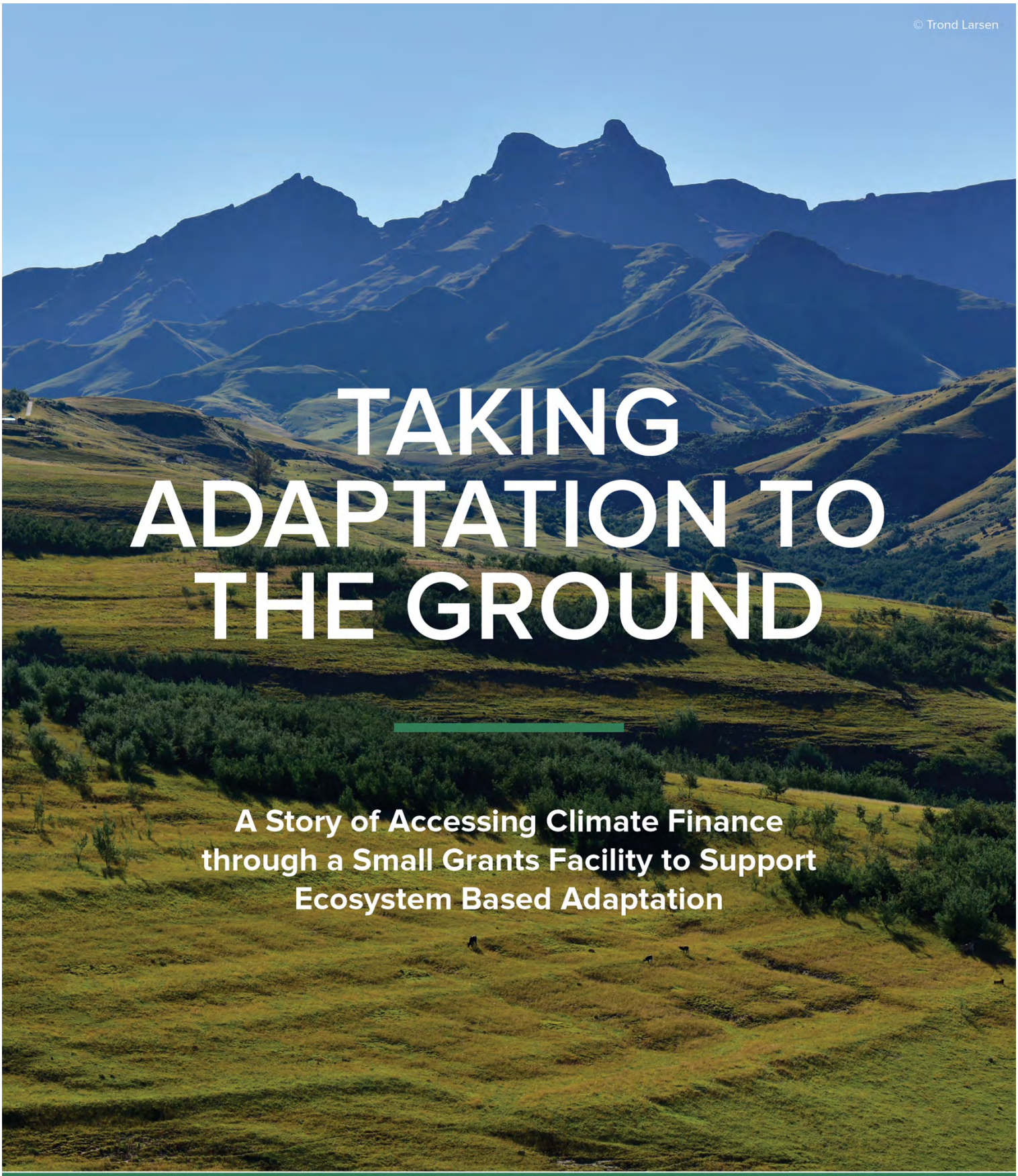

TAKING ADAPTATION TO THE GROUND

A Story of Accessing Climate Finance through a Small Grants Facility to Support Ecosystem Based Adaptation

This report has been produced as part of the project 'Ecosystem-based approaches to adaptation: strengthening the evidence and informing policy' which is part of the International Climate Initiative (IKI). The German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) supports this initiative on the basis of a decision adopted by the German Bundestag.

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The Small Grants Facility (SGF) as a financing mechanism for Ecosystem-based Adaptation (EbA) in Namaqualand, Northern Cape Province, South Africa

1. INTRODUCTION

Many communities in the Namakwa and Mopani districts of South Africa are largely dependent on natural resources to support their livelihoods, such as small-scale farming and fishing, and are therefore vulnerable to the impacts of climate change. The Global Adaptation Fund provided funding to develop a Small Granting Mechanism in the two districts after its approval in 2014. The Small Grants Facility (SGF) community-based adaptation pilot project aimed reduce the vulnerability and increase the resilience of vulnerable communities to climate change. The South African National Biodiversity Institute (SANBI) was the National Implementing Entity (NIE) and was supported by other organisations for the executive and facilitatory functions including SouthSouthNorth (SSN, Executing Entity) and CHoiCe Trust and Conservation South Africa (CSA) as the Mopani and Namaqualand Facilitating Agencies (FA) respectively. During the Small Grants Facility (SGF) project, CSA became aware of the opportunities and challenges of providing direct access to finance for community-based organisations and many lessons were learnt.

