



Accessing Climate Finance for water infrastructure in SADC

24 March 2017

Creating climate resilient communities



Framing and purpose of this work

The Question: How can regional institutions access climate finance for transboundary water infrastructure projects?

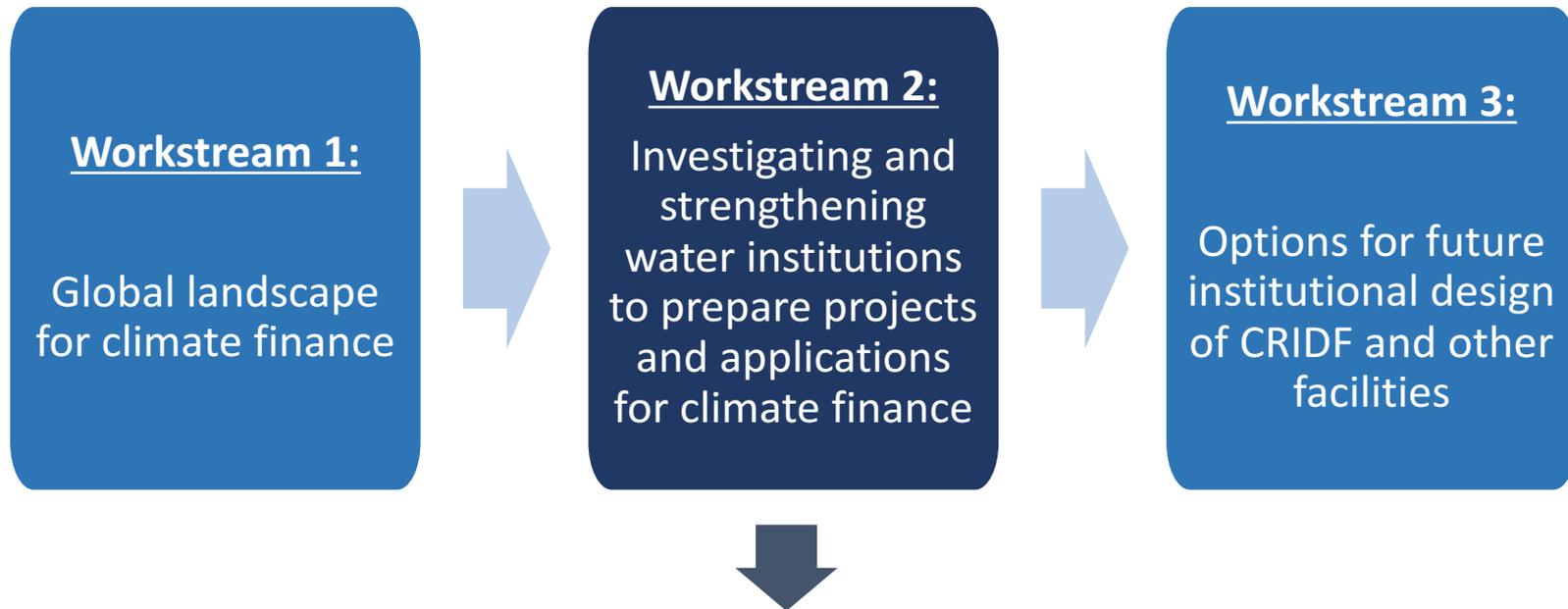
How best can CRIDF and others support this?

The process:

South-South-North and Vivid Economics completed:

- Initial review of previous assessments of KAZA and OKACOM member country readiness to access climate finance and analysis of relevant national documents, and
- The application of the Climate Finance Readiness Framework through interviews with key stakeholders, member states, KAZA and OKACOM secretariats.

Three project workstreams



The Outputs:

1. Review of Climate Finance available for SADC
2. Country assessments of readiness for KAZA/OKACOM member countries to access climate finance for water
3. Climate Finance Readiness Framework
4. Guidelines for accessing climate finance
5. ***Assessment of KAZA and OKACOM readiness to access climate finance***

KAZA

A photograph of a field with green plants and tall, thin, bare tree trunks under a blue sky with white clouds. The plants appear to be young trees or shrubs, possibly in a reforestation project. The ground is sandy and brown. The sky is bright blue with scattered white clouds.

