SOUTH
SOUTH
NORTH
TOWARDS CLIMATE RESILIENCE

# SACFP3 Regional Learning Forum

## Workshop Report

4 November 2021

*This workshop report is an output of the Southern Africa Climate Finance Partnership (SACFP). This work was carried out with the aid of a grant from the International Development Research Centre (IDRC), Ottawa, Canada. The views expressed herein do not necessarily represent those of the IDRC or its Board of Governors, or of the entities managing SACFP. For more information and further guidance on the use of this material; please contact: sacfp@southsouthnorth.org.*

## Introduction

The Southern Africa Climate Finance Partnership (SACFP) held its first Regional Learning Forum under Phase 3 of the programme (funded by the International Development Research Centre, IDRC) on 4 November 2021. The convening of Regional Learning Forums (RLFs) is a core activity of the SACFP as it presents a unique opportunity for the programme's focus countries to learn together and share their experiences of grappling with and implementing climate finance. The spectrum of experience in this regard provides a platform for rich learning in order to build the region's collective capability to programme climate finance at scale.

This RLF looked to connect and network the core group of the SACFP community of practice, which includes the following six institutions: CRDB Bank Tanzania, Development Bank of Namibia, FBC Bank Zimbabwe, Infrastructure Development Bank of Zimbabwe, National Development Bank of Botswana, Zanaco Bank Zambia. The focus of the RLF was to:

- Connect with the Green Climate Fund's (GCF) Deputy Director of External Affairs;
- Engage with the findings of the latest IPCC Working Group 1 6th Assessment Report, and what the climate science means for Southern African financial institutions; and
- Network with colleagues from the core group of six institutions and from other Accredited Entities in the region, such as the South African National Biodiversity Institute, Development Bank of Southern Africa and the Environmental Investment Fund of Namibia.

Given the restrictions associated with the COVID19 pandemic, the forum was convened online.

## GCF at a glance

Dr Ania Grobicki, the Deputy Director of External Affairs at the GCF, provided an overview of the Fund, its policies, strategic targets and the progress that has been made in supporting climate action in developing countries since inception. The Fund's total portfolio of commitments is currently around $10 billion, of which 2 billion has been dispersed to projects on the ground, while 6.1 billion is currently being implemented. Since inception, the GCF has managed to improve upon the time taken to approve projects. Currently, the approval process takes less than a year.

The main purpose of this session was to encourage engagement and allow for participants to ask GCF-related questions. Given the recent accreditation of two of the entities present at the meeting, guidance was sought with regard to next steps for newly accredited entities. Entities were advised to start developing their entity work programmes as early as possible. These should be built on the basis of the relevant country work programmes, NDCs and NAPs. It was emphasised that the GCF strongly encourages countries to channel readiness funding towards creating integrated investment plans on the basis of which a pipeline of projects can be built.

A number of questions were raised regarding readiness support for direct access entities to meet accreditation requirements. It was advised that the least onerous route is for entities to first seek minimum accreditation as a delivery partner, involving completion of the financial management capacity assessment (FMCA), and then to start engaging the National Designated Authority (NDA) to garner support to submit a readiness proposal. This puts entities in good stead for preparing for full accreditation.

Another challenge that was expressed during the discussion is clearly being able to distinguish between climate and development interventions and articulating a climate rationale in concept notes. This has been a key area of concern for the GCF and there is recognition that the kind of data required by the Fund's Independent Technical Advisory Panel isn't always available in-country, thus jeopardising the ability of entities to motivate for a particular climate intervention. In order to address this, the GCF is currently engaging with the World Meteorological Organisation to find a way forward that is workable and acceptable to the Board. There is an effort to reach an agreement that broadens the scope of data that can be used in the articulation of a climate rationale. In addition, the GCF Secretariat has established its own Community of Practice which is available to support accredited entities in developing technical considerations in concept notes and proposals (e.g., formulating a climate rationale or calculating tonnes of $CO_2$ avoided).

An area of interest for participants was the concept of local currency lending by the GCF. At the moment, a policy looking at this issue is being developed and will be addressed at one of the Fund's Board Meetings in 2022.