This overview tells the stories from vulnerable communities in the Namaqualand region (Namakwa District, Northern Cape) of South Africa that implemented projects funded by the Small Grants Facility (SGF) as a financing mechanism to deliver tangible and sustainable adaptation benefits to people and nature. It also provides insights that were obtained through interviews with the implementers of the programme, including SANBI and CSA, as well as Small Grant Recipients and talks to their experiences of the delivery of the mechanism.

Climate finance needs to reach the most vulnerable communities and here is why:

The livelihoods of vulnerable people are often dependent on natural resources that are threatened by a changing climate.

Many communities in Namaqualand struggle with limited economic opportunities, surviving on less than R2 500 per month, and depend on social grants. They often have limited or no access to financial capital and have high levels of debt. Their livelihoods often rely on natural resources that are threatened by climate change, such as the small-scale fishers of Hondeklipbaai on migrating fish or Kamiesberg farmers on rainfed agriculture. Rural and poor communities are often the least equipped to cope with the impacts of climate change due to financial constraints or limited knowledge on appropriate adaptation actions.

Vulnerable communities are impacted by a changing climate.

The impacts of a changing climate, one with warmer temperatures, unpredictable rainfall and more frequent and intense storms, are already being felt across the globe by people and nature. Namaqualand is characterised by a Succulent Karoo biome, which receives low winter rainfall and intense aridity during the summer season. Climate change is further impacting local communities in Namaqualand as livestock herders are exposed to extreme temperatures, and at times experience limited access to water. Small-scale fishers make less income because fish migration patterns are changing. Livestock are weakened by drought and extreme cold temperatures. More intense storms erode away productive topsoil, and crop seedlings perish in high temperatures and strong winds.

It is critical that climate change adaptation projects address the most vulnerable communities to effectively conserve natural resources and boost the ability of communities to adapt to and cope with climate change.

One climate change adaptation approach that can conserve natural resources alongside helping vulnerable communities adapt to the effects of a changing climate, is an approach known as Ecosystem-based Adaptation (EbA). EbA uses nature to reduce the risk of disasters, as well as mitigate and adapt to climate change, while generating a range of co-benefits for both people and nature. For example, healthy rivers and wetlands can store water for longer during periods of drought and act as buffers against the effects of floods. Rangelands are better able to provide fodder for livestock during extended dry periods if they have been rested and maintained.

The capacity of vulnerable communities to apply for and access funding is often limited.

Climate finance is critical to support the implementation of adaptation measures in response to climate change however, significant barriers prevent climate finance from reaching the ground where the most vulnerable people need it the most. Vulnerable communities, including rural and poor communities, often lack the skills needed to write successful proposals and generally have limited knowledge on applying to international funders as these processes can be complex. In some cases, funders require specific accreditation or eligibility criteria of local institutions due to concern over the responsibility in mobilising large amounts of finance. As a result, climate finance often fails to reach the local level or is poorly implemented.

> "Channelling climate finance to the ground is not easy."
>
> – South African National Biodiversity Institute (SANBI)

The Small Grants Facility (SGF) facilitated the process of delivering climate funding to the local level.

The SGF was set up to enable the most vulnerable communities to access climate finance by assisting them with applications and proposal writing, with the aim to increase local resilience to climate change.

2. HOW THE SMALL GRANTS FACILITY (SGF) WORKS

2.1. What is the Small Grants Facility (SGF)?

The Small Grants Facility (SGF) was established under the Adaptation Fund, which aims to innovate the way in which climate finance is provided to vulnerable communities through direct access by the communities themselves. The National Implementing Entity (NIE), the South African National Biodiversity Institute (SANBI) was the overall lead for the programme with support from an Executing Entity and two Facilitating Agencies of which Conservation South Africa (CSA) was one.

The SGF is a community-based adaptation pilot project that has been implemented in South Africa in the Namakwa District, Northern Cape, and Mopani District, Limpopo, since its approval in 2014. The project provided small grants to vulnerable communities, empowered local institutions to identify and implement adaptation projects, and shared lessons that were learned to facilitate future scaling up and replication of small grant financing mechanisms.

The SGF was approved a grant value of USD 1 211 276. The project was able to offer grant sizes of approximately USD 100 000 each to 12 Small Grant Recipients (SGRs) (seven of which were implemented in Namakwa) for the implementation of tangible climate change adaptation responses. The project was able to increase the climate resilience of 1 921 direct beneficiaries, of which 1 083 were women, 838 were men and 422 were youth.

2.2. What was the SGF's aim?

The SGF aimed to identify and develop community-based climate change adaptation responses, and climate proof developmental projects in response to future climate threats while providing economic, social and environmental benefits. It addressed financial needs for climate adaptation in local practices to reduce vulnerability and increase the climate resilience of assets, livelihoods and nature in the two target areas through a small granting mechanism known as 'Enhanced Direct Access' (EDA).

> "Drawing on cross-sectoral knowledge to build responses to community based climate threats and climate proofing developmental projects for future climate threats allowed for successful delivery of the SGF programme."
>
> – SANBI

2.3. What is Enhanced Direct Access (EDA)?

Enhanced Direct Access (EDA) channels internationally sourced funds through various governance structures to reach communities on the ground. Receiving access to climate finances enables communities to implement appropriate adaptation projects that add tangible and sustainable value at the local level and through EDA, it ensures project development and decision making is driven at the subnational level for implementation of community based climate change adaptation projects.

