



ADAPTATION FUND

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Agenda item 11 c)

## **REPORT OF THE PORTFOLIO MONITORING MISSION IN SOUTH AFRICA**



ADAPTATION FUND

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## **REPORT OF THE PORTFOLIO MONITORING MISSION IN SOUTH AFRICA**



ADAPTATION FUND

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## **REPORT OF THE PORTFOLIO MONITORING MISSION IN SOUTH AFRICA**

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## **INTRODUCTION**

### **Background and scope of the mission**

1. As part of the Knowledge Management (KM) Strategy, the Adaptation Fund Board Secretariat (the secretariat) conducts missions to projects/programmes under implementation to collect and analyze lessons learned through its portfolio. The secretariat's work plan for the fiscal year 2018 (FY18) which was approved by the Adaptation Fund Board (the Board) at its twenty-ninth meeting (Decision B.27/33) includes a portfolio monitoring mission in South Africa to visit one of the projects implemented by the South African National Biodiversity Institute (SANBI). This report covers the FY18 mission from 24 to 27 June 2018 to the project "Taking Adaptation to the Ground: A Small Grants Facility (SGF) for Enabling Local Level Responses to Climate Change", which is currently implemented by SANBI and executed by SouthSouthNorth (SSN), a non-governmental organization.
2. The mission targeted this project for the following reasons:
  - a) This is the first project labeled as an "enhanced direct access" project, hence sparking a high level of interest from the Fund's stakeholders, with lessons to be learned at all levels;
  - b) It would help learning from grassroots institutions' empowerment to implement adaptation actions;
  - c) It would help learning from the challenges and opportunities of multiple layers of execution of projects, including the costs implication, monitoring and reporting challenges;
  - d) It would help learning from the adaptation reasoning application throughout the three identified investment windows, from the grassroots institutions to the SGF project review process.

### **Methodology**

3. The secretariat was represented by a senior climate change specialist and the program officer coordinating readiness. Additional stakeholders were also invited to participate in the mission: Ms. Aida Velasco Munguira, alternate member of the Board (Spain, Western European and Other States), Ms. Tamara Greenstone Alefaio from the Micronesia Conservation Trust, NIE of the Fund, Ms. Julia Grimm from the NGO Germanwatch who is coordinating the Adaptation Fund NGO Network (AF NGO Network) and Ms. Shannon Parring from Indigo Development and Change, an organization from South Africa which is a member of the AF NGO Network. These stakeholders were invited as part of a general effort to give direct engagement and learning opportunities to civil society organizations, NIEs engaged in similar projects and representatives of countries that are contributing to the Fund. A brief report from the AF NGO Network on the mission is provided as an Annex to this document.
4. The mission was carried out from June 24<sup>th</sup> to June 27<sup>th</sup>, 2018, and included field visits to project sites in the Namakwa District. The methodology used for the monitoring mission comprised qualitative semi-structured interviews and meetings with key stakeholders from communities, local government, non-government entities, the Department of Environmental Affairs through the Designated Authority of the Adaptation Fund and the facilitating agency for Namakwa (Conservation South Africa – CSA), the executing entity (SSN) and the NIE. The mission visited project beneficiaries in Kamieskroon and Nieuwoudtville, and met with CSA and

SANBI in Cape Town. A set of guiding questions had been prepared for the mission and shared in advance with SANBI (see Annex). These questions covered the aforementioned objectives.

## **PROJECT/PROGRAMME CONTEXT AND PROGRESS TO DATE**

### *Context*

5. Climate change projections have indicated that both the Mopani District, in Limpopo in the northeast of South Africa, and the Namakwa District, in the Northern Cape in the northwest of South Africa, will be subject to increasing temperatures and changing rainfall patterns. According to local scale analysis of historical trends and future projections, there is a distinct warming trend for both Mopani and Namakwa, which will be far more severe by 2050 if global mitigation efforts are unsuccessful. This is a concern as water is already scarce in Namakwa and in parts of Mopani. Greater amplitude of dry and wet spells, along with increasing temperatures, will negatively impact already stressed communities in both areas – thus rendering them more vulnerable to the impacts of climate variability and change, more specifically droughts, seasonal shifts and storm-related disaster events. Both Mopani and Namakwa Districts are characterised by the prevalence of rural, poor communities vulnerable to the impacts of climate variability and change. This threat requires climate finance for adaptation activities to find its way to these most vulnerable communities. However, such communities typically lack the capacity required to access the necessary funding. The project thus entails the implementation of a small grant finance mechanism to address this financial, capacity and adaptation need.

6. The Community Adaptation Small Grants Facility (SGF) will increase climate resilience in rural communities and socio-economic systems in these two pilot district municipalities in South Africa, by working directly with local stakeholders and anticipated beneficiaries through a small grant mechanism. The overall goal of the project is to ensure that vulnerable, rural communities in the project target areas have reduced vulnerability and increased resilience to the anticipated impacts of climate variability and 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. The project is doing so through three main components: i) providing small grants to vulnerable communities that deliver tangible and sustainable benefits; ii) empowering local institutions to identify and implement adaptation response measures; and iii) compiling and sharing lessons learned to facilitate future scaling up and replication of small grant-financing approaches.

