



Lessons learnt in engaging the GCF

A view from the Climate Resilient Infrastructure
Development Facility

Sharmala Naidoo, March 2017

CRIDF 



What is the Climate Resilience Infrastructure Development Facility (CRIDF)?

DFID support for transboundary water infrastructure in southern Africa

Peaceful and climate resilient management of shared water resources

Climate change resilience for women and poor

Positive benefits of shared water management realised

Design of project concept notes to leverage opportunities to improve climate resilience



Why climate finance for water infrastructure?

- Climate change will increase the costs of delivering the water infrastructure needed to achieve development goals
- Climate change will increase the already substantial costs of expanding access to water and sanitation
 - for example, climate change may increase capital costs for water supply goals by 25%, even before considering additional investment needs to make infrastructure resilient to climate change impacts (Schmidt-Traub, 2015)
- Innovative approaches to leveraging climate finance from both public and private sources will be crucial to delivering climate resilient water infrastructure



CRIDF support to access GCF

Country/Entity	CRIDF Role/s	Proposal	Implementing Entity
Zimbabwe	Technical partner to UNDP and NDA. Proposal based on initial CRIDF work	Full: Building Climate Resilience of vulnerable agricultural livelihoods in three river Basins in Southern Zimbabwe	UNDP
KAZA (Members: Namibia, Botswana, Angola, Zambia and Zimbabwe)	Technical partner to KAZA, support to draft PPF application, negotiate with NDAs and for entity selection. Proposal based on initial CRIDF work	PPF: Climate Resilient Livelihoods in the Kavango Zambezi Transfrontier Conservation Area	TBC: IUCN and AfDB and possible Namibian EIF partnership all being explored
OKACOM (Members: Botswana, Namibia, Angola)	Technical partner to OKACOM, support to draft PPF application, negotiate with NDAs and in entity selection. Proposal based on initial CRIDF work	PPF: Climate Resilient Livelihoods in the Cubango-Okavango River Basin	Likely to be the World Bank



Zimbabwean GCF proposal: What did CRIDF do? Idea steps:

1. Took a cluster of existing small water infrastructure projects in 3 different river basins in Southern Zimbabwe
2. Engaged the NDA on the idea on packaging a proposal to the GCF
3. Worked with the water authorities and the NDA to package a single, consolidated proposal to attract an AE
4. Helped to secure an appropriate AE (UNDP)
5. Discussed joint proposal potential with Mozambican GCF focal point and water institutions (were not ready, although keen)

CRIDF support placed the NDA and water authorities in a stronger negotiating and technical position with the AEs



Zimbabwean GCF proposal: What did CRIDF do? Action steps:

1. Drafted an initial concept note as basis for engaging NDA, AEs, Mozambican authorities and the GCF
2. Continues to provide TA in developing the proposal
3. Being a co-funder, co-designer and impartial technical party (although not an AE itself)

CRIDF's previous involvement in the projects are invaluable - institutional memory, trusted relationships, stakeholder engagements



Zimbabwean GCF proposal: Facilitation Role of CRIDF

Technical support to develop proposal



Co-funder

Provide
TA

Assist water authorities to take concept to
NDA and engage with potential AEs

NDA

Support initial infrastructure/proof of
concept

Clarify GCF
guidelines

AE

Pooling projects for benefits of scale

3 river basins

2 countries



The following slides offer observations from the above work as well as from a CRIDF review of climate finance available for water infrastructure within SADC



No GCF transboundary guidelines

GCF doesn't yet have systems to process trans-boundary applications

In KAZA and OKACOM:

- multiple NDAs since they are regional organisations,
- some member countries do not yet have NDAs (e.g. Angola) – this presents a challenge to KAZA and OKACOM in engaging with the GCF, since it can presently only be through a focal point or NDA.

This is a much wider challenge that CRIDF alone cannot address.

Member States are currently focusing on their national agendas for accessing climate finance, with limited prioritisation of transboundary projects

GCF should rapidly develop guidelines for transboundary applications



Limited Awareness of GCF

Water infrastructure institutions are not aware of GCF. If they are, they are unaware of how to access GCF support.

