



Knowledge for Climate Finance Mobilisation

Codifying Climate Finance Access Constraints

*A case study of southern African institutions seeking to mobilise GCF
resources*



The Southern Africa
Climate Finance Partnership

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Climate Finance and the role of the GCF in southern Africa

Africa remains one of the regions most impacted by climate change, despite its proportionately small contribution thereto. These impacts are expected to increase with severe subsequent economic and socio-economic costs. At the same time, the costs of adapting to these impacts far outweigh available finance. The adaptation costs alone for sub-Saharan Africa are estimated at USD 14-109 billion each year, which represents 0.82–6.34% of regional GDP (UNEP, 2022). More than ever, the need to access the finance required to meet the needs of African countries, and to meet the goals of the Paris Agreement is a critical necessity. The focus on the Green Climate Fund (GCF), as one of the main operating entities of the financial mechanism of the Paris Agreement is increasingly necessary, as developing countries require financial support to implement their NDCs, most of which are conditional on access to finance and means of implementation. Taking into consideration the multiple development challenges facing countries in the region, including unemployment, poverty, food security, all of which are exacerbated by climate change, and more recently the COVID-19 pandemic, access to catalytic multilateral finance like the GCF is of paramount importance. Africa's special needs and circumstances means that not only is access to climate finance a necessity, equally important is the application and alignment of these funds to meet these multiple challenges.

In pursuing access to climate finance from the GCF, entities seek to become accredited as Direct Access Entities (DAEs) to channel the flow of catalytic climate finance to begin addressing national climate change priorities. The GCF's accreditation process for DAEs is based on the 'fit for purpose' approach. This approach promotes the identification and matching of appropriate entity capacity with the relevant GCF requirements at several categories of accreditation. Becoming accredited as a DAE is often seen as the only gateway to accessing the GCF, one that takes significant time and resources to pass through; for example, establishing the various institutional policies and procedures to meet GCF requirements.

The GCF's project cycle refers to two key documents that are subject to the GCF Secretariat's due diligence process for funding requests: namely, the concept note (i.e., lighter touch, description of broad ideas) and the full proposal (i.e., detailed focus, full description of activities). In this regard, the reader can pause and reflect on the status of the project pipeline with regards to DAEs within Africa:

- As of 31 August 2022, 40% of the GCF's concept note pipeline were those submitted by Direct Access Entities representing 32.1% (USD 4955.9 million) of the total volume of funding being requested. 44.8% of all GCF concept notes covered activities within African States.
- Meanwhile, 34% of the GCF's proposal pipeline were those submitted by Direct Access Entities representing 24.7% (USD 1220.1 million) of the total volume of funding being requested. 39.7% of the total funding for all GCF activities are for those being proposed to be implemented in African States.
- Evidently, the majority of GCF concept notes and proposals are not being developed by national DAEs but by international organisations. This trend plays itself in relation to the disbursements of funds: *"The 89:11 ratio of portfolio under implementation split in volume terms between International Accredited Entities (IAEs) and DAEs was reflected in the disbursements. Cumulative disbursements to projects under IAEs were USD 2.1 billion, while DAE-managed projects received disbursements of USD 0.3 billion"...* up until the year ending 2021.
- As at February 2023, there were 72 DAEs in total, including only 7 DAEs institutions in southern Africa. Of the USD 4 billion Africa portfolio (85 projects), only 27 projects have been submitted by African based DAEs. Of these 27, only seven of these have been submitted by national or regional DAEs based in southern Africa.

Broadly speaking, as noted by the Secretariat: *"since the inception of GCF and up to 30 September 2022, the GCF Board has accredited 113 entities, of which 71 are fully accredited by having signed and made effective their AMA with GCF and by completing the accreditation or re-accreditation process. By having at least a signed AMA, AEs are eligible to submit projects or programmes for Board consideration. Yet of the 113 entities accredited, only 51 AEs (45 per cent) have an approved project/programme."* Within this context, there has been an observed need to reassess the Fund's Accreditation Strategy for a number of reasons. However, one reason has been that insufficient numbers of national DAEs presents a significant obstacle towards ensuring national ownership of, and the enhancement of local institutional capacity to contribute to, the implementation of low emissions, climate resilient development. The GCF Board has taken decisions to try to correct the under-representation of Direct Access Entities in the accreditation and concept note/proposal pipeline.

Entities recognise that achieving GCF accreditation is an arduous process. It is therefore necessary that entities give strategic consideration to alternative approaches for more readily accessing GCF resources. In addition, the independent synthesis of the GCF's Accreditation Function make a recommendation to the GCF Board to "re-examine the role of accreditation within the GCF" provides further impetus for institutions to critically consider the role of accreditation in achieving the strategic goals of the institution and unlocking GCF finance.

This outlines an important point, namely, that whilst accreditation is a significant challenge for entities in the Global South, it is but the first of many obstacles they face in trying to mobilise GCF resources for their countries. Having the requisite institutional and individual capacity for project identification, development and implementation are critical for efficient and swift access to the GCF. Understanding and addressing the wide array of capacity constraints DAEs and nominated entities seeking accreditation are faced with is therefore a critical concern for the southern Africa region.

Research context: The Southern Africa Climate Finance Partnership

Given the novelty of Green Climate Fund (GCF) processes, there is a dearth of available literature pertaining to the nature of capacity constraints experienced by entities seeking to mobilise GCF resources, and the opportunities for overcoming them. Consequently, Phase III of the Southern Africa Climate Finance Partnership (SACFP) implemented by SouthSouthNorth African (SSN) with support from the International Development Research Center (IDRC) set out to examine and codify capacity constraints of this nature and to test this codification through three years of programmatic knowledge brokering support. This was undertaken through the formation and facilitation of a community of practice made up of nine entities at various stages of mobilising climate finance in southern Africa.

The codification of internal constraints to climate finance mobilisation is part of the applied research agenda undertaken by the SACFP. This body of work seeks to build an enhanced understanding of the factors for [scaling the impact of climate finance mobilisation efforts](#) in the region. The findings have relevance for institutions elsewhere in the world seeking to achieve similar goals.

The report begins with a summary of the lessons surfaced through an examination of all of the constraints identified in the study. It then proceeds to outline each of the constraints in more detail, as experienced at an individual practitioner and institutional level.

The final section of this report describes the detailed process undertaken by the SACFP implementation team to codify these constraints, through the utilisation of knowledge brokering within a community of practice as an applied research methodology.



Emerging lessons pertaining to the internal constraints for climate finance mobilisation

Change management processes are inherently complex, and when organisations and individuals enter into unexplored knowledge terrains such as climate finance, what will be encountered along their journey of change is largely unknown to them. The interconnected nature of climate change impacts across environmental and socio-economic systems, and how we as society respond thereto, presents as a complex challenge for those organisations coming to understand for the first time what their roles and responsibilities are. This is especially true for the individuals within these organisations tasked with leading such processes.

