



ADAPTATION FUND

AFB/PPRC.12/6
17 June 2013

Adaptation Fund Board
Project and Programme Review Committee
Twelfth Meeting
Bonn, Germany, 1-2 July 2013

Agenda Item 4 c)

PROPOSAL FOR SOUTH AFRICA (2)

I. Background

1. The Operational Policies and Guidelines (OPG) for Parties to Access Resources from the Adaptation Fund (the Fund), adopted by the Adaptation Fund Board (the Board), state in paragraph 42 that regular adaptation project and programme proposals, i.e. those that request funding exceeding US\$ 1 million, would undergo either a one-step, or a two-step approval process. In case of the one-step process, the proponent would directly submit a fully-developed project proposal. In the two-step process, the proponent would first submit a brief project concept, which would be reviewed by the Project and Programme Review Committee (PPRC) and would have to receive the endorsement of the Board. In the second step, the fully-developed project/programme document would be reviewed by the PPRC, and would ultimately require the Board's approval.

2. The Templates approved by the Board (OPG, Annex 3) do not include a separate template for project and programme concepts but provide that these are to be submitted using the project and programme proposal template. The section on Adaptation Fund Project Review Criteria states:

For regular projects using the two-step approval process, only the first four criteria will be applied when reviewing the 1st step for regular project concept. In addition, the information provided in the 1st step approval process with respect to the review criteria for the regular project concept could be less detailed than the information in the request for approval template submitted at the 2nd step approval process. Furthermore, a final project document is required for regular projects for the 2nd step approval, in addition to the approval template.

3. The first four criteria mentioned above are:

1. Country Eligibility,
2. Project Eligibility,
3. Resource Availability, and
4. Eligibility of NIE/MIE.

4. The fifth criterion, applied when reviewing a fully-developed project document, is:

5. Implementation Arrangements.

5. In its seventeenth meeting, the Board decided (Decision B.17/7) to approve "Instructions for preparing a request for project or programme funding from the Adaptation Fund", contained in the Annex to document AFB/PPRC.8/4, which further outlines applicable review criteria for both concepts and fully-developed proposals.

6. Based on the Board Decision B.9/2, the first call for project and programme proposals was issued and an invitation letter to eligible Parties to submit project and programme proposals to the Fund was sent out on April 8, 2010.

7. According to the Board Decision B.12/10, a project or programme proposal needs to be received by the secretariat no less than nine weeks before a Board meeting, in order to be considered by the Board in that meeting.

8. The following project concept titled "Taking adaptation to the ground: A Small Grants Facility for enabling local level responses to climate change" was submitted by the South

African National Biodiversity Institute (SANBI), which is the National Implementing Entity of the Adaptation Fund for South Africa. This is the first submission of the project. It was received by the secretariat in time to be considered in the twenty-first Board meeting. The secretariat carried out a technical review of the project proposal, assigned it the diary number ZAF/NIE/Multi/2013/2, and completed a review sheet.

9. In accordance with a request to the secretariat made by the Board in its 10th meeting, the secretariat shared this review sheet with SANBI, and offered it the opportunity of providing responses before the review sheet was sent to the PPRC.

10. The secretariat is submitting to the PPRC the summary and, pursuant to decision B.17/15, the final technical review of the project, both prepared by the secretariat, along with the final submission of the proposal in the following section.

Annex I. Project Summary

South Africa – Taking adaptation to the ground: A Small Grants Facility for enabling local level responses to climate change

Implementing Entity: *SANBI*

Project/Programme Execution Cost: USD 146,400

Total Project/Programme Cost: USD 1,829,500

Implementing Fee: USD 155,507.5

Financing Requested: USD 1,985,007.5

Project/Programme Background and Context: The overall goal of the project is to ensure that local communities in the project focal areas have reduced vulnerability and increased resilience to the anticipated impacts of climate change. The objective is to incorporate climate adaptation response strategies into local practices so that assets, livelihoods and ecosystem services are protected from climate induced risks associated with expected droughts, seasonal shifts and storm-related disaster events. To do so, the project will seek to increase climate resilience in productive landscapes and socio-economic systems in communities in two pilot district municipalities in South Africa, by working directly with local stakeholders and anticipated beneficiaries through a small grant mechanism.

In addition to delivering direct and tangible benefits through the implementation of the small grants themselves, the project will seek to pilot and develop an understanding of small grant development and implementation in the context of climate finance, with a view to scaling up and replicating this model as appropriate. This approach responds directly to calls from civil society to bring the principle of ‘direct access’ closer to vulnerable communities themselves, thus empowering them to determine how climate finance will be used, and building institutional capacity for the implementation of adaptation efforts at the local level.

It is believed that one of the most important factors of success for the SGF will be its processes of project identification, development, review and learning, and the processes that are put in place to build local capacity and support project implementation. These have been carefully addressed in the design of the project.

The project presents three components as follows:

- Component 1: Small grants – Small grants to vulnerable communities deliver tangible and sustainable benefits
- Component 2: Institutional capacity – Local institutions empowered to identify and implement adaptation response measures
- Component 3: Lesson learnt – Lessons learnt facilitate future up-scaling and replication of small grant-financing approaches

Component 1: Small grants – Small grants to vulnerable communities deliver tangible and sustainable benefits (USD 1,226,100)

This component will support planning and implementation of adaptation responses by vulnerable communities in the Mopani and Namakwa District Municipalities through a suite of interventions that are supported through at least 12 small grants to local level CBOs and NGOs that will be in order of \$100 000 each. The grants may be phased and will be disbursed in

tranches to ensure a sound implementation process and effective integration of project-level monitoring and evaluation processes. All grants will deliver tangible, measurable benefits that reduce the vulnerabilities of local communities to existing and anticipated impacts of climate change through strengthened livelihood strategies, increased adaptive capacity and ecosystem resilience. The facility will encourage and pursue projects that enhance and facilitate that sharing of knowledge on best practices from the local to the national level.

Component 2: Institutional capacity – Local institutions empowered to identify and implement adaptation response measures (USD 274,000)

This second component will focus on supporting local institutions to identify, develop and implement small grant projects in the context of climate change adaptation at all stages of the project cycle. Under this component, the Facilitating Agencies will facilitate sound project identification, development and implementation support processes including local level project administration, reporting and financial management. These processes will be guided by a set of principles that ensure that projects clearly respond to experienced or anticipated climate induced stresses, and meet the criteria of the Small Grants Mechanism, the NIE and the AF.

Component 3: Lesson learnt – Lessons learnt facilitate future up-scaling and replication of small grant-financing approaches (USD 183,000)

In order to facilitate the proposed process learning and reflection approach successfully, it will be important to ensure that local organizations play an effective role in supporting project development and implementation, while at the same time documenting the process to ensure lessons learnt inform the compilation of a methodology that identifies effective strategies and policy recommendations for scaling up and replication. In support of this, the project will support innovative participatory approaches including a practitioner's forum, to discuss effective approaches of community empowerment and challenges, and a community forum, to discuss climate change adaptation challenges and possible integrated adaptation strategies. It will also seek to build local knowledge sharing mechanisms that create opportunities for reflection and learning within Districts and between Districts, and link these to relevant national adaptation processes with a view to developing insights that are relevant beyond the project intervention sites themselves. Independent learning processes will be conducted to reflect on implementation successes and challenges, and develop insights. Learning outputs from the small grants projects will be supported to align with and support local government climate change response strategies, and to inform provincial adaptation plans where possible. Where relevant, policy recommendations will be developed to inform South Africa's processes of climate finance establishment, with a view to creating a long term small grant facility for supporting climate change adaptation in vulnerable communities.



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: Regular-sized Project Concept

Country/Region: **South Africa / Africa**

Project/Programme Title: **Taking adaptation to the ground: A Small Grants Facility for enabling local level responses to climate change**

AF Project ID: **ZAF/NIE/Multi/2013/2**

NIE/MIE Project/Programme ID:

Requested Financing from Adaptation Fund (US Dollars): **1,985,007.5**

Regular Project/Programme Concept Approval Date (if applicable): Anticipated Submission of final RP document (if applicable):

Reviewer and contact person: **Daouda Ndiaye**

Co-reviewer(s): **Jaime Cavalier**

NIE/MIE Contact Person: **Mandy Barnett**

Review Criteria	Questions	Comments on 16 May 2013	Comments on 30 May 2013
Country Eligibility	1. Is the country party to the Kyoto Protocol?	Yes. South Africa ratified the KP on 31 July 2002.	
	2. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	Yes. South Africa's agricultural sector is vulnerable to storms and floods, droughts and fires. More specifically, the target districts are particularly vulnerable to extreme weather events, including dry spells and extreme rainfall events, and increased maximum daily air temperatures.	
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	Yes. There is a Letter of Endorsement from the Director of Environmental Affairs, dated 4-23-13.	

	<p>2. Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?</p>	<p>Yes. The project seeks to establish a small grant finance mechanism to support projects that will implement effective local adaptation measures, with a particular focus on rural, to increase resilience of vulnerable groups and support long term sustainable livelihoods – taking into account short- and long-term climate forecasts. It is expected that this project will help linking grass-root needs to the policy level through the empowerment of local institutions to identify and implement adaptation response measures. Two districts are targeted: Mopani and Namakwa districts.</p> <p>A list of indicative projects to be supported through the Community Adaptation Small Grant Facility was provided. The list of projects will need to be site specific when individual grants are awarded.</p> <p>Overall the focus of the project is very clear. However more information is needed on the past and projected climate trends for the targeted areas, including records of past extreme weather events and projected trends in temperature. CR1.</p> <p>Also, the baseline information on livelihoods in the target districts should be more detailed in order to better understand the climate-induced challenges faced by the potential target communities. Priority sectors to be funded, for each district, should be highlighted, based on previous vulnerability assessments. CR2. To be consistent, the population size of the Namakwa district should be provided as well. CR3</p> <p>CR4: Please provide references of the Mopani district vulnerability assessment. The document states that two of the district local municipalities are considered among the 20 most vulnerable ones in the country.</p>	<p>CR1: Addressed.</p> <p>CR2: Addressed.</p> <p>CR3: Addressed.</p> <p>CR4: Addressed.</p>
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	3. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations?	Yes. However, the full proposal will need to provide more detailed expected benefits, including the economic benefits. The approximate number of expected direct beneficiaries will also need to be included.	
	4. Is the project / programme cost effective?	Not clear. At the project preparation stage, further analysis of the costs of establishing and operationalizing the small grant mechanism, will help assess the project's cost effectiveness.	
	5. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?	Yes.	
	6. Does the project / programme meet the relevant national technical standards, where applicable?	Yes. However, based on the categories of small projects which will be identified, more details on the relevant technical standards may be needed.	
	7. Is there duplication of project / programme with other funding sources?	Not clear. The main initiatives described here are related to the two identified facilitating agencies. CR5: Past and on-going small grant finance initiatives from which lessons will be learned should be presented. Also, relevant agriculture-, ecosystem management or water-related initiatives covering the target districts should be mentioned.	CR5: Addressed. A more detailed presentation of the synergies to be sought and lessons to be learned from current and past initiatives will be presented in the full document.

