PRESIDENTIAL
CLIMATE COMMISSION
TOWARDS A JUST TRANSITION

December 2024

Stakeholder Perspectives on a Climate Change Response Fund for South Africa

A Presidential Climate Commission Report

About the Presidential Climate Commission

The Presidential Climate Commission (PCC) is a multi-stakeholder body established by the President of the Republic of South Africa to advise and support the country's climate change response just transition to a low-carbon climate-resilient economy and society.

The PCC facilitates research and engagements between social partners supporting government decision-making in areas aimed at building a society and economy which is sustainable, ensuring decent work for all, social inclusion, and the eradication of poverty.

About this report

This report presents a summary of the consultations conducted by the PCC and the views expressed have informed the PCC's recommendations for the conceptualisation and establishment of the Climate Change Response Fund.

Stakeholder engagements were conducted between May and October 2024, gathering diverse perspectives on key considerations for the design of a CCRF.
This report serves as a summary of these engagements, highlighting the PCC's recommendations for the conceptualisation and establishment of the CCRF.

It is essential to emphasize that the recommendations and modalities which have been informed by the engagements outlined in this document represent an initial step in the comprehensive design of the fund.

This summary of stakeholder perspectives serves as a crucial input into the PCC report containing the recommendations.

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List of Acronyms

CCRF	Climate Change Response Fund
DFFE	Department of Forestry, Fisheries and the Environment
H. E	His Excellency
JAR-IP	Just Adaptation and Resilience Investment Plan
JET-IP	Just Energy Transition Investment Plan
JTFM	Just Transition Funding Mechanism
NT	National Treasury
PCC	Presidential Climate Commission
SDG	Sustainable Development Goals
SMME	Small, Medium and Micro Enterprise
SONA	State of the Nations Address
UNFCCC	United Nations Framework Convention on Climate Change

1 Introduction

Current financing for climate change interventions falls short of what is needed, with adaptation efforts receiving only 39% of climate finance on the African continent. Considering this disparity, South Africa must emphasise adaptation as a national priority to ensure a balanced and comprehensive approach to climate action.

In South Africa, 75% of climate finance consists of debt, with equity accounting for 18% and grants representing only 1%. The heavy reliance on market-rate debt and grants as primary financing mechanisms is unsustainable. To address this, the CCRF must prioritise innovative financing solutions that reduce risk and improve the affordability of capital, enabling more sustainable and scalable climate finance strategies

During the February 2024 State of the Nation Address, President Cyril Ramaphosa announced the decision to establish a Climate Change Response Fund (CCRF) to address the enduring challenges posed by global warming on the country.

> "…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".

The Climate Change Act mandates the establishment of a financial mechanism to support South Africa's climate change response, providing a legal basis for the creation of the CCRF. Under Section 18 of the Climate Change Act (Act 22 of 2024), the Minister of Forestry, Fisheries and the Environment, in collaboration with the Minister of Finance, is tasked with **prescribing a mechanism to finance** and **facilitate the country's climate change response**, planning, and implementation at **various tiers of local government**.

The Presidential Climate Commission (PCC) in response to government's commitment, pledged to support and contribute its own views and that of social partners on a foundational framework for the CCRF, offering strategic recommendations to inform a more comprehensive design process.

1.1 Methodology for Consultation and Report Development

Stakeholder engagement is essential to ensuring the CCRF framework is inclusive, effective, and supported. This section of the report sets out the methodology used to capture and synthesise the information and feedback gathered through the engagement process.

This engagement process was designed to effectively test stakeholder perspectives, identify potential challenges, and incorporate diverse insights to inform recommendations on the detailed design of the fund, while remaining focused on the scope of this report.

Through expert workshops and public dialogues, stakeholders had the opportunity to provide input on the recommendations, ensuring they are practical and aligned with broader economic and social priorities. The process was structured in phases, with the following high-level objectives:

1. The expert roundtables provided a platform to (i) gather initial opinions and insights, which then informed foundational research and (ii) contributed to the refinement of the preliminary CCRF concept.
2. The Dialogues aimed to (iii) collect and consolidate the views and concerns of stakeholders on the CCRF, using the expert roundtable findings as a basis for discussion, and (iv) foster consensus on the key elements to be included in the CCRF recommendations report.

Methodology:

1st Expert roundtable: Validate the study's terms of reference and inform preliminary desktop research

Literature review: Review of multiple sources of information to provide a narrative around climate change response funding.

2nd Expert roundtable: Convening of experts to test the findings of the literature review, & solicitate inputs & considerations for the fund design.

2 PCC Dialogues: Provide social partners with opportunities to offer input at various stages of the project's progression.

