ADAPTATION FUND

CONCEPT NOTE PROPOSAL FOR SINGLE COUNTRY

PART I: PROJECT INFORMATION

Title of Project:	Upscaling and Enhancing the Locally-led Adaptation Small Grants Facility for South Africa Phase 1
Country:	South Africa
Thematic Focal Area:	Multi-sector projects
Type of Implementing Entity:	National Implementing Entity
Implementing Entity:	South African National Biodiversity Institute
Executing Entities:	To be confirmed
Amount of Financing Requested:	4 999 717 (in U.S Dollars Equivalent)

Project Formulation Grant Request (available to NIEs only): Yes ☒ No ☐

Amount of Requested financing for PFG: 248 568 USD (in U.S Dollars Equivalent)

Letter of Endorsement (LOE) signed: Yes ☒ No ☐

NOTE: LOEs should be signed by the Designated Authority (DA). The signatory DA must be on file with the Adaptation Fund. To find the DA currently on file check this page: https://www.adaptation-fund.org/apply-funding/designated-authorities

Stage of Submission:

☒ This concept has been submitted before

☐ This is the first submission ever of the concept proposal

In case of a resubmission, please indicate the last submission date: 1/27/2026

Please note that concept note documents should not exceed 50 pages, including annexes.

Project/Programme Background and Context:

Demographic and climate profile

The Republic of South Africa (RSA) has a population of ~62 million people, according to the most recent census in 2022 and shares its borders with six other countries in Southern Africa: Namibia, Botswana, Mozambique, Zimbabwe, Eswatini, and Lesotho. The population is distributed unevenly around the country, with the densest nodes of settlement in the major urban centres on the east coast and Cape Metropole, as well as the economic heartland of the Gauteng City Region (Figure 1[1]). Rural areas in South Africa tend to have comparatively lower population density, except for some parts of KwaZulu-Natal, the Eastern Cape, and Limpopo.

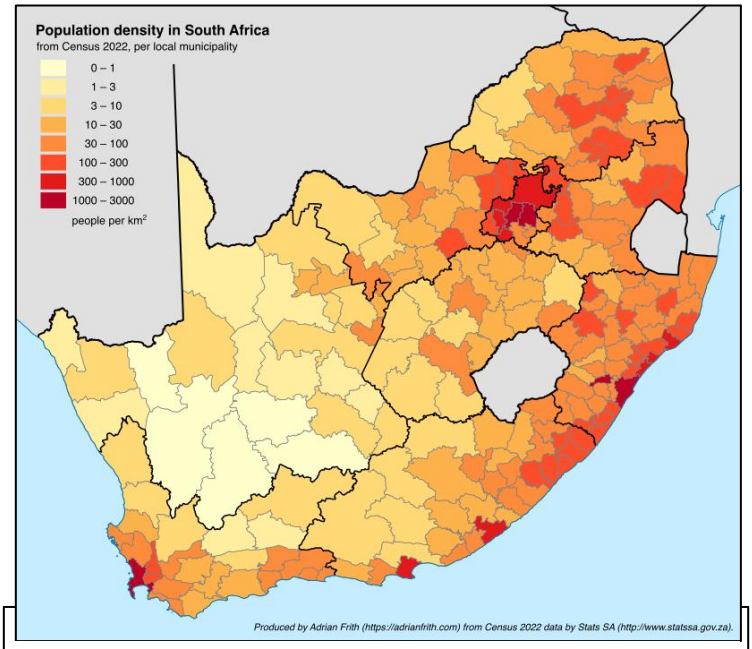


Figure 1. Census 2022 population density and spatial distribution by local municipality in South Africa

RSA has a varied climate because of its area, topography, and geographic location. Figure 2 shows that most of the country is classified as arid (~70%), with most of the remainder being classified as warm and temperate (~29%) and only a fraction classified as equatorial (~0,2%) in terms of the Köppen-Geiger climate classification[2].

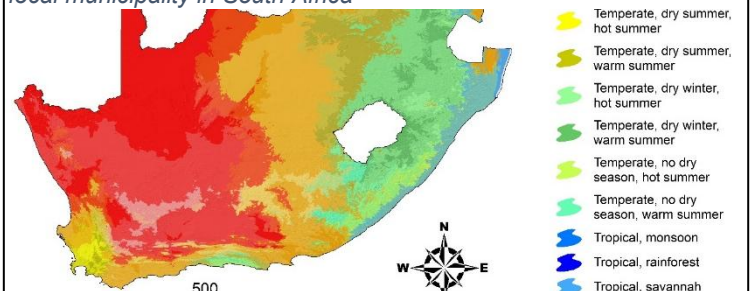


Figure 2. Köppen-Geiger climate classification for South Africa for the period 1980-2016

South Africa is warming by approximately 0.2°C per decade[3] contributing to climate impacts ranging from extreme heat and drought to sea level rise and flooding[4]. In recent decades, human-caused climate change has contributed to an increase in the frequency and intensity of hot extremes and average rainfall across South Africa has decreased in all areas except the north-west[5]. Despite an overall drying trend, the intensity and frequency of heavy rainfall events has also increased, while marine heatwaves have also become more intense and the sea-level is rising[6,7].

Projected trends in temperature and precipitation

South Africa's projected temperature and precipitation trends are summarised in Table 1 and Table 2 below for the RCP4.5 and RCP8.5 scenarios in 2030 and 2050, respectively.

Table 1. Summary of projected changes in temperature for South Africa in 2030 and 2050[8]

[1] Frith, A. (2023). *Population density in South Africa*. [Online]. Available: https://www.reddit.com/r/southafrica/comments/174r6ct/population_density_map_from_justreleased_census/
[2] Beck, H.E., N.E. Zimmermann, T.R. McVicar, N. Vergopolan, A. Berg, E.F. Wood. 2018. Present and future Köppen-Geiger climate classification maps at 1-km resolution. *Nature Scientific Data*: 5(1). [Online]. Available: DOI: 10.1038/sdata.2018.214.
[3] Intergovernmental Panel on Climate Change. (2022). *IPCC WGI Interactive Atlas: Regional information*. [Online]. Available: https://interactive-atlas.ipcc.ch/regional-information
[4] Johnston, P., Egbeyebi, T.S., Zvobgo, L., Omar, S.A., Cartwright, A., and Hewitson, B. (2024). *Climate change impacts in South Africa – what climate change means for a country and its people*. [Online]. Available: https://web.csag.uct.ac.za/~cjack/South%20Africa_FINAL_22%20Jan_ONLINE.pdf
[5] Trisos, C.H., I.O. Adelekan, E. Totin, A. Ayanlade, J. Efitre, A. Gemeda, K. Kalaba, C. Lennard, C. Masao, Y. Mgaya, G. Ngaruiya, D. Olago, N.P. Simpson, and S. Zakieldeen (2022). *Climate Change 2022 – Africa: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* [Online]. Available: https://www.ipcc.ch/report/ar6/wg2/
[6] Between 1900 and 2018, the sea level rose in the South Atlantic Ocean by 2.07 mm per year and in the Indian Ocean by 1.33 mm per year.
[7] Johnston, P., Egbeyebi, T.S., Zvobgo, L., Omar, S.A., Cartwright, A., and Hewitson, B. (2024). *Climate change impacts in South Africa – what climate change means for a country and its people*. [Online]. Available: https://web.csag.uct.ac.za/~cjack/South%20Africa_FINAL_22%20Jan_ONLINE.pdf
[8] *Ibid.*

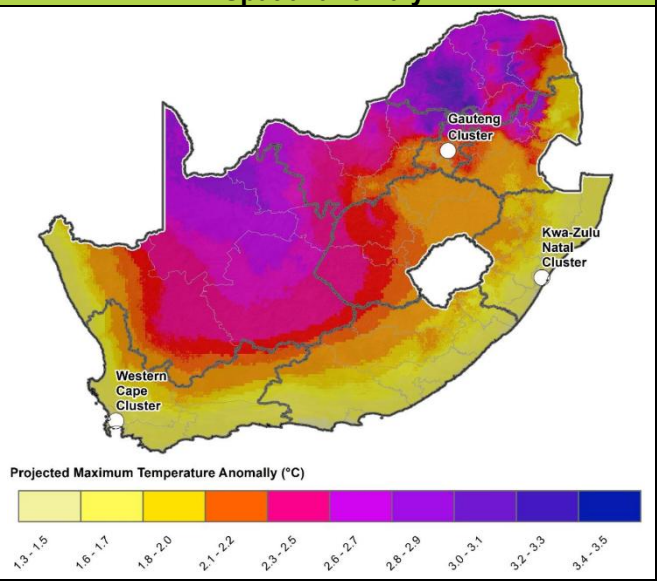
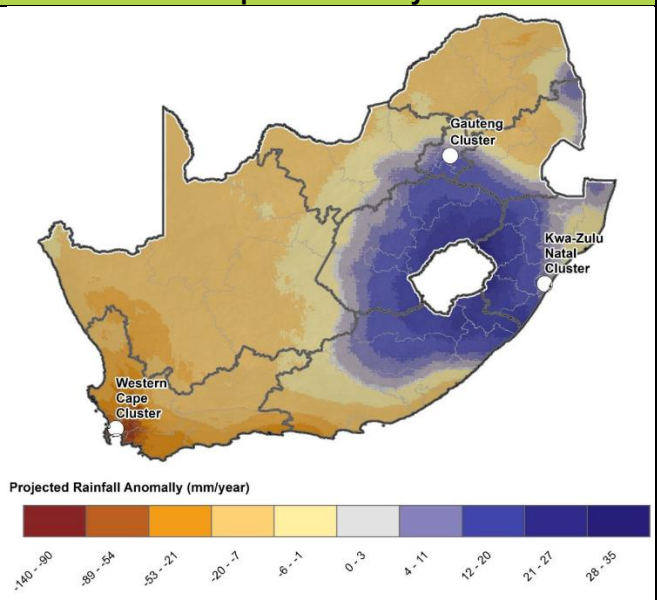
Scenario	Projected changes	Spatial anomaly
Future 2030	For RCP4.5 and RCP8.5, the country's mean annual temperature is expected to rise by +0.98°C to +1.15°C. For all seasons, the interior regions are expected to warm by +1.0 to +2.0°C.	
Future 2050	For RCP4.5 and RCP8.5, the country's mean annual temperature is expected to rise by 1.5°C to 2.05°C. This interior is expected to grow to a greater extent once more. The proximity to the ocean mitigates the increases along the coast.	

Table 2. Summary of projected precipitation in South Africa in 2030 and 2050[9]

Scenario	Projected changes	Spatial anomaly
Future 2030	The median ensemble runs for RCP4.5 and 8.5 show an average annual rainfall change of -3.4 percent across the country, but there is a significant difference between this, and the decreases noted of up to 0% and increases of 36.4 percent under RCP4.5. The range under RCP8.5 is -43 percent, -4.4 percent, and +37 percent.	
Future 2050	Precipitation estimates aren't the same all over the country. For mean annual precipitation, RCP4.5 ensembles predict a range of -46 percent, -6.7 percent, and +35 percent. These are -57 percent, -9.9 percent, and +32 percent for RCP8.5. A drying trend in the western parts of the country is expected to continue for the rest of the century, putting the southwest at risk of severe drought. Drought is expected to worsen and become more frequent as a result of reduced precipitation and/or increased evapotranspiration.	

Climate-driven biome changes

Changes to the distribution and integrity of vegetation biomes are expected to occur due to increased temperature and rainfall variability driven by climate change. A recent study projects the anticipated changes to the spatial distribution of biomes and ecosystems based on the Köppen-Geiger classification system[10],

[9] Adapted from: Ogier, D. (2023). National level current and projected climate for South Africa. [Online]. Available on request from: https://www.doclimate.co/

[10] The Köppen-Geiger system classifies climate into five main classes and 30 sub-types. The classification is based on threshold values of monthly air temperature, and precipitation seasonality. This classification empirically maps biome distribution worldwide, i.e., regions in a similar class share common vegetation characteristics.

allowing for a quantitative comparison of present and future biome distribution at a high spatial resolution. Communities vulnerable to climate change often rely heavily on ecosystems for their livelihoods, so changes to the distribution and integrity of vegetation biomes will have far-reaching negative consequences for crops, agriculture, infrastructure, and human health, among others. The map below compares the current (2016, Figure 3A) and future (2070-2100, Figure 3B) distribution of the Köppen-Geiger biomes and indicates a significant shift to more arid classifications by the end of the century.

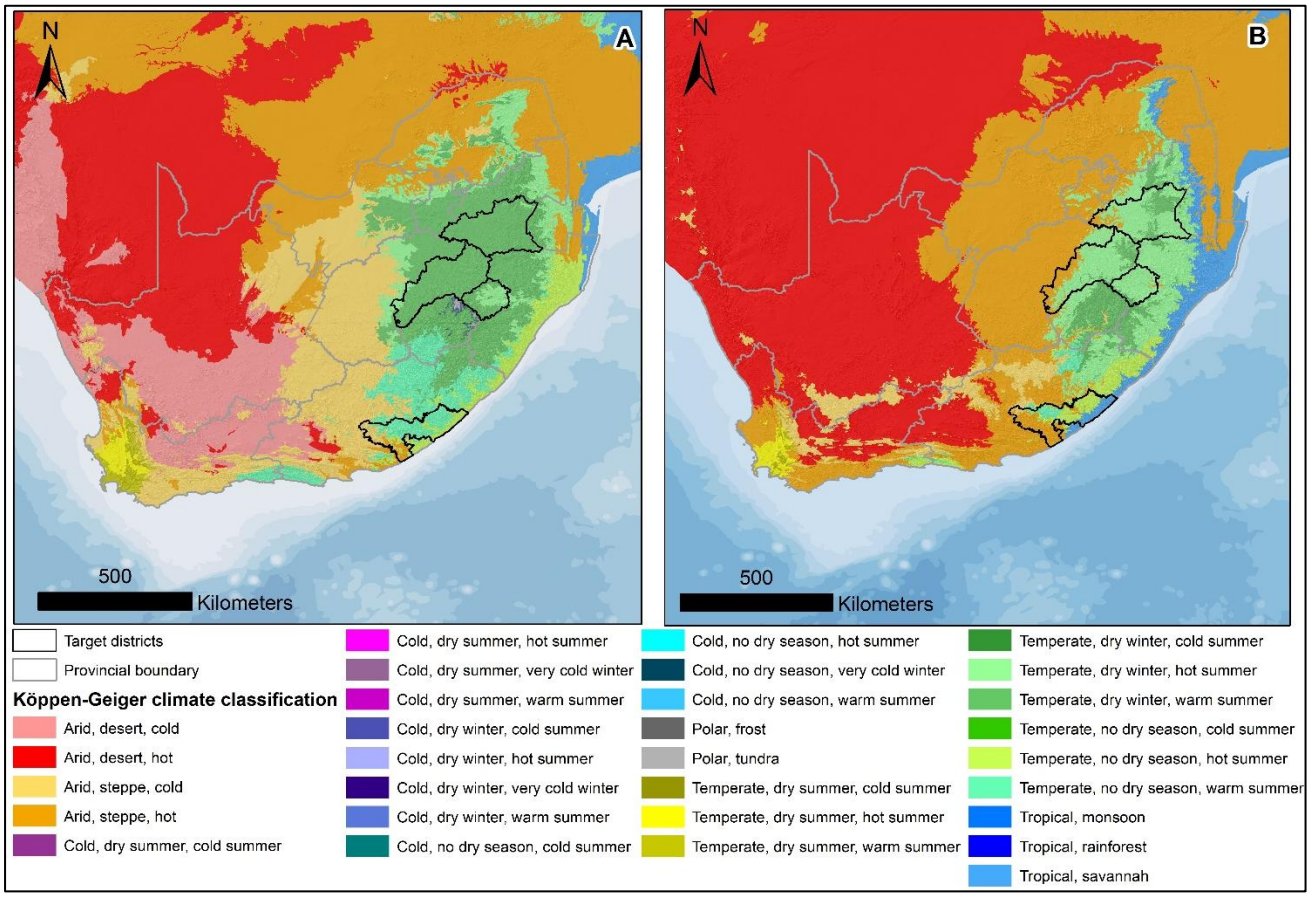


Figure 3. Present and future Koppen-Geiger classification for South Africa[11]

Climate change impacts and vulnerability

The most consequential climate hazards facing South Africa include drought, wildfires, extreme rainfall, and coastal impacts such as salt-water intrusion and sea-level rise. Table 3 presents sectoral summaries of the vulnerability of several economic sectors and ecosystems to the impacts of climate change in South Africa.

Table 3. Sectoral breakdown of climate change vulnerabilities and impacts in South Africa[12]

Sector	Climate change vulnerability/impact
Agriculture	Climate change has already put pressure on cereal crop production, high-value export agricultural production, and intensive animal husbandry practices, and it is expected to continue to do so. Water supply constraints have a significant impact. Dry-land subsistence farmers are much more vulnerable to climate change than commercial farmers who may have access to large-scale irrigation systems. However, in times of severe production constraints, a limited water supply will expose this. Reduced water availability will most likely reduce yields while increasing soil moisture deficits, potentially altering the areas suitable for agriculture or crop production. Crop productivity is hampered by increased heat stress, and more variable rainfall will likely alter growing

[11] Source data: Beck, H.E., N.E. Zimmermann, T.R. McVicar, N. Vergopolan, A. Berg, E.F. Wood. (2018). Present and future Köppen-Geiger climate classification maps at 1-km resolution. *Nature Scientific Data*: 5(1). [Online]. Available: https://www.nature.com/articles/sdata2018214.
[12] Adapted from: Ogier, D. (2023). *National level current and projected climate for South Africa*. [Online]. Available on request from: https://www.doclimate.co/

Sector	Climate change vulnerability/impact
	seasons.
Water 	Water scarcity and its consequences on quality are a significant challenge for the country, with stream flows in several areas already declining and expected to decline further. Rising temperatures and variable rainfall have exacerbated this, increasing evaporation and reducing stream flows, posing a threat to water storage systems. Extreme rainfall volatility and longer droughts and floods harm water quality. These effects will be highly variable across space.
Energy 	Warming temperatures are already limiting the cooling capacity of power plants and lowering outputs. With peak load demands during hotter summers, rising temperatures will also increase future demand. Rainfall and temperature trends are expected to increase power and energy infrastructure maintenance and repair costs and disrupt supplies and transmission. Hydropower generation will be hampered as runoff and surface water availability declines, posing a challenge to renewable energy goals.
Health 	The annual distribution of high-heat days is increasing, with the number of days with a high heat index (>35°C) increasing and expected to continue to rise in the future. Warm nights (>20°C) have also increased and will continue to do so. This could broaden the scope and severity of infectious disease outbreaks and the distribution of vectors. Furthermore, increased flooding has consequences such as loss of life and property and long-term deterioration of food systems and logistics, including impacts on food production and/or water supply.
Infrastructure 	Road, rail, and bridge design specifications typically have a 50-to-200-year return period for extreme events, with various additional conservative buffers. Increases in baseline temperatures, heat wave duration, and changes in the intensity and volume of extreme rainfall days may encroach on this design specification and jeopardise the assets' integrity. Flooding in KZN recently demonstrated the magnitude of changes in rainfall and a shift in the seasonality of these events on older infrastructure.

Adaptation challenges & ND-GAIN

The combination of South Africa's climate profile, as described above, and its baseline socio-economic status makes the country acutely vulnerable to various climate change hazards and impacts. Many of these hazards are already a reality for South Africans and will continue to be so, regardless of the extent of future climate changes. Climate change will, however, exacerbate these current vulnerabilities, increasing their intensity, duration, and cumulative impact. Approximately 40% of South Africa's population lives in extreme poverty,[13] and the unemployment rate is high, with ~32% of the population without work in 2023. While there is an increasing urbanisation trend, more than 30% of South Africa's population still lived in rural areas in 2022[14] where poverty, unemployment and a lack of economic opportunities are especially prevalent.

The combination of this severe poverty with widespread environmental degradation makes the country's rural population highly vulnerable to the impacts of climate change. Most rural South Africans depend directly on local ecosystems for their livelihoods, which centre around agriculture, harvesting natural resources, and ecotourism in some parts of the country. In addition to underpinning rural economies, agriculture is essential for national food security, and both agriculture and ecotourism are important earners of foreign exchange for South Africa. Furthermore, rural landscapes supply the entire country with vital ecosystem services such as fresh water. These ecosystem services and the livelihoods of rural people are being adversely impacted by climate change.

The University of Notre Dame Global Adaptation Initiative (ND-GAIN) Index[15] ranks 181 countries using a score that calculates a country's vulnerability to climate change and other global challenges and their readiness to improve resilience[16]. Due to a combination of political, geographic, and social factors, South Africa is categorised as vulnerable to climate change impacts, ranked 95th out of 181 countries in the 2021 ND-GAIN

[13] i.e., below the food poverty line.
[14] World Bank Group. (2022). *Rural population (% of total population) - South Africa*. [Online]. Available at: https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=ZA
[15] University of Notre Dame Research Environmental Change Initiative. (2024). *Helping countries and cities counter the risks of a changing climate*. [Online]. Available: https://gain.nd.edu/
[16] World Bank Group. (2021). *Climate Risk Country Profile: South Africa*. [Online]. Available: https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/15932-WB_South%20Africa%20Country%20Profile-WEB.pdf

Index[17].

Figure 4 tracks South Africa's NG-GAIN score between 1995 and 2021, which shows a comparatively volatile fluctuation over this 25-year period. The most recent score of 48.32 is similar to South Africa's first ND-GAIN score of 48.29 in 1995. At the community level, South Africa's population's adaptive capacity is limited by numerous socio-economic challenges, including widespread poverty, unemployment, and over-reliance on climate-sensitive livelihood activities. Figure 4 also shows how South Africa's high vulnerability score and low readiness score place it in the lower-left quadrant of the ND-GAIN matrix[18] which contextualises a country's vulnerability and readiness relative to the other 180 countries covered by the ND-GAIN Index. South Africa is the 111th most vulnerable country and the 120th most ready country in terms of this matrix[19].