	<p>8. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?</p>	<p>Yes. Under Component 3. Lesson learnt (Lessons learnt facilitate future up-scaling and replication of small grant-financing approaches).</p>	
	<p>9. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations?</p>	<p>Yes. However, it seems to have been primarily through GenderCCSA (Facilitating agency for mentorship in Mopani District outreach and stakeholder engagement), and Conservation SA (Facilitating agency for mentorship in Namakwa District outreach and stakeholder engagement). Although these two agencies are very active in the field, it is not clear how the idea of a small grant mechanism has been appreciated by the different stakeholders, including local and national government units, CBOs, NGOs, and local communities, and which feedback have been received from them. CR6: Please explain which institution is the promoter of the idea of a small grant mechanism and clarify whether this concept has been submitted to the different stakeholders, including local and national government units, CBOs, NGOs, and local communities, and which feedback have been received from them.</p>	<p>CR6: Addressed. A more comprehensive consultation process is expected at the full proposal stage.</p>
	<p>10. Is the requested financing justified on the basis of full cost of adaptation reasoning?</p>	<p>Yes.</p>	
	<p>11. Is the project / program aligned with AF's results framework?</p>	<p>Yes. It is aligned with at least outcomes 3, 5 and 6 of the AF results framework, i.e. "Strengthened awareness and ownership of adaptation and climate risk reduction</p>	

		processes at local level”, “Increased ecosystem resilience in response to climate change and variability-induced stress” and “Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas”, respectively. This should be more specifically explained at the full proposal stage.	
	12. Has the sustainability of the project/programme outcomes been taken into account when designing the project?	Yes.	
Resource Availability	1. Is the requested project / programme funding within the cap of the country?	Yes. The total requested budget is \$1,985,007.5	
	2. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the fee?	Yes. The IE fees are set at 8.5% of the total project budget.	
	3. Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)?	Yes. The execution costs are set at 8.0% of the total project budget.	
Eligibility of NIE/MIE	4. Is the project/programme submitted through an eligible NIE/MIE that has been accredited by the Board?	Yes. SANBI is an accredited NIE.	
Implementation Arrangement	1. Is there adequate arrangement for project / programme management?	n/a (Not required at Project Concept stage).	
	2. Are there measures for financial and project/programme risk management?	n/a (Not required at Project Concept stage).	
	3. Is a budget on the Implementing Entity Management Fee use included?	n/a (Not required at Project Concept stage).	

	4. Is an explanation and a breakdown of the execution costs included?	n/a (Not required at Project Concept stage).	
	5. Is a detailed budget including budget notes included?	n/a (Not required at Project Concept stage).	
	6. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans?	n/a (Not required at Project Concept stage).	
	7. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function and sex-disaggregated data, targets and indicators?	n/a (Not required at Project Concept stage).	
	8. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?	n/a (Not required at Project Concept stage). <i>Please note that as of the 14th AFB meeting, fully developed project/programme proposals are required to provide a table indicating alignment of project/programme objectives with the AF results framework. A template will be available on the AF website.)</i>	
	9. Is a disbursement schedule with time-bound milestones included?	n/a (Not required at Project Concept stage).	

Technical Summary	<p>The proposed project seeks to incorporate climate adaptation response strategies into local practices so that assets, livelihoods and ecosystem services are protected from climate induced risks associated with expected droughts, seasonal shifts and storm-related disaster events. It will do so by developing and implementing a small grant finance mechanism in the context of climate finance, with a view to scaling up and replicating this model as appropriate.</p> <p>The project presents three components as follows:</p> <ul style="list-style-type: none"> • Component 1: Small grants – Small grants to vulnerable communities deliver tangible and sustainable benefits; • Component 2: Institutional capacity – Local institutions empowered to identify and implement adaptation response measures;
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	<ul style="list-style-type: none">• Component 3: Lessons learnt – Lessons learnt facilitate future up-scaling and replication of small grant-financing approaches. <p>It is expected that this project will help linking grass-root needs to the policy level through the empowerment of local institutions to identify and implement adaptation response measures. Two districts are targeted: Mopani and Namakwa districts.</p> <p>The initial technical review found that while the focus of the project was very clear at the concept stage, a few information gaps needed to be addressed, including information on relevant past and projected climate trends, additional baseline information on community livelihoods and relevant on-going initiatives in the target districts, and potential gap in the consultation process.</p> <p>Six (6) clarification requests were made, which were adequately addressed by the proponents in the revised concept proposal submitted to the secretariat. The proponent should consider to address the following observations when submitting a full proposal:</p> <ul style="list-style-type: none">a) Based on the vulnerability assessment to be undertaken during project preparation, the sectors covered by projects to be supported and the possible adaptation activities to be funded through the Community Adaptation Small Grant Facility should be identified for each site.b) The full proposal should provide detailed expected benefits, including the economic benefits. The approximate number of expected direct beneficiaries should also be included.c) To better assess the project's cost effectiveness, further analysis of the costs of establishing and operationalizing the small grant mechanism should be provided.d) A more detailed presentation of the synergies to be sought and lessons to be learned from current and past initiatives should be provided in the full document.e) A more comprehensive consultation process, including local communities and vulnerable groups, should be undertaken, demonstrating full participation of these stakeholders in vulnerability assessment and identification of adaptation actions.
Date:	31 May 2013



PROJECT/PROGRAMME PROPOSAL

PART I: PROJECT/PROGRAMME INFORMATION

PROJECT/PROGRAMME CATEGORY:	REGULAR PROJECT (CONCEPT)
COUNTRY/IES:	SOUTH AFRICA
SECTORS:	MULTIPLE
TITLE OF PROJECT/PROGRAMME:	TAKING ADAPTATION TO THE GROUND: A SMALL GRANTS FACILITY FOR ENABLING LOCAL LEVEL RESPONSES TO CLIMATE CHANGE
TYPE OF IMPLEMENTING ENTITY:	NIE
IMPLEMENTING ENTITY:	SANBI
EXECUTING ENTITY/IES:	TO BE CONFIRMED (LANDCARE AND GREEN FUND ARE POSSIBILITIES – SEE PART III)
AMOUNT OF FINANCING REQUESTED:	\$1,985,007.5 (in U.S Dollars Equivalent)

PROJECT / PROGRAMME BACKGROUND AND CONTEXT:

South Africa’s National Climate Change Response Strategy clearly emphasizes that climate change will place additional stress on South Africa’s agricultural systems and water security. More intense storms and floods, droughts and fires are already apparent, and extreme climatic events are causing severe damage to the agricultural sector with a devastating impact on the country’s rural poor. Marginalised groups in South Africa are already experiencing a range of stressors. Climate variability and change is an existing additional stressor anticipated to increase in intensity – and adaptation measures that will support more resilient rural communities in the short and longer term are crucial.

While South Africa has a National Climate Change Response Strategy at the national level, policy development processes for climate change, and tools for planning for climate change responses, there is still limited implementation at the grass-roots level. This is urgently needed to support vulnerable groups in responding to observed and anticipated climate variability and change. This project proposes the implementation of a small grant finance mechanism to address this adaptation need. This facility will ensure that appropriate and effective local adaptation measures are developed and implemented for supporting increased resilience of vulnerable groups and long term sustainable livelihoods – taking into account short- and long-term climate forecasts.

The emphasis of the project will be to support projects that generate tangible adaptation responses, with a particular focus on rural. In order to plan and implement adaptive strategies that increase the resilience of these groups, the approach that is proposed here will harness local creativity while appropriately integrating scientific and local

knowledge in the planning and implementation of integrated adaptation responses in order to reduce the risk of maladaptation.

By providing a direct finance opportunity for these groups, coupled with a process that empowers communities to participate meaningfully in project identification and implementation, the small grant mechanism could effectively inform South African policy processes by providing concrete examples of integrated adaptation at the local level. These lessons learnt can then inform an effective policy response to promote a national response to support adaptation processes at the grass-root level country wide.

In order to test the small grant mechanism for grass-root adaptation, the project will focus on two District Municipalities that are already experiencing additional climate stress through the changing frequency and intensity of extreme weather events (including greater incidence of heat stress, dry spells and extreme rainfall events), and rising air temperatures. The two pilot areas represent valuable contrasts to maximize learning opportunities, in terms of climate (summer vs. winter rainfall area), aridity (semi-desert vs. sub-tropical climate), population density (high vs. low population density) and agricultural practices (sheep and goat farming vs. cattle farming, and locally relevant crop production). It is envisaged that the proposed approach will provide robust lessons and insights for future funding mechanisms that are currently being planned by South Africa's National Treasury Department in support of the green economy generally and adaption more specifically.

The two focal Districts are the **Mopani District** (Limpopo Province) and the **Namakwa District** (Northern Cape Province) (Figures 3, 4 and 5). Both districts have been actively working on defining response strategies to climate change, thus providing a good basis for supporting practical adaptation initiatives in these areas to increase resilience of vulnerable groups. Recent work to assess climate change projections has indicated that both regions could be subject to increasing temperatures and changing rainfall patterns.

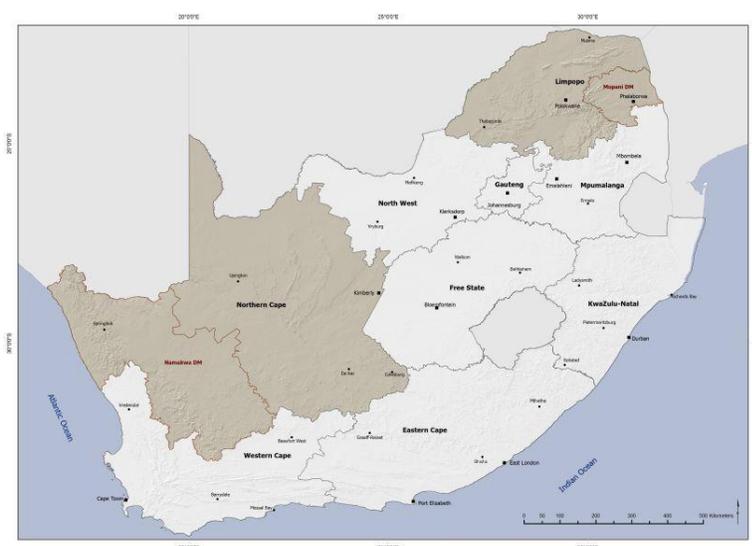


Figure 1: The two District Municipalities that form the focus of this project are located in the Northern Province and the Limpopo Province, in South Africa.

Preliminary results from a South African trend analysis, currently being conducted by the University of Cape Town under South Africa's Long Term Adaptation Scenarios Phase 1 process, provide up to date insight into historical temperature and rainfall trends for the two focal Districts, Mopani and Namakwa, extending to the year 2010. These analyses confirm and extend several previous published analyses summarized in South Africa's 2nd National Communication to the UNFCCC that extended to the year 2000. Based on zonal analysis for the country, both the zone within which Mopani is based and the zone within which Namakwa is based show a steady increase in annual maximum temperatures for the period 1960 to 2010. In terms of rainfall, the zonal analysis shows that while there has only been a very slight decrease in the annual average rainfall for the Mopani area there has been a steady decrease in number of rain days. This indicates that while the overall precipitation is more or less the same, rainfall events have become less frequent and more intense, and with longer dry spell duration in-between, exacerbated by higher air temperatures. In the Namakwa area on the other hand, the trend analysis shows no significant trends in either the number of rain days or in annual average rainfall, thus indicating that overall precipitation has remained unchanged, though water availability would have been reduced through increased temperature effects.

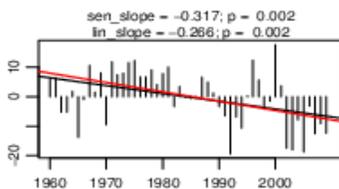


Figure 2: Annual no of rain days – zone 1 including the Mopani area*

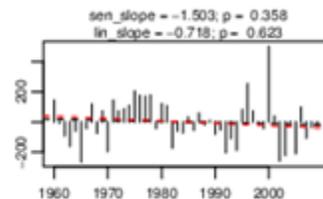


Figure 3: Average annual rainfall – zone 1 including the Mopani area*

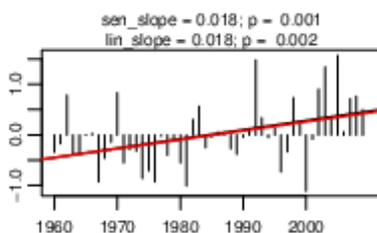


Figure 4: Average annual max temperatures – zone 1 including the Mopani area*

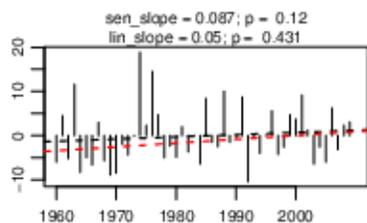


Figure 5: Annual no of rain days- zone 2 including the Namakwa area*

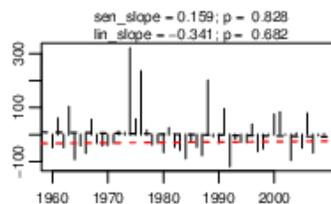


Figure 6: Average annual rainfall – zone 2 including the Namakwa area*

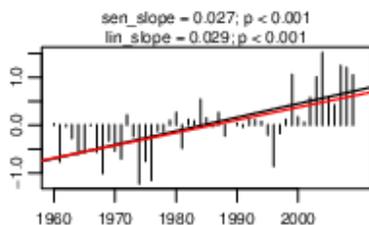


Figure 7: Average annual max temperatures – zone 2 Including the Namakwa area*¹

These observed changes are to varying degrees aligned with future projections, which indicate significant temperature increases across the country, but with rainfall projections being less consistent and more spatially variable². More specifically, as indicated by figure 8 below, projections from General Circulation Models (GCMs) indicate that mean annual rainfall changes will vary across the country. Yet in terms of the overall pattern, South Africa's Second National Communication³ stated that projections show a distinct pattern of decreasing winter rainfall in the west, and increasing summer rainfall in the east, but that the magnitude and the local scale deviations are still uncertain. Overall, rainfall projections indicate a future reduction for the both regions, possibly very significant by mid-century at least,

¹ Note that these climate trend analyses are preliminary and have not yet been subjected to peer review, but are included because they extend previously published trend analysis by a decade, and thus add considerable value in this context

² Department of Environmental Affairs (2011) *South Africa's Second National Communication Under the United Nations Framework Convention on Climate Change*.