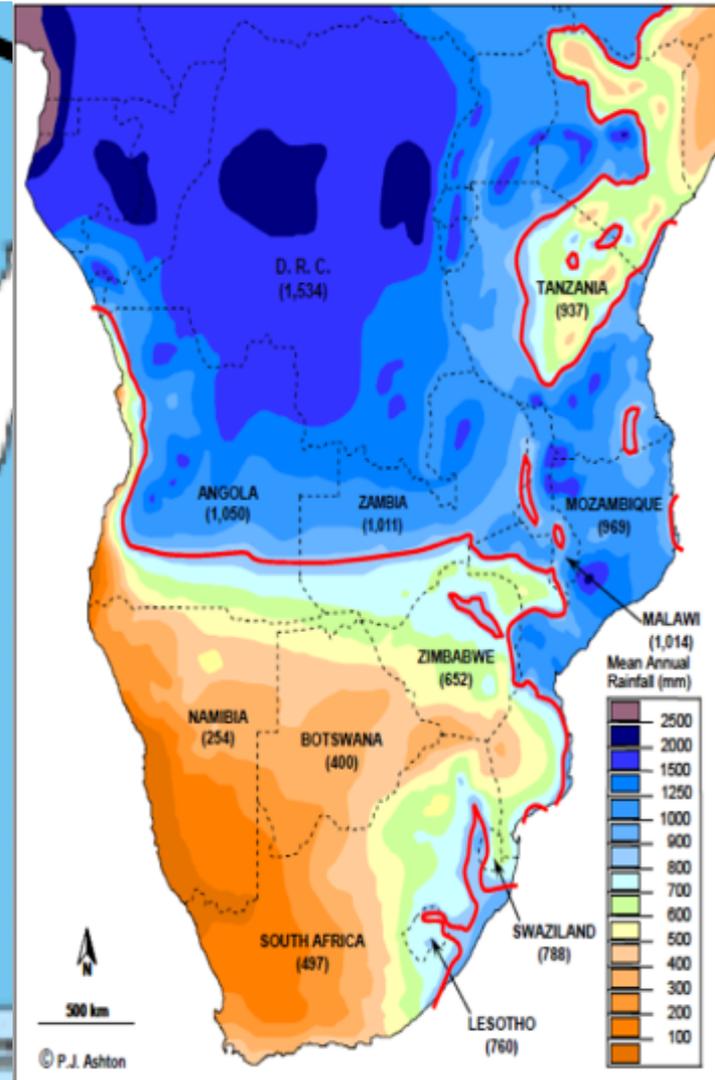
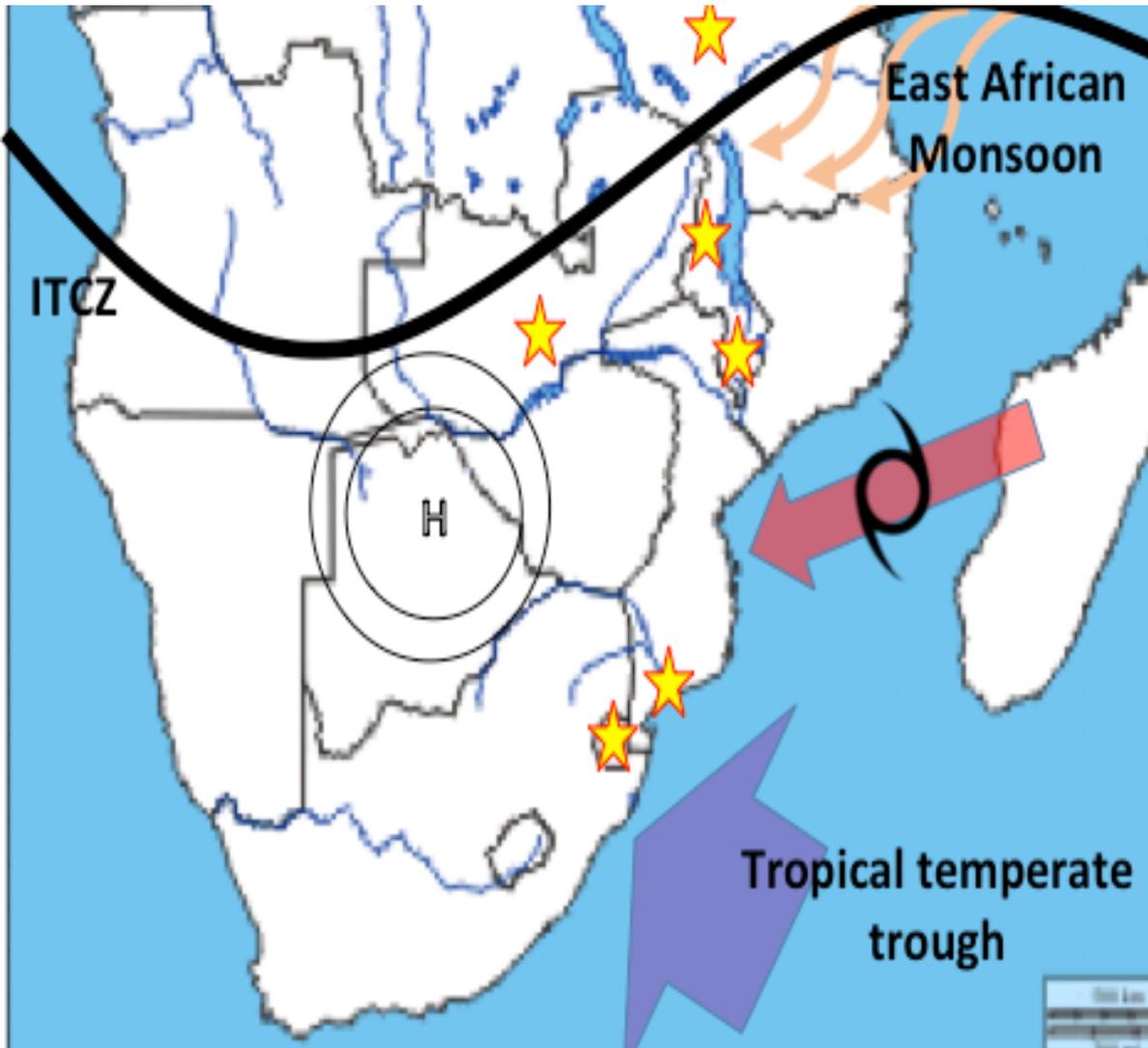
- Largest transfrontier conservation area in the world (520 000 km²)
- Mandate to harmonise policies, strategies and practices to promote sustainable management of the ecosystem for wildlife conservation and tourism.
- The wetlands of the KAZA TFCA depend on water flows from Angola, Zambia and the Democratic Republic of Congo (DRC)
- Over 90% of the water flowing into the Okavango Delta comes from the Angolan highlands.
- Most of the Okavango River Basin is enclosed by the KAZA TFCA, which is an integral part of an ecosystem connected to the Upper Zambezi River basin, extending the regional links of the five partner countries.