## IPCC AR6 Report Summary

SouthSouthNorth's Roy Bouwer and Julio Araujo presented a summary of the IPCC Working Group 1 contribution to the 6th Assessment Report that was released in August 2021. This latest report summarises the most up-to-date physical science-based understanding of the climate system and climate change. Some of the key messages that were highlighted that are of particular relevance to southern Africa include the likelihood that the region will warm much quicker than the rest of the world, with more frequent and longer duration heatwaves. Rainfall is also set to decrease and the duration of dry-spells will likely become longer. Where there is rainfall, this will likely be heavier, increasing the risk of flood events.

Given the banking sector-orientation of the participants, the speakers stressed the importance of understanding and considering these climate projections when making investment decisions. While the Working Group 2 report (due to be released in February 2022) will provide more detail on the impacts of climate change, the speakers broadly outlined the possible implications of the climate projections for future and current investments in the region. Sectors and areas highlighted as particularly vulnerable include agriculture, hydro-power, water supply and construction.

The speakers also introduced the Working Group 1 Interactive Atlas as a useful tool when considering investments. The Atlas allows the user to look at more detailed and regionally specific projections for climate variables that may be of particular relevance for a certain investment. For example, in the case of a potential agricultural investment, one could look at the temperature stress likely to be faced by crops in a particular region.

The speakers acknowledged that the broad scale of the IPCC reports means that they are not always appropriate in the decision-making context. They are helpful for identifying risks within current and future investments, but deeper risk assessments will often need to be done. There are other data repositories that can be used to obtain more refined and regionally specific information when one is looking at a particular intervention.

## Reflections and Next Steps

During a debriefing session after the RLF, the team harvested the following reflections:

- It was felt that the RLF lacked some of the dynamism that characterised previous in-person RLFs under SACFP2. This was in part due to the difficulties associated with hosting online meetings and connectivity issues in the region. In order to save bandwidth, participants were encouraged to keep their cameras off and microphones muted in plenary. As a result, one attendee noted that the meeting had felt controlled rather than convivial. A recommendation for the next RLF is to have one or a few moments during the meeting where all participants have their videos on.
- Speaker representation needs to be improved. While there was diversity in terms of male and female voices included in the agenda, future RLFs need to include racial diversity in the speaker line-up.
- It was felt that the team could be more realistic with regard to time and the amount of content that can be covered. Given the longer than anticipated rich engagement by participants during the question sessions following the "GCF at a Glance" and the "IPCC AR6 Report Summary" presentations, there was not enough time to cover the full agenda. In order to finish on schedule, the planned 'Knowledge Harvest' session had to be cut from the agenda. It was an unfortunate loss because this session would have provided an opportunity for more dynamic participation by participants.
- Given the participants' interest in the session on the IPCC Working Group 1 report, it was suggested that the next RLF could focus on the Working Group 2 report, which is due to be released in February 2022. The month of April (after the Practitioner Training Course) was suggested as a good time to host the next RLF.

## Annex 1: List of institutions present at the RLF

- CRDB Bank Tanzania
- Development Bank of Namibia
- FBC Bank Zimbabwe
- Infrastructure Development Bank of Zimbabwe
- National Development Bank of Botswana
- ZANACO Bank Zambia
- Development Bank of Southern Africa
- South African Government
- South African National Biodiversity Institute
- Environmental Investment Fund of Namibia
- International Development Research Centre
- Green Climate Fund Secretariat
- SouthSouthNorth

## Annex 2: Agenda

| Session | Start time (SAST) | End time (SAST) |
|---|---|---|
| Welcome | 09h30 | 09h35 |
| Opening remarks: Dr Kathryn Toure, IDRC Regional Director, Eastern and Southern Africa | 09h35 | 09h40 |
| Speed networking | 09h40 | 09h45 |
| Keynote address: Dr Ania Grobicki, Deputy Director of External Affairs, Green Climate Fund | 09h45 | 09h55 |
| Keynote engagement | 09h55 | 10h10 |
| Break | 10h10 | 10h15 |
| IPCC AR6 Report summary | 10h15 | 10h30 |
| Questions on the IPCC report | 10h30 | 10h35 |
| Knowledge harvest: "Beyond GCF accreditation, what challenges do southern African financials actors face in mobilizing finance flows for climate action?" | 10h35 | 10h45 |
| Reflection | 10h45 | 10h55 |
| Farewell | 10h55 | 11h00 |