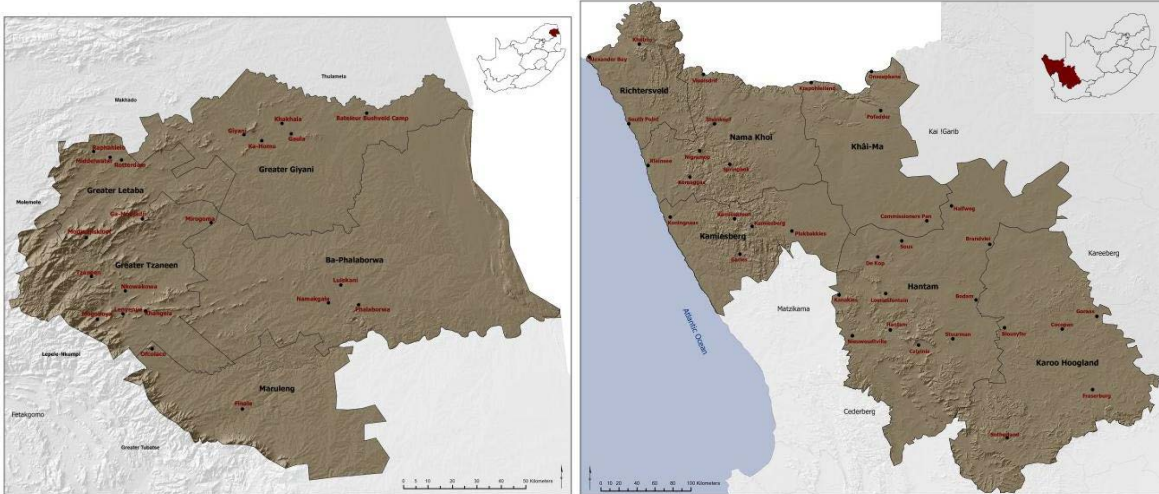


Figure 1: Mopani District (left, situated in Limpopo, along the northeast boundary of South Africa) and Namakwa District (right, situated in the arid areas of the Northern Cape, in the northwest of South Africa) Municipalities

7. Following vulnerability assessments in target localities within both districts, in combination with the downscaled climate analysis of the project target areas, the project had identified investment windows as outlined in Figure 2. This process supported the identification of impacts and risks to sectors, based on stakeholder input and contextualisation of climate-driven changes.

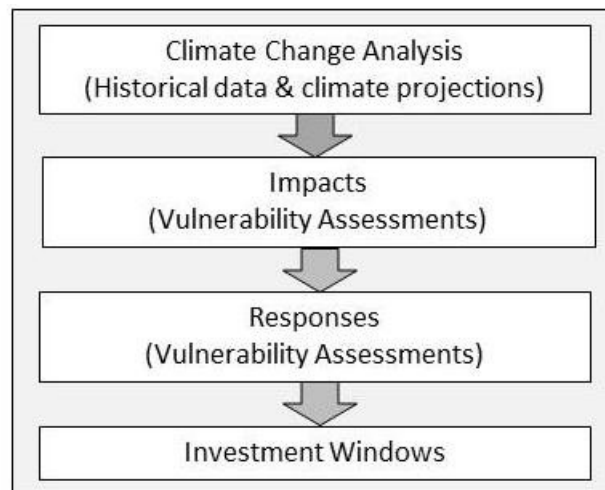


Figure 2: The identification of the Investment Windows was based on climate projections and findings of the Mopani District and Namakwa District Vulnerability Assessments.

8. The process outlined in the figure above led to the identification of three Investment Windows, i.e. Climate-Smart Agriculture, Climate-Resilient Livelihoods and Climate-Proof Settlements, as shown in Figure 3 below. The Community Adaptation SGF invests in climate change adaptation interventions that fall into these prioritised Investment Windows. All small

grants projects are expected to deliver concrete, tangible benefits to local communities, and may deliver cross-cutting benefits in more than one Investment Window.



Picture 1: Three Investment Windows of the Community Adaptation Small Grants Facility (SGF): Climate-Smart Agriculture; Climate-Resilient Livelihoods; and Climate-Proof Settlements.

### *Progress to Date*

9. The project was approved by the Board at its twenty-fourth meeting, and the agreement was signed by SANBI in October 2014. The inception workshop was held on 16 September 2015 and marked the commencement of the project implementation. The expected duration of the project is four years. In line with the performance-based grant financing used by the Fund, SANBI had already submitted two annual project performance reports (PPR) to the Board at the time of the mission. To date, the Board has transferred the amount of US\$ 2,104,354 or 86% of the US\$ 2,442,682 approved for the project. The project's implementation progress has been rated marginally satisfactory in both reports provided since the project's inception. The project has gone through a mid-term evaluation which was finalized in June 2018. As of September 2017, the following results have been achieved:

- 12 Small Grant Recipients have been approved for full project implementation. The project has exceeded the targeted number of beneficiaries. Of these, eight have been contracted, including four contracted in Year 1 of the project, three were in the process of being contracted and one withdrew prior to contracting. All approved Small Grant Recipients were selected from a pool of 79 grant applications that underwent a rigorous review process that included reviews by external technical experts, financial due diligence, Environmental and Social Policy (ESP) assessments and a two-step approval process done by the Project Advisory Group and the NIE Steering Committee.
- Facilitating Agencies for each target District were contracted in September 2015 and have provided significant support and ongoing mentoring to the grantees, following their support to at least 17 Applicants during the development of their detailed project proposals. One of the Facilitating Agencies (Conservation South Africa) has substantial experience in the field of Climate Change Adaptation. The other (Choice Trust) has substantial experience in organisational development capacity building for small community based organisations is building their experience on Climate Change Adaptation through the SGF project.
- The Facilitating Agencies have developed needs assessments to identify the individual Small Grant Recipient capacity gaps. They provide ongoing support, mentoring and capacity building sessions to Applicants and Small Grant Recipients, thematic training sessions, site visits, one-on-one capacity building and mentoring session. The



Facilitating Agencies have been required to provide substantial support to the Small Grant Recipients and have conducted more site visits than anticipated in the last two years, resulting in 70% of the projected visits for the whole project period have already been done. This reflects the substantial capacity building needs of the Small Grant Recipients.