[<http://www.sanbi.org/sites/default/files/documents/documents/201111sasncpubl.pdf>]

³ Same as above

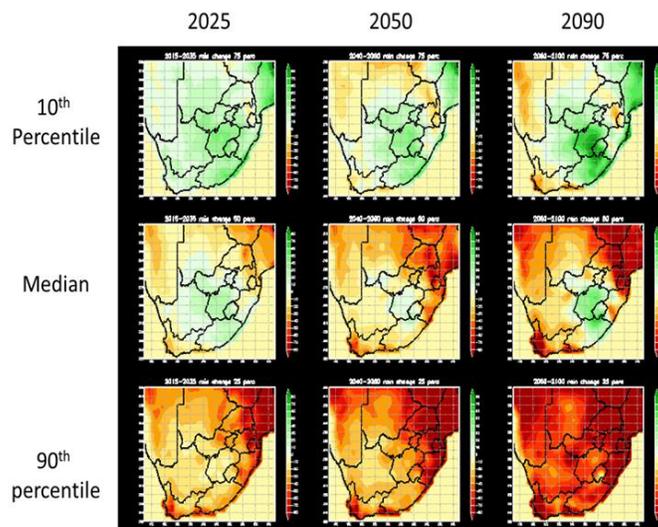


Figure 8: Projected change in mean annual rainfall (expressed in mm) over Southern Africa from a mechanistic downscaling of six General Circulation Models, for three time periods under an A2 SRES emissions scenario. The range of projected change, representing the uncertainty due to mechanistic downscaling, is indicated by the presentation of 10th and 90th percentile changes, with the mean indicating the central tendency of the six projections⁴.

Temperature change projections are more spatially consistent than those of rainfall (Figure 9), with projections showing substantial increases across South Africa, but with the interior warming at a greater rate than the coastal areas.

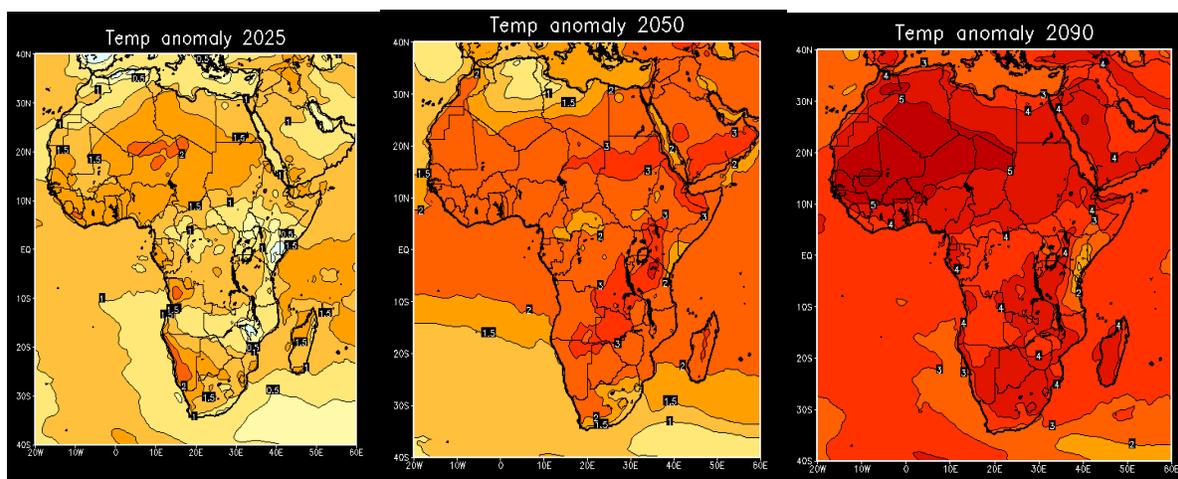


Figure 9: Temperature anomalies for Africa in the years 2025, 2050 and 2090 relative to 1961-1990 trends in one realization of an A2 emissions scenario to indicate a typical temperature progression⁵.

⁴ South African Risk and Vulnerability Atlas, annualised data from Figure 3.2 [http://www.sarva.org.za/download/sarva_atlas.pdf]

⁵ Extracted from raw data Engelbrecht, F. A., W. A. Landman, et al. (2011) "Multi-scale climate modelling over Southern Africa using a variable-resolution global model." *Water SA* 37(5): 647-658.

In terms of the local level projections for the two Districts, downscaled climate change projections are not available for the Mopani District level at this stage. Yet what can be induced from the GCM projections is that Mopani District may experience warmer and drier conditions into the future. For the Namakwa District the recent Climate Change Vulnerability Assessment⁶ provides downscaled climate change projections at the district level. The downscaled projections are consistent with the GCM projections, indicating warmer and drier conditions for the Namakwa District, as well as greater frequency and intensity of storm events and droughts.

With increasing temperatures and changing rainfall patterns, and potentially more frequent and intense extreme weather events, communities already vulnerable due to a complex set of socio-economic and environmental factors are likely to become more vulnerable into the future.

A small grant facility would directly support vulnerable groups in defining and implementing effective adaptation strategies and making a direct contribution to climate justice. The process will be carefully facilitated, being focused on sound integration of scientific and local knowledge, making linkages to municipal and national planning and policy processes.

The Mopani District: Mopani District Municipality (Figure 10) is one of the 6 districts of Limpopo province of South Africa, and it comprises of five local municipalities, Maruleng, Ba-Phalaborwa, Greater Giyani, Greater Letaba and Greater Tzaneen. Agriculture is the most important economic sector in Greater Tzaneen, Greater Giyani, Maruleng and Greater Letaba. In addition to citrus fruits, sub-tropical fruit, including mangoes, avocados and bananas are grown. The mining sector contributes 30% to the GDP, followed by the general government services sector (17%) and finance and business services (15%).

According to Census 2011, the district has a population of 1,092,507 within an area of 20,011 km² with 296,320 households. 81% reside in rural areas, 14% reside in urban areas and 5% stay on farms. The population density varies and is on average 23 people/ ha. The district has a high unemployment rate and it is important to note that of the unemployed people in the district, approximately 60% are women.

According to the Fiscal and Financial Commission's submission⁷ for the 2013-14 Division of Revenue, two of Mopani's local municipalities (i.e. Greater Giyani and Greater Letaba) are said to be among the twenty most vulnerable municipalities in South Africa.

⁶ Bourne, A., C. Donatti, S Holness, and G Midgley (2012). Climate Change Vulnerability Assessment for the Namakwa District Municipality.

⁷ Fiscal and Financial Commission (2012). Submission for the 2013/14 Division of Revenue

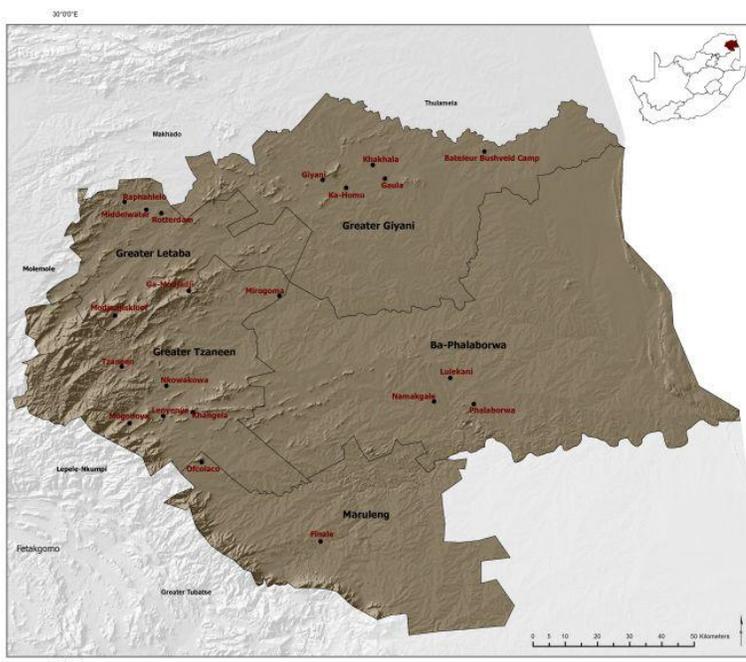


Figure 10: Mopani District municipality is situated in Limpopo, along the North- East boundary of the country.

This is supported by the District's Reviewed IDP 2006-2013, which states that Mopani contains some of the country's least developed and poorest communities. In 2006 11% of Mopani residents lived in a state of absolute poverty, and approximately 77% of the population live below the poverty line. Government and the farming sector are the greatest employers in the district, followed by industry, mining, trade, transport, tourism and manufacturing⁸.

As mentioned above, by far the majority of people in the district live in rural areas and the majority of these rural residents are poor. Income in rural areas is constrained by the rural economy that is unable to provide people with remunerative jobs or self-employment opportunities. In this context the additional stressors due to climate variability and change are increasingly having a devastating impact on already marginalised and vulnerable groups.

The Mopani district is characterized by low rainfall, especially in the lower-lying areas of the district. While there are no formal records of past extreme events, the historical trends outlined above and experiences on the ground indicate an increasing frequency of dry spells⁹ and extreme rainfall events, together with increasing temperature trends. A recent heavy rainfall event with subsequent flooding in Mopani District was for instance reported to have destroyed more than 668 houses and a bridge¹⁰. In February

⁸Mopani District Municipality (2010). Reviewed Integrated Development Plan: 2006-2013

⁹ <http://www.iol.co.za/news/south-africa/limpopo/drought-cripples-limpopo-farmers-1.1448228>

¹⁰ <http://www.citypress.co.za/news/no-end-in-sight-to-the-rains/>,
<http://oldsanews.gcis.gov.za/rss/13/13012215051001>

2013, at the GenderCC Southern Africa (GenderCCSA) dialogue on Grassroots women and climate finance in Polokwane, Limpopo, a representative of Limpopo Department of Agriculture indicated that anecdotal experience on the ground shows that when rain does fall these days, it often rains continuously for almost a week, with significant negative impacts on crop yields.

This results in limited water resources culminating in severe water shortages and regular drought conditions. Subsequently, there is stiff competition between the different water users such as agriculture, mining and forestry. The strongly adverse effect of anthropogenic climate change on agriculture and the availability of clean water in the province, where many people rely heavily on local agricultural production for household food security, are of particular concern.

The main surface water resources for Mopani district is the Letaba River catchment and all its tributaries. Research has found that climate change, and the projected changes in rainfall patterns and associated flood events, is expected to exacerbate the poor health of this river system¹¹, possibly leading to increased erosion and land degradation. Such impacts will have other knock-on effects such as increased expenditure and effort on water treatment, loss of biodiversity and increased dependence by humans on a few species of plants and animals to meet food, fibre and construction needs.

