicants	Project Sponsors, Governments, and Government guaranteed entities in African countries
How to Apply	Consult in-country or regional AfDB to explore how to benefit from proceeds of the Green bonds

6.3.14 Power Africa Initiative

Objective	To increase energy access and to end energy poverty in sub-Saharan Africa
Year Created	2013
Website	https://www.usaid.gov/powerafrica
Focal Areas	Energy
Access Requirements	Proposed project should have recommendation of the USAID in-country advisors
Financing Instruments	Blended finance

Eligible Applicants	Private sector, PPP
How to Apply	Consult in-country or regional USAID for information on how to participate in the initiative

6.3.15 Sustainable Energy Fund for Africa (SEFA)

Objective	To contribute to universal access to affordable, reliable, sustainable, and modern energy services for all in Africa
Website	https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/sustainable-energy-fund-for-africa
Focal Areas	Energy
Access Requirements	Funding requests must be aligned with SEFA's three strategic priorities: (i) Green Baseload; (ii) Green Mini-Grids; (iii) Energy Efficiency.
Financing Instruments	Project preparation grants, equity, technical assistance and concessional finance
Eligible applicants	Public sector, power generation private entities
How to Apply	Submit an application to sefa@afdb.org; sefa.application@afdb.org using the prescribed application form. Applications are accepted on a rolling basis

6.3.16 International Finance Corporation (IFC)

Objective	To help investors manage the higher risks or uncertainties associated with new, unproven technologies or first-of-their kind projects
Website	https://www.ifc.org
Focal Areas	Built environment, energy, gender
Access Requirements	IFC lends to financial intermediaries that on-lend to smaller businesses. Information on IFC bilateral and multilateral funding avenues available here
Financing Instruments	Blended Concessional Finance
Eligible Applicants	Private sector players and sub-national (municipal) governments
How to Apply	A company or entrepreneur seeking to establish a new venture or expand an existing enterprise can approach IFC directly by submitting an investment proposal

6.3.17 Seed Capital Assistance Facility (SCAF)

Objective	To stimulate private investment in developing countries and emerging economies that are aimed at promoting the use of climate-friendly technologies
Website	https://www.scaf-energy.org/
Focal Areas	Clean energy
Access Requirements	SCAF does not support stand-alone projects and cannot provide any form of equity. SCAF support is in form of co-financing of partner expenses.

Financing Instruments	Grants, Contingent grants (on a cost-sharing and co-financing basis)
Eligible Applicants	First-time fund managers and other equity investment entity managers as well as development companies in countries on the Development Assistance Committee (DAC) list of Official Development Assistance (ODA)
How to Apply	Any eligible organization may express interest in accessing support any time during the operational phase of SCAF. Eligible entities can submit a proposal once a preliminary check of the eligibility has been conducted

6.3.18 Adaptation for Smallholder Agriculture Programme (ASAP-IFAD)

Objective	To help small-scale farmers in developing countries adapt to climate change and build resilient livelihoods by providing them with knowledge, skills and technology
Website	https://climatefundsupdate.org/the-funds/adaptation-for-smallholder-agriculture-programme-asap/
Focal areas	Policy engagement, Climate risk assessment, Women's empowerment, Private-sector engagement, Climate services, Natural resource management, Knowledge management
Access Requirements	No specific application procedure
Financing Instruments	Grants: Global and regional grants; Grants for activities implemented in specific countries
Eligible Applicants	Eligibility is established by the IFAD Programme Management Department based on IFAD procedure and policy for grant financing
How to Apply	Project concept is created through consultation between IFAD, governments and national stakeholders as part of the Country Strategic Opportunities Programme

6.4 Bilateral Climate Funds

6.4.1 European Union (EU)

6.4.1.1 Global Climate Change Alliance+ (GCCA)

Objective	To help developing countries most vulnerable to climate change increase their capacity to adapt to the effects of climate change
Website	http://www.gcca.eu/
Focal areas	Mainstreaming climate change into poverty reduction and development efforts; Adaptation; Reducing emissions from deforestation and forest degradation; Enhancing participation in the global carbon market
Financing Instruments	Grants
Eligible Applicants	Mainly Least Developed Countries (LDCs) and Small Island Developing States (SIDS)
How to Apply	Expressions of interest submitted as concept notes before August every year to the Delegations of the European Union in eligible countries

6.4.1.2 *Global Climate Partnership Fund (GCPF)*[6]

Objective	To achieve significant leverage of public funds by mobilizing additional financial resources from public and private investors
Website	https://www.gcpf.lu/investing-in-renewable-energy-and-energy-efficiency.html
Focal areas	Energy efficiency; Renewable energy
Access requirements	When investing directly in Projects, GCPF will co-invest with one or more partners.
Financing Instruments	Market-rate loans (senior or subordinated debt
Eligible applicants	Local financial institutions that are committed to building a green lending portfolio; small scale projects that are in a late development stage or fully authorized
How to Apply	Initial Screening (review of Business plan, GCPF Portfolio fit assessment)

