

A photograph of a man in a red shirt watering a row of young papaya plants in a field. The plants are green and have large, deeply lobed leaves. The ground is dry and sandy. In the background, there is a low wall and some trees under a hazy sky.

# Global Climate and Environment Funding Opportunities

Special Session: Projects preparation and funding  
landscape for Groundwater

4th SADC Groundwater Conference – 10 November 2021

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# Context setting

- Less than 10% ground water use
- Future resilience of people, the environment, and economies of Africa, and improved groundwater management
- Realize the sustainable development goals related to food security (2), water security (6), and climate resilience (13).
- Access to finance and inadequate infrastructure as problematic factors for doing business in Sub-Saharan Africa
- Infrastructure funding gap- USD billions
- Public and Private financing



# Intro of the Climate and Environment Funds



- AF – established under the Kyoto Protocol of the UNFCCC
  - Operational since 2010 financed in part by government and private donors, and also from a 2% share of proceeds of Certified Emission Reductions issued under the Clean Development Mechanism projects
  - Governed by majority of developing countries



- GCF - created in 2010 by UNFCCC to “*promote the **paradigm shift towards low-emission and climate-resilient development pathways.***”
  - 2015 GCF committed to serve the Paris Agreement
  - Replenishment cycles



- GEF – established in 1972 to serve the Rio Conventions to help tackle our planet’s most pressing environmental problems.
  - Funding to support the projects is contributed by donor countries
  - Financial contributions are replenished every four years



# Climate and Environment Finance



Accredited Entities or  
Implementing Agencies



GREEN  
CLIMATE  
FUND

**USD 9.78 billion**

Largest Climate Fund  
HQ: Songdo, South Korea



**USD 4.1bn**

Environment Facility  
GEF 7 cycle  
HQ: Washington



ADAPTATION FUND

**USD 887 mln**

cumulative in 2019  
Main Adaptation Fund  
HQ: Washington

# AF – Basic Facts

**Mandate:** Established in 2001 to finance concrete adaptation actions in developing country Parties to the Kyoto Protocol;

**Country Eligibility:** Developing countries must be Parties to the Kyoto Protocol and must be particularly vulnerable to the adverse effects of climate change;

**Endorsement:** All projects must be endorsed by National Designated Authority;

**Impact:** Since 2010, the Adaptation Fund has committed US\$ 850 million to projects/programmes, including 123 projects. This spans nearly 100 countries, including 19 small island developing states and 33 least developed countries, ~28 million total beneficiaries;

**Funding CAP:** single country project funding of US\$ 20M (April 2021) – note conditions!;

**Implementing Entities responsibility (i.a.):** quality assurance of project documents and overall management of the projects and programs financed by the Adaptation Fund in the respective developing country, including the financial, monitoring, and reporting responsibility

# Fund-level outcome areas

**Outcome 1:** Reduced exposure to climate-related hazards and threats;

**Outcome 2:** Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses;

**Outcome 3:** Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level;

**Outcome 4:** Increased adaptive capacity within relevant development sector services and infrastructure assets;

**Outcome 5:** Increased ecosystem resilience in response to climate change and variability induced stress;

**Outcome 6:** Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas;

**Outcome 7:** Improved policies and regulations that promote and enforce resilience measures;

**Outcome 8:** Support the development and diffusion of innovative adaptation practices, tools and technologies

# GEF-8 Programming Considerations

- GEF-8 replenishment period: **1 July 2022 to 30 June 2026**
- Potential Replenishment: USD 5 billion and USD 6.5 billion (up from USD 4B in GEF-7) scenarios under consideration
- Increase in STAR allocations for LDCs and SIDs
  - Initial STAR allocations for discussion with countries in January 2022
  - Final STAR allocation figures provided on 1 July 2022
- Encourage use of blended finance/Non Grant Instruments to reduce financing gap to achieving Global Environment Benefits (GEBs); an incentive mechanism to encourage countries to use their STAR resources for NGI is under consideration
- Multi Focal Area (MFA) and Multi Trust Fund (MTF) projects encouraged; collaboration with GCF



# LDCF GEF-8 Priorities

- **Scaling up adaptation finance**
  - Reinforcing policy coherence
  - Strengthening institutional capacity
  - Supporting innovative financing mechanisms
  - Developing tools and metrics
- **Strengthening innovation and private sector engagement**
  - Nature-based solutions
  - Advancing technology transfer, deployment and innovation
  - Enabling the conditions for private sector action
  - Incubating and accelerating MSMEs
  - Catalyzing inclusive microfinance
  - Continuing Challenge Programme for Adaptation (to catalyse innovation and private sector engagement)
- **Fostering partnership for inclusion and whole-of-society approach (locally led and inclusive)**
  - Institutional strengthening and capacity-building at all levels
  - Building partnerships with local organizations and systems to address social inequity
  - Exploring innovative financing opportunities
  - Global partnerships and fostering enabling environment

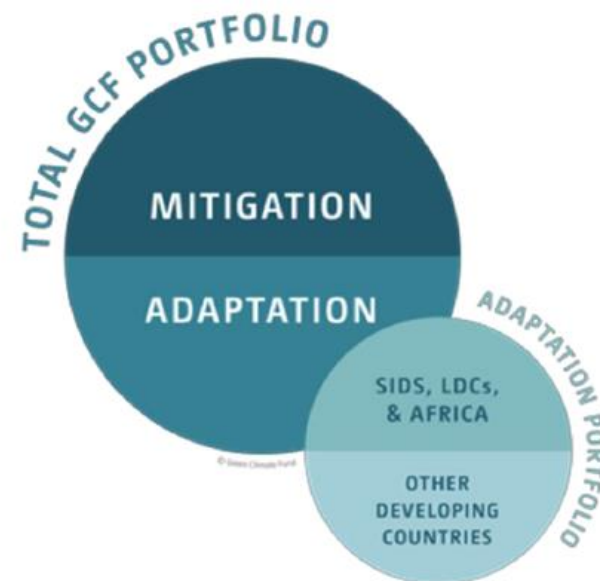


# GCF Investment Criteria



## Six Investment Criteria Against which proposals are assessed

Impact potential	Potential to contribute to achievement of Fund's objectives and result areas
Paradigm shift potential	Long-term impact beyond a one-off investment
Sustainable development potential	Wider economic, environmental, social (gender) co-benefits
Country ownership	Country ownership and capacity to implement (policies, climate strategies and institutions)
Efficiency & effectiveness	Economic and, if appropriate, financial soundness, as well as cost-effectiveness and co-financing for mitigation
Responsive to needs of recipients	Vulnerability and financing needs of beneficiary in targeted group



# GCF/AF Project Cycle and steps

Stakeholder  
Consultation

- Proposal generation
- Concept Note (voluntary for GCF) - NDA

No Objection  
(NDA)

- Proposal submission
- Review and recommendations

GCF/AF  
Approval

- Board decision
- Legal arrangements

Thank you for your kind attention

