



# 5<sup>th</sup> SADC Multi-Stakeholder Water Dialogue

**Theme: Water Development in SADC:  
Financing Water for Climate Resilience to Ensure  
Regional Security**

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The Royal Kingdom of Swaziland**

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UKaid  
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## Contents

### List of Abbreviations and Acronyms

### Executive Summary

1.	Introduction and Opening Session.....	9
1.1	Welcome Remarks.....	9
1.2	Remarks by SADC Secretariat.....	9
1.3	Official Opening .....	10
2.	Report Back Session.....	10
2.1	Dialogue Objectives and Overview from Previous Dialogue.....	10
2.2	Update on Climate Change Adaptation Strategy.....	12
2.3	Update on SADC Climate Change Initiative.....	13
3.	Financing Water Resources Management and Development .....	14
3.1	Financing for Water Resources Development and Management .....	14
3.2	Water, Climate and Development Thinking - Beyond Borders.....	15
3.3	Strategic Role of Water in the Economies of SADC Countries.....	16
3.4	Financing Water Resources Management – Experiences from Namibia .....	16
3.5	Financing Water Resources Management – Zambian Experience .....	17
4.	Open Dialogue with Panelists .....	17
4.1	Setting the Scene for the open dialogue with panelists, Dr. Guy Pegram, Managing Director for Pegasys .....	17
5.	Water Climate Change and Climate Finance .....	20
5.1	Understanding the UNFCCC processes (Bali, Copenhagen and Cancun, towards Durban) .....	20
5.2	Demystifying Climate Finance – for Water Security.....	21
5.3	Water – Key in Climate Change Adaptation and Mitigation.....	26
6.0	Visioning Institutional Arrangements for Climate Financing .....	26
6.1	Climate Change Adaptation in the Water Sector in Swaziland .....	27
6.2	Coping with Drought and Climate Change Project.....	28
6.3	Sustainable Forest Management Programme - Payment for Ecosystem Services in Western Province in Zambia.....	29
6.4	Climate, Health Disasters in Lower Limpopo - A case for investment in water and sanitation.....	30
7.0	High Level Panel Discussion to Define the Way Forward.....	31
8.0	Closing Remarks.....	34

## LIST OF ABBREVIATIONS AND ACRONYMS

<b>ADB</b>	African Development Bank
<b>AF</b>	Adaptation Fund
<b>BRE</b>	Barotse Royal Establishment
<b>CC</b>	Climate Change
<b>CERs</b>	Certified Emission Reduction
<b>CDM</b>	Clean Development Mechanism
<b>CIF</b>	Climate Investment Fund
<b>COP</b>	Conference of the Parties
<b>GCF</b>	Green Climate Fund
<b>DANIDA</b>	Danish International Development Agency
<b>DFID</b>	Department for International Development
<b>DRC</b>	Democratic Republic of Congo
<b>EAW</b>	Economic Accounting for Water
<b>EU</b>	European Union
<b>FAO</b>	Food and Agriculture Organisation
<b>GDP</b>	Gross Domestic Product
<b>GEF</b>	Global Environment Facility
<b>GHG</b>	Green House Gases
<b>GIZ,</b>	Internationale Zusammenarbeit (GIZ)
<b>GWP</b>	Global Water Partnership
<b>IDP</b>	Integrated Development Plan
<b>ICPs</b>	International Cooperating Partners
<b>IFC</b>	International Finance Corporation
<b>IFRC</b>	International Federation of Red Cross
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>IUCN ESARO</b>	International Union for Conservation of Nature Eastern and Southern Africa
<b>IWMI</b>	International Water Management Institute
<b>IWRM</b>	Integrated Water Resource Management

<b>KOBWA</b>	Komati Basin Water Authority
<b>LDCF</b>	Least Developed Countries Fund
<b>MDG</b>	Millennium Development Goal
<b>MIEs</b>	Multilateral Implementing Entities
<b>MoU</b>	Memorandum of Understanding
<b>MRV</b>	Measurement, Reporting and Verification
<b>NAPA</b>	National Adaptation Programs of Action
<b>NGO</b>	Non-governmental organization
<b>NIE</b>	National Implementing Entity
<b>ODA</b>	Official Development Assistance
<b>OPIC</b>	Overseas Private Investment Corporation
<b>PES</b>	Payment for ecosystem services
<b>PPCR</b>	Programme for Climate Resilience
<b>PPF</b>	Peace Parks Foundation
<b>PPPs</b>	Public-private partnerships
<b>RBOs</b>	River Basin Organisations
<b>RBAs</b>	River Basin Authorities
<b>REDD</b>	Reducing Emissions from Deforestation and Degradation
<b>REDD+</b>	Reducing Emissions from Deforestation and Degradation in Developing Countries
<b>RISDP</b>	Regional Indicative Strategic Development Plan
<b>RSAP</b>	Regional Strategic Action Programme
<b>SASSCA</b>	Southern African Science Service Centre for Climate Change and Adaptive Land Use
<b>SADC</b>	Southern African Development Community
<b>SADC CCA</b>	SADC Climate Change Adaptation
<b>SADC PF</b>	Southern African Development Community Parliamentary Forum
<b>SCCF</b>	Special Climate Change Fund
<b>SCF</b>	Strategic Climate Fund
<b>SFM</b>	Sustainable Forest Management
<b>SFMP</b>	Sustainable Forest Management Programme
<b>SIDS</b>	Small Island Developing States

<b>SPA</b>	Strategic Priority on Adaptation
<b>SRA</b>	Swaziland Revenue Authority
<b>SWADE</b>	Swaziland Water and Agricultural Development Enterprise
<b>TFCA</b>	Transfrontier Conservation Areas
<b>UNDP</b>	United Nations Development Programme
<b>UNEP</b>	United Nations Environment Programme
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>USA</b>	United States of America
<b>USAID</b>	United States Agency for International Development
<b>WRM</b>	Water Resources Management
<b>WRSG</b>	Water Resources Strategy Group
<b>WRTC</b>	Water Resources Technical Committee
<b>ZRA</b>	Zambezi River Authority

## EXECUTIVE SUMMARY

The use of an Integrated Water Resource Management (IWRM) approach to improve water resources management has been noted as a key factor in ensuring climate resilient development in the SADC region. One essential component of climate change adaptation is an understanding of climate change finance. It is important that stakeholders understand the opportunities that exist for accessing funds for climate change adaptation and mitigation, along with the modalities that are used to access these funds. Experience in the region has shown that awareness and knowledge of these opportunities is low, particularly in the Water sector. It was with this in mind that the SADC decided to focus its 5<sup>th</sup> SADC Multi-Stakeholder Water Dialogue on the importance of financing water for climate resilience to ensure regional security.

The SADC Multi-stakeholder Water Dialogue is an annual event organised by the SADC Water Division to provide a forum for practitioners in the Water sector in the region to dialogue with water using and water influencing sectors. The Dialogue which has been held since 2007 under the broad theme of: *Watering Development in SADC* has been premised on raising the awareness and understanding of how IWRM can contribute to 'socio-economic development and poverty eradication' by ensuring a water secure region.

The theme for the 2011 SADC Multi-stakeholder Water Dialogue was “*Watering Development in SADC: Financing Water for Climate Resilience to Ensure Regional Security*”. In line with SADC's framework for broad based consultative processes and participation, at least 150 people from the Water sectors in the region and others from the Agricultural, Environment, Energy Finance and Tourism sectors, as well as academia, civil society, United Nations Framework Convention on Climate Change (UNFCCC) negotiators and the media attended the dialogue. The two-day Dialogue, was held in Manzini, Swaziland on June 28 - 29 **and** provided a platform for water practitioners (resource managers and users) to engage with COP negotiators and development planners in the region to build a relationship that will ensure that climate financing ensures water security leading to regional development. The meeting was held back to back with the Pre-Water Investment Conference which was aimed at preparing for the September conference on investing into water infrastructure. Outcomes from the Dialogue were presented to the SADC Water Resources Technical Committee (WRTC) consisting of Directors in the Water Departments in SADC Member States who met for two days soon after the Dialogue. A recommendation was made for the WRTC to incorporate some of the issues from the Dialogue into the third Regional Strategic Action Programme (RSAP III) currently being finalized. The outcomes recommended to the WRTC are taken to the SADC Ministers responsible for Water for adoption.

Through discussions focusing on the importance of climate finance in ensuring that water continues to contribute to regional security, the Dialogue contributed to an increased understanding of why financing water resources management is important to achieve mitigation and adaptation to climate change.

In the previous regional dialogues it has been noted that any change in the climate leads to changes in the availability and occurrence of water, which in turn affects development. The 2011 Dialogue set out to ensure that the water continues to enable development and does not become a constraint to development and regional security. To that effect, the dialogue also discussed experiences aimed at increasing an understanding of water related adaptation

projects at all levels with regards to financing potential. To do this, discussions included case studies aimed at ensuring that water development and management enables climate resilient development. The case studies motivated thinking around the types of adaptation strategies that could possibly be funded at the regional, river basin, national, and local levels. In order to start identifying some solutions towards water based climate change adaptation high level panel discussions were organised. The meeting also brought negotiators from the region who are representing SADC Member States at the international climate change meetings, to share the current status of the talks and also understand the needs with regards to water in region.

Although the impacts of climate change are mainly felt at the local level, an understanding of the transboundary implications of climate change responses is important. There are different types of water related adaptation strategies that could possibly be funded at the regional, river basin, national, and local levels. In this regards it was noted that water resources management is a concrete adaptation strategy. In responding to climate change adaptation in the water sector it is important to note the following 6 I's:

- **Information** – it is important to have data and information to assess current and projected climate changes which will assist in determining vulnerable hot spots and adaptation strategies.
- **Infrastructure** – in order to cope with extremes in water change either through too much water or little water. Water infrastructure is important in improving the resilience of societies
- **Institutions** – in order to respond to the uncertainties presented by climate change there is need to ensure that institutions that plan, manage and develop the resource are adaptive enough to tackle the challenges.
- **Inclusion** – climate change will impact mainly the vulnerable and the poor, who are mainly women and the youth. In developing adaptation responses it is important to ensure that they involvement and also using a gender lens in determining the strategies at all levels.
- **Integration** – it is important to bear in mind that water resources management is cross-sectoral in nature and impact on a number of sectors. A multi-stakeholder approach is needed in defining adaptation strategies. Transboundary implications of climate change impacts should be considered in determining national and local level responses.
- **Investments** – It is important to ensure that both public and private investments are directed at water related adaptation strategies. Investments need to be made for all the above responses

**Stakeholders at the Dialogue noted these issues and made the following recommendations aimed at ensuring that water will continue to enable regional security:**

- **Appreciating the role of water in adaptation and mitigation:** Water plays a critical role in both adaptation and mitigation efforts in climate change. Changes in the occurrence of the resource both in terms of quality and quantity will affect mitigation efforts to climate change. Efforts like Reducing Emissions from Deforestation and Forest Degradation (REDD +), development of micro hydropower schemes and use of biofuels all require water to be sustained. Climate change as noted is water change, and in most cases changes in water are manifested through extreme events. Societies have to cope with these extremes which also have a huge impact on the development and poverty status of

countries. Investments in the sector are therefore important to ensure that the role of water in both mitigation and adaptation is enabled.