- Small Grant Recipients were trained to develop their detailed proposals through proposal writing workshops and one-on-one session at the project sites. Training sessions on agroecology, climate change adaptation, financial management and reporting were also delivered. The targeted number of training session for the year and project have been achieved.
- A learning workshop was convened in the Mopani District to facilitate an exchange of experiences and stories amongst Small Grant Recipients, as well as the wider community including local and national government officials and the local community.

## **MEETINGS, SITE VISITS AND FINDINGS OF THE MISSION**

10. The representatives of the secretariat met with a number of stakeholders during the three days of the mission and met with community organizations that had benefitted from the project's small grants in the field. The agenda of the mission is provided in the Annex of this report.

11. The mission visited four projects funded by the SGF in the Namakwa District and executed by the following recipient organizations: Gondwana Alive, Save Act, Heiveld and Environmental Monitoring Group Trust (EMG). Details of the project submitted by EMG are provided in the Annex of this document, including the application form and conditions to be fulfilled by the recipient.

12. This section summarizes the findings of such visits and meetings during the mission.

### **Enhanced direct access (EDA) as a channel for increased adaptive capacity at the community level**

13. The projects visited by the mission covered the three windows of Climate-Smart Agriculture; Climate-Resilient Livelihoods; and Climate-Proof Settlements.

14. In Kamieskroon, the project executed by **Gondwana Alive** is helping communities improve land and livestock management systems to address issues they have identified as a result of climate variability, including increasingly erratic winter periods which affects crops and livestock. The project executed by Gondwana Alive is building from past activities which had piloted some of the proposed activities and is doing so through: (i) working with farmers; (ii) building and strengthening the Biodiversity and Red Meat Cooperative (BRK); and (iii) working with youths. The project is improving the quality of soils by looking at critical factors of ecosystem processes such as the water cycle, soil health, energy flow optimization and biodiversity. The proposed solutions include covering soils with dead bushes to keep soil moisture, rainfall harvesting techniques yielding high level of water infiltration with the lowest level of evaporation and low water runoff. The project also helped purchase water reservoirs.

15. In the area of livestock management, the project focused on three main aspects: (i) safety of animals from predators such as jackals and wild cats; (ii) animal health through the introduction of movable corrals to help improve to improve the quality of soil organic matter and texture and break the cycle of livestock parasites; and (iii) animal productivity by cross breeding sheep with the master ram. The project is building on local knowledge, which traditionally had seen indigenous species cross bred with European breeds which resulted in the existing livestock being a mix of local and foreign species. The problem with the mix was that the size of the product animals was not adapted to local management, with those animals needed high quantity of food, hence more space to graze. The indigenous goats and master rams (which was 50% Ndawara sheep from Namibia) introduced by the project are more adapted to the local ecosystem. To ensure sustainability of the project outcomes, a revolving loan was started using project's funds, which helped people like Auntie Kate (picture 2) receive five "resilient" sheep to start a new flock. In addition, the project has focused on the market supply chain by introducing a tagging system for animals, branding their livestock as grass-fed, the evidence of which can be traced to an individual animal using the tagging system, and is working with Conservation South Africa who introduced a system of mobile abattoirs to bring the market closer to the farmers.



Picture 2: (Left) Cross-bred resilient sheep; (Right) Auntie Katie Beukes, one of the beneficiaries of the Gondwana Alive project, looking at a movable corral.

16. Livestock management is recognized as being technically challenging and the ecosystem approach has allowed integration. However, local people need support, in a context of climate change, hence the capacity building provided by the project. Once established, local champions are expected to help other farmers.

17. The project executed by **Save Act** in Leliefontein addresses climate change through raising awareness of communities on the need for better household asset management, as part of the Climate-Resilient Livelihoods window. The project is organizing saving groups in the target communities so that members can access savings through loans to address climate-related issues they are facing, i.e. in response to drought. The project aims at establishing 30 saving groups by the end of the project. The project has developed a game which will help educate members of savings groups on the benefits of saving and making the right investment decisions that would help them better cope when climate-related events occur. The objective is to see increased level of loans that are aimed at increasing the resilience of communities, for them to start envisioning a "green" life. This includes investment in more resilient livestock species, in solar panels, etc.



Picture 3: member of a women savings group playing a game on “Adaptive Livelihoods Together”

18. The project “**Climate proofing small-scale rooibos production**” executed by Heiveld, a cooperative of rooibos tea producers, was developed as a proposal for experimentation and action to address the impacts of climate change on rooibos production in collaboration with Avontuur Sustainable Agriculture. Securing water supply at the Heiveld Tea Court was included to enable the cooperative to process tea during drought periods, as higher temperatures have induced stress to rooibos plants, with loss of production. After 4 years of decreasing rainfall, the rains failed in 2017 (only 35 % of the annual average). Consequently, production of the Heiveld cooperative in 2018 dropped to only 14 tons (down from over 100 tons).