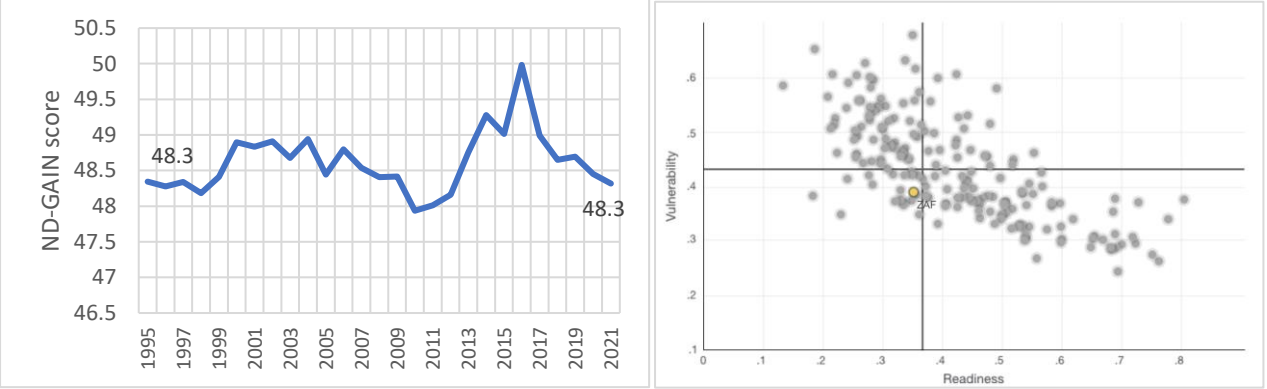


Figure 4. South Africa's ND-GAIN score between 1995 and 2021 and position on the ND-GAIN matrix in 2021[20]

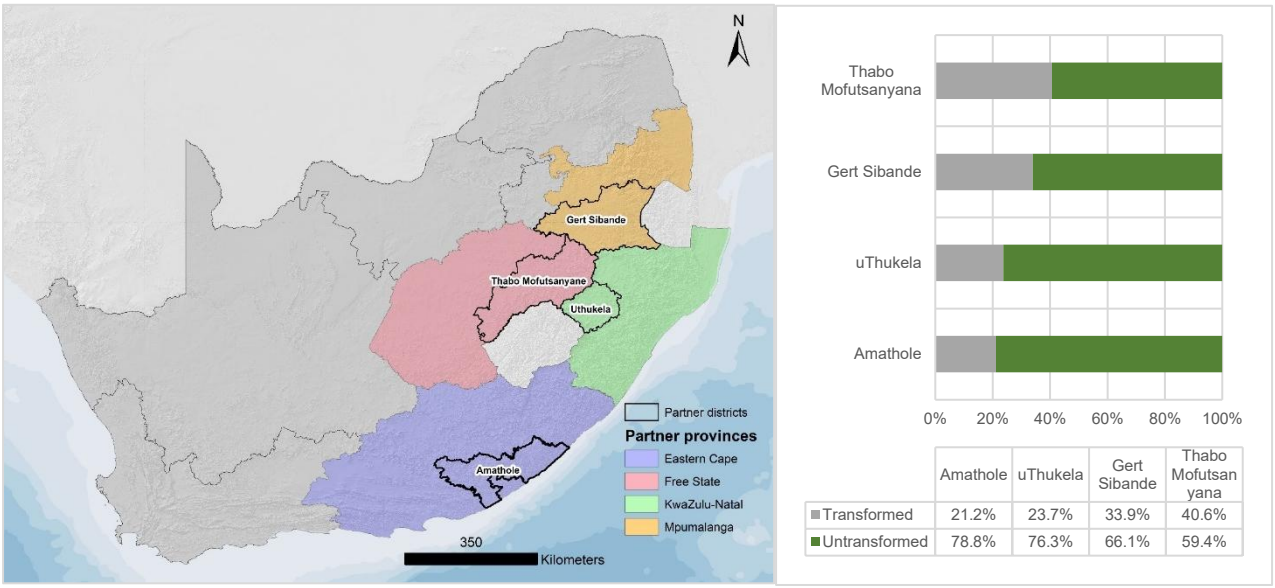
Project area

The following sections provide more detail on the project area in terms of locality, landcover, socioeconomic profile, and projected temperature, precipitation, changes for each municipality.

Locality and landcover

The proposed project area comprises four district municipalities (DMs) in South Africa, i.e., Amathole, uThukela, Thabo Mofutsanyana, and Gert Sibande districts, located in the Eastern Cape, Free State, Mpumalanga, and KwaZulu-Natal provinces, respectively (Figure 5). The following sub-section analyses the socioeconomic, environmental, and climate change profiles of the four partner district municipalities (PDMs). Analysing the spatial extent and distribution of landcover classes can be used as an indicator of several environmental factors, such as levels of transformation, the location and condition of ecological infrastructure, and the potential for certain livelihood activities. This analysis compares transformed classes (cultivated, built-up, and barren land) against untransformed classes (grassland, forested land, waterbodies, and wetlands) to understand the ratio of transformed to untransformed land. At opposite ends of the transformation spectrum among the four partner DMs are Thabo Mofutsanyana DM, which was ~40% transformed in 2020, and Amathole DM, which was only 21% transformed at that time. uThukela DM was more moderately transformed at 23%, with Gert Sibande DM categorised as 34% transformed in 2020.

[17] University of Notre Dame Global Adaptation Initiative. (2024). *ND-GAIN Country Index*. [Online]. Available: https://gain.nd.edu/our-work/country-index/rankings/
[18] University of Notre Dame Global Adaptation Initiative. (2024). *ND-GAIN Matrix*. [Online]. Available: https://gain-new.crc.nd.edu/country/south-africa
[19] *Ibid*.
[20] Source data: University of Notre Dame Global Adaptation Initiative. (2024). *ND-GAIN Index*. [Online]. Available: https://gain.nd.edu/our-work/country-index/download-data/



	Amathole	uThukela	Gert Sibande	Thabo Mofutsanyana
Transformed	21.2%	23.7%	33.9%	40.6%
Untransformed	78.8%	76.3%	66.1%	59.4%

Figure 5. Location and transformation ratio of the four partner district municipalities within South Africa[21]

Socioeconomic profile

Vulnerability to climate change risk at the community level is complex and varies greatly in space and time. Table 4 below uses a selection of socioeconomic and demographic indicators to highlight potentially low levels of resilience to climate change impacts and compares these across the four partner DMs. Vulnerability to climate change risk at the community level is complex and varies significantly across the four partner district municipalities, shaped by the intersection of demographic, socioeconomic, and gender-related factors. Amathole DM shows the highest dependency ratio (65.7), reflecting the pressure on its working-age population to support both young and elderly dependents, while Gert Sibande DM reports particularly low levels of schooling among adults, suggesting constraints on human capital and adaptive capacity. Education levels are relatively low across all districts, reinforcing structural poverty, with women and young girls often facing barriers to education due to entrenched caregiving roles within households and communities—responsibilities that are rarely compensated. These dynamics limit opportunities for women in particular, perpetuating cycles of poverty and dependence.

Unemployment and poverty amplify this vulnerability, with Amathole facing the highest burden (unemployment at 46.2% and poverty at 77.8%). Coupled with already fragile livelihoods, climate change risks are likely to exacerbate outmigration as households seek employment elsewhere, further reflecting the social dynamics driven by economic and environmental stress. Across all districts, access to piped water falls below 50%, creating severe adaptation challenges and exposing women and children in particular to gendered risks such as increased workload, violence, and harmful practices like *ukuthwala*. The prevalence of women-headed households, especially in uThukela DM (52.7%), combined with high proportions of young children (30.5%), illustrates compounded vulnerabilities that climate change is likely to deepen. Although Thabo Mofutsanyana shows relatively higher tertiary education attainment (9.3%), which may offer a foundation for building adaptive capacity through targeted interventions, overall resilience across the districts is undermined by the convergence of poverty, low education, high dependency, weak service provision, and gendered inequalities—factors that must be directly addressed through inclusive and equity-focused adaptation strategies.

[21] Source data: South African Department of Forestry, Fisheries, and the Environment. (2020). *National landcover dataset*. [Online]. Available: https://egis.environment.gov.za/sa_national_land_cover_datasets

Table 4. Selected socioeconomic indicators for partner district municipalities[22]

Indicator	Amathole	Gert Sibande	Thabo Mofutsanyana	uThukela
Young children (0-14 years)	29.30%	27.30%	27.90%	30.50%
Working age population (15-64 years)	60.40%	67.60%	65.30%	63.50%
Elderly (65+ years)	10.40%	5.10%	6.80%	6.00%
Dependency ratio	65.7	47.9	53.2	57.5
No schooling (20+ years)	9.20%	10.30%	6.60%	9.90%
Higher education (20+ years)	7.20%	6.60%	9.30%	7.60%
Formal dwellings	81.10%	88.00%	86.40%	84.10%
Access to piped water	34.60%	56.50%	40.60%	40.70%
Electricity for lighting	94.50%	91.80%	94.00%	94.80%
Unemployment	46.17%	27.50%	32.00%	39.60%
Poverty-stricken	77.79%	46.50%	52.10%	62.70%
Child-headed households	1.60%	0.55%	0.83%	0.97%
Women-headed households	38.50%	39.10%	46.30%	52.70%

The following sections describe and compare the observed and projected precipitation and temperature anomalies for the four partner DMs (PDMs).

Precipitation and temperature anomalies for the project area[23]

Observed trends for the climatic parameters of temperature and precipitation, including extreme events in the form of heavy rainfall and very hot days, are tabled below for each of the four PDMs. Observed climate parameters are discussed relative to the 1981-2000 baseline, while projected climate parameters are shown against the near-future (2021-2040), mid-future (2041-2060), and far-future (2081-2099) scenarios, respectively. Projected increases or decreases in annual precipitation volume are uniformly uncertain across the four PDMs. By contrast, projected increases in temperature are virtually certain for all four PDMs. Regarding anticipated changes to the occurrence and severity of extreme precipitation and heat, all PDMs except for Amathole predict increased occurrence and severity of extreme rainfall and very hot days with high confidence or as virtually certain. There is a projected increase in extreme rainfall in Amathole in the mid-future, but this is projected with low confidence. A breakdown of the observed and projected climate parameters for each PDM is tabled below.

In addition, the table also highlights the adaptation challenges that arise from these observed and projected climate trends. Broadly, these challenges can be grouped under three thematic areas : (i) Climate impacts on livelihoods, where climate hazards negatively impact the resilience of climate-vulnerable communities, (ii) Climate impacts on ecological infrastructure, where natural ecosystems are stressed, reducing their capacity to act as natural buffers against climate-related disasters and (iii) Climate impacts on built-infrastructure, where human settlements and other critical infrastructure including roads are exposed to climate related disasters such as floods and wildfires.

[22] Source data: Statistics South Africa. (2022). *Census 2022 Portal*. [Online]. Available: https://census.statssa.gov.za/#/
[23] Data source: Engelbrecht, F.A., Maviza, A., Steinkopf, J., Vogel, C., Von Maltitz, G., Yose, P. & Barnett, M. 2025. *Sub-national climate change fact sheets for South Africa.* © South African National Biodiversity Institute (SANBI) and University of the Witwatersrand – Global Change Institute (WITS-GCI). [Online]. Available: https://doi.org/10.5281/zenodo.16962181

Table 5. Summary of observed and projected climate changes for the PDMs and associated concrete adaptation challenges [24]

District	Observed and projected trends	Concrete Adaptation Challenges
Amathole	Observed conditions show mean annual rainfall ranging from 430 mm in the semi-arid west to over 1 100 mm along the Amathole Mountains and northern coast, with extreme rainfall days increasing from 2 in the west to 12 on the northern coast. Mean annual temperature varies from about 12 °C in the mountains to 21 °C on the coast, and very hot days range from 2 in the highlands to 14 in the western interior. Projections indicate spatially divergent rainfall in the near- and mid-future, with likely decreases in the west and increases in the east (low confidence), shifting to district-wide decreases by the far-future (likely). Extreme rainfall days are projected to increase, particularly over the northern mountainous and eastern regions (medium confidence near/mid; likely by far-future). Mean temperature is virtually certain to rise by up to ~1.5 °C in the near-future, ~2.0 °C by mid-century, and ~4.0 °C by the far-future, driving more warm extremes. Very hot days, already frequent in the western interior, are expected to increase in frequency and spatial extent across the district.	*(i)Climate impacts on livelihoods* The District relies heavily on agricultural systems dominated by grain, fruit, and livestock production. These farming systems are highly sensitive to rising temperatures, which reduce soil moisture, increase water demand, and heighten the risk of crop damage, soil erosion, and irrigation disruptions during episodic heavy rainfall. Flood events—intensified by inadequate stormwater and sewer infrastructure—further degrade productive land and water quality. Collectively, these impacts undermine the resilience of rural communities and pose a significant threat to local food security. [25]. *(ii) Climate impacts on built infrastructure* Built infrastructure (low lying bridges, roads) and human settlements (traditional and informal dwellings) are increasingly exposed to recurrent floods, heat stress, and wildfire hazards, which disrupt access to essential services and amenities, isolate communities, and constrain economic activity. (*iii) Climate impacts on ecological infrastructure* Wetlands, river systems, and other priority ecosystems in this rural district function as critical ecological infrastructure, mediating hydrological flows, attenuating floodwaters, and sustaining water quality. Projected increases in heat, drought, and intense rainfall exert mounting pressure on these systems, accelerating wetland degradation, riverbank erosion, and biodiversity loss. As these natural buffers diminish, both communities and infrastructure become increasingly exposed to floods and water scarcity. The adaptation challenge, therefore, lies in the progressive erosion of ecological functionality, which compromises the district's overall adaptive capacity[25].

[24] Adapted from: Engelbrecht, F.A., Maviza, A., Steinkopf, J., Vogel, C., Von Maltitz, G., Yose, P. & Barnett, M. 2025. *Sub-national climate change fact sheets for South Africa.* © South African National Biodiversity Institute (SANBI) and University of the Witwatersrand – Global Change Institute (WITS-GCI). [Online]. Available: https://doi.org/10.5281/zenodo.16962181

[25] Department of Environmental Affairs., Department of Cooperative Governance & Traditional Affairs., South African Local Government Association., & Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. (2012). *Let's Respond Toolkit: District Response Plans*. [Online]. Available at: https://letsrespondtoolkit.org/resources/downloads/district-response-plans/

District	Observed and projected trends	Concrete Adaptation Challenges
uThukela	Observed mean annual rainfall spans ~550 mm in central parts to over 1 000 mm in the western and southern highlands, while extreme rainfall days range from fewer than 2 in the interior to about 12 in parts of the highlands. Mean annual temperature ranges from ~10 °C in the highlands to ~18 °C in the eastern lowlands, with very hot days generally <2 across most of the district, rising to ~8 in lower-lying east. Projections suggest a tendency towards increased mean rainfall in the near- and mid-future (low confidence), with far-future changes remaining uncertain; by contrast, extreme rainfall days are projected to rise through all periods (high to very high likelihood). Temperatures are virtually certain to increase by up to ~1.5 °C in the near-future, ~3.0 °C by the mid-future, and ~5.0 °C by the far-future, with corresponding increases in heat extremes. Very hot days, currently limited to eastern lowlands, are expected to become more frequent and more widespread with warming.	*(i) Climate impacts on livelihoods* In uThukela District, agriculture is the dominant land use, covering about 60% of the district and serving as a primary source of income and food security for rural households. Increasing temperatures, more frequent heatwaves, and rainfall variability are placing significant stress on farming systems. Fruit production is particularly vulnerable, as heat affects flowering, fruit quality, and yields, while erratic rainfall disrupts production cycles and increases irrigation demand. Also, warmer conditions intensify pest pressures, including Eldana, Chilo, and codling moth, raising production costs and crop losses. Livestock production is similarly exposed to heat stress, reduced pasture quality, and water shortages[25]. *(ii) Climate impacts on built infrastructure* Low-lying and flood-prone areas of the district face increasing disruption from extreme rainfall events. In areas such as Ladysmith, flooding has damaged rail lines, bridges, and road networks, affecting mobility and economic activity. Settlements such as Amagogo and Steadville are particularly vulnerable, with traditional and informal dwellings frequently damaged due to their location in high-risk areas and limited structural resilience. These impacts result in infrastructure losses, displacement of communities, and increased financial strain on municipal systems[25]. *(iii) Climate impacts on Ecological Infrastructure* Climate change is contributing to ecological shifts within the district, including a transition from Grassland to Savanna-type vegetation in some areas. This biome shift affects biodiversity, grazing systems, and ecosystem functioning, while increasing the risk and intensity of wildfires under hotter conditions[25].
Thabo Mofutsanyane	Observed mean annual rainfall increases eastwards from ~400 mm in the southwest to ~600 mm in the east, while extreme rainfall days rise from ~2 in western/northern areas to ~8 in the southern mountains. Mean annual temperature is ~12 °C in the southern highlands and up to ~18 °C in the lower-lying west; very hot days are rare, at under one day per year	*(i) Climate impacts on livelihoods* Several communities in the District Municipality are directly affected by livelihoods that are exposed to changing climate conditions cutting across agriculture, water, health and human

District	Observed and projected trends	Concrete Adaptation Challenges
	district-wide. Projections indicate uncertain mean rainfall changes in the near- and mid-future, shifting to likely decreases by the far-future. Extreme rainfall days are projected to increase, modestly in the near-future and more substantially by mid- and far-future. Temperatures are virtually certain to rise by up to ~2.0 °C in the near-future, ~3.0 °C by mid-century, and ~6.0 °C by the far-future, with more frequent warm extremes. Very hot days, currently negligible, are projected to increase markedly—especially in northern and central zones—by mid- and far-future, with localised decreases possible in the far south.	settlements. A such, adaptation challenges include: Declining crop yields, pest outbreaks affecting crop production, scarcity and poor water quality etc. *(ii) Climate impacts on built infrastructure* Climate change has increased the exposure of built infrastructure in the District to destructive hazards such as floods and wildfires, which in turn is affecting housing security, especially in informal settlements, and water security and sanitation systems[25]. *(iii) Climate impacts on ecological infrastructure* The district is faced with the decline of grasslands which are shifting towards savanna ecosystems. This will impact on the ecological services and associated livelihoods that rely on these. Moreover, this will scale up existing adaptation challenges such as the loss of biodiversity and ecosystem services, wetland degradation, declining water quality and sedimentation of ecological bodies caused by land degradation[25].
Gert Sibande	Observed mean annual rainfall ranges from ~650 mm in the west to >1 100 mm in the northeast, with extreme rainfall days rising from ~2 in the west to ~14 in the east. Mean annual temperatures are ~14 °C on the Highveld and ~18 °C in lower-lying eastern parts; very hot days are rare on the Highveld (0) and reach ~2 days in the east. Projections show uncertain mean rainfall changes in the near- and mid-future, transitioning to high-confidence decreases by the far-future. Extreme rainfall days are projected to increase across periods (medium confidence), implying greater intensity despite declining totals later in the century. Mean temperatures are virtually certain to increase by up to ~1.5 °C in the near-future, ~3.0 °C by mid-century, and ~5.5 °C by the far-future, accompanied by more frequent warm extremes. Very hot days, minimal at baseline, are expected to increase across the district with progression from near- to far-future.	*(i) Climate impacts on livelihoods* The observed climate change projections for Gert Sibande District have been identified as key drivers that will affect livelihoods that rely on rainfall which are predominantly grain based crops such as maize and wheat that are highly sensitive to drought, heat and storms. The District has a low adaptive capacity which will threaten adaptation challenges to food security and the loss of livestock[25]. *(ii) Climate impacts on built infrastructure* Rainfall variability changes is a threat multiplier to infrastructure damages. Projected extreme rainfall is therefore seen to be a challenge in building resilience in and around communal settlement areas that are prone to flooding. Moreover, the prevalence of storms and floods has caused losses to industrial activities through the damage of industrial infrastructure in the district[25]. *(iii) Climate impacts on ecological infrastructure* Climate change is projected to drive a gradual shift from grassland to savanna biomes, resulting in the loss of extensive grassland areas and associated species. This transition will intensify several adaptation challenges, including declining biodiversity, degradation of wetlands, and reduced ecosystem services such as water provision and water quality. As

District	Observed and projected trends	Concrete Adaptation Challenges
		these ecosystems deteriorate, communities become increasingly vulnerable to climate-related hazards and water insecurity[25].

Project/Programme Objectives:

To address the risks and challenges described under the background and context section, the proposed project employs an overarching objective and three specific objectives as described below.

General Objective

The overarching objective of the proposed project is to ensure that communities vulnerable to climate change have increased resilience to the impacts of climate variability and change. The objective is to incorporate locally-led climate adaptation response strategies into local practices so that assets, livelihoods, and ecosystem services are protected from climate-induced risks and impacts.

Specific objective 1

Strengthen institutional and technical capacity to co-create and implement locally-led adaptation projects (Component 1).

Specific objective 2

Implement concrete locally-led adaptation activities that strengthen climate-sensitive livelihoods, protect vulnerable infrastructure, and maintain ecological assets (Component 2).

Specific objective 3

Establish the framework for a national locally-led adaptation grant facility (Component 3).

Project/Programme Components and Financing:

The proposed project's components, outputs, outcomes, and corresponding budget allocation are tabled below.

Table 6. Overview of project components, expected outputs, outcomes, and budget

Project Components	Expected Concrete Outputs	Expected Outcomes	Amount (US$)
Component 1: Grant development & implementation capacity development	1.1.1 Local organisations supported to co-create and lead project development and implementation 1.2.1 Project communication and knowledge management plan implemented 1.2.2 Cross-district knowledge exchanges and case studies convened	1.1 Capacity of subnational government, grant-eligible institutions and community partners to support, design and implement LLA subprojects strengthened. 1.2 Knowledge and lessons learned in grant development & implementation captured and disseminated	1 087 625
Component 2: Locally led concrete adaptation activities	2.1.1 Climate-resilient locally led adaptation sub-projects implemented	2.1 Adaptive capacity in climate-sensitive development sectors and communities vulnerable to climate change enhanced and strengthened	2 435 000
Component 3: Towards a locally-led adaptation grant facility	3.1.1 Framework for an innovative national locally-led adaptation grant facility co-developed	3.1 National locally-led adaptation grant facility framework established	647 628

Project Components	Expected Concrete Outputs	Expected Outcomes	Amount (US$)
6. Project Execution cost			437 750
7. Total Project Cost			4 608 003
8. Project Cycle Management Fee charged by the Implementing Entity (if applicable)			391 714
Amount of Financing Requested			**4 999 717**

Projected Calendar:

Milestones	Expected Dates
Start of Project Implementation	May 2027
Mid-term Review (if planned)	August 2029
Project Closing	December 2032
Terminal Evaluation	January 2033

PART II: PROJECT JUSTIFICATION

A. Describe the project/programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience. Specify how the project/programme enables devolving decision making to the lowest appropriate level and gives local institutions and communities more direct access to finance and decision-making power over how adaptation actions are defined, prioritized, designed, implemented; how progress is monitored and how success is evaluated.

Overview

The proposed project follows SANBI and DFFE's successful small grants facility (SGF) project for the Adaptation Fund, '*Taking adaptation to the ground: a small grants facility for enabling local-level responses to climate change*', which was approved in 2015 and ended in 2022[26]. The original SGF project piloted locally led adaptation through what was, at that time, a new mechanism for the Fund known as Enhanced Direct Access (EDA). EDA to climate finance for developing countries contributes to closing the gap in climate finance by increasingly shifting the agency for climate change adaptation responses from the international level to the national and sub-national level, enhancing national and sub-national ownership of climate finance and, hence, adaptation planning and implementation[27]. The rationale for an EDA approach is to empower communities vulnerable to climate change to jointly: i) conceptualise, ii) implement; and iii) access finance at the community level for adaptation responses to climate change risks and impacts.

Using the knowledge and lessons[28], including the AF project evaluation process, from the completed project on implementation, partnerships, and project governance, Phase 1 of the new project upscales its predecessor and has been developed as a locally-led adaptation (LLA) initiative, submitted under the AF's new LLA window.

Key lessons from the previous project include the importance of simplifying management and governance structures. In this design, funds will flow directly from the appointed Executing Entity (EE) to the Grant Recipients. This direct channel will serve to eliminate communication barriers, reduce the challenges associated with multiple layers of administration, and ensure that resources reach the intended communities more efficiently. By removing unnecessary complexity, the project strengthens efficiency and accountability, while empowering communities to act swiftly on adaptation priorities.

Another critical lesson from the previous project is the importance of harnessing and strengthening local knowledge. To support this, a dedicated component has been introduced to build the capacity of local organisations in preparing grant proposals and managing funds before SGF applications are opened. This proactive support will ensure that communities can not only access and manage SGF resources effectively, but can also develop the skills needed to engage with other adaptation-related financing opportunities. In doing so, the project will foster long-term resilience by equipping local actors with the tools required to sustain adaptation efforts beyond the immediate grant cycle.

