

FUNDING FOR CLIMATE CHANGE INTERVENTIONS

1. BILATERAL FUNDING OPPORTUNITIES

The UK Government supports the International Climate Fund through which a support initiative called Building Resilience and Adaptation to Climate Extremes and Disasters (BRACED) has been developed. Developing countries can access funding for projects that improve resilience to climate change, institutional strengthening and disaster risk reduction. Support is provided for poor and vulnerable people in developing countries in this SAHEL and Sub-Saharan Africa regions. Comprehensive guidelines for accessing funding under BRACED can be obtained from the BRACED project office or the nearest DFID offices.

The UK government is also supporting a Climate Resilient Infrastructure Development Fund (CRIDF) aimed at supporting local institutions with preparing bankable projects for climate change mitigation across the SADC region. While CRIDF itself is not a financing package or a source of funding it is an important intervention to support the building of capacity among regional entities to mitigate the impacts of climate change.

The German government also supports climate change mitigation and adaptation through the support it provides under the International Climate Initiative. As with support for biodiversity, potential beneficiaries respond to an annual call for proposals using the template that is accessible of the Initiative's website. The template guide applicants through the application process. Applicants from the developing world are encouraged to collaborate with German Technical Cooperation Agencies in preparing proposals for funding.

The German government through GIZ also runs a working group on climate financing through which support is provided to countries to access international funding for use in preparing for accessing the Green Climate Fund and enhancing the countries' capacity to manage climate finance. The working group supports countries that implement projects at national and trans-boundary levels. The support to trans-boundary water resources management such as is being provided to the SADC region falls under this programme.

The United States Government through USAID also provides funding for building resilience to climate change in river basins. Currently the Agency is funding programmes in the Limpopo River Basin through which national and trans-boundary projects aimed at enhancing the resilience of communities to climate change impacts. Community groups can access small grants to fund livelihood enhancing activities like small scale irrigation schemes. In the Okavango basin USAID is supporting local initiatives aimed at introducing small scale community activities targeting climate resilience. The project is also supporting the development of the river basin institution for sustainable management of this iconic wetland ecosystem which also serves as a carbon sink of international significance.

The Lifeweb Initiative that is supported by the CBD Secretariat also supports climate change mitigation initiatives especially at community level. Although the focus is on biodiversity conservation, the initiative has implications for climate change through establishing carbon sinks in protected areas.

2. MULTILATERAL FUNDING OPPORTUNITIES

Name of Fund	Note	Focus	Proposal	Challenges	Sources of Information
Green Climate Fund (GCF)		Adaptation, Mitigation, Combinations	<ul style="list-style-type: none"> • Concept note: 5 pages to test for chances (optional) • Full proposal: 20 plus pages • Simplified Approval Process, SAP 	Some chapters challenging: <ul style="list-style-type: none"> • Logframe • Paradigm shift potential • Exit strategy • Impact Potential • Efficiency and effectiveness 	https://www.greenclimate.fund/home
Adaptation Fund (AF)		Adaptation	<ul style="list-style-type: none"> • Concept note: 5 pages to test for chances • Full proposal: 20 plus pages 		https://www.adaptation-fund.org/
Least Developed Countries Fund (LDCF)	1	Adaptation	<ul style="list-style-type: none"> • Concept note • Full proposal 		https://www.thegef.org/sites/default/files/publications/23470_SCCF_1.pdf
Special Climate Change Fund (SCCF)	2	Adaptation, Mitigation, Combinations		Same as GEF	https://unfccc.int/topics/climate-finance/resources/reports-of-the-special-climate-change-fund
Global Environment Facility (GEF)	3	Adaptation, Mitigation, Biodiversity Conservation, Combinations	<ul style="list-style-type: none"> • Concept note • Full proposal 	<ul style="list-style-type: none"> • competitive project selection based on ambition • experiences with selection criteria that emphasize transformational change (paradigm shift) • combining goals of climate change mitigation and sustainable development • emphasizing the need to leverage private investment 	https://www.thegef.org/projects

NAMA Facility		Mitigation	<ul style="list-style-type: none"> • Concept note • Full proposal 	Same as GEF	https://www.nama-facility.org/
International Climate Initiative (IKI)	4	Adaptation, Mitigation, Conservation, Combinations	<ul style="list-style-type: none"> • Concept note • Full proposal 		https://www.international-climate-initiative.com/en/
National Adaptation Fund for Climate Change (e.g. NAFCC of India)		Adaptation,	<ul style="list-style-type: none"> • Concept note • Full proposal 		https://www.nabard.org/content.aspx?id=585
The United Nations Framework Convention on Climate Change (UNFCCC)	5				https://unfccc.int/

NOTES

1. LDCF

Least developed countries (LDCs) are the most vulnerable to climate change, yet the least able to adapt. In many cases, they lack the technical, financial and institutional capacity to identify the best ways to build resilience.