2.4. Governance of the SGF

The SGF project was approved and funded by the Adaptation Fund. In South Africa, SANBI was accredited as the National Implementing Entity in 2011, after being endorsed by the now Department of Forestry, Fisheries and Environment (DFFE). DFFE served as the project's National Designated Authority and acted as the point of contact for the Adaptation Fund. SANBI was responsible for overall management and particularly monitoring. SANBI then appointed SouthSouthNorth (SSN) as the SGF project's Executing Entity to receive and disburse funds. SSN was also responsible for management but with a focus on operational and financial management. Conservation South Africa (CSA) and CHoiCe Trust were appointed by SSN as **Facilitating Agencies** to facilitate the project in the Namakwa District and Mopani District, respectively. Facilitating Agencies were responsible for monitoring and evaluating the finances of the project. The pilot SGF projects worked with and empowered local stakeholders to enhance the integration of Ecosystem-based Adaptation (EbA) measures into local practices and institutions with a view to scale up and replicate the financing mechanism. District municipalities were involved through participation in the Technical Advisory Group (TAG) and the Project Advisory Group (PAG). **See Box 1 for descriptions of groups that were formed to manage and execute the project.**

The **National Adaptation Funds Advisory Body (NAFAB)**, (formerly known as the National Implementing Entity Steering Committee), was an oversight body that provided overall project governance and promoted optimal linkages with the policy environment. It served to endorse project submissions by Small Grant Recipients (SGRs) to the Adaptation Fund and ensured appropriate compliance mechanisms were adhered to. The NAFAB included the DFFE, National Treasury, the National Planning Commission in the Presidency, National Disaster Management Centre, Department of Science and Innovation, Department of Planning, Monitoring and Evaluation, National Business Initiative and the Adaptation Network. NAFAB was set up by SANBI but oversight was broader than the SGF and included other projects in order to facilitate alignment for a transformative and systemic response to climate change adaptation.

The daily operational management of the CA SGF project was supported by a **Project Advisory Group (PAG),** which considered and endorsed the small grant applications and provided guidance on implementation. The PAG included the DFFE, Adaptation Network, SANBI, Executing Entity, Adaptation Network, representatives from each District Municipality, academic experts and government departments as needed.

District level technical oversight and guidance was provided by Local Reference Groups, later named the **Technical Advisory Group (TAG),** which were established by each Facilitating Agency in each area to screen SGR project concepts, and their implementation. The TAG ensured that projects were locally contextualised, technically robust and properly coordinated into ongoing programmes of work that integrated indigenous knowledge. It included representatives from selected provincial and local government departments, namely the DFFE, Department of Agriculture, Land Reform and Rural Development (DALRRD), Provincial Economic Development Department, academic institutions and the District Municipalities. Incorporating local government representatives on the TAG facilitated government support for the SGR projects and promoted sustainability, particularly regarding activities that fell within government responsibility.

Box 1 CA SGF Project Management and Execution

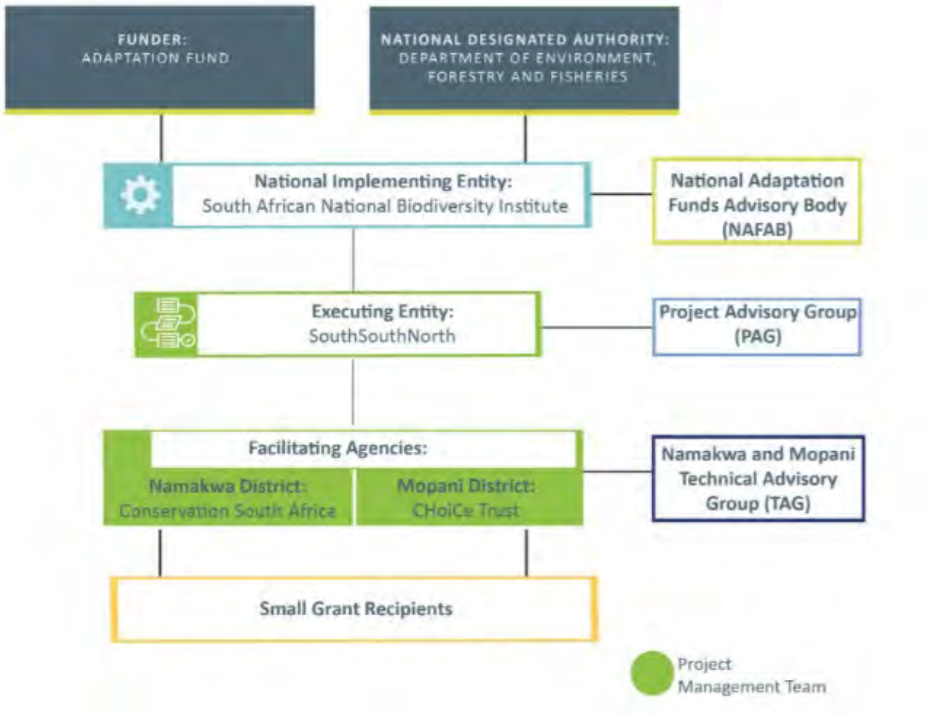

Figure 1 SGF Project Management and Execution structures

2.5. The role of Conservation South Africa (CSA) as a facilitating agency

The facilitating agencies (including CSA) were critical to the project's success as they developed strategies, tools and training to respond to challenges that arose on the ground and help Small Grant Recipients to complete their projects within the rigour and constraints of the SGF design, governance systems, and the expectations of the Adaptation Fund. CSA identified the skills and knowledge that was needed to implement the projects and then trained SGRs and community members. The fact that CSA was working amongst communities was critical to translate information and practices into ways that communities would understand. They also conveyed the needs, concerns and priorities of communities to the SGF Project Management Team. In other words, Conservation South Africa's role was to bridge the gap between local conditions and international expectations.