For southern African Financial institutions, mobilising climate finance represents a major evolution of their ordinary course of business. Where they historically play the role of project financiers taking on board bankable investments brought to them for consideration (i.e as Project Takers), as Green Climate Fund (GCF) Direct Access Entities (DAEs) specifically, they are required to source, develop, implement, and monitor & report on climate projects (i.e as Project Makers).

The shift from Project Takers to Project Makers is significant, and needs to be supported both by top-down organisational strategy, policy change and procedural adjustment, as well as through bottom-up resourcing and capacity development.

A strategic shift is also required from viewing climate change solely from a risk-based approach to also viewing it from an opportunity-based approach. Where climate change was at all addressed previously by organisations, it was mostly from a risk-based perspective, and whilst work remains to be done to include more detailed climate-risk appraisal processes, organisations seeking to mobilise climate finance need to make the opportunity presented by catalytic climate finance, through accessing and blending concessional finance, a strategic priority. Whilst leaders in these institutions have this awareness, it remains to be filtered through the rest of the organisation through strategically directed shifts in organisational culture, policy, and practice.

Individuals beginning to play a variety of roles as climate finance practitioners, stemming from various institutional departments, need to be brought together in new teams, and capacitated to undertake new functions individually and collectively. Where existing internal capacity is insufficient, strategic new hires are required. Making the business case for new hires as a prerequisite for accessing new streams of finance (climate finance) however, is a challenge.

Leaders require access to new knowledge to assist them in navigating this changing business environment. The novelty of climate change and its implications for financial institutions means that most leaders in organisations seeking to mobilise climate finance are unprepared to define, navigate and overcome the complex capacity constraints their organisations face without access to knowledge to empower their decision making.

Interpreting GCF compliance requirements into new or revised policies and procedures requires experience with the application of GCF mechanisms; where new policy and procedural mechanisms are required, entity staff will only develop the applicable knowledge and skills in due course, post-implementation. Whilst GCF policies and guidelines specify “what” they require, they do not specify “where” these requirements should be housed within each organisation’s unique policy and procedural frameworks.

Novel climate finance practitioners require enhanced technical skills and knowledge pertaining to project identification and climate rationale, financial structuring using novel instruments such as blended finance, project appraisal including climate risk assessment, Gender and Environmental and Social Safeguards (GESI), as well as monitoring and evaluation. There are currently no formal training programmes offering detailed training on the practical aspects pertaining thereto.

Gender mainstreaming requires a shift from internal to external facing gender policy, and a further shift from solely risk-based, to more responsive and developmentally transformative opportunities-based approaches. Gender issues have up to now been mostly considered a risk factor, as part of social risk management practices (i.e gender sensitive approach), the GCF gender policy however, represents growing good practice towards mainstreaming a proactive gender focus as part of furthering the positive developmental potential of all projects/investments (i.e gender responsive or gender transformative approaches).

Internal capacity constraints experienced by entities seeking to mobilise GCF resources

Institutional Constraints

National Cooperation

National Direct Access Entities (DAEs) and entities nominated for accreditation to the GCF need to maintain productive relationships with the National Designated Authority (NDA) and other government focal points, such as sectoral ministries, to achieve coherence between their investment planning and national climate change priorities. Specifically, moving from accreditation to implementation requires such strategic cooperation to identify projects that address national climate change priorities and explore opportunities for public-private partnerships.

Working with recently accredited DAEs reveals that additional capacity and capability is required to translate key government planning mechanisms, such as NDCs, national adaptation plans, and sectoral climate plans, into a set of clearly defined and targeted investments that are both bankable and feasible for the DAE to execute (i.e project pipelines). This translation would ultimately result in some form of institutional climate investment strategy or in the case of the GCF, what is referred to as an Entity Work Programme. Whilst an Entity Work Programme is no longer a compliance requirement for DAEs, it stands to reason that they still require some form of planning mechanism that fulfils this function. Whilst recently accredited entities have generally brought climate related expertise into their banking teams in order to pass through accreditation, capacity and capability to develop such planning mechanisms is generally not available in-house.

In the case of GCF funded projects specifically, in theory, there is a logical “trickle down” of national priorities from planning mechanisms such as NDCs, national adaptation plans, and sectoral climate plans into a GCF Country Programme, which in turn should give steer to DAEs for the development of their Entity Work Programmes. However, in many cases, GCF Country Programmes have yet to be developed (usually the responsibility of the NDA) and so this logical chain cannot be strung together neatly. Further, in instances where GCF Country Programmes have been developed, there are often gaps and inconsistencies between the Country Programme and other government plans, such as sector plans, which need to be resolved. Without the guidance of a Country Programme, or close, facilitated ties to sectoral ministries, it remains for DAEs to determine their investment strategies and assure alignment with national plans, on their own. This is further complicated by the fact that in many instances, and particularly for commercial entities, DAEs do not hold relationships and the ability to easily convene engagements with sectoral ministries for the necessary co-creation to ensure coherency and buy-in. Consequently, there is a great reliance on cooperation between the DAE and the NDA such that the NDA is able to convene engagements with sectoral ministries.

Once priority investment areas are defined, DAEs need to communicate these by publishing their investment strategy (or GCF Entity Work Programme) and undertaking an open procurement process where private sector partners in the form of project Executing Entities, and private sector co-investors can be identified. Being required to work in these ways with national role players and the private sector represents a significant shift from business as usual for financial institutions taking on the role of DAE. Where ordinarily they are project funders, investing in bankable ideas brought to them, they now instead need to be project developers, going out and identifying opportunities and developing them into bankable projects.

Key remaining capacity constraints:

- NDAs require knowledge and capacity to act as internal knowledge brokers, between sectoral agencies and DAEs, to develop GCF Country Programmes, and identify project pipelines. Importantly, they need to have the convening power that ensures that sectoral ministries attend, and send suitably positioned individuals to participate in collaborative planning engagements.
- DAEs require in-house capacity or key partnerships (perhaps with academic institutions) to be able to develop their climate investment strategy (i.e Entity Work Programme) and project pipeline.

Strategic Integration

DAEs need to understand the innovative opportunities unlocked by catalytic sources of international climate finance and how to align these opportunities with their mandate and overarching organisational strategy. Once an understanding is achieved, this needs to be built out into a coherent vision for the institutional response to climate change from both a risk-based and an opportunities-based perspective, ultimately resulting in the development of an associated climate investment plan or strategy for the institution.

At the outset of Phase III of the SACFP, there was generally low levels of institution-wide understanding of the “business case” for investing in GCF accreditation and in particular, the institutional capacity building required to attain access to climate finance. Already accredited entities expressed the importance of having not only the buy-in from people in key leadership positions, such as their CEOs, but for there to be organisation-wide understanding of what was being targeted and why. For this, they expressed the need for the integration of climate finance into organisational strategies to provide top-down steer across the organisation.