19. The project looked at approaches that increase soil carbon and enhance moisture retention, including composting and mulching to increase organic material in the soil and enhance soil moisture, enhanced soil organic carbon to stimulate beneficial soil micro-organisms. The latter, combined with increased moisture retention, is expected to enhance growth, productivity and health of rooibos plants. Investments from the project included the construction of boreholes and purchase of storage tanks to address water issues in rooibos fields, and the purchase of an agrometeorological station to monitor climate variations in the area of the project.

20. Despite the inconclusive results of the trials, farmers have embraced the approaches tested by the project. For instance, compost is valued to increase fertility and most farmers are keen to expand mulched areas. Also, farmers have observed benefits from introducing organic material into soils (fertility, erosion control, etc.).



Picture 4: agrometeorological station in a rooibos field as part of the project executed by Heiveld

21. Lastly, the **“Two communities adapting together”** project executed by EMG, under the Climate-Proof Settlements and Climate-Resilient Livelihoods Windows, is helping vulnerable rural communities in Soebatsfontein and the Suid Bokkeveld that are both largely agricultural communities, dependent on livestock and other farming for their livelihoods. Both communities are also highly dependent on natural surface and underground sources of water that will be negatively affected by the projected changes in rainfall patterns and become increasingly scarce. Both are currently extremely vulnerable to climate risk in the form of drought, extreme heat, or late onset of winter rains. The livelihood and culture of these two communities are therefore highly vulnerable to the impacts of climate change.

22. To address the above-mentioned climate-related vulnerabilities, the project's objectives included: (i) to respond to increasingly high temperatures and diminished precipitation, and therefore limited availability of water resources, through water saving techniques (such as compost toilets), water reticulation and water harvesting (such as storage of rainwater), and implementing innovative water-wise vegetable gardening adapted to changing climatic conditions; (ii) to enable people to adapt to temperature extremes and safeguard human health and well-being under changing climate conditions through architectural innovation (such as insulating roofs and walls); and (iii) to increase awareness of the value and increasing scarcity of water resources and facilitate experimentation with and learning from new technologies within both communities.

23. The project has helped those communities improve their livelihoods with the introduction, on a demand, first-come-first-serve basis, of four technologies, the installation of three compost toilets, the improvement of 10 houses through insulation, the provision of 40 water tanks and the installation of six gardens. To promote the principle of ownership, in-kind contribution was requested from the recipients by which they would install the project technology through the provision of their time, own choice of equipment and space.



Picture 5: Ms. Leen Kotze, a beneficiary of the “Two communities adapting together” project in front of a water tank provided by the project

### **Replicability and scalability of the EDA, and the role of local and national governments in the process**

24. As stated above, this first project labeled as “enhanced direct access” project has sparked a high level of interest from the Fund’s stakeholders. With the demonstration that there is a real demand from communities to be able to address climate risks and adverse impacts with the delivery of small grants provided through national or local mechanisms, the business case for replication or scaling up of such programme is made.

25. This project through its knowledge management component, the national and local governments in South Africa, is building the case for the replication and scaling up of the innovative modality it is piloting, and discussions have already been engaged on this matter. Already, a learning workshop was convened in the Mopani District to facilitate an exchange of experiences and stories amongst Small Grant Recipients, as well as the wider community including local and national government officials and the local community. Other activities planned as the project is collecting more lessons include the development of case studies to be 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 learned within the region. The project will also develop policy briefs with recommendations for policy development that will help inform local and national policy development. University networks will encourage student study/internship opportunities with projects to enhance implementation support, case-study development, and broader learning around adaptation implementation. Where possible, student projects will be designed to support to the specific needs of each project.

26. At the local government level, the projects are embedded into planning process of municipalities, as part of the municipal integrated development plans. At each municipality, a climate change response plan is implemented, with a dedicated officer. In Namakwa, the Project Facilitator has involved the municipality officer in the facilitation of administrative processes. It was observed, however, that there were limited human resources at the district level in general,

due in part to limited funding to address climate-related issues. There is also the perception that there are less opportunities for employment in climate change related activities than in other sectors such as mining.

27. The national Department of Environmental Affairs, as part of its current strategy, is aiming at strengthening the capacities of local governments, by establishing climate change champions in each municipality. The national government has approved a National Climate Change Response Policy<sup>1</sup> and a Climate Change Bill was drafted and submitted to the Parliament for approval. The bill includes a mandate to be given to municipalities to include climate change in their budget plans and activities. The bill also provides for the appointment of a ministerial committee on climate change to be tasked with overseeing the necessary activities across all sector departments and spheres of government, in liaison with provincial committees. The latter committees, comprised of all relevant departments in a province and all Mayors of municipalities located within a province, will be responsible for the coordination of climate change responses at that level, which is currently lacking.

28. Taking the decision making power at the provincial level will be key to mobilize additional resources to tackle climate change issues, as the Provincial Committee on Climate Change will coordinate climate change response actions in the relevant province towards a transition to a climate resilient and lower carbon economy and society in accordance with the White Paper on National Climate Change Response and South Africa's Nationally Determined Contribution and, more importantly, will recommend any climate change matter to the Ministerial Committee on Climate Change.

29. Lastly, building from the experience of the SGF project, the NIE, with the endorsement of the national government, had designed an EDA project for funding by the Green Climate Fund, which aims at replicating the model in other regions of South Africa.

### **The complexity of the implementation arrangements of the EDA funding modality**

30. The mission discussed with all stakeholders involved in the implementation and execution of the projects visited. It appeared from the discussions that although EDA is a revolution in giving opportunity and capacity to local organizations to design and implement their own projects, its operationalization is not without challenges.

