SACFP Newsletter #6
September 2019

Dear Colleague

Welcome to the sixth newsletter of the Southern Africa Climate Finance Partnership, a climate finance programme of SouthSouthNorth! The newsletter provides you with updates on the progress of the programme, the Green Climate Fund (GCF), climate finance activities in Southern Africa and relevant events and resources. You can expect to receive this newsletter every quarter. If you have received this newsletter via your network and would like to receive regular updates from SACFP, please subscribe.

If you would like to get in touch with the team, please contact us on sacfp@southsouthnorth.org.

SACFP project highlights
SACFP climate and gender mainstreaming workshop with the Development Bank of Namibia

On the 13th and 14th of July 2019, SSN, in collaboration with climate and gender expert Dr. Katharine Vincent, delivered a two-day climate change and gender mainstreaming workshop with the Development Bank of Namibia (DBN), as part of the Southern Africa Climate Finance Partners (SACFP) project. The workshop brought together executive and managerial staff from across the bank to increase awareness of the risks and opportunities posed by climate change. The aim was to further the understanding of how taking a gender mainstreaming approach across the bank's operations enhances the ability to respond to, and find new relevance in, a rapidly changing world. In sharing their experiences of the workshop, attendees highlighted how the discussions helped to shift their view of their jobs as bankers towards newly emerging roles more akin to those of development practitioners. Through enhanced inter-departmental communication, the workshop facilitated a clear understanding of important next steps for the bank as they mainstream climate and gender priorities in support of their application for Green Climate Fund (GCF) accreditation.

SACFP private sector workshop in Zimbabwe

On the 23rd of July, the Southern Africa Climate Finance Partnership (SACFP) facilitated a Harare based workshop led by the Zimbabwean Climate Change Management Department (within the Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement) as the National Designated Author
The workshop was co-convened with the Zimbabwean Business Council for Sustainable Development and aimed to raise awareness amongst key private sector entities about the Green Climate Fund (GCF) and the opportunities for accessing resources. The meeting was well attended with 85 delegates engaging in a cross-sectoral dialogue on the opportunities for private sector investment in climate action in Zimbabwe. The agenda allowed for discussions to identify on-going programmes, outline new project ideas and map potential funding sources. The outcomes of the workshop will inform the development of Zimbabwe’s country programme, which will outline key opportunities for private sector investment in climate interventions.

GCF News

The Green Climate Fund’s (GCF’s) 23rd Board meeting (B.23) took place from the 6th to the 8th of July 2019 in Songdo, South Korea. The Decisions of the Board for B.23 are available online along with an unofficial summary of the meeting’s outcomes. Highlights of B.23 included the following:

- Ten new projects were approved, with USD 266.9 million in GCF funding, generating USD 1,184.7 million in co-financing. In particular, of interest to the region, the first Zimbabwean project SAP007 – Integrated climate risk management for food security and livelihoods in Zimbabwe focusing on Masvingo and Rushinga Districts was approved. These new approvals increased the GCF portfolio to 111 projects and programmes and increased the level of related GCF funding to USD 5.23 billion, in 99 developing countries.
- Four new Accredited Entities (AEs) were approved, including three Direct Access AEs, two of which are African, namely Ecobank Ghana Limited, and Uganda’s Ministry of Water and Environment. The GCF has now accredited a total of 88 AEs, including 51 Direct Access AEs, of which are African, and three of which are Southern African.
- The GCF’s First Formal Replenishment (FFR) process is well underway, with the first consultation meeting held in Oslo, Norway during April 2019, and the second in Ottawa, Canada during August 2019. Board members have indicated the need for a clear strategy between B and the UN Climate Summit this September; the GCF has been actively engaging with the UN Climate Summit team, for which the GCF FFR will be a key outcome on the climate finan track. At B.23, the GCF agreed to a four year programming period of the FFR. Discussions remain open around sequencing the Replenishment Conference and B.24, with some Board members calling for an additional Board meeting subsequent to the Replenishment Conference – which is planned for October 2019 – to adapt the work plan as necessary. Recent commitments were made by the UK, France, and Canada for the GCF FFR – adding to those previously made by Germany and Norway.
- While the GCF Board was unable to agree to an exhaustive procedure for decision making in the absence of consensus, they decided that a decision shall be adopted if at least 80% of Board members are present and voting in favour of a draft decision, unless four or more Board members from either constituency vote against the decision. The Co-Chairs also presented a proposal on guidelines for decisions between Board meetings, based on deliberations at B.
proposal on guidelines for decisions between Board meetings, based on deliberations at B.22 and further consultations with Board members, but further work was needed to approve the decision, which was deferred to B.24.