- **Integrating water security and climate resilience into regional and national development:** It was noted that water is important for development and should therefore be integrated into development planning. Water is important to issues of human security, food security, energy security and also contributes to peace through cooperation. Water is therefore a key ingredient in development and should be integrated to ensure it continues to be an enabler.
- **Moving beyond borders:** Water crosses both national and sectoral borders. There is need for more joint coordination and planning of programmes across sectors, and nations to maximize the available resources. Cross sectoral dialogue and cooperation is important, because cross sectoral proposals are winning proposal
- **Increasing water financing:** It is important to continue to strengthen the enabling environment (governance, institutions and management tools) in order to increase trust and create a conducive environment to absorb and spend funds. Water institutions should be strengthened to ensure credibility and accountability. The Water sector must strengthen the regional evidence base and develop tools to translate evidence into strategy and policy. Governments need to consider increasing their pot of money through improving efficiencies and reducing administrative bottlenecks; exploring savings from better coordination, planning, regulation and operation; being more imaginative and using a range of instruments to cut costs, and cross-subsidise among different sectors, e.g. energy to water. There is need to engage with other sectors in order to ensure an increase in its financing, for example, water should 'piggy back' on the FDI commodity driven boom.
- **Financing water resources management and development:** It is also important to address severe information gaps for water resources management and development through investing in information; promoting better governance through investing in 'soft' interventions which are critical to secure infrastructure investment. Implementing an IWRM approach allows for more efficient allocation of scarce finances.
- **Financing catchment management:** It is critical that river catchments and ecosystems that provide the resource are maintained. Climate change is affecting water quality – through little water affecting dilution, or too much water increasing siltation. Proper catchment management will ensure that the resource is protected. To increase ecosystem resilience and secure water resources the region should focus on financing catchments.
- **Building a case for water:** Highlighting the integral role of water in the economy to demonstrate that water is about development is important. The sector needs to start talking about the value of water from an economic **and** environmental perspective to convince the planners and financiers as to why they should put money in water resources management. This can be done by demonstrating the socio-economic and development gains that will be made by investing in water. There is a need to build capacities among water managers' to understand Economic Accounting for Water Use, to enable them to communicate water flows in the economy.
- **Investing in good project preparation:** Project preparation funds, continuous dialogue with the Development Finance Institutions and a facility are all needed in the region to ensure good water projects are developed and funded. The Water sector needs to move from concepts to bankable projects and programmes – achievable through meeting the DFIs criteria. Capacities to develop projects must be deployed and strengthened to avoid dependence on external consultants and multi-lateral donors for project development. A regional Dialogue and Secretariat should be established to facilitate this transition.

- **Capacity development:** This is a critical area that the region needs to continuously address in order harness funding through different windows. Capacity is needed to:
  - Develop competitive, fundable proposals.
  - Demonstrate the role of water and its importance in the economy.
  - Understand the impact of climate change on water resources in economic, environmental and livelihood terms.
  - Absorb funding – through strengthening support functions to the water sector.
- **Capturing indigenous knowledge (Local Knowledge and Practice) in climate change adaptation:** It is important to ensure that coping strategies of communities are documented and institutionalised as adaptation strategies. This knowledge should be used to guide the inclusion of the vulnerable, poor and marginalised communities.
- **Raising awareness among politicians and traditional leaders:** Politicians need to be involved to ensure political buy-in. The water sector should continue to build a relationship with the SADC Parliamentary Forum so as to ensure that the issues and concerns of which they are custodians are understood by parliamentarians. For inclusiveness in the development and implementation of adaptation strategies it is also important to involve traditional leaders and their structures.
- **Influencing global processes:** There is need to ensure that the regional voice is coordinated and strengthened to influence multilateral processes.
  - **Raise the profile of water within the UNFCCC climate negotiations:** the role of climate change in the water sector and therefore the sector's influence in international climate negotiations and other multilateral processes should be strengthened. The sector should ensure it engages earlier in contributing to the Africa Position to COP meetings. There is a need for strong national consensus that leads to regional and continental consensus to inform negotiations at the global forum. The technical and political negotiators must bridge the existing divisions during negotiations towards COP 17 and beyond the Durban UNFCCC conference.
  - **Funding mechanisms:** There is a need for the water sector to influence the emerging climate finance architecture and funding mechanisms (such as the Green Climate Fund) to ensure that the related needs of the water sector are specifically met.
  - **Transfer Technology mechanisms:** Within the on-going negotiations issues of technology transfers are pivotal to ensuring that mitigation and adaptation responses work – it is important for water experts to be involved. This will allow the Water sector to identify the appropriate technologies needed by the sector to contribute to the implementation of mitigation and adaptation strategies and to ensure their transfer for longer-term resilience.
  - **Engaging multi-lateral donors and funding institutions:** There is a need to examine existing funding mechanisms in order to highlight blockages to accessing funding. The region needs to engage bilaterally with donors and other financiers to move the sector beyond the current financing blockages. The region needs to be pro-active in both influencing financing decisions as well as in reducing the gap between the regional projects requiring investment and the significant development finance available. The objective should be to increase DFI investment levels in the water sector whilst ensuring environmental sustainability in Southern Africa. Furthermore, Africa needs to enhance negotiation capacities in order to have a strong and united voice on the global forum to deal with barriers in accessing the available climate change adaptation finances.

- **Visioning climate finance implementation mechanisms:** Institutional capacities at national and sub-regional levels must be strengthened so that the most affected nationals and sub national institutions are eligible to access funds directly without going through intermediaries. The region needs to identify and strengthen appropriate institutions at national and regional levels that are capable of attracting available finance.

The 2011 Dialogue presented water resource managers, water using and water influencing sectors an opportunity to understand climate financing and come up with a common message to send to COP 17 in Durban on the important role water plays in climate change, both for adaptation and mitigation.

## 1. INTRODUCTION AND OPENING SESSION

### Opening Session

#### 1.1 Welcome Remarks

*Mr. Tembinkosi Mamba, Principal Secretary, Ministry for Natural Resources and Energy, Kingdom of Swaziland*

The Director of Ceremony, the Principal Secretary in the Ministry for Natural Resources and Energy for the Kingdom of Swaziland, noted that the Multi-stakeholder Water Dialogue was an important initiative as it provided space for sharing of ideas on how to improve management of water resources in the region. The region is at different stages in the management of water resources and this platform provided a learning opportunity for member states. The Dialogue being the 5<sup>th</sup> to be held in the region, Swaziland felt privileged to host this important meeting. \

#### 1.2 Remarks by SADC Secretariat

*Mr. Remigious Makumbe, SADC Director for Infrastructure and Services*

Remarks by the SADC Secretariat were presented by the Director of Infrastructure and Services at SADC on behalf of the SADC Executive Secretary, Dr Tomáz Augusto Salomão.

The theme of the 2011 Dialogue is critical to the SADC Region as it is related to the pivotal issue of water infrastructure financing, more specifically through the available opportunities provided under climate financing. The SADC region's economic growth and its overarching objective of poverty eradication, an intervention espoused by the UN effort towards meeting the Millennium Development Goals cannot be realized if adequate resources were not availed to develop the much needed infrastructure in the water sector. The SADC Region needs to be pro-active and take full advantage of the upcoming Green Fund by strategizing and preparing projects that can tap into the fund in order for the region to implement mitigation and adaptation measures to climate change and variability.

In its Fourth Assessment Report, the Intergovernmental Panel on Climate Change (IPCC) emphasizes the likelihood that climate change and variability will negatively impact Africa's economic activities and exacerbate its current development challenges. Our region needs an Action Plan with sign posted interventions and deliverables and a strong monitoring and evaluation system that will provide corrective action. The 2011 Dialogue came at an opportune moment as outcomes from the forum will inform the next steps, interventions and priorities of the SADC's Regional Indicative Strategic Development Plan (RISDP) which is undergoing its first review since commencement of implementation in April 2005. SADC's economies depended on the activities of climate sensitive sectors like agriculture, fisheries, tourism, as well as hydro power dependent industries, all of which are at the mercy of climate

change and variability, a Climate Change Position Paper is being developed to inform the region's collective arguments at upcoming Durban COP 17 and other international forums. The Dialogue has the opportunity of contributing to tackling the impact of climate change head-on.

*(For full text of the speech see Appendix A1)*

### **1.3 Official Opening**

*Guest of Honour, Minister of Natural Resources and Energy for the Kingdom of Swaziland Her Royal Highness Princess Tsandzile*

The Minister of Natural Resources and Energy for the Kingdom of Swaziland, Her Royal Highness Princess Tsandzile, officially opened the 2011 Multi-stakeholder Water Dialogue. She noted that the Kingdom of Swaziland was honoured to host such an important Dialogue whose output would contribute to development in the SADC region. The African continent with low adaptive capacity will be the worst affected by climate change and thus the need to have not only national interactions but also regional and continental solutions to this threat. Discussing issues of financing water security are important to ensure that as a region and a continent we are ready to adapt and mitigate the effects of climate change.

*(For full text of speech see Appendix A2)*

## **2.0 REPORT BACK SESSION**

*Session Chair: Ms. Bogadi Mthangwane, Deputy Director, Department of Water Affairs in Botswana*

### **2.1 Dialogue Objectives and Overview from Previous Dialogue,**

*Mr. Phera Ramoeli, Senior Programme Officer, SADC Water Division*

The Water Dialogues are held under the overall theme of *Watering Development in SADC* and highlight how IWRM approaches can address key aspects of socio-economic development and poverty reduction in southern Africa. Outcomes and recommendations from the Dialogues have influenced planning and policy developments within the SADC and beyond. For instance, the SADC Climate Change Adaptation strategy and other SADC Climate Change initiatives have been informed by the recommendations from the 2008 Dialogue. The outputs from the 2008 Dialogue were also presented by the Minister of Lesotho to the Water Week in Stockholm. The Dialogues are also a progression for example, the theme for the 2011 meeting was informed by the outcomes of the previous year.