Having conducted several assessments of organisational strategies in the SACFP community of practice during the course of Phase III of the programme, common trends have emerged. Entities seeking accreditation typically have had little to no mention of climate change in their organisational strategies, and if it is addressed at all, it tends to be from a risk-based approach, and not from an opportunities-based approach. Exposing senior leadership to the growing number of overlapping trends relating to climate change and responsible investing, as well as the opportunities presented by catalytic climate finance, has enabled organisations to see the value and importance of including strategic responses thereto in their strategy documents.

The approach of conducting a gap analysis and providing a custom report per entity was an effective approach and in many instances opened the door for and found the SACFP team invited into executive committee and board meetings to present findings, and in some cases invited to be part of strategic planning sessions. For some institutions this has directly resulted in updates to their strategy documents (with the inclusion of new targets etc.), whilst others will be updating their’s in due course and we hope to see the mainstreaming of climate change and climate finance therein.

Mainstreaming climate change and climate finance into strategy documents, particularly at the level of identifying targets and KPIs, and allocating mandates accordingly, finds itself competing with a long list of organisational priorities. In some instances it was communicated to us that it was difficult to include all the suggested targets at once, as this would represent a massive change in focus for the organisation. A step-wise approach to mainstreaming is therefore required, and should be recognised and treated by organisations as being part of a change management process. The Development Bank of Southern Africa (DBSA) for example, approached the mainstreaming of climate finance as part of a broader organisation-wide culture shift promoted by the CEO, where greater effort was placed on advancing the developmental impact of the Bank’s investments. The importance of focussing on developmental outcomes links climate finance to the broader role of financial institutions as good corporate citizens with high impact potential.

Key remaining capacity constraints:

- DAEs and those seeking accreditation require further leadership, knowledge and skills to understand the emerging opportunities climate change and climate finance represents in a quickly shifting world.
- Senior staff require capacity building support to enhance their ability to guide their organisations through change management processes in order to be prepared to take full advantage of the opportunities climate finance presents.

Organisational Coherency

The complex additional due diligence and compliance requirements of providers of climate finance need to be translated and incorporated into organisational policies and procedures; and various departments need to be capacitated to act in accordance therewith and to collaborate across departments/teams in new ways. This is particularly true for matters such as gender mainstreaming, project appraisal, climate risk assessment, and monitoring and evaluation.

Our initial findings revealed that at the outset of Phase III many institutions pursuing GCF accreditation remained largely unaware of how to interpret and apply certain of the GCF requirements to their organisational frameworks. Whilst some entities, particularly development finance institutions, were familiar with requirements such as the IFC's Performance Standards, newer good practices such as those reflected in the GCF's Gender Policy were less well understood. Though the GCF's Gender Policy Guidelines are explicit on "what" they expect, they are not prescriptive about "where" in an institution's policy and procedural frameworks these should be reflected. Dealing with issues of Gender Equity and Social Inclusivity (GESI) is a new area of concern for most financial institutions, and understanding how to integrate/mainstream these issues is a challenge, particularly where new expertise has not yet been brought on board.

Phase III of the programme saw the SACFP supporting entities to undertake a GESI gap analysis and provided recommendations for organisations to bring about the required alignment. Whilst all organisations had been addressing gender related matters in their policies and practices, for the most part these were inward-facing measures dealing with issues such as employment equity and remuneration. In most instances, prior to pursuing GCF accreditation, entities have not developed and implemented external-facing policies relating to promoting GESI in the projects they develop or the investments they make, and typically did not require the trickle down of their gender provisions into the contractual arrangements with service providers. Where external-facing policies were in place, most tended towards being solely risk-mitigation focussed; ensuring that projects/investments did not perpetuate further inequality i.e they were GESI sensitive. Assisting organisations to move towards GESI good practice includes bringing about a shift in policy and practise such that entities move from solely a risk-based approach to also including an opportunities-based approach. Opportunities-based approaches seek to identify and develop projects/investments that are responsive and potentially transformative to GESI issues.

A further specific area where policy alignment is required relates to the development and implementation of climate risk assessment and management procedures. Financial institutions face a variety of risks in relation to climate change, including, physical, transition, liability, reputation, and regulation risks. These need to be assessed effectively at appraisal and managed throughout the lifecycle of a project/investment. Furthermore, monitoring, evaluation and reporting procedures for projects/investments need to be developed, and role players in various departments need to be capacitated to execute effectively. Ensuring that the mandates for each of these aspects are in place, and that staff are capacitated to execute individually and collectively is an area of on-going capacity development.

Key remaining capacity constraints:

- Entities seeking accreditation, and those accredited with conditionalities need to develop and implement new effective policies and procedures relating to GESI, climate risk, procurement, and monitoring, evaluation and reporting.
- Staff need to be capacitated to individually and collaboratively implement new policies and procedures.

Resourcing

Progressing through the accreditation process, and ultimately accessing and implementing climate finance, is difficult to achieve without a team of dedicated personnel appointed with clear mandates and KPIs for the relevant tasks. The three key aspects to this constraint are the need for staff with mandates that include a dedicated focus on climate finance in their job descriptions and KPIs; and further the need for a team of individuals to cover the various complicated aspects instead of the expectations all falling on a single person; and finally the need for these individuals to have the necessary skills and capacities to undertake their allocated functions (addressed under individual constraints below).

Whilst in many cases entities seeking accreditation have appointed a champion to drive the required processes, these individuals are often given this as one amongst many responsibilities competing for their time and energy. In most cases, these champions have a primary mandate in their job description and KPIs that does not include climate finance mobilisation. Consequently, they communicated a sense of being unable to fully commit to the accreditation process. They further communicated a sense of being “alone” in the organisation, as they proceed to try to develop their understanding of the requirements for mobilising climate finance there are, in most instances, no other individuals with climate finance experience to turn to for support. In these instances, being able to reach out to other practitioners in the community of practice was found to be particularly helpful.

The DBSA’s experience of pivoting their existing Innovative Investments Team towards climate finance and the GCF was seen by them to be a clear enabler for the fast pace at which they were able to become accredited and begin implementing climate finance. Justifying the appointment of new hires specifically for climate finance is a hard sell. Where organisations have no experience of climate finance projects, there is very little institutional awareness of what expertise is required or the business case for how salaries for new hires would be covered. Whilst GCF project administration fees can be utilised to offset salaries, there is a multi-year time lag between an entity starting the accreditation process and having their first project approved and funding dispersed. However, as the experience of the Environmental Investment Fund of Namibia (EIF) demonstrates, once the first project is approved, the same team is able to develop and implement multiple projects over time, and the project administration fees begin to stack up, making a viable business case provided the momentum can be sustained. The time lag and funding gap however remains a challenge for most entities seeking accreditation. Some entities such as FBC Holdings have overcome this challenge by developing a Sustainable Financing Unit that acts across all of the Group’s operations to promote sustainable investments and their Climate Positive Agenda. The executives of the bank see the value in investing in a well capacitated unit to drive this broader scope of work whilst they at the same time work specifically to progress through the GCF accreditation process.