Finally, the project innovates in making climate science more accessible than in was in the pilot project, to to ensure that adaptation responses are evidence-based and risk-specific. The National Implementing Entity (NIE) has partnered with the WITS-Global Change Institute to co-develop downscaled climate change projections for all South African provinces and district municipalities. These localized projections provide detailed assessments of climate hazards,

[26] South African National Biodiversity Institute and Adaptation Fund. (2015). *Taking adaptation to the ground: a small grants facility for enabling local-level responses to climate change.* [Online]. Available: https://www.adaptation-fund.org/project/taking-adaptation-to-the-ground-a-small-grants-facility-for-enabling-local-level-responses-to-climate-change/

[27] South African National Biodiversity Institute. (2021). *A blueprint for Enhanced Direct Access in South Africa as informed by the experiences and lessons of the Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change project*. [Online]. Available: https://www.sanbi.org/wp-content/uploads/2022/01/Final-Blueprint-for-Enhanced-Direct-Access-in-South-Africa-For-Circulation.pdf

[28] *Ibid*.

confirming that provinces and municipalities are indeed facing specific risks. By making this expertise accessible, the project ensures that adaptation measures are directly tailored to the realities of each district, thereby maximizing their effectiveness and impact.

This phase will be rolled out at the District Municipality (DM) level in four partner DMs. Phase 2 is anticipated to include a several additional DMs in three provinces, while Phase 3 will comprise a selection of DMs in the remainder of South Africa's nine provinces.

Taken together, these three phases will form the basis of a programmatic approach to LLA at subnational level in South Africa. The project's alignment with each of the eight LLA principles together with project learnings from the *Taking adaptation to the ground: a small grants facility for enabling local-level responses to climate change* is tabled below.

Table 7. Overview of project alignment with locally-led adaptation principles[29]

#	LLA principle	Description	LLA-SGF project alignment	Example and Case Study Reference
	Devolving decision making to the lowest appropriate level	Giving local institutions and communities more direct access to finance and decision-making power over how adaptation actions are defined, prioritized, designed, implemented; how progress is monitored and how success is evaluated.	The project's core mechanism is a small grants facility that directly finances local-level adaptation activities. This model is specifically designed to devolve decision-making power to local institutions and communities, giving them direct access to finance and control over how adaptation actions are defined, prioritized, and implemented. The project funds under Component 2 will support partially unidentified sub-projects (USPs) where local stakeholders themselves will lead the participatory co-development process. This ensures that the selection and design of activities are grounded in local priorities and needs, rather than being determined by external actors. The project will also establish local governance structures, such as District-Level Task Teams, to facilitate coordination and decision-making at the appropriate sub-national level, thereby institutionalizing local agency in the adaptation process.	One of the mechanisms deployed in the EDA Small Grants Facility was the provision of support for strengthening project level governance structures within sub-projects. For example, grant recipients in the Mopani District established community-based water governance bodies that allowed local residents who best understood seasonal water availability and vulnerability dynamics to make decisions on appropriate adaptation responses to water security challenges through selecting appropriate rainwater harvesting technologies. Similarly, grant recipients in the district established farming cooperatives that enabled smallholder farmers to collectively decide on crop choices, share knowledge and manage profit gains which strengthened resilience against climate shocks. By placing authority in the hands of those directly affected, these approaches fostered ownership, accountability and innovation, ensuring adaptation responses were context-specific for the receiving environment. *See Case Study: A New Approach to Enabling Local Responses to*

[29] LLA principles adapted from: Adaptation Fund. (2024). *Additional Delivery Modalities for Expanding Support to Locally-led Adaptation.* [Online]. Available: https://www.adaptation-fund.org/wp-content/uploads/2024/04/AFB.PPRC_.33_39.pdf

#	LLA principle	Description	LLA-SGF project alignment	Example and Case Study Reference
				Climate Change[30]
	Addressing structural inequalities faced by women, youth, children, people with disabilities, people who are displaced, Indigenous Peoples and marginalized ethnic groups	Integrating gender-based, economic and political inequalities that are root causes of vulnerability into the core of adaptation action and encouraging vulnerable and marginalized individuals to meaningfully participate in and lead adaptation decisions.	This project acknowledges that vulnerability is shaped by social, economic, and political inequalities. As such, a gender- and sex-disaggregated participatory planning approach will be adopted during the project's design and implementation phases. This approach aims to ensure that women and other marginalized groups have equitable access to project benefits. The project will prioritize women and women-led organizations as beneficiaries for capacity building under Component 1 and for sub-project development under Component 2. Furthermore, during the forthcoming stakeholder engagement process, an intersectional gender-sensitive approach will be used to develop gender-transformative project activities that address gender-based violence and unequal power dynamics. This is fully aligned with the Adaptation Fund's Gender Policy and Action Plan (GPAP).	The pilot EDA Small Grants project proactively incorporated approaches to address structural inequalities faced by women, youth, children, and people with disabilities from the earliest stages of project formulation. This included the use of gender-sensitive selection criteria for potential grant applicants, ensuring fair and equitable representation within project governance structures and among beneficiaries. The project also implemented a monitoring and evaluation system that tracked gender- and vulnerability-disaggregated data, recognising adaptation efforts that strengthened the climate resilience of marginalised groups, including Indigenous Peoples in the Namakwa District, in line with the Fund's Environmental and Social Policy. *See Case Study: Cascading Compliance31*
	Providing patient and predictable funding that can be accessed more easily	Supporting long-term development of local governance processes, capacity and institutions through simpler access modalities, as well as longer term and more predictable funding horizons to ensure that communities can effectively implement adaptation actions.	The project is structured to offer long-term, predictable funding through a phased programmatic approach. Phase 1 focuses on four district municipalities (DMs), with subsequent phases planned to expand to other provinces. This programmatic design supports the long-term development of local governance processes and institutions by creating a clear pathway for sustained engagement beyond the initial project cycle. Funds will be disbursed in tranches for the small grant sub-projects to	Project learnings from the EDA SGF highlighted the importance of supporting community-based organisations (CBOs) to progressively transition from managing micro-grants to medium and eventually large-scale grants. Building on these lessons, this project introduces a phased granting mechanism designed to provide predictable and accessible funding. The approach will enable CBOs to strengthen their institutional capacity, improve financial management systems, and demonstrate accountability at

[30] https://www.sanbi.org/wp-content/uploads/2021/10/1.-A-New-Approach-to-Enabling-Local-Responses-to-Climate-Change-Learning-From-The-Community-Adaptation-SGF.pdf

[31] https://www.sanbi.org/wp-content/uploads/2021/10/9.-Cascading-Compliance-Lessons-on-Achieving-Compliance-within-the-Adaptation-Funds-ESP-Requirements.pdf

#	LLA principle	Description	LLA-SGF project alignment	Example and Case Study Reference
			ensure a sound implementation process, establishing a reliable and accessible funding mechanism for local communities.	each stage of growth. *See Case Study: Participator Project Development for Small Grants*[32]
	Investing in local capabilities to leave an institutional legacy	Improving the capabilities of local institutions to ensure they can understand climate risks and uncertainties, generate solutions and facilitate and manage adaptation initiatives over the long term without being dependent on project-based donor funding.	A primary focus of Component 1 is to strengthen the institutional and technical capacity of local government, grant-eligible institutions, and community partners. By supporting local organizations in identifying, developing, and implementing small grant projects, the project aims to build a lasting institutional legacy. Through the appointment of EEs, the project will provide crucial support for project administration, reporting, and financial management, ensuring that local institutions can effectively manage adaptation initiatives over the long term without being solely dependent on donor funding.	One of the key investments of the EDA Small Grants Facility project was its emphasis on co-creation and participatory approaches in addressing community-based climate resilience challenges. Project formulation workshops strengthened local capacities to understand climate vulnerabilities and develop appropriate adaptation responses. Technical support from the EE and local partners, including extension officers, further enhanced grant recipients' skills in project formulation, implementation, reporting, monitoring, and evaluation. These efforts ultimately contributed to the development of sustainability measures that continued beyond the period of project financing and closure. *See Case Study: Participatory Project Development for Small Grants*[33]
	Building a robust understanding of climate risk and uncertainty	Informing adaptation decisions through a combination of local, traditional, Indigenous, generational and scientific knowledge that can enable resilience under a range of future climate scenarios.	The project is designed to inform adaptation decisions by combining local, traditional, and scientific knowledge. The selection of project sites and activities will be informed by downscaled climate projections, analysis of ecological infrastructure, and socioeconomic indicators of vulnerability. Crucially, the process of identifying vulnerability hotspots and co-developing projects will be participatory, integrating local	The first iteration of the EDA SGF project requested project applicants of sub grants to demonstrate vulnerability to climate change using the best available and local understanding of climate risks that they faced. The new project will make use of newly created sub national climate change fact sheets, that were designed explicitly in response to challenges in accessing localised information

[32] https://www.sanbi.org/wp-content/uploads/2021/10/5.-Participatory-Project-Development-for-Small-Grants-Lessons-from-the-SGF-Project-funded-by-the-AF.pdf

[33] https://www.sanbi.org/wp-content/uploads/2021/10/5.-Participatory-Project-Development-for-Small-Grants-Lessons-from-the-SGF-Project-funded-by-the-AF.pdf

#	LLA principle	Description	LLA-SGF project alignment	Example and Case Study Reference
			knowledge and lived experiences with scientific data to create a holistic understanding of climate risk. The project's knowledge management and learning (KML) approach will systematically capture, analyse, and disseminate this blended knowledge to support future LLA projects and enhance adaptive management.	about climate change. Through targeted training and knowledge-sharing exchanges, communities will be equipped with the tools to interpret climate change scenarios and develop locally relevant adaptation response measures. These factsheets will also strengthen the ability of local government to design context-specific adaptation plans at appropriate scales while also fostering confidence in decision-making under uncertainty. By building climate risk literacy into local institutions, the current proposal will ensure that grant recipients can respond to immediate challenges and also sustain long-term resilience planning.
	Flexible programming and learning	Enabling adaptive management to address the inherent uncertainty in adaptation, especially through robust monitoring and learning systems and flexible finance and programming.	The project embeds flexible programming and adaptive management to address the uncertainty of climate change, combining robust monitoring, iterative learning, and adaptable financing. A non-prescriptive approach to sub-project design is adopted, with the USP modality ensuring space for local partners to steer priorities while maintaining compliance. This promotes responsive, community-driven adjustments to evolving risks and contexts. Alignment with the SGF model is achieved through continuous knowledge management and cross-district exchanges, creating a feedback loop for shared learning and course correction. Phased disbursement of funds operationalises this flexibility, enabling evidence-based adjustments and strengthening ownership, equity, and the contextual relevance of adaptation actions.	Project challenges and lessons learned from grant recipients on several sub-projects relating to project development, reporting, and compliance with environmental and social safeguards prompted the adoption of tiered and phased approaches to improve project design. This adaptive strategy introduced flexibility measures, most notably in the Mopani District, where institutional capacity for project development, implementation, and reporting was comparatively lower than in the Namakwa District. By tailoring support to local capacity levels, the project was able to unblock constraints and fast-track project development and implementation. The current project builds on these insights and innovations. *See Case Study: Adaptive Management on Enhancing Direct*

#	LLA principle	Description	LLA-SGF project alignment	Example and Case Study Reference
				Access to finance[34]
	Ensuring transparency and accountability	Making processes of financing, designing and delivering programs more transparent and accountable downward to local stakeholders.	The project will ensure transparency and accountability through several mechanisms. A grievance and feedback mechanism will be developed to provide communities with a formal channel to raise concerns. Furthermore, the project's management and governance structure, including the Project Steering Committee (PSC) and District-Level Task Teams, will provide oversight and ensure that financial and programmatic processes are transparent and accountable to local stakeholders. The project will also align with the AF's Environmental and Social Policy (ESP) and Gender Policy (GPAP), which include robust screening and monitoring procedures to ensure compliance and accountability.	Throughout the implementation of the EDA project, transparency and accountability were upheld through clear reporting and structured feedback mechanisms embedded within cascading governance systems. These channels allowed grievances, implementation challenges, and amendment requests to be raised and addressed effectively. These processes were not without their challenges and in some cases, grant recipients experienced unexpected negative impacts, often associated with delays in obtaining responses. The new project seeks to streamline governance and decision-making processes to address some of these. *See Case Study: Cascading Compliance*[35]
	Collaborative action and investment	Collaboration across sectors, initiatives and levels to ensure that different initiatives and different sources of funding (humanitarian assistance, development, disaster risk reduction, green recovery funds, etc.) support each other, and their activities avoid duplication to enhance efficiencies and good practice.	The project is fundamentally collaborative, bringing together national- and sub-national-level stakeholders, including government entities, civil society organizations, and community groups. The establishment of a framework for a national LLA grant facility under Component 3 exemplifies this principle by seeking to coordinate grant-making for LLA projects in the country and leveraging lessons from past and ongoing projects. The project will also work to avoid duplication with other funding sources, particularly existing Green Climate Fund (GCF) projects in	A key success factor of the EDA SGF project was the creation of strong partnerships and collaboration across all levels of governance, implementation, and reporting. At the sub-national level, technical advisory teams - comprising representatives from local government and academic institutions - played a pivotal role in ensuring efforts were coordinated and aligned with related programmes of work. These teams provided expert guidance, helped overcome governance and policy bottlenecks, and accelerated the deployment of support structures, ensuring

[34] https://www.sanbi.org/wp-content/uploads/2021/10/2.-Adaptive-Management-Enhancing-direct-access-to-climate-finance.pdf
[35] https://www.sanbi.org/wp-content/uploads/2021/10/9.-Cascading-Compliance-Lessons-on-Achieving-Compliance-within-the-Adaptation-Funds-ESP-Requirements.pdf

#	LLA principle	Description	LLA-SGF project alignment	Example and Case Study Reference
			South Africa, by identifying opportunities for synergy and complementarity in project design and implementation. This ensures that diverse initiatives and funding streams collectively support local adaptation efforts, thereby enhancing overall efficiency and good practice.	that adaptation measures were both timely and effective. *See Case Study: A New Approach to Enabling Local Responses to Climate Change*[36]

The new LLA-SGF project comprises three interrelated components: 1) grant development and implementation capacity development; 2) locally-led concrete adaptation activities; and 3) towards developing a national locally-led adaptation grant facility. The project's overall objective is to mainstream locally-led climate change adaptation response strategies into local practices and implement concrete adaptation projects to reduce the vulnerability of communities in partner municipalities to the effects of climate change. This will be achieved by establishing a SGF mechanism for locally led adaptation. The project theory of change is included as Annex 3 to this Concept Note.

Amathole, uThukela, Thabo Mofutsanyana, and Gert Sibande District Municipalities have been selected as the partner municipalities for this project (see Figure 5). These DMs were selected based on several factors: i) exposure to climate change risk, ii) socioeconomic vulnerability, iii) similar past or ongoing projects, and iv) project implementation readiness as described in Part I of this Concept Note.

Component 1: Grant development and implementation capacity development

The project's first component will strengthen the capacity of local government, grant-eligible institutions, and community partners to support, design, and implement locally-led adaptation (LLA) subprojects supported by the SGF. The outcomes and outputs under this project component have been designed to respond to several cross-cutting challenges traditionally experienced by organisations in the project development process, including, among others, limited technical capacity for project identification and implementation in the anticipated partner institutions and communities and a lack of knowledge with regard to LLA projects. Under this component, the project will focus on supporting local organisations to identify, develop and implement small grant projects in the context of climate change adaptation at all stages of the project cycle, as well as ensuring that knowledge and lessons learnt from project implementation are captured to support future replication and upscaling of similar projects in South Africa.

Outcome 1.1. Capacity of subnational government, grant-eligible institutions, and community partners to support, design and implement ecosystem-based adaptation subprojects strengthened.

The new SGF project will support sound small grant project identification, development and implementation processes, including local-level project administration, reporting and financial management. This project outcome will identify the national and subnational stakeholders and actors that should be involved in the grant-making and implementation process. These stakeholders will vary between partner DMs, so a detailed consultation and stakeholder mapping process will occur during project inception. Community partners of this capacity development will be empowered to play various roles in the grant-making and implementation process for the concrete adaptation projects under Component 2.

Output 1.1.1. Local organisations supported to co-create and lead project development and implementation

[36] https://www.sanbi.org/wp-content/uploads/2021/10/1.-A-New-Approach-to-Enabling-Local-Responses-to-Climate-Change-Learning-From-The-Community-Adaptation-SGF.pdf

Project funds will be used under this output to support and upskill local organisations, including but not limited to local government and local-level/ community partners. Capacity development will emphasise the importance and centrality of the co-development process and impart technical, administrative, and governance expertise to participants. Indicative activities under Output 1.1.1 are:

- Stakeholder mapping to identify and prioritise relevant role-players in the SGF process
- Capacity development needs assessment for identified stakeholders
- Capacity development training programme design
- Proposal design, grant-making and management, and implementation workshops and training

Outcome 1.2. Knowledge and lessons learned in grant development & implementation captured and disseminated

The success of the first SGF project demonstrated the importance of the knowledge management and learning (KML) aspects of locally-led adaptation (LLA) projects rely on a strong evidence base for planning and decision-making. This project outcome will, therefore, establish a cross-cutting KML process that will run throughout the project inception, implementation, and evaluation phases to ensure that knowledge and lessons are carefully captured, analysed, curated, and distributed for the benefit of future LLA projects. To ensure sustainability beyond the project period, KLM outputs will be packaged into practical toolkits, guidance notes and case studies for local actors (in some instances, written in local languages to maximise accessibility). Lessons will also be mainstreamed into district planning instruments such as Integrated Development Plans (IDPs) and sector strategies. Knowledge-sharing platforms and peer exchange mechanisms will be embedded within local government and community partner structures to continue functioning independently after project closure. The KML approach will be further strengthened by a cross-district knowledge exchange programme to promote continuous learning and adaptive management of project activities.

There are two outputs proposed under Outcome 1.2.

Output 1.2.1 Project communication and knowledge management plan implemented

Project funds will be used under this output to support the project's KML process by co-designing a cross-sectoral project communication plan to ensure that the results of implementing components 1 and 2 are appropriately captured and disseminated and will catalyse access to knowledge on LLA related to the thematic priorities for the SGF, as described in Component 2. The communication plan will target government, civil society, and community stakeholders. The knowledge exchange activities under Output 1.1.2 below will be a key informant of the project communication plan. Output 1.1.1's indicative activities are:

- Co-design and implementation of the project communication plan to facilitate cross-sectoral access to knowledge on LLA

Output 1.2.2 Cross-district knowledge exchanges and case studies convened

A key recommendation from the previous SGF project is to implement peer learning exchanges that allow for interaction with and learning from different stakeholders (i.e., donors, government, and other peers). Inter-district knowledge exchange activities will introduce new information, conduct needs assessments, review small grant project activities and create a platform for sharing experience. The previous SGF project has shown that this approach has great value for sharing the experiences of successful small grant projects and supporting and guiding new projects, providing a support network for projects facing challenges, and sharing successes. Where possible, grantees from the original SGF project will be included in the knowledge exchange events. Indicative activities under Output 1.2.2 are:

- Develop the knowledge exchange programme and curricula
- Implement the exchange programme at regular intervals as per the project calendar

Component 2: Locally-led concrete adaptation activities

Component 2 focuses on strengthening adaptive capacity at the community level in climate-sensitive development sectors i.e., livelihoods, infrastructure, and natural resource

management. Building on the successful approach implemented in the previous SGF project, three thematic priorities within these climate-sensitive development sectors have been identified linked to a menu of adaptation options within which communities can apply for sub-project grants to adapt to climate change. As this time, the indicative thematic priorities for sub-projects are: i) **climate-resilient livelihoods**, ii) **climate-resilient built infrastructure and assets**; and iii) **climate-resilient ecological infrastructure and assets**. These areas will be confirmed and, if necessary, adjusted in response to the local level engagement that will take place in support of the proposal's detailed design, and as described below.

Adaptive capacity at the community level will be strengthened by implementing concrete LLA sub-projects that enhance climate-sensitive livelihoods and protect built and ecological infrastructure from climate change impacts in the partner districts. By promoting climate-resilient rural livelihoods, providing climate-resilient physical assets to communities vulnerable to climate change, and improving degraded ecological infrastructure to support ecosystem services, the vulnerability of communities, infrastructure, and ecosystems will be reduced. This component of the project comprises partially unidentified sub-projects (USPs). The project acknowledges that to fully comply with AF guidance and requirements, a detailed process for managing USPs must be included that demonstrates that adequate resources and mechanisms are in place. To address this, a detailed USP plan will be developed during the FDP phase of project design. During implementation, the project will follow this plan to implement a rigorous, multi-step process for all USPs before their implementation. This process will mandate that for each USP, a site-specific environmental and social risk identification and impact assessment is conducted in an open and transparent manner with appropriate consultation. The outcome of this assessment will be a detailed plan with specific measures to avoid, minimize, or mitigate any identified adverse impacts, ensuring the project adheres to the same standards as if all activities were identified at the time of submission. Furthermore, the project will ensure that its grievance mechanism is designed to be fully adequate for all potential USPs by providing an accessible, transparent, and fair process for addressing complaints related to gender and environmental or social harms from all project-supported activities. The project budget will allocate sufficient financial and human resources to cover the costs of these compliance measures for all USPs, including the engagement of specialist environmental and social experts as needed.

For monitoring and reporting, the project will update the Environmental and Social Management Plan (ESMP) annually with information on each USP identified during the reporting period. This updated ESMP will be submitted as an annex to the annual Project Performance Report and will include a detailed description of each USP, the results of its risk identification and impact assessment, and a list of all safeguard measures undertaken. This approach ensures that the project maintains the same high level of compliance and transparency for USPs as for fully identified activities.

At a high level, the project's USP aspects will consist of a pre-approved and ESS screened menu of adaptation investments[37] to be implemented within the four partner DMs, where specific locations need to be selected. The selection will be informed by downscaled climate projections, analysis of ecological infrastructure, socioeconomic indicators of climate vulnerability, as well as ground-truthing and consultations at the local level. The grants for LLA sub-project activities will be in the order of USD 100 000 each, with a total project budget allocation of USD 2 455 000 for this component. The possibility of micro-granting will also be considered. Implementation of the grant sub-projects may be phased, and funds will be disbursed in tranches to ensure a sound implementation process and effective integration of project-level M&E processes.

[37] The menu of adaptation interventions will be fully developed during the upcoming stakeholder engagement and finalised during the development of the Fully Developed Proposal. The menu will draw lessons from the previous SGF project to identify and design the most successful and impactful interventions, supported by the outcomes of the detailed stakeholder engagement within partner districts. These may include but are not necessarily limited to climate-resilient grazing plans, livestock shelters, rainwater harvesting tanks, improved insulation for built infrastructure, small-scale earth dams, and communal food gardens.

Outcome 2.1 Adaptive capacity in climate-sensitive development sectors and communities vulnerable to climate change enhanced and strengthened

Output 2.1.1 Climate-resilient locally led adaptation sub-projects implemented

The abovementioned thematic priority areas will underpin this cross-cutting output to address the climate change vulnerability of communities, their livelihoods, settlements, and the ecological infrastructure on which they depend. Lessons learned from the previous SGF project strongly indicate the need for a **bespoke, non-prescriptive approach** to sub-project development and implementation. This scenario is based primarily on the varied levels of capacity among the respective project partners, the variation in receiving environments, and the differentiated needs of grant recipients.