The themes and objectives for the four dialogues held since 2007 are summarized in the Table 2 below.

**Table 2 Themes and objectives for Previous Water dialogues.**

Multi-stakeholder Water Dialogues held since 2007	Objectives
<p>1<sup>st</sup> Dialogue (2007), in Maputo, Mozambique under the theme: <i>Watering Development in SADC: Beyond IWRM Concepts and the Converted.</i></p>	<ul style="list-style-type: none"> <li>• Expose and raise the understanding of the development aspects of IWRM among policy makers from water using and influencing sectors and the media;</li> <li>• Promote sharing of IWRM experiences and best practices; and</li> <li>• Improve awareness of IWRM initiatives and promote collaboration between stakeholders in the region.</li> </ul> <p><b>Participation</b> - From all sectors including media and parliamentarians.</p>
<p>2<sup>nd</sup> Dialogue (2008), in Maseru, Lesotho under the theme: <i>Watering Development in SADC: Rising above the Climate Change Threat – Towards Security.</i></p>	<ul style="list-style-type: none"> <li>• Expose and raise the understanding of the development aspects of IWRM to stakeholders;</li> <li>• Share IWRM strategies, experiences and best practices in climate change mitigation and adaptation; and</li> <li>• To improve awareness of IWRM.</li> </ul> <p><b>Participation</b> – From all sectors</p> <ul style="list-style-type: none"> <li>• Panel discussions were televised for the first time.</li> <li>• Outcomes presented at the World Water Week by Hon Moleleki from the Kingdom of Lesotho.</li> </ul>
<p>3<sup>rd</sup> Dialogue (2009) in Johannesburg, South Africa under the theme: <i>Watering Development in SADC: Surfacing of the Hidden Resource - Groundwater.</i></p>	<ul style="list-style-type: none"> <li>• Improve the region's understanding of Groundwater as an important resource in addressing critical development challenges;</li> <li>• Understand Groundwater's potential in addressing local, national and regional socio-economic development and poverty reduction; and</li> <li>• Promote knowledge sharing on integrated responses, opportunities and threats in the use, development and management of groundwater.</li> </ul> <p><b>Participation</b> – From water, energy, finance and planning, agriculture, academia, environment, and</p>
<p>4<sup>th</sup> Dialogue (2010) in Maun, Botswana under the theme: <i>Watering Development in SADC: Toward Climate Resilience through Benefit Sharing</i></p>	<ul style="list-style-type: none"> <li>• Share SADC's responses to previous dialogues;</li> <li>• Improve the region's understanding of the role of water and related impacts of climate change;</li> <li>• Understanding impacts of climate change on water and other sectors; and</li> <li>• Promote climate resilient development as a means and reason for benefit sharing.</li> </ul> <p><b>Participation</b> – From water, energy, finance and planning, agriculture, academia, environment, and mining sectors.</p>

The 5<sup>th</sup> Dialogue in 2011 centered on *Financing Water for Climate Resilience to Ensure Regional Security*. The aim of the Dialogue was to provide a platform for sharing views, perspectives and experiences among participants from the water, energy, environment, finance, agriculture sectors, youth and UNFCCC negotiators.

The objectives for the 2011 Dialogue were to:

- Engage water resource managers and non water sector actors as important stakeholders vulnerable to the effects and impacts of climate change;
- Ensure that the opportunities and challenges to water financing issues are understood;
- Increase the awareness and understanding of climate finance funding opportunities already in place;
- Raise awareness of UNFCCC negotiations;
- Update participants on the developments in the UNFCCC negotiations, specifically the design phase of the Green Climate Fund;
- Present case studies illustrating what can be funded regarding water projects through climate finance; and
- Discuss the role local funding can play in ensuring climate resilient development over and above the available funds at global level.

Expected outcomes:

- A working relationship to ensure that the water sector is more active in ensuring water security and climate resilient development;
- Increased understanding of financing water for development and management;
- Increased understanding of issues relating to climate finance; and
- Contributions on issues that SADC should take note of regarding water resources management and development for climate resilience.

## **2.2 Update on Climate Change Adaptation Strategy,**

*Dr. Ken Msibi, SADC Water Division*

At the 2010 SADC Dialogue the region was presented with the initial work on the development of a Climate Change Adaptation Strategy for the Water Sector. The SADC Secretariat setup an Experts group to assist in the development of this strategy. As a way of background it was noted that throughout history humans “have always adapted to climate changes as a matter of survival”, the unprecedented pace of the current changes and the increasing complexity of societies and economies suggested that isolated, spontaneous and self-regulated adaptation mechanisms are not sufficient anymore. It is for that reason that SADC begun developing the SADC Climate Change Adaptation (CCA) Strategy for the Water Sector to improve climate resilience in Southern Africa through integrated and adapted water resources management at regional, river basin and local levels.

The SADC CCA Strategy, which is now at an advanced stage, proposes to focus on three strategic pillars namely: water governance; infrastructure development and water management. The objective of the Strategy is to promote further the application of IWRM as a priority tool to reduce climate vulnerability and to ensure that water management systems are well adapted to cope with increased climate variability.

The SADC CCA Strategy advocates for the adoption of a comprehensive and multi-dimensional approach to climate change adaptation, in alignment with IWRM and focuses on the implementation of both “no-regret” and “low-regret” measures. The former relate to measures that will prove worthwhile doing even if no (further) climate change will occur, and the latter, to measures that will only require small additional expenditures to cater for the negative effects of climate change. The development process of the SADC CCA Strategy was

initiated in May 2008 during the second SADC Multi-Stakeholder Dialogue in Maseru, Lesotho. The strategy document will be taken through to WRTC for further submission to the Ministers responsible for water for approval in September 2011. The SADC CCA Strategy for the Water Sector will be launched at the COP 17 in December 2011.

The Strategy formulation process involved considerable consultation with various stakeholders including representatives from the regional Water Reference Technical Committee (WRTC) members. Country reports were also developed in order to have a better understanding of the status of climate change initiatives in the region. Information on climate change impacts and responses is available in some countries, but maybe we need to undertake a regional study as most of the indigenous climate change adaptation initiatives are not documented.

### **2.3 Update on SADC Climate Change Initiative,**

*Mr. Alex Banda, Climate Change Programme Coordinator in the Food, Agricultural and Natural Resources (FANR) at the SADC Secretariat*

SADC is in the process of developing a broad based Regional Programme on Climate Change which intends to achieve the following objectives across the Agriculture, Environment, Water, Energy, Health and Gender Sectors:

- Promotion of harmonisation of policies and ensure coordinated efforts in dealing with climate change;
- Enhanced capacity to mitigate climate effects;
- Promotion of sharing of information and lessons learnt;
- Facilitation of dialogues that enable SADC Member States to speak as a block at international climate negotiations;
- Assistance to SADC Member States to leverage global climate financing;
- Promotion of research and climate data generation and exchange; and
- Facilitation of the region's engagement at international level.

Other initiatives on climate change developed by SADC include a Regional Programme on Reducing Emissions from Deforestation and Forest Degradation (REDD), and a regional Fire Management Programme to manage cross border fires and their contribution to Green house Gas emissions of dioxins and furans which are persistent organic pollutants. Very few countries in SADC have benefited from the Clean Development Mechanism (CDM) initiatives under the UNFCCC, due to limited capacity in preparing projects. SADC is working with UNDP to build capacity for Member States to benefit from the CDM.

The CDM was established under the Kyoto Protocol to assist Annex I Parties comply with their emission reduction commitments, and to promote sustainable development in developing countries. The CDM thus provides developing countries with a significant source of carbon finance to help promote sustainable development. But although the CDM has proven successful in generating emission reduction projects in many developing countries, Africa accounted for only 5 per cent of CDM transactions in 2007, and roughly 2 per cent of CDM activities overall. It is reported that, as of October 2008, only 17 out of 1186 CDM projects were located in Sub-Saharan Africa, most of which (14 out of 17) were located in South Africa. The CDM is currently inadequate as a tool to support the needs of Africa in its fight against global warming. Given that Africa gets less than 2 per cent of all CDM investments, the mechanism is not geographically equitable. The impact of the CDM as a means for providing adequate financial support for mitigation activities in Africa has proven to be limited. It is therefore imperative that African governments both capitalise on existing carbon market opportunities, and develop a clear African position for post-2012 negotiations, in order to increase the flows

of carbon finance needed for Africa to meet the challenges of climate change and sustainable development.

SADC has developed a regional position paper on climate change issues and the secretariat is also undertaking various activities aimed at preparing the region for the 17<sup>th</sup> Conference of the United Framework Convention on Climate Change. Countries are consulted through SADC technical meetings including through the meetings of SADC ministers for environment who further reviews and endorse the regional position.

The SADC's strategy for COP 17 is centered on the following:

- Advocating for effecting a legally binding commitment under the Kyoto Protocol after December 2011;
- Setting of Green House Gases (GHG) emissions targets;
- Reduced Emissions from Deforestation and Forest Degradation (REDD+);
- Capacity building to enhance effectiveness of the negotiators from the region;
- Finance and technology transfer; and
- The conclusion of work under the Bali Action Plan.

Further, the various Directorates at the SADC Secretariat are planning a number of events to be showcased at the COP 17. These include:

- Side events to showcase activities being undertaken to adapt and to mitigate the impacts of climate change across the region;
- Technical briefing sessions to be organised on a daily basis to enable SADC negotiators to share information on the daily events in the various negotiating fora; and
- Ministerial briefing sessions to be organised prior to the high level session to provide a forum for Ministers to be briefed by SADC negotiators on substantive issues requiring ministerial intervention in the negotiations process.

To facilitate continuous sharing of information and networking on climate change-related issues, the SADC Secretariat manages an e-newsletter under the SADC project REDD. The e-newsletter presents information on current developments on climate change and REDD+ with a special focus on the SADC region.

### **3.0 FINANCING WATER RESOURCES MANAGEMENT AND DEVELOPMENT**

*Session Chair: Mr. Cyril Masamba, Democratic Republic of Congo (DRC)*

The session was aimed at understanding the importance of financing water for regional development and security and the current barriers and challenges with financing water resources development and management

#### **3.1 *Financing for Water Resources Development and Management,***

*Allan Hall, Chair of European Union Water Initiative Financing Working Group*

The presentation emphasised the need for water managers to communicate the economic value of investing in water, and the environmental benefits when motivating for financing for water. The motivation for financing for water, which includes poverty alleviation and improved health benefits, are relevant and genuine. Financers want to know the economic value and environment benefits for investing in water management. Capacity needs to be built for water managers to be able to show the value of investing into water resources management and development.