The business case for staff resourcing is however, not entirely resolved after project approval. For instance, the South African National Biodiversity Institute (SANBI) has been successfully implementing GCF projects for several years. They have identified a financial sustainability risk where several projects end at the same time and new projects under development have yet to be approved by the GCF. Consequently, there is a period where there will be no financial resources available to cover staff time, though staff are still needed to develop new projects.

This is a concern in which the current institutional arrangements between DAEs and the GCF have not made provision for. Under the GCF Readiness Support Programme (a particular stream of grant finance made available to countries by the GCF) it is possible to fund consultants to undertake bodies of work, but it is not possible to fund DAE staff salaries, even where such funding gaps emerge.

Utilising a teams-based approach to the climate finance practitioner training course offered to entities under Phase III of the SACFP, we were able to provoke internal discussion and engagement leading to the appointment of attending teams, and through the activities of the course, facilitate an understanding of the various roles and functions and their relation to one another. Practitioners point to this feature of the programme as being particularly useful.

Key remaining capacity constraints:

- Entities require that their resourcing needs be factored into their strategies and implementation plans. Whilst certain capacity is required for accreditation, further capacity will be required for project development, implementation, and then ultimately monitoring and reporting.
- Executives require further engagement to understand the nature of the resourcing required, the business case for investing therein, and the strategic approach for doing so in a financially sustainable manner.
- DAEs require support from the GCF to cover staffing costs, such as the hiring of new gender specialists in support of accreditation, as well as in instances where gaps between the implementation of approved projects may emerge and there is a shortfall to cover the salaries dedicated GCF project staff.

Partnerships

Partnerships offer several key opportunities to expedite climate finance access and implementation. They enable the building of track records of implementation to support accreditation applications, and provide demonstrable business cases for climate investments that can advance institution-wide buy-in for requisite internal changes. However, most institutions remain unaware thereof and are not pursuing partnerships strategically.

Whilst national direct access is a laudable goal for climate finance, this is a goal that has not yet been reached in all countries in southern Africa. However, there are regionally accredited entities such as AfDB, DBSA, FAO, and UNDP, that are able to develop projects for GCF funding. There exists therefore a clear opportunity for entities seeking GCF accreditation to partner with regional accredited entities to develop and implement projects as Executing Entities in their countries. There are further opportunities to provide co-finance and invest in projects delivered by other accredited entities. As well as, opportunities to partner with NDAs as GCF Readiness Support Programme Implementing Partners. These opportunities are explored in detail in our knowledge brief on Routes to GCF Access on the [SACFP Knowledge Portal](#).

Currently, the region lacks any noteworthy examples where such partnerships have been implemented effectively with nominated DAEs as executing entities and/or co-financiers. The GCF could do more to promote these forms of partnership.

Knowledge sharing and capacity building partnerships are also an important opportunity to advance climate finance mobilisation, as demonstrated by the SACFP. The GCF requires all accredited entities to provide capacity enhancement support, and to this end the SACFP Technical Reference Group made up of DBSA, EIF, and SANBI have all been extremely generous and effective members of the community of practice; eager to share knowledge and experience in bi-lateral or multilateral settings with national DAEs and nominated DAEs. Their participation is a key enabler of this capacity needs assessment process that informed the three year programme of work to support capacity enhancement activities by the SACFP in the region.

As explored in the section above on the National Cooperation constraints, other important partnerships include close working relationships with NDAs, sectoral ministries, and industry bodies, in order to identify and develop bankable project pipelines in line with national climate change priorities.

Further important partnerships that DAEs would benefit from strategically approaching include working with national academic institutions. The need for access to and the ability to translate data (particularly for adaptation projects) is a critical area where universities can be of assistance. Furthermore, bringing certain expertise on board from project development and implementation is a strategically useful approach where justifying salaries for new hires is not yet financially feasible, and where objective input is required. Gender mainstreaming expertise is a good example of this.

Key remaining capacity constraints:

- The region would benefit from the GCF doing more to promote and demonstrate partnerships that help to build national DAE experience and capacity; such as requiring that regional Accredited Entities partner with national level entities seeking accreditation or implementation experience.
- Entities require support to begin to identify key partnerships, and include these in their organisational strategies and implementation plans.
- Executives require further enhancements to their understanding of the opportunities presented by taking a strategic approach to partnerships.
- The region as a whole stands to benefit from on-going knowledge sharing and capacity enhancement.

Individual Constraints

GCF Responsiveness

Individuals driving the entity accreditation process need to establish strong working relationships with key regional contacts from the GCF who are accessible and responsive. In particular, they require the assistance of regional contacts to undertake the review of the submission materials and provide advice thereon prior to submission, thereby saving time and reducing transaction costs associated with having to resubmit.

Noting the varying regional circumstances and contexts, the GCF has established regional representatives to provide direct support to NDAs and DAEs, and in particular, to those institutions seeking accreditation to the GCF. This is an important aspect of enhancing access to the GCF given its remote geographical location, headquartered in Songdo, South Korea. At the time of writing, the Secretariat has a pipeline of more than 140 applicants that have submitted applications for accreditation, and a portfolio of 113 accredited entities, many of whom are now seeking re-accreditation. As guided by the GCF Board, the priority of the Secretariat is re-accreditation applications to avoid gaps between accreditation terms. The GCF Secretariat has a significant workload and a large pool of accreditation processes to run.

During the course of Phase III of the SACFP, wherein several institutions in the region were at various stages of their accreditation application process, the important role of the regional contacts and critically, the availability and accessibility of these GCF contacts became increasingly apparent. The SACFP found that entities who were able to acquire timely feedback from GCF regional contacts on queries that they had prior to submission, were better able to respond to the accreditation requirements within their organisational contexts. For example, being better able to discern which aspects of the requirements are a hard prerequisite for accreditation, versus requirements that could be fulfilled or met at a later point in time (i.e conditionalities).

Having worked with several entities seeking accreditation at the same time, the SACFP has identified that, while establishing direct relationships with regional contacts is important to respond to individual needs, often times entities are grappling with similar challenges and there is therefore also a lot of benefit to having GCF regional representatives engage counterparts representing different entities in more coordinated/shared platforms. As such, the SACFP made a concerted effort to ensure that, where possible, GCF's regional representatives attended and contributed to regional learning forum events hosted by the SACFP. This was well received, particularly by the institutions new to the accreditation journey who would not as yet have established these direct relationships with GCF regional contacts and could use the learning forums as an opportunity for doing so.