Grant eligible institutions will co-develop sub-projects with climate-vulnerable community members, ensuring active community contributions to key design and implementation decisions. Climate change vulnerabilities and adaptation priorities will be identified through participatory assessments and consultations, ensuring local knowledge shapes project design. A District Local Task Team (DLLT, see table 21) will be established to provide oversight while prioritising and formally recognising community-led decisions. In addition, communities will be represented on local project forums, participate in agreed implementation activities, and be engaged in structured feedback session on progress strengthening ownership and accountability.

Throughout the implementation of sub-projects, standardized reporting templates and participatory processes will be established to ensure that feedback from sub-grantees and communities is systematically captured and communicated to different project governance structures. This feedback will encompass operational challenges and grievances as well as lessons emerging from implementation. Findings will be consolidated and analysed for enacting responses and adaptive management to project challenges and grievances. This will enable timely adjustments and continuous alignment with LLA principles of accountability, responsiveness and adaptive management. Activities under the **climate-resilient livelihoods**[38] sub-projects priority area will work to increase the resilience of climate-sensitive income-generating activities and associated assets[39] at risk from climate change, whether directly or indirectly. Under the sub-project priority area of **climate-resilient built infrastructure and assets**, the project will support small-scale interventions in climate-vulnerable areas within the partner districts. If climate projections indicate, for example, an increase in the frequency and/or intensity of heavy rainfall events that endanger residential, transportation, communal, or water and sanitation infrastructure, grants under this sub-project output could ensure that existing or supplementary infrastructure can deliver access to sufficient safe drinking water, establishment of safe access routes (including pedestrian routes), to work or to their respective economic hubs. Activities under the **climate-resilient ecological infrastructure and assets** sub-project priority area will be linked to projected climate change-related impacts on communities, infrastructure, and livelihoods being reduced or prevented as a result of healthy and functioning ecosystems. Output 2.1.1's indicative activities are:

- Identification and ground-truthing of infrastructure/community/ecological vulnerability hotspots within partner DMs that are exposed to climate risk
- Participatory project co-development at local level with community partners
- Evaluation of project concepts and prioritisation for development into full sub-projects (after the capacity development and training aspects under Outcome 1.1)
- Implementation of ecosystem-based adaptation (EbA) sub-projects

Component 3: Towards a national, locally-led adaptation grant facility

The final project component will play an important role in both sustaining and upscaling the geographic scope of the SGF by developing a framework for an innovative, multi-donor LLA

[38] 'Livelihoods' refers to the capabilities, assets and activities required to make a living.
[39] Assets comprise a wide array of aspects that people require for their livelihoods, including human assets (skills, knowledge, health, ability to work, etc.); natural assets (land, water, wildlife, etc.); financial assets (financial resources that people use, i.e. savings, credit, pensions); physical assets (transport, energy, etc.); and social assets (networks, groups, access to institutions).

grant facility at the national level. Under Component 3, the project will leverage the lessons learned from the previous and new SGF projects, along with several other sources of information and extensive consultations, to lay the foundation for a future LLA grant facility for South Africa. The framework will be developed by working closely with several key public sector and civil society stakeholders including but not limited to stakeholders from the existing National Adaptation Funds Advisory Body (NAFAB), i.e., National Treasury, the Department of Forestry, Fisheries and the Environment (DFFE), the Department of Cooperative Government and Traditional Affairs (CoGTA) the Department of Monitoring, Planning and Evaluation (DMPE), the Presidential Climate Commission (PCC), the National Business Initiative (NBI), and the Adaptation Network and other relevant line ministries and agencies. Activities under Component 3 will align closely with the ongoing development of the National Climate Change Response Fund, announced in early 2024, which includes many of the same stakeholders.

The activities under Component 3 will be carried out in parallel to Components 1 and 2, and will run throughout the project life cycle, culminating in the launch and dissemination of the framework at the end of the project.

Outcome 3.1 National locally-led adaptation grant facility framework established

Output 3.1.1 Framework for an innovative national locally-led adaptation grant facility co-developed

SGF project resources will be used to develop several interrelated aspects of the national LLA grant framework, including but not limited to defining its scope and legal mandate, governance and institutional arrangements, funding modality and capitalisation strategy, and its administration and operational procedures. Good practice examples from thematically similar successful LLA grants from around the world will be used as a key informant of the framework, coupled with extensive cross-sectoral engagement to understand detailed recipient needs, donor requirements prioritised thematic funding areas, and geographic priorities for implementation. Indicative activities under this output are:

- Research on international and national good practices and lessons learned in adaptation grants
- Stakeholder mapping and needs assessment for a national-level LLA grant
- Development of the LLA grant framework
- Iterative cross-sectoral stakeholder consultation and validation of the framework
- Launch and of the validated framework

B. Describe how the project/programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations. Describe how the project/programme will avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund. In particular, specify how the project/programme is addressing structural inequalities faced by women, youth, children, people with disabilities, people who are displaced, Indigenous Peoples and marginalized ethnic groups.

Overall, the project's approach aims to ensures that gender, environmental and social benefits are: sustained over time, equitably distributed – especially for women, marginalised, and vulnerable to have fair access to these benefits, strengthens the resilience for communities and ecosystems against climate impacts, and reduce structural inequality – addressing deep-rooted social and economic disparities such as gender-based exclusion, unequal access to resources and lack of representation and decision making.

By providing cross-sectoral capacity development for grant-making, implementing concrete adaptation projects, and contributing to the establishment of a locally-led adaptation grant facility at the national level, the project will confer a range of economic, social, and environmental benefits on direct and indirect beneficiaries. Components 1 and 2 predominantly target direct beneficiaries, while Component 3 will indirectly benefit millions of people in South Africa through enhanced access to funds and resources for adaptation

interventions. Direct project beneficiaries are estimated to be 8 000[40] individuals spread across the four partner DMs, while roughly 20 million[41] South Africans living below the poverty line and vulnerable to climate change will benefit indirectly from the project. Moreover, the project's interventions have been designed to be scaled up and replicated both nationally and across similar contexts in the region.

The specific economic, social, and environmental benefits expected from the project are presented below.

Economic benefits

The primary economic benefits of the proposed project relate to the direct improvement of income security in communities vulnerable to climate change and with climate-sensitive livelihoods. Special attention is given to women-headed households, child-headed households, and other socially marginalized groups, ensuring that adaptation efforts are both equitable and inclusive. Implementing concrete locally-led adaptation sub-projects under Component 2 will strengthen the economic aspects of community-level adaptive capacity within the four partner DMs. The proposed sub-projects — which are partially unidentified during the Concept Note phase — focus on three thematic priorities within climate-sensitive development sectors: i) climate-resilient livelihoods, ii) climate-resilient built infrastructure and assets; and iii) climate-resilient ecological infrastructure and assets. The project will confer direct economic benefits to communities by promoting climate-resilient rural livelihoods with a focus on empowering women and youth through improved access to productive resources and market opportunities, providing climate-resilient physical assets to communities vulnerable to climate change, including those led by elderly or child caregivers, and restoring and enhancing Ecological Infrastructure (EI), which underpins both subsistence and emerging commercial farming activities. Examples of potential concrete adaptation activities with quantifiable[42] economic benefits under Component 2 include climate-resilient grazing plans, livestock shelters, rainwater harvesting tanks, improved insulation for built infrastructure, restoration of degraded grasslands, small-scale earth dams, and communal food gardens. The implementation of these activities will help to minimise losses due to acute and chronic extreme events such as droughts and flooding while creating economic opportunities through livelihood diversification, the potential to transition from subsistence to semi-commercial livelihood activities, improved access to markets, and shorter value chains that benefit small scale producers, especially women and youth entrepreneurs. By integrating gender-responsive approaches and prioritising vulnerable and marginalised groups, the project ensures that climate adaptation is not only effective but that it is also sustainable, socially just and economically transformative. Component 3 will institutionalise a district- and municipal-level framework for locally led adaptation that standardises pipeline origination, technical screening, safeguards due diligence, fiduciary controls and performance monitoring for small grants. By establishing clear eligibility criteria, investment menus aligned to district climate risks, and harmonised appraisal and contracting tools, the framework will lower perceived risk for external financiers and demonstrate a repeatable model for deploying adaptation capital at community scale. This will improve the signalling effect to public finance (e.g., conditional grants, provincial allocations) and crowd in complementary private and blended instruments for adaptation-relevant livelihoods and assets, including from local enterprise funds, social investors and corporates with supplier development mandates. The framework will also increase the efficiency of adaptation finance by reducing transaction costs per grant through streamlined processes, standard documentation, pooled procurement where appropriate, and shared technical assistance and by accelerating time to disbursement and delivery.

[40] Based on the outcomes and lessons learned from the previous SGF project, direct beneficiaries were calculated as follows: 10 grant projects per partner DM, with an average of 200 direct beneficiaries per project, therefore 10 x 4 x 200 = 8 000. A more detailed calculation of direct project beneficiaries will be undertaken following the ongoing stakeholder engagement process, supplemented by spatial socioeconomic data from the recently published Census 2022. The Fully Developed Proposal will therefore contain a more detailed and accurate calculation of direct and indirect project beneficiaries.

[41] A conservative estimate of the population living below the national poverty line in 2023. Like the direct beneficiary calculation, a more detailed exercise to determine the anticipated number of indirect beneficiaries will be undertaken during development of the Fully Development Proposal.

[42] The Fully Developed Proposal will contain a more detailed and quantified analysis of the project's anticipated economic benefits.

Social benefits

The activities undertaken by the proposed project focus on building adaptive capacity through climate-resilient livelihoods, climate-resilient built infrastructure and assets, and climate-resilient ecological infrastructure will generate multiple social co-benefits, particularly for women, youth, the elderly, and other marginalised and vulnerable groups. These include but are not limited to skills development (grant-making and project development, Component 1), job creation through more climate-resilient livelihoods (Component 2), strengthening social cohesion and community-building (Component 1 and 2) by fostering inclusive participation and collaboration across diverse social groups; and improved coordination of climate change adaptation funding and responses (Component 3), ensuring equitable distribution of resources that responses to the needs of the most vulnerable. Other visible social co-benefits that will be generated by the project include improved food, nutrition, and water security, and improved resilience to chronic and acute climate change impacts like droughts and floods through the concrete adaptation sub-projects, alongside those, the project will also foster hidden social co-benefits strengthened trust between communities and institutions, and renewed stewardship of local ecosystems, ultimately contributing to lasting empowerment, social stability, and collective resilience.

Environmental benefits

In addition to the economic and social benefits outlined above, the project will generate substantial environmental benefits, primarily from adaptation sub-projects under Component 2. For instance, grant projects focused on the ecological infrastructure thematic priority area will promote the enhancement of ecological resources[43] that provide a range of ecosystem services, including: i) regulating water flows and quality; ii) protecting communities and livelihood assets from extreme weather; iii) reducing soil erosion and improving soil quality; iv) providing habitat for rich biodiversity; and v) forming part of the customs and spiritual values of beneficiary communities. These services translate into several ecosystem benefits, including: i) direct household provisioning and consumption; ii) cash income generation; ii) regulating services; iv) and cultural benefits. These ecosystem benefits are especially vital for women, Indigenous communities, and other marginalised groups who rely heavily on natural resources for daily survival and economic activity. Thus women play a key role in natural resource management, food production, water collection and caregiving within their households and communities. In many rural and Indigenous contexts, women are key custodians of ecological knowledge, and their daily interactions with land, water, and biodiversity position them as frontline actors in sustaining ecosystem services. However, they often face limited access to land, decision-making, and financial resources, which restricts their ability to benefit from and contribute to environmental restoration.

Similarly, where adaptation sub-projects are focused on strengthening livelihoods, climate-resilient agricultural techniques will promote conservation of topsoil and improved soil stability, more efficient use of water, and better linkages with surrounding ecosystem services, thereby strengthening the resilience of vulnerable households, including women-headed and child-headed households, by improving access to healthier productive land and natural assets

Gender and social considerations for addressing structural inequalities

A participatory and inclusive approach is an essential component of locally-led adaptation (LLA) project design and implementation, ensuring that the needs and knowledge of the community are reflected. Participatory/bottom-up and inclusive approaches create a sense of ownership and buy-in by integrating local priorities, involving all sectors of the community, enabling integration with ongoing activities, providing access to local knowledge and ideas, facilitating consensus and increasing the credibility of the project design process. Within the overall LLA and project design process for the new SGF project, special consideration will be given to any potentially marginalised and vulnerable groups which includes women, girls, people living with disabilities, indigenous communities, etc., within the four partner DMs who face disproportionate climate risks due to entrenched social, economic and cultural inequalities. In many South African contexts, women and girls fall into the category of

[43] Including but not limited to rangeland, wetlands, rivers, strategic water source areas, and indigenous forests.

marginalised groups for a variety of social, economic, and cultural reasons, including unpaid domestic labour, lack of agency and decision-making power, increased susceptibility to gender-based violence, and arguably greater exposure to illness and disease because of their prevailing role as caregivers. When gender intersects with other social identifiers such as race, age, class, religion, caste, disability, to mention a few, the effects of marginalisation and vulnerability are often exacerbated.

The project will address these structural inequalities by applying an intersectional approach[44] to gender analysis that recognizes how factors like age, disability, and ethnicity alongside gender to shape complex vulnerabilities. The goal is to proactively empower these groups by ensuring they have equitable access to the project's benefits and that their needs are integrated into all interventions. The project design will be guided by the Adaptation Fund's Gender Policy and Action Plan (GPAP), which emphasizes the importance of Indigenous and traditional knowledge and aims to achieve gender-transformative outcomes. This includes recognizing the specific vulnerabilities of Indigenous communities and ensuring their meaningful participation in designing and implementing adaptation strategies rooted in the principle of Free, Prior, and Informed Consent (FPIC). This gender-sensitive approach during project consultations will be designed to develop activities that not only avoid harm but also contribute to a permanent shift toward gender equality.

Detailed design of the project activities during the Fully-developed Proposal phase will ensure that potentially marginalised and vulnerable groups have equitable access to the benefits of the project, in line with the AF's Gender Policy and Action Plan (GPAP[45]), as well as SANBI's Policy on Gender Mainstreaming[46]. Where barriers have been identified that prevent women and other marginalised and vulnerable groups from accessing project-derived benefits, mitigation measures for these barriers aligned with the principles and requirements of the Gender Policy and Action Plan of the Adaptation Fund will be included as part of the Project Management Unit's operational guidelines.

During the upcoming stakeholder engagement process in the four partner DMs, a gender- and sex-disaggregated participatory planning approach will be adopted that facilitates open dialogue and ensures that women and other marginalised and vulnerable groups can participate meaningfully in the design of project activities. This includes but is not limited to prioritising women and women-owned or women-run organisations as beneficiaries for training under Component 1 and sub-project development under Component 2, with due consideration to other marginalised and vulnerable groups such as the elderly. This approach aims to use a gender-sensitive approach during project design consultations to develop gender-transformative project activities that: (i) recognise and strengthen the contribution of vulnerable and marginalised groups, including Indigenous people, (ii) ensures equal access and equity to natural resources and benefits derived from project activities, and (iii) promoting gender equality and women empowerment in project activities, such as environmental restoration efforts, capacity building, to mention a few. This will inform the design of adaptation activities that not only avoid harm but actively contribute to long-term gender equality and social inclusion.

The project will embed gender equality and vulnerability considerations directly into the sub-project selection process, in line with the Adaptation Fund Gender Policy and Gender and Social Inclusion Policy. Beyond simply appointing a gender specialist or developing a stakeholder engagement plan, the project will establish clear mechanisms that ensure women and vulnerable groups meaningfully participate in decision-making and that their specific climate risks and barriers, identified in the Gender Assessment, shape which sub-projects are approved.

[44] An intersectional approach to gender is an analytical tool that recognizes that a person's experience is shaped by the overlap of multiple social identities, such as gender, race, class, sexual orientation, and disability.
[45] Adaptation Fund Board. (2021). *Gender Policy and Action Plan of the Adaptation Fund*. [Online]. Available: https://www.adaptation-fund.org/wp-content/uploads/2016/04/OPG-Annex-4_GP-and-GAP_approved-March2021pdf-1.pdf
[46] South African National Biodiversity Institute. (2023). *Policy on Gender Mainstreaming*. [Online]. Available: https://www.sanbi.org/wp-content/uploads/2024/02/SANBIs-Policy-on-Gender-Mainstreaming.pdf

A gender-responsive sub-project selection framework will be used from the concept stage onward. This may include

I. ensuring inclusive participation by creating gender-balanced review committees with representation from women, youth, and vulnerable groups, and requiring all applicants to demonstrate that these groups were actively involved in identifying needs and co-designing proposed activities; and

II. applying eligibility and prioritisation criteria that reflect the structural barriers identified in the Gender Assessment, such as limited access to land, finance, natural resources, and governance structures. Sub-projects will therefore be required to show how they address differentiated climate risks and benefit vulnerable groups, while scoring higher if they improve access to decision-making, reduce unpaid care burdens, or strengthen climate-resilient livelihoods. See Annex for Indicative Sub-Project Selection Framework in the Preliminary Gender Analysis Report.

Alignment with Adaptation Fund policy and avoiding or mitigating negative impacts

Project interventions have been designed in alignment with several key Adaptation Fund policies, including the Environmental and Social Policy[47] (ESP), GPAP, as well as the Updated Gender Guidance Document for Implementing Entities on Compliance with the Adaptation Fund Gender Policy[48]. The environmental and social aspects of the project and their continuity with the ESP are elaborated in Part II, Section K of this document. Similarly, the project's alignment with the GPAP is discussed in the previous subheading.

In addition to alignment with the abovementioned policies, the following specific measures will ensure that project activities are implemented in a way that avoids or mitigates negative social or environmental impacts:

- Government collaboration and alignment will be enhanced through the alignment of project goals with national, local development and adaptation plans, such as district Integrated Development Plans
- Dedicated technical support will be sought, especially in relation to sensitive or specialised services such as gender-related issues, financial structuring of grants for sub-projects, and restoration of ecological infrastructure.
- Grievance and feedback mechanisms will be developed, and communities will be encouraged to understand and use them.
- During the fully developed project formulation stage, an environmental and social risk assessment will be performed, using the Adaptation Fund's 15 principles.
- There will be activity-level environmental and social screening for the project activities at the project implementation stage. The ESMP will be reviewed during project implementation for consistency and alignment of proposed mitigation measures with AF ESP. Unidentified Sub-Projects (USPs) will be defined at project inception in coordination with local stakeholders.
- Environmental and social risk management plans commensurate with the risks assessed will be developed at the project formulation stage.
- Planning, implementation and monitoring of necessary mitigation measures will be identified by means of activity-level environmental and social screening.
- South African procurement laws and regulations will be complied with for all project activities
- In preparing these projects due diligence in terms of avoiding maladaptation will be

[47] Adaptation Fund Board. (2013). *Environmental and Social Policy*. [Online]. Available: https://www.adaptation-fund.org/wp-content/uploads/2015/09/Environmental-Social-Policy-approved-Nov2013.pdf
[48] Adaptation Fund Board. (2022). *Updated Gender Guidance Document for Implementing Entities on Compliance with the Adaptation Fund Gender Policy*. [Online]. Available: https://www.adaptation-fund.org/document/updated-gender-guidance-document-for-implementing-entities-on-compliance-with-the-adaptation-fund-gender-policy-2/

essential and will cover maladaptation linked to infrastructure, to institutions and to behaviours. This will be incorporated into project scope and become part of the project monitoring and evaluation regime.

C. Describe or provide an analysis of the cost-effectiveness of the proposed project/programme.

The project's cost-effectiveness has been qualitatively assessed and is evident when compared with the status quo, i.e., the no-project alternative or baseline scenario. In the baseline scenario, communities with low adaptive capacity and high vulnerability to climate change in the partner districts will continue to experience negative impacts on their livelihoods, health, well-being, and infrastructure from acute and chronic extreme weather events and climate variability. Without the project, ecological infrastructure exposed to climate change impacts will likewise face continued and likely exacerbated degradation and fragmentation, weakening its ability to supply ecosystem services to communities. Given the partner districts' high poverty levels and the high reliance on climate-sensitive livelihoods like rainfed agriculture, the state is likely to incur additional costs concerning social protection, emergency services, and basic service delivery to affected communities. The project will contribute to offsetting some of the root causes of vulnerability concerning poverty, environmental degradation, and infrastructural losses from climate change.

The new SGF project further benefits from the wealth of knowledge generated by the original project (2017–2022), implemented by the same NIE and Designated Authority. Lessons from that process allow this project to avoid costly and time-intensive piloting of untested models, enabling resources to be directed straight into implementation. By retaining institutional knowledge through Component 1's knowledge management activities, subsequent investments under Components 2 and 3 become more scalable, sustainable, and replicable across other South African contexts.

A key factor improving cost-efficiency is the project's adoption of locally led adaptation (LLA). Compared with conventional, top-down adaptation approaches which can absorb significant resources in external consultancies, rigid designs, and large-scale infrastructure solutions that often fail to match local needs, the LLA model reduces costs by leveraging local knowledge and capacities. For example, small-scale water harvesting or ecosystem restoration initiatives designed and maintained by communities are typically a fraction of the cost of centralised infrastructure such as dams or canals, while also delivering co-benefits such as strengthened social cohesion and gender-responsive participation. Flexible programming under the USP approach further ensures that activities can be tailored to specific contexts, avoiding the wasted expenditure that arises when a "one size fits all" solution proves ineffective. Thus, the LLA approach promotes both lower transaction costs and higher long-term returns on investment by embedding adaptation in locally owned systems.

The project will apply cost-effectiveness criteria rigorously when defining USP sub-projects at inception, prioritising actions that yield maximum adaptation benefits relative to cost. Importantly, the sustainability of the project is grounded in this cost-effectiveness approach, as locally owned, affordable solutions are more likely to be maintained beyond the project's lifespan, reinforcing the rationale set out under Part II, Section F: Sustainability. Moreover, this focus on low-cost, socially embedded interventions reduces future state expenditure, strengthens local adaptive systems, and aligns directly with the Adaptation Fund's Environmental and Social Policy (ESP) by ensuring that interventions are both sustainable and socially equitable. This section will be expanded to include quantitative analysis at the full proposal stage.

D. Describe how the project/programme is consistent with national, sub-national, and local sustainable development strategies, including, where appropriate, national adaptation plan (NAP), national, sub- national, or local development plans development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.

South Africa's climate priorities are cross-cutting and span climate adaptation and mitigation, resilience building, poverty alleviation, and development. The South African Cabinet has approved key climate-positive actions, including establishing a Presidential Climate Commission, South Africa's Low Emissions Development Strategy, a National Climate Change Adaptation Strategy, a carbon tax, a Climate Change Act[49] and a Just Energy Transition Framework. In addition to supporting the operationalisation of the Climate Change Act the new SGF project aligns with several national policies related to climate change adaptation, poverty alleviation and service delivery, and cross-cutting aspects like climate change mitigation in South Africa. Table 8 presents a summary of how the proposed project aligns with and can contribute to achieving the objectives of the respective national policies. Similarly, Table 9 summarizes the climate change related aspects of district-level policies and demonstrates how the new SANBI project supports their objectives.