OKACOM

- Was established to act as a technical advisor to the three riparian states Angola, Botswana and Namibia on conservation, development and utilisation of water resources of the Cubango-Okavango river basin.
 - The Okavango River Basin faces several environmental challenges:
 - Increased urbanisation associated with population growth and a lack of alternative livelihood options.
 - Increased demand for services such as water supply and sanitation - if not managed and regulated could lead to inadequate supply and increased water pollution.
 - Absence of sustainable rural livelihoods options, leading to increased deforestation (driven by the demand for domestic energy), shifting subsistence agriculture and unregulated, unsustainable bush-meat trade.
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- A group of people are seen in a traditional dugout canoe on the Okavango River. The river is surrounded by lush greenery and a blue sky with scattered clouds. The water is calm, reflecting the surrounding landscape. The people in the canoe are dressed in casual clothing, and one person is visible at the stern, possibly steering. The overall scene depicts a peaceful, natural setting in a riparian area.



Major climate forces in southern Africa





Why climate finance?

- Amount available = \$10bn from GCF alone
- Mandates of OKACOM and KAZA align with GCF mandate
- 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



Key Messages: Planning

- Member States are currently focusing on their national agendas for accessing climate finance, with limited prioritisation of transboundary projects.
- Limited technical capacity within OKACOM and KAZA to integrate climate resilience into planning.
- Member states have limited technical capacity to identify and design climate resilient water infrastructure projects - existing capacity focussed on national level.
- Capacity that does exist varies among states.



Key Messages: Accessing Resources

- OKACOM and KAZA have expressed interest in working with national water institutions in developing transboundary water proposals for climate finance although they are constrained by limited technical and staffing capacity.
- Differences in climate finance readiness of member states pose a challenge to RBOs and regional organisations accessing finance for transboundary projects/programmes.
- At the same time OKACOM and KAZA cannot access climate finance directly, and are therefore reliant on member states.
- GCF doesn't yet have guidelines for transboundary proposals