6.4.2 *Germany*

6.4.2.1 *Federal Ministry for Economic Cooperation and Development (BMZ)*

Objective	To support developing countries in reducing greenhouse gases and adapting to the consequences of climate change
Website	https://www.bmz.de/en/ministry
Focal areas	Protection of the climate and biodiversity (among others), climate risk insurance
Financing Instruments	Grants, technical assistance
Eligible applicants	African Union as a regional partner, other partner countries are here
How to Apply	Enquire from German Embassy in the country of residence

6.4.2.2 *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)*

Fund's Objective	Supports the German Government and its partners in adopting green economic models through short-term crisis-response activities and long-term recovery measures
Website	Regional Cooperation - giz.de
Focal areas	Sustainable infrastructure, climate, environment, management of natural resources
Financing Instruments	Grants
Eligible applicants	Governments, companies, international institutions and private foundations.
How to Apply	Consult in-country German mission

6.4.2.3 *Kreditanstalt für Wiederaufbau (KfW)*

[6] https://www.gcpf.lu/files/assets/downloads/annual_reports/GCPF_Corporate_Brochure.pdf

Fund's Objective	To identify projects/programmes which promote sustainable development
Website	https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Our-topics/SDGs/SDG-13/
Focal areas	Water supply, securing food provision, increasing energy efficiency, employing renewable energies
Access requirements	Consult in-country embassy of Germany
Financing Instruments	Grants, loans, equity and guarantees, blending
How to Apply	Respond to call for proposals

6.4.2.4 International Climate Initiative (IKI)

Objective	Adaptation, Mitigation, Cross-cutting
Website	https://www.international-climate-initiative.com/en/about-iki/
Focal areas	Adaptation, Mitigation, Cross-cutting
Access requirements	Governments of partner countries cannot apply for IKI funding. Applying entities should form a consortium
Financing Instruments	Grants
Eligible applicants	Non-governmental organizations, commercial enterprises, universities and research institutions
How to Apply	Annual call for proposals for two main funding pillars: the thematic call and the country-specific call, small and medium grants call. Entities submit a project outline in English within a set deadline using a prescribed project outline template.

6.4.2.5 Mitigation Action Facility (formerly NAMA)

Objective	To support partner countries transition towards carbon-neutral
Website	https://mitigation-action.org/
Focal Areas	Agriculture, Cities, Disaster risk reduction, Education, Energy efficiency, health, Industry and Infrastructure, Nature-based Solutions and Ecosystem Services, Oceans and Coasts, Renewable Energy, Rural Development, Transport, Waste Management, Water
Financing Instruments	Grants, Concessional loans, Guarantees
Eligible applicants	Applying country must be ODA eligible throughout project implementation and must be included in the OECD DAC list.
How to Apply	Mitigation Action Facility Calls are open to all regions and sectors. Outlines can only be submitted by a national government or by legal entities

6.4.3 Japan

6.4.3.1 Japan International Cooperation Agency

Objective	To support sustainable socioeconomic development in developing countries, including measures to fight climate change.
Website	https://www.jica.go.jp/english/about/index.html
Focal Areas	energy efficiency, renewable energy, public transport systems, stable water supply, climate- resilient agriculture, sustainable forest management, disaster risk reduction and coastal protection
Access requirements	Consult in-country embassy of Japan
Financing Instruments	Grants, Blending
How to Apply	Technical Cooperation

6.4.4 Nordic Countries

6.4.4.1 Danish International Development Agency (DANIDA)

Fund's Objective	To address social issues while strengthening resilience towards climate change
Website	https://um.dk/en/danida/sustainable-growth/financing-for-development/different-types-of-advice-and-financing
Focal areas	Adaptation and disaster risk reduction, sustainable infrastructure
Financing Instruments	Blended finance, concessional loans
Eligible applicants	Consult in-country Danish embassy
How to Access support	

6.4.4.2 Nordic Climate Facility

Objective	Aims to increase resilience to climate change (adaptation) reduce greenhouse gas emissions (mitigation), or encompass both adaptation and mitigation (combination projects)
Website	https://www.nordicclimatefacility.com/projects/portfolio-overview
Focal areas	Broadly adaptation, mitigation and cross-cutting
Access requirements	Projects should contribute to the fulfilment of the UN Sustainable Development Goals
Financing Instruments	Grants, co-financing
Eligible applicants	Registered legal entities: For-profit companies and organizations; Non-profit organizations and social enterprises; Civil society organizations (CSOs); and Research institutes and universities.
How to Apply	Apply to thematic calls for proposals annually

6.4.4.3 Norwegian Agency for Development Cooperation (NORAD)

Objective	Strives for a greener future in a world without poverty

Website	https://www.norad.no/en/front/
Focal areas	Food security, climate proofing, adaptation, forestry, mitigation, fisheries
Access requirements	Consult in-country or regional Norwegian embassy
Financing Instruments	Grants
Eligible applicants	Private sector, civil society
How to Apply	Contact country embassy