Establishing direct contact with key regional contacts from the GCF is also a necessary part of ensuring that the experiences of regional institutions reach the GCF headquarters and can contribute to shaping the way the GCF is accessed and delivered in the region. As such, the SACFP also sought ways to engage with the GCF directly with a view to share lessons learned in delivering the programme at the very least, and potentially inform the GCFs Readiness Programme Results Framework more broadly.

Key remaining capacity constraints:

- Entities seeking accreditation require strong working relationships with NDAs to assist them in establishing direct relationships with key GCF regional contacts.
- The GCF could establish regular regional platforms to build relationships with and amongst institutions undergoing the accreditation process and those unsure of their role in terms of GCF access. The Regional Learning Forums convened and facilitated by the SACFP provides well tested model to draw from.

Adopting Strategic Approaches

Individuals acting as the initial champions for GCF accreditation for their institutions need to develop a clear roadmap or strategic plan to address the gaps between their existing institutional policy and procedural frameworks and the requirements of the GCF. Such a plan can assist other members of staff to see and understand what the process is and what is expected of them, in order to foster the collective buy-in necessary to usher in such a large degree of institutional change in a relatively short amount of time. This is difficult when such champions and staff have little to no climate change related experience. This was found to be the initial baseline for all entities within the SACFP's community of practice. Such a situation is a particular challenge for the initial champions who, in almost all circumstances examined, have no internal peers or senior staff members to provide them with guidance for operating in an entirely new knowledge and practice space. Working with external peers can provide an opportunity to inform and develop such a plan.

Individuals championing access to the multilateral finance from the GCF, and the accreditation process in particular, need to have an understanding of the detailed and stringent accreditation requirements, as well as an awareness of the intensity of the process. Over the course of the implementation of the SACFP, there has been a generally observed initial sense of naivety regarding the intensity of the process, in particular the amount of effort required by champions to usher in the requisite institutional change. Most initial champions are given this responsibility as one amongst many other work priorities competing for their time and attention. As they begin to understand the full scope of work required, they have often expressed a sense of being overwhelmed. Furthermore, our experience working with individuals in the region is that whilst they often have personal goals for meeting funder requirements, for example a set date for submission of the accreditation application, the achievement of these goals is dependent on the cooperation of other departments and/or other institutional bottlenecks.

Whilst accreditation occupies the central goal, institutions are generally unaware that there are other routes towards accessing climate finance. Exploring such alternative or concurrent routes has a range of benefits; as articulated in the SACFP knowledge brief on Routes to GCF Access available on the [SACFP Knowledge Portal](#). Incorporating these alternative avenues allows for the ushering in of institutional change in a more phased and practical manner, in which a wider group of internal stakeholders can begin to be exposed to elements of climate finance pertaining to their areas of operation. Adopting a more strategic approach to climate finance access, one that includes the utilisation of multiple, alternative routes, can create positive feedback loops for the institution and ultimately contribute to attaining GCF accreditation.

In developing a more thorough understanding of the scope of work, as well as an awareness of the various routes to climate finance mobilisations, champions can be empowered to develop and adopt a clearer, more feasible roadmap to pursue. Adopting such a strategic approach, and communicating the roadmap to the wider organisation, has been shown, by the experience of those in the SACFP who have done so, to advance institutional buy-in and cooperation, and drive institutional coherency, as explored in more detail above. In delivering the programme, we found that where the departments responsible for establishing the necessary frameworks and policies are not fully on board with the accreditation process, champions often experience frustrating delays in progressing the accreditation process. Where this scenario remains for an extended period of time, in some instances up to three years, a sense of institutional apathy towards the process can set in, and therefore negative feedback loops may emerge.

In operationalising a strategic plan towards accreditation, various technical knowledge and capacity constraints of novel climate finance practitioners emerge. These are explored in more detail below.

Key remaining capacity constraints:

- Individuals championing climate finance mobilisation require knowledge of the full scope of the accreditation process, and the alternative/concurrent routes that exist, in order to empower them to develop and lead a clear and strategic approach or roadmap for their institution.
- Champions require assistance to develop internal roadmap to meet accreditation requirements, given that they do not have the necessary experience to inform such on their own. They further need the buy-in of this roadmap across the organisation.

Agency

The goal of mobilising climate finance resources requires institution-wide effort and commitment. Individuals championing resource mobilisation and implementation require a clear and direct mandate to do so. The development of clear scopes of work for inclusion in job descriptions, as well as the integration of individual and business unit KPIs, can advance the sense of individual and collective agency required to drive a coherent and effective approach to climate finance mobilisation.

Whilst individuals acting as institutional champions are doing so with expressed support from the relevant levels of management, it is often the case that this mandate is not formally included in their existing scope of work. As a result, staff may be tasked with climate finance responsibilities over and above their typical job description, and because of this, are more likely to prioritise other aspects of their work. This creates bottlenecks and creates negative feedback loops where addressing requests from their colleagues lag or remain unaddressed, frustrating the process and other individuals involved. In practice, this manifests in situations, for example, where individuals feel that they do not have the necessary agency to call meetings with and/or request documents from colleagues in other departments or business units. There is consequently a need to formalise roles and responsibilities and put clear KPIs in place. Doing so empowers practitioners, and ensures that their growing responsibilities are recognised and appreciated as being part of a wider organisational goal to mobilise climate finance. This links back to the need to mainstream climate finance into the organisation, from the strategy level, down to the operational level. This is a challenge because undertaking formalisation processes requires an understanding of the full scope of work for the organisation. Most entities seeking to play a role as a national DAE have no experience in climate finance mobilisation, and so require external support to understand and articulate the internal changes that need to be made.

Key remaining capacity constraints:

- Novel climate finance practitioners require the inclusion of new responsibilities in their job descriptions and KPIs, individually and as teams.
- Executives would benefit from understanding how to operationalise the institutional climate finance mandate, translating it into clear job descriptions, KPIs and directives that provide individual champions with the agency to drive mobilisation of climate finance.

Internal Cooperation

Individuals require the cooperation of various departments and role players in order to implement new activities and processes associated with climate finance mobilisation. Having clearly articulated departmental and interdepartmental processes is foundational thereto. Specifically, establishing new business units with existing or new staff members to work collaboratively as a team engaging in climate finance was recognised as being a critical success factor for the mobilisation of climate finance. However, given that climate finance is generally a novel area of business practice, most organisations seeking to become a national DAE do not have institutional knowledge of the scope of internal changes required, and are unclear at the outset as to what such operating arrangements should look like.