Table 8. Summary of project alignment with national policies

Policy	Summary	Project alignment
The National Climate Change Adaptation Strategy (NCCAS, 2020)	The NCCAS is the cornerstone for climate change adaptation in the country and represents a clear, cohesive and cross-sectoral response to the country's adaptation needs. The four strategic objectives of the NCCAS are to: i) build climate resilience and adaptive capacity to respond to climate change risk and vulnerability; ii) promote the integration of climate change adaptation response into development objectives, policy, planning and implementation; iii) improve understanding of climate change impacts and capacity to respond to these impacts; and iv) ensure resources and systems are in place to enable implementation of climate change responses.	The project is strongly aligned with the NCCAS through its focus on locally-led adaptation. Key entry points in this regard between the proposed project and the NCCAS relate to promoting a range of interventions to increase the resilience of communities (*project Component 2, NCCAS Strategic Objective I*), the economy (*project Component 3, NCCAS Strategic Objective IV*), ecosystems (project Component 2, NCCAS Strategic Objective I), and infrastructure (project Component 2, NCCAS Strategic Objective I). Like the NCCAP, the project recognises the need to overcome barriers related to social and technical capacity (Component 1), institutional challenges and the key financial constraints that inhibit adaptive response (Component 3).
South Africa's Updated Nationally Determined Contribution (NDC, 2021)	In its updated Nationally Determined Contribution, top adaptation goals included increasing institutional capacity, governance, and legal frameworks; developing a scientific basis for strengthening the national and provincial governments' readiness to respond; mobilising funding for adaptation; and implementing the NCCAS.	The new SGF project will contribute positively to several of the NDC's adaptation goals, most notably by strengthening institutional capacity (Component 1) and mobilising funding for adaptation (Component 3).

[49] The Bill aims to ensure that climate actions are facilitated and coordinated across all three spheres of government. It establishes Provincial and Municipal Forums on Climate Change, which will be integrated into current institutions and planning processes. It provides for the development of provincial and municipal climate change needs and response assessments and corresponding climate change response implementation plans.

Policy	Summary	Project alignment
The National Development Plan 2030 (NDP, 2013)	South Africa's National Development Plan, which provides a vision and plan for 2030, identifies climate change as a major factor influencing the country's development. The NDP's overarching aim is to eliminate poverty and reduce inequality by 2030 by ensuring a transition to an environmentally sustainable, climate-resilient, low-carbon economy and just society, among other key priorities.	The new SGF project will support the implementation of several aspects of the NDP in the four partner districts, namely poverty reduction by strengthening climate-sensitive livelihoods (Component 2) and promoting a climate-resilient society by building cross-sectoral adaptive capacity (Component 1).
National Climate Change Response Policy (NCCRP, 2011)	This policy outlines South Africa's vision for a long-term and equitable transition to a climate-resilient, low-carbon economy. It has two objectives, namely: i) to effectively manage climate change impacts through interventions that build and sustain South Africa's social, economic, and environmental resilience; and ii) to make a fair contribution to the global effort to stabilize greenhouse gas (GHG) concentrations within a timeframe that enables sustainable economic, social and environmental development.	While it is outdated, the NCCRP's primary objectives are still relevant. In this respect, the new SGF project will contribute positively to the effective management of climate change impacts by building resilience and strengthening adaptive capacity. By achieving that goal in communities vulnerable to climate change in the four partner districts, the SGF project creates opportunities for learning and knowledge sharing, which allows for further upscaling and replication.
Climate Change Act (2024)	The Climate Change Act, 2024 establishes a comprehensive legal framework for South Africa's climate response, mandating a coordinated, integrated and just transition to a low-carbon, climate-resilient economy and society. It embeds principles from the National Environmental Management Act and cooperative governance, requires policy alignment across all spheres of the state, and institutionalises the Presidential Climate Commission as an independent public entity with advisory, reporting and oversight functions. The Act creates binding adaptation architecture: the Minister must set national adaptation objectives and indicators within one year; develop science-based national adaptation scenarios; and publish a National Adaptation Strategy and Plan (NASP) within two years, with five-yearly reviews. Sector departments listed in Schedule 2 must produce sector adaptation strategies and plans aligned to the NASP, and provinces and metropolitan/district municipalities must undertake climate needs and response assessments, spatially map climate risks and vulnerabilities, and develop climate change response implementation plans integrated into environmental implementation plans and	The SGF project is closely aligned with the Act's locally grounded, systems-based adaptation mandate and provides an immediate vehicle to operationalise statutory requirements at municipal and provincial levels in the four target districts. Component 1 directly supports sections 7–9 and 17 by strengthening multi-stakeholder fora, enabling climate needs and response assessments, and integrating risk mapping and adaptation priorities into municipal planning instruments and budget cycles. Component 2 advances sections 19–22 by piloting and upscaling community-identified adaptation measures that build adaptive capacity and resilience of livelihoods, ecosystems and local infrastructure, drawing on best available science and early warning to reduce vulnerabilities identified through spatial risk analysis. Component 3 complements section 18 by establishing fit-for-purpose small-grant financing, fiduciary controls and knowledge systems that can interface with the forthcoming national finance mechanism and the NASP's monitoring and indicator framework, while the project's gender-responsive, socially inclusive targeting supports section 3 principles on vulnerable groups and

Policy	Summary	Project alignment
	Integrated Development Plans, with updates at least every five years. The Act further provides for a national finance mechanism prescribed by the Minister (in consultation with the Minister of Finance) to support planning and implementation, clarifies linkages to disaster risk reduction, monitoring, reporting and public transparency, and affirms public participation and protection of vulnerable groups in line with equity and just transition principles.	just transition. Through its Unidentified Sub-Project procedures, the SGF embeds environmental and social due diligence consistent with the Act's integrated management approach and provides scalable models for sectoral and municipal adaptation plans envisaged under Schedule 2 responsibilities.

Table 9. Summary of district-level policies and project alignment

District	Relevant policies	Project alignment
Amathole	The DM's Integrated Development Plan (IDP) outlines a strategic objective to become a regional leader in climate change mitigation and to build a resilient district capable of withstanding future environmental impacts. The municipality has also developed a specific Coastal Management Programme in compliance with national legislation. In addition, the Wetland Strategy and Action Plan address the management of wetlands for their role in climate change adaptation and disaster risk reduction. The Disaster Risk Management Plan further details the municipality's approach to addressing natural hazards and severe weather events associated with climate change. Regulatory measures are also in place through various by-laws that govern areas such as waste management and water services. The municipality is currently in the process of developing a dedicated Climate Change Strategy in collaboration with the Department of Forestry, Fisheries and the Environment.	The SANBI project's locally-led adaptation approach directly aligns with Amathole's policy environment. By devolving decision-making and funding to communities, the project strengthens the "resilient district" objective of the Integrated Development Plan. Its focus on implementing concrete adaptation activities for climate-resilient livelihoods, infrastructure, and ecological assets supports the municipality's existing policies, including the Wetland Strategy and Disaster Risk Management Plan. Furthermore, the collaboration between SANBI and the district municipality provides a tangible mechanism for achieving the objectives of Amathole's forthcoming Climate Change Strategy, reinforcing local capacity to manage climate risks.
Thabo Mofutsanyana	The municipality has developed a Climate Change Vulnerability Assessment and Response Plan (2016) which identifies key sectors at risk, including agriculture, biodiversity, and water. This plan was part of a broader government support programme to address key climate hazards such as increasing temperatures, rainfall variability, and severe storms. The municipality's Integrated Development Plan (IDP) outlines a general mandate to "promote a safe and healthy environment" for local communities and a commitment to sustainable service delivery. Furthermore, the district has developed Integrated Waste Management Plans to enhance waste disposal practices, as well as addressing	The SANBI project aligns with the policies of the Thabo Mofutsanyana District Municipality by directly addressing its identified vulnerabilities. The project's focus on implementing concrete adaptation measures in climate-sensitive sectors, such as livelihoods and ecological infrastructure, responds to the risks to agriculture, biodiversity, and water highlighted in the municipality's Climate Change Vulnerability Assessment and Response Plan. The project's model, which devolves decision-making power and financial resources to local communities, complements the municipality's constitutional mandate to

District	Relevant policies	Project alignment
	landfill site management.	promote a safe and healthy environment and encourage public participation. This approach also contributes to building the institutional capacity required to implement the objectives outlined in the district's Integrated Development Plan.
Gert Sibande	The municipality has acknowledged the need to address poor air quality within the district, with its Integrated Development Plan (IDP) outlining strategic interventions focused on reducing carbon emissions and promoting green economy initiatives and renewable energy. The IDP also specifies that the municipality, in partnership with local municipalities, will develop an environmental management policy and a regulatory framework. The municipality has also developed a Climate Change Vulnerability Assessment, Adaptation, and Response Strategy, although the finalisation of a policy and implementation plan is still in progress.	The SANBI project aligns with Gert Sibande's policies by providing a tangible mechanism for implementing the municipality's strategic goals. The project's focus on devolving decision-making and finance to local communities gives substance to the municipality's stated aim of empowering communities to lead on environmental matters. By funding concrete, on-the-ground adaptation activities, such as those related to renewable energy and green economy, the project directly supports the IDP's strategic interventions for improving air quality and reducing emissions. Furthermore, the SANBI project's capacity-building component and its participatory approach to project co-development directly aid the municipality's efforts to build capacity and create a regulatory framework that is implemented effectively at the local level.
uThukela	The municipality has developed an Environmental Management Framework (EMF) to guide its environmental planning. The Integrated Development Plan (IDP) references a Climate Change Response Strategy and outlines the municipality's commitment to addressing this issue. The IDP also specifies actions related to water conservation and demand management.	The SANBI project aligns with uThukela's policy framework by providing a mechanism to implement the municipality's environmental and climate change-related goals at a local level. The project's focus on locally-led adaptation, capacity building, and financing for climate-resilient livelihoods and ecological infrastructure directly supports the objectives of the municipality's Climate Change Response Strategy and Integrated Development Plan. The SANBI project's emphasis on stakeholder engagement and community-led action also reinforces the municipality's existing commitment to public participation and empowerment on environmental and health matters. Furthermore, the project's specific focus on water and ecological assets directly addresses the threats to these resources identified in uThukela's policy documents.

E. Describe how the project/programme meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and complies with the Environmental and Social Policy of the Adaptation Fund. Also describe, as needed, how the project/programme will provide support to local actors and build their capacities to comply with the standards.

The proposed project is aligned with the Environmental and Social Policy (ESP) requirements of the Adaptation Fund (refer to Part II, sections B, D, H, and K), including the requirement that project activities funded by the Adaptation Fund reflect local circumstances and adaptation needs and draw upon national actors and capabilities. Component 1 of the project will support the co-creation of proposals through capacity and skills development activities. These will include training on ESP and gender policy compliance. An indicative list of training activities is contained in Output 1.1.1. Additionally, compliance assessments will be carried out during project implementation, particularly under Component 2.1.1, where locally led adaptation sub-projects will be identified and executed. These assessments will monitor adherence to environmental, social and gender policies, ensuring that safeguard measures are consistently applied throughout the implementation process. Concerning project activities, compliance with legislation and regulations is relevant predominantly to Component 2 (Locally-led concrete adaptation activities). Since this component of the new SGF project comprises partially unidentified sub-projects (USPs), a detailed analysis of compliance with national legislation, regulations, and associated standards will be undertaken during the fully-developed proposal (FDP) phase following final stakeholder consultation (refer to Part II, Section H) and validation of project activities under Component 2. In the interim, a preliminary compliance list has been compiled based on the indicative project activities (refer to Part II, Section A), initial stakeholder consultations, and the previous SGF project. the relevant legislation, regulations, and standards for the new SGF project are grouped thematically and tabled below.

Table 10. Summary of preliminary list of legislation, regulations, and standards for compliance

Thematic area	Legislation/regulation/standard
Natural resources	National Environment Management Act, Act No. 107 of 1998 (NEMA[50]) and its suite of associated Acts viz. National Environmental Management (NEM): Protected Areas Act, 2003[51]; NEM: Biodiversity Act, 2004[52]; NEM: Air Quality Act, 2004[53]; NEM: Integrated Coastal Management Act, 2008[54]; NEM: Waste Act, 2008[55]; NEM: Environmental Impact Assessment (EIA) Regulations 2014[56]; Conservation of Agricultural Resources Act, Act No. 43 of 1989[57]; National Heritage Resources Act, Act No. 25 of 1999[58].
Governance	Local Government: Municipal Systems Act, Act No. 32 of 2000[59]
	Standards Act, Act No. 8 of 2008[60] and associated thematic South African National Standards.

[50] Government of South Africa. (1998). *National Environment Management Act, Act No. 107 of 1998, as amended*. [Online]. Available: https://www.gov.za/documents/national-environmental-management-act
[51] Government of South Africa. (2004). *National Environment Management: Protected Areas Act, Act No. 10 of 2004*. [Online]. Available: https://www.gov.za/documents/national-environmental-management-protected-areas-act
[52] Government of South Africa. (2003). *National Environment Management: Biodiversity Act, Act No. 57 of 2003*. [Online]. Available: https://www.gov.za/documents/national-environmental-management-biodiversity-act-0
[53] Government of South Africa. (2004). *National Environment Management: Air Quality Act, Act No. 39 of 2004*. [Online]. Available: https://www.gov.za/documents/national-environment-management-air-quality-act
[54] Government of South Africa. (2008). *National Environmental Management: Integrated Coastal Management Act, Act No. 24 of 2008*. [Online]. Available: https://www.gov.za/documents/national-environmental-management-integrated-coastal-management-act
[55] Government of South Africa. (2008). *National Environmental Management: Integrated Coastal Management Act, Act No. 24 of 2008*. [Online]. Available: https://www.gov.za/documents/national-environmental-management-waste-act
[56] Government of South Africa. (2014). *National Environmental Management Act: Regulations: Environmental Impact Assessment*. [Online]. Available: https://www.gov.za/documents/national-environmental-management-act-regulations-environmental-impact-assessment-7
[57] Government of South Africa. (1989). *Conservation of Agricultural Resources Act, Act No. 43 of 1989*. [Online]. Available: https://www.gov.za/documents/conservation-agricultural-resources-act-1-apr-2015-0926
[58] Government of South Africa. (1999). National Heritage Resources Act, Act No. 25 of 1999. [Online]. Available: https://www.gov.za/documents/acts/national-heritage-resources-act-25-1999-28-apr-1999
[59] Government of South Africa. (2000). *Local Government: Municipal Systems Act, Act No. 32 of 2000*. [Online]. Available: https://www.gov.za/documents/local-government-municipal-systems-act
[60] Government of South Africa. (2008). *Standards Act, Act No. 8 of 2008*. [Online]. Available: https://www.gov.za/documents/standards-act

Thematic area	Legislation/regulation/standard
Disaster risk reduction	Disaster Management Act, Act No. 57 of 2002[61]; National Disaster Management Framework, 2005[62]; Water Services Act, Act No. 108 of 1997: Norms & Standards for Quality Water Services[63].
Urban planning & development	Spatial Planning and Land Use Management Act, Act No.16 of 2013[64].
	National Housing Code of 2009[65], including the National Building Standards and Regulations.

To meet the LLA requirement for local capacity development, the project will specifically provide training and administrative support to local governments and grant-eligible institutions. This training will ensure they have the knowledge and skills necessary to navigate environmental and social standards, procurement laws, and other relevant national regulations. This capacity building is essential for empowering local entities to manage adaptation initiatives independently and effectively over the long term, thereby leaving a lasting institutional legacy. By embedding this support directly within the project's structure, the initiative ensures that local partners can not only implement adaptation measures but also adhere to all applicable technical and legal standards, fostering both project success and long-term institutional sustainability.

F. Describe if there is duplication of project/programme with other funding sources, if any. Describe how the project/programme will ensure coordination of different initiatives, sub-projects and small grants towards a common goal, enhances collaboration across sectors and outlines how activities avoid duplication and enhance efficiencies and good practice.

The proposed project has been explicitly designed to complement projects that are funded through other sources, including those that are funded by, or in development for, the Green Climate Fund. All other projects target national or sub-national government institutions as project leads, providing essential support for the integration of climate change adaptation into their legally mandated programmes of work. By cascading climate finance to the ground and directly supporting climate vulnerable communities, the proposed project will support a set of complementary activities that are community lead, and that respond to the priorities of these communities.

There is no duplication with other funding sources.

The portfolio of SANBI-led Green Climate Fund adaptation projects in South Africa comprise a set of complementary investments focused on ecosystem-based disaster risk reduction, water security, and transformation of climate-vulnerable smallholder systems, alongside regional initiatives supporting climate services and innovation. Within this portfolio, three GCF projects where SANBI serves as Accredited Entity or Direct Access Entity present the most direct thematic and spatial interfaces with the proposed SGF. These are Scaling up Ecosystem-based Approaches to managing climate-intensified disaster risks in vulnerable regions of South Africa (Eco-DRR), Ecosystem-based Approaches for transforming smallholder farming systems vulnerable to climate change in South Africa (EbA-Farm), and Ecosystem Based Adaptation for Water Security in South Africa (EbA-Water). In each case, the SGF has been designed to avoid duplication through careful delineation of objectives, target areas, and instruments, while actively pursuing synergies.

Eco-DRR is a GCF project that is under implementation, and that scales up ecosystem-based disaster risk reduction across five district municipalities in four provinces. Its three components focus on rehabilitating vulnerable catchments and landscapes to reduce drought, flood and

[61] Government of South Africa. (2002). Disaster Management Act, Act No. 57 of 2002. [Online]. Available: https://www.gov.za/documents/disaster-management-act
[62] Government of South Africa. (2005). *Disaster Management Act: Policy framework for disaster risk management in South Africa*. [Online]. Available: https://www.gov.za/documents/notices/disaster-management-act-policy-framework-disaster-risk-management-south-africa-29
[63] Government of South Africa. (1997). *National Water Act: National norms and standards for domestic water and sanitation services*. [Online]. Available: https://www.gov.za/documents/notices/national-water-act-national-norms-and-standards-domestic-water-and-sanitation
[64] Government of South Africa. (2013). *Spatial Planning and Land Use Management Act, Act No.16 of 2013*. [Online]. Available: https://www.gov.za/documents/spatial-planning-and-land-use-management-act
[65] Government of South Africa. (2009). *National Housing Code of 2009*. [Online]. Available: https://www.dhs.gov.za/content/national-housing-code-2009

wildfire risks; integrating ecosystem-based measures into settlement planning and disaster preparedness; and consolidating pathways for upscaling transformative ecosystem-based disaster risk reduction. The new SGF may generate some thematic overlap in relation to ecological infrastructure investments. With SANBI leading both initiatives, spatial and thematic complementarity can be actively managed through coordinated site selection, technical exchange and joint planning to ensure that small grants under the SGF reinforce, rather than duplicate, Eco-DRR's catchment and settlement-level investments.

EbA-Farm, currently under development, builds on the Adaptation Fund uMngeni Resilience Project to transform climate-sensitive smallholder farming systems at homestead, farm and landscape scales. It combines targeted climate information and services, ecosystem-based agricultural practices and strengthened market access, supported by cross-cutting capacity for transformative change. Both EbA-Farm and SGF seek to strengthen smallholder livelihood resilience, which introduces a theoretical risk of duplication. This risk is being addressed through a clear differentiation of entry points. EbA-Farm is designed as a sector-focused transformation programme, whereas SGF will operate as a flexible, multi-sector small-grants mechanism that allows communities and local institutions to define priority adaptation solutions. Coordination between the two will entail distinct geographic coverage where appropriate, and where areas coincide, the SGF will be used to pilot or deepen locally led measures that complement EbA-Farm's more structured packages of support.

EbA-Water, also under development, draws on prior GEF investments to secure eleven priority Strategic Water Source Areas through strengthened governance frameworks, climate-resilient ecological infrastructure interventions, and enhanced institutional capacity at national and subnational levels. Given its emphasis on water-related ecological infrastructure, there is potential for spatial convergence with SGF interventions under Component 2. Without deliberate coordination, this could translate into overlap. However, SANBI's dual role as Direct Access Entity for EbA-Water and National Implementing Entity for the SGF will be used to manage this interface. Joint processes for site selection, clear delineation of intervention types, and shared knowledge-management mechanisms will ensure that SGF-funded local projects augment EbA-Water's systemic water security outcomes, for example by supporting community-level stewardship and climate-resilient livelihood activities in landscapes where EbA-Water addresses higher-level governance and investment constraints.

Beyond the GCF portfolio, several non-GCF initiatives provide an important context for avoiding duplication and maximising complementarity. The Living Catchments Project, implemented by SANBI and the Water Research Commission with funding from the Department of Science and Innovation, has improved water security through governance innovation, co-learning, and the integration of built and ecological infrastructure. Although the project is completed and now being upscaled, it establishes governance and learning models that the SGF can leverage rather than replicate. The SGF will align local adaptation projects with these models, particularly in relation to multi-stakeholder catchment forums and cross-district knowledge exchange, thereby reducing fragmentation and reinforcing an integrated approach to water security and ecosystem management.

ReLISA (Restoring Landscapes in South Africa), funded under the International Climate Initiative and operating in grassland, savanna and thicket biomes, focuses on restoration of degraded landscapes, mobilisation of finance and implementation of large-scale restoration strategies. While there is some thematic overlap with the SGF's ecological restoration activities, ReLISA is structured around larger-scale interventions and finance mobilisation. The SGF will complement rather than duplicate this work by funding small-scale, locally led restoration sub-projects that respond to community-defined climate risks and livelihood needs. Lessons from ReLISA on monitoring approaches, technical restoration options and investment models will be used to strengthen the quality and efficiency of SGF-financed activities.

The GEF-8 Mega Living Landscapes programme, implemented by SANParks and currently in development, seeks to expand protected areas, improve landscape management and promote pro-nature economic development. There is no duplication risk with the SGF as the GEF-8 programme emphasises protected area systems and large-scale landscape planning, whereas the SGF focuses on community-level adaptation and livelihood resilience. The SGF will instead align its small grant investments with the broader objectives of Mega Living Landscapes, particularly in production landscapes adjacent to or connected with protected

areas. This alignment will help ensure that local adaptation measures support ecological connectivity and sustainable land management priorities emerging from the GEF-8 process.

Similarly, the GEF-7 Sustainable Land Management in Grazing Lands project, implemented by IUCN, the Department of Forestry, Fisheries and the Environment, and the Department of Agriculture, Land Reform and Rural Development, aims to scale up sustainable land management, restore degraded grazing lands, strengthen institutions and catalyse private investment. SGF's small grants will not duplicate this programme due to differences in instruments and focus. Instead, the SGF will draw on the governance arrangements, landscape assessment tools and monitoring frameworks developed under GEF-7 to align community-level interventions, promote recognised good practice in rangeland management and enhance efficiency across sub-projects.

At a regional scale, the ALBATROSS programme supports advanced adaptation through integrated climate services, co-created adaptation plans and nature-based solutions across several African countries, including South Africa. There is no direct duplication with the SGF's proposed activities. The SGF will, however, seek to apply relevant outputs from ALBATROSS, such as climate services products and vulnerability analyses, to inform the design and targeting of locally led adaptation sub-projects. This will strengthen the scientific underpinning of community-level investments and create pathways for knowledge sharing and adaptive management, thereby enhancing the overall coherence of adaptation support in South Africa.

Finally, lessons from the Adaptation Fund-financed uMngeni Resilience Project, where SANBI was also the Implementing Entity, provide a critical reference point. That project strengthened smallholder livelihoods, water-related infrastructure and ecosystem-based interventions in specific districts in KwaZulu-Natal. The SGF will operate in different districts, and has been explicitly designed to build on uMngeni's experience with participatory co-development of interventions, small-grant management and multi-level governance of adaptation. This will inform the SGF's grant-making procedures, stakeholder engagement approaches and cross-district learning mechanisms, ensuring that it complements existing investments while maximising impact and avoiding duplication.

G. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned, and how this contributes to building and institutionalizing local capabilities. Provide details on managing traditional and/or indigenous knowledge, where relevant.

The success of the first SGF project demonstrated the importance of the knowledge management and learning (KML) aspects of locally-led adaptation (LLA) projects, and how they rely on a strong evidence base for planning and decision-making. Under the new project's first component, Outcome 1.2 (*Knowledge and lessons learned in grant development & implementation captured and disseminated*) will establish a cross-cutting KML process that will run throughout the project inception, implementation, and evaluation phases to ensure that knowledge and lessons are carefully captured, analysed, curated, and distributed for the benefit of future locally-led adaptation (LLA) projects. The first aspect of the project's KML process is the co-development of a cross-sectoral project communication plan to ensure that the results of implementing components 1 and 2 are appropriately captured and disseminated and will catalyse access to knowledge on LLA related to the sub-project thematic priorities for the SGF. The communication plan will draw from several project activities, including but not limited to the training and capacity development aspects of Component 1, and the implementation of Component 2's concrete adaptation activities. The plan's target audiences will be government, civil society, and community stakeholders.

Similarly, the previous SGF project has shown that inter-district peer learning exchanges that allow for interaction with and learning from different stakeholders (i.e., donors, government, and other peers) are valuable and impactful for sharing the experiences of successful small grant projects and supporting and guiding new projects. Peer exchanges between the four partner districts will also provide a support network for projects facing challenges and for sharing successes. The key KML activities of the new SGF project are: i) co-design and

implementation of the project communication plan to facilitate cross-sectoral access to knowledge on LLA; ii) develop the knowledge exchange programme and curricula; and iii) implement the peer exchange programme at regular intervals as per the project calendar.

Processes to identify USPs will be community led, and will promote the documentation of local adaptation practices and cultural traditions towards ensuring that traditional knowledge systems are safeguarded. In this regard, local communities will be actively engaged in identifying, preserving, and integrating Indigenous Knowledge Systems (IKS) into climate change adaptation efforts. By embedding these practices into subproject design and monitoring, the project will ensure that Indigenous Knowledge is not only respected but also systematically incorporated into resilience building processes.

H. Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund. Provide details on how the consultative process considered and addressed gender-based, economic and other inequalities and encouraged vulnerable and marginalized individuals to meaningfully participate in and lead adaptation decisions.

The new SGF project's consultation process integrates several lessons from the original SGF project[66] and has also been undertaken under the relevant Adaptation Fund guidance[67] and SANBI policy[68]. The need for a regular, phased approach to consulting project partners was identified as a priority lesson. The new SGF project's consultation process is a multi-phase and cross-sectoral engagement, designed to be a bottom-up, participatory approach from the outset. The initial planning, which took place in April 2024, involved the preliminary selection and sensitization of potential partner District Municipalities (DMs) based on their climate vulnerability and socioeconomic indicators. This phase also included a desktop environmental and social safeguard (ESS) screening of the proposed project structure. Subsequently, in June 2024, trilateral discussions were held with each of the four DMs, SANBI, and the DFFE to gauge interest, secure buy-in, and address any initial concerns.

The second phase of the consultation, which was completed in September 2024 (see the stakeholder consultation report: SANBI SGF consultation report), comprised detailed co-design engagements with the partner DMs and potential beneficiary communities. All the stakeholders who participated in this round were guided by the PDMs. Consultations conducted during concept note development (Phase 1 and 2) prioritised engagement with national, provincial, and district-level government officials across the four target districts, complemented by participation from non-governmental organisations and community-based organisations whose composition reflected the institutional landscape of each district. This tiered approach ensured alignment with government structures responsible for disaster risk management whilst incorporating civil society perspectives on local adaptation priorities.

A retrospective review of the participants attendance across the PDMs, conducted with support of the PDMs, demonstrates that consultations achieved near gender parity, with 46.7 % women, 45.3% men and 8% classified as other/unknown (see Annex of the SANBI SGF consultation report). Notably, in Amathole and uThukela districts, the managers were women, reinforcing female leadership in local decision-making. As noted above, the PDMs led the invitation of the stakeholders for these initial consultations. Clear guidance was provided to prioritise inclusivity and gender representation, directly contributing to the observed gender parity. To further promote equitable participation, the facilitation applied gender-sensitive

[66] South African National Biodiversity Institute. (2021). *A blueprint for Enhanced Direct Access in South Africa as informed by the experiences and lessons of the Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change project*. [Online]. Available: https://www.sanbi.org/wp-content/uploads/2022/01/Final-Blueprint-for-Enhanced-Direct-Access-in-South-Africa-For-Circulation.pdf
[67] Adaptation Fund Board. (2021). *Gender Policy and Action Plan of the Adaptation Fund*. [Online]. Available: https://www.adaptation-fund.org/wp-content/uploads/2016/04/OPG-Annex-4_GP-and-GAP_approved-March2021pdf-1.pdf
[68] South African National Biodiversity Institute. (2023). *Policy on Gender Mainstreaming*. [Online]. Available: https://www.sanbi.org/wp-content/uploads/2024/02/SANBIs-Policy-on-Gender-Mainstreaming.pdf

approaches, including world café sessions with women-only groups where appropriate, enabling women to express their perspectives freely without being overshadowed. Importantly, all the gender sensitive activities were carefully designed and adapted to respect local cultural norms, ensuring both inclusivity and contextual appropriateness. This included taking guidance on what is acceptable from the PDMs partners.

The stakeholder engagement plan is to be developed during the full proposal development phase, contingent upon approval of project formulation grant resources. This will explicitly integrate 'Leave No One Behind' principles and approaches. Furthermore, this process will be specifically designed to address gender-based, economic, and other structural inequalities by ensuring that vulnerable and marginalized individuals can meaningfully participate in and lead adaptation decisions. To achieve this, the project will implement a two-pronged approach . First, the consultation process will employ gender- and sex-disaggregated methods to gather input from women, youth, and other marginalized groups separately from larger community forums where their voices may be suppressed. This will be supported by providing logistical assistance, such as transportation and childcare, to reduce barriers to participation. Second, the project will actively seek to identify and empower individuals from these groups to take on leadership roles in the co-design and decision-making processes for adaptation activities. The outcomes of these consultations will directly inform the development of sub-projects, ensuring that adaptation responses are driven by the priorities and knowledge of the communities most affected by climate change.

Figure 6. Phase 2 consultations with uThukela (left) and Amathole (right) district municipalities in September 2024

Looking ahead to first-half 2026, the project has scheduled the identification and appointment of executing entities. These future consultations will prioritize addressing gender-based, economic, and other inequalities by encouraging vulnerable and marginalized individuals to meaningfully participate in and lead adaptation decisions. Concurrently, project activities will be validated, and final site selections will be ground-truthed and finalized through further community engagements and focus group discussions. The ultimate goal of this comprehensive consultation process is to formulate project ideas that are grounded in local realities, leading to the co-development of Unidentified Sub-Projects (USPs) with DMs, and EEs, during the project inception phase.

I. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.

The new SGF project is fully aligned with key national adaptation priorities as presented in Part II, Section D. In addition, the project is in alignment with the identified adaptation needs of potential beneficiary communities in the four PDMs and will directly address their increasing vulnerability to climate change impacts (refer to the *Observed and project climate trends* sub-heading in Part I), as well as the overall need in South Africa to sustainably mobilise finance for locally-led adaptation (LLA). The project does not require any additional funding to achieve full impact potential, as per the co-financing requirements of the Adaptation Fund.

The justification for each project component is discussed below by describing its baseline and additionality aspects.

Component 1: Grant development and implementation capacity development

Baseline scenario (without Adaptation Fund resources)

Because of the limited knowledge of locally-led adaptation (LLA) projects as an option to strengthen adaptive capacity and a lack of technical capacity to develop grant proposals within the receiving environment in the four PDMs, there are limited opportunities for communities

vulnerable to climate change to access dedicated finance for climate-resilient activities and initiatives. Regarding the public and non-governmental sectors, stakeholders likewise lack the technical capacity to conceptualise and develop bankable LLA donor projects. Any grant development activities that occur must be undertaken in addition to existing work commitments or outsourced to third-party service providers with substantial cost implications that municipalities or NGOs seldom have the resources to meet. This scenario equates to limited examples of successful grant projects, particularly those that are locally developed and implemented. The PDMs are, therefore, excluded from the opportunity to sustainably fund responses to climate variability and change impacts, including extreme temperatures, intense rainfall events, shifting rainfall patterns and associated droughts.

Additionality (with Adaptation Fund resources)

AF resources will be used under this SGF project component to strengthen the capacity of local government, grant-eligible institutions, and community partners to support, design, and implement locally-led adaptation (LLA) subprojects.

This scenario is expected to improve the effectiveness of project interventions by creating an enabling environment for the uptake of LLA. Based on lessons learned from the original SGF project, capacity development activities will be undertaken at project inception and over a longer period to ensure that community-level adaptive capacity is sustainably developed and that grant-eligible institutions benefit from extended support for technical capacity strengthening. Once the capacity for grant-making and implementation is strengthened, institutional readiness, buy-in, and ownership of the new SGF project will be increased. Improved institutional ownership among PDMs and executing entities will increase project impact and embed LLA as an important local decision-making tool and response to acute and chronic climate change impacts. Similarly, support for a dedicated project space and project staff that are not funded by the municipal fiscus will support existing municipal mandates and avoid additional strain on existing municipal staff. AF resources will also fund a cross-cutting knowledge management and learning (KML) activity for the new SGF project to ensure that project results are appropriately captured and disseminated and will catalyse access to knowledge on LLA. A robust body of knowledge and evidence base for end-to-end LLA in the South African context will increase the potential for further geographic replication and upscaling, as well as support the National Climate Change Response Fund and contribute positively to developing a national LLA grant facility.

An investment from the AF is essential to support these efforts, which will not be undertaken without it, given the limited financial resources available for dedicated LLA activities across sectors in the PDMs.

Component 2: Locally-led concrete adaptation activities

Baseline scenario (without Adaptation Fund resources)

Communities vulnerable to climate change and with low levels of adaptive capacity in the PDMs rely extensively on climate-sensitive activities such as rainfed subsistence agriculture to support their livelihoods. They are furthermore exposed to several acute and chronic climate-related hazards, such as floods and droughts, which are expected to increase in frequency and intensity under future climate changes. Ecological infrastructure in the PDMs is similarly vulnerable to climate change hazards and impacts, weakening its ability to provide ecosystem services to surrounding communities. Continued reliance on climate-sensitive livelihood activities and at-risk ecological infrastructure under these conditions means increasingly marginal production and unmitigated exposure of communities and infrastructure to climate hazards. The combination of all of these climate impacts will likely lead to a range of consequential socioeconomic impacts, including reduced food security and economic development, fewer livelihood opportunities, and the potential for social unrest and conflict over already scarce resources. Without urgent investment into strengthening climate-sensitive livelihood activities and improving climate-sensitive ecological infrastructure, the knock-on effect of acute and chronic climate change impacts will severely affect the ability of communities in the PDMs to sustain their livelihoods. The result is that these communities continue relying on increasingly marginal livelihood activities and/or limited state-funded

welfare[69] through the social grants system.

Additionality (with Adaptation Fund resources)

Funds under Component 2 will strengthen adaptive capacity at the community level in climate-sensitive development sectors i.e., livelihoods, infrastructure, and natural resource management. To address the challenges outlined above, three thematic priorities within these climate-sensitive development sectors have been identified and linked to a menu of adaptation sub-project grants to respond directly to needs identified by communities vulnerable to climate change, including disproportionately vulnerable and marginalised groups. The thematic priorities for sub-projects are climate-resilient livelihoods, climate-resilient built infrastructure and assets, and climate-resilient ecological infrastructure and assets. Through these thematic adaptation sub-project grants, adaptive capacity at the community level will be strengthened by implementing concrete LLA sub-projects that enhance climate-sensitive livelihoods and protect built and natural infrastructure from climate change impacts in the PDMs. By promoting climate-resilient rural livelihoods, providing climate-resilient physical assets to communities vulnerable to climate change, and improving degraded ecological infrastructure to support ecosystem services, the vulnerability of communities, infrastructure, and ecosystems will be reduced.

Under Component 2, local and scientific knowledge will be combined to ensure that each project delivers concrete, tangible adaptation benefits to project beneficiaries. These responses to specific risks posed by climate variability and change will be co-designed and implemented by local institutions, with the required support provided by the new SGF project. This approach responds directly to renewed calls from civil society in South Africa to bring the principle of direct access closer to the communities vulnerable to climate change, thus empowering them to determine how climate finance will be used and to build the institutional capacity for the implementation of adaptation efforts at the local level.

Component 3: Towards a national, locally-led adaptation grant facility

Baseline scenario (without Adaptation Fund resources)

At the macro level, South Africa's gross loan debt was 73.9% of gross domestic product (GDP) in 2023/24 and is projected to stabilise at 75.3 % of GDP in 2025/26[70]. South Africa's high debt-to-GDP ratio and sluggish economic growth mean that rising debt service costs come at the expense of social spending[71], directly impacting the country's poorest and most marginalised and vulnerable groups. Indeed, despite South Africa's status as an emerging market and upper-middle-income economy — one of only eight such countries in Africa — it is characterised by some of the highest ratios of inequality globally. In addition to inequality (i.e., the gap between rich and poor), in terms of the multi-dimensional poverty index (MPI[72]), over three million people (~ 6% of South Africa's population in 2021) were categorised as multi-dimensionally poor, with more than seven million people (~12% of the population in 2021) classified as vulnerable to multi-dimensional poverty in South Africa. Progress in social welfare in the country is severely constrained by rising unemployment, which reached 32.1% in the fourth quarter of 2023, above the already high pre-pandemic rates[73]. South Africa's unemployment rate is highest among youths aged 15 to 24, at 59.4%.

Regarding adaptive capacity and readiness (refer to the *Adaptation challenges and ND-GAIN* sub-heading under Part I, Project Background and Context), South Africa's high vulnerability and low readiness scores place it in the lower-left quadrant of the ND-GAIN matrix[74]. It is the 111th most vulnerable country and the 120th most ready relative to the other 180 countries covered by the ND-GAIN Index. Given the macroeconomic challenges described above,

[69] Government of South Africa. (2024). *Social benefit services*. [Online]. Available: https://www.gov.za/services/social-benefits
[70] Government of South Africa: National Treasury. (2024). *Budget Review 2024: Government debt and contingent liabilities*. [Online]. Available: https://www.treasury.gov.za/documents/National%20Budget/2024/review/Chapter%207.pdf
[71] South African Government News Agency. (2023). *Rising government debt servicing hinders social spending*. [Online]. Available: https://www.sanews.gov.za/south-africa/rising-government-debt-servicing-hinders-social-spending
[72] The Multidimensional Poverty Index identifies acute health, education and standard of living deprivations by interrogating 10 indicators - nutrition, child mortality, years of schooling, school attendance, access to cooking fuel, sanitation, drinking water, electricity, housing, and ownership of assets. One is 'MPI poor' if they are deprived in three or more weighted indicators.
[73] United Nations Development Programme. (2023). *Briefing note for countries on the 2023 Multi-dimensional Poverty Index: South Africa*. [Online]. Available: https://hdr.undp.org/sites/default/files/Country-Profiles/MPI/TCD.pdf
[74] University of Notre Dame Global Adaptation Initiative. (2024). *ND-GAIN Matrix*. [Online]. Available: https://gain-new.crc.nd.edu/country/south-africa

government spending on climate change adaptation and building adaptive capacity is limited, and it generally relies on donor-funded initiatives at relatively small geographic and financial scales that are not nationally coordinated and often based on donors' priorities rather than community needs. Without dedicated investment into a national adaptation funding framework, the status quo for indigent and climate-vulnerable communities will likely worsen based on anticipated economic trends (i.e., worsening debt and rising unemployment) and projected climate changes.

Additionality (with Adaptation Fund resources)

By funding the new SGF project, AF resources will make an important contribution to developing a national, locally-led adaptation (LLA) grant facility for South Africa. The grant facility will seek to inform the development of the recently announced cross-sectoral Climate Change Response Fund (CCRF) by ensuring that LLA is a key priority for the CCRF. Working closely with several key public sector and civil society stakeholders, the new SGF project will co-develop a grant facility framework based on innovation and strategic multi-donor partnerships to coordinate grant-making for LLA projects in the country. The LLA grant facility framework will prioritise a bottom-up approach to determine grant projects' thematic and geographic focus based on lessons learned from the two SGF projects and extensive stakeholder consultations under Component 3. The DFFE's dual role as the Designated Authority for the AF and National Designated Authority for the GCF will be leveraged to ensure that successes from past and ongoing AF and GCF adaptation projects and grants in South Africa are captured and integrated into the LLA grant facility framework.

J. Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project/programme. In particular, describe how the project/programme supports long-term development of local governance processes, and improves the capacity of local institutions (including through simpler access modalities), and how it can ensure that communities can effectively implement adaptation actions, facilitate and manage adaptation initiatives over the long term without being dependent on project-based donor funding.

The sustainability of the new SGF project has been carefully considered during project development. Long-term sustainability will be pursued, among others, through: i) institutional development and capacity-building activities; ii) community-based participatory approaches; and iii) replicability of the project process and outcomes.

Intrinsic to the design of the new SGF project is the intention to capacitate and empower communities to manage their resources effectively after project closure. Regarding capacity development, institutional development and capacity-building programs for the new SGF project have been designed to create a critical mass of effective, cross-sectoral LLA practitioners and users, from public sector institutions to grassroots organisations and civil society. Capacity development throughout the project will focus on instilling ownership and fostering independence among project beneficiaries so that the impact of capacity-related project activities endures beyond the project's lifespan. The project's selection processes will be guided by criteria that ensure that small grant projects respond to experienced or anticipated climate-induced stresses and meet the objectives of the Community Adaptation SGF, the NIE and the Adaptation Fund.

Grant applicants will be encouraged to build sustainability measures into their project activities from the outset. Sub-project proposal development processes will require applicants to outline clear sustainability plans including operation and maintenance arrangements, cost-recovery strategies where feasible and pathways for scaling up adaptation responses through project gains, alternative financing, local government budgets and and partnerships with private sector entities such as Small, Medium and Micro Enterprises (SMMEs). By embedding these considerations into project design, the sub projects will not only deliver immediate resilience outcomes but also leave a durable foundation for continued adaptation investments beyond the grant period.

Aligning the new SGF project with the DFFE's Local Government Support Programme in the four PDMs and with the PDMs themselves will further enhance the sustainability of the capacity development aspects of the project, creating synergy and complementarity between the public sector programme and the AF project.

Concerning participatory approaches, which are at the centre of LLA, this principle has been prioritised from the very earliest stages of project conceptualisation, drawing lessons from the original SGF's approach and successes in this regard. Bottom-up approaches like this to the co-design of project activities help to ensure that communities themselves identify risks and priorities, supporting the legitimacy, buy-in, and sustainability of project outcomes. This will also ensure that project resources are used efficiently and that activities are fit for purpose in the diverse contexts of the four PDMs. Similarly, the new SGF's focus on replicability further underpins its strong commitment to sustainability beyond the project lifespan, as the project can serve as a springboard for similar projects in other localities in South Africa. At the level of the adaptation sub-projects under Component 2, the supported programme will be aligned with district, provincial and national efforts to enable the implementation of appropriate adaptation responses. The project's EEs will create linkages between SGF project activities and ongoing district-level spatial and adaptation planning processes, both in terms of ensuring alignment between the existing enabling environment and the projects and embedding SGF activities within the existing policy and enabling environment so that it is more supportive of best practice approaches that emerge from project implementation.

To address the LLA-specific requirement for long-term sustainability, the project's design focuses on building local capabilities and strengthening governance processes. The small grants facility model provides simplified access to funding, enabling communities and local institutions to directly define, prioritize, and manage their adaptation actions. Through dedicated support to "facilitating agencies" and local government, the project aims to institutionalize these processes, thereby reducing dependence on external donor funding over time. The ultimate goal is to equip local actors with the necessary skills in grant administration, project implementation, and financial management so they can effectively lead and sustain adaptation initiatives independently long after the project concludes. This ensures a lasting institutional legacy that continues to build resilience from the ground up.

K. Provide an overview of the environmental and social impacts and risks identified as being relevant to the project/programme.

A preliminary screening of the potential environmental and social impacts and risks that may arise because of the proposed project is presented below, with an overall ESS rating of Category B[75] (activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures). This screening was undertaken following the Adaptation Fund's Environmental and Social Principles, as well as SANBI's Policies and Processes Manual[76]. Similarly, the new SGF project will use the Environmental and Social Principles Risk Dashboard[77] and guidance documents to design and screen proposed project activities. The table below also reflects gender-differentiated risks. The inclusion of partially unidentified sub-projects (USPs) was a primary factor informing the project's environmental and social risk categorization. The Adaptation Fund's guidance specifies that projects must be screened and categorized based on the scale and severity of their potential environmental and social impacts. By their nature, USPs cannot have their specific locations or activities fully defined at the time of proposal submission, introducing an inherent element of uncertainty regarding potential risks. Consequently, it was not possible to categorize this project as a Category C, which is reserved for projects with no adverse environmental or social impacts. Instead, the project's categorization reflects a precautionary approach, acknowledging that while sub-projects will be selected from a pre-screened menu of low-risk activities, the final on-the-ground context for each sub-project must be fully assessed during implementation. A rigorous process for site-specific risk identification and impact assessment is therefore a core

[75] We note that while the overall project ESS rating is proposed as Category B, a large proportion of project activities have substantially lower ESS risk and can be considered Category C (minimal or no adverse environmental and social impacts and risks, requiring no special protection, compensation, or monitoring measures beyond standard practices).

[76] South African National Biodiversity Institute. (2017). *Policies and processes manual in support of SANBI's functions as National Implementing Entity of the Adaptation Fund and Accredited Entity of the Green Climate Fund*. [Online]. Available: https://www.sanbi.org/wp-content/uploads/2018/03/sanbi-climate-funds-policies-and-processes-manualversion-8december-2017.pdf

[77] SANBI received a Technical Assistance Grant from the AF to develop an updated ESP Risk Dashboard and associated Guideline Document. As part of the development of the Dashboard, training sessions on how to use the tools were held with the EE and sub-EE. The Dashboard and associated training have proved valuable in facilitating compliance with the AF's ESP and ensuring any unintended negative impacts are avoided, or mitigated, if necessary, as well as in building the capacity of the project partners to understand and manage environmental and social risk and constantly improve their projects.

component of the project's risk management strategy for USPs, ensuring a high standard of compliance even with these initial uncertainties.

For every USP identified under Component 2, a process will be established to ensure adherence to the overarching ESMP. In cases where the USP(s) is/are not in adherence to the overarching ESMP, a specific ESMP(s) will be developed for that relevant USP(s). The ESMP will be applied during the planning, design, implementation, and monitoring stages of USPs, ensuring continuous management.