Finances for various developmental sectors are becoming scarce; water will be competing with other sectors hence the need for water resources management to be more strategic in building a case to financiers. Public funds will continue to play a critical role in water resources management and development and governments, need to consider increasing their pot of money. The following are some of the ways public funds expenditure can be more efficient:

- Improving effectiveness and reducing administrative bottlenecks (e.g. budget allocations too variable and often agreed and disbursed too late for departments to spend);
- Being more innovative and using a range of financial instruments – credit enhancement, microfinance, guarantees, new revenue raising mechanisms, cross-subsidies (e.g. energy to water);
- Leveraging ODA with available public funds from national budgets
- Utilities getting income from affordable tariffs - work towards sustainable cost recovery and redirect tax for non-revenue raising uses.

To ensure that the water sector is attractive a number of issues need to be looked into:

- Addressing severe information gaps for water resources development and management through investing in information;
- Promoting better governance through investing in 'soft' interventions which are critical to secure infrastructure investment;
- Using the IWRM approach for efficient allocation of scarce finance – exploring savings from better coordination, planning, regulation and operation as well as demand management and technology;
- Investing in people as without skilled staff there can be no action; and
- Monitoring results, so that “if we know what works we can manage better”.

### **3.2 Water, Climate and Development Thinking - Beyond Borders,**

*Prof. Mike Muller, Wits University, South Africa, and Global Water Partnership SA National Planning Commission*

The presentation looked at water in the broader regional development context highlighting the challenges the region faces in order to finance climate resilient development and also highlight some opportunities the region can think of.

The presentation emphasized the need for countries in the SADC to think beyond borders in their approach towards climate resilience. Southern African countries are already water stressed, with the situation likely to get worse with climate change and continued population growth, hence the need for countries in the SADC to think beyond national, sectoral and public and private borders in their search for solutions towards climate resilience.

Climate change adaptation is a complex business that called for stakeholders to re-think how they conducted business. Thinking beyond national and sectoral border is likely to open opportunities for better lives and livelihoods, as well as for improved products and profits.

Climate change provided opportunities and challenges for companies to think beyond the balance sheet; for governments to address the constraints and for civil society to go beyond opposition. The cross-cutting nature of climate change adaptation provided an opportunity for inter-sectoral cooperation, as well as national, public and private cooperation.

### 3.3 **Strategic Role of Water in the Economies of SADC Countries**

*Dr. Mampiti Matete, International Water Management Institute (IWMI), South Africa*

The presentation highlighted the importance of communicating relevant information that demonstrated the case for financing improved water resources management in the SADC region. Strong evidence is needed to better understand the various impacts of poor water supply on health, labour productivity, lost time and eventually on the economy. This evidence is instrumental in providing the numbers to convince SADC Member States, private companies, NGOs and even households that expenditure on improved water supply is worthwhile.

A number of examples are available from the region that show the importance of water and the critical role the resource plays towards sustainable economic growth, production and development. In Mauritius, for example, the contribution of water to the economy, calculated through the Water Productivity Indicator revealed that 1m<sup>3</sup> of water contributed US\$27.41 to that country's economy. Financing water for climate resilience is important because improved water resources management would realise considerable economic gains which improve the adaptive capacity of countries. US\$15-30 billion investment in improved water resources management in developing countries can have direct annual income returns in the range of US\$60 billion.

Water contributes immensely to the economies of SADC countries; therefore, improved water supply and sanitation together with improved water resources management have the potential to boost the region's economic growth and poverty reduction. Economic Accounting for Water Use (EAWU) is a methodology that could enhance the capacity of water managers to advocate for better financing for water resources. Economic Accounting for Water Use, is a method for organising economic and hydrological information in a way that permits a consistent analysis of the contribution of water to the economy and the impact of the economy on water resources.

### 3.4 **Financing Water Resources Management – Experiences from Namibia,**

*Anna Matros-Goreses, Southern African Science Service Centre for Climate Change and Adaptive Land Use (SASSCAL)* Investing in water infrastructure is a key adaptation strategy in Namibia, a country where water resources are unevenly distributed across the basins, with about more than 80% of the country relying on groundwater as a major water source. The country faced the challenge of raising the resources needed to implement adaption measures. Four water related adaptation projects have been identified for climate finance funding opportunities but raising the resources needed to invest in the projects remains a challenge. The four projects are:

- Reclamation of water to portable standards from wastewater effluent;
- Re-use of purified sewage effluent to water parks, golf courses etc;
- Basin Management Approach; and
- Artificial recharge enhancement of aquifers.

The country's challenges for financing Water Resources Management are attributed to:

- Low priority of water sector issues;
- Competing demands in trying to achieve social, environmental and economic goals;
- Political interference - The issue of political interference comes in when service providers are not allowed to charge economic prices for the services that they are offering.;
- Inadequate legal framework;
- Lack of transparency;
- Non-existent/inexperienced regulators;
- Resistance to cost recovery tariffs; and
- Access to reliable information and data.

According to the National Water Resources Management project, at least US\$2billion investment is required. The presenter said climate change resilient will require major adaptation and efficiency improvements in the Namibian Water sector.

### **3.5 Financing Water Resources Management – Zambian Experience,**

*Mr. Jonathan Kampata, Water Expert*

The Zambian government needs alternative commercial and private sources of funding to meet its Water Resources Management investments so that water can play the role that is required to sustain the nation. The water budget in Zambia is financed by government, multilateral and bilateral cooperating partners, NGOs, private sectors, as well as communities to meet capital costs and operation and maintenance costs. The bulky infrastructure funding has been undertaken by government, but in practice this has resulted in no large water resource management and development investment projects in the last three decades.

Ineffective financing of water resources management is costly and could impact negatively on the socio-economic development of the nation. Flooding, which damaged property, roads, bridges; the invasive alien species, affected water quality, disrupted water supply, hydropower production, fishing and navigation in the Kafue river as well as poor water supply and sanitation services, which resulted into water borne disease outbreaks, illness, deaths, and cost to health services, are some of the negative impacts of poor financing for water resources management.

The current sources of financing for water resources management needed to be broaden to realize the government's overall policy of:

- Poverty reduction;
- Economic diversification and accelerating economic growth (Energy, manufacturing, Tourism, Energy, health, education, water supply);
- Promoting private sector investments;
- Increasing infrastructure development;
- Sustainable natural resources management; and
- Meeting the Millennium Development Goals.

Some of the financing mechanisms the Zambia Water Sector could tap into:

- Establishment of Water Development Trust Fund (Water Resources Management Act (2011) provides for a Water Development Trust Fund to support the development, conservation and management of water resources);
- Climate Change Adaptation Funds;
- Raw water charges – Revising water charges/ tariffs is under consideration;
- Public Private Partnership (PPP);
- Users as appreciation of economic value of water increases; and
- Millennium Challenge Account Zambia.

## **4.0 OPEN DIALOGUE WITH PANELISTS**

*Discussion Session Moderator: Mr. Hasting Chikoko, IUCN ESARO/ GWPSA RTEC, South Africa*

### **4.1 Setting the Scene for the open dialogue with panelists,**

*Dr. Guy Pegram, Managing Director for Pegasys International*

The challenges that the water sector is already facing make it clear that there is need to finance water to ensure we continue to develop as a region. Financing water for climate change adaptation is necessary to support countries as they work towards climate resilient development. The region needs finances to manage water in a manner that the resource can

be able to continue sustaining growth and improving livelihoods of people even without the impacts of climate change being currently manifested.

Water resources management is already addressing climate impacts; however, climate change will worsen these. Not responding to these impacts now or in the future will affect the development pathways of country. So be it for now or for the future, investments in water resources management and development have to be made. Good water resources management ensures that water continues to enable development. It is important therefore, to realize that the region has to continue funding water resources management and development as it sustains growth and improves livelihood. Climate change as a stress multiplier calls for the water sector to do more, however, it's more of what we supposed to be doing anyway with regards to managing and developing the resource. The challenge the region has is how to prioritise those strategies that will respond now and in the future to ensure that we sustain our development pathways.

**Panelists:**

Phera Ramoeli	SADC Water
Anna Matros-Goreses	SASSCAL
Freddie Motlhatlhedhi	SADC Energy
Bertrand Meinier	Internationale Zusammenarbeit (GIZ), representing International Cooperating Partners (ICPs)

**Moderator Question 1 to SADC Water: It has been said that absorption capacity of funding in SADC is low, some countries, and provinces, fail to spend their allocated funding. Is this really an issue?**

The notion that there is no absorption capacity in the regional water sector is not true. We have been able to utilize what we have had on our hands. The reality is, especially for water infrastructure, there are insufficient resources. For the little resources available, the projects presented are said not to be well packaged. This tends to leave some of the funds unspent for some time. In some cases there have been promises of funds coming into support projects, but the actual funds have not been forthcoming. The requirements for some of this funding are too complex or cumbersome making it almost impossible to access the funds available. All these issues affect the flow of funds to projects and might be leading to the notion that there is no absorption capacity. There is need to address the bottlenecks to accessing funds in order for projects to be delivered on the ground. The region has the capacity to spend the money, once the access problems have been resolved. More importantly for the region, there is a need for capacity strengthening in project development and packaging. SADC is engaging with collaborating partners to support the secretariat and Member States in order to develop these capacity gaps. In order to assist Member States in improving proposal development, SADC has asked them to submit programmes and concepts and consultants will be engaged to assist in developing fundable projects. Guidelines are also being developed to provide step by step processes of what is needed to package proposals. A platform for coordinating exists for the ICPs supporting the water sectors in SADC, the Water Strategy Reference Group (WSRG), where needs from SADC are clarified or simplified.

**Moderator question 2 to ICP representative: Do you think the International Cooperating Partners (ICPs) engage adequately with their beneficiaries? What mechanisms are in place to ensure that beneficiaries know and understand available opportunities and how they can access them?**

ICP's are engaging with partners, the SADC WSRG for example is a platform that SADC DIS uses to coordinate water donors. However, in some cases the roles and mechanisms are sometimes complex and there is need to simplify these. A lot is being done by the donors in order to simplify the process; it is worth noting that some of these complex mechanisms are

set out to ensure that the value for money is illustrated. The ICPs are looking for impact on the projects delivered – what impact will be achieved in terms of livelihoods, economic growth, food security and other tangible results. ICPs want to get good value for the money when they invest in projects and programmes. A lot of support has been provided and now the public in the donor countries is asking what the invested money is achieving. In some cases beneficiaries fail to adequately present the achieved impacts in their reporting. Donors want to know what a dollar invested in water contributes to (or will contribute to) the economy. The achieved impact needs to be shown and communicated very well. Project proposal and reporting skills need to be strengthened in order to for the recipients to better articulate impact of the projects and prioritise those projects that will benefit the region by having a greater impact. Such projects and programmes are attractive to funders and investors.