Lessons Learnt as reflected by the Namaqualand FA and NIE on Governance, finance and compliance:

- The project was not sufficiently integrated into the broader District Municipality portfolio in Namaqualand ie integrated with other areas of the Districts work until quite near to project close out. There was however interest in integration from the onset and the District was an integral part of the Technical Advisory Committee.
- The Facilitation Agency (FA, Conservation SA) remained somewhat siloed in their approach in terms of integration within the FA's broader portfolio of work. This placed pressure on a few SGF focused staff in the organization and hampering support to the project and minimising learning from the project both internally and externally during the project lifecycle.
- Understanding and articulating roles and responsibilities in the governance of the SGF was a challenge. Adequate project management teams with clear roles and responsibilities should be formed early on to ensure that the roles do not overlap particularly between the FA, the EE and the NIE and that efforts are not duplicated. For example the EE and FA both being involved in project management activities or duplicating comments on reports from NIE and EE.
- There were significant challenges in reporting and cascading compliance, for example the number of amendments to agreements of the SGRs that the FA had manage to allow for changes in target numbers and delivery dates. The reporting requirements by the NIE and Executing Entity from the SGRs were in

some cases too heavy and this led to increased support required from the FA to the SGRs to be able to submit reports that adhered to these requirements.

- Regulatory frameworks as required by Designated Authorities and National Implementing Entities (government structures) under the Adaptation Fund can create unnecessary compliance which does not allow flexibility on the ground for recipients in managing the funds and changing activities. Compliance requirements such as the drafting of reports, their review and approval as well as approval for any changes to the projects and adherence to safeguards took a long time and negatively impacted the implementation of projects due to these time delays. However regulatory compliance also positively impacted projects in some cases when it influenced project activities to prevent maladaptation or a negative environmental or social impact for example eg Enhancing structural integrity of shelters prevented potential damages.
- The FAs had to provide a significant amount of co finance to support the ongoing mentorship and training needs for the beneficiaries to comply with the regulatory requirements which needs to be factored into initial budgeting for these types of programmes.

2.6. How were Small Grant Recipients (SGRs) and projects chosen?

Three investment windows namely, climate smart agriculture, climate resilient livelihoods, and/or climate-proof settlements (see Box 3 for descriptions of the SGF investment windows) were identified locally based on findings from the District Climate Change Analysis and Vulnerability Assessment that was developed by the National Department of Forestry, Fisheries and Environment (DFFE).

Project concept notes focussing on the three investment windows were developed and submitted by community representatives, and reviewed and screened by the facilitating agencies, CSA and Choice Trust. Shortlisted applicants submitted proposals to SANBI, and SSN, with support from the respective facilitating agencies. Facilitating Agencies supported the Small SGRs to access climate finance and provided beneficiaries with training and resources to allow them to develop their own solutions to adaptation.

- **Climate-resilient livelihoods:** Projects sought to increase the resilience of income-generating activities, and associated assets that were vulnerable to climate change.
- **Climate-smart agriculture:** Projects addressed the impacts of climate change on agricultural production, including livestock or crop farming. This investment window focused on responses that feature shifts towards resilient farming techniques and technological improvements.
- **Climate-proof settlement:** Projects addressed the climate change susceptibility of structures in which people live.

Box 2 Descriptions of SGF investment windows. These were prioritised after vulnerability assessments identified the climate impacts and related community vulnerabilities.

The screening and review process consisted of three steps. First, small grant recipients were screened against predetermined criteria relating to management structure, experience, presence in the community, and current funding commitments, to name a few. Next projects were screened to ensure that they responded to climate change vulnerability and aligned to the investment windows of the SGF. The third step was to ensure that they had no significant risks in terms of the Adaptation Fund's Environmental and Social Policy as well as Gender Policy to promote environmental and social benefits. All concepts were also reviewed by at least 3 external reviewers for expert input.

Lessons Learnt when selecting Small Grant Recipients (SGRs)

The financial capacity of all potential SGRs needs to be accurately evaluated by facilitating agencies against predetermined criteria. For example, evaluating previous experience in receiving funds of R250 000 or more per year over a period of at least two years. SANBI acknowledges that "finding organisations with capacity to receive funds of R1 000 000 is relatively low in some of the most vulnerable communities."

Evaluating the full extent of the requirements of the Adaptation Fund Small Grants Facility (SGF) and the capacity of each SGR to receive small grants and comply with the requirements of the Fund can help to identify gaps where funding should be allocated for specific trainings, such as bookkeeping, financial reporting and accounting.

Civil Society Organisations who need to administer projects under the funding criteria of the Adaptation Fund and the SGF require a high level of capacity to support SGRs.

2.7. How the Small Grants Facility (SGF) can help fund Ecosystem-based Adaptation (EbA)

The investment windows, used to select projects, were based on Namakwa's Vulnerability Assessment which focussed on identifying priority areas for Ecosystem-based Adaptation (EbA). Furthermore, the SGF projects were screened to ensure that no significant risks were created to the environment and that they provided environmental co-benefits in addition to economic and social co-benefits. Several criteria in the Adaptation Fund's Environmental and Social Policy used in the screening process promoted environmental conservation. These included protection of natural habitat, conservation of biological diversity, pollution prevention and resource efficiency, public health and land and soil conservation. These criteria increased awareness of potentially environmentally harmful activities and promoted community health and safety. Knowledge and capacity building to this effect has the potential to change local practices over time to ensure ecosystems are restored, maintained or improved to increase the long-term resilience of nature through the fund.