The SACFP observed that the ability of novel climate finance practitioners to make progress towards their objectives is largely dependent on the timely receipt of input and/or information from colleagues. One of the key observations is that mobilising GCF resources requires the participation of different units; such as deal origination teams, risk departments, procurement departments etc. Institutions successfully mobilising climate finance point to the establishment of dedicated teams and cross-functional business units as being a critical success factor. This requires that the relevant business have the necessary level of understanding of their new roles and functions and how they relate to other internal roleplayers. Such knowledge can be attained slowly, in a piecemeal process of learning-by-doing, but this stands to frustrate and slow down efforts. Learning from other entities who have already mapped and implemented such changes presents an opportunity for a more strategic approach to ushering in change for an organisation. Key to overcoming this constraint is an internal strategy driven by the executives. The strategy needs to extend to ensure the clear articulation of policies and procedures that outline roles and responsibilities of the various business units that are ultimately responsible for the operationalisation of the strategy.

Key remaining capacity constraints:

- Novel climate finance practitioners need clearly articulated processes that outline necessary institutional arrangements and procedures for collaborating internally to achieve climate finance mobilisation goals.
- Institutions are challenged to develop new procedures and arrangements without the practical experience of having mobilised climate finance, and individuals tasked with guiding the development thereof require external support to do so.
- Executives and boards need enhanced capacity to ensure that as part of their institutional strategy, they develop a plan that guides the evolution of operational procedures to promote the necessary internal cooperation.

Technical Knowledge

Novel climate finance practitioners need to attain new, detailed technical knowledge and skills pertaining to the various facets of climate project identification, planning, financing and implementation. This is in-line with the shift in institutional practice from “project taker” to “project maker”. There are currently no formal training programmes offering detailed training on the practical aspects pertaining thereto. Key knowledge gaps include project identification and climate rationale, financial structuring using novel instruments such as blended finance, project appraisal including climate risk assessment, Gender and Environmental and Social Safeguards (GESI), as well as monitoring and evaluation.

Individuals taking on various roles pertaining to climate finance mobilisation for their institution communicated a sense of being challenged to attain new knowledge, skills and experience. As a point of departure for the professional development journey practitioners embark upon, they are required to come to terms with what their knowledge and skills deficits are. This is difficult for them to attain on their own, as this knowledge is at first an “unknown unknown”.

The experience of the SACFP has demonstrated that, whilst these novel climate finance practitioners are initially apprehensive, in the right context their apprehension can quickly turn to excitement. Bringing practitioners together to develop their understanding of their individual roles, as well as how climate finance processes will require them to work together, provided opportunities for inspiring changes in perspective. This allowed for their level of awareness to move into becoming “known unknowns”, and thereby opened them up to the prospect of learning and developing. Engaging with more experienced climate finance practitioners in other organisations who play similar roles was found by them to be notably beneficial. As was demonstrating case study examples of successful climate finance projects in the region. Putting teams together to conceive of their own illustrative project concepts was pointed out by practitioners as being a useful way to help them see the potential impacts they can attain.

Working with banks in the region, in particular commercial banks, revealed specific knowledge deficits. For example, working with project metrics that are typically not utilised in the context of profit making investments, such as gender and environmental and social safeguards. For more information on this specific constraint, please refer to the publication on the SACFP Knowledge Portal. Further technical training needs centre around the articulation of climate rationale for projects, financial structuring of blended finance, developing a Theory of Change, as well as establishing and implementing monitoring and evaluation systems; presenting novel territory for which technical assistance is required.

Furthermore, it became evident that even on aspects of project funding that are well known to these institutions, for example risk assessments and financial structuring, new ways of approaching these aspects and identifying climate solutions and the financial models and structures to implement these in ways that integrate climate considerations is necessary.

To respond to these needs, the SACFP programme developed and implemented a Climate Finance Practitioner Training Course which was delivered in partnership with the University of Cape Town. The course set out to address many of the constraints identified in this document. The Practitioner Training Course MEL document provides more information on the delivery of the training programme and lessons learned.

Key remaining capacity constraints:

- Entities in the region would benefit from doing an institution-wide capacity needs assessment in order to identify the limitations in individual capacities requires to support the institutions ability to unlock finance
- Novel climate finance practitioners require general and specialised training on key technical components of climate finance mobilisation, including, project identification and climate rationale, financial structuring using novel instruments such as blended finance, project appraisal including climate risk assessment, Gender and Environmental and Social Safeguards (GESI), as well as monitoring and evaluation.

Expressed desire for further capacity enhancement support

The third phase of the SACFP provided an opportunity to identify and codify the internal constraints which organisations seeking to mobilise climate finance in southern Africa are facing. The knowledge brokering aspect of the SACFP sought to test a variety of interventions that could begin to address the identified constraints in a programmatic way, with a focus on the advantages of doing so within a facilitated community of practice.

Monitoring and evaluation interviews conducted with key stakeholders at the end of Phase III of the SACFP has revealed the degree to which these interventions have made a meaningful impact. The programme has successfully contributed to the enhancement of capacity and capability amongst a group of novel climate finance practitioners in southern Africa. They have, to various degrees of success, been able to overcome the constraints they face. At the very least, they have been able to identify and understand what these constraints are, so that they can take action to address them in the future. Two entities attained GCF accreditation during Phase III of the SACFP and attribute the programme with significantly assisting them to achieve this. All stakeholders interviewed felt that they would not have progressed their climate finance mobilisation goals to the degree they have were it not for their participation in the SACFP. Whilst stakeholders have made professional connections with fellow practitioners that will continue to be of benefit to them in the future, having an external organisation host and facilitate activities for the community of practice was seen to be a continuing need.

The SACFP delivery team found that the codification of internal capacity constraints provided a useful mechanism for informing the design and delivery of knowledge brokering interventions across the duration of the programme. Revisiting this codification following three years of implementation has allowed for the collective understanding gained by the team to be further synthesised. Given the on-going demand for knowledge brokering within the SACFP community of practice, the delivery team looks forward to applying the lessons learned in this phase, in a further phase of the programme. The programme has demonstrated a methodology that can be applied to continue to serve the needs of a growing community of climate finance practitioners in southern Africa seeking to scale the impact of climate finance mobilisation in the region.

Annex 1: Knowledge brokering as an applied research methodology

The Southern Africa Climate Finance Partnership (SACFP) is a knowledge brokering programme facilitated by SouthSouthNorth (SSN) since 2016. The programme seeks to enhance the capacity and capability of organisations to access and implement (i.e. mobilise) climate finance to build the resilience of the southern African region. The mobilisation of GCF resources (as one of several climate finance avenues) is a common interest of several organisations in the region. Through established relationships with the GCF National Designated Authority (NDA) in each of the relevant countries, the SACFP has received support to work with national DAEs and entities pursuing DAE accreditation, forming the programme's Community of Practice (CoP).

The core group of the SACFP's CoP is made up of:

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

The SACFP provides a platform for iterative engagement amongst organisations in the CoP seeking a common goal, and allows for the surfacing and validation of common experiences relating to constraints to climate finance mobilisation and opportunities for overcoming them. Doing so enables the co-creation and codification of new knowledge directly from the on-the-ground experience of practitioners operating in new, little-explored knowledge terrains where academia is yet to have formalised the articulation of new knowledge.