31. It was observed that the model of the Adaptation Fund EDA project as described in the graph below required an adequate level of capacity at different layers of the SGF model, that would allow communities to increase their awareness of climate risks and impacts, link those with their development issues, and be able to design and implement the activities and measures that would help them address those risks.

32. The different layers of execution involved in some cases technical support from NGOs, e.g. Gondwana Alive or EMG, which played an intermediary role between the facilitating agencies, i.e. Conservation South Africa in the Namakwa District, and the community organizations, e.g. the Biodiversity and Red Meat Cooperative (BRK) or Heiveld. In the case of BRK, members of the cooperative were made aware of climate change threats and trained in climate-smart

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<sup>1</sup> <https://www.sanbi.org/wp-content/uploads/2018/04/national-climate-change-response-white-paper.pdf>

techniques. This was made possible because of the background of Gondwana Alive as an organization with wide experience in conservation and land management.

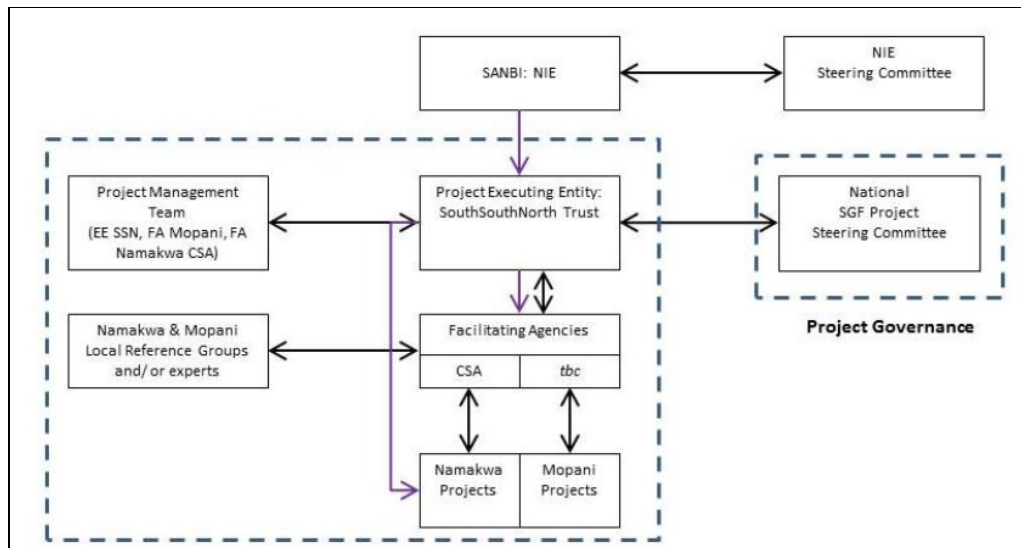


Figure 3: SGF Project implementation and execution arrangements

33. The complexity of transferring capacities to the level of local communities has resulted in the arrangements described above, involving four layers of actors, from the implementing entity to the end beneficiary. This does not include support provided by extension services and municipalities which themselves are in need of some capacity building to better understand climate-related risks and threats and related measures and techniques to address those issues.

34. The benefit of relying on NGOs that have been working in the area for a long time is the proximity and leveraging on established trust and relationship built with the communities and the possibility of building from past experiences or successes that could be replicated through the small grants to reach more people in the community. That was the case in the Melkraal where communities have improved their lives working closely with the Environmental Monitoring Group throughout 15 years of continuous support.

35. Although the different layers of support can be justified, most of the stakeholders interviewed agreed that the structure could benefit from some simplification, with more streamlined decision-making. However, none of the interviewees could suggest the adequate level of organization needed to run an EDA project or mechanism.

36. The facilitating agencies have played a very important role in helping the NGOs and the communities they are supporting design climate change adaptation projects. CSA has substantial experience in that field while the other facilitating agency, Choice Trust, has substantial experience in organisational development capacity building for small community based organisations. Given their complementarity, the two facilitating agencies have supported each other through the SGF project building on their respective strengths. For example, in Mopani, knowledge on climate change issues was close to zero on the ground when the project had started. The facilitating agencies have supported applicants with the development of their detailed project proposals, including identifying external expert support when required and assisting applicants to obtain the relevant permits, licenses and certificates. They have developed needs assessments

to identify the individual small grant recipient capacity gaps, provided ongoing support, mentoring and capacity building sessions to applicants and small grant recipients, thematic training sessions, site visits, one-on-one capacity building and mentoring sessions.

37. The role of the executing entity, SSN, although hardly visible in the field, seems to be key at the upstream level, during the project selection process, identification and contracting of NGOs that could support the work on the ground, as well as the financial management and procurement of the grants. However, the executing entity is in a position where overlapping roles with the NIE and/or the facilitating agencies may occur.

38. SANBI, as the NIE for the project, was responsible for the overall administration of the grants, contracting with the executing entity and facilitating agencies, as well as overall monitoring and evaluation of the project.



Picture 6: Representatives of the mission, NIE (SANBI), Facilitating Agency (CSA), and supporting NGO (Indigo) for one of the projects implemented in Namakwa District

### **Monitoring and reporting in a context of EDA**

39. During the development of the project proposal, SANBI had submitted a detailed monitoring and evaluation plan, including the roles and responsibilities of each party. The NIE is responsible for monitoring project implementation and the achievement of the project outcomes/outputs and to ensure the efficient use of donor funds. CSA had defined the subproject's indicators with local organizations and prepares quarterly reports including specific subproject outputs and showing how those outputs relate to the project's overall objective and results framework.