That's why 194 parties to the [United Nations Framework Convention on Climate Change](#) (UNFCCC) decided to establish the Least Developed Countries Fund (LDCF) in 2001. The fund, managed by the GEF, supports the world's most vulnerable countries in their efforts to adapt to the effects of climate change.

The LDCF was designed to address the special needs of the Least Developed Countries (LDCs) under the UNFCCC. As part of its mandate, it helps countries prepare and implement [National Adaptation Programs of Action \(NAPAs\)](#). NAPAs are country-driven strategies that identify the most immediate needs of LDCs to adapt to climate change. Target sectors include water; agriculture and food security; health; disaster risk management and prevention; infrastructure; and fragile ecosystems. The LDCF focuses on reducing the vulnerability of key sectors identified through the NAPA process, financing on-the-ground adaptation activities that provide concrete results in support of vulnerable communities.

2. SCCF

The Special Climate Change Fund (SCCF) was established under the Convention in 2001 to finance projects relating to: adaptation; technology transfer and capacity building; energy, transport, industry, agriculture, forestry and waste management; and economic diversification. This fund should complement other funding mechanisms for the implementation of the Convention ([decision 7/CP.7](#)).

The [Global Environment Facility \(GEF\)](#), as an operating entity of the Financial Mechanism, has been entrusted to operate the SCCF. In 2004, the GEF Council approved a programming document which provides the operational basis for funding activities under the SCCF ([GEF/C.24/12](#)).

3. GEF

The Special Climate Change Fund (SCCF) was established in response to guidance from the Conference of the Parties (COP7) in Marrakech in 2001. The SCCF complements the Least Developed Countries Fund (LDCF). Unlike the LDCF, the SCCF is open to all vulnerable developing countries. In addition, it funds a wider range of activities related to climate change. As of 2017, the SCCF has a portfolio of nearly US\$350 million in voluntary contributions supporting 77 projects in 79 countries.

Adaptation is the top priority. But the SCCF also funds, through separate financing windows, technology transfer, mitigation in selected sectors including: energy, transport, industry, agriculture, forestry and waste management; and economic diversification.

4. IKI

Since 2008, the International Climate Initiative (IKI) of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) has been financing climate and biodiversity projects in developing and newly industrialising countries, as well as in countries in transition. In the early years of the programme, its financial resources came from the proceeds of auctioning allowances under the emissions trading scheme. To ensure financial continuity, further funds were made available through the Special Energy and Climate Fund. Both funding mechanisms are now part of the Federal Environment Ministry's regular budget.

The IKI is a key element of Germany's climate financing and the funding commitments in the framework of the Convention on Biological Diversity. The Initiative places clear emphasis on climate change mitigation, adaptation to the impacts of climate change and the protection of biological diversity. These efforts provide various co-benefits, particularly the improvement of living conditions in partner countries.

5. Adaptation Private Sector Initiative (PSI)

The **Private Sector Initiative (PSI)** aims to catalyze the involvement of the private sector in the wider adaptation community. The unique expertise of the private sector, its capacity to innovate and produce new technologies for adaptation, and its financial leverage can form an important part of the multi-sectoral partnership that is required between governmental, private and non-governmental actors.

The PSI provides a platform for businesses to contribute in a sustainable and profitable manner to a strong and effective response, both in their own adaptation efforts and, importantly, in those of the most vulnerable countries and communities around the world.

6. World Bank Group Announces \$200 billion over Five Years for Climate Action

Funding for 2021-2025 includes a significant boost for adaptation and resilience

Washington DC - 3 December, 2018 --The World Bank Group today announced a major new set of climate targets for 2021-2025, doubling its current 5-year investments to around \$200 billion in support for countries to take ambitious climate action. The new plan significantly boosts support for adaptation and resilience, recognizing mounting climate change impacts on lives and livelihoods, especially in the world's poorest countries. The plan also represents significantly ramped up ambition from the World Bank Group, sending an important signal to the wider global community to do the same.