For lessons learned in the application of knowledge brokering, please see the forthcoming publication on Surfacing Learnings from Knowledge Brokering for Climate Finance Mobilisation available on the SACFP Knowledge Portal website.

Through funding support provided by the International Development Research Center (IDRC), SSN has been able to facilitate a further three years of the SACFP (SACFP Phase III) from 2020-2023. A key focus area of Phase III of the programme was the codification of constraints experienced by practitioners seeking to advance climate finance mobilisation (particularly from the GCF) for their organisations. Programmatic and iterative engagement across several knowledge brokering activity areas provided an applied research methodology for the programme.

These activities included:

- Conducting a capacity needs assessment (CNA);
- Facilitating peer learning in bilateral and multilateral settings;
- Forming of a technical reference group made up of organisations already successfully programming climate finance in the region;
- Providing targeted technical assistance by identifying and deploying regional experts; as well as,
- Development and delivery of a formal practitioner training programme with a local academic institution.

The CNA was conducted at the outset of Phase III of the programme. It included a survey, followed by a multistakeholder validation workshop, as well as key stakeholder interviews with each of the core organisations in the CoP. For a full list of CNA engagements see Table 1 below.

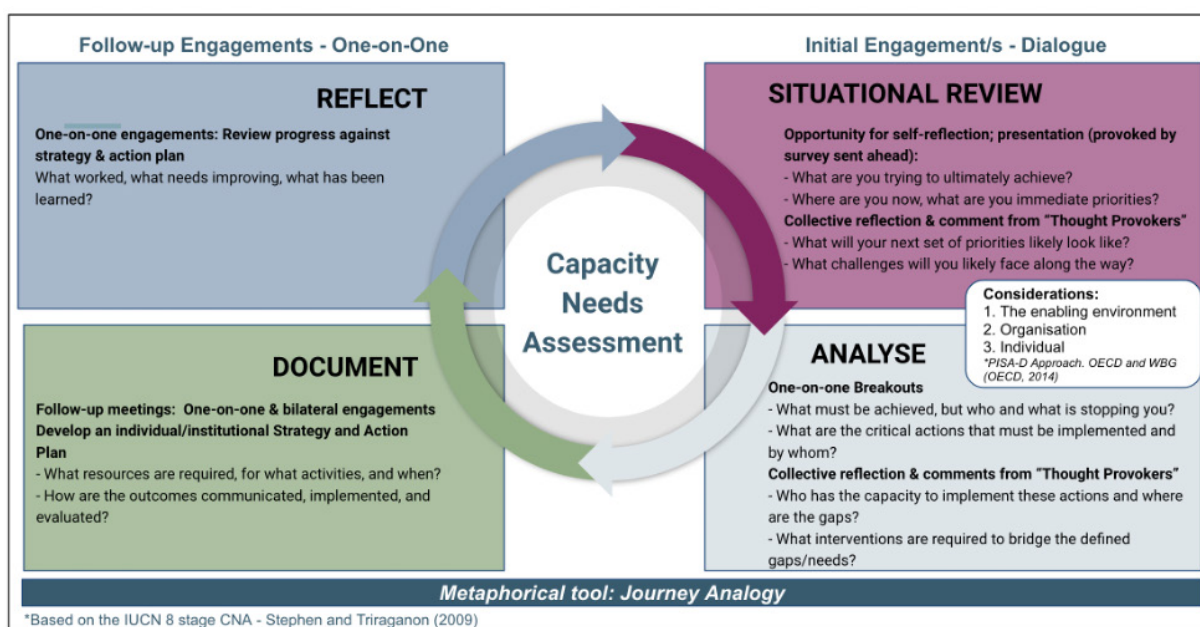


Figure 1: SACFP III CNA methodological approach

A key aspect to the methodology of the CNA, was to leverage the knowledge of more experienced (already accredited) entities operating in the region as “thought provokers” in key informant interviews and multi-stakeholder engagement settings. These entities would later form the technical reference group for the programme through the completion of memorandums of understanding between them and SSN, to support the CoP. These entities included:

- Development Bank of Southern Africa (DBSA)
- Environmental Investment Fund of Namibia (EIF)
- South African National Biodiversity Institute (SANBI)

Other organisations engaged with in the validation of the initial findings of the CNA process included:

- African Centre for the Green Economy (AfricGE)
- African Development Bank (AfDB)
- Consortium of African Funds for the Environment (CAFE)
- GCF Secretariat

The application of an adapted Johari Window model allowed for the surfacing and organising of capacity constraints information that was either broadly known by individuals and institutions, or information that can be said to be “known unknowns” (i.e they know what they don’t know) as well as “unknown unknowns” (i.e they don’t know what they don’t know). The Johari Window framework was developed by psychologists Joseph Luft and Harry Ingham in the 1950s as a tool for understanding and improving self-awareness and interpersonal relationships. Since its inception, the Johari window has been widely used in the field of psychology and has been applied to a variety of settings, including group therapy, team-building, and leadership development. However, the Johari window has also been utilised in other fields outside of psychology. It has been used in fields such as management, organisational development, and human resource management to improve communication and collaboration within teams and organisations.

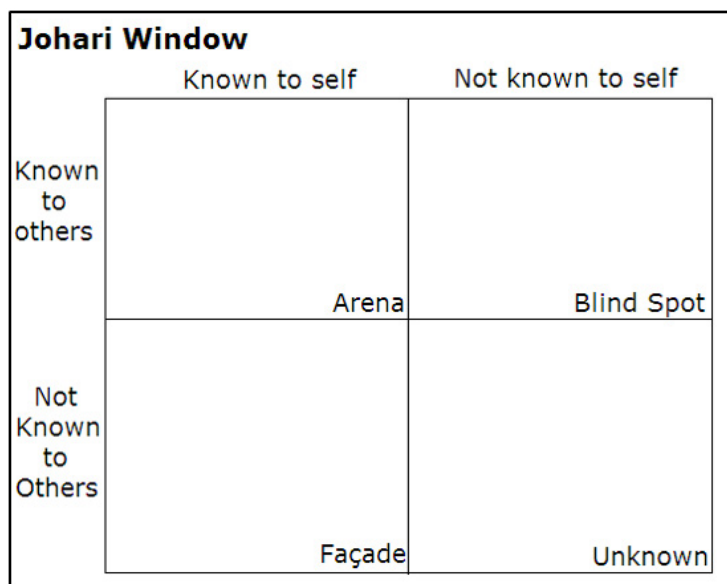


Figure 2: Johari Window Framework, [Wikipedia](#)

The capacity constraints as identified and validated by the CoP were organised and categorised into an analytical framework. As a departure point, the analytical framework distinguishes between internal capacity/capability constraints within the organisation's sphere of control and influence, and those external barriers (broader political economy issues) that are beyond their direct sphere of influence.