40. At the executing entity level, SSN checks compliance with the defined environmental and social safeguards. Simple and clear templates had been developed for local organizations to report on their activities. The facilitating agency reported that the number of site visits originally programmed had to be doubled because of the work needed in that area. An adaptive system had to be put in place, based on existing capacities at the local level. Aggregating the different reports and preparing the report to be sent to the AFB secretariat had been challenging for SSN and SANBI the first time around.



## LESSONS LEARNED

### **EDA is an efficient way for local organizations to build their capacities and address their adaptation needs**

41. The system set up by the EDA mechanism has proven to be by itself a very efficient way to raise awareness of small, local organizations on climate change issues and build their capacity to address climate related risks and impacts in their development work. Support to those organizations from more organized NGOs with a long-time presence in their areas of action has been key and, when needed, additional support from facilitating agencies and municipalities has given them multiple learning opportunities.

42. The end result which was the basis for conceptualizing EDA was to allow local organizations identify by themselves their adaptation needs and be able to implement the adequate measures to address those needs. The mission found that this has been successfully achieved so far, with the project beneficiaries learning new land management approaches, acquiring livestock that are more adapted to the current climate threats and equipment that would help them insulate their houses or collect and conserve water in a context of long periods of drought.

43. EDA is also giving the opportunity, through its small grants, to pilot innovative measures at a small scale, which could be later replicated or scaled up. It also allows funding research and action activities that could have been otherwise difficult to finance through the usual concrete adaptation projects funded by the Adaptation Fund.

44. Lastly, EDA has the potential to influence in-country planning and enhance institutional capacities at local, provincial and national levels, while informing policies at those different levels.

### **It is costly but it is worth it**

45. The efforts of capacity building, planning and implementing adaptation measures involving local organizations logically result in higher operational costs. With all the institutions involved in the process, from the NIE, the EE, facilitating agencies, to the supporting NGOs, facilitated by municipalities and provinces, it is generally accepted that EDA mechanisms require a higher level of technical assistance, monitoring and oversight (high number of field visits), contracting at multiple levels, which has an implication on the operational costs overall.

46. Future design of EDA interventions or funding window should take this aspect into account. The NIE has struggled to stay within the budget for this project, since it was approved following the current rules for single-country adaptation projects of a maximum of 9.5% of the total project budget for execution costs and up to 8.5% of the total project budget before the fees for the IE fees. In comparison, the administrative costs for regional projects and programmes funded by the Adaptation Fund, which typically also include an additional level of administration for regional coordination in addition to the implementing entity and the executing entity levels, had been adjusted to up to 20% of the total budget. Therefore, including the management costs and IE fees, any specific funding window for EDA might need to allow a higher cap for administrative costs.

**There is no one-size-fits-all. Implementation arrangements should be designed according to the context**

47. In this project, it was observed that the capacities in Mopani and Namakwa districts varied drastically in the area of climate change. NGOs operating in Namakwa, as well as the municipality, had more experience and capacity for climate change education, adaptation planning and implementation of concrete measures to address climate risks and impacts. Therefore, Mopani had requested more efforts to not only support the recipient organizations, but also the supporting NGOs and facilitating agency.

48. All stakeholders of this project agreed with the challenges of operating under its complex implementation arrangements. Streamlining the decision-making process and removing layers whenever possible will be a challenge for future design of EDA intervention. A thorough stakeholders analysis at the project design phase would allow for an informed and therefore more cost-effective selection of target geographic or administrative areas, supporting organizations and executing entity(ies).

49. In the South African context, with a new Climate Change Bill ahead, a more prominent role could be given to provincial and local governments in the EDA modality, which would reduce costs with the involvement of those governments' climate champions in the process.

50. A more flexible system with multiple layers modulable on a need basis could be piloted in the future, as more models of EDA are experimented, and lessons are gathered from those experiences.

## **ANNEXES**

- Key questions
- Agenda of the mission
- AF NGO Network Report and recommendations of the AF monitoring mission in South Africa
- Sample: Detailed project proposal submitted by EMG: "Two communities adapting together"
- Sample: Grant award conditions to be fulfilled by Small Grant Recipient

### Key questions

A set of questions was prepared for the objectives of the mission, which were applied for the mission.

<b>Key guiding questions in the targeted learning plan</b>	
<b>Mission objectives</b>	<b>Key questions for the mission</b>
<p><u>Objective 1</u>: to collect lessons learned from the direct access experience and more particularly the enhanced direct access experience.</p> <ul style="list-style-type: none"> <li>• Lessons from the implementing entity SANBI potential differentiated approach in implementing a DA project (Umngeni) vs an EDA project (SGF);</li> <li>• Lessons from the establishment of the governance structure of the SGF;</li> <li>• Learn from sustainability strategies for institutionalizing the SGF beyond the lifetime of the project.</li> </ul>	<ol style="list-style-type: none"> <li>1) What are the capacities that the NIEs have built during the accreditation process? Which of the 3 main competencies required as fiduciary standards by the AF was (were) the weakest and how has it (they) improved:             <ol style="list-style-type: none"> <li>a. During the accreditation process?</li> <li>b. During the project implementation?</li> </ol> </li> <li>2) What are the post-accreditation specific capabilities that the NIEs has been able to build during project implementation?</li> <li>3) How did the accreditation and project implementation experience change the way the NIEs are now operating? (e.g. did this help in improving the NIEs' fundraising capacity? Did the NIEs improve their revenues as a result? Did this improve the NIEs' visibility at the national level?)</li> <li>4) What are the challenges and opportunities of implementing two projects at the same time, for the first time as an NIE?</li> <li>5) What have been the main issues in establishing the governance structure of the SGF? Although this is at an early stage, what is the perceived cost/benefit ratio of such a model?</li> <li>6) What is the bilateral/multilateral partners' perception of the direct access experience of the NIE in the country? Are they aware of it? Are they following it?</li> <li>7) Which stakeholders have benefitted or are expected to benefit the most from this capacity building exercise through Direct Access?</li> </ol>