“Climate change is an existential threat to the world's poorest and most vulnerable. These new targets demonstrate how seriously we are taking this issue, investing and mobilizing \$200 billion over five years to combat climate change,” **World Bank Group President, Jim Yong Kim** said. “We are pushing ourselves to do more and to go faster on climate and we call on the global community to do the same. This is about putting countries and communities in charge of building a safer, more climate-resilient future.”

The \$200 billion across the Group is made up of approximately \$100 billion in direct finance from the World Bank (IBRD/IDA), and approximately \$100 billion of combined direct finance from the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) and private capital mobilized by the World Bank Group.

A key priority is boosting support for climate adaptation, recognizing that millions of people across the world are already facing the severe consequences of more extreme weather events. By ramping up direct adaptation finance to reach around \$50 billion over FY21-25, the World Bank will, for the first time, give this equal emphasis alongside investments that reduce emissions.

“People are losing their lives and livelihoods because of the disastrous effects of climate change. We must fight the causes, but also adapt to the consequences that are often most dramatic for the world’s poorest people,” said **World Bank Chief Executive Officer, Kristalina Georgieva**. “This is why we at the World Bank commit to step up climate finance to \$100 billion, half of which will go to build better adapted homes, schools and infrastructure, and invest in climate smart agriculture, sustainable water management and responsive social safety nets.”

The new financing will ensure that adaptation is undertaken in a systematic fashion, and the World Bank will develop a new rating system to track and incentivize global progress. Actions will include supporting higher-quality forecasts, early warning systems and climate information services to better prepare 250 million people in 30 developing countries for climate risks. In addition, the expected investments will build more climate-responsive social protection systems in 40 countries, and finance climate smart agriculture investments in 20 countries.

“There are literally trillions of dollars of opportunities for the private sector to invest in projects that will help save the planet,” said **IFC CEO Philippe Le Houérou**. “Our job is to go out and proactively find those opportunities, use our de-risking tools, and crowd in private sector investment. We will do much more in helping finance renewable energy, green buildings, climate-smart agribusiness, urban transportation, water, and urban waste management.”

The new targets build on the World Bank Group’s 2016 Climate Change Action Plan. In 2018, the World Bank Group provided a record-breaking \$20.5 billion in finance for climate action: doubling delivery from the year before the Paris Agreement and meeting its 2020 target two years ahead of schedule.

The World Bank Group will continue to integrate climate considerations into its work, including screening projects for climate risks and building in appropriate risk mitigation measures, disclosing both gross and net greenhouse gas emissions, and applying a shadow carbon price for all material investments.

To increase system-wide impact for countries, the World Bank Group will support the integration of climate considerations in policy planning, investment design, implementation and evaluation. It will also support at least 20 countries implement and update Nationally-

Determined Contributions and increase engagement with Ministries of Finance in the design and implementation of transformative low-carbon policies.

In key sectors, efforts will include:

- **In Energy:** Support the generation, integration, and enabling infrastructure for 36 GW of renewable energy and support 1.5 million GWh equivalent of energy savings through efficiency improvement;
- **In Cities:** Help 100 cities achieve low-carbon and resilient urban planning and transit-oriented development;
- **In Food and Land-Use:** Increase integrated landscape management in up to 50 countries, covering up to 120 million hectares of forests.

7. Recommendations for Review (from a recent report compiled for Botswana)

German International Climate Initiative

The German Climate Initiative was ranked first on account of ease of access to the organisation through GIZ, its clarity of focus areas, information available on the initiative, relevance to regional issues, ease of funding procedure and the support mechanisms that have been put in place to assist potential applicants.

The UK International Climate Fund

The UK is ranked second on the basis of ease of access through DFID, the amount of information that is provided for potential applicants on the institution's website, relevance to regional issues and potential support to applicants.

GEF Trust Fund

The GEF procedures might look overly cumbersome but training and technical support for proposal development is available through consultants who are based in the region. The network of UNDP offices also helps with accessing assistance. GEF is also an established mechanism for disbursement of funding for biodiversity conservation and climate change interventions. There is also potential to benchmark against projects and programmes that have been funded in the region.

Lifeweb Initiative of CBD

The Lifeweb initiative is useful in that it links biodiversity conservation to climate change mitigation. The programme also provides a template for proposal preparation through which guidance can be provided through the CBD Secretariat

USAID Funding

USAID funding is very well structured and targeted. However it is also dependent upon a number of variables including changes in administration in the USA, dynamics in the Senate and Congress which could disrupt programme funding. Information on possible funding is available from US Embassies and USAID offices around the region.