3. HOW THE SMALL GRANTS FACILITY (SGF) HELPED PEOPLE AND NATURE IN NAMAQUALAND

The following projects were implemented in Namaqualand:

1. Kamiesberg Heritage Foundation: Climate proofing herder shelter to facilitate climate change adaptation;
2. Coastal Livelihoods Foundation: Building Resilience for Northern Cape Small-Scale fisher communities and cooperatives;
3. Environmental Monitoring Group: Two communities adapting together;
4. Gondwana Alive: Climate, Biodiversity, and Red Meat – Land and Livestock Adaptation;
5. Heiveld: Climate proofing small-scale rooibos production;
6. Saveact: Building Resilience to Climate Change by Promoting Savings; and
7. Concordia Landbou Boerevereniging: Concordia Farmers Adaptation Project.

"A large number of community members received direct access to information and tools to help them manage the effects of climate change on their daily lives."

FACILITATING AGENCY, CONSERVATION SOUTH AFRICA

3.1 Climate proofing herder shelters to facilitate climate change adaptation

Investment Window: Climate-Smart Agriculture and Climate-Resilient Livelihoods

Timeline: June 2018 - September 201

Total beneficiaries: 15 total beneficiaries (2 youth and 3 women)

Total funding provided: R1 208 813 (amount spent was R1 122 072)

Adaptation Responses:

The Kamiesberg Heritage Foundation (KHF) (with Swakara Kooperasie Limited, and the Agricultural Research Council), provided 13 mobile herder shelters, and 13 tanks for rainwater harvesting to protect the beneficiaries from extreme temperatures, and water scarcity. The mobile structures, make it easier for herders to move around more regularly with livestock, allowing areas to be rested. A climate-resilient grazing plan was developed to improve grazing management, giving plants time to regrow, and breaking up compacted soil, which improves the land's ability to hold as much rain as possible.

Key Lessons:

- Using indigenous knowledge in the project empowered community members, which is important for the sustainability of implemented measures. However, at times there was conflict caused when indigenous knowledge went against, or was superseded by safeguards and engineers' decisions.
- The timeline of the project was too short to be able to implement what was needed, putting pressure on the SGR
- Through this project, the small grant recipient learned the importance of financial record-keeping and accountability.

"We could reach out to vulnerable farmers who were less resilient to climate change and build their resilience to extreme events."

CORNEELS LINKS, AN IMPLEMENTER FROM THE KAMIESBERG HERITAGE FOUNDATION.

Although he says they would have liked more time for project implementation, people are continuing now without the SGF, using their own funds. In particular, they will continue to harvest rainwater from the roofs of shelters. He also says that it is possible to replicate the project elsewhere in his community.

Figure 2 KHF putting the dome prototype together (Photo courtesy of Clement Cupido)

3.2 Building resilience for Northern Cape small-scale fisher communities and cooperatives

Investment Window: Climate-Resilient Livelihoods

Timeline: June 2018 - June 2019

Total beneficiaries: Benefitted a total of 111 fishers, and crew (14 youth and 13 women)

Total funding provided: R1 677 597 (amount spent was R1 593 316)

Adaptation Responses:

The Coastal Livelihoods Foundation, in partnership with Abalobi, aimed to improve the resilience of local fishers in Hondeklipbaai and Port Nolloth. Small-scale local fishers in the area are often lost at sea or are unable to go out to fish, due to unpredictable weather events, including increasing days with thick fog and stormy seas. With a R1 677 597 budget received from the SGF (amount spent was R1 593 316), the local Safety at Sea procedure was upgraded, trackers and radio systems were installed and fishers were supported in establishing an emergency response plan. A Safety System Operator was trained and later employed by the local municipality to utilise newly installed safety systems, and track the locations of small-scale fishers when out at sea. In addition, two climate-resilient small-scale cooperatives were established and local fishers were trained on the Abalobi information system which includes financial management, market access and enterprise development with a view to future collective decision-making and use of Abalobi Information Communication Technology platforms to also support future climate research and environmental sustainability in the fishing industry. Local government was involved whereby a Memorandum of Agreement was signed to ensure that a local Maintenance Committee monitors, and maintains the implemented safety equipment, and technology and supports with some mentorship of the fisher.

Key Lessons:

- The project did not allocate an adequate budget for personnel, particularly to meet the demanding compliance and administrative reporting requirements and did not account for far distances for travel to workshops for ongoing mentorship. This resulted in insufficient funds for project staff by the end of the project.
- It is important to work closely with local government in support of the sustainability for institutional structures such as the fisher cooperatives

Figure 3 Fishers and their boats – safety is important to ensure they can continue fishing for their families

Figure 4 Small-scale fishers undergoing 'safety at sea' training.

3.3 Two communities adapting together: Soebatsfontein and the Suid Bokkeveld

Investment Window: Climate-Resilient Livelihoods and Climate-Proof Settlements

Timeline: September 2016 – June 2019

Total beneficiaries: 196 total beneficiaries (52 youth and 119 women)

Total funding provided: R1 320 000 (amount spent was R1 224 201)

Adaptation Responses:

Farmers in Soebatsfontein, and the Suid Bokkeveld, are reliant on farming to support their livelihoods, but are highly vulnerable to drought, extreme heat, and increasingly unpredictable rainfall. In response, the Environmental Monitoring Group Trust (EMG), in partnership with Universität Hamburg, aimed to increase their water security.