TABLE 1: LIST OF ENGAGEMENTS

1. **23 May and 25 July 2024 Expert Roundtable on Design and Establishment of CCRF**
2. **30 July 2024, 1st National Climate Change Response Fund Dialogue**

   https://www.climatecommission.org.za/events/national-climate-change-response-fund-dialogue
3. **18 October 2024 2nd Dialogue- National Climate Change Response Fund**
   https://www.climatecommission.org.za/events/2nd-dialogue-on-the-national-climate-change-response-fund

The roundtables further provided a platform for generating ideas and perspectives on the fund's feasibility, mandate, and objectives, while also exploring options for resource mobilization (supply-side), disbursement strategy and enabling conditions (demand-side), and potential fund modalities, including its structure and governance.

To facilitate a more meaningful and informed discussion, participants were provided with pre-reading materials, including the agenda and other documents, which allowed them to prepare and think critically before the roundtable.

1) **The expert roundtable held on the 23 May 2024 focused on exploring ideas, the PCC required a starting point around which a concept could be gradually developed through ongoing interactions. The key aim of this discussion was to validate the study's terms of reference and inform preliminary desktop research.**

2) **The second roundtable, held on 25 July 2024, focused on testing the fund concept's preliminary elements, shaped by insights from the first roundtable and further informed by research.**

Through these two sessions, experts were encouraged to offer opinions and guidance on these themes through presentation of key questions and the exploration of relevant examples.

The Dialogues, held in July and October, provided social partners with opportunities to offer input at various stages of the project's progression. Potential strategic partners were invited to share their perspectives through a panel discussion, engaging with and soliciting input from the broader dialogue audience.

By engaging the material in this manner, the dialogue aimed to foster a collaborative environment where the panellists and attendees could share their thoughts, offer constructive feedback, and pose relevant questions. This process was designed to do more than simply inform—it sought to critically test the robustness of the work that had been done thus far.

By inviting thoughtful queries and discussions, the dialogues encouraged participants to deepen their understanding of the issues at hand and assess the reliability and effectiveness of the processes and information presented.

2 Preliminary Conceptual Outline

The points outlined in this section served as mandatory baseline considerations, forming the essential framework for the stakeholder discussions.

These guiding considerations ensured that all relevant factors were addressed from the outset, providing a solid foundation for the stakeholder deliberations that followed.

1) The CCRF should be structured to **support and enhance South Africa's Climate Finance Architecture** by complementing initiatives such as the Just Transition Funding Mechanism (JTFM), the Just Energy Transition Investment Plan (JET-IP), National Treasury's Disaster Risk Financing arrangements, and the Just Adaptation and Resilience Investment Plan (JAR-IP). All these efforts must **align** with both **national planning objectives** and South Africa's **commitments under the Paris Agreement**.

2) **Collaboration** between the **private and public sector** is critical not only in **expanding the capital and skills pool** but also to promote innovation. Attracting a diverse investor pool requires mechanisms to encourage private and public sector participation, supported by effective fund governance to ensure sustainability and rapid response capabilities, particularly under disaster response.

3) Transparent monitoring and reporting processes will boost investor confidence, while **demand-side capacity-building** and a **supportive policy environment**, combined with **coordinated supply-demand platforms**, are key to fostering a resilient climate finance ecosystem.

By establishing these guiding principles, the discussions were anchored in a common understanding, allowing participants to focus on shared goals and collaborative solutions.

These principles not only ensured alignment across diverse perspectives but also reinforced the importance of a unified approach in shaping the outcome.

The inclusion of these considerations was integral to fostering a productive and focused dialogue, ensuring that the deliberations remained grounded in a set of core values and objectives.

3 Stakeholder Perspectives on the CCRF

This chapter synthesises the emergent perspectives captured systematically, firstly providing a summary of expert roundtable workshops under key themes and highlighting stakeholder views emerging from the dialogues.

3.1 Summary of Expert Roundtable Workshops

These workshops served as a platform for innovative, forward-looking discussions and the critical examination of current observations and trends shaping the context for such a fund.

The feedback gathered from the industry experts was synthesized under key themes, including fund feasibility, mandate and objectives, supply and demand dynamics, and operational modalities, providing a comprehensive overview of the broader funding ecosystem.

Through this structured approach, the stakeholder discussions were better equipped to address complex issues, while promoting mutual respect and the exchange of knowledge, ultimately contributing to the development of a more robust and informed CCRF outcome.

3.1.1 Fund Feasibility, Mandate and Goals

Participants emphasized the **critical role of the fund in addressing a broad spectrum of climate-related risks**, including mitigation, adaptation, disaster relief, and loss and damage.

They highlighted the importance of a **clearly defined mandate to ensure effective fund allocation** and alignment with South Africa's climate and economic priorities. Concerns were however raised about the **inherent complexity of a multi-purpose fund**, with calls for **careful structuring** to accommodate different funding needs.