Changing and unpredictable rainfall patterns, soil erosion and increasing temperatures are also likely to impact farming activities in this drought-prone area. This will include the ability of small-scale farmers to predictably produce food such as maize and beans in this drought-prone area. For example, a research study to determine the impact of climate variability on tomato production in Limpopo province¹² indicated that there is sufficient evidence to conclude that agriculture could be affected by future climate change and climate variability, as the results demonstrated a strong negative correlation between temperature and tomato production. In fruit farming, quality, supply and sustainability of supply could also be affected; potentially compounded by projected challenges in water availability and supply in Mopani district.

Growing malnutrition has led to reports of disease-related deaths among young children weakened by hunger. Drought has also been seen to weaken animal stock and cause losses due to hypothermia during extreme rainfall events. Greater climate variability is thus costing communal farmers significant livestock losses due to a lack of grazing and water shortages in this district. With changing rainfall patterns women in Mopani are likely to find it difficult to grow food and access water for daily use. These beneficiaries have little “voice” and access to decision-making to address these challenges. A small grant facility could support the joint development of appropriate adaptation responses linking grass-root needs to the policy level.

¹¹ Davis C.L, Stevens N, Archer E.R.M, Van der Merwe M, Maserumule R and, Nkambule C (2009) The Impacts of Climate Change on the Kruger to Canyons Biosphere Reserve: Stakeholder Engagement Strategy Document

¹²Tshiala M. F and Olwoch J. M (2010) Impact of climate variability on tomato production in Limpopo Province, South Africa [<http://repository.up.ac.za/handle/2263/16115>]

As mentioned above, a detailed vulnerability assessment is still required to determine the key vulnerabilities that will be exacerbated by the changes that are predicted by the global climate models, whereby these are downscaled for the region and assessed according to existing vulnerability. **This assessment will be done as part of the detailed design phase.**

While the identification of priority sectors for the small grants project in Mopani will depend on the outcome of the above mentioned vulnerability assessment, as well as the outcome of the planned stakeholder engagement process, the water, small-scale agriculture and possibly disaster risk reduction and health sectors are at this stage seen as potential priority sectors for funding.

The Namakwa District: The Namakwa District (Figure 11) is one of the largest districts in South Africa, covering an area roughly the equivalent of Ireland (12 million ha), while having a very low population density per ha.

According to Census 2011, the Namakwa district has a population of 115,842, with 33,856 households. Due to the arid climate and limited economic opportunities, the area has a low population density, with only slightly more than one person per square kilometer. The district population distribution is concentrated in less than 50 settlements where water is available.

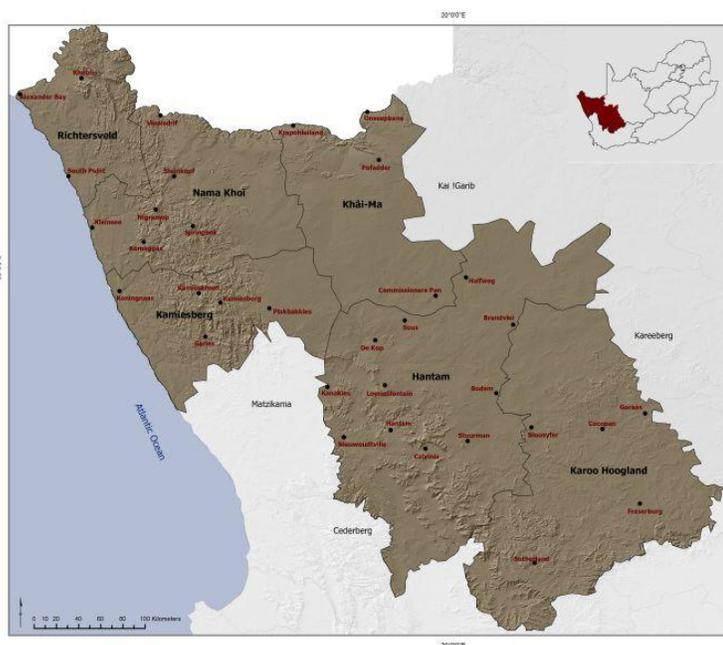


Figure 11: Namakwa District municipality is situated in the arid areas of the Northern Cape, near the West Coast of South Africa.

The decline in diamond mining in the area over the past few decades has led to an increase in unemployment (40-75% across the local municipalities) and high poverty (52%) (defined as a monthly income of less than \$200.) In communal areas, where

education and skill levels are lower, the poverty rate is much higher with up to 67% of the population living beneath the poverty line.

The majority of households in the Namakwa District are involved in agricultural livelihoods (46%)¹³. Agricultural activities tend towards non-intensive rangeland production due to the semi-arid conditions, and the main livelihood strategies include farming livestock (mainly goats and sheep), some cropping (rain-fed, but marginal) and, in the Southern area, farming an indigenous hardy shrub crop, rooibos tea, as a cash crop.

The District is characterised by succulent plant shrublands, globally recognised for containing exceptional botanic diversity of global significance. This diversity, particularly large spring floral displays, plays a large role in the tourism sector.

Climate change projections compiled for the Namakwa Climate Change Vulnerability Assessment (2012) indicate that the area is predicted to become hotter and drier. The climate models consistently show an expected increase in temperature across the district in best, median and worst case scenarios. Although there is greater uncertainty regarding rainfall patterns, the models show reductions overall in annual rainfall in the worst and median case scenarios for areas with current high rainfall. The best case scenario shows a small probability of an increase in rainfall in some areas, but even in this case the effects on soil moisture are likely to be offset by increasing air temperatures. There are also projections of greater frequency and intensity of storm events and droughts¹⁴.

Climatic trends are already negatively impacting on already marginal livelihood systems in the area. A further decrease in rainfall or greater amplitude of dry and wet spells, along with increasing temperatures, will negatively impact on already stressed groups – thus rendering them more vulnerable.

In a 2008 survey of climate impact in the region, the majority of the population indicated significant impacts from drought events, primarily in the agriculture, water and ecotourism sectors¹⁵.

- Overgrazing and degradation in land held in communal tenure creates a poverty trap where farmers on these lands already suffer greater losses from climatic extremes such as cold spells, storms and droughts than neighbouring commercial farmers. As such, the already-significant risks of being a marginal farmer in this District are expected to be exacerbated by projected temperature increases, erratic rain events, and drought¹⁶.

¹³ Census 2011 Namakwa District Municipal Factsheet. Statistics South Africa (2012) [Retrieved 13 December 2012.]

¹⁴ Bourne, A., C. Donatti, S Holness, and G Midgley (2012). Climate Change Vulnerability Assessment for the Namakwa District Municipality.

¹⁵ Green Connection. (2008) A Survey of Current Climate Change Awareness amongst the Communities of the Succulent Karoo region.

¹⁶ Namakwa District Municipality(2012). Approved Integrated Development Plan 2012-2016.

- Water scarcity will be one of the first and greatest areas of impact from climate change in the Province, and this will be particularly true in the District. The main water source is the Orange River in the north, and ground water sources are limited. Additionally, wetland degradation for livestock grazing and agriculture further threaten long-term water security.
- The District Vulnerability Assessment indicates that habitat impacts resulting from climate change can impact the income vulnerability of households involved in ecotourism.

While there are no consistent records of past extreme events, the Namakwa District's 2010 Disaster Risk Reduction (DRR) Strategy¹⁷ (which also formed a basis for the vulnerability assessment) identifies coastal storms, such as the one experienced at Port Nolloth in 2009, along with floods, strong winds and droughts as some of the greatest threats to the municipality. There is also a high risk of veld fires in the summer rainfall areas of the District which will further impact rangeland and livestock health.

Based on the above, and subject to confirmation through the planned stakeholder engagement process of the detailed design phase of this project, the small grants project will fund adaptation measures in the agricultural, water and tourism and disaster risk reduction sectors.

For both District Municipalities it is thus of great importance that creative and appropriate strategies are developed that respond to current shocks and stresses while at the same time taking into account predicted climatic conditions. This project will provide a direct access mechanism for adaptation strategies identified in collaboration with vulnerable groups, and will thus effectively showcase direct access in climate adaptation finance as contributions towards climate justice.

■ PROJECT / PROGRAMME OBJECTIVES:

This project will seek to increase climate resilience in productive landscapes and socio-economic systems in communities in two pilot district municipalities in South Africa, by working directly with local stakeholders and anticipated beneficiaries through a small granting mechanism.

The overall goal of the project is to ensure that local communities in the project focal areas have reduced vulnerability and increased resilience to the anticipated impacts of climate change. The objective is to incorporate climate adaptation response strategies into local practices so that assets, livelihoods and ecosystem services are protected from climate induced risks associated with expected droughts, seasonal shifts and storm-related disaster events.

¹⁷ Du Plessis, A. (2010). Namakwa District Municipality: Disaster Risk Reduction Executive Summary Report.

In addition to delivering direct and tangible benefits through the implementation of the small grants themselves, the project will seek to pilot and develop an understanding of small grant development and implementation in the context of climate finance, with a view to scaling up and replicating this model as appropriate. This approach responds directly to calls from civil society to bring the principle of 'direct access' closer to vulnerable communities themselves, thus empowering them to determine how climate finance will be used, and building institutional capacity for the implementation of adaptation efforts at the local level.

It is believed that one of the most important factors of success for the SGF will be its processes of project identification, development, review and learning, and the processes that are put in place to build local capacity and support project implementation. These have been carefully addressed in the design of the project.

The project itself will comprise three components as follows:

- Component 1: Small grants – Small grants to vulnerable communities deliver tangible and sustainable benefits
- Component 2: Institutional capacity – Local institutions empowered to identify and implement adaptation response measures
- Component 3: Lesson learnt – Lessons learnt facilitate future up-scaling and replication of small grant-financing approaches

■ PROJECT / PROGRAMME COMPONENTS AND FINANCING:

The following table describes indicative outputs and outcomes. During the project formulation phase, a thorough baseline study will be conducted. This will involve collation of more detailed information on climate change vulnerabilities at the local level, and the development of specific output level targets for the anticipated small grants.

PROJECT COMPONENTS	EXPECTED OUTCOMES	EXPECTED CONCRETE OUTPUTS	AMOUNT (US\$)
<p>Component 1: <i>Small grants to vulnerable communities deliver tangible and sustainable benefits</i></p> <p>(Small grants)</p>	<p>Small grants support concrete adaptation measures that strengthen livelihood strategies, adaptive capacity and ecosystem resilience in vulnerable communities in two District Municipalities in South Africa</p> <ul style="list-style-type: none"> • # households in targeted districts with increased resilience to climate induced pressure on income security • # households in targeted districts with increased resilience to climate induced pressure on water security • # female-headed households in targeted districts with increased resilience to climate induced pressure on income security. • # small scale and emerging farmers, including women farmers, with increased resilience to climate induced stresses on agriculture livelihoods • # ha catchments and rangelands and # wetlands restored and 	<p>1.1 <i>At least 12 small grants (max US\$ 100,000 each) disbursed to at least 12 local-level beneficiaries (including CBOs and NGOs) in the Mopani and Namakwa District Municipalities</i></p> <p><i>The small grants will support grantees to produce the following indicative outputs:</i></p> <p>1.2 <i>Improvements in community health as a result of reduced risk in access to clean water and food.</i></p> <p>1.3 <i>Alternative sources of income/ livelihood opportunities generated (diversification of income sources, generation of alternative economic activities)</i></p> <p>1.4 <i>Alternative farming practices implemented (including crop rotation, crop variability, pest management, modified grazing and livestock management practices)</i></p> <p>1.5 <i>Physical assets strengthened or constructed to withstand conditions resulting from climate variability and change (e.g. installation of water tanks, water pumps, shelters for livestock)</i></p> <p>1.6 <i>Natural resource assets</i></p>	1 226 100

	rehabilitated to secure, maintain or improve resilient ecosystem services	<i>restored and rehabilitated to withstand conditions resulting from climate variability and change (e.g. rehabilitation of wetlands for flood protection and water security, restoration of land cover to buffer effects of drought)</i>	
Component 2: Local institutions empowered to identify and implement adaptation response measures (Institutional capacity)	<p>Small grant recipients and associated institutions are empowered to identify response measures to climate induced vulnerabilities, and to secure funds and implement actions towards these</p> <p>Outcomes:</p> <ul style="list-style-type: none"> • # community members and institutions aware of predicted adverse impacts of climate change, and of appropriate responses • # community members and local organisations with increased capacity to mainstream climate change adaptation into their livelihood practices • # community members and institutions with increased capacity to minimise exposure to climate variability risks • # women's groups and organisations with increased knowledge on climate variability risks and capacity to implement concrete adaptation and climate risk reduction actions at the community level 	<p>2.2 <i>At least 12 CBOs and NGOs and in the Mopani and Namakwa Districts effectively support integrated climate adaptation responses through climate finance grant management and implementation</i></p> <p><i>Indicative activities:</i></p> <ul style="list-style-type: none"> • <i>Identify needs, develop training materials and convene training events</i> • <i>Convene capacity development and consultative processes to identify local level adaptation responses</i> • <i>Support community organisations to develop and secure resources for, and implement projects that increase their resilience and reduce climate induced vulnerabilities and risk</i> • <i>Support local level project review processes and make recommendations to the project steering committee</i> • <i>Provide on-going mentoring support during the project</i> 	274 000

