



## The Southern Africa Climate Finance Partnership

# Catalyzing Climate Finance for the Southern African Development Community

## Executive Summary Annual Report

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## Introduction

The Southern Africa Climate Finance Partnership (SACFP) is a multi-country, knowledge sharing and capacity enhancement platform facilitated by SouthSouthNorth (SSN) since 2016. The SACFP seeks to advance national and regional collaboration through programmatic knowledge and innovation brokering. The core focus of the SACFP is to improve access to and implementation of catalytic sources of climate finance, from the likes of the Green Climate Fund (GCF), to attract and enhance investments that address national climate change priorities. Phase III of the SACFP programme (March 2019 - February 2023) is resourced through funding from the International Development Research Centre (IDRC) and is referred to in this report as the project.

This summary report covers the second year of delivery of SACFP III from April 2021 to April 2022. The report is divided into two sections. The first section covers the technical findings of the programme over this period. The second section covers the progress made against the programme's results framework in each of the Activity Areas. For more information on the structure of the programme and the focus of each Activity Areas, refer to the final section of the report covering the Programme Structure.

## Technical Report Summary

### Putting knowledge brokering and applied research into (community of) practice

Through a comprehensive stakeholder mapping and capacity needs assessment process, the first year of the project established a firm, demand-led basis for the design of programmes of work (support roadmaps) for six core focus institutions (Core Group 1) in the Southern Africa region. Core Group 1 (CG1) consists of six financial institutions seeking accreditation to the GCF, most of which have an existing relationship with the project team as part of the SACFP community of practice, this includes:

- CRDB Bank Tanzania (CRDB) - *Recently accredited*
- Development Bank of Namibia (DBN)
- FBC Bank Zimbabwe (FBC)
- Infrastructure Development Bank of Zimbabwe (IDBZ) - *Recently accredited*
- National Development Bank of Botswana (NDB)
- Zanaco Bank Zambia (Zanaco)

The second year of the project built on the foundations established in year one, and enabled the team to give life to the process of facilitating knowledge brokering and applied research within and across each of the CG1 institutions in the community of practice.

The team began to address stakeholder needs through several knowledge brokering interventions, including peer-to-peer learning engagements, the provision of technical assistance, the delivery of a climate finance practitioner training course. The research agenda for the project was finalised and several research projects initiated to take advantage of the abovementioned knowledge brokering interventions as a means for gathering data, generating assumptions, developing solutions, and testing solutions in practice.

The practitioner training course presented an opportunity to extend and deepen the community of practice through the launch of the course. Where traditionally the programme has worked closely with only one or

two key climate finance champions in each of the six institutions, the training programme has extended this by offering up to six individuals for each institution an opportunity to engage and collaborate.

The final period of the project (March 2022 - Feb 2023) now presents an opportunity to capture the learning from the research and knowledge brokering interventions, in the form of research outputs and knowledge products, for the benefit of the community of practice and the region as a whole.

## Progressing the research agenda

The second year of the project leveraged iterative knowledge brokering interventions with key stakeholders to further refine the research themes identified during year one of the project. The team developed research questions for distinct research projects to be conducted by the project's applied research team, these are:

*What are the barriers and enablers for accessing international climate finance in Southern Africa?*

*What barriers do Southern-African institutions seeking GCF access and implementation face in relation to GESI-mainstreaming?*

Primary research for each of these research projects has been conducted, linked to knowledge brokering interventions being delivered under the programme. Further research and validation is on-going. Emerging findings are included in detailed progress updates as part of the SACFP III Annual Report 2022. In addition, a group of four postgraduate students are undertaking further research projects through the support of the project. The students are each at varying stages of their research process. A full elaboration of their progress is provided in the SACFP III Annual Report 2022.

## Activity-based Progress Report Summary

### Summary of Activities and Outputs

#### Overarching

In the second year of the project the team focussed on assisting CG1 entities to address their emerging needs (per the institutional support roadmaps) across each of the three project Activity Areas. In so doing, relations within the community of practice were advanced, both by deepening existing relationships with champions in each institution, as well as widening relations within each institution to a bigger group of practitioners.

Stakeholders continued to respond well to virtual engagements as COVID 19 pandemic response measures limited travel and face-to-face engagement. The deeply-focused, collaborative engagement achieved in immersive, multi-day workshops, such as the SACFP Learning Journey events, is simply not possible to recreate meaningfully in the digital world. The team looks forward to the prospect of engaging in-person at the planned RLF event in September 2022.

### **Activity Area One: Applied Research**

The project has elements of applied research woven into it across all of the activity areas. In many ways, Activity Area One is intended to spearhead some capstone outputs of the SACFP III but the ultimate realisation of the Theory of Change requires applied research to be infused throughout the knowledge brokering approach taken in each activity.