The balance between short-term disaster response and long-term climate resilience was noted as a key challenge, requiring strategic foresight.

Additionally, the **integration of the fund within existing international and domestic frameworks** was seen as essential, necessitating flexibility to adapt to evolving climate finance structures. Finally, the **operational demands of managing a diverse financial instrument portfolio were underscored**, with recognition of the need for an **agile and knowledgeable team** capable of navigating these complexities. The role of the insurance industry and its participation in the fund was also raised.

3.1.2 Fund Dynamics-Supply and Demand

The need for a strategic approach to funding sources was raised by stakeholders, emphasizing the **government's role in attracting private sector investment through catalytic capital**.

The importance of **engaging a diverse range of funders**, including international and domestic investors such as venture capitalists, pension funds, and insurance providers, was noted as a key factor in shaping the fund's capital structure. Stakeholders highlighted the need for the **fund to enhance the existing climate finance ecosystem rather than duplicating efforts**, with a focus on **leveraging blended finance models**.

The phased **nature of investment** was also emphasized, with recognition that funders with higher risk tolerance may be necessary to provide initial capital before broader participation can be secured. Additionally, stakeholders underscored the **importance of sustainability,** stressing the need for a long-term model while adapting to the evolving landscape of climate finance.

Perspectives on beneficiaries could be linked to stakeholder interests, but the prominent stakeholder view remains that the CCRF is required to **support a broad range of beneficiaries**, including municipalities, infrastructure projects, Small, Micro, Medium Enterprises (SMMEs), ensuring that **resources reach those most affected by climate risks**.

The prioritisation of fund disbursement was highlighted, with a focus on addressing the **needs of the most vulnerable first**—such as households—before expanding to small businesses and larger enterprises.

The importance of **locally led adaptation efforts** was underscored, particularly in ensuring that municipalities have access to grants and resources to strengthen their climate resilience. Additionally, the role of **nature-based solutions** was highlighted as a necessary consideration for integrating sustainable, ecosystem-based approaches into broader climate adaptation strategies.

Alignment with national economic priorities, including job creation, SMME growth, and the Just Transition, was seen as critical for ensuring the fund's impact extends beyond climate considerations.

Stakeholders also raised concerns about **sector-specific risks**, particularly in key areas such as water and energy, which would **require tailored financial approaches.**

3.1.3 Fund Modalities

The expert group highlighted the importance of **selecting appropriate financial instruments**, emphasizing that different tools such as grants, loans, and guarantees should be **tailored to specific types of interventions**. The need for **innovation in fund design** was raised, with calls to explore novel approaches, including tax incentives, nature credits, and Environmental-Social-Governance (ESG)-linked financing, to enhance the fund's effectiveness.

The **role of the private sector** in managing the fund was also a key consideration, with discussions around its potential to improve efficiency and resource deployment while ensuring accountability.

Additionally, the importance of a **participatory and accessible fund design** was emphasized, with stakeholders stressing the **need for broad engagement, transparency, and mechanisms that enable easy access** for communities and beneficiaries.

3.2 Perspectives from the PCC Dialogues

This section outlines key stakeholder perspectives gathered through the dialogues, which served as critical inputs in shaping the recommendations report and will likely direct subsequent phases of the fund design.

The cohort participating in the dialogues included a diverse range of stakeholders, representing labour, civil society, business, and both national and local governments. Based on the transcripts from the first and second dialogues on the CCRF the stakeholder questions, concerns, and relevant quotations have been categorised into emerging themes.

These themes are prioritised based on how many stakeholder constituencies raised issues related to them. Below is an analysis based on the frequency of themes, the stakeholder groups posing the questions, and the implications for the design.

3.2.1 Governance, Institutional Arrangements & Fund Management

Without prompt and decisive action, the Deputy Minister of DFFE indicated that *''climate change has the potential to reverse the developmental gains achieved thus far in the country and as such collaboration and strategic partnerships with civil society, academia, business, labour is necessary in responding to climate change".*

"We need to think carefully about where this fund will be located institutionally to ensure transparency, credibility, and ease of access to funding."— National Treasury

1) Issues related to governance, institutional arrangements and fund management were amongst the most frequently raised concern, particularly by National Treasury, SALGA, and DFFE.

2) Stakeholders recognised that inadequate governance structures could lead to inefficiencies, corruption, and mismanagement, which would ultimately undermine the fund's ability to deliver on its objectives.

3) There was debate about where the fund should be housed institutionally to ensure effective oversight and efficient disbursement of funds, especially given the complex landscape of climate finance.