CRIDF is:

- increasing awareness of the GCF as a potential funder for CR water infrastructure
- playing a critical role in assisting river basin authorities and governments to take climate resilient water infrastructure projects through the necessary steps towards GCF submission.

In KAZA and OKACOM this involves assistance with:

- Identifying GCF as potential finance source
- Assisting them to review and select appropriate accredited entities (AEs)
- Securing No Objection Letters from the relevant NDAs

GCF Guidelines for awareness raising?

There is a clear role for project preparation facilities / non-GCF accredited institutions to support sector departments to generate and take ideas to NDAs and AEs for GCF support



Capacity Constraints: Integrating Climate Resilience

Water institutions have limited capacity to integrate climate change into their plans.

Climate/environment departments have limited capacity to integrate water infrastructure into plans.

CRIDF is assisting to build this capacity internally within KAZA, OKACOM and the Zimbabwean Ministry of Water, Environment & Climate on GCF proposals by working closely with staff in proposal development.

The GCF engages directly with the relevant NDAs, which assists in ownership and capacity building.

GCF readiness support assists in planning priorities BUT water still unintegrated e.g. water-scarce Namibia hasn't developed large water infrastructure priorities for GCF support





Capacity Constraints: Multi-sectoral projects

Governments and RBOs have limited ability to build comprehensive multi-sectoral GCF proposals

CRIDF has taken water infrastructure as the point of departure to integrate:

- agriculture
- value-chains
- climate information systems
- livelihoods
- Irrigation etc.

into a single consolidated climate resilient GCF proposal.

The Zimbabwean proposal aims to increase the climate resilience of smallholder farmers in the Mzingwane, Runde and Save river basins in southern Zimbabwe, building on existing CRIDF work.



Capacity Constraints: Specialist Skills

Some AEs don't have the specialist skills necessary to build *comprehensive transboundary programmes linking water-agriculture-value-chains-climate resilience* etc.

This is a niche area for a facility such as CRIDF to provide technical support in the development of such multi-sector, transboundary programmes.

GCF allows the non-accredited entities to take on this role upstream - FMCA process - Why not downstream? Could a PPF directive assist here?

GCF should acknowledge role for a non-accredited 3rd party and encourage AEs to work with CRIDF/ other facilities - build on existing relationships, knowledge and skills



Capacity Constraints: Time, Effort, Process

Working with AEs and NDAs takes a significant amount of time and effort to achieve agreement in scope/approach and to develop ways of working to best suit the needs of the NDA.

Most governments don't have smooth inter-governmental systems to allow for water infrastructure initiatives to reach their GCF (and/or other funding) pipeline. CRIDF plays a role here.

It is important to have the right AE in the first place. This relationship is complicated by the fact that the GCF does not yet recognise a role for organisations like CRIDF - unaccredited to the GCF but who can provide technical support to NDAs to develop projects for GCF support and help in AE selection.

Example of NDA decision-making process in Zimbabwe - UNEP or UNDP as AE? What factors influence this decision - overt and covert?





Assumptions to test

Readiness support, national prioritization process and proposal packaging can all happen robustly and in parallel, in all countries.

In reality, even accessing and working with secured readiness support can be a strain on existing capacity

AEs don't unduly influence the national prioritization and project selection process.

In reality, some countries have no NDA, or a weak NDA, and the large, international multilateral AEs can influence prioritization process - selection of projects

The selection of ministry for placement of NDA makes no difference to effectiveness of GCF engagement

Experience shows that responsibility in finance/planning ministries is more effective than in environment ministries

AEs have, or can easily bring in, specialist sector skills e.g. water

Even where this is possible, it increases transaction costs should that sector team not have worked in the country/region previously, or have negative experiences

International AEs will invest their own funds, with GCF support

Development banks more likely to do so than UNDP, UNEP, GiZ etc.





