



**PRESIDENTIAL
CLIMATE COMMISSION**
TOWARDS A JUST TRANSITION

Conceptualisation of a National Climate Change Response Fund

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**forestry, fisheries
& the environment**

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

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Introduction



“To address the persistent effects of global warming, which manifest themselves through persistent floods, fires and droughts, we have decided to establish a Climate Change Response Fund. This will bring together all spheres of government and the private sector in a collaborative effort to build our resilience and respond to the impacts of climate change”.

*State of the Nations Address, February 2024
President of South Africa: Mr. Cyril Ramaphosa*



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Aim & methodology



Aim of study

The Presidential Climate Commission (PCC) is aiming to conceptualise a climate change response fund and provide recommendations on potential modalities and operational approaches.

The PCC is working closely with the Department of Forestry, Fisheries and Environment (DFFE) and the Bertha Centre in developing these design considerations.



Methodology:

Informed by **literature review** and **two stakeholder engagements**.

Literature review: multiple sources of information including reports, journal articles, websites, briefings, blogs and press releases to provide a narrative around climate change response.

Stakeholder engagements: convening of experts to solicitate inputs and considerations on the different modalities of the fund.

Public dialogue: Present findings of study and facilitate views from stakeholders in an open forum.



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Key findings



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Considerations & fund modalities









Macro-level considerations

The CCRF must

- Provide an effective **conduit between the global climate financing** architecture and the **local funding context**.
- **Prioritise adaptation**, by adopting a programmatic approach to interventions by averting, minimizing and addressing loss and damage. This will include responding rapidly to extreme events and addressing slow onset events from a gradually shifting climate.
- **Prioritise key areas** of vulnerability, risk and highest impact.
- Provide a platform for **multi-stakeholder funding opportunities** using innovative financing methods to catalyse and incentivise participation in SA climate change efforts, by both public and private sectors.
- Advocate for the **mainstreaming** of climate change thinking and design into development through various interventions including providing proof of concept and influencing policy interventions.
- Be **strategically located** to ensure swift and effective mobilisation of appropriate responses.



Fund modalities

Theme	 Disaster response	 Livelihoods	 Loss and damage	 Build-back better	 Adaptation Future-proofing	 Mitigation Future-proofing
Priority	Short – medium term				Medium-long term	
Investor	Philanthropy, Fiscal contribution		Philanthropy/ Ring-fenced finance	Philanthropy, Fiscal contribution	Fiscal contribution (catalytic capital), Impact-first investor/ Traditional investor	Fiscal contribution (catalytic capital), traditional investor
Instrument	Traditional grants, non-return seeking capital		Insurance/ Loss & damage funds	Grants (including first loss, guarantees, technical assistance), concessional debt and equity	Debt, equity, climate-related bonds, social outcomes funding etc.	Debt, equity, climate-related bonds etc.
Beneficiary focus	Municipalities and households	Households, businesses	Municipalities, households, businesses	Municipalities, households	Municipalities, sector focused enterprises	Municipalities, sector focused enterprises

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Next steps



5. Next steps

- Key engagements with National Treasury and Department of Forestry, Fisheries and Environment
- Presentations on key considerations and recommendations for design of the National Climate Change Response Fund including fund modalities and approaches.
- The CCRF could potentially form a pillar in the development of a country platform which represents a more strategic, country-driven, and programmatic approach to climate change.