People were trained on water conservation and the installation and use of sustainable technologies, including collecting and storing rainwater. A total of 15 houses were improved with roof insulation to adapt to extreme temperatures. Gutter collection systems and 37 tanks were installed at houses for domestic rainwater harvesting with materials provided for two additional tanks, water-wise gardening was encouraged, and five climate-resilient backyard food gardens were developed. Household water use was reduced through the implementation of three composting toilets. Maintenance of the installed technologies also provided opportunities for local employment.

Key Lessons:

Katriena Fortuin from Suid Bokkeveld in the Namakwa District had difficulties with household water scarcity, which was made even worse by changes in rainfall patterns and longer dry periods. She did not have enough water for her plants and for domestic use. The SGF helped her to install a rainwater harvesting tank to collect rainwater that her and her family can use in their home or for their food garden.

Aside from the tangible benefits of rainwater harvesting tanks, insulated roofing, compost toilets and water-wise gardens, the community enjoyed co-creating knowledge and understanding household adaptation, and shared understanding of the crisis at the community level - which is very important," says Siyabonga Myeza, the Project Manager from Environmental Monitoring.

Figure 5 A beneficiary in Suid Bokkeveld with her composting toilet

Figure 6 A newly installed watertank and gutters in Soebatsfontein (EMG)

3.4 Biodiversity and Red Meat Cooperative

Investment Window: Climate-Smart Agriculture

Timeline: August 2016 – June 2019

Total beneficiaries: 85 total beneficiaries (27 youth and 23 women)

Total funding provided: R1 320 000 (R1 311 220 spent)

Adaptation Responses:

The Biodiversity and Red Meat Cooperative (BRC) is a local farmers' cooperative of 92 members, based in Leliefontein. Gondwana Alive supported local farmers to adapt to and cope with the impacts of a changing climate. More climate resilient livestock breeds, such as Meatmaster sheep, were introduced to the BRC to better able to tolerate extreme temperatures and disease, and reach more competitive prices for farmers who rely on their income from sales.

Farmers signed Ram Agreements with the BRC whereby farmers agreed to conservation actions, sufficient dosing/inoculating and livestock monitoring, in return for rams. Farmers had a maximum of 4 years to pay back the BRC, either in cash or lambs.[1] Farmers who experienced poor lambing seasons made arrangements to delay their loan payments. The BRC used the payments to support other farmers to convert to more resilient herds. To reduce environmental degradation and conserve water, planned grazing was also implemented.

[1] By December 2018, R6 600 in cash and 21 lambs, at R1 500 each (which came to a total of R38 100) was paid, but only by 53% of farmers.

During the project, 60 local youth were also trained on farming techniques, and ecological knowledge to improve the sustainability of livestock farming and the adaptive capacity of community members.

Key Lessons:

"Our organisation's members benefitted by getting the Meatmaster rams. It resulted in us getting more lambs of better quality which we could sell for more money, therefore it improved our income," says Katrina Schwartz, a beneficiary of the Biodiversity and Red Meat Initiative.

"The movable kraals we received through the funding resulted in our animals being sheltered during extreme weather and thus, we lost less livestock to cold. This also helped improve our income," says Katrina. "I would not [have been] able to buy the rams or the kraals on my own, I would not have been able to afford it. Now that I do have access to the rams and kraals, I will continue using them, which improves my income, and I will select from the ram's progeny, which I can sell for breeding material," says Katrina. "It was a good project, I learned about my herd's health and I learned about climate change and how I could adapt to it."

She says the climate change training and the animal health training could definitely be done with the rest of her community. The training helped her. She says, "It was not difficult for me to implement the proposed activities, as we received training in it, and therefore I knew what to do."

Figure 7 A Gondwana Alive monitor explaining during a learning exchange the benefits of the climate smart breeds

3.5 Climate proofing small-scale rooibos production

Investment Window: Climate-Smart Agriculture and Climate-Resilient Livelihoods

Timeline: September 2016 – June 2019

Total beneficiaries: 107 total beneficiaries (31 youth and 35 women)

Total funding provided: R1 320 000 (spent R1 155 387)

Adaptation Responses:

The Heiveld Cooperative Limited, a Nieuwoudtville-based community cooperative, in partnership with Avontuur Sustainable Agriculture (ASA) received a grant to address the vulnerability of small-scale rooibos tea farmers in the Suid Bokkeveld. Increasing water scarcity threatens the livelihoods of the rooibos farmers. The community used to store water in an earth dam but, longer dry periods and warmer temperature made

the water unusable. Warmer temperatures have also made it harder for rooibos seedlings to survive, and erosion caused by more intense storms erodes away productive topsoil.

Climate smart agricultural approaches like mulching, and composting were introduced to improve the productivity of the rooibos lands. Sustainable water supplies were ensured through the installation of a solar pump and 10 water storage tanks. Farmers were encouraged to share climate information, and their experiences with coping with the impacts of climate change, through Farmers' Days, and Climate Change Preparedness Workshops.

Key Lessons:

- A drought occurred for the duration of the project which required flexibility from the project's activities.
- Mulching was found to be more expensive and labour intensive than anticipated.
- The project required more effort from the Heiveld Cooperative than anticipated due to complex compliance and reporting processes. However, capacity building enabled the project team to successfully complete these processes.
- Local knowledge and existing activities or infrastructure should be taken into account when designing climate change adaptation projects.