Checklist of environmental and social principles	**No further assessment required for compliance**	**Potential impacts and risks – further assessment and management required for compliance**
Compliance with the Law		**X (low risk)** Risk – potential non-compliance with relevant laws and regulations at the local, national or international levels. Measures: SANBI is an experienced NIE across several funds including the AF, GCF, and GEF. All project and sub-project activities under the new SGF project will therefore be compliant with the applicable South African and international laws as well as SANBI's Policies and Processes Manual.
Access and Equity		**X (low risk)** Risk: Failure to ensure fair and equitable access to vulnerable groups/ communities Measures: The proposed project is not expected to prevent beneficiary communities from accessing basic health services, clean water and sanitation, energy, education, and housing or adversely affect working conditions and land rights. Indeed, the new SGF project's direct access modality is designed to capacitate grant recipients and beneficiaries through a participatory and bottom-up approach. This will enable fair and equitable access to project benefits to all participants, including marginalised groups, who meet the project eligibility criteria.
Marginalised and Vulnerable Groups		**X (low risk)** Risk : There is a risk that vulnerable and marginalised groups have disproportionate constraints on their access to project activities. Measures: This risk has been considered during the development of this Concept Note and mitigation measures will be developed further during full funding proposal to ensure that marginalised and vulnerable groups, particularly women, the youth and people living with disabilities, will not be adversely affected by project activities. Instead, these marginalised groups will be prioritised to benefit from LLA interventions implemented under the project.
Human Rights		**X (low risk)** **Risk:** Human rights being violated during the full proposal development and implementation Measures: In South Africa, Human rights enshrined

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
		in the Constitution[78], i.e., equality, freedom of expression and association, housing, education and access to information and these rights will be strictly adhered and prioritised during project design, stakeholder consultation, and implementation of the new SGF. The project will ensure that no activities are or will be included in the design of the project that are not in line with established national and international human rights.
Gender Equality and Women's Empowerment		**X (low risk**) Risk: Gender equity, equality and empowerment are not taken into account and/or promoted during full proposal development and implementation Measures:. To ensure that the project is both gender-sensitive and gender-transformative, gender-related indicators have been included in the design of the new SGF project to ensure that gender equity and women's empowerment are emphasised. This includes representation of women within the management structures of grant recipients and representation of women within the beneficiaries of the individual projects. This will ensure that, during implementation, both men and women: i) can participate fully and equitably; ii) receive comparable social and economic benefits; and iii) do not suffer disproportionate adverse effects (no such effects are anticipated).
Core Labour Rights		**X (low risk)** Risk: Failure to comply or meet the international and national core labour rights standards. Measure: The new SGF project will ensure that all sub-projects meet the applicable core labour standards identified by the International Labour Organization and national standards outlined in the Department of Labour and Employment's Strategic Plan 2020-2025[79].
Indigenous Peoples		**X (low risk)** Risk: Inability to recognise and include indigenous people and communities in the development and implementation of the new SGF project. Measure: None of the sub-projects under the new SGF will contravene the rights and responsibilities set forth in the United Nations Declaration on the Rights of Indigenous Peoples and national legislation. All project activities under the new SGF will seek to enhance benefits to local and traditional communities.
Involuntary Resettlement		**X (low risk)** Risk: No risk observed Measure: No activities are or will be included in the project design that will result in involuntary

[78] Government of South Africa. (1996). The Constitution of the Republic of South Africa. [Online]. Available: https://www.gov.za/documents/constitution/constitution-republic-south-africa-04-feb-1997

[79] Government of South Africa. (2020). *Strategic Plan for the Department of Employment and Labour 2020-2025.* [Online]. Available: https://www.labour.gov.za/DocumentCenter/Pages/Strategic-Plan-2020-2025.aspx

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
		resettlement.
Protection of Natural Habitats		**X (low risk)** Risk: At the conclusion of SGF support, there is a risk that short-term, site-specific interventions lacking long-term financing and landscape-level coordination will result in fragmented restoration outcomes, unintended ecosystem impacts, and a reversion to unsustainable community practices, undermining long-term environmental gains. Measures: The new SGF may consider funding sub-projects in Protected Areas. However, projects that result in negative environmental impacts as indicated by the national EIA legislation (refer to Part II, Section E) will not be funded. The project is therefore not expected to have any negative impact on natural habitats, including those: i) legally protected; ii) officially proposed for protection; iii) recognised by authoritative sources for their high conservation value, including as critical habitat; or iv) recognised as protected by traditional or indigenous local communities. Furthermore, by channelling SGF-supported interventions through a national grant facility, the project will strengthen long-term financing, landscape-level coordination, and institutional oversight, thereby mitigate risks of fragmented restoration and ensure the sustainability of environmental outcomes beyond the SGF funding period.
Conservation of Biological Diversity		**X (low risk)** Risk: Project interventions will result in unintended loss of biodiversity or maladaptation in the project sites Measure: South Africa is a party to the United Nations Convention on Biological Diversity (UNCBD), and the project NIE's core mandate is biodiversity conservation. The project has been designed to align with the UNCBD principles, SANBI's organisational principles, and biodiversity conservation targets. Project activities related to improving or preserving ecological infrastructure will be screened and monitored for any potential maladaptation or other negative impacts.
Climate Change		**X (low risk)** Risk: The new SGF project does not contribute towards building adaptative capacity and resilience of climate-vulnerable communities. Measure: The new SGF project will contribute substantively to climate change adaptation efforts and strengthen adaptative capacity across several scales and sectors. It has been designed in line with national priorities established in the country's NDC, and the National Climate Change Adaptation Strategy, among others.
Pollution Prevention and Resource Efficiency		**X (low risk)** Risk: The new SGF project may cause increase in pollution and resource inefficiency Measure: While project activities are not expected to result in significant pollution, there is a low risk that activities geared towards improving built and

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
		ecological infrastructure may result in isolated pollution incidents. Construction and restoration activities in South Africa are strictly regulated under the overarching National Environmental Management Act (NEMA), which requires—among other things—the development and implementation of an environmental management programme and the appointment of an independent environmental control officer to monitor and manage construction activities. All activities under the new SGF project will be subject to these requirements.
Public Health		**X (low risk)** Risk: Climate-vulnerable communities are adversely or disproportionally impacted and/or affected by health-related challenges. Measure. Although the SGF project is anticipated to unlikely to have negative effects on public health, during the project design, screening will be conducted to ensure there no health-risks that may arise from the project activities.
Physical and Cultural Heritage		**X (low risk)** Risk: The activities of the new SGF project may adversely affect physical and/or cultural resources and assets in beneficiary communities. Measure: All proposals from potential grant recipients will be screened against the location of physical and cultural heritage sites. Projects that propose the alteration, damage, or removal of such sites will not be considered under the new SGF project.
Lands and Soil Conservation		**X (low risk)** Risk: Project activities are not expected to affect land and soil adversely; there is a low risk that activities geared towards improving built and ecological infrastructure may result in isolated maladaptive practices. Measure: Construction and restoration activities in South Africa are strictly regulated under the overarching National Environmental Management Act (NEMA), which requires—among others—the development and implementation of an environmental management programme and the appointment of an independent environmental control officer to monitor and manage construction activities. All activities under the new SGF project will be subject to these requirements.

PART III: IMPLEMENTATION ARRANGEMENTS

A. Demonstrate how the project/programme aligns with the Results Framework of the Adaptation Fund

The proposed project's overall and specific objectives, as well as the anticipated project outcomes align favourably with several Fund outcomes (2, 3, 4, and 8) and outputs (2.2, 3.0, 4.0, and 8.0). Table 11 cross-references the objectives and outcomes of the proposed project to the respective fund outcome and output, including the relevant project and fund indicators and the corresponding amount of funding requested.

Table 11. Overview of alignment between the project's objectives and outcomes with the Adaptation Fund Results Framework. It should be noted that Grant Amounts are indicative and will be confirmed during full proposal development.

Project objective	Project Objective Indicator(s)	Adaptation Fund outcome	Adaptation Fund outcome indicator(s)	Grant Amount (USD)
Objective 1: Strengthen institutional and technical capacity to co-create and implement locally-led adaptation projects (Component 1)	Number of people with enhanced capacity for design and implementation of LLA projects	Outcome 2; Outcome 3	Outcome 2 indicator **2.1**: Capacity of staff to respond to, and mitigate impacts of, climate-related events from targeted institutions increased; Outcome 3 indicator **3.1**: Percentage of targeted population aware of predicted adverse impacts of climate change, and of appropriate responses (and **3.2** where applicable)	1, 087, 625
Objective 2: Implement concrete locally-led adaptation activities that strengthen climate-sensitive livelihoods, protect vulnerable infrastructure, and maintain ecological assets (Component 2)	Number of project participants benefitting from concrete adaptation assets and activities	Outcome 4	Outcome 4 indicators **4.1**: Responsiveness of development sector services to evolving needs from changing and variable climate; and **4.2**: Physical infrastructure improved to withstand climate change and variability-induced stress (where relevant)	2 435 000
Objective 3: Establish the framework for a national locally-led adaptation grant facility (Component 3)	Draft LLA grant facility framework developed	Outcome 8	Outcome 8 indicator **8**: Innovative adaptation practices are rolled out, scaled up, encouraged and/or accelerated at regional, national and/or subnational level	647 628
Total object level grant amount				**4 170 252**

Project Outcome	Adaptation Fund outcome	Adaptation Fund output	Adaptation Fund output indicator(s)	Grant amount (USD)
Outcome 1.1: Capacity of subnational government, grant-eligible institutions and community partners to support, design and implement EbA subprojects strengthened	Outcome 2 (institutional capacity)	Output 2.2: Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance	**2.2.1**: No. of people benefitting from the direct access and enhanced direct access modality	761 337
Outcome 1.2: Knowledge and lessons learned in grant development and implementation captured and disseminated	Outcome 3 (awareness and ownership)	Output 3.2: Strengthened capacity of national and subnational stakeholders and entities to capture and	**3.2.1**: No. of technical committees/associations formed to ensure transfer of knowledge; and **3.2.2**: No. of tools and guidelines developed (thematic, sectoral, institutional) and shared with relevant stakeholders	326 287

		disseminate knowledge and learning		
Outcome 2.1: Adaptive capacity in climate-sensitive development sectors and communities vulnerable to climate change enhanced and strengthened	Outcome 4 (adaptive capacity in services and infrastructure)	Output 4: Vulnerable development sector services and infrastructure assets strengthened in response to climate change impacts, including variability	**4.1.1**: No. and type of development sector services modified to respond to new conditions resulting from climate variability and change (by sector and scale); and **4.1.2**: No. of physical assets strengthened or constructed to withstand conditions resulting from climate variability and change (by sector and scale)	2 435 000
Outcome 3.1: National locally-led adaptation grant facility framework established	Outcome 8 (innovation)	Output 8: Viable innovations are rolled out, scaled up, encouraged and/or accelerated	**8.1**: No. of innovative adaptation practices, tools and technologies accelerated, scaled up and/or replicated; and **8.2**: No. of key findings on effective, efficient adaptation practices, products and technologies generated	647 628
Total output level grant amount				**4 170 253**

B. Management arrangements

The project will be executed over four years in collaboration between SANBI, the DFFE, the four PDMs, and the executing entity. The overall management and governance arrangements for the project are shown in Figure 7 below. Detailed roles and responsibilities for each stakeholder are provided in Table 12 overleaf.

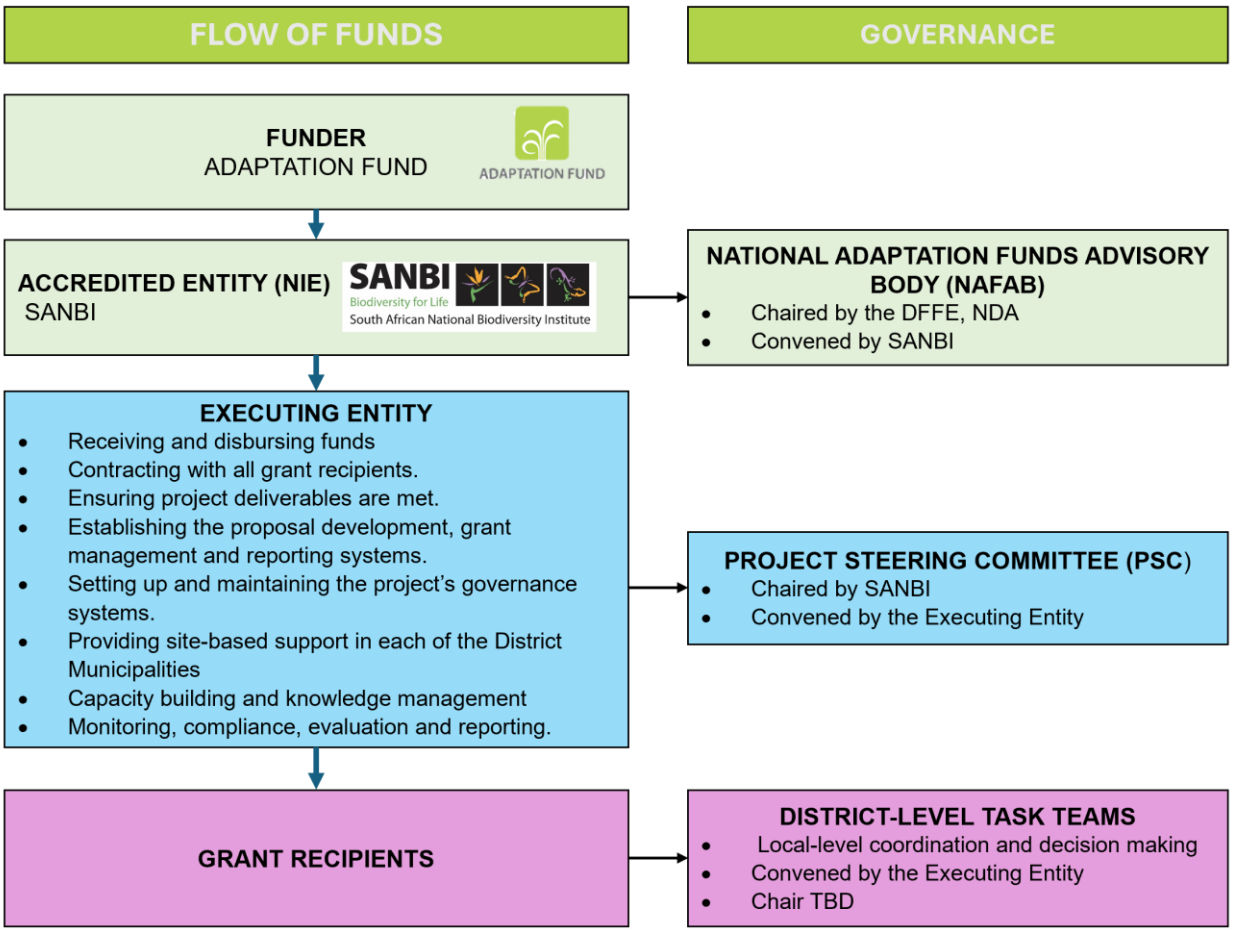


Figure 7. Management and governance arrangements for the new SGF project

Table 12. Detailed management and governance arrangements for the new SGF project

Stakeholder	Governance/management role
National Implementing Entity (NIE)	SANBI will be the **NIE** for the project and will support project implementation by assisting in monitoring project budgets and expenditure and supporting the recruitment and contracting of project personnel and consultant services, including subcontracting. SANBI will also monitor project implementation and the achievement of the project outcomes/outputs and ensure the efficient use of donor funds.
Executing Entity (EE)	The EE will act as Grant Intermediary and will also support the project facilitation function in each of the focal District Municipalities. The EE will appoint and designate a **Project Manager** (PM) for the duration of the project. The PM's primary responsibility will be to ensure that the project produces the results specified in the project document to the required quality standard and within the specified time and cost constraints. The EE will additionally be responsible for: • Receiving and disbursing funds, sub-contracting the project's service providers, and contracting with all grant recipients. • Ensuring that the project produces the results specified in the project document to the required quality standard and within the specified time and cost constraints. • Establishing the proposal development, grant management and reporting system for the project, ideally utilising existing tools. • Setting up and maintaining the project's governance systems, both centrally and at the level of the District Municipalities. • Providing site-based support in each of the District Municipalities to support grant recipients to implement the project activities, including project identification, design and implementation, day-to-

Stakeholder	Governance/management role
	day operations of the project, and operational and financial management and reporting. This could include partnering with local organisations. • Designing and overseeing the implementation of a capacity building and knowledge management programme of work. • Overall project monitoring, compliance, evaluation and reporting, and working directly with SANBI to ensure that AF reporting requirements are met.
National Adaptation Funds Advisory Body Steering Committee (NAFAB-SC)	Formerly known as the NIE Steering Committee, NAFAB is chaired by the DFFE and will serve as the project's Steering Committee (NAFAB-SC). Its project-related mandate comprises: • Providing overall project governance. • Supporting SANBI to ensure overall compliance with the AF's spirit, policies, and procedures. Monitoring AF ESP risks and overseeing any necessary corrective action. • Supporting the NIE to build a coordinated adaptation response that delivers tangible outcomes. Guiding the development of and endorsing the NIE investment strategy, ensuring optimal linkages with the policy environment and that projects are driven by country needs • Establishing and overseeing the project review process, including guiding the development of terms of reference for reviewers, setting up the review panel, and considering the reviewers' recommendations. • Endorsing projects for submission to the AF, ensuring appropriate linkages with AF criteria and facilitating appropriate consultation with and, where necessary, endorsement from relevant spheres of government. From time to time, this may involve promoting agreement on the roles of relevant institutions in implementing AF projects and facilitating the resolution of disputes among project partners. • Promoting cooperation between relevant South African institutions and funding agencies to enhance synergy and avoid duplication between adaptation efforts, to leverage additional resources where appropriate, and to support information management and flows between and feedback between the NIE and relevant stakeholders and contribute towards climate finance and climate change adaptation policy development
Project Steering Committee (PSC)	The PSC will comprise representatives from the DFFE; the NIE, COGTA, SALGA; the Adaptation Network[80,81;] ; stakeholders from each of the four PDMs[82]; and technical climate change adaptation experts drawn from research/academia and target area government departments. The PSC will support overall governance and project oversight. Final decisions on which USPs will be supported rest with the PSC, based on recommendations from DLTT. The devolution of decision-making to the lowest appropriate level, together with considerations of risk absorption, will be a key focus during the full proposal development process.
Project Management Unit (PMU)	The day-to-day management of the project will be supported by a PMU and led by the Project Manager from the EE. As and when required, the PMU may co-opt others, such as the NIE or other members of the NAFAB-SC, to join the PMU. Monthly project management meetings will be coordinated by the EE's Project Manager.
District Level Task Teams(DLTT)	The DLTT for each Project District Municipality will be comprised of PDMs, community leaders, NGOs, relevant institutions and traditional authorities. DLTT will oversee coordination and decision making at a local level including providing recommendations of the SGF's adaptation subprojects based on communities' needs and priorities. DLTT will also support implementation of at community level for each PDMs.
Grant Recipients	Grant recipients will be the institutions that apply for and actually receive project funding. They will be selected against a set of agreed criteria and could include a wide range of actors, from community-based organisations to nationally operating NGOs with a local presence. See Annex for an Indicative Eligibility Criteria for the selection and identifying grant eligible institutions. These are drawn from SANBI's EDA pilot project and will be expanded upon during full proposal development.
Community partners	Community partners will include local community members who may also be project beneficiaries, that play roles in project design, conceptualisation, governance, oversight and implementation.

[80] A network whose membership includes a broad spectrum of NGOs, academia, government and business organisations with a shared interest in climate change adaptation strategies. The Adaptation Network represents civil society on the NIE Steering Committee and is well placed to do the same on the new SGF PSC.
[81] The Adaptation Network. (2024). *Who we are*. [Online]. Available: https://adaptationnetwork.org.za/who-we-are/
[82] Amathole, uThukela, Thabo Mofutsanyane, and Gert Sibande districts

PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government[83]

Provide the name and position of the government official and indicate date of endorsement. If this is a regional project/programme, list the endorsing officials all the participating countries. The endorsement letter(s) should be attached as an annex to the project proposal. Please attach the endorsement letter(s) with this template; add as many participating governments as possible if a regional project/programme:

Name: Ms Nomfundo Tshabalala **Title**: Director General	**Date***:* 20/09/2025

B. Implementing Entity certification

Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Also provide the project contact person's name, telephone number and email address.

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (National Climate Change Adaptation Strategy, National Climate Change Response Policy & National Climate Change Act (No.22 of 2024) and subject to the approval by the Adaptation Fund Board, commit to implementing the project/programme in compliance with the Environmental and Social Policy and the Gender Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.

Name Implementing Entity Coordinator: Mandy Barnett, Chief Director: Adaptation Policy Resourcing Division, South African National Biodiversity Institute (SANBI)	
Date: 09 December 2025	Email: m.barnett@sanbi.org.za Tel: + 27 (0) 21 799 8875
Signature: 	

[83] Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

ANNEX 1: LETTER OF ENDORSEMENT

forestry, fisheries
& the environment

Department:
Forestry, Fisheries and the Environment
REPUBLIC OF SOUTH AFRICA

Private Bag X447, Pretoria, 0001, Environment House, 473 Steve Biko Road, Pretoria, 0002 Tel: +27 12 399 9000, Fax: +27 86 625 1042

Ref: EDMS 263310
Enquiries: Shahkira Parker
Tel: 012 399 9240 **Email:** sparker@environment.gov.za

The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat

Email: Secretariat@Adaptation-Fund.org

Dear Sir/Madam

ENDORSEMENT FOR THE PROJECT UPSCALING AND ENHANCING THE LOCALLY-LED ADAPTATION SMALL GRANTS FACILITY FOR SOUTH AFRICA PHASE 1

In my capacity as designated authority for the Adaptation Fund in South Africa, I confirm that the above national project proposal is in accordance with government's national priorities in implementing adaptation activities to reduce the adverse impacts of, and risks posed by climate change in South Africa.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. The executing entity for the project must still be selected. This will be done through a call for Expressions of Interest and a subsequent selection process that will include the Department of Forestry, Fisheries and the Environment; the South African Local Government Association, the Department of Cooperative Governance and Traditional Affairs, targeted provincial departments in each province, and identified partnering district municipalities.

Yours sincerely

Ms Nomfundo Tshabalala
DIRECTOR-GENERAL
DATE:02/09/2025

Batho pele – putting people first

Revised PFG Submission Form[1] **(additions in red)**
Project Formulation Grant (PFG)

Submission Date: 24 February 2026

Adaptation Fund Project ID: TBC
Country/ies: South Africa
Title of Project/Programme: Upscaling and Enhancing the Locally-led Adaptation Small Grants Facility for South Africa Phase 1
Type of IE (NIE/RIE/MIE): NIE
Implementing Entity: South African National Biodiversity Institute
Executing Entity/ies: SANBI

A. Project Preparation Timeframe

Start date of PFG	TBC
Completion date of PFG	TBC

B. Proposed Project Preparation Activities ($)

The requested PFG is split between core activities as part of the USD 150 000 cap (**Table *1***) that establish the analytical, safeguards and participatory basis for the fully developed proposal, focusing on district vulnerability assessment, safeguards screening, structured stakeholder consultations, targeted capacity-building, project development services and limited national consultations to support scalability. The supplementary allocation under the additional USD 100 000 cap (**Table *2***) is requested to enable devolution to the lowest appropriate level through deeper local engagement, localisation of USP operations, and co-development of community-led MEL tools. This split balances essential compliance and design parameters with incremental LLA measures that lower participation barriers and embed local decision-making and accountability. The detailed budget which includes the budget notes can be found here.: Detailed budget with budget notes .