In addition to the progress outlined in the section above pertaining to the Research Agenda, several key outcomes have come to the fore through the knowledge brokering approach. Two such examples are:

- The head of investments of one of the CG1 entities engaged the SACFP team to assist with his PhD approach and possible framing questions. The SACFP team are offering him in-kind support and drawing in partners from UCT's academic team working on the Practitioners Training Course. This type of engagement is a positive development given some of the short and medium term outcomes of the SACFP KPI framework.
- A Southern African university is in conceptual discussions with a Direct Access Entity regarding designing and offering a climate finance Masters degree. This degree would be offered in collaboration with credit-based, *in situ* training at the Entity itself. The conceptual discussions were borne from discussions emanating from activities sparked by the programme.

### **Activity Area two: Capacity enhancement**

A total of 38 practitioners from 6 CG1 entities enrolled in the pilot offering of the Climate Finance Training Programme. The course is using a dynamic teams-based, design-thinking approach to empower participants to start to identify opportunities to unlock climate positive investments.

Emerging knowledge on the latest climate science and developments in climate finance shared with CG1 entities at the Regional Learning Forum and the FBCH's "Climate Positive Agenda" webinar.

Two youth interns provided continued support to work at the EIF with two additional youth interns being considered as possible for a CG1 entity.

### **Activity Area three: Targeted Technical Assistance**

In collaboration with a technical expert, the SACFP team engaged with the executives and senior leadership of four CG1 entities and buy-in was attained to undertake an analysis of their existing strategy and policy frameworks against key strategic elements of climate finance to determine the gaps and opportunities for mainstreaming climate finance into their organisational strategies. Draft findings for each institution were workshopped with key stakeholders and the final findings presented in the form of a report for each of the four institutions, in some instances presented to executive leadership.

Based on express demand from two CG1 entities, namely, DBN and IDBZ, the SACFP team undertook an extensive gap analysis of the policies and procedures of each of the institutions against both the requirements of the GCF's Gender Policy as well as emerging best-practices. The results of the analysis were validated through internal workshops and presented as a final recommendations report.

The SACFP supported an analysis of the existing DBN procurement policy in relation to the GCF's procurement standards and international best practice. The outcome of the analysis was presented to

DBN and approved by the executive. Further, the SACFP Team supported the DBN in facilitating an institution-wide workshop to identify such projects to be included in the GCF accreditation application.

The SACFP provided technical input to the development of the terms of reference for two positions that the FBC intended to fill, the team were able to enhance the FBC's understanding of the expectations of potential hires for trainees versus mid-level positions requiring knowledge and experience of climate finance.

The SACFP Team worked together with the IDBZ to scope the needs of the institution in relation to gaps identified in various aspects of the institutional policies, procedures and knowledge. In collaboration with a technical expert, the SACFP Team has been providing targeted technical training in the form of workshops to the IDBZ Resource Mobilisation team, as well as members of other strategic departments (e.g. credit, legal, compliance). Targeted technical assistance was provided through the review and assessment of IDBZs policies and procedures. A Diagnostic Gap Analysis was undertaken to identify specific key gaps within IDBZ's policies when reviewed and benchmarked against the GCF standards and policies. In addition, at the request of the IDBZ, the technical expert reviewed the terms of reference for a newly established Compliance Review and Mediation Department.

The SACFP provided support in scoping the development of the CRDB Entity Work Programme (EWP), as well as development of a Climate Finance Manual, and ESS screening tool for use in assessing initiatives and funding proposal requests.

## Closing

As the second year of the programme draws to a close, the SACFP team can reflect on a highly focused, adaptive and collaborative year of cementing relationships with focus institutions and its community of practice in the region, and delivering valuable knowledge and innovation brokering support. Highlights for the team include commencing primary research under the thematic areas of the programme's Research Agenda, continued support of the three Masters students and one PhD candidate in their pursuit of studies focused on climate finance; the hosting of a Regional Learning Forum which brought together the programme's community of practice; the development of a tailored Climate Finance Practitioner Training Course that is currently being delivered; the support of two interns at the Environmental Investment Fund of Namibia; and the deployment of technical expertise to assist partner institutions in identifying opportunities for mainstreaming climate finance and GESI in developing institutional strategies and policy frameworks.

After another year clouded by the pandemic, the SACFP team has managed to work creatively to maintain a close-knit community of practice and support both externally with stakeholders, and internally within the team. As the team looks forward to the third year of the programme, a number of initiatives continue but there is a focus on brokering operational/functional knowledge into applied research. Moreover, there is a re-commitment to do so in line with the core principles of the SACFP programme to: remain independent and impartial, to be responsive to needs, to enable practitioners to problem-solve, to connect the community of practice and to be authentically Southern-led..

## Programme Overview

The activities and interventions of the SACFP III programme are grouped according to three Activity Areas, namely:



**Activity Area One: Applied Research** - Identify knowledge gaps pertaining to barriers and enablers for accessing and implementing international climate finance and avenues for overcoming constraints through knowledge brokering; and sharing of emerging lessons through a suite of academic research papers and practitioner-targeted knowledge products.



**Activity Area Two: Capacity Enhancement** - Build the capacity of practitioners to develop and implement financially feasible and socially responsive climate-related projects through the piloting of a formal practitioner-training programme with a partner academic institution, facilitating peer-to-peer learning exchanges and the expansion of youth internship programmes in key institutions.