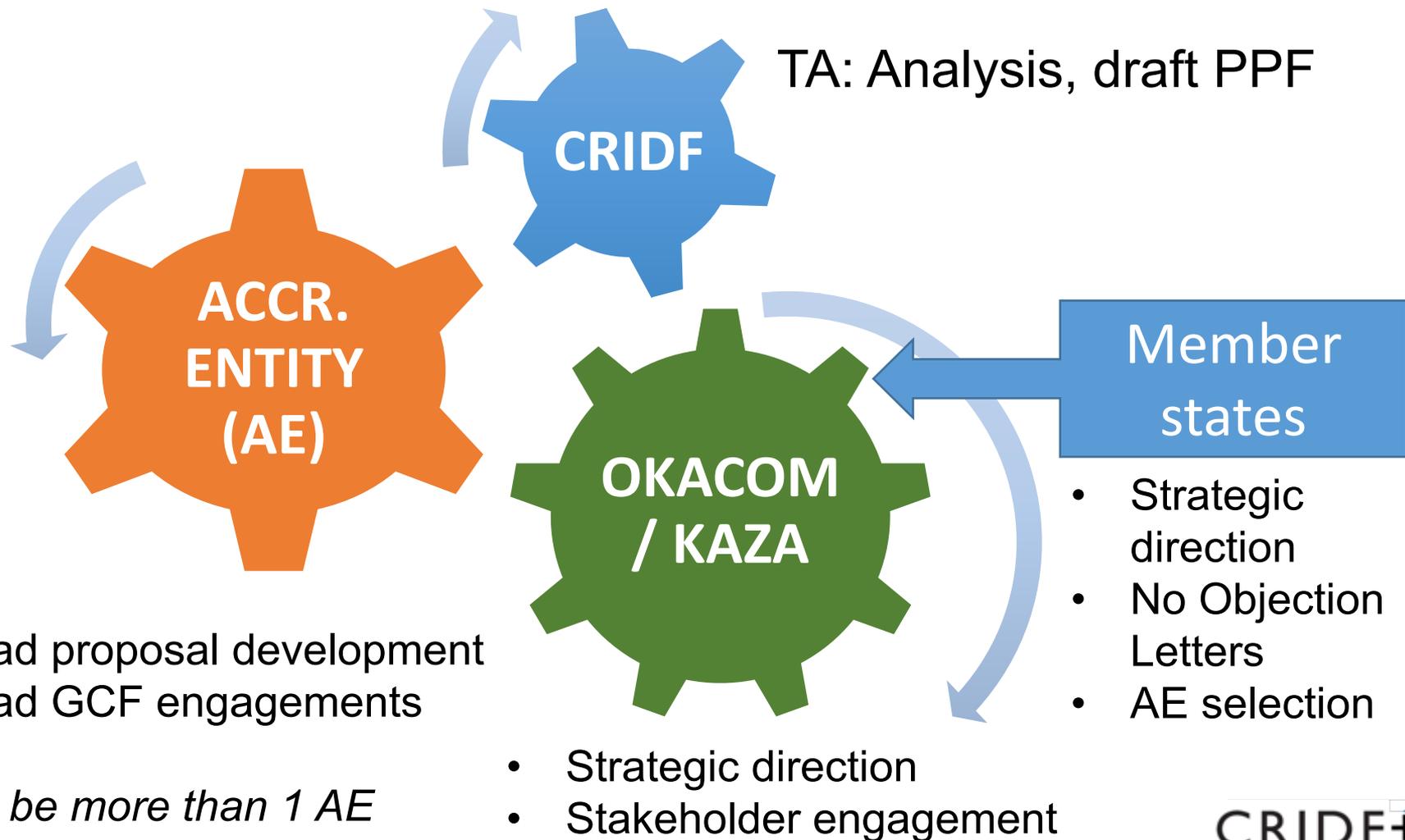


Key Messages: Delivery

- Implementation is largely the role of MS, But
- OKACOM and KAZA play a significant role in supporting implementation
- ***Resource and capacity constraints limit the extent of this role:***
 - KAZA Working Group constrained by the high demand for assistance.
 - Despite substantial efforts to address M&E in OKACOM, KAZA and MSs, M&E requirements of international climate funds are onerous.



Collaborating to access Climate Finance





What could improve?

KAZA + OKACOM



Coordination and communication - OKACOM-KAZA-Planning-Environment-Water-NDAs

KAZA + OKACOM



Capacity to potentially play a more prominent role in implementation of activities in the basins

Member States



Knowledge within national water institutions on the importance of addressing climate change in relation to water infrastructure, especially basin-level

Academia/
Research



Make better use of academic institutions for climate science, hydromet etc. skills for long term planning



Big question

- Should KAZA and OKACOM assess the advantages of becoming a regional GCF accredited entity?



What could further improve?

Research	Ability of regional organisations and national water institutions to coordinate and develop water-related climate research within the basins
Hydrological monitoring and NAPs	Capacity for hydrological monitoring in key basin stations, therefore assisting MS with implementing their National Action Plans
Climate change and infrastructure planning	Knowledge of national water institutions on the importance of addressing climate change in relation to current and planned water infrastructure at a basin level
Identify key projects	Technical skills of KAZA, OKACOM and national institutions for identifying key transformative projects
Climate finance information	A platform that supports the dissemination of information on accessing climate finance to national water institutions



Conclusions



- Complex technical and governance factors make managing transboundary water resources challenging.
- Enhancing readiness of MS to access climate finance will help to mobilise resources.
- Better technical capacity within working groups is required for them to improve support for the planning and implementation of transboundary projects.
- Need to support improved access to information on the various sources of climate finance
- Need for improved climate data nationally and at basin level