

22 June 2020

## Dear friends, partners and associates

This week, in our ongoing series on confronting the barriers to climate finance in Africa, we discuss how to address the challenges of meeting complex funding criteria. Navigating this issue continues to remind us that building resilience – which is a more socially relevant way of looking at mitigating risk – is a universal concept. While different geographies and systems obviously have different levels – and thus varying indicators of resilience - these indicators are universal to COVID-19 recovery and to climate change responses.

We explore this further in this issue, exploring how countries could navigate complex funding requirements for their resilience building actions.

In addition, we remind you of our forthcoming online course on accessing financing for groundwater development for the SADC Groundwater Management Institute.

As always, we are interested in your thoughts – please email [info@oneworldgroup.co.za](mailto:info@oneworldgroup.co.za).

We wish everyone good health.

Belynda and the OneWorld team

## CLIMATE FINANCE CHALLENGES: ADDRESSING COMPLEX FUNDING CRITERIA

A major barrier to accessing climate finance in Africa is the difficulty in meeting very specific funding criteria - such as prescribing that a project must focus on either mitigation or adaptation. This criterion effectively limits projects from developing, for example, the adaptation co-benefits of mitigation action. Yet an intervention, such as a solar energy installation in a low-cost housing development, stands to increase resilience to climate change and other crises through affordable, clean and safe energy access, while reducing greenhouse gas emissions. For vulnerable populations, these resilience or adaptation benefits are more important than the mitigation action itself. However, if the funder is solely focused on mitigation or adaptation, the synergies between different types of climate action can be lost.

Furthermore, while funding criteria across different climate finance channels have slowly been improving, harmonisation across them is low. This leaves African project developers scrambling to satisfy a range of criteria from different funders when trying to leverage different sources of finance for the same project. While there is a need for more flexible funding criteria which can better accommodate local contexts, there are also ways that African institutions can navigate this challenge.

Years of collaborative stakeholder brainstorming has highlighted that integrated screening and prioritisation of climate change projects, through a co-developed prioritisation framework makes incorporating complex financing criteria possible. The application of locally relevant indicators that integrate the co benefits of different types of climate action can build local resilience while meeting stringent international finance criteria.

In [one of our projects](#) with the Green Climate Fund, OneWorld is co-developing customised prioritisation frameworks with the national governments of Mozambique, Mauritius and the Seychelles. These frameworks aim to facilitate prioritisation between sectors with a view to integrating climate action from more than one sector. Doing this in countries with multiple development priorities requires that stakeholders evaluate their choices through a political economy lens, allowing them to identify all who stand to gain or lose from the proposed interventions.

This is a critical condition for success. Where funding criteria do often converge - it is around the objective to realise impact for the most vulnerable groups within populations. For example, the GCF provides six investment criteria, one of which is ‘impact potential’ or the potential of the intervention to contribute to critical resilience building aspects such as change in loss of lives, value of physical assets, livelihoods, and environmental or social losses. Each of these climate adaptation indicators is as central to post COVID-19 recovery as it is to building resilience to climate change.



## WATCH THIS SPACE: UPCOMING SADC GROUNDWATER FINANCING COURSE

As a reminder, [part of our work](#) for SADC Groundwater Management Institute, involves the development of a training course to increase knowledge for accessing finance for groundwater development projects.

SADC-GMI's online training course will start mid-July and further detail will be available in our end June newsletter. The course aims to engage project developers through live case studies, practical assignments, and peer to peer and expert knowledge clinics. The course is being hosted on [CapNet's virtual campus](#), and promises to be interesting and interactive.

Please contact [info@oneworldgroup.co.za](mailto:info@oneworldgroup.co.za) or [struan@oneworldgroup.co.za](mailto:struan@oneworldgroup.co.za) if you wish to express interest in participating.



[Visit our Website](#)

[View our Covid-19 and Working in Crisis policy](#)

[Follow us on LinkedIn](#)



5th Floor, 30 Hudson Street  
De Waterkant  
Cape Town, 8001  
[Info@oneworldgroup.co.za](mailto:Info@oneworldgroup.co.za)