**Activity Area Three: Targeted Technical Assistance** - Facilitate learning engagements between institutions and technical experts to understand the emerging policy and process constraints and collaboratively develop solutions through the adoption of innovative tools, resources and strategic approaches, informing on-going research.

The foundation of this programme is through the SACFP III theory of change (Figure 1 below). The Theory of Change presents both the theoretical and methodological approach of the programme. Furthermore, a set of principles from the “lens” through which the programme team executes on delivery tasks.<sup>1</sup>

The programme is unique in that it leverages the Community of Practice (CoP) established in the first two phases of the programme, and the trusted relationships between key stakeholders and the SACFP delivery team, to bring research to the interface where practitioners are dealing with challenges of accessing and implementing international climate finance. It seeks to deliver applied research by linking researchers to knowledge brokering interventions that assures that the research topics and outcomes are demand-driven and highly, practically relevant.

<sup>1</sup> The principles include being Independent, Responsive, Enabling, Connecting and Southern-led.

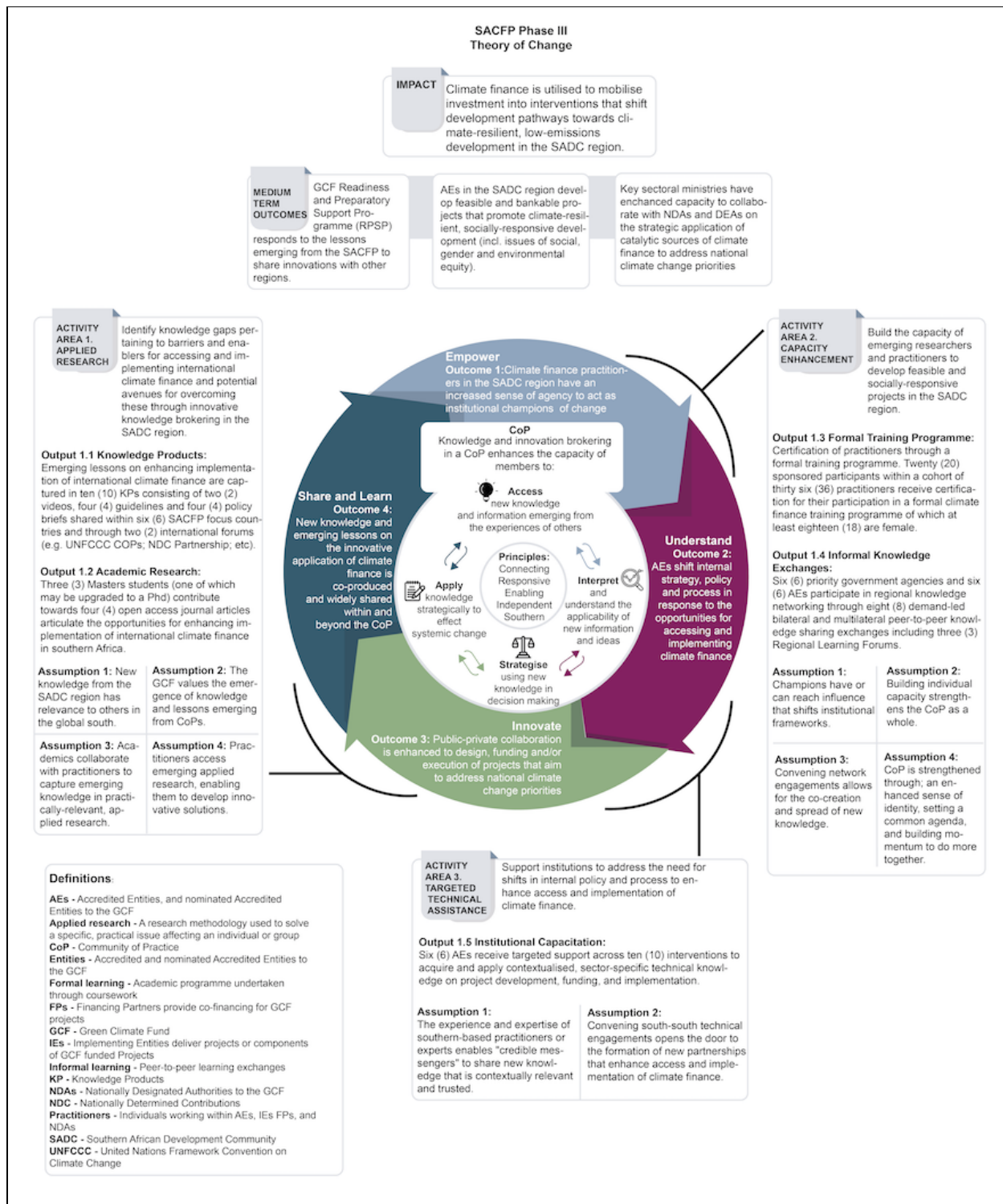


Figure 1: SACFP III Theory of Change