Figure 8 Heiveld cooperative processing rooibos tea at the tea court

3.6 Building resilience to climate change by promoting saving

Investment Window: Climate-Resilient Livelihoods

Timeline: August 2016 – June 2019

Total beneficiaries: 290 total beneficiaries (59 youth and 250 women)

Total funding provided: R 1 569 297 (R1 544 558 was spent)

Adaptation Responses:

The SaveAct Trust facilitated the establishment of 20 community-based saving groups. The project used a sustainable savings model whereby savings groups became self-managed, and independent of the SaveAct Trust after being trained on financial education for 18 months. Members collectively saved money and borrowed at a 10% service charge. It ensured that communities have access to financial services, like savings, and credit to be able to access different options to sustain their livelihoods in a changing climate. Farmers were able to access loans to buy livestock, medicines and fodder during drought. Collectively the beneficiaries saved R1 171 039, which equalled an average annual savings of R3 009 for each member. Share-outs of savings, which happened once a year, gave members access to larger lump sums to make bigger investments in their enterprises to adopt climate smart technology. Training was also provided through a board game called SALT to teach beneficiaries to consider long-term and green investments.

Key lessons:

- The savings groups worked because members were responsible for their own finances. The SaveAct Trust also worked with community members who play a leadership role, to gain the trust of the community. The SaveAct Trust collaborated with other SGF projects and organisations, such as Abalobi, who were active in Namaqualand to ensure that the savings schemes were embedded in local development, and climate change adaptation, of five vulnerable communities.
- The establishment of a savings culture does not require a large budget. A slow trickle of funding over a long-term period is best suited to this project, combined with careful monitoring of savings groups in order to ensure a sustained impact.
- Monitoring requires one reliable person who can support the achievement of a savings culture over an extended period.

"I have to buy material before February price hikes kick in. I borrowed money from Angels, which I know I can double up and repay, and then put money away. I want to buy a buttonhole machine which I need for the dresses, and it costs R18 000. I have to put money away for that and I need operational money, especially for material. In the meantime, I can now sometimes also buy food with my loans and help my mom when she needs fodder or medicines for her animals. It is not much but every little bit helps."

LISA MATHYS, A BENEFICIARY OF THE SAVEACT TRUST

Lisa joined a new savings group called Angels. Five months down the line she has nothing but praise for it.

Figure 9 Lisa's business - a beneficiary from SaveAct that used her savings to strengthen her business

3.7 Concordia Farmers Adaptation Project

Investment Window: Climate-Resilient Livelihoods

Timeline: June 2018 – January 2020

Total beneficiaries: 20 total beneficiaries (0 youth and 0 women)

Total funding provided: R 1 186 278 (R1 072 860 was spent)

Adaptation Responses:

The Concordia Landbou Boerevereniging (CLB), a livestock farmers' association, received a small grant to help livestock farmers adapt to drought and water scarcity through multi-purpose livestock shelters (12 were constructed), each equipped with two rainwater harvesting tanks. In addition, five 5 000 litre water tanks were installed at existing boreholes in open commonage areas to benefit the wider community. A climate-resilient grazing plan was also developed to support land restoration and maintenance.

Key Lessons:

- Construction as part of small granting projects should be considered carefully, as the community based projects often lack the capacity and experience of legal parameters necessary to fulfil the requirements, specifically relating to contract management, engineering requirements and project management.

GERT SAAL, THE CHAIRPERSON OF THE CONCORDIA LANDBOU BOEREVERENIGING (CLB), SAYS THAT

the SGF helped the CLB and the community access funding for infrastructure for climate change adaptation as well as training. He would like to access funding again, but would like to work with funders who are flexible and put the needs of the locals first. He states that the biggest project challenges were project management, and language barriers between funders and the community.

Figure 10 CLB chairperson explaining what vulnerability means to farmers

Figure 11 Livestock using one of the CLB shelters Challenges: A Summary of Lessons from challenges

A Summary of Lessons from Challenges

- **Timeframes:** The duration of projects, such as the savings groups, Biodiversity and Red Meat Cooperative (BRC), and climate resilient herder shelters, were too short to achieve major behavioural shifts that are sustainable, which takes a long time to achieve. The rollout of resources such as the climate resilient herder shelters, and saving for climate smart technologies such as solar powered pumps to extract groundwater also takes time. More time is needed to encourage more small-scale farmers to work together, and to focus on specific trainings.
- **Compliance:** Compliance requirements such as the drafting of reports, their review and approval as well as approval for any changes to the projects took a long time which negatively impacted the implementation of projects.
- **Lack of capacity:** The capacity of communities, and institutions often needs to be built for climate change adaptation projects to be successful. For example, training on basic livestock management practices needed to be completed before climate-smart practices such as rotational grazing could be tackled in the BRC project.
- **Procurement and construction processes:** The procurement of service providers and involvement of CSA in construction decisions was indicated to be a challenge.
- **Integration:** There was a lack of integration of this project into other projects in the broader Namakwaland District Municipality until quite close to project close out.
- **Roles and Responsibilities**: Understanding and articulating roles and responsibilities in the governance of the SGF project is critical to avoid duplication of efforts.
- **Grant Size**: Even though most recipients had managed grant sizes of over R1 million, it became apparent that the grant size and cascading compliance required to meet global and national requirements was challenging for all the small grant recipients.
- **Budget**: Ensuring sufficient funding is available upfront for the Facilitating Agencies to support the Small Grant Recipients and beneficiaries with all the required training and mentorship. During this project a lot of co-finance was provided by the Facilitating Agencies.
- **Capacity Building:** There is a lack of training for project management for recipients and not enough investments in helping overcome language barriers for vulnerable communities.

Opportunities: A summary of opportunities that emerged

- Inviting the district and local governments to be a part of the Project Advisory Group, provided a platform through which Small Grant Recipients and government officials'-built relationships, that can now go beyond the SGF funded projects.
- Using funds to strengthen local governance and organisational structures through savings groups, can help put in place local long-term financing options.