"We need efficiency in disbursements of these funds and also urgency in doing that, and we need the right governance model to be able to do that." SALGA

Municipalities, as the primary implementers of climate response measures, emphasized the need for a governance framework that enables rapid and transparent allocation of funds. The inefficiencies in South Africa's existing disaster response framework were highlighted as a cautionary example.

"How do we ensure the fund is accessible to municipalities and does not get caught up in bureaucratic red tape?" DFFE

It was acknowledged that municipalities are at the forefront of disaster response and would be primary beneficiaries of the fund's outcomes, either through direct capital investment into their projects or because of initiatives led by other stakeholders within their jurisdiction.

SALGA emphasised barriers faced by local government including significant gaps in capacity and skills, as well as the bureaucratic challenges municipalities encounter in accessing disaster and climate adaptation funding.

From a municipal perspective, as voiced by SALGA, local governments are on the front lines of climate disaster responses but often struggle with **delayed access to funding**.

Municipalities struggle to access funding on time. We must ensure that disaster funding is quickly disbursed while maintaining transparency and accountability." SALGA

These delays severely impact their **ability to deliver services effectively** during emergencies, prompting a call for more efficient and accessible funding mechanisms. Furthermore, there is a pressing **need for long-term resilience-focused funding** that moves beyond short-term relief, ensuring that municipalities can build sustainable, disaster-resistant infrastructures for the future.

"Isn't it a natural response that even at some sort of level around the governance of the fund, there should be community participation, because they would be able to articulate, you know, what the fund needs to deliver, and especially for community-level interventions?" Anonymous

Another concern raise regarding the governance model of the fund, was specifically around the involvement of relevant parties—government, private sector, and civil society—not only in the decision-making process but also as investors and beneficiaries of the CCRF

Stakeholders stressed the need for the fund's governance structure to be aligned with International Commitments, the Climate Change Act and other national adaptation strategies to ensure coherence and effectiveness.

"There is a risk of the climate fund becoming a siloed fund?" National Treasury's concern over integrating the fund with existing financial systems suggests a preference for institutional coherence rather than a standalone mechanism.

Key Concerns and Questions

1) Where will the fund be housed institutionally? Will it be independent, part of an existing institution, or a new entity?
2) How will it be governed? What oversight mechanisms will be in place to ensure transparency and accountability?
3) How will it be structured to avoid inefficiencies and slow disbursement?

4) What role will different stakeholders (government, business, and civil society) play in fund decision-making?

3.2.2 Financing Mechanisms & Fund Sustainability

"The fund must be scalable and sustainable—we cannot repeat the mistake of short-term pilot projects that disappear after a few years." SALGA

Key stakeholders, including National Treasury, IDC, DFFE, local government, and civil society, raised concerns about how the fund will be capitalized, replenished, and sustained over time, emphasizing the need for strong financial oversight and strategic investment to shape its structure.

1) National Treasury's reference to the Disaster Risk Financing Strategy further suggests a strategic approach to integrating existing financial instruments with the CCRF, rather than developing an entirely new financial framework, to enhance efficiency and coherence within the broader financial ecosystem.

2) This highlights the importance of ensuring that climate considerations are embedded across broader departmental budgets and not solely reliant on a single funding mechanism.

3) Without systemic integration of climate considerations into planning, key areas such as infrastructure maintenance, upkeep and upgrade which are critical for mitigating the impacts of extreme weather events, may be neglected.

"Is there a risk that everybody focuses on a small pot of money whilst climate is not mainstreamed in bigger, departmental budgets?"

Key Concerns and Questions:

1) How will the fund be financed? Will it rely on public funds, private investment, international donors, or new financial instruments? How will the fund be replenished over time? Will it be once-off seed funding or have ongoing revenue streams?
2) What innovative financing mechanisms will be used? Can instruments like green bonds, insurance mechanisms, or blended finance be utilized?
3) Government (DFFE & Treasury) raised financial concerns about de-risking investments, private sector involvement, and governance.
4) Industry bodies (SALGA, IDC, business reps) focused on fund accessibility for municipalities and whether governance should involve civil society.
5) Civil society organizations were concerned with community participation and equitable access to funds. Youth and faith-based groups questioned why mitigation is prioritized over adaptation and suggested ways to improve adaptation funding.
6) Labour unions raised concerns about red tape affecting municipal access to climate finance.

3.2.3 Role of Private Sector & Multi-Stakeholder Collaboration

Stakeholders from business, civil society, and faith-based groups emphasized that the fund must not be purely government-driven but should involve the private sector, NGOs, and communities. Securing diverse investors for the CCRF will be essential to effectively mobilize and pool financial resources for a robust climate response.