		<i>management cycle</i>	
<p>Component 3: Lessons learnt facilitate future up-scaling and replication of small grant-financing approaches</p> <p>(Lessons learnt)</p>	<p>A methodology for empowering vulnerable communities to increase resilience through direct access to climate finance is compiled, based on lessons learnt, providing recommendations for scaling up and replicating in South Africa and beyond.</p> <ul style="list-style-type: none"> • # fora at which project experiences and results are shared and synergies are explored • # publications in which methodology and policy recommendations are shared • # beneficiaries actively engaging in policy processes 	<p><i>3.1 Local networks for reducing climate change vulnerability and risk reduction developed, expanded, and strengthened</i></p> <p><i>Indicative actions:</i></p> <ul style="list-style-type: none"> • <i>Convene workshops and learning exchanges between grantees in both areas</i> • <i>Support the integration of scientific and local knowledge through innovative participatory approaches</i> • <i>Convene a practitioner forum to discuss effective approaches of community empowerment and challenges</i> • <i>Convene a community forum to discuss climate change adaptation challenges and discuss possible integrated adaptation strategies</i> • <i>Build local knowledge sharing mechanisms, and link these to relevant national adaptation processes</i> • <i>Conduct independent learning processes to reflect on implementation successes and challenges, and develop insights.</i> • <i>Capture learnings and</i> 	183 000

		<p><i>produce case studies on local-level best practice and challenges</i></p> <ul style="list-style-type: none"> <i>Disseminate information on the adaptation actions supported through local and national media channels</i> <p><i>3.2 Policy recommendations developed for replicating and scaling up small grant financing approaches</i></p> <p><i>Indicative actions:</i></p> <ul style="list-style-type: none"> <i>Develop and present project outcomes and relevant policy recommendations at local, national and international fora</i> 	
6. Project/Programme Execution cost (8%)			146 400
7. Total Project/Programme Cost			1 829 500
8. Project/programme Cycle Management Fee charged by the Implementing Entity (if applicable) (8.5%)			155 507.5
Amount of Financing Requested			1 985 007.5

 **PROJECTED CALENDAR:**

This will be a five year project, with 6 months for setting the project up, including establishing local level governance structures and building capacity for implementation, and 6 months for closing off, including reflection and participatory review.

MILESTONES	EXPECTED DATES
Start of Project/Programme Implementation	<i>April 2014</i>
Mid-term Review (if planned)	<i>September 2016</i>
Project/Programme Closing	<i>April 2019</i>
Terminal Evaluation	<i>September 2018</i>

 **PART II: PROJECT / PROGRAMME JUSTIFICATION**

A. Describe the project / programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience

This project seeks to increase resilience of vulnerable communities by facilitating integrated grass- root adaptation responses to climate variability and change. This is already affecting both of the targeted Districts, where climate-induced stresses such higher temperatures and drought, seasonal shifts and unpredictable rainfall patterns and disaster events associated with storms and fire are already being experienced.

It will do so through the implementation of a Small Grant Funding mechanism. This will deliver climate finance more directly to targeted beneficiaries and in so doing, will deliver direct and tangible results and directly reduce the vulnerabilities of these communities to the impacts of climate change.

As discussed above, the project will focus its work in two District Municipalities: Mopani (Limpopo Province) and Namakwa (Northern Cape Province). The project will establish a new partnership between GenderCCSA and Conservation SA. These organisations have complementary skills and approaches, and the partnership offers many opportunities to generate new and holistic methodologies, engagement practices and implementation approaches for reducing vulnerabilities.

Component 1: Small grants – Small grants to vulnerable communities deliver tangible and sustainable benefits

This component will support planning and implementation of adaptation responses by vulnerable communities in the Mopani and Namakwa District Municipalities through a suite of interventions that are supported through at least 12 small grants to local level CBOs and NGOs that will be in order of \$100 000 each. The grants may be phased and will be disbursed in tranches to ensure a sound implementation process and effective integration of project-level monitoring and evaluation processes.

An important requirement in the application process is that the beneficiaries must have been involved in the conceptualization of the proposal and will be fully involved as project partners in the project implementation and M&E processes.

All grants will deliver tangible, measurable benefits that reduce the vulnerabilities of local communities to existing and anticipated impacts of climate change through strengthened livelihood strategies, increased adaptive capacity and ecosystem resilience. The facility will encourage and pursue projects that enhance and facilitate that sharing of knowledge on best practices from the local to the national level.

An indicative list of projects has been developed to illustrate the scope of these interventions (see Box 1). This indicative list will be refined further in the Project Formulation Grant stage and during the project identification and development

processes. Projects will be identified in partnership with local stakeholders/ beneficiaries and will be designed to respond directly to local conditions, needs and vulnerabilities, and to meet the agreed criteria of the Adaptation Small Grant Facility. All projects will be informed by vulnerability assessments, and will need to demonstrate a clear climate change adaptation focus, and tangible additional adaptation benefits.

Box 1: Indicative projects that will be supported through the Community Adaptation Small Grant Facility

- Diversification of rural livelihoods in response to climate induced stresses
- Improved food and water security through improved farming methods and resource use strategies
- Diversification of crops and introduction of drought resistant crop varieties
- Improved grazing regimes and rangeland management to anticipate increased climate variability and extreme events
- Innovative pest management which could be exacerbated by increasing temperatures
- Restoration and rehabilitation of ecosystems to enhance resilience of ecosystem services such as water availability to cope with drought and rising temperatures
- Installation of equipment to enhance water access and security and mitigate health impacts
- Installation of structures to protect assets from storm-related damage

Component 2: Institutional capacity – Local institutions empowered to identify and implement adaptation response measures

The project recognizes, and is indeed designed to respond to, weak institutional capacities for project identification and implementation in the pilot areas, and associated consequences for reducing climate induced risk and vulnerabilities. It will focus on supporting local institutions to identify, develop and implement small grant projects in the context of climate change adaptation at all stages of the project cycle.

Under this component, the Facilitating Agencies will facilitate sound project identification, development and implementation support processes including local level project administration, reporting and financial management. These processes will be guided by a set of principles that ensure that projects clearly respond to experienced or anticipated climate induced stresses, and meet the criteria of the Small Grants Mechanism, the NIE and the AF.

These principles will be achieved as follows:

Development of local level responses: Central to the approach will be processes to empower communities to identify best practice adaptation responses themselves, and in so doing to locate these in local social-economic and institutional contexts that will see that these are integrated in ongoing livelihood and development practices. Related to this will be the intention to identify responses that are synergistic and multi-sectoral so

that, for example, agriculture and health benefits, or built and ecological infrastructure benefits are derived simultaneously. In support of this, climate adaptation workshops will be held within each of the Districts so that anticipated grant recipients are exposed to the vulnerability assessments and response strategies for their regions, and provided with an opportunity to develop appropriate local level responses within these frameworks and to provide comment in developed municipal strategies. This will form a unique opportunity to integrate scientific and local knowledge, and to develop a base of proposed responses from which projects can be identified and developed.

Call for proposals in relevant local media: The call for proposals will be advertised using appropriate local channels. Project staff will work with grantees to improve proposals and develop implementation plans, and identify capacity gaps.

Proposal review and approval processes: The project identification and review processes will be supported at the local level, and ultimately governed by the National Steering Committee that will ensure that supported projects meet the agreed criteria (See Box 2) and that there is consistency between the two targeted regions. The proposed review process is based on processes that have been successfully implemented over the past decade for the Critical Ecosystem Partnership Fund (CEPF), and will be fine-tuned during the PFG stage.

It is envisaged that call for proposals will happen with the support of the Facilitating Agencies at the local level. A local review committee will screen applications and support their formal review, seeking inputs from at least three external reviewers. All applications will first be reviewed by the district committees. Those that are deemed fit to proceed to the next level will then be forwarded to the National Steering Committee. This will give the process the transparency and participation of all stakeholders that it deserves as well as the local grounding that will be important for project success and sustainability. These reviews will be collated and recommendations made to a multi-stakeholder Steering Committee that will provide an oversight function for both Districts, and where final decisions will be made.

At the District level, the review process will be administered by GenderCCSA and Conservation SA project staff, who will present review outcomes to the project's technical review committees. Projects will be reviewed against criteria that ensure that grant recipient institutions have the necessary capacity and standing to receive grants, and that projected outputs and outcomes confer adaptation benefits that are in line with the objectives of the SGF Community Adaptation Project. Indicative review criteria are set out in Box x below. These will be finalised during detailed project design and will ensure consistency with the objectives of the Adaptation Fund, and align with the investment principles set out in the Investment Framework of South Africa's NIE.

Contracting: Grantees will enter into contracts with the Executing Entity (EE), who will be responsible for payments and tracking expenditure. These processes will be supported by GenderCCSA and Conservation SA personnel who will review project

reports and confirm that agreed milestones are met. Where this is not the case, GenderCCSA and Conservation SA will provide adaptive management support.

It is noted that there are several details that pertain to the project cycle management process that need to be clarified. This can only be done once the identification of the EE is confirmed, and will be completed during the PFG stage of project development.

Implementation support: Grant recipients will be supported and mentored during the implementation process. Some organisations may not initially have the required institutional capacity to receive grants, and where appropriate, training and mentoring support will be provided. As mentioned above, grants may be phased so that beneficiary organisations can build their capacity to receive larger grants over the duration of the programme.)

Box 2: Indicative Review Criteria

Projects must:

- Be strongly supported by local stakeholders and beneficiaries
- Be located in rural/ semi-rural areas and support grass root communities and especially women
- Support concrete actions and deliver tangible results that clearly reduce vulnerability to existing and anticipated climate-induced risk including enhanced or diversified livelihood opportunities, improved adaptive capacity and/ or improved ecosystem resilience.
- Provide benefits across different sectors
- Provide economic, social and environmental co-benefits beyond the direct investment of the grant
- Accrue community benefits beyond the direct benefits to the grant recipients themselves
- Beneficiate groups of beneficiaries, including women, and not just single individuals
- Support adaptive interventions that clearly respond to vulnerability assessment for adaptation in the broader landscape
- Support sustainable partnerships and be located in institutions with mandates that are relevant to the proposed interventions
- Support learning outcomes and inform processes to scale up and replicate approaches in other communities

Proponents must demonstrate:

- Institutional competence, proportional to grant size, including proven ability to deliver on grant commitments and competence in financial management
- Willingness to participate in learning and knowledge development and dissemination processes
- Participation of both men and women on project management structures
- Alignment of institutional mandates with project investments and potential to sustain project gains
- Proof of rural rights and land tenure
- No duplication of funds

Component 3: Lesson learnt – Lessons learnt facilitate future up-scaling and replication of small grant-financing approaches

This component responds to the need to reflect on implementation experience throughout the project cycle in order to maximize learning, implement adaptive management and capture recommendations for scaling the mechanisms up to include others sites in South Africa, and replicating it elsewhere.