Table 1. Core PFG activities within the USD 150 000 cap

List of Proposed Project Preparation Activities	Output of the PFG Activities	US$ Amount	Budget note[2]
1. District vulnerability assessment, safeguards screening and stakeholder consultations	• 1.1: Climate risk and vulnerability analysis and district risk profiles linking hazards to exposure, sensitivity and adaptive capacity, with quantitative mapping and qualitative insights	68 020	A-E

[1] As presented in AFB/PPRC.33/40 Annex 1.
[2] The proposal should include a detailed budget with budget notes indicating the break- down of costs at the activity level. It should also include a budget on the Implementing Entity management fee use.

List of Proposed Project Preparation Activities	Output of the PFG Activities	US$ Amount	Budget note[2]
	• 1.2: Cross-sectoral consultations with PDMs and stakeholders; policy/project mapping and synergy analysis • 1.3: Community consultations to assess receiving environment, socioeconomic context, gender-differentiated needs and indigenous knowledge; education/awareness materials co-developed • 1.4: Safeguards screening aligned to AF ESP at programme and anticipated USP levels; proportionate instruments and integration with disclosure/GRM • 1.5: Co-design of devolved governance and management arrangements clarifying local decision-making and risk management roles under Component 2		
2. Capacity development and project development services	• 2.1: Training workshops on ESP/ESS, gender, fiduciary, MEL and reporting for EE, DFFE, SANBI, PDMs and community representatives • 2.2: Co-development of small-grant application and evaluation templates, selection criteria and proportionate due diligence • 2.3: Technical services for FDP drafting and specialist advisory (gender analysis and GAP, ESS, MEL, economic efficiency)	63 760	F-H
3. National grant facility consultations	• 3.1: Stakeholder mapping and consultations with DFFE, National Treasury, National Adaptation Funds Advisory Board, Adaptation Network, private sector, philanthropies, donors and the Climate Change Response Fund • 3.2: Policy/legal landscape assessment and intergovernmental pathway scoping • 3.3: Roadmap for a national LLA facility framework	5 775	I-K
Sub-total		137 555	
IE Management fee (8.5%)		11 692	
Total		**149 247**	

Table 2. Supplementary PFG activities within the additional USD 100 000 cap

List of Proposed Project Preparation Activities	Output of the PFG Activities	US$ Amount	Budget note[3]
1. Deeper local engagement and design support to enable devolution	• 1.1: Iterative community co-design rounds, site visits and feedback sessions with translation and accessible formats • 1.2: Participation support for inclusivity (childcare, transport stipends) • 1.3: Facilitation by local organisations; co-development of simplified USP eligibility and user support materials • 1.4: Localisation of USP Management Plan, community GRM channels and simplified access and fiduciary pilots	32 650	L-N
2. Localisation of USP Management Plan, community GRM channels and simplified access and fiduciary pilots	• 2.1: Localisation of the USP Management Plan with guidance, templates and training modules for community applicants and district partners • 2.2: Establishment and communication of community-level grievance redress channels and disclosure mechanisms • 2.3: Pilot of simplified application, appraisal and disbursement processes with proportionate due diligence and procurement • 2.4: Documentation of streamlined fiduciary SOPs and training for district partners • 2.5: Community-led MEL tools and training	36 800	O-R
3. Community-led MEL tools and training	• 3.1: Co-development and piloting of community MEL tools (participatory scorecards, seasonal risk tracking, outcome journaling) aligned to AF SRF • 3.2: Training of community organisations and local government on data collection, quality assurance, use of MEL for decision-making and reporting • 3.3: Integration of community-generated data flows into the project MEL system, including safeguarding and GRM linkages	22 090	S-U
Sub-total		91 540	
IE Management fee (8.5%)		7 781	

[3] The proposal should include a detailed budget with budget notes indicating the break- down of costs at the activity level. It should also include a budget on the Implementing Entity management fee use.

List of Proposed Project Preparation Activities	Output of the PFG Activities	US$ Amount	Budget note[3]
Total		**99 321**	

Activity description and justification

The requested PFG budget for this LLA project allocates approximately USD 149 247 to three core activities to secure the analytical, safeguards, and participatory foundations for the fully-developed proposal, with expenditure focused on: i) district vulnerability assessment; ii) safeguards screening; iii) structured stakeholder consultations; iv) capacity-building; v) project development services; and vi) targeted national consultations to support scalability. The rationale for the requested supplementary allocation of approximately USD 99 321 through three supplementary activities is based on enabling devolution to the lowest appropriate level through deeper local processes, localisation of unidentified sub-projects (USP) operations, and the co-development of community-led monitoring, evaluation, and learning (MEL) tools. The split reflects the importance of core analysis and compliance in shaping design parameters and the incremental nature of the LLA package, which directly reduces barriers to participation and strengthens local decision-making and accountability.

Core LLA Activity 1: District vulnerability assessment, safeguards screening and stakeholder consultations

This activity, with a total proposed cost of USD 68 020 (budget notes A-E), will generate district-specific climate risk profiles, align design parameters with the Adaptation Fund Environmental and Social Policy, and co-design devolved governance with district institutions and communities. Using downscaled municipal climate factsheets as a starting point, the assessment will apply geospatial and participatory methods to map hazard exposure, vulnerability and risk, paying explicit attention to gender-differentiated impacts and disproportionately vulnerable groups. Parallel safeguards screening at programme and anticipated USP levels will inform eligibility/exclusion lists, proportions and siting constraints, and define proportionate instruments for a devolved small-grants modality. Sequenced cross-sectoral consultations with PDMs and focused community processes will mainstream climate information locally, identify complementary district policies and initiatives, capture lessons from ongoing work, and shape decision-making arrangements under Component 2.

Sub-activities include:

- 1.1: Climate risk and vulnerability analysis and district risk profiles linking hazards to exposure, sensitivity and adaptive capacity, with quantitative mapping and qualitative insights
- 1.2: Cross-sectoral consultations with PDMs and stakeholders; policy/project mapping and synergy analysis
- 1.3: Community consultations to assess receiving environment, socioeconomic context, gender-differentiated needs and indigenous knowledge; education/awareness materials co-developed
- 1.4: Safeguards screening aligned to AF ESP at programme and anticipated USP levels; proportionate instruments and integration with disclosure/GRM
- 1.5: Co-design of devolved governance and management arrangements clarifying local decision-making and risk management roles under Component 2

Core LLA Activity 2: Capacity development and project development services

This activity, with a total proposed cost of USD 63 760 (budget notes F-H), will prepare the Executing Entity, DFFE, SANBI, PDMs and community representatives to meet AF standards and implement devolved small grants, while securing specialist inputs to complete the FDP and technical annexes. Training will focus on ESP/ESS, gender, fiduciary management, MEL and reporting. Project development services will deliver the full gender analysis and action plan, safeguards packages and a quantitative economic analysis to substantiate efficiency and cost-effectiveness.

Sub-activities include:

- 2.1: Training workshops on ESP/ESS, gender, fiduciary, MEL and reporting for EE, DFFE, SANBI, PDMs and community representatives
- 2.2: Co-development of small-grant application and evaluation templates, selection criteria and proportionate due diligence
- 2.3: Technical services for FDP drafting and specialist advisory (gender analysis and GAP, ESS, MEL, economic efficiency)

Core LLA Activity 3: National grant facility consultations

This activity, with a total proposed cost of USD 5 775 (budget notes I-K), will catalyse the enabling environment for a future national LLA adaptation grant facility by engaging government and strategic partners on governance and policy requirements, legal pathways and intergovernmental processes. It will align district lessons with national systems and reduce set-up time during implementation of Component 3.

Sub-activities include:

- 3.1: Stakeholder mapping and consultations with DFFE, National Treasury, National Adaptation Funds Advisory Board, Adaptation Network, private sector, philanthropies, donors and the Climate Change Response Fund
- 3.2: Policy/legal landscape assessment and intergovernmental pathway scoping
- 3.3: Roadmap for a national LLA facility framework

Supplementary LLA Activity 1: Deeper local engagement and design support to enable devolution

This activity, with a total proposed cost of USD 32 650 (budget notes L-N), will fund multiple iterative rounds of local engagement in each PDM, translation and accessible formats, and participation support (childcare and transport stipends), with facilitation by trusted local organisations. The intensified process will refine adaptation priorities, validate trade-offs, and co-develop simple, context-appropriate eligibility criteria and tailored application support for USPs, directly enabling decision-making at the lowest appropriate level and reducing barriers for vulnerable groups.

Sub-activities include:

- 1.1: Iterative community co-design rounds, site visits and feedback sessions with translation and accessible formats
- 1.2: Participation support for inclusivity (childcare, transport stipends)
- 1.3: Facilitation by local organisations; co-development of simplified USP eligibility and user support materials
- 1.4: Localisation of USP Management Plan, community GRM channels and simplified access and fiduciary pilots

Supplementary LLA Activity 2: Localisation of USP Management Plan, community GRM channels and simplified access and fiduciary pilots

This activity, with a total proposed cost of USD 32 650 (budget notes O-R), will operationalise devolution by localising the USP Management Plan, establishing and socialising community-level grievance redress channels, and piloting simplified access modalities and proportionate fiduciary controls suitable for low-risk, small-scale grants. Outputs will include step-by-step guidance, templates and SOPs aligned with SANBI systems to reduce administrative burdens while maintaining control effectiveness.

Sub-activities include:

- 2.1: Localisation of the USP Management Plan with guidance, templates and training modules for community applicants and district partners
- 2.2: Establishment and communication of community-level grievance redress channels and disclosure mechanisms
- 2.3: Pilot of simplified application, appraisal and disbursement processes with proportionate due diligence and procurement
- 2.4: Documentation of streamlined fiduciary SOPs and training for district partners
- 2.5: Community-led MEL tools and training

Supplementary LLA Activity 3: Community-led MEL tools and training

This activity, with a total proposed cost of USD 22 090 (budget notes S-U), will co-develop and pilot simple, low-cost community-led MEL instruments aligned to the AF Strategic Results Framework, and train community organisations and district counterparts to collect, use and report data. Integration of community-generated data will strengthen feedback loops, grievance linkages and adaptive management for devolved implementation.

Sub-activities include:

- 3.1: Co-development and piloting of community MEL tools (participatory scorecards, seasonal risk tracking, outcome journaling) aligned to AF SRF
- 3.2: Training of community organisations and local government on data collection, quality assurance, use of MEL for decision-making and reporting
- 3.3: Integration of community-generated data flows into the project MEL system, including safeguarding and GRM linkages

Implementing Entity Management Fee

The NIE proposes to utilise the management fee of USD 19 473 from core (USD 149 247) and supplementary (USD 99 321) LLA activities as follows:

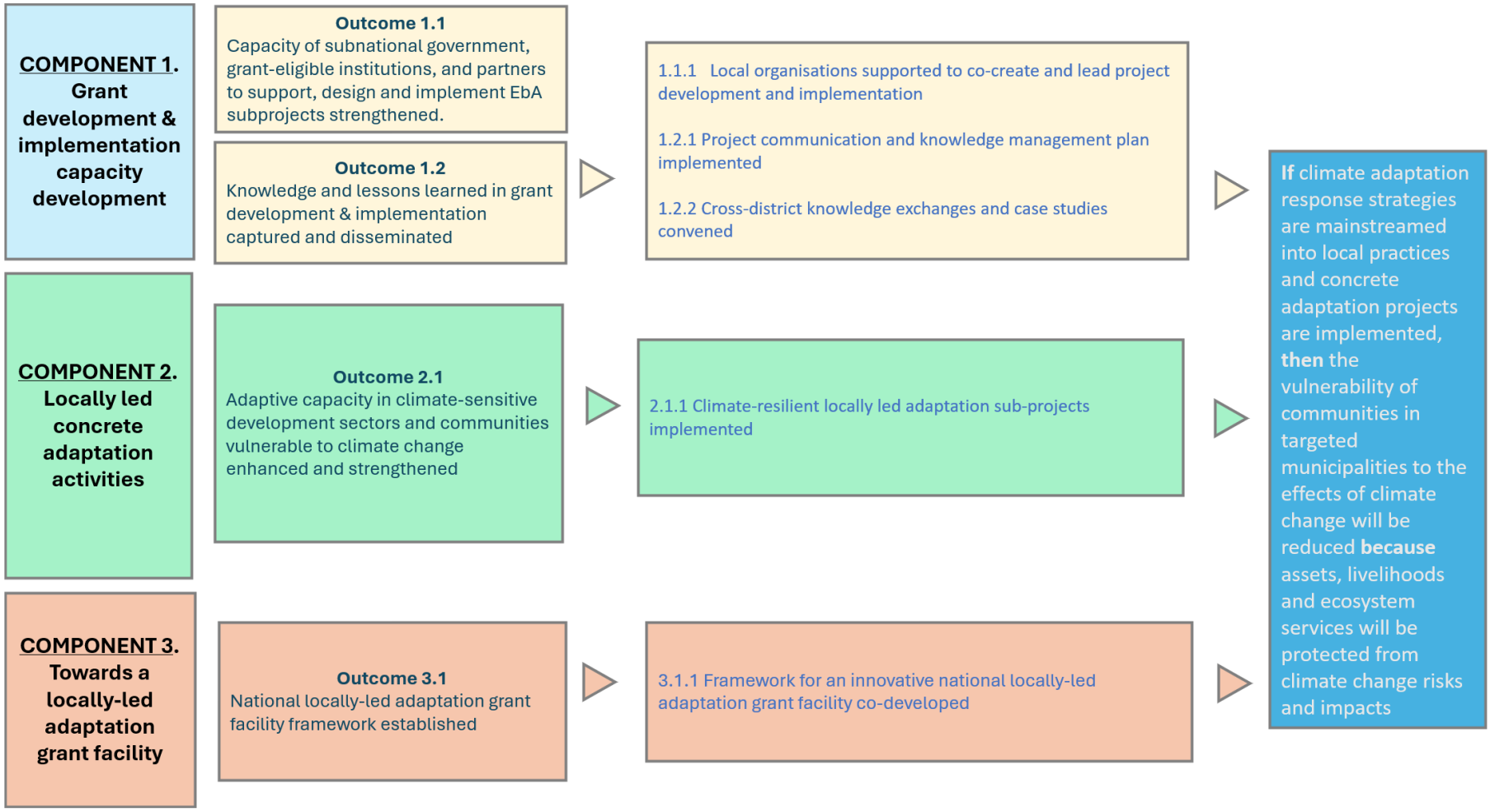
- Overall project oversight and supervision
- Quality assurance and compliance
- Adaptation Fund fiduciary standards oversight
- Environmental and Social Policy (ESP) and Gender Policy oversight
- Reporting to the Adaptation Fund

C. Implementing Entity

This request has been prepared in accordance with the Adaptation Fund Board's procedures and meets the Adaptation Fund's criteria for project identification and formulation

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
South African National Biodiversity Institute		24/02/2026	Dr Mandy Barnett	+27 21 799 8895	m.barnett@sanbi.org.za

ANNEX 2: PROJECT THEORY OF CHANGE



ANNEX 3: PRELIMINARY GENDER ASSESSMENT (ABRIDGED)

The preliminary gender analysis (abridged here due to space constraints; the full report can be accessed here: SANBI SGF Preliminary Gender Analysis) for the Small Grants Facility Phase I underscores the critical intersection between structural gender inequalities and climate vulnerability in South Africa. While the country has a strong constitutional and legislative foundation prohibiting discrimination and promoting equality, entrenched disparities across economic, social, and political domains continue to undermine the resilience of women, girls, and other marginalised groups to climate change. These disparities result in highly differentiated climate risks, adaptation burdens, and opportunities, making attention to gender central to both the design and equitable impact of the SGF. This gender analysis cannot be used to generalise South Africa fully, as each community is unique and will differ in culture and values. However, these reported findings are an important step in unveiling the dynamics and realities of gender-differentiated impacts of climate change including climate variability. Moreover, with a wide scope of analysis and time constraints, this report cannot claim to be exhaustive, nevertheless careful attention and effort has been made to ensure that key emerging issues particularly for these partnering districts are highlighted.

National context

At the national level, women remain systematically disadvantaged in income, employment, and asset ownership. Female-headed households earn on average one-third less than male-headed households, while women own less than 35% of land. Communal land tenure systems frequently reinforce patriarchal structures, limiting tenure security and access to collateral finance for women. Although women's participation in education now exceeds that of men, their disproportionate burden of unpaid care work and concentration in agriculture, informal trade, and low-wage service roles severely restrict adaptive capacity. Unemployment gaps remain persistent, with 35.9% of women unemployed compared to 31% of men, while young women are disproportionately represented among those not in employment, education, or training.

Climate hazards reinforce and exacerbate these inequalities. Recurrent droughts intensify women's household water collection burdens and undermine subsistence farming, while floods disproportionately disrupt informal traders, many of whom are women, and increase unpaid domestic labour due to damaged infrastructure. Ecosystem degradation and biodiversity loss similarly have sharper effects on women, who rely directly on natural resources for food, energy, and health. Compounded by rising levels of gender-based violence, these risks deepen the economic and social vulnerabilities of women and girls, particularly in rural areas, female-headed households, and among the elderly, youth, and people with disabilities. Economic gaps are not only evident during climate change-related disasters but also in their aftermath, as the recovery process is often fraught with challenges due to the lack or limited availability of resources for marginalised groups, such as women, who struggle to rebuild or relocate to safer areas.

South Africa's policy and legal infrastructure is formally supportive, with constitutional gender protections and legislation such as the Promotion of Equality and Prevention of Unfair Discrimination Act. Yet enforcement remains inconsistent, undermined by structural barriers, institutional weaknesses, and entrenched patriarchal norms. The Climate Change Act includes limited reference to gender, and existing monitoring systems lack disaggregated data to track differential impacts. Importantly, climate finance flows remain overwhelmingly mitigation-oriented and frequently gender-blind, leaving women-centric adaptation needs underfunded. The limited involvement of women in decision-making processes cascades down to the community and household levels. In many cases, men retain exclusive access to markets and exercise primary control over household income decisions, which can undermine sustainable economic progression, as male decision-makers may not prioritise climate-resilient or environmentally sustainable investments that could enhance household and community resilience.

District-level context

The analysis of four partner district municipalities (Amathole, uThukela, Thabo Mofutsanyana, and Gert Sibande) highlights the gender-differentiated nature of livelihoods and vulnerabilities across South Africa's socio-ecological zones. Women across districts are primarily concentrated in subsistence farming, informal markets, household gardening, natural resource collection, care work, and low-wage labour, while men dominate commercial agriculture, wage employment, and mining. Women also play a critical role as indigenous knowledge holders and brokers, drawing on generations of ecological wisdom to manage household gardens, adapt farming practices, and sustain community resilience. These divisions compound women's limited access

to productive assets, credit, and formal decision-making authority.

Exposure to climate hazards is particularly acute for women in these districts. In Amathole, drought impacts, soil degradation, and storm surges erode women's agricultural productivity and trading activities. In uThukela, low-lying areas expose women traders to floods, while drought and heatwaves increase their burdens in food production, water collection, and health risks. Thabo Mofutsanyana's recurrent droughts reduce women's ability to sustain household gardens, while erosion further undermines agricultural security. In Gert Sibande, dual stresses from climate and mining intensify women's vulnerabilities, with women and children disproportionately exposed to air and water pollution alongside floods and drought. Their indigenous knowledge is often a frontline resource in responding to these hazards, though rarely integrated into formal adaptation planning.

Across all four districts, household decision-making structures remain largely patriarchal, limiting women's control over resources and farming decisions, despite their central role in food production. Informal women's networks offer some coping mechanisms through social capital and savings schemes, particularly in Gert Sibande, but do not substitute for formal access to resources and decision-making. Access to adaptive support services, including extension, infrastructure, finance, and health facilities, remains uneven, typically bypassing women and rural households. Indigenous knowledge systems are rarely acknowledged or supported by formal services. These structural service deficits diminish the ability of women and other marginalised groups to engage in climate-resilient livelihoods.

The analysis further identifies compounded intersectional vulnerabilities: unemployment among youth, elderly women serving as carers and knowledge keepers in contexts of male out-migration, heightened exposure of women to gender-based violence in disaster settings, and the near absence of disability-disaggregated climate data. Municipal-level sex-disaggregated data remains sparse, with reliance on scattered NGO and academic sources. Women's indigenous knowledge is a critical but under-documented asset in resilience-building. These data limitations highlight the need for improved gender-responsive monitoring and research.

Planned project responses

The SGF is designed with explicit strategies to respond to these findings and ensure that women and marginalised communities are central to adaptation decision-making and benefit-sharing. The project commits to:

- Gender- and sex-disaggregated participatory planning methods to guarantee equitable access and outcomes.
- Use of safe spaces and separate consultations where appropriate to capture women’s and youth voices.
- Prioritisation of women and women-led organisations for capacity building and small grant sub-projects.
- Application of intersectional methods to account for the differentiated needs of multiple vulnerable groups.
- Integration of safeguards and alignment with AF Gender Policy to prevent exclusion and ensure corrective measures.
- A co-design approach that enables women and disadvantaged groups to play leadership roles in shaping adaptation interventions.

The project will establish gender-disaggregated baselines for livelihoods, climate impacts, and service access, ensuring equitable participation of women and men in all stakeholder consultations, with targeted outreach to women in informal settlements, agricultural communities, and indigenous knowledge networks. Priority will also be given to integrating women's indigenous knowledge into planning frameworks to enhance locally grounded adaptation strategies.

Planned adaptation investments will strengthen women's access to livelihoods, ecological assets, and climate-resilient agricultural practices, while governance and capacity-focused components will target women-led entities for training in proposal development, grant management, and project implementation. Knowledge management mechanisms will ensure that gendered lessons are identified, documented, and scaled.

The project explicitly anticipates transformative impacts: sustained benefits equitably distributed across women, men, youth, elderly, and people with disabilities; increased women's empowerment and leadership in governance and adaptation delivery; improved household and community resilience through better access to productive assets and ecosystem services; and structural shifts to address gender-based violence, exclusion,

and entrenched power imbalances.

Project Formulation Grant (PFG) and roadmap for full gender analysis

The SGF preparatory phase embeds gender considerations by committing PFG resources to conduct extensive community consultations focusing on gender-differentiated adaptation needs, training activities on gender and environmental and social safeguards, and recruitment of gender specialists during proposal development. These steps will prepare the foundation for a comprehensive gender analysis at the full development proposal stage.

The roadmap for strengthening gender integration highlights the following priorities:

- Deepening intersectional analysis of sub-groups by livelihood, location, indigeneity, and disability.
- Expanding consultations with gender experts, rights organisations, and focal points.
- Enhancing localised gender-disaggregated data collection, including intra-household resource allocation, care burdens, and access to climate services.
- Analysing the influence of community-level cultural norms and customary structures on women's decision-making power.
- Assessing institutional capacity among implementing partners and designing targeted gender capacity-building interventions.
- Establishing quantified gender targets in participation, leadership, and benefits.
- Integrating indicators and budget lines dedicated to gender-equitable and transformative outcomes.
- Explicitly linking PFG activities to evidence gaps through district-level analyses, training of facilitators, and baseline data generation.

The preliminary gender analysis demonstrates the pervasive ways in which systemic gender inequalities undermine resilience and adaptation in South Africa, compounded by localised socio-economic and cultural dynamics in partner districts. At the same time, it recognises women and women-led organisations as central actors in adaptation, whose leadership and knowledge are essential for transformative outcomes. By positioning gender equality at the heart of both planning and implementation, supported through PFG-enabled research and capacity building, the SGF project offers a pathway towards locally led, gender-responsive adaptation that aligns fully with the Adaptation Fund's gender policy and commitment to social inclusivity.