"Public finances alone are not sufficient. We need innovative financing mechanisms to bring in private sector participation." National Treasury

1) The focus on blended finance as an innovative financing mechanism underscores the importance of leveraging private sector participation to enhance funding availability while implementing de-risking measures to attract investors and ensure long-term financial sustainability.
2) Additionally, stakeholders highlighted the need for a framework that not only secures external funding but also maintains a sustainable replenishment mechanism to support ongoing initiatives.

"How do you bring all these different instruments together particularly considering that there is an acknowledged problem at the centre of the crisis in that public finances in itself are not sufficient to address the problem." Anonymous

A recurring theme throughout the engagements was the critical need to mobilize additional funding—not only to bridge the climate finance gap but also to alleviate the burden on public finances, which are currently expected to shoulder the responsibility of financing climate interventions.

Participants also observed that the fragmented approach to climate change interventions and responses could be improved through better coordination of efforts and resource allocation. This approach would not only reduce costs but also enhance the overall impact of resilience-building initiatives.

"One of the biggest challenges is that the private sector wants to invest in projects with predictable revenue flows. Adaptation projects, particularly those in disaster-prone areas, are seen as risky and difficult to quantify in terms of return on investment." Joanne Bate (IDC, PCC Commissioner), First Engagement

The stakeholder perspectives highlight a distinct divide between proactive adaptation and reactive responses to climate change, with the private sector showing a clear preference for mitigation strategies due to the more immediate financial returns they offer, such as investments in renewable energy.

While businesses are already experiencing the tangible impacts of climate disasters, adaptation finance remains insufficient, leaving many unable to prepare for future challenges. Investors have expressed a need for clear frameworks to de-risk adaptation projects, emphasizing the importance of incentives like tax breaks, subsidies, and guarantees to encourage greater private-sector investment in resilience efforts.

The insurance industry, meanwhile, is raising premiums or withdrawing coverage from high-risk areas, further exacerbating vulnerabilities for businesses that rely on stable infrastructure. Here, the CCRF is seen as pivotal in supporting climate-resilient infrastructure.

Key Concerns & Questions

1) How will the private sector be incentivized to participate in the fund?
2) What partnerships with international donors and climate finance institutions are possible?
3) How do we ensure that the fund does not exclude civil society and vulnerable communities?

3.2.4 Fund Focus

"Why is most climate finance going to mitigation rather than adaptation?" Youth

Stakeholders from local government, business, civil society, and faith-based groups debated whether the fund should focus exclusively on adaptation or include some mitigation elements.

Stakeholders acknowledged that successful implementation of a CCRF requires careful alignment between high-priority sectors, regions and the exposure of vulnerable communities, recognising the interdependence of these dimensions and how this impacts overall risk.

Discussions reinforced that while mitigation remains crucial, adaptation needs urgent and dedicated funding to safeguard communities, infrastructure, and economic stability in South Africa.

One central issue discussed was the disparity in funding between mitigation (reducing emissions) and adaptation (protecting against climate impacts). The CCRF is seen as a mechanism to balance this disparity, ensuring that adaptation financing receives the necessary attention alongside mitigation efforts.

It was further recognised that high-priority sectors, such as energy, water, agriculture, and infrastructure, are critical for driving adaptation and mitigation efforts at scale. High-priority regions, particularly those most susceptible to climate impacts due to low adaptive capacity and/or significant populations of vulnerable groups, necessitate targeted interventions to address their specific challenges and enhance resilience.

This raised the critical question of identifying the fund's beneficiaries and determining what should be funded. It was a consideration that establishing criteria that account for regional, sectoral, and population vulnerabilities may ensure resources are strategically allocated to maximize impact, effectively addressing both sector-specific priorities and regional challenges in a cohesive and balanced approach.

It is acknowledged that resource mobilization extends beyond capital investment, particularly in immature climate finance ecosystems where municipalities and local governments, often at the frontline of the climate crisis, lack the necessary skills and capacity to effectively address these challenges.

Further to, appropriate framing of the CCRF in the international landscape will allow the identifying and leveraging international mechanisms of support, grants and concessions, such as the Santiago Network and the Loss and Damage Fund, could enhance the output, reach, and impact of the CCRF.

Initiatives such as the United Nations Framework Convention on Climate Change's (UNFCCC), the Santiago Network mandated to catalyse and provide technical assistance can facilitate knowledge exchange, enhance the CCRF's ability to design and implement targeted interventions, and ensure alignment with international standards while addressing South Africa's unique vulnerabilities.

Key Concerns and Questions:

1) Should the fund strictly focus on adaptation, or allow some funding for mitigation projects? What sectors and regions should be prioritized?
2) How do we ensure that adaptation projects get the funding they need, given the global focus on mitigation?
3) How do we align with international funding, such as the Loss and Damage Fund?