	<ul style="list-style-type: none"> <li>a. Direct executing partners?</li> <li>b. Beneficiaries (smallholders, subnational governments)?</li> <li>c. Indirect stakeholders (other ministries, agencies...)?</li> </ul> <p>8) Are there new initiatives developed/funded as a direct consequence of the project? What are the current plans to sustain the establishment of the SGF beyond the lifetime of the project?</p>
<p><u>Objective 2:</u> to learn from grassroots institutions' empowerment to implement adaptation actions.</p> <ul style="list-style-type: none"> <li>• Lessons from the use of multiple layers of execution and its implications on administrative costs, reporting and monitoring challenges;</li> <li>• Types of support for planning and capacity building targeted to grassroots organizations and potential support to municipality officials;</li> <li>• Lessons from the implementation of adaptation actions by grassroots organizations;</li> <li>• Level of inclusion of gender considerations and environmental and social risks in capacity building activities and project design.</li> </ul>	<ol style="list-style-type: none"> <li>1) What have been the implications of using an executing entity, two facilitating partners and having as many subproject executing organizations as grants provided? Were there any administrative costs, reporting and monitoring challenges and how have they been overcome?</li> <li>2) What have been the main challenges in building the capacities of grassroots organizations?</li> <li>3) What is the role of subnational governments in the local planning process? How has this project helped in supporting that process?</li> <li>4) How have gender consideration and the management of environmental and social risks been applied at the facilitating entities and grassroots organization levels? What are the lessons learned from that process?</li> </ol>
<p><u>Objective 3:</u> to draw lessons from the adaptation reasoning application throughout the three identified investment windows, from the grassroots institutions to the SGF review process.</p> <ul style="list-style-type: none"> <li>• How activities identified by local organizations have been labeled as adaptation activities and the role</li> </ul>	<ol style="list-style-type: none"> <li>1) What have been their early perception on climate change and understanding of adaptation to that change? Following capacity building efforts, what is the level of improvement of that perception? Has it materialized in quality proposals to the SGF?</li> <li>2) What was the role played by the facilitating entities, executing entities and implementing entity in that process?</li> </ol>

<p>played the facilitating entities and executing entity in that process;</p> <ul style="list-style-type: none"><li>• The review process from the SGF and lessons from cascading the AF review criteria including the screening of E&amp;S risks and compliance with the Environmental and Social Policy.</li></ul>	<p>3) What are the lessons learned from the use of the review criteria for the subprojects, including the screening of E&amp;S risks and compliance with the Environmental and Social Policy?</p>
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**Agenda of the Mission**

<b>Date</b>	<b>Schedule</b>	<b>Time</b>	<b>Location</b>
<b>24 June 2018</b> <b>(Sunday)</b>	Travelling from Cape Town to Kamieskroon	• 12h00 to 18h00	Cape Town
<b>25 June 2018</b> <b>(Monday)</b>	Stakeholders to visit Gondwana Alive and Biodiversity and Redmeat Cooperative in Leliefontein	• 07h30 to 12h00	Namakwa - Kamieskroon
	Stakeholders to visit Saving and Credit Groups by Save Act	• 13h00 to 14h30	Namakwa - Kamieskroon
	Travelling from Kamieskroon to Nieuwoudtville	• 14h30 to 17h30	Namakwa - Kamieskroon
<b>26 June 2018</b> <b>(Tuesday)</b>	Stakeholders to visit Heiveld and Environmental Monitoring Group in the Suid Bokkeveld.	• 08:30 to 17h00	Nieuwoudtville
<b>27 June 2018</b> <b>(Wednesday)</b>	Travelling from Nieuwoudtville to Cape Town	• 08h00 to 11h00	Nieuwoudtville

**Institutions/stakeholders visited/met**

- South African National Biodiversity Institute (SANBI - NIE)
- SouthSouthNorth (Executing Entity - SSN)
- Conservation South Africa (CSA – Namakwa Facilitating Agency)
- Small Grant Recipient NGOs in Namakwa (Gondwana Alive, Save Act, Heiveld and EMG)
- Project Beneficiaries (BRK, Heiveld, communities from the Melkraal and Leliefontein)

**Team Mission**

Mr. Daouda Ndiaye – Adaptation Fund Board Secretariat

Mr. Farayi Madziwa – Adaptation Fund Board Secretariat

Mr. Mpfunzeni Tshindane- South African National Biodiversity Institute (SANBI - NIE)

Mr. Thabang Phago – Conservation South Africa (Facilitating Agency)

Ms. Mikateko Sitehole – Department of Environmental Affairs (Designated Authority)

Ms. Julia Grimm – Germanwatch (AF NGO Network coordinator)

Ms. Shannon Parring – Indigo, South Africa

Ms. Tamara Greenstone Alefaio – Micronesia Conservation Trust

Ms. Aida Velasco Munguira – Alternate member of the Adaptation Fund Board, government of Spain



## Report and Recommendations by the Adaptation Fund NGO Network

on the Adaptation Fund monitoring mission of the South African project "Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change"

Julia Grimm (Germanwatch), Shannon Parring (Indigo Development & Change)



Photo 1: Representatives from the Adaptation Fund Secretariat, South African NIE, FA and DA, AF NGO Network and Project Implementers discussing the SGF project.