- The updated Gender Policy and Action Plan was discussed, and a procedural decision was proposed, and approved without amendments, tasking the Secretariat to prepare a cost-benefit assessment by B.24, to inform a Board decision.

- Board members welcomed the work of the Accreditation Committee, which had consulted matters related to the review of the accreditation framework. The Board decided that the accreditation term shall start once the Accreditation Master Agreement becomes effective, rather than on the date of Board approval; decided to extend the prioritisation of certain entities (e.g. national Direct Access entities, private sector entities, and entities responding to GCF requests for proposals); and agreed on the principle of a project-specific assessment approach. The consideration of the updated accreditation framework, and the implementation arrangement and budget for the project-specific assessment approach, were deferred to B.24.

- Regarding the review of the initial modalities of the Private Sector Facility (PSF), the Secretariat presented a draft decision, but this was deferred because several Board members had divergent views on whether a particular focus should lay on the Least Developed Countries (LDCs) and Small Island Developing States (SIDS), in accordance with the GCF Governing Instrument, also include African states as determined in Decision B.04/08. The Board sought legal advice on this issue, but the General Counsel was not in a position to respond, and the decision was deferred.

- The Board approved the following: Compliance Risk Policy and Risk Management Framework; policy on ethics and conflict of interest for active observers; policy on anti-money laundering and countering the financing of terrorism; and an updated policy on protection from sexual exploitation, sexual abuse, and sexual harassment.

- The Executive Director noted that the GCF has been actively engaging with the Global Environment Facility (GEF) on ecosystems; with the Climate Investment Funds (CIFs) on complementary financial instruments; and with the Adaptation Fund (AF) on innovative projects with the potential for scale up.

The next GCF Board meeting will be held from the 12th to the 14th of November in Songdo, South Korea.

---

**Other climate finance news**
Extreme heat shatters record temperatures, aggravating wildfires, ice melt, and water shortages

July 2019 was the hottest month ever recorded on earth. Across the northern hemisphere, record temperatures were broken in a series of summer heatwaves. France, the United Kingdom, Germany, the Netherlands, Belgium, and Norway all recorded their hottest temperatures in history. Local records were surpassed in other countries, including China and Portugal. Notably, in Alert, Canada – the northernmost inhabited place in the world – daily maximum and minimum temperature records were broken. Research indicates that June’s heatwave was made at least five times more likely, and July heatwave up to 100 times more likely, by human induced climate change. Forecasts suggest that more than half the world could see new temperature records set every single year, by the end of this century. This interactive tool from the BBC estimates how average temperatures have changed in over 1,000 cities around the world, and how they’re expected to transform under various future climate change scenarios. A recent study, considering over 150 African cities across 43 countries, forecasts that number of people exposed to dangerous heat conditions will be 20 to 52 times higher across Africa than at present; however, the worst effects are expected in central and western Africa, with southern Africa expected to remain relatively unscathed. A recent report from the International Labour Organisation (ILO) warns that global warming of 1.5°C could severely impact labour productivity and lead to a 2.2% drop in working hours – the equivalent of 80 million jobs – by 2030, and cost the global economy USD 2.4 trillion, with poor countries most affected.

This year, over 100 wildfires in the Arctic Circle have released about 100 megatons of carbon dioxide, making for one of its worst wildfire seasons on record. Wildfires raged across Alaska, as the state recorded its hottest month in history in July, with the temperature never dropping below freezing, its coastline devoid of sea ice. In Russia, the national army battled to control fires which affected an area larger than Belgium. Greenland is facing its second largest ice melt since 1950 – this year’s melt started earlier than usual, and has continued persistently for over four months, with the ice sheet shrinking more during the month of July than in an average year. The recent melt rate is equivalent to what was predicted by the most pessimistic model projections for 2070. There were also serious fires closer to the equator as Spain battled their greatest wildfires in 20 years.

The World Resources Institute’s (WRI’s) Aqueduct tool has been updated, including data on national water stress levels. Notably for the Southern Africa Climate Finance Partnership (SACFP), Botswana and Namibia are under extremely high and high, baseline water stress respectively. The demand for cooling is expected to rise in major developing economies and, as the world becomes warmer, more people can afford technology like air conditioning, unmanaged growth in these technologies co
cause a surge in greenhouse gas emissions. According to energy company BP, a spike in global energy consumption was already recorded in 2018 and was likely caused by extreme weather and resulting demand for heating and cooling.