3.2.5 Disaster Response & Climate Resilience

"Will this fund address structural deficiencies in disaster response, or should these issues be handled elsewhere?"

SALGA's strong focus on emergency funding mechanisms highlights municipal frustrations with slow fund disbursement under the current disaster relief framework.

Another urgent issue raised was the speed and efficiency of fund disbursement, as delays in disaster relief funding have exacerbated the suffering of vulnerable communities. There was a strong call for simplified and streamlined processes to ensure that funds reach affected areas swiftly while maintaining oversight and accountability.

"Investments must improve resilience and insurance capital must fund 'build-back-better"

Investments enhancing resilience, ensuring communities and systems are better prepared to withstand future climate impacts. Insurance capital plays a pivotal role in this effort, not only by providing financial support for recovery but by enabling "build back better" approaches that strengthen infrastructure, livelihoods, and ecosystems against recurring risks.

Stakeholders emphasised the dual focus on resilience and transformative recovery fosters sustainable, long-term solutions to climate challenges. This perspective underscores the potential for diverse investors, each utilising tailored financing mechanisms, to play distinct and impactful roles in shaping the fund's effectiveness.

3.2.6 Just Transition & Social Impact

"How do we ensure that local communities and civil society organizations effectively engage with the fund?" SALGA.

"We cannot have a repeat of slow-moving disaster relief funds that leave communities stranded for months after a crisis." Civil Society

Stakeholders from local government, business, and civil society raised issues about how funds will be accessed, who the beneficiaries will be, and the speed of response. Workers in sectors most affected by climate change (agriculture, mining, tourism) need job security and income protection.

The CCRF must ensure that adaptation efforts do not disproportionately impact workers, and the fund must safeguard worker interests.

1) Organized Labour raised concerns about the potential job losses resulting from climate adaptation measures. This highlights the labour sector's emphasis on safeguarding workers as economies transition towards sustainability.

2) The call for worker protection mechanisms underscores the need for the CCRF to incorporate just transition principles within its funding model, ensuring that climate resilience efforts do not come at the expense of livelihoods but instead promote equitable and inclusive economic adaptation.
3) The fund should support skills development and reskilling programs to help workers transition to climate-resilient industries.

Stakeholders urged the importance of funding for communities since government processes are slow and unreliable.

As groups vulnerable to climate change rural communities, small-scale farmers, and informal workers need dedicated funding streams. The importance for the CCRF to grassroots adaptation projects, such as local disaster preparedness programs and community-led infrastructure, was also raised.

Key Concerns and Questions:

1) Will municipalities, businesses, and civil society organizations be direct beneficiaries?
2) How will we ensure that funds reach those in need quickly? Current disaster relief processes have been criticized for slow disbursement.
3) How do we de-risk climate adaptation projects to attract more investment?

3.2.7 Green & Low-Carbon Technologies

Concerns were raised about the risk of maladaptation, particularly in cases where adaptation advancements rely on high-carbon technologies, potentially undermining long-term sustainability goals.

Least discussed theme, but an audience question on green hydrogen's integration into the fund suggests that there is interest in low-carbon technology financing.

Table 2: Stakeholder key concerns and potential implications for the CCRF

STAKEHOLDER GROUP	KEY CONCERNS	IMPLICATIONS FOR CCRF
National Treasury	Governance, fund integration, disaster financing	The fund must align with existing fiscal mechanisms and prioritize long-term sustainability.
SALGA	Rapid access to funds, efficiency, local resilience	The CCRF must ensure streamlined and decentralized disbursement mechanisms.
DFFE	Loss & damage, climate adaptation, private sector participation	The fund must balance emergency response with long-term resilience-building.
IDC	Blended finance, private investment, scalability	The fund should create bankable projects to attract private sector funding.
Organised Labour	Job security, just transition, worker protection	The fund must integrate worker protections and skills transition programs.
Other stakeholder groups	Institutional location, equity in access, new technologies	The fund must be inclusive, accessible, and adaptable to emerging sectors.

4 Key Messages

The stakeholder engagements on the CCRF provided valuable insights into the priorities, challenges, and opportunities in shaping an effective and sustainable funding mechanism.

Participants from government, business, civil society, and local communities highlighted key areas requiring attention, including the fund's capitalisation, governance, accessibility, and balance between mitigation and adaptation.

The following recommendations reflect the collective perspectives shared during these discussions, offering a foundation for designing a CCRF that is inclusive, transparent, and capable of driving long-term climate resilience and a just transition.

4.1 Mobilising Additional Funding and Leveraging International Mechanisms

There is an urgent need to mobilize additional funding to bridge the climate finance gap, alleviate the burden on public finances, and improve the efficiency of climate interventions. It is essential to consider the broader climate finance landscape in South Africa, with the government playing a key role in providing initial capital to attract private sector investments.