6.4.4.4 Swedish International Development Agency (SIDA) – Power Africa

Objective	To contribute to increased access to clean energy, energy efficiency, jobs and economic development, reduced environment and climate impact and improved health
Website	https://www.sida.se/en/for-partners/private-sector/power-africa#block-6
Focal areas	Access to renewable electricity, irrigation and farm restoration, forestry, resilient crops
Access requirements	Consult in-country Swedish embassy
Preferred instruments	Blended finance, result-based financing, guarantees, crowd-funding, PPPs
Eligible applicants	Private sector
How to Apply	Consult in-country Swedish embassy

6.4.5 France

6.4.5.1 Agence Française de Développement (AFD) – The 2050 Facility

Objective	To provide support for some 30 of the highest emitting and most vulnerable developing countries in their transition to a low-carbon and resilient development model
Website	https://www.afd.fr/en/2050-facility
Focal areas	Technical cooperation and capacity-building activities
Access requirements	Consult in-country French embassy
Financing Instruments	Technical assistance
Eligible applicants	Public and private sectors, civil society
How to Apply	Consult in-country French embassy

6.4.6 Switzerland

6.4.6.1 Swiss Agency for Development and Cooperation (SDC)

Objective	To support developing countries in their efforts to mitigate and adapt to the effects of climate change. 2021-24 strategy objective: Addressing climate change and its adverse effects and managing natural resources sustainably (the environment)

Website	https://www.eda.admin.ch/deza/en/home/themes-sdc/climate-change/forest-land-use.html
Focal areas	Climate change and environment, water, energy, disaster risk reduction, emergency relief and reconstruction
Access requirements	Consult in-country or regional Swiss mission
Financing Instruments	Development cooperation
Eligible countries	Sub-Saharan Africa
How to Apply	Consult in-country or regional Swiss mission

6.4.7 United Kingdom

6.4.7.1 International Climate Finance (ICF)

Objective	UK government commitment to support developing countries to respond to the challenges and opportunities of climate change
Website	https://www.gov.uk/guidance/international-climate-finance#overview
Focal areas	Agriculture, disaster preparedness, water resources management, coastal areas, ecosystems, forestry
Access requirements	Demand driven (consult in-country UK mission)
Preferred instruments	Grants
Eligibility and how to Apply	Consult in-country UK mission on the delivery partners that UK invests in for funding

6.4.8 United States of America

6.4.8.1 United States Agency for International Development (USAID)

Objective	Partnering with other countries to implement ambitious emissions reduction measures, protect critical ecosystems, transition to renewable energy, build resilience against the impacts of climate change, and promote the flow of capital toward climate-positive investments
Focal areas	Energy, water, agriculture, forests, disaster management, greenhouse gas mitigation
Access options	Through grants to guarantees and cooperative agreements with partners. USAID also accepts unsolicited proposals and applications
Financing Instruments	Contracts, grants cooperative agreements
Eligibility and how to Apply	Consult in-country USA Mission or https://www.usaid.gov/npi/quick-reference/working-with-usaid

6.5 Non-governmental Climate Finance Foundations

6.5.1 Convergence

Type	A global network for blended finance
Objective	To increase private sector investment in sustainable development through blended finance
Website	https://www.convergence.finance/about
Focal areas	Blended finance in energy, agriculture, infrastructure (non-energy)
Access Options	• Gender-Responsive Climate Finance Window: for innovative impact finance solutions that will mobilize private capital. • Catalytic Climate Finance Facility: dedicated acceleration services to early-stage and market-ready financial solutions.
Financing Instruments	Grants for the design of vehicles to attract private capital to global development at scale
Eligible applicants	ODA-eligible countries
How to Apply	Convergence will announce a thematic call to submit a concept note for funding feasibility studies, proof of concept, scaling up/expansion

6.5.2 Oak Foundation

Objective	To address issues of global, social, and environmental concern, particularly those that have a major impact on the lives of the disadvantaged
Website	https://oakfnd.org/grant-making/
Focal areas	Energy, Food, and Natural Security
Financing Instruments	Grants
Eligible applicants	Not-for-profit organizations across the globe that aim to make the world a safer, fairer, and more sustainable place to live in
How to Apply	Direct invitation: https://oakfnd.org/wp-content/uploads/2019/11/Oak-Foundation-Grant-application-process-and-timeline.pdf Request for Proposals: https://oakfnd.org/values-mission-history/about-us/careers/

6.5.3 KR Foundation

Objective	To help provide solutions for the long-term challenges of living on a planet with finite resources, fragile ecosystems, and climate change
Website	https://www.terravivagrants.org/group-3-energy-climate-change/kr-foundation/
Focal areas	Agriculture, Energy, Environment, Natural Resources
Financing Instruments	Grants
Eligible applicants	Charitable non-profit organizations
How to Apply	KR Foundation invites brief Letters of Inquiry (LOI)

6.5.4 Global Resilience Partnership (GRP)

Objective	Advances resilience through identifying and scaling on the ground innovation, generating and sharing knowledge, and shaping policy
Website	https://www.globalresiliencepartnership.org/who-we-are/
Focal areas	Innovation, Policy, Knowledge
Financing Instruments	https://www.globalresiliencepartnership.org/resources/tools-and-websites/
Eligible applicants	Faith-based organizations, Research institutes, Municipalities, Humanitarian/relief organizations
How to Apply	Respond with an application on the prescribed forms for an innovation challenge calls

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