It was noted that finances are available and while there are existing finance opportunities for climate change, there are also challenges. There is a lot of uncertainty on where the money is coming from, and what the funds are going to be used for. Another challenge is that not many of the projects are approved because they are not well packaged. Projects packaged for climate change funding have to show how there are addressing the impacts of climate change. This requires sound evidence and competent skills to develop successful proposals for climate funding.

### **Moderator question 3 to SASSCAL: Any ideas on local sources of finance for water to improve climate resilience?**

In order to have sustainable water resources management and development, there is need to ensure that there is revenue generation. Transparent structures need to be setup that will allow water operators to increase tariffs without political interference. The Namibian experience of introducing appropriate tariffs, cross-subsidizing and working out a rebate for consumers that cannot afford is a good example of using local resources to ensure sustainable systems.

Subsidization becomes important in ensuring social equity, currently in Namibia there is a proposal to have a water and sanitation policy that will subsidise consumers that cannot afford to pay, those who are below 30% on the poverty index.

### **Moderator question 4 to SADC Energy: Water needs to move beyond sectors – as it concerns everyone. What does moving beyond sectors entail at national and regional levels?**

Water development and management is a cross-cutting issue and thus requires coordinated efforts to manage and develop. Different sectors need to start planning together so as to ensure optimisation of initiatives. Joint planning will lead to cost sharing and maximising the available resources. SADC has developed a regional Infrastructure Master Plan to guide development in key infrastructure projects, and as a follow-up, a regional infrastructure investment conference is being planned to facilitate resource mobilisation from the national, regional and international sources. We need to maximize the integrated planning that takes place at local government levels and build on this at national and regional levels.

The region can draw from the experience and lessons of the SADC DANIDA IWRM project which demonstrated multi-sectoral benefits from integrated planning and joint resource sharing at the regional level.

Regional and transboundary initiatives have the potential of maximising cost sharing and joint planning, but there is limited funding and technical support for transnational initiatives. Countries are forced to focus on national interest due to the scarce resources being focused at that level.

## 5. WATER, CLIMATE CHANGE AND CLIMATE FINANCE

*Session Chair, Mr. Dhaneshwar Deepchand, Director of Water Resources, Mauritius*

The session was, aimed at sharing information on climate change financing opportunities available and increasing an understanding of the UNFCCC negotiations and mechanisms, through presentations. Experts in climate finance and climate negotiations unpacked what was going on in the world of international climate talks, and the implications to water resources management and development.

### 5.1 Understanding the UNFCCC processes (Bali, Copenhagen and Cancun, towards Durban),

*Ms. Belynda Petrie, Regional Climate Change Programme for Southern African,*

The presentation outlined key outcomes from the multilateral negotiations over the last five years leading to the Durban conference. These included the Kyoto Protocol, Climate Finance under the UNFCCC, the Bali Action Plan, the Copenhagen Accord and the Cancun Decisions.

#### *Kyoto Protocol status and climate finance*

The Kyoto Protocol is an international agreement linked to the UNFCCC. The Kyoto Protocol set binding targets for 37 industrialized countries and the European community for reducing greenhouse gas (GHG) emissions amounting to an average of five per cent against 1990 levels over the five-year period from 2008 to 2012. Under the Treaty, countries must meet their targets primarily through national measures by Emissions trading – known as “the carbon market”; Clean Development Mechanism (CDM); and Joint implementation (JI).

#### *Climate Finance under the UNFCCC*

Finance is one of the building blocks of the Bali Action Plan, which was adopted by the 13<sup>th</sup> Conference of the Parties (COP 13) in 2007. The plan sets out the mandate for the ongoing negotiations on long-term cooperative action under the UNFCCC, and states that negotiations are to consider “enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation.”

#### *Bali Action Plan 1.CP/13: Finance*

Finance issues listed in the Bali Action Plan for further consideration include improved access to and the provision of new and additional resources; providing support for mitigation and adaptation; mobilizing public- and private-sector funding and investment; and identifying innovative ways to assist particularly vulnerable countries.

#### *Copenhagen Accord*

The Copenhagen Accord was negotiated at the UN Climate Change Conference in December 2009 and included political agreement on some issues relating to finance. The Copenhagen Accord's main impact on finance negotiations was reaching a political commitment on the scale of contributions, and the mobilization of a considerable and rapid upscale of climate financing in the years 2010-2012. The Accord also indicates:

- Fast Start Finance Pledges of up to US\$30 billion between 2010 and 2012;
- Joint commitment to mobilise US\$100 billion per year by 2020, in the context of meaningful action and transparency;
- Balanced allocation between adaptation and mitigation, with a priority on SIDS, Least Developed Country and Africa;
- Intent to establish the Green Climate Fund;
- Multiple sources of finance; and
- High Level Panel on Finance.

### *Cancun: Decision 1.CP/16*

Decision in the Cancun agreement included an outline of fast start reporting and transparency process. The Cancun decisions also:

- Recognises the US\$100 billion pledge; multiple sources; takes note of the AGF and reports on the financial needs of developing countries, and agrees that a significant share of new multilateral funding for adaptation will flow through the Green Fund;
- Establishes GCF and outlines accountability to the COP; agrees Board governance composition; outlines Trustee role and designates the World Bank as interim trustee;
- Establishes the Transitional Committee to Design the GCF and mandates them to make recommendations to the COP17; and
- Establishes a Standing Committee on Finance to support the COP to do: MRV; rationalisation; mobilization; and coordination and coherence.

### *Road to Durban*

The next UN Climate Change Conference will take place in Durban, South Africa from 28 November to 9 December 2011. It is the 17th meeting of the Conference of the Parties to the UNFCCC (COP 17) and the 7th Meeting of the Parties to the Kyoto Protocol. Various rounds of negotiation are being held and the SADC region has a strong representation on the Transitional Committee on Green Climate Fund through South Africa's national planning minister Mr. Trevor Manuel as co-chair. It is anticipated that the Transitional Committee on Green Climate Fund will deliver a fund structure for Durban with a strong focus on direct access and country ownership; regional access; and focus on Value for Money. At least 29 decisions are tabled for Durban and monthly meetings are being held between Parties ahead of the conference.

### *UNFCCC Channels of Funding*

The presenter said the UNFCCC channels of funding for climate change was from both public and private sources. Funding for non-Annex I countries under the UNFCCC is provided through the Global Environment Facility (GEF), including under the Special Climate Change Fund and the Least Developed Country Fund; and the Adaptation Fund of the Kyoto Protocol. The largest multilateral funding sources for climate change in non-Annex I countries outside the UNFCCC are the World Bank's Climate Investment Funds. Funding for reducing emissions from deforestation and forest degradation in developing countries (REDD) is provided, *inter alia*, through UN-REDD and the World Bank's Forest Carbon Partnership Facility. Official development assistance (ODA) and bilateral initiatives also play a significant role in combating and adapting to climate change in non-Annex I countries.

## **5.2 Demystifying Climate Finance – for Water Security,**

### ***Belynda Petrie, Regional Climate Change Programme for Southern African,***

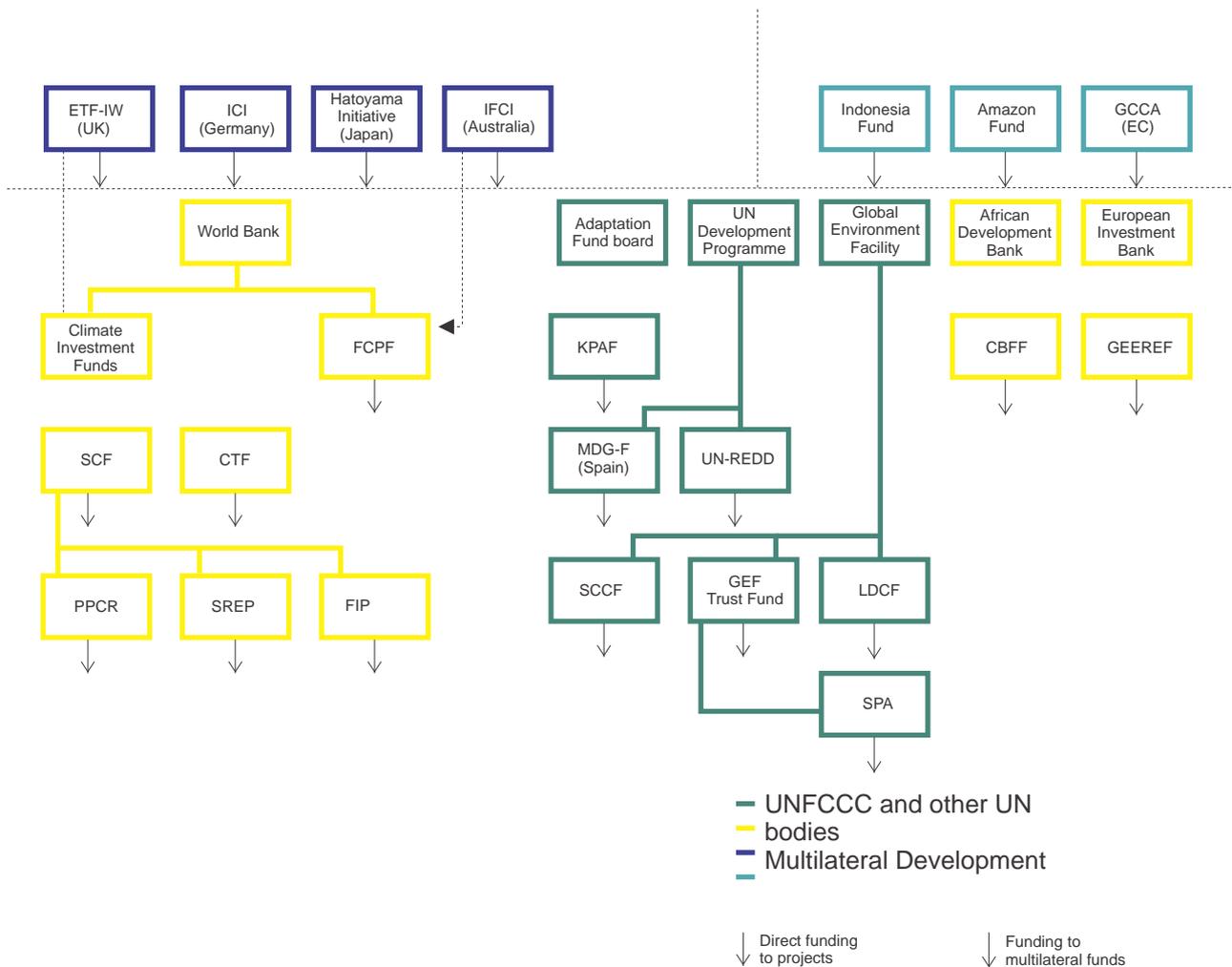
The presentation focused on explaining what climate finance was meant for, its relevance, what funds were available and how they could be accessed, and from which institutions. The In order to maximise resources from the available climate funds the water sector needs to:

- Strengthening the regional evidence base;
- Developing tools to translate evidence into strategy and policy;
- Strengthening governance, institutions and finance absorptive capacity;
- Building African climate finance Implementing Entities (National and Multilateral) capacity such as the African Development Bank, host of the Africa Water Facility ;
- Strengthening the sectors influence in international negotiations through strengthened regional domestic and international negotiation capacity; and
- Strengthening regional partnerships, *and cross sectoral dialogue and cooperation, because cross sectoral proposals are winning proposals.*

Climate finance is aimed at redressing the climate change problem in non-culpable regions and vulnerable countries. Climate change limits development through impacts on sectors central to human survival such as agriculture, water, health, and energy, hence the need for finance to undertake climate resilient initiatives to:

- Facilitate meeting of the Millennium Development goals (MDGs),
- Strengthen the absorptive capacity to be able to move from concept to project
- Demonstrate country, sector and regional ownership of *Climate resilient development* at a national and transboundary level
- Facilitate strengthening of water sector and recipient sectors

It is important to note that, climate finance will be provided to fund projects with the principle and explicit aim to adapt and increase climate resilience. The available funds include portions from bilateral, multi-donor trust funds and multilateral donors as indicated in the diagram below.



## MULTILATERALS

Figure 1: Climate finance architecture

### Available funding

The funding institutions available for climate finance are:

- Global Environment Facility (GEF) Trust Fund – CC Focal Area;
- Global Environment Facility - Least Developed Countries Fund (LDCF);
- Global Environment Facility - Special Climate Change Fund (SCCF) and
- World Bank Climate Investment Funds - Pilot Programme for Climate Resilience (PPCR)

Table 3 below highlights the objectives of the funding from the mentioned institutions, as well as activities that could be financed and issues of eligibility.

<b>Global Environment Facility (GEF) Trust Fund – CC Focal Area</b>
<p><i>Objectives</i> - Help developing countries contribute to the overall objectives of the UNFCCC. Both mitigation and adaptation.</p> <p><i>Activities</i> - Renewable energy; EE; sustainable transport; Adaptation – initial studies, vulnerability assessments and pilot projects (under SPA).</p> <p><i>Eligibility</i> - Must conform to eligibility criteria set by COP; must be eligible to borrow from the WB.</p> <p><i>Funding</i> - US\$3 billion disbursed to date, mainly mitigation. SPA has spent \$50m on 22 projects – predominantly capacity building in vulnerable areas.</p>
<b>Global Environment Facility : Least Developed Countries Fund (LDCF)</b>
<p><i>Objectives</i> - Addresses most urgent and immediate needs of countries whose economic and geophysical characteristics make them especially vulnerable to the impact of climate change.</p> <p><i>Activities</i> - Focus on NAPAs: Preparation – identify priority needs and activities Implementation – design, develop, implement projects</p> <p><i>Eligibility</i> - All LDCs</p> <p><i>Funding</i> - 31 contributing countries; \$324 million pledged; \$ 177m on 47 projects. Co financing mobilised: \$550m.</p>
<b>Global Environment Facility: Special Climate Change Fund (SCCF)</b>
<p><i>Objectives</i> - Implement long &amp; short term adaptation measures-increase resilience of national development sectors. Catalyst to leverage finance from other sources. Supports adaptation and technology transfer in all developing country parties to the UNFCCC.</p> <p><i>Activities</i> - Wide range including <b>WRM</b>; land management; agriculture; health; infrastructure; ecosystems; integrated coastal zone management. Generally capacity building within sectors, implementation of measures.</p> <p><i>Eligibility</i> - All non-Annex 1 countries, emphasis on most vulnerable. Focus is on additional costs imposed by CC.</p> <p><i>Funding</i>- \$180 million pledged; 31 projects: \$177M Co-financing mobilised: \$840m; 14 contributing countries</p>
<b>World Bank Climate Investment Funds: Pilot Programme for Climate Resilience (PPCR)</b>
<p>The Pilot Program for Climate Resilience (PPCR), approved in November 2008, was the first program developed and operational under the Strategic Climate Fund (SCF), which is one of two funds within the design of the Climate Investment Funds (CIF). The PPCR aims to pilot and demonstrate ways in which climate risk and resilience may be integrated into core development planning and implementation. The pilot programs and projects implemented under the PPCR are country-led, build on National Adaptation Programs of Action (NAPA) and other relevant country studies and strategies. Three African countries, Mozambique, Niger and Zambia, are benefiting from the PPCR. The PPCR contributes to the objectives of the SCF by integrating climate resilience considerations into national development planning and implementation that are consistent with poverty reduction and sustainable development goals. Under the PPCR two types of investments are supported.</p> <ul style="list-style-type: none"> <li>• Funding for technical assistance to enable developing countries to build upon existing national work to integrate climate resilience into national and sectoral development plans.</li> <li>• Funding public and private sector investments identified in national or sectoral development plans or strategies addressing climate resilience.</li> </ul>

### *Adaptation Fund*

The Adaptation Fund has been established by the Parties to the Kyoto Protocol of the UN Framework Convention on Climate Change (UNFCCC) to finance concrete adaptation projects and programmes in developing countries that are Parties to the Kyoto Protocol. The Fund is financed with 2% of the Certified Emission Reduction (CERs) issued for projects of the Clean Development Mechanism (CDM) and other sources of funding. The total available resource is expected to be between US\$ 300-415 million by 2012. Funding from other sources such as donations may also supplement the proceeds of the monetization of CERs. The AFB has approved policy guidelines proposals either directly through their accredited National Implementing Entity (NIE) or using the services of Multilateral Implementing Entities (MIEs). All project proposals require the endorsement of the authority which has been designated by the relevant Government to make such endorsements. Strong evidence base required for proposals and the funds are managed by the GEF.

### *GEF/fund management issues*

GEF is gaining experience in applied adaptation but it does not have enough funds for adaptation. It has a non-conditional funding policy, but its complex governance structures go against principle of direct access to funds. Distinguishing additional costs of climate change is also problematic as GEF use sliding scale.

### *Fast Start Finance*

The Copenhagen Accord outlines a pledge by many developed countries “to provide new and additional resources, including forestry and investments through international institutions, approaching \$30 billion for the period 2010 to 2012 with balanced allocation between adaptation and mitigation.” Fast start finance is not an institution or a pooled fund, but rather utilizes existing funding channels and institutions that have the means to provide near-term support for climate activities. The objective of the funds, referred to as 'fast start finance' is to help developing countries adapt to the impact of climate change and to pursue actions that put them on a low-carbon development pathway. These pledges have the potential to build trust between developed and developing countries in the international climate arena, which will enhance progress towards a comprehensive post-2012 international climate agreement. As of 24 June 2011, reports have been submitted by: Australia, European Union, United States, Norway, New Zealand, Lichtenstein, Japan, Canada, and Switzerland.

### *EU Fast Start Finance 2010*

The European Union and its Member States committed to contribute a total of € 7.2 billion over the period 2010-2012 as part of their fast-start effort. In 2010, the EU already mobilised € 2.2 billion.

### *EU Fast Start Finance: Water*

In Southern Africa a 2.28m grant has provided by the UK to help ensure that River Basin Organisations have the authority and ability to deliver improved water resource management in at least five transboundary RBOs through the Regional Transboundary Water Programme for the period 2010-11.

A grant of 4.7m to strengthen cooperative management and development of international waters within selected river basins, to strengthen climate resilient growth, reduce the risk from climate related vulnerability and enable greater use of water for productive development has also been provided for cooperation in international waters in Africa for the period 2010 – 2012.

### *USA Fast Start Finance: 2010*

U.S.A fast start finance is provided to developing countries through a variety of channels, including:

- Bilateral, regional, and multi-regional programs, principally through USAID but also through other U.S. government agencies administering such programs;
- Development finance and export finance through the Overseas Private Investment Corporation (OPIC) and the Export-Import Bank of the United States (Ex-Im); and
- Multilateral climate finance vehicles, including the CIFs, the GEF, the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF)
- The following sections describe how developing countries accessed FY10 finance through these channels. In addition, the fact sheets for each recipient country also specify the channels used to access U.S. climate finance for various programs

In 2010, the United States has delivered \$375 million to the Climate Investment Funds, including:

- \$300 million to the Clean Technology Fund, which aims to catalyze sustained, long-term clean energy transformation in developing countries;
- \$55 million to the Pilot Program for Climate Resilience, which helps highly vulnerable countries prepare for and respond to the unavoidable effects of climate change; and
- \$20 million to the Forest Investment Program, which provides financing for investments in forest governance and institutional capacity development, as well as measures to reduce deforestation drivers outside the forest sector.
- In addition, in FY 2010 the United States provided:
- \$30 million to the Least Developed Countries Fund, a United Nations Framework Convention on Climate Change (UNFCCC)
- US\$ 20 million to the Special Climate Change Fund.
- US\$ 10 million to the Forest Carbon Partnership Facility.
- US\$ 37 million for climate investments through the GEF.

Globally, USAID will invest US\$ 47 million in water security programs to strengthen local capacity and resilience to slow-onset disasters (e.g., droughts) by improving access to safe drinking water, sanitation, and hygiene practices. A US\$ 500,000 investment in the West Africa Water Supply, Sanitation, and Hygiene project in Burkina Faso, Ghana, Mali, and Niger will go toward planning the size, design, and siting of infrastructure projects, taking into account expected variability in water availability or quality from climatic changes, and the increased potential for extreme weather events that could damage water systems.