A fragmented approach to climate finance must be addressed through greater coordination of resources, reducing inefficiencies, and ensuring that funds are used strategically to maximize their impact.

The CCRF should act as the main channel for accessing international funding mechanisms, such as the Loss and Damage Fund, despite ongoing uncertainties around its governance.

The fund must cater to diverse beneficiaries, from municipalities to corporates, while ensuring alignment with socio-economic goals. Effective resource allocation and engagement with both public and private sectors will be critical for its success.

4.2 Integrating Diverse Financing Instruments

1) To achieve its objectives, the CCRF should incorporate a variety of financing instruments, such as tax incentives, nature credits, and innovative approaches that address sector-specific needs. Its design must be inclusive and participatory, ensuring broad stakeholder engagement.

2) While private sector management could enhance efficiency, it is important to balance management fees with sustainable, long-term outcomes. The fund should

adopt best practices, maintain flexibility in its design, and ensure effective resource allocation to achieve its goals.

3) Investments in resilience are essential, with particular emphasis on incorporating "build-back-better" principles in recovery efforts. This dual focus on resilience and transformative recovery will create sustainable, long-term solutions to climate challenges

4) The use of insurance capital will be critical for strengthening infrastructure, ecosystems, and livelihoods, ensuring that communities are better equipped to withstand future climate risks.

4.3 High-Priority Sectors and Vulnerable Regions and Marginalized Communities

The CCRF must target high-priority sectors such as energy, water, and agriculture, which are essential for driving climate adaptation and mitigation at scale. Interventions must be tailored to vulnerable regions most susceptible to climate impacts, ensuring that resources are allocated based on clear vulnerability criteria.

The fund must prioritize marginalized communities, ensuring that their needs are met. This includes providing additional support for vulnerable groups and promoting equitable opportunities to build resilience across communities. Fostering inclusive development is critical to ensuring no one is left behind in climate adaptation efforts.

4.4 Just Transition Principles Integration into Budgets

The detailed design phase should clarify the mechanisms for ensuring effective participation and accessibility, ensuring that the fund's objectives align with local needs and priorities.

The CCRF should adopt a multi-stakeholder approach that aligns with the Just Transition principles. This approach will ensure diverse investor participation and provide sustainable resources for broad-based climate resilience and adaptive capacity-building.

Climate resilience should be integrated into broader departmental budgets to avoid relying solely on a small funding pool. Ensuring that critical areas, such as infrastructure maintenance, are included in these budgets is vital for mitigating the impacts of extreme weather events.

This systemic integration will ensure that key sectors are supported, and climate adaptation is embedded into long-term development plans.

By involving a range of stakeholders, the fund can contribute to a more inclusive and just transition to a low-carbon, climate-resilient economy.

PRIORITY RECOMMENDATIONS FROM STAKEHOLDERS

1. **Clarify the institutional home and governance of the CCRF** to ensure efficiency, transparency, and rapid disbursement.

2. **Define a clear focus for the fund**, prioritizing adaptation while ensuring holistic responses to climate risks.

3. **Ensure long-term financial sustainability** through a mix of public and private funding, concessional finance, and innovative instruments.

4. **Create fast-tracked funding mechanisms** for disaster-affected municipalities and vulnerable communities.

5. **Develop strong partnerships with the private sector, civil society, and international donors** to maximize impact and promote accessibility.

The **PCC and government departments (DFFE, National Treasury)** will need to take these inputs into account as they finalize the **detailed design of the CCRF**.

Conclusion

The workshops and dialogues provided valuable insights into the design of the CCRF. The questions and concerns posed during the engagements indicate that stakeholders want a well-governed, multi-source, rapid-access climate fund that balances disaster response, adaptation investments, and social equity.

The detailed design phase will offer further clarity on the operational mechanisms, ensuring the fund's alignment with national priorities and global climate objectives.

Annexure 1: Participant Stakeholders

The list of organisations that attended the Expert Roundtable Discussions included:

1. African Climate Foundation
2. African Development Bank
3. Bertha Centre for Social Innovation & Entrepreneurship
4. Conservation International Ventures
5. Consultative Group on International Agricultural Research
6. Convergence Blended Global Finance
7. Department of Forestry, Fisheries & the Environment
8. Deutsche Gesellschaft für Internationale Zusammenarbeit
9. DNA Economics
10. Infra Impact Investment Managers
11. International Food Policy Research Institute
12. Just Energy Transition Project Management Unit
13. M-Cubed Project Development
14. Presidential Climate Commission
15. Rhodes University
16. South African Local Government Association
17. Sanlam Group
18. The Adaptation Network
19. The Council for Scientific & Industrial Research
20. The National Treasury
21. The Presidency of the RSA
22. The South African National Biodiversity Institute
23. UNFCCC Loss & Damage Fund
24. University of Cape Town
25. World Bank
26. World Resources Institute