In order to facilitate the proposed process learning and reflection approach successfully, it will be important to ensure that local organizations play an effective role in supporting project development and implementation, while at the same time documenting the process to ensure lessons learnt inform the compilation of a methodology that identifies effective strategies and policy recommendations for scaling up and replication.

In support of this, the project will support innovative participatory approaches including a practitioner's forum, to discuss effective approaches of community empowerment and challenges, and a community forum, to discuss climate change adaptation challenges and possible integrated adaptation strategies. It will also seek to build local knowledge sharing mechanisms that create opportunities for reflection and learning within Districts and between Districts, and link these to relevant national adaptation processes with a view to developing insights that are relevant beyond the project intervention sites themselves.

Independent learning processes will be conducted to reflect on implementation successes and challenges, and develop insights. These will be captured in relevant formats, including case studies that are targeted at particular stakeholders at community, national and international levels. These will be published and showcased through local established medial channels, such as community newspapers and radio, to optimize potential benefits/replication at the local level. These will aim to build community level understanding of the potential impact of climate change, and to support community members then to develop relevant adaptation responses at the local level.

Learning outputs from the small grants projects will be supported to align with and support local government climate change response strategies, and to inform provincial adaptation plans where possible. Additionally, a series of case studies that articulate how project beneficiaries are responding to climate change with the direct support from the AF will be developed. These will support South Africa's national learning about optimal mechanisms to finance local climate adaptation efforts in a more direct way than has been possible to date.

Efforts will also be made to support grant recipients and beneficiaries to personally share lessons with the international community – either via skype or directly – to foster a greater understanding of local benefits, experiences and challenges.

Where relevant, policy recommendations will be developed to inform South Africa's processes of climate finance establishment, with a view to creating a long term small grant facility for supporting climate change adaptation in vulnerable communities.

- B.** Describe how the project / programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities, and groups within communities, including gender considerations.

The two identified district municipalities are facing serious challenges, with climate variability and change placing additional stress on already vulnerable groups. Both municipalities have a high number of female headed households (Mopani 39.8% and Namakwa 36.6% - Census 2011) illustrating the need to follow a gender sensitive approach in implementing the project and in selecting suitable small grant projects. The small granting facility will specifically address the following three areas in order to increase resilience of vulnerable groups:

- Social benefits will be achieved through integrated project formulation, ensuring that women are equally represented in project management structures and that there is a focus on women beneficiaries in some projects. The project facilitation will be gender sensitive, ensuring women are able to participate in project processes and are encouraged to participate in implementation of the projects. The criteria that are applied will ensure that projects funded under the Small Grant Mechanism clearly benefit the wider vulnerable community – and thus the benefit will have a wider reach than the direct grant recipients themselves. The process of formulating and implementing integrated adaptation responses will further strengthen institutional collaboration and will thus be beneficial beyond the timeframe of the project.
- The implementation of adaptation strategies also includes strengthening of ecosystem resilience – which will strengthen the provision of ecosystem services to vulnerable groups. The availability of clean and safe drinking water is a particular concern in both municipalities. With 300,000 households in Mopani District and 34,000 households in Namakwa, the projects will have a significant impact in planning and implementing integrated adaptation responses. This especially concerns the linkages of social, environmental and economic responses that will provide innovative adaptation strategies to be used beyond the timeframe of this project.
- The active participation of vulnerable groups in the project development, planning and implementation processes will ensure sound ownership of processes and ultimately of the implemented strategies for increased resilience of groups vulnerable to the impact of climate change.

C. Describe or provide an analysis of the cost-effectiveness of the proposed project / programme.

Experience with small grant making in South Africa (e.g. GEF-SGP, CEPF, SKEPPIES) has shown that small grant making can be enormously successful in delivering tangible and relevant benefits to local stakeholders and beneficiaries.

This project will test the hypothesis and demonstrate that, in the context of adaptation finance, small grants are a cost effective way to deliver direct benefits at the local level. In the detailed project development stage, we will provide a more detailed argument that shows how investments at different levels benefit local communities and in so doing, will substantiate this proposition.

This project will focus on pilot sites in the Mopani and Namakwa District Municipalities to demonstrate that direct access to climate finance, via a small grant facility, can impact positively on rural communities, and especially women. To date, local communities in the target areas have had very limited access to climate finance and at the local level responses to extreme events and its associated impacts on settlements and livelihoods have been largely reactive.

The project is designed to reduce the climate induced risk and vulnerabilities in the target communities by empowering community members to identify local level adaptation responses themselves, and directly access climate finance to address these. This approach will enable climate finance to flow directly to activities that will be implemented by vulnerable groups themselves, and will provide an important complementary adaptation response to higher level systemic responses (that are also needed). Experience has shown that, although administratively expensive, small grants are often more effective at delivering tangible benefits that respond to direct needs of beneficiary communities, and can thus be sustained. In addition to the direct benefits to project stakeholders and beneficiaries, the project will also develop recommendation for replicating and scaling up the approach elsewhere in South Africa, and beyond.

Through the projects that are likely to be supported by the mechanism, the resilience of agricultural systems will be increased, infrastructure may be better adapted to withstand extreme weather events, food and water security will be enhanced with consequent positive impacts on health and local communities will be empowered to recover more quickly from climate induced stresses. Importantly, the project will be implemented with the support of facilitating agencies that already have active work programmes and staff complements in the target sites, and excellent relationships with local communities. This will enable the project to be implemented through these existing structures, and will save costs in project set up.

Under a business-as-usual scenario, the following scenarios would be likely:

- Responses to climate change would continue to be short term and reactive for the target communities who have high levels of vulnerability to begin with.
- Households would continue to be impacted by variability in good and water security
- Small scale farmers would continue to be affected by unpredictable and disastrous climate events with consequent impacts for rural livelihoods and health.

- Communities would continue to be unprepared for disaster events, with consequent property damage and impacts on human health. An opportunity will be missed to make the case for investments in direct community based access to climate finance and associated SGF mechanisms

The project proposes an innovative mechanism for directly benefiting vulnerable communities and empowering them to identify and implement adaptation responses that buffer them against experienced and anticipated climate-induced stresses. It is believed to be fully cost effective.

- D.** Describe how the project / programme is consistent with national or sub-national sustainable development strategies, including, where appropriate, national or sub-national development plans, poverty reduction strategies, sector strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.

In 2011, the South African government approved its National Climate Change Response Policy (NCCRP) which sets out a policy framework to address the management the impacts of climate change and make a fair contribution to global emission reductions. Over the next few years this policy will be used to formulate plans for implementation across different sectors such as energy, water and agriculture.

However, implementation of policies is often a challenge. Whilst government continues to develop plans like the Long Term Adaptation Scenario which is currently underway, the proposed small-grant facility will make funds accessible to communities who are ready and willing to take immediate actions to expedite the country's adaptation programme by promoting grassroots actions that focus on poverty reduction, food security and sustainable livelihoods.

The action is specifically intended to contribute to the delivery of the National Climate Change Response policy by:

- Delivering an effective programme to build climate resilience projects at household and community level which could provide a model for wider adoption by state or non-state actors;
- Inputting into the adaptation planning process, which has begun with a Long Term Adaptation Scenario building – both GenderCCSA and Conservation SA are part of the Technical Working Group for this Department of Environment led project;
- Inputting into other sectoral plans e.g. on agriculture, water, etc by providing valuable evidence-based information from grassroots communities themselves about needs and solutions for adaptation.

The two organisations partnering for this action are members of the National Climate Change Committee, a government led multi-stakeholder forum for national policy-making where the on-going learning from this action can be used to strengthen climate resilience policy. Conservation SA is also represented on the adaptation network steering committee where information on climate adaptation implementation and policy

development is shared. Lessons from this small grant process can be shared with the adaptation network at capacity building workshops held each year. This action will also contribute to the country's Medium Term Strategic Framework, Strategic Priority 9, specifically to the interventions: supporting local and sustainable food production; and sustainable water use as well as Outcome 10 of the DEA delivery agreements around enhancing sustainability of natural resources and water resource quantity.

The small grants facility's objectives are also aligned with the National Development Plan, vision 2030, working towards the goals of supporting an integrated and inclusive rural economy. This goal states that by 2030 rural communities should have greater opportunities to participate fully in economic, social and political life and this should be underpinned by good quality services such as basic services like water. It also states that successful job creation and agricultural production will all contribute to this inclusive economy.

At the local level the approaches will also be supporting the implementation of priority areas under vulnerability assessments for the Namakwa and Limpopo regions. In Namaqualand the process of developing an Integrated Development Plan (IDP) and longer term adaptation plan that mainstreams climate adaptation into local policy is underway and these approaches supported by the small grants will form part of the implementation of these plans. Key aspects highlighted in the vulnerability assessment are to be addressed in the plans.

E. Describe how the project / programme meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc.

This project was carefully selected through a national consultation process that saw the NIE consult stakeholders to develop an investment strategy for the NIE, call for proposals and engage a high level steering committee to select proposals for further development. This process has ensured that the project has been designed with a clear focus on agreed results.

(The NIE Steering Committee is chaired by the CEO of SANBI, and comprises representatives of the National Department of Environmental Affairs (DEA), National Treasury, The National Planning Commission of the Presidency and the Civil-Society lead Adaptation Network).

Going forward, the further development of this project and its implementation will be governed by the NIE Steering Committee in consultation with local beneficiaries and stakeholders. This process will ensure that the project always reflects local circumstances and aspirations and draws upon national actors and capabilities.

All projects that are implemented through the South African NIE will be required to follow and comply with national technical standards and relevant policies and legislation.

The project will be implemented in line with the following national legislation and standards, which may have relevance for the implementation of the project:

- Extended Public Works Programme standards for restoration of wetlands and riparian zones
- National Building Regulations including the new Green Building Code
- Disaster Management Act and the National Disaster Management Framework
- Water Services Act: Norms & Standards for Quality Water Services
- Environmental Impact Assessment standards and regulation legislation, should this be relevant

Any safeguards that are developed specifically for the Adaptation Fund would also be met. (SANBI has experience implementing GEF projects that required compliance with World Bank safeguards, and these were always found to be consistent with and enabled by South African standards).

F. Describe if there is duplication of project / programme with other funding sources, if any.

This proposed project will not support activities that are already supported with other funding sources.

As mentioned previously in the proposal, the grants that are supported through the project will most likely focus on issues of agriculture and food security, water security and disaster risk reduction. Various national and provincial government departments currently support a suite of relevant agriculture, ecosystem management or water-related initiatives in the target districts. During the detailed design phase, the scope of these will be ascertained so that relevant linkages can be made, and appropriate relationships developed with officials in relevant government departments.

During the detailed project design phase, a scoping exercise will be undertaken to determine what other potentially related initiatives are ongoing in the focal areas. This will include establishing the scope of work of relevant CBOs and NGOs and provincial and national departments who are responsible for and have a focus on community-based natural resource management (including conservation, water and agriculture) and socio-economic development. Where these exist, the project will ensure that there is no duplication of effort.

Elements of the project will, however, build on the experiences and lessons learned from past and on-going initiatives and inform ongoing policy and learning processes – links with universities will be explored to see how post graduate research projects can track the SGF approach and its outcomes, capture and communicate innovative approaches for climate resilient agriculture, livelihoods and settlements, and use outcomes of this work to inform policy processes.

The proposed project will contribute to an ongoing partnership project of GenderCCSA, Heinrich Boll Foundation and Oxfam GB South Africa ensure that the various climate funds in South Africa are used considering a gender sensitive approach and to facilitate direct access by grassroots communities, particularly women. Through this partnership, a number of workshops have been held with women in Limpopo province (including Mopani district) and other rural provinces across the South Africa to build a better understanding of climate change, energy and related environmental issues. Through these events, grassroots communities identified the challenge of lack of access to financial resources for food production, water and energy to provide a basis for addressing poverty and vulnerability within their communities. They have themselves supported the potential benefits of sustainable use of natural resources to enhance their ability to feed their communities, provide an income and adapt to a changing climate. In particular they have asked for support in the form of capital and training to increase their access to water, energy and ability to produce food – all of which are made more difficult in a changing climate. Access to this type of support has been a challenge – and local government has a long way to go to having the capacity and means to provide it and NGOs struggle to find the funds.