**United Nations Framework Convention on Climate Change meetings raise national ambitions and tensions**

The United Nations Framework Convention on Climate Change’s (UNFCCC) intersessional meet was held in Bonn, Germany in June. The meeting saw major points of contention as countries lead by Saudi Arabia questioned the Intergovernmental Panel on Climate Change (IPCC) special report 1.5°C, with the result being that the report will no longer be formally considered in United Nations climate negotiations. Another contentious issue involved Brazil fighting to allow existing Clean Development Mechanism credits to be used for carbon offsets. More recently, the IPCC released a special report on climate change and land, which looks at trade-offs arising from the complex issues of land degradation, sustainable land management, food security, and greenhouse gas fluxes around the world. With diplomatic tensions rising, governments recognise the threat climate change poses to global security. In Germany this June, government ministers from various countries met in Berlin where the German Federal Foreign Office circulated its Berlin Call For Action, which calls for stronger international cooperation to help fragile regions cope with weather disasters, food shortages, and migration driven by climate change. The German government has highlighted climate protection as a new foreign policy imperative, and is coordinating a “group of friends” – consisting of about 50 countries – to discuss the issue during the UN Climate Summit. According to the Institute For Economics And Peace, almost a billion people live in areas subject to high climate change risk, and about 40% of these are already struggling with conflict. A report from the UN named climate change the greatest challenge to sustainable development, and highlighted that the effects of climate change primarily affect the poor. New research warns of potential far reaching consequences arising from increasingly interconnected environmental risks, which may span different regions and sectors of the world, and may not yet be well understood.

On the 23rd of September, the UN will host the Climate Action Summit 2019 in New York City, USA. Ahead of the summits, UN chief Antonio Guterres has written to every head of state, requesting they set out plans to achieve carbon neutrality by 2050. According to the UN, around 80 countries intend to increase their climate pledges ahead of schedule under the Paris Agreement, with some planning to do so at the September summit. The European Union proposed a continent-wide zero emissions goal by 2050, but this was resisted by several member states. China has declared an intention to upgrade its contribution to the Paris Agreement, although a recent meeting of the BASIC group of countries stressed the responsibility of rich countries to raise their ambitions in address climate change.

In June 2019, donors met in Beira and pledged USD 1.2 billion to help Mozambique rebuild after Cyclone Idai and Cyclone Kenneth, which struck southern Africa in March and April 2019 – a sizable contribution, but less than half the amount required, according to the government. Across the world, less than 5% of disaster losses are covered by insurance in poor countries, versus 50% in r
countries. According to the World Bank Group, the current lack of resilient infrastructure – including transport, energy, telecommunications, water, and sanitation systems – is costing at least USD 390 billion per year. The extra cost of building resilience into infrastructure projects in developing countries would amount to only 3% of their overall cost (about USD 1 trillion) but the reduction in damage, economic impacts, and other negative effects would yield a net benefit of USD 4.2 trillion over the lifetime of the new infrastructure. According to the UN, one climate disaster is happening every week though most draw little attention, and work is urgently needed to prepare developing countries. Zimbabwe, also affected by this year’s cyclones, has faced ongoing struggles with water and power shortages, while facing political unrest. The UN has raised an aid appeal for Zimbabwe of over USD 330 million, as the country fights to recover from drought, and navigate difficult economic circumstances. Zimbabwe has also removed barriers to new solar power investment, which hopefully help to ease power shortages.

Developments relating to other climate funds

- The European Investment Bank (EIB) has proposed ending its funding of new fossil fuel-reliant projects by the end of 2020.
- The Asian Infrastructure Development Bank (AIIB) has been criticised for investing in fossil fuels.
- The world’s eighth largest asset managers, collectively managing assets of USD 15 trillion, have pledged to account for climate risk in their investments following encouragement by French President Emmanuel Macron, and will reconvene during the UN Climate Summit.
- BHP, the world’s largest mining company, is divesting from thermal coal, expressing an interest in other commodities that enable the electrification of transport and decarbonisation of stationary power. Rio Tinto, a rival mining company, sold its last coal mines in 2018.

Upcoming events

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>23 September 2019</td>
<td>UN Climate Action Summit</td>
<td>New York City, USA</td>
</tr>
<tr>
<td>7-9 October 2019</td>
<td>African Climate Risks Conference (ACRC) 2019</td>
<td>Addis Ababa, Ethiopia</td>
</tr>
<tr>
<td>12-14 November 2019</td>
<td>24th Meeting of the GCF Board</td>
<td>Songdo, South Korea</td>
</tr>
<tr>
<td>2-13 December 2019</td>
<td>UNFCCC COP25</td>
<td>Santiago, Chile</td>
</tr>
</tbody>
</table>