The Adaptation Fund (AF) NGO Network appreciates the opportunity given to its representatives to attend the AF Secretariat's monitoring mission of the Small Grants Facility (SGF) project, one of the two projects funded by the AF in South Africa. Ms. Shannon Parring from Indigo Development and Change, core partner of the AF NGO Network in the country and Ms. Julia Grimm from Germanwatch, Coordinator of the AF NGO Network, attended the monitoring mission on behalf of the Network. The field trip took place from the 24th to the 27th of June 2018 in the Namakwa District, South Africa.

Ensuring that independent stakeholders (such as civil society representatives) attend such monitoring missions of the Fund not only ensures direct engagement opportunities towards transparency for AF activities and projects, but also brings in relevant perspectives and observations from these actors with the view to enhance discussions and allow for constructive feedback. Thus, the AF NGO Network welcomes very much this opportunity and encourages the AF Board and Secretariat to continue engaging civil society in its monitoring missions in the future and by doing so that this contributing to the Fund's objective of collective learning.

The AF NGO Network plays an important role when it comes to generating and sharing knowledge as well as collective learning. The Network intends to prepare information materials on best practices<sup>1</sup> and lessons learnt of AF related processes which its core partners will share with relevant stakeholders (DA, NIE, further decision-makers and civil society) in their countries and regions.

Generally, the South African SGF financed by the AF can be considered as a best practice for effectively channelling resources for adaptation to the people most vulnerable to climate change for several reasons, as mentioned below. Moreover, the case of the SGF exemplifies very well that in many cases adaptation to the adverse impacts of climate change is not only about large and costly infrastructure investments, but rather about building adaptive capacities, collecting data, enabling research and implementing simple technologies which allow those most affected to adapt.

**Best practices:**

- The SGF in South Africa was the first project approved by the Fund under its pioneering Enhanced Direct Access modality.
- The project shows very well that civil society organisations play a crucial role when it comes to the implementation of small local adaptation projects.
- All small grants projects under the Facility have a strong sustainability component and adaptation reasoning.
- Beneficiaries of the small grants projects are some of those that are most vulnerable to climate change in South Africa.
- Then project has demonstrated strong ownership from the South African Designated Authority (DA), the Department of Environmental Affairs (DEA), as well as their strong involvement in the whole process (including the planning and implementation phases).
- A transparent and participatory approach has been applied by the South African DA and National Implementing Entity (NIE) during project development and implementation.
- The SGF actively built institutional capacities among local NGOs (e.g.: SaveAct, one of the small grants recipients, was not actively working on climate change and its adverse impacts in the implementation of its saving cooperatives before. Now they have integrated "adaptation to climate change" as an additional focus area for those saving cooperatives. This concretely strengthened institutional capacities of local NGOs in the area of climate change adaptation
- The supporting process conducted by the Facilitating Agency (FA) and Executing Entity (EE) (especially regarding capacities on reporting) before and during the project implementation, contributed to the overall institutional capacity building of small grants recipients, which are often small local organisations or cooperatives.

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<sup>1</sup> e.g. best practices regarding transparent and participatory process during project development and implementation or regarding effectively and efficiently channelling the money to the most vulnerable people to climate change.

### Recommendations:

- The AF Board and Secretariat should continue engaging civil society during future monitoring missions.
- The AF Board should, in the future, actively promote the implementation of similar small grants facilities in other countries (e.g. as part of its Enhanced Direct Access window recently approved in the Fund's Medium Term Strategy).
- Information on the individual small grants projects funded by the Facility should be made available and accessible on the NIE's (SANBI) or the EE's (SSN's) website.
- The AF NGO Network recommends to also carefully reflect on the institutional set up of the South African SGF and to revise the roles and functions of the different actors (DA, NIE, EE and the FAs) which are involved. It seems that having many institutional layers created some challenges for communication within the SGF. Not necessarily, but generally it is more likely that multiple layers in the institutional set-up of a project make small adjustments of activities more difficult due to bureaucratic procedures implied by the various layers. Thus, it would be important to carefully reflect on the institutional set up of similar projects submitted to the Fund's Board for approval.
- The South African SGF should be institutionalised within the NIE (SANBI) to ensure its continuity beyond the time period of the AF funded project, drawing on lessons learnt and achievements of the project.



Photo 2: An adaptation option implemented by farmers of the Red Meat Company – the 'removable kraal' that support less stress from over grazing of natural veld.



Photo 3: Demonstrating how natural veld is being rehabilitated by using dried out bushes to cover eroded soil – it was clear to see how bare patches have beautiful results of flowers from this method.



Photo 4, 5, 6 and 7: The women from the SaveAct savings group in Leliefontein after a fun filled game session, which was especially designed to integrate good reasoning for adaptation.

**List of abbreviations:**

AF	Adaptation Fund
DA	Designated Authority
DEA	Department of Environmental Affairs (South Africa)
EE	Executing Entity
FA	Facilitating Agency
NIE	National Implementing Entity
SGF	Small Grants Facility