4. RECOMMENDATIONS FOR DELIVERING MORE EFFECTIVE FINANCE MECHANISMS TO VULNERABLE COMMUNITIES

The following recommendations can be considered for improving financial delivery to communities:

1. **Ensure sufficient capacity of recipients:** Small Grant Recipients (SGRs) that have capacity to meet the requirements of the National Implementing Entity (NIE) and the funder should be selected. If recipients do not meet requirements, other more flexible funding models should be selected. In addition, care should be taken when selecting projects to ensure that SGRs have the capacity to implement them.
2. **Build capacity:** Ensure that capacity of communities and institutions is built from inception, and invest in proposal development before implementation. Capacity can also be built by making use of a phased implementation approach which entails a Training Needs Assessment to inform a targeted capacity building programme for proposal development and project implementation.
3. **Secure sufficient finance :** Secure sufficient -finance for the Facilitating Agencies for the duration of the project to cover all the additional support needed to make sure the project can cover the significant amount of training and mentorship required for beneficiaries.
4. **Appoint dedicated staff to provide project support:** Employ sufficient financial staff within the FA to support SGRs with financial capacity building, management, and reporting throughout the programme. Employ sufficient dedicated personnel within the FA to assist with governance and project management capacity building, monitoring and evaluation and including the monitoring of compliance against environmental safeguards. The original teams in FA were overburdened and sufficient teams need to be built to address all the requirements.
5. **Streamline the governance and decision-making structures:** Improve communication between the SGRs and the EE and NIE, to ensure streamlining and faster decision-making processes to prevent delays in project implementation.
6. **Geographically align projects:** Calls for proposals should be geographically aligned with the facilitating agencies' implementation areas to maximise the effort and resources provided to target communities
7. **Allocate different grant sizes:** Allocate difference grant sizes (i.e. mini, micro, and macro grants) based on due diligence and track record of applicants. If grants sizes are too large and SGRs don't have capacity to handle these funds, then the projects become very challenging to manage and implement.
8. **Link smaller projects to bigger projects:** To receive more support from stronger relationships with other organisations and different levels of government, link projects to other existing projects in the Districts areas managed by partners to create a bigger impact.
9. **Value indigenous knowledge:** Indigenous knowledge plays an important role within these farming communities and provides value into adaptation solutions. Indigenous knowledge must be, balanced with expert inputs as required often by the compliance criteria of the funding, otherwise if there is no consideration of local knowledge this leads to loss of empowerment and in some cases maladaptation may occur. The compliance criteria should be well communicated upfront with communities to come to an agreement on what can work for all.
10. **Enable longer timeframes:** More time is needed though the funding lifecycle to encourage more small-scale farmers to work together, and to focus on specific trainings that support project sustainability. Understand from the beginning the amount of time the project will take, include realistic deliverables and timelines, expect delays and make them part of planning.
11. **Learn together:** Exchange visits between communities can be valuable in sharing experiences, lessons learnt, and best practices. Ensure that beneficiaries understand the benefits of working together as a community.

12. **Be adaptable:** When working with communities to implement their own projects allow for some flexibility. For example, projects need to be flexible to respond to immediate challenges such as drought and funding requirements should allow for this.
13. **Involve District and Local Municipalities** as well as relevant Government sectors in project planning, development, monitoring and evaluation, supporting compliance proposal development, the screening of SGR capacity, and capacity building activities, to ensure project sustainability.
14. **Regular communication between project role players:** Regular engagement between the communities (beneficiaries), implementing organisations, including the EE and NIE and local, district, provincial and national government in open forums that are not only part of the project management committees is advised to build relationships and trust.
15. **Procure suitable service providers:** If there are parts of the project that fall outside of the scope of Facilitating Agencies, such as some of the construction requirements, procure suitable consultants or professionals in construction from project inception to help design project activities and develop construction drawings.
16. **Ensure the sustainability of the project:** The SGF was designed to ensure sustainability at the project level and at the level of creating a climate finance instrument that supports local climate change adaptation. Communities are capable to respond to climate challenges if they are given the right support. The Project Management Team can provide support to the beneficiaries and SGRs to develop Sustainability Plans to ensure that once Facilitating Agencies exit, the SGR has the skills and capacity to manage on their own going forward.

> "The learning process (by organisations and communities) should have clear measurable indicators to allow it to be a key part of the project at each step, rather than an add on at the end."
>
> CONSERVATION SOUTH AFRICA.

Further Reading

Further reading can be found in the following case studies:

1. A New Approach to Enabling Local Responses to Climate Change: Learning from the Community Adaptation Small Grants Facility project
2. Adaptive Management: Enhancing Direct Access to climate finance
3. An Emerging Framework for Capacity Building: Reflection and response as part of Community-based Climate Change Adaptation
4. Good Governance: Oversight and compliance support mechanisms within the context of Enhanced Direct Access and Climate Change Adaptation
5. Participatory Project Development for Small Grants: Lessons from the Small Grants Facility project funded by the Adaptation Fund
6. A tale of Two Districts: Regional influences on the implementation of Community-based Climate Change Adaptation
7. Facilitating Agency Experiences: The important role of Facilitating Agencies in the implementation of the Small Grants Facility in two Districts in South Africa
8. Community-based Climate Change Adaptation: What does success look like?
9. Cascading Compliance: Lessons on achieving compliance within the Adaptation Fund's Environmental and Social Policy requirements

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