The external barriers were seen to require further research and thus formed part of the research agenda for Phase III of the programme. For a detailed exploration of the external barriers, the reader is directed to the forthcoming publication on the SACFP Knowledge Portal website.

The internal constraints could be further organised into a framework that distinguishes between the constraints pertaining to individual practitioners, as well as those pertaining to the organisations more broadly. The framework furthermore describes those constraints that are more operational in nature and those that are more strategic in nature.

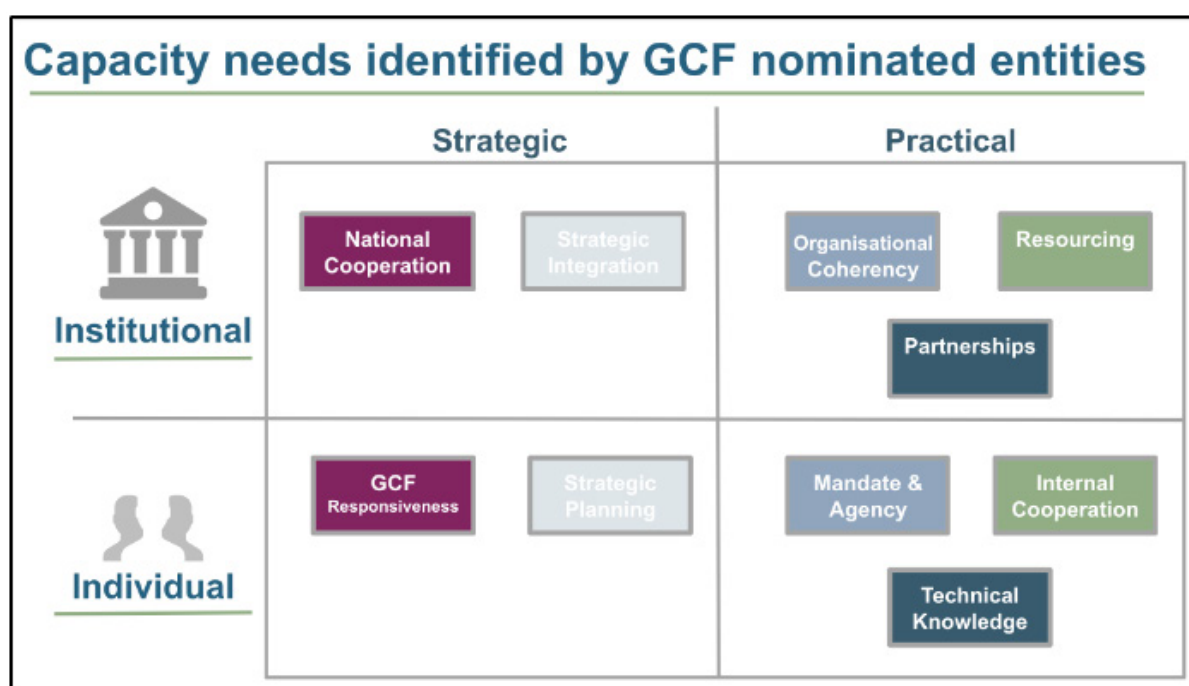


Figure 3: Capacity constraints as identified by GCF nominated entities

Based on the capacity/capability constraints identified and validated by practitioners, the programme team were able to devise custom support roadmaps outlining the activities and interventions to be undertaken with each of the core organisations in the CoP, to both further explore the nature of the constraints in more detail, as well as to surface, apply, and begin to test, possible solutions for overcoming those constraints. In delivering these interventions throughout the three years of Phase III, and in assessing the experiences of practitioners/organisations in relation thereto, the programme team was able to further refine the findings of the initial CNA.

Summary of CNA engagements

Engagement type	Key stakeholders	Other attendees
Reference Group interviews: One-on-one key-informant interviews with already accredited GCF entities to explore obstacles and opportunities for climate finance access, associated needs, and to test interest in forming part of a reference group for the programme.	• Development Bank of Southern Africa (DBSA) • Environmental Investment Fund of Namibia (EIF) • South African National Biodiversity Institute (SANBI)	SSN
CNA Workshops: Two multi-stakeholder dialogues with nominated GCF AEs to explore research and capacity needs using the CNA methodology outlined above.	• DBN • FBC • IDBZ • ZANACO	DBSA EIF SANBI SSN
Validation Webinar: A dialogue-focused webinar presenting initial findings of the CNA for validation and input by a wider group of stakeholders.	• AfriCGE • AfDB • CAFE • EIF • GCF Secretariat	67 Participants from 19 countries
One-on-one follow-up engagements: Two one-on-one follow-up engagements to validate and customise Strategic Support Roadmaps for institutions to address capacity enhancement over the course of the programme.	• FBC • DBN • IDBZ • NDB • ZANACO	SSN

Table 1: Summary of CNA engagements

¹Annual portfolio performance report (2021). GCF/B.34/Inf.11/Rev.01. Available [online](#).

²GCF Africa Fact Sheet & author's own calculations. Available [online](#).

³At the time of publication, these seven included: [CRDB Bank PLC](#), [Development Bank of Zambia](#), [Environmental Investment Fund](#), [Infrastructure Development Bank of Zimbabwe](#), [South African National Biodiversity Institute](#), [Zambia National Commercial Bank PLC](#), and the [Development Bank of Southern Africa](#).

⁴Status of the GCF pipeline, including the status of Project Preparation Facility requests. GCF/B.34/Inf.02. Available [online](#).

⁵Accreditation strategy of the Green Climate Fund. GCF/B.34/27. Available [online](#).

⁶Annual Report of the Independent Evaluation Unit for 2020. GCF/B.28/INF.06. Available [online](#).



Acknowledgements

This report was written by Michael Gerhard and Charlotte Ellis, with grateful input by Blaise Dobson, Kate Cronin, and Xoliswa Ndeleni. The SACFP team also wish to extend their gratitude to all the stakeholders of the SACFP who have contributed so eagerly to the research activities of the programme. These stakeholders are at the forefront of mobilising climate finance for their countries and we are inspired by their willingness to learn and grow as champions for climate action.

This report has been prepared by SouthSouthNorth (SSN), under the third phase of the Southern African Climate Finance Partnership project (SACFP III). SACFP III is a programme funded by the International Development Research Centre (IDRC). The views expressed and information contained in this document are not necessarily those of or endorsed by IDRC or the entities managing the delivery of SACFP, which can accept no responsibility or liability for such views, completeness or accuracy of the information or for any reliance placed on them. This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, the entities managing the delivery of SACFP do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it. Management of the delivery of SACFP is undertaken by SouthSouthNorth.

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