The Missing Middle: A

A. Between the water authorities and the NDA

Because CRIDF works with public sector entities to help scope, design and prepare water infrastructure, CRIDF has:

- assisted in connecting the different arms of government on climate resilient water infrastructure projects
- used its own climate tools and experience to develop project proposals that have climate information and addresses climate risk
- brought together the various stakeholders in trans-boundary initiatives
- assisted in scoping potential funders and developing project proposals to them.



The CRIDF Advantage

Narrow mandate – trans-boundary, pro-poor and climate resilient – no large, multi-faceted country program that a project needs to be tailored to fit into

Projects are taken off the SADC regional water infrastructure priority lists and other basin-level priority lists - fully aligned to client agenda

Often these projects are 'stuck' and CRIDF has the flexibility to assist in unblocking them

Uses a 'supportive partnership model' in its work with stakeholders - good reputation as a trusted partner - its advice is valued as being independent

CRIDF is a technical facility with engineering, climate and economic expertise that can be deployed at relatively short notice to assist– the advantages of being small, flexible and demand-driven





The Missing Middle: B

B. Between the AE and the NDA

AEs tend to be large international organisations (e.g. UNDP, World Bank, GiZ, KfW) with established bureaucracies and priorities in regional/country programmes.

Advantage - much experience, good M&E, governance and other systems.

Challenges - speed, flexibility and sometimes previous negative experiences with partner countries on specific projects.

- The SADC regional and national AEs are new and less experienced than the international AEs with global climate finance institutions.
- NDAs are at varying levels of capacity in the region, most have difficulty in linking water infrastructure within a broader climate response strategy and then linking water infrastructure projects into climate finance opportunities.
- Not all NDAs have developed a full pipeline of projects for climate finance; those that haven't are more reliant on the AEs to suggest projects rather than it being nationally-driven.



The CRIDF Advantage

1. A trusted technical advisor to governments and RBOs, with transboundary stakeholder experience
2. Brings in specialist technical expertise to the projects
3. Respond quickly to requests for assistance and fill the gaps that the AEs may take longer to or are unable to fill
4. Facilitate access to the right people at the relevant government institutions and at the appropriate levels within government to ensure commitment to the project
5. Use its historical knowledge of and experience with the projects to facilitate the rigorous stakeholder engagement required by the GCF
6. Develop a coherent narrative around climate resilient water infrastructure to demonstrate the transformative nature of the projects. From scoping, pre-feasibility of feasibility work already completed, CRIDF already understands how the intervention supports climate vulnerability and social objectives. focusing on women (and indigenous people).
7. Advise on the choice AE (although ultimately this is a political decision)



The Multiplicity Factor

Transformative projects tend to have multiple:

- components,
- stakeholders
- and requires multiple partners.
- This complicates engagement/engagement requires much time and effort to align mandate and scope of those involved (to each other's) and to NDA needs - invest in process, building capacity, detailing additionality

Example: KAZA and OKACOM PPFs

- relate to water, wildlife, infrastructure, climate resilience and creating markets
- involves up to 5 member countries as well as the RBO Secretariat.

It would benefit from more than one AE with the relevant specialist expertise.



CRIDF Recommendations to the GCF

1. Prioritise the development of guidelines for transboundary projects
2. In the interim:
 - a. Request all country strategies to have scoped regional impacts and partner with regional organisations where necessary.
 - b. Include the question 'To what extent are projects trans-boundary in nature?' on the GCF country programming project checklist
 - c. Publish a Q&A sheet offering *interim guidelines* on how trans-boundary projects should be submitted, making it clear that more than one AE could be selected per the different project components
 - d. Clarify the issue of regional project impacts on national GCF allocations under current GCF funding arrangements
3. Recognise the project development role of non-accredited facilities like CRIDF and explore how they can be better used to facilitate the creation of a pipeline of GCF projects, working with both the AEs, the sector departments/institutions (water, in the case of CRIDF) and the NDAs
4. Request finance/planning ministries to accept NDA responsibility - more authority
5. Facilitate different AEs working together on a project where appropriate



CRIDF 

Contact
sharmala.naidoo@cridf.com