GenderCCSA is also part of GenderCC- women for climate justice an international network, of women and gender civil society organisations, activists, and gender experts from the Southern African region working for women's rights, gender and climate justice. This network has evolved in the context of the international climate change negotiations (UNFCCC process). It includes women and gender experts working in policy, research and practical implementation at international, national and local levels. As a result of this global experience brought in by GenderCC international network, this project will stand to benefit from international knowledge and technical expertise on issues of gender and climate change. Project beneficiaries therefore stand to benefit from a professional, pragmatic and innovative organisation working on gender and climate change at an international, national and local level.

In the Namakwa District, Conservation SA supports several key initiatives to that aim to demonstrate that development that values nature will be sustainable. Despite having an environmental focus, the organisation harnesses the business and social development skills of a diverse team to support economic activities that restore or maintain the natural environment and that, as a result, will be more resilient to climate change. The SKEPPIES Initiative, a programme supported by DBSA, SANBI and CitiFoundation, provides accessible small scale funding and support to projects with combined development and conservation benefits in the Succulent Karoo. Through SKEPPIES, Conservation SA has considerable relevant experience in community-level grant making. This will inform the implementation of the proposed project.

Conservation SA also has a depth of experience in climate change science and policy and shares this technical knowledge and ability to link conservation and development support to build small-scale communal farmer resilience to climate change. This experience is shared with the policy environment which results in better enabling

policies by national and international processes like the UN Framework Convention for Climate Change.

In addition to the district-relevant experience of CSA and GenderCCSA, the project will draw on a range of experiences in small granting in South Africa. These include investments of the CEPF in the Fynbos, Succulent Karoo and Maputoland-Pondoland-Albany hotspots, WWF-SA's experience in managing the Table Mountain Fund, DEA and the Development Bank of South Africa's experience with South Africa's Green Fund, various community based development programmes that have been implemented by the Government of South Africa, and the experience of the GEF small grants programme.

The project will also inform national processes on small grant funding. The NIE Steering Committee, on which South Africa's National Treasury Department is represented, has expressed its full support for exploring the small grant mechanism, noting during the process that there is a 'gap in the market'. The Steering Committee will be monitoring progress of this project with a view to supporting successful processes beyond the AF investment, and linking these to South Africa's Green Fund (which has a current budget of ZAR 800 million (approx. USD 80 million) and no small granting mechanism.

G. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.

A suite of activities will be supported through the project implementation period to support the generation of knowledge and the development of recommendations in support of scaling up and replicating the approach. These are discussed in Components 2 and 3, and some are elaborated on below.

- **Bi-annual workshops:** These will be an opportunity for the project implementers to get together, exchange ideas, learn from each other and network. The workshops will also be used to introduce new information, conduct needs assessments, and review project activities. The approach has great value for sharing the experiences of successful projects and supporting and guiding new projects, providing a support network for projects facing challenges, and sharing successes.
- **One-on-one project support and mentorship:** Each enterprise will be visited monthly by a regional adaptation coordinator. These visits are an important opportunity to address the specific needs of each grantee. Each grantee will be visited quarterly by the Conservation SA or GenderCCSA representative. Additionally, both organizations will work with their university networks to encourage student study/internship opportunities with a particular project to enhance implementation support, case-study development, and broader learning around adaptation implementation. Mentorship and student projects will be designed to support to the specific needs of each project.

- Partnerships: Grantees will be encouraged and supported in network events and list-serves to become active and forge partnerships with broader adaptation network partners.
- Media engagement: In both districts, grantees and facilitating agencies will share lessons and case studies from the SGF through a variety of media including: articles, movies, video clips, newspapers, radio interviews etc.
- Case studies/stories will be developed and shared with the South African Adaptation Network and in relevant national climate change fora, such as the NCCC and IGCCC, to capture lessons at the national scale. The Adaptation Network is supported by stakeholders from government, academia, private sector and civil society and has a focus on supporting integrated effective adaptation processes in the country and to share methodological lessons learnt within the region.
- Briefs with recommendations for policy development will help inform local and national policy development.
- UNFCCC meetings will be attended and lessons shared at side events. Grantees will also be invited to present their experiences at these side events.
- National presentations to NCCC through the Adaptation fund NIE (which is a standing item at the NCCC) will be made and input into the process from NCCC stakeholders can then be provided.

H. Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation, with particular reference to vulnerable groups, including gender considerations.

The suggestion to establish a small grant facility for Climate change Adaptation in South Africa was first mentioned during one on one discussions between the NIE and various NGOs, during the NIE's early consultation process. The suggestion was reinforced at the NIE's inaugural stakeholder consultation workshop, which was held in October 2012. The workshop was attended by 78 people, recruited via an extended invitation (i.e. through relevant networks with encouragement for further dissemination), representing a broad cross-section of civil society, government and the private sector.

The workshop report captures the issue as follows:

Stakeholder Workshop Report Page 7: "Communities should be supported to access funds directly South Africa should investigate creating/ a mechanism, like a small grants facility, whereby grassroots communities can directly access project funds. Such a facility should provide long term project support."

The suggestion to establish a SGF was based on the request from grass-root communities who recognised the innovative direct-access model that was being promoted by the Adaptation Fund, and wanted to take this concept even further by providing even more direct assistance to vulnerable communities themselves. It was believed that a SGF would empower grass-root communities to identify and implement responses to their CC vulnerabilities more directly, and in so doing, empower them to actively engage with locally relevant responses that could be sustained.

The notion of a SGF was subsequently captured in the investment framework of the NIE, as follows:

NIE Investment Framework Page 2: "In our efforts to build a coordinated adaptation response that delivers tangible outcomes, the NIE will work with project proponents to build between one and three integrated projects that support these learning and demonstration objectives. The NIE will be investigating the possibility of one of these projects being a small grants facility whereby vulnerable communities can directly access project funds."

The investment framework was shared and approved by participants of the inaugural workshop, and signed off the high-level NIE SC, which includes representatives of South Africa's National Treasury. These representatives have agreed that there is no local facility for small granting and have expressed their interest in testing such a mechanism, with a view to possibly sustaining it with domestic finance if successful.

In response to its call for proposals, the NIE received applications from CSA and GenderCCSA, who wished to work directly with small grants in vulnerable communities in Namakwa and Mopani districts respectively. The NIE recognised the complementary strengths of these two organisations, and supported a process of bringing them together to explore how they would work together across both regions to support a SGF.

Both facilitating organizations have experience in supporting adaptation processes of vulnerable groups in the target Districts.

From 2010 to date, GenderCCSA partnered with a number of grassroots organizations including Oxfam GB and Land Access Movement of South Africa (LAMOSA), Commission on Gender Equality, Malibongwe, Earthlife Africa's Women Energy and Climate Change Forum, Rural Women's Movement (RWM), National Movement of Rural Women to visit and conduct a number of workshops with women in the provinces of Limpopo, KwaZulu Natal, North West, Western Cape, Mpumalanga and Gauteng to build a better understanding of climate change and actions to address it as well gathering information about the challenges that these women and their communities face as a result of a changing climate.

Through this work women themselves have highlighted access to finance as a key concern and through workshops culminating in the first in a series of multi-stakeholder dialogues supported by Oxfam between November 2012 and March 2013, women have identified access to finance for effective adaptation as a key challenge.

Through these events, grassroots communities also identified the challenge of lack of access to financial resources for food production, water and energy to provide a basis for addressing poverty and vulnerability within their communities. They have themselves supported the potential benefits of sustainable use of natural resources to enhance their ability to feed their communities, provide an income and adapt to a changing climate. In particular they have asked for support in the form of capital and

training to increase their access to water, energy and ability to produce food – all of which are made more difficult in a changing climate. Access to this type of support has been a challenge – and local government has a long way to go to having the capacity and means to provide it and NGOs struggle to find the funds.

GenderCCSA in partnership with LAMOSa and Oxfam held a “Grassroots women and Climate Finance” Limpopo provincial multi-stakeholder dialogue on the 1st February 2013 which was preceded by a grassroots community capacity building session on the 31st January 2013 in Polokwane. The sessions were designed to provide the participants with an opportunity to share their experiences and challenges on climate change and access to funding, and also be able to make suggestions on how these could be overcome and dealt with. During these sessions, grassroots communities, mostly women reiterated their plea for funding organisations to create funds for local communities to facilitate quick, easy access to funding for vulnerable groups through the establishment of a small grant facility, as part of larger funds.

In Namaqualand Conservation SA has been engaging with stakeholders in the community as well as district municipality since 2001 with a focus on climate change awareness specifically from 2009. Climate adaptation workshops have been run with local stakeholders (see table below): including District and local officials involved in disaster risk reduction planning from 2010, where a focus on the importance of ecosystem services as part of disaster risk reduction was emphasised. As part of the development of the disaster risk reduction plans, a vulnerability assessment was developed with the district between 2011-2012 with Conservation SA support which included socio-economic, ecological, institutional and climate vulnerability. An index was developed for the vulnerability and a monitoring framework is currently being implemented to monitor the impact of ecosystem based approaches to adaptation in 2 pilot sites. The vulnerability assessment highlighted ecosystem services of grazing and water services as 2 aspects to focus on due to the farmers’ dependence on these services as well as the impact of drought on livelihoods as a key vulnerability. Institutional vulnerability especially around resources to support implementation of adaptation was also highlighted in the development of the vulnerability assessment. Consultation with the district and other local stakeholder is on-going. Conservation SA is supporting the municipality in their integrated development plan process for the short term and the development of an adaptation plan for the medium to long term, which includes highlighting climate change adaptation projects that can be implemented within the district. This process is critical to highlighting areas where small grants support is needed in order to support adaptation going forward and allows for interaction with local stakeholders on an on-going basis.

Conservation SA has also worked with small scale communal livestock farmers since 2006 and is currently working with >80 communal farmers engage to implement sustainable agriculture practices that also helps them adapt to a changing climate. Conservation SA does regular trainings with the farmers and provides mentorship support to them. As part of the sustainable practices implemented, the Agriculture Research Council and Working for Wetlands have been working with farmers to also

restore wetlands in the area and Conservation SA will continue to engage with these partners in the scoping and implementation of this SGF.

In order to deepen the consultation process and further ensure a sound participatory process, **during the project formulation grant period**, consultative workshops will be held with representatives from organizations that are active in the two identified target areas. These workshops will define transparent and accountable processes for the administration of the grant but also ensures that new integrated adaptation approaches can be explored in the context of the project. Additional workshops in Mopani and Namakwa will ensure that grassroots communities are consulted further to refine clear and defined strategies for integrated adaptation for exploration and implementation as part of this project. . This phase will allow real engagement with various stakeholders in the two district municipalities using a participatory approach. This will ensure that the projects gain the popular support necessary to embed it solidly in the local socio-economic context. This process will also contribute to the identification of important indicators that will be defined by project grantees and project implementers to ensure a sound monitoring and learning process. As mentioned elsewhere, an important requirement in the application process will be that the beneficiaries must have been involved in the conceptualization of the proposal and will be fully involved as project partners in the project implementation and M&E processes.

The following stakeholders have been identified. (An * indicates the stakeholder has been consulted and is supportive of the project).

Stakeholder	Roles
GenderCCSA*	Facilitating agency for mentorship in Mopani District outreach and stakeholder engagement, develop social review criteria and M&E processes, co-host knowledge development and exchange programme, develop relevant case studies and represent learning at key UNFCCC events.
Conservation SA*	Facilitating agency for mentorship in Namakwa District outreach and stakeholder engagement, develop environmental review criteria and M&E processes.co-host knowledge development and exchange programme, develop relevant case studies and represent learnings at national fora and key UNFCCC events.
Agriculture Research Council*, Save Act*, DWEA Environmental Programmes Unit, SANBI*, Oxfam*, SA-CAN network members, SA Adaptation Network	Provision of project development support for potential grantees, and policy support for the project. Specific roles will be developed further through additional consultation in the PFG stage.
Namakwa and Mopani District officials	Participate in project development and review process and ensure alignment with Municipal Development and Climate Change Response plans
SA-CAN, LAMOSAS*, Nurture Restore Innovate, NAMBAF*	Solicit networks for potential grantees.
Indigo Development and Change, SaveAct, Environmental Monitoring Group and other	Provide inputs/Co-develop key knowledge exchanges or learning programmes for SGF grantees
CBOs and NGOs in the target districts	Grant recipients, generators of knowledge and best practice
Land Access Movement of South Africa (LAMOSAS) *	Active NGO partner in Mopani, leading a coalition of land reform beneficiaries

I. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.