#### *USA Fast Start Finance in SADC Countries*

- Angola: USAID: \$400,000 to support small farmers in the provinces of Bengo, Benguela, Huambo, and Kuanza Sul : training in agricultural practices—such as using water more efficiently and improving soil fertility and plant nutrition that increase the productivity of crops while reducing soil erosion.
- DRC: USAID: US\$ 2 million in the DRC to promote soil and water conservation and nitrogen-fixing plants, which will help agricultural systems adapt to meet energy demands and take pressure off of forested resources.
- DRC: USAID is providing US\$ 250,000 to increase water storage to reduce variability in the water supply in the DRC, helping to increase resilience to climate stresses on water systems.
- Tanzania: USAID is investing US\$ 1.7 million in integrated water supply, sanitation, and hygiene activities to improve watershed management in Tanzania and increase the efficiency of water use.
- Mozambique: USAID is providing US\$ 1.5 million to help Mozambican communities adapt to climate change impacts.

### **5.3 Water – Key in Climate Change Adaptation and Mitigation,**

*Mr. David Lesolle, African Carbon Exchange*

The presentation highlighted the importance of water in all its forms towards climate change adaptation and mitigation. The role of water in REDD + as a mitigation strategy will lead to drainage of water from catchments and this will affect other uses. Water is also critical in biofuels, a lot of water is needed to produce biomass for this purpose. On the other hand impacts of climate change will be felt thorough extreme event of either too much water or too little water.

Water has no boundaries and is transboundary in nature. It crosses both national and sectoral borders. There was need therefore for adaptation and mitigation measures to be shared across sectors, and across national and international boundaries. The region needs to work cross-sectoral and inter-ministerial so that we can optimize the use of limited and valuable water resources to meet the changing water demands.

Africa needed to have a strong and united voice on the global forum to deal with the barriers towards accessing the available climate change adaption finances. Stakeholders in the region needed to know who the African Negotiators are and engage them in order to empower them with information to influence global discussions. Capacity initiatives are being done in order to ensure Africa speaks with one voice; however, there is a technical and political divide that needs to be addressed in order to strengthen Africa's position. Africa needs a Climate Change Centre of Excellence to provide information to empower the negotiators on the real issues at hand.

### **5.4 Visioning Institutional Arrangements for Climate Financing,**

*Webster Whande, Regional Climate Change Programme for Southern Africa,*

Funds mobilization for climate funding comes through various avenues: GEF funds under UNFCCC, World Bank and other multilateral development banks, funds established outside the UNFCCC. This is however, gravitating towards a common institutional position for funds mobilization (global) and also reporting to the COP (accountability lines). With regards to accessing the funds – under GEF and World Bank countries have been accessing these funds through multilateral implementing entities (MIES) like the UN agencies.

The direct access key through national implementing entities (NIEs) has been included in the Adaptation Fund (AF). The questions of intermediaries, staggered institutions – from UNFCCC through a continental fund (Africa Green Fund), sub-regional development banks has been raised thus forming regional implementing entities – that can access the funds on behalf of the countries. Direct access is important in order to address issues around disbursement to the most affected – national and sub-national institutions. In accessing the funds on behalf of the countries MIEs are charging 15% for project administration funds that could otherwise be used at national level. NIEs will increase the ownership of climate funds by involving countries in the process and outcome of securing finance this is important for developing countries as it builds the capacity of institutions as well.

Although, the AF is promoting direct access there remains a low level approval of NIEs. Strengthened institutions are important for securing ownership of climate funds at national level. These institutions require redesign and inbuilt accountability and transparency structures, enhanced knowledge of environmental and development issues, skills in project design, proposal development The Mozambique RCCP experience with MICOA (Ministry of Environment) and FUNAB, is an example in the region where an institution has been identified to be established as a NIE. RCCP is assisting FUNAB which was identified by

MICOA to register with the Adaptation Fund Board and building the capacity of the institution to handle large find something it has not done. However, with this work going on, there is competition for space with MIEs already accessing climate funding for adaptation projects without the involvement of national institutions due to lack of institutional capacity.

The Mozambique case presents a few lessons which the region can learn from:

- It indicates we are not short of institutions in the region but need to strengthen existing institutions
- Getting beyond competing mandates among potential NIE institutions.
- Without strengthened national institutions, they will be continued MIEs involvement (not direct access)

In addressing the issue of direct access the following questions and issues need to be taken into consideration:

- Is there room for designing NIEs based on shared responsibilities?
- Treasury/planning and institutions with environmental mandates
- Building on existing institutions and records with development finance
- Hybrid non-profit and governmental or non-governmental and governmental
- Funds create a legible base for leveraging private funds, creates conditions for national
- An NIE also helps with recognition from treasury and opportunities for co-financing
- At what level? National? Transboundary, multi-country – the role of regional development agencies, sub-regional banks
- Capacity building now – future competencies and responsibilities

## **6.0 Understanding water related adaptation projects**

This session was aimed at increasing the understanding of water related adaptation projects. The case studies presented reflected on those that have received climate financing and also projects with the potential of being taken forward for climate funding.

### ***6.1 Climate Change Adaptation in the Water Sector in Swaziland,***

#### ***Dumisani Mndzebele***

The Government of Swaziland has been working on a proposal for a US\$ 1.67 million project with the support of UNDP to address the challenges related to climate change impacts in the water sector. The project whose goal is to ensure that the management of Swaziland's water resources is adapted to take into account the anticipated impacts of climate change has been submitted to the Special Climate Change Fund (SCCF) under the Global Environment Facility (GEF). Other finance sources include the Department of Water Affairs, Swaziland Water and Agricultural Development Enterprise (SWADE) and UNDP country office who are also partners in the project.

The objective of the project is to promote the implementation of national and transboundary IWRM that is sustainable and equitable given expected climate change. The presentation highlighted the following expected outcomes from the project:

- Information to raise awareness and inform policy on the expected impacts of climate change within the water sector and to determine preferred adaptation responses developed and disseminated.
- National coordinating mechanisms for revising policy based on scientific knowledge of climate change risks strengthened.
- Capacity to integrate climate change risks into water-related development and training programmes strengthened.

- A national policy dialogue facilitated to promote inclusion of water sector-related adaptation measures into the National Water Policy, Integrated Water Resource Master Plan, and the National Climate Change Policy.
- Water resource management guidelines and tools amended to take into account climate change.
- Management and investments plans implemented by Ministry of Natural Resources and Energy (Water Affairs), and Ministry of Agriculture (SWADE) adjusted to take into account climate change risks.
- Community resilience to water-related climate change stresses strengthened.
- Climate-resilient rainwater harvesting techniques piloted.
- Groundwater recharge rates improved.
- Public awareness regarding climate change, its impacts on water supply and effective adaptation raised.
- Swaziland delegations to transboundary water resources management negotiations briefed on implications of climate change on transboundary water management and climate change aspects integrated into the negotiation strategy.
- Knowledge products on climate change impacts on transboundary water resources management and water allocation developed and disseminated to relevant stakeholders.

Stakeholder involvement in implementing the project will include partner institutions such as Ministry of Agriculture, SWADE, Komati Basin Water Authority (KOBWA), River Basin Authorities (RBAs), NGOs, private and public sector institutions and civil society.

He said ownership of the project by communities may be a challenge in places where there was acute water shortage, because community members might not be keen to invest energy in issues with no immediate impact in their lives. Other challenges included how to maintain community interest throughout project implementation for long-term interventions as well as communities' limitations understanding and defining climate change impacts in a way that may help the project engineer/designer to recommend the right adaptation measures.

Lessons learnt in developing the climate change project proposal were that:

- Interest for partnership is high resulting in the need for effective coordination of potential partner institutions during the implementation phase.
- Project support by potential partners has tended to benefit a lot from the flexible co-financing arrangement, whereby even in-kind contribution is permissible.
- There is often a narrow divide between baseline work and the climate change adaptation
- Climate change adaptation projects have multi-sectoral dependencies. Careful planning of stakeholder involvement is required for all phases of project life-cycle.
- Careful tact is required in acquiring indigenous knowledge and experiences from communities.

## **6.2 Coping with Drought and Climate Change Project, Leonard Unganai, Zimbabwe**

The presentation highlighted experiences on a climate change adaptation initiative funded from the Special Climate Change Fund (SCCF) under the Global Environment Facility (GEF) taking place in Zimbabwe in the Chiredzi District. The goal of the project is to enhance the capacity of agricultural based livelihood systems in Zimbabwe to adapt to climate variability and change the project duration is from 2008 to 2012.

The purpose of the project is to demonstrate and promote adoption of a range of long-term gender sensitive approaches for adaptation to climate change among rural communities currently engaged in agriculture in vulnerable areas of Chiredzi District as a national model.

The project has four components namely:

- Expanding Climate Change knowledge base
- Pilot demonstration projects (adaptation measures)
- Enhance use of climate early warning system
- Replication and knowledge sharing

Climate change adaptation programmes have to be underpinned by a sound knowledge base of the climate change problem, existing vulnerabilities and evidence based adaptation strategies to be able to benefit from the Special Climate Change Fund under the Global Environment Facility. The role played by local individuals and organizations, supported by a conducive policy environment and strong local institutions are critical to the success of a climate change adaptation initiative. For agriculture-related adaptation initiatives, “adaptation will to a large extent depend on how farmers manage limited water resources”.

### **6.3 Sustainable Forest Management Programme - Payment for Ecosystem Services in Western Province in Zambia, Peace Parks Michel Smit, Peace Parks Foundation, South Africa**

Following a request from the King of the Barotse Royal Establishment (BRE) of Western Province in Zambia to Peace Parks Foundation (PPF) to assist with the protection of their forests, PPF is developing a Sustainable Forest Management Programme (SFMP) for the Province to derive maximum socio-economic and ecological benefits. Sustainable Forest Management involves a holistic natural resources management approach that maintains the integrity of forest ecosystems and their services as well as contributing to the communities' well-being now and in the future.

An Integrated Development Plan (IDP) for the Zambian component of the Kavango - Zambezi Transfrontier Conservation Areas (TFCA) has been developed. An MoU has been signed between PPF and the Zambian Government to investigate and facilitate Climate Change interventions. Another MoU has been signed between PPF and the UN – FAO. A preliminary forest assessment of Western Province has been done as well as comprehensive community consultation and detailed forest assessments in the Sesheke District of the Western Province.

An important component of SFM is Reducing Emissions from Deforestation and forest Degradation (REDD) and the role of conservation, sustainable management of forests and enhancement of carbon stocks in developing countries (REDD+). Zambia is one of nine countries of the United Nations Collaborative Programme that pilots REDD+. REDD+ is an international financial reward mechanism that promotes a holistic approach to the conservation of forests.

The immediate steps to follow in the SFMP are to conduct community participatory meetings in each district of the Western Province and to do an aerial verification of the already identified forest blocks. This will be followed by an assessment of current timber and pitsaw licenses and the development of forest management options and models. These are envisioned to be completed by end November 2011.

