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Concept Note & Agenda for the Second Africa Adaptation Initiative Virtual South-South Peer Capacity Exchange Programme (SSEP)

Introduction

The proposed activity contributes to the operationalization of Outcome 2 of the UNDP – AAI Programme on Knowledge and Capacity for climate change adaptation (CCA) Project Development.

Outcome 2 aims at enhancing avenues through which information about successful adaptation interventions, adaptation planning and project development methods, and access to financing sources is gathered and shared.

The implementation of the activities proposed under outcome 2 will create a solid foundation for the future scaling up of adaptation efforts and the development of future direct investments in CCA for vulnerable sectors in Africa.

These activities will build on existing knowledge-sharing processes developed as part of country NAP processes to establish a hub for sharing best practices under all of the Flagships and initiate a south-south peer technical capacity exchange focused on sharing and developing adaptation project development skills using hands-on case study based interactive exercises. By strengthening this knowledge and capacity-sharing mechanisms as well as the coordination activities of the AAI, this outcome will help create the enabling environment for further CCA project development within the region.

Outcome 2: Knowledge and Capacity for CCA Project Development Strengthened

Outputs

- 2.1 Develop an African hub for the sharing of good practices and lessons learned between countries
- 2.2 Set up South-South exchange Programme
- 2.3 Strengthen the AAI Secretariat's coordination of knowledge and capacity development activities

Proposed Format

The AAI SSEP is proposed as an annual Programme to bring together developing countries' representatives with primary responsibility in facilitating climate finance mobilization to share their experience in accessing resources for adaptation.

AAI launched the South-South peer capacity Exchange Programme (SSEP) through two days of training and exchanges of experiences among African national designated authorities (NDAs) for the Green Climate Fund (GCF) on October 5th to 6th 2022 in Rabat (Morocco). The inaugural SSEP enabled the engagement of the GCF NDAs of almost 30 African countries to exchange on matters related to scaling up climate finance for adaptation actions. A variety of topics were covered, including the fundamentals of climate risks assessment and climate finance, the climate proposal development cycle, and the range of available financial instruments for climate investments, including risk transfer-related instruments. The discussions covered specific tools including economic and financial instruments and showcased examples of projects using various instruments.

During the discussions, countries including Liberia shared their experiences and challenges while developing proposals to access the GCF funding. While presenting their funding proposals, the GCF would request justifications and a rationale including feasibilities and Cost-Benefit Analyses that would build their case for funding approvals. In this regard, the SSEP 2 will respond to the request of countries to address these challenges and will further deep dive into some of the topics presented at the first SSEP while deepening the understanding of the NDA on their role and responsibility in facilitating greater access to finance in their respective countries.

The SSEP 2 is proposed as a six-hour virtual meeting scheduled over 2 days

- Three hours virtual sessions over two days

Proposed Programme Outline

- Day I: Deepening African climate finance focal points' understanding of the variety of financial instruments available for adaptation projects and leveraging concessional capital for adaptation projects in Africa using equity and guarantee products
- Day II: Introduction to Cost Benefit Analysis for prioritizing Adaptation projects maximizing climate, environment, and social benefits and application case.

SSEP 2

Day I	Session 1: Review of public expenditures in adaptation across the African continent
	Session 2: Leveraging concessional capital for adaptation projects in Africa using equity and guarantee products
	Session 3. Deepening African NDAs' understanding of a wide range of financial instruments to scale up adaptation finance
Day II	Session 4: Introduce participants to Cost benefits Analysis for prioritizing adaptation projects maximizing climate, environmental, and social benefits for the African Catalytic Guarantee for Climate Proposal
	Session 5: Application case

Agenda

Day 1: Wednesday, 5 th April 2023	
Time	Topic
11:00 am – 11:10 am	<p><u>Opening Remarks</u></p> <ul style="list-style-type: none"> • Mr. Hussein Alfa Nafu, AAI Coordinator • Ms. Stella Brozek-Everaert - DG-CLIMA, EU • Mr. Charles Nyandiga – UNDP <p>Moderator: Omnia Elmamoun, Sustainable Solutions for Africa</p>
11:10 am – 11:25 am	<p><u>Financial instruments for adaptation finance</u></p> <p><i>Review of public expenditures in adaptation across the African continent</i></p> <ul style="list-style-type: none"> • Key findings from an upcoming review of Public Expenditure on Adaptation
11:25 am – 11:40 am	<p><i>Scarcity of climate finance and the need for financial innovation to scale up resources</i></p> <ul style="list-style-type: none"> • A snapshot of recent studies on needs-based finance and climate access
11:40 am – 12:25 pm	<p><i>Beyond grants and loans, a range of available instruments and their uses by climate funds (GEF and GCF latest programming priorities and strategic plan)</i></p> <ul style="list-style-type: none"> • Concessional and grant elements associated with climate investment and how their understanding can help diversify the use of various financial instruments
12:25 pm – 12:55 pm	<p><i>Deeping NDA capacity and understanding of the roles of various instruments</i></p> <ul style="list-style-type: none"> • A reflection on the wide range of financial instruments available, their use, relevance, and their application to programmes and projects
12:55 pm – 2:00 pm	<i>LUNCH</i>
2:00 pm – 2:30 pm	<p><u>Getting familiar with equity and Guarantee using case studies</u></p> <p><i>Understanding equity and guarantee</i></p> <ul style="list-style-type: none"> • An introduction to equity and guarantee

2:30 pm – 3:30 pm	<p><i>Case Studies</i></p> <ul style="list-style-type: none"> • Infrastructure Climate Resilient Fund (ICRF) and Sub-National Climate Fund • The Green Guarantee Company (GGC) • A proposal for an African Catalytic Guarantee Fund for climate change by the African Adaptation Initiative (AAI)
3:30 pm – 4:00 pm	Q & A

Day 2: Thursday, 6 th April 2023	
Time	Topic
11:00 am – 1:00 pm	<p><u>Understanding the application of Cost Benefits Analysis (CBA) for climate investment prioritization</u></p> <ul style="list-style-type: none"> • Introduction to CBA • Model cases and interpretation
1:00 pm - 2:00 pm	<p><u>Concluding session and next steps</u></p>