Without the project, communities will continue to be impacted by experienced and anticipated climate induced stresses, with consequences for health, rural livelihoods and infrastructure. Responses to climate change are largely articulated at national and provincial levels, with little support at the local level. Responses to climate induced stresses are primarily reactive and centred around disaster risk responses.

With the project, communities in the target areas will be empowered to combine local and scientific knowledge in order to develop appropriate local level responses to these. These will not only provide vulnerable communities with mechanisms to cope better in times of climate induced stress, but also to modify assets and practices so they provide increased resilience to these events and reduce associated risks.

While building on a base of social and economic development, all activities that are supported through the small grant facility will be directly and explicitly linked to climate induced stresses and associated relevant responses.

J. Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project.

The programme of work that is supported here will be aligned with district, provincial and national efforts to enable the implementation of appropriate adaptation responses. As such, the facilitating agencies will create linkages between the SGF projects and on-going district-level spatial and adaptation planning processes, both in terms of ensuring alignment between the existing enabling environment and the projects, and with a view to influencing the enabling and policy environment so that it is more supportive of the best practice approached that emerge through the project.

At the end of the project, institutions who have received grants will be better equipped to access additional resources, and able to utilise skills developed through the project's training and implementation processes in formulating and implementing further responses to climate change.

Further, South Africa is keen to develop a small grant finance mechanism in support of the green economy generally and adaption more specifically, that can be sustained in the long term with domestic and international climate finance resources. This has been expressed regularly during NIE consultation processes at the NIE Steering Committee. As mentioned previously, it is envisaged that the approach proposed here will provide robust lessons and insights for such future funding mechanisms.

Small-scale farmers and communities at grassroots level are most vulnerable and often hardest hit by the impacts of climate change. These communities need to develop appropriate coping mechanisms and warning systems to enable their effective response to climate change. Accordingly, a small grants facility (SGF) mechanism equivalent to US\$ 2mil is proposed to support the adaptation related activities of communities and individuals. The SGF prioritises activities in the Limpopo and Namaqualand regions and identifies two facilitating agencies (Conservation South Africa and Gender CCSA), who will work with respective communities.

As part of the design of the SGF, consideration will be given to the practical feasibility of the mechanism to ensure that the costs of administration and access to funding are minimised whilst maximising the number of beneficiaries. Hence, the governance structure and institutional arrangements for the SGF will seek to piggyback on an existing financing mechanism, especially in respect of identifying a suitable executing entity. (See Part III for additional information about the process for selecting the Executing Entity for the project).

PART III: IMPLEMENTATION ARRANGEMENTS

SANBI will be the National Implementing Entity for this project. SANBI will support project implementation by assisting in monitoring project budgets and expenditures, recruiting and contracting project personnel and consultant services, subcontracting and procuring equipment. SANBI will also monitor the project implementation and achievement of the project outcomes/outputs and ensure the efficient use of donor funds.

Project Cycle Management: The project will be administered through an **Executing Entity**, who will be responsible for receiving and disbursing funds. Additional work is still needed to identify the executing entity. This process is on-going and will be concluded during the PFG stage. (See Section J for additional information). The two main models under consideration are the national Green Fund which supports research, development and deployment of low carbon technologies or the LandCare programmes implemented in terms of the Expanded Public Works Programme, which has already established a small grants facility. Further work will be undertaken in the next phase of the NIE process to engage with the appropriate institutions and agree on the most effective and efficient mechanism that minimises the administration costs for the Small Grant Facility and best provides a platform for possible capitalization of a future fund.

Most other project cycle management processes will be delivered through a partnership between **GenderCCSA and Conservation SA**, who have excellent and complementary track records in community engagement and grant making, including project identification, development, training and management support. They will act as joint Facilitating Agencies between the EE and the grantees. They will appoint Project Coordination Staff including a local coordinator in each region, and will support project identification, design and

implementation as well as the mentorship, processes outlined in Component 2. Suitably qualified institutions will be contracted to support Component 3.

The **Executing Entity** will appoint and designate a **project manager** for the duration of the project. The project manager's prime responsibility will be to ensure that the project produces the results specified in the project document to the required standard of quality and within the specified constraints of time and cost. The **Facilitating Agencies** will appoint **coordinators** in each of the focal districts who will support grant recipients execute the project activities, including day-to-day operations of the project, and the district-based operational and financial management and reporting.

Clearly defined roles and responsibilities will be assigned to the Executing Entity, GenderCCSA and Conservation SA once the Executing Entity has been agreed. This process will be concluded during the detailed design period and outlined in the full Project Document that is to be submitted to the Adaptation Fund for approval.

The proposed governance and implementation arrangements for the project are illustrated in Figure 5.

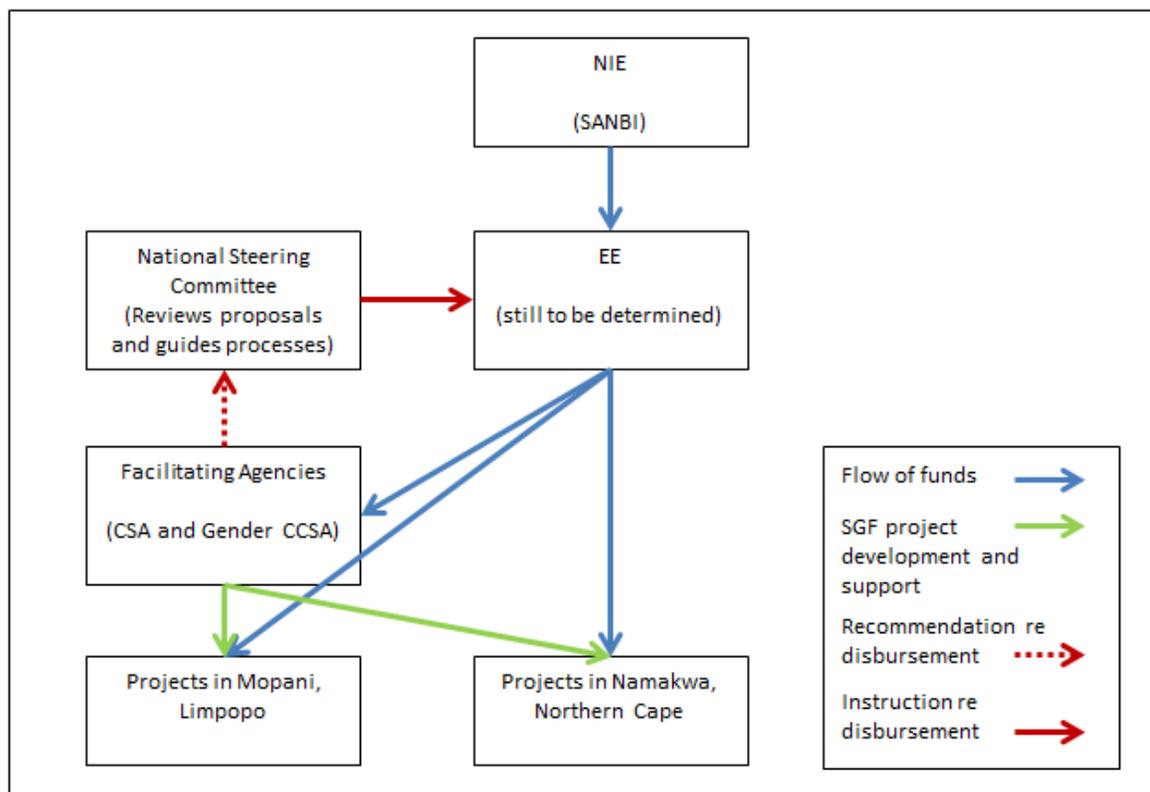


Figure 5: Proposed Governance and Oversight processes for the SGF

A. Describe the measures for financial and project / programme risk management.

During the development of the project document, the risks and associated management measures will be analysed and elaborated.

B. Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan. Include break-down of how Implementing Entity's fees will be utilized in the supervision of the monitoring and evaluation function.

The monitoring and evaluation (M&E) scheme will be applied throughout the project lifetime. SANBI, together with its EE and facilitating agency partners will support Processes to reflect on and communicate project outcomes and learning's, and ensure the timeliness and quality of the project implementation.

Detailed M&E arrangements will be developed during the project formulation grant phase.

C. Include a results framework for the project proposal, including milestones, targets and indicators and sex-disaggregate targets and indicators, as appropriate. The project or programme results framework should align with the goal and impact of the Adaptation Fund and should include at least one of the core outcome indicators from the AF's results framework that are applicable¹⁸.

A detailed results framework with relevant indicators, their baseline and targets will be prepared during the preparation of the full Project Document to be submitted to the Adaptation Fund for approval.

D. Include a detailed budget with budget notes, a budget on the Implementing Entity management fee use, and an explanation and a breakdown of the execution costs.

A detailed budget will be prepared during the preparation of the full Project Document to be submitted to the Adaptation Fund for approval.

E. Include a disbursement schedule with time-bound milestones.

A detailed disbursement schedule t will be prepared during the preparation of the full Project Document to be submitted to the Adaptation Fund for approval.

¹⁸ Please refer to the *Project level results framework and baseline guidance* for the Adaptation Fund's results framework and guidance on developing a results framework and establishing a baseline [add link here].

PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. RECORD OF ENDORSEMENT ON BEHALF OF THE GOVERNMENT¹⁹ *Provide the name and position of the government official and indicate date of endorsement. If this is a regional project/programme, list the endorsing officials all the participating countries. The endorsement letter(s) should be attached as an annex to the project/programme proposal. Please attach the endorsement letter(s) with this template; add as many participating governments if a regional project/programme:*

<i>Nosipho Ngcaba, Director General, Department of Environmental Affairs</i>	<i>Date: April 24 2013</i>
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B. IMPLEMENTING ENTITY CERTIFICATION *Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project/programme contact person's name, telephone number and email address*

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (The National Climate Change Response Policy White Paper, the National Development Plan, South Africa's 2nd National Communication to the UN Framework Convention on Climate Change) and subject to the approval by the Adaptation Fund Board, understands that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.	
<i>Guy Midgley</i> Implementing Entity Coordinator	
<i>Date: April 29 2013</i>	<i>Tel. and email: +27 21 799 8707, g.midgley@sanbi.org.za</i>
Project Contact Person: Mandy Barnett	
Tel. And Email: +21 21 799 8895, m.barnett@sanbi.org.za	

⁶. Each Party shall designate and communicate to the Secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.



environmental affairs

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Ref: Endorsement

Enquiries: Mr Zaheer Fakir

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Ms Marcia Levaggi
The Adaptation Fund Board
C/o Adaptation Fund Board Secretariat
WASHINGTON DC
USA

E-mail: Secretariat@Adaptation-Fund.org
Fax: +202 522 3240/5

Dear Ms Levaggi

ENDORSEMENT FOR 'TAKING ADAPTATION TO THE GROUND: A SMALL GRANTS FACILITY FOR ENABLING LOCAL LEVEL RESPONSES TO CLIMATE CHANGE IN SOUTH AFRICA'

In my capacity as designated authority for the Adaptation Fund in South Africa, I confirm that the above national project proposal is in accordance with the government's national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in South Africa and specifically the Namakwa and Mopani Districts of the Northern Cape and Limpopo respectively.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by South African National Biodiversity Institute (SANBI). Due to the complexities of small granting, the process to identify the most appropriate executing entity for this project is still underway and will be concluded as part of the details project design.

Yours sincerely

Ms Nosipho Ngcaba
DIRECTOR-GENERAL

DATE: 23/04/2013

Cc: Mandy Barnett, M.Barnett@sanbi.org.za