The Dialogue's attendance and representation, and among organisational participants were the following:

1. Absa
2. Accendio
3. African Development Bank (AFDB)
4. Agence Française de Développement (AFD)
5. Agricultural Business Chamber of South Africa
6. African National Congress
7. African Oceans
8. Air Liquide
9. Anglo America
10. APH Environmental
11. Aspire PM
12. BioSigma Energy
13. BIZ-Help
14. Bloomberg
15. C40 Cities
16. Centre for Environmental Rights
17. Chapter Zero Southern Africa
18. City of Johannesburg (Joburg Municipality)
19. Climate Dialogues
20. Climate Justice Coalition
21. Daily Maverick
22. Development Bank of Southern Africa (DBSA)
23. Democracy Works Foundation
24. Department of Economic, Small Business Development, Tourism, and Environmental Affairs (DESTEA)
25. Department of Forestry, Fisheries, and the Environment (DFFE)
26. Department of International Relations and Cooperation (DIRCO)
27. Department of Planning, Monitoring, and Evaluation (DPME)
28. Department of Trade, Industry and Competition (DTIC)
29. Department of Transport
30. Department of Water and Sanitation, South Africa
31. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
32. Department of International Relations and Cooperation (DIRCO)
33. DNA Economics
34. DZ Bank
35. Department of Science and Technology (DST)
36. Eastern Cape Parks and Tourism Agency (ECPTA)
37. Environment and Language Education Trust (ELET)
38. Emira Property Fund
39. Eskom
40. eThekwini Municipality
41. FirstRand
42. Ford
43. FutureNet
44. Government of Canada
45. Green Building Council of South Africa
46. Green Cape
47. Greenpeace South Africa
48. Groundwork South Africa
49. Hova Power
50. Industrial Development Corporation (IDC)
51. Institute for Justice and Reconciliation (IJR)
52. International Federation of Red Cross and Red Crescent Societies
53. International Institute for Sustainable Development (IISD)
54. Investec
55. International Union for Conservation of Nature (IUCN)
56. Johannesburg Stock Exchange (JSE)
57. Limpopo Economic Development, Environment and Tourism
58. Mangaung Metropolitan Municipality
59. Matrix FM
60. Mavai Consultants
61. Media24
62. Minecon
63. ModeTech
64. Mobilize Agency
65. Moryoe Energy
66. Mpumalanga Green Cluster Agency
67. Mapungubwe Institute for Strategic Reflection (MISTRA)
68. Mwangaza Energy
69. National Empowerment Development Agency (NEDA)
70. National Energy Regulator of South Africa (NERSA)

71. National Agricultural Marketing Council
72. National Business Initiative (NBI)
73. National Public Service Workers Union (NPSWU)
74. National Regulator for Compulsory Specifications
75. National Research Foundation (NRF)
76. National Science and Technology Forum
77. Navitas Holdings
78. NtC Group
79. Olduvai Capital
80. Omnia
81. Oxford Economics
82. PDEX
83. Pegasys
84. Perpetua
85. PETCO
86. PetroSA
87. Promethium Carbon
88. Public Investment Corporation (PIC)
89. Red Cross Society of South Africa
90. Resolution Circle
91. RISA (National Research Foundation - Research and Innovation Support and Advancement)
92. Safcol
93. SANParks
94. Sasol
95. SAPIA
96. Sedibeng Municipality
97. Seriti
98. Seriti Institute
99. Sol Plaatje Municipality
100. Solzen Energy
101. South African Institute of Chartered Accountants
102. South African Local Government Association
103. South African National Biodiversity Institute
104. South African National Energy Development Institute (SANEDI)
105. South Energy
106. SouthSouthNorth
107. Spekboom Net Zero
108. Standard Bank
109. Sustainable Futures SA
110. Systemiq
111. The National Business Foundation (NBF)
112. Toyota South Africa
113. Transenergy Global
114. Truffle
115. TruePoint
116. Twinsaver
117. UAF Africa
118. U.S. Government - State Department
119. UK Foreign, Commonwealth & Development Office (FCDO)
120. United Nations (UN)
121. University of Johannesburg
122. University of the Western Cape
123. Urban FarmTech
124. Venuetech
125. Verra
126. Vodacom
127. Webber Wentzel
128. Wildlife and Environment Society of South Africa (WESSA)
129. Western Cape Economic Development Partnership (WCEDP)
130. Women in Informal Employment: Globalizing and Organizing (WIEGO)
131. WWF South Africa
132. Zenande Leadership Consulting