Sustainable Forest Management in Barotseland may potentially supply ecosystem services such as biodiversity conservation, reduced flooding (disturbance regulation), improved water quality, improved fishing, erosion control, genetic resources and reduced sedimentation in rivers. Importantly, it is noted that sustainable land use practices have strong potential in providing water security (by reducing summer storm-flows) and achieving carbon sequestration.

Potential sources of funding include:

- *UN REDD funding:* Zambia is a UN REDD+ pilot country and it is envisaged that the Western Province SFMP will pave the way for the country's first REDD+ demonstration projects. Funding can potentially be sourced directly from the Zambian REDD+ programme, country-to-country lobbying and NGOs raising funds for REDD+ specific projects.
- *Pilot Programme for Climate Resilience:* Zambia is a participant of this programme and the Barotse Flood Plain has been identified as a priority area. Funding can potentially be sourced from the Multi-lateral Development Bank, African Development Bank, International Finance Corporation, United Nations Development Programme and DFID.

#### **6.4 Climate, Health Disasters in Lower Limpopo - A case for investment in water and sanitation James van Hasselt, Regional Climate Change Programme for Southern African,**

The presentation focused on highlighting the climate change, health and water nexus. The aim of the presentation was to raise awareness on the strong link between water and health and the impact of climate change on this link. It built a case for investing climate funds in water and sanitation considering the impact climate change will have on health in the sector if this sector is not resilient.

Noting that climate change is the biggest global health threat of 21<sup>st</sup> Century, the presentation used the case of the Lower Limpopo region in Southern Mozambique, which has been identified as a climate change hot spot of risk and vulnerability to highlight the links between water and health. The International Federation of Red Cross (IFRC) has identified Mozambique as the most vulnerable country affected by climate change. Communities in the Lower Limpopo region in Southern Mozambique are already experiencing severe impacts of climate on human health.

The majority of the climate change impacts on the health of communities in the Lower Limpopo region in Southern Mozambique are due to the existing burden of disease; exposure to increasing risk of extreme climate events and limited adaptive capacity.

The presentation highlighted that water either being too much; too little and too variable causes climate change health impacts related. In the Lower Limpopo region in Southern Mozambique these impacts include:

- Drying and warming trend –increased dry spell persistence (impact on rain fed agric) – leading to food shortages thus malnutrition
- Extreme events – droughts, intense precipitation with flooding; cyclones – affects water quality high likelihood of cholera
- Relatively low capacity for adaptation leading to increased vulnerability

Limited investigations on the health impacts of climate change have been conducted in the SADC region, there is also a need for improved public health surveillance and primary health information systems in region. Estimates by the World Health Organization (WHO) indicate that climate change is already responsible for considerable morbidity and mortality. Loss of healthy life years as a result of global environmental change (including climate change) is predicted to be 500 times greater in poor African populations than in European populations.

The following key questions are food for thought for the health and water sectors:

- How do we collaborate to improve information for a “balanced portfolio” of prioritized, evidence-based responses?

- Where are the local vulnerabilities and hot spots; how do we deal with the surface and ground water issues; what are the development scenarios and the impact on water and health; what are the effective responses and technological solutions that we can consider; what is the region doing with regards to climate change related health trend monitoring.
- Which response strategies should we prioritize?
  - Which make sense under current and climate change scenarios?
- Can we climate change to revitalize the inter-sectoral Public Health approach?
- How do we use potential for health sector support for positive action for in water and other sectors, and vice-versa?

## **7.0 HIGH LEVEL PANEL DISCUSSION TO DEFINE THE WAY FORWARD**

### **Moderator and session chair: Hastings Chikoko**

#### ***Key discussion point: Making climate finance work for water development– building regional security***

The session explored how the region can make climate finance work in order to ensure water security and build regional security.

#### **Panelists:**

Dumisani Masilela	Commissioner General, Swaziland Revenue Authority
Remigious Makumbe	SADC Director for Infrastructure Service
David Lesolle	Member of the Group of Africa Negotiators
Allan Hall	Chair EU Financing Water Group
Ruth Beukman	Executive Secretary, Global Water Partnership Southern Africa
Ben Davies	UK Aid Representative
Alex Banda	SADC Climate Programme Coordinator

#### **Moderator question 1: How do you see the SADC region ensuring that climate change challenges are integrated into development?**

Climate variability and climate change impact will be felt in terms of water stress and people's access to energy and food. Most sectors rely on water, so any change in the quantity and quality of water affects regional development. Key building blocks that SADC are putting into place such as supporting regional transboundary water management to strengthen the RBOs are important in adapting to climate change effects. However, the region needs to look at the climate change challenge in the development context. It is critical to ensure that we integrate climate change into development planning. The Zambian case where climate change issues were integrated into the 6<sup>th</sup> National Development Planning is a good example of how countries should now start seeing climate change as a developmental challenge. The region should ensure that at all levels water resources management responses to climate change impacts are integrated into development planning.

#### **Moderator Question 2: From a financing perspective what issues should we be focusing on to ensure we maximize on the opportunities and available resources both internal and external?**

The water sector needs to start talking about the value of water from an economic perspective to convince the planners and financiers on why they invest in water resources management and development. There is a need to re-visit how we package our messages to the people/institutions with the money. Finance is a scarce resource in the water sector. There is need to ensure that the sector is attractive. This can be done by putting into place the right

environment to access finance. Stronger governance and stronger institutions should be put in place to ensure that funds are managed properly. A conducive environment for investing will attract funds as it builds confidence.

Governments should build their capacities to manage funds effectively, by improving administrative and financial systems in their departments. Capacities to improve management of projects and resources are vital in attracting funds and also being able to absorb the funds.

**Moderator Question 3: What opportunities exist for local sources of finance towards water for climate resilience to ensure regional security?**

Financing water issues is very challenging due to conflicting policies in different departments which make it difficult to recover costs. One of the main challenges in our governments is the lack of consistent policies. There is a great need to advocate for policy consistency in order for governments to focus on long-term policy planning that is not in conflict. This will facilitate strengthening of the revenue collection base and thus sustain water financing.

**Moderator Question 4: How can SADC maximize on tapping on local resources? Is the SADC region prepared to go out there and get the money and use it? Do we have the proposals? Do we have the capacity to use the resources? Are we prepared to harness the resources?**

SADC is prepared, as a region with a legitimate base and defined priorities, concepts and projects. These are all clearly defined through instruments such as the Protocol on Shared Watercourses, the Regional Strategic Action Plan (RSAP), the Regional Indicative Strategic Development Plan (RISDP) and the SADC Infrastructure Master Plan. In addition, SADC is organizing an Infrastructure Investment Conference later on in the year this will provide a platform for countries to present projects to investors. A lot has been done to set an enabling environment that can support the identification and implementation of projects.

**Moderator Question 5: What are the capacities that need to be developed to develop fundable proposals?**

SADC has embarked on climate change programmes and enhancing capacity to address develop proposals is a key area. The Regional Climate Change Programme, funded by DFID and managed by One World, is one such programme in the region that is supporting increasing climate change finance absorptive capacity. Increasing the absorptive capacity for climate funding will ensure that the region strengthens its resilience to climate change. SADC is also facilitating a platform that brings together COP negotiators to ensure that the region speaks with one voice and influence global negotiations including the climate finance architecture. There is also the SADC Development Fund which is aimed at supporting the development of fundable project proposals. In some cases we out source project preparation to consultants to ensure good proposals. To improve demonstration of impact, SADC is focusing on implementing quick win projects, promoting coordination of inter-related projects and through the infrastructure master plan.

**Moderator Question 6: What messages should we be sending out to ensure that proposals on water resources management and development receive climate funding?**

One of the ways of motivating funding is to be able to show case what has worked and what is happening. There is room for improvement in terms of show casing the value of water

resources and development. The water sector has a lot of successes, which are sometimes only known by ourselves. Adaptation is not a new thing – as we have been responding to climate variability; however climate change will exacerbate these impacts. IWRM is an adaptation strategy that works and we need to demonstrate how things have worked. The challenge is on how to present IWRM in the context of development. Zambia has demonstrated that by integrating water resources management into development planning, in order to support national priorities, local and international funds can be channeled to into the prioritized activities.

In responding to climate change adaptation in the water sector it is important to note the following six I's:

- **Information** – it is important to have data and information to assess current and projected climate changes and which will assist in determining vulnerable hot spots and adaptation strategies.
- **Infrastructure** – in order to cope with extremes in water change either through too much water or little water. Water infrastructure is important in improving the resilience of societies
- **Institutions** – in order to respond to the uncertainties presented by climate change there is need to ensure that institutions that plan, manage and develop the resource are adaptive enough to tackle the challenges.
- **Inclusion** – climate change will impact mainly the vulnerable and the poor, who are mainly women and the youth. In developing adaptation responses it is important to ensure that they involvement and also using a gender lens in determining the strategies at all levels.
- **Integration** – it is important to bear in mind that water resources management are cross-sectoral in nature and impact on a number of sectors. A multi-stakeholder approach is needed in defining adaptation strategies. Transboundary implications of climate change impacts should be considered in determining national and local level responses.
- **Investments** – It is important to ensure that both public and private investments are directed to water related adaptation strategies. Investments need to be made for all the above responses.

### Comments and reactions from the floor

- In terms of practical actions we need a properly coordinated process to ensure that as negotiations are on-going, we consolidate our concerns and present our issues to the right bodies with influence. Africa can be a lot more assertive in the negotiations, and has a lot to offer as a favoured continent.
- The levels and disparities among people involved in the negotiations needs to be addressed in order to ensure that the region has the right soldiers to fight the war.
- The important role parliamentarians can play in the implementation of water and climate issues should be recognised. The region needs to empower them with relevant information to enhance their effectiveness.
- It is important to ensure that catchment management is financed in order to increase ecosystem resilience.
- There is need for more joint coordination and planning of programmes to maximize the available resources
- The region needs to be pro-active in influencing decisions on financing from funders. There is also a need to engage with donors and multilateral development banks in order to remove blockages that constraint funding.

## **8.0 Closing Remarks**

*Mr Sylvester A Matemtu, Assistant Director of Water Resources for Transboundary, United Republic of Tanzania*

It was noted that the outcomes of the dialogue will be taken forward to the SADC WRTC for incorporation into the SADC RSAP III. Noting that water was so critical to the economic development of the region, there was a need to strategise nationally, regionally and continentally because climate change impacted on all sectors. The region should continue to build on the political will, mutual trust, government commitment, good planning transparency and neighborliness to mitigate the effects of climate on our economies. Climate change is a developmental challenge and has to be integrated in all development initiatives.