

4th SADC GROUNDWATER CONFERENCE

10th -12th of November 2021
VIRTUAL CONFERENCE



Special Session: Project Preparation and Funding Landscape for Groundwater

WELCOME REMARKS

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International Association
of Hydrogeologists
the World-wide Groundwater Organisation



GRIPP
GROUNDWATER SOLUTIONS
INITIATIVE FOR
POLICY AND PRACTICE



British
Geological
Survey



UNIVERSITY
OF BATH



Background

Access to affordable long-term financing is a longstanding and ongoing challenge for large-scale water infrastructure investment in the region.

In addition, **International Cooperation Partners** (ICPs) (also known as funders or funding partners) are increasingly becoming aware of risks in infrastructure investments that are unlikely to be supported by sustainable ecosystem services, which makes accessing financing more difficult.

9 Challenges to accessing groundwater financing

Challenge 1. Under-capacitated public sector institutions: Many public sector institutions in the region have low capacity to deliver their core business, let alone develop time-consuming funding proposals. Preparing project proposals is also costly, thus institutions cannot always allocate sufficient resources to develop these sufficiently.

Challenge 2. Low levels of knowledge with regards to funding: The necessary knowledge of how to access funding and to see what funding is for, is low.

Challenge 3. Misalignment between objectives: The objectives of funding applicants and those of ICPs are frequently misaligned.

Challenge 4. Budgetary and regulatory constraints: Such constraints can restrict or prevent officials from adequately procuring for groundwater projects, or inhibit the establishment of public-private partnerships, which are often critical to the success of a project.

8 Challenges to accessing groundwater financing

Challenge 5. Poor data interpretation and inadequate translation of science: This is a significant challenge for project bankability. Applicants often assume that the lack of data is inevitable, instead of focusing on interpreting what is available and translating this into a strong scientific base to underpin the proposal. Successful projects rely on a strong evidence base – which the funders need to see.

Challenge 6. Inadequately addressed political constraints: Political constraints mostly manifesting themselves through misaligned priorities at different governance levels, or across different sectors, or even between citizens and government. A local population may, understandably, see increased employment as a much higher priority than cooperative groundwater governance and thus may not endorse the project.

Challenge 7. Difficult-to-meet investment criteria: The criteria laid down by ICPs can be very prescriptive and narrow. A major barrier to accessing finance in Africa is the inability of applicants to meet ICP criteria. This is often because ICPs and applicants are driven by different agendas. Limiting the focus of projects (e.g. by prescribing that a project must focus on either grey or green groundwater infrastructure) can result in constraints that make it difficult for projects to combine interventions and benefits, thus reducing the synergies between different aspects of groundwater development.

9 Challenges to accessing groundwater financing

Challenge 8. Low levels of stakeholder ownership: Stakeholders and project beneficiaries are often under-engaged in the development of projects, with detrimental results. Stakeholders and beneficiaries need to be fully engaged from the beginning, with the project idea (the origination stage). If they don't share the enthusiasm of the developer and ICP for the project, they are more likely to be an obstacle than an asset. Beneficiaries are central to the long-term sustainability of the project beyond the funding or development lifecycle. So, if their full engagement is not planned for and acquired from the beginning, the project can easily fall apart.

Challenge 9. Inadequate consideration and mainstreaming of Environmental and Social Safeguards (ESS), Gender and Monitoring and Evaluation (M&E) issues in designing the project: Due consideration of cross-cutting issues such as ESS and Gender, or of how these can and should be mainstreamed in project design and implementation, can negatively impact on the success of an otherwise good proposal. Additionally, M&E is often not considered effectively in proposals, negatively affecting their success.

THANK YOU
Enjoy the Special Session

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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



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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

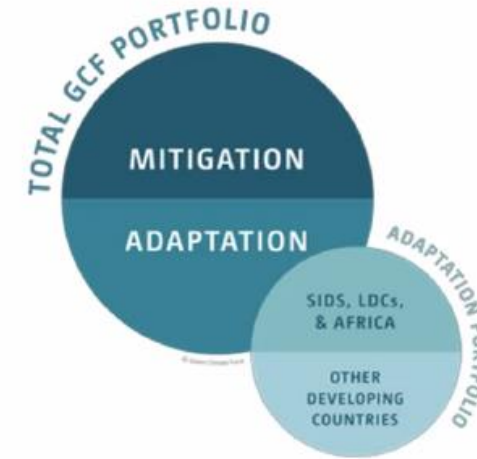


GCF Investment Criteria



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



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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



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