

General Template of the Annual Performance Report (APR)

Reference Number (FP098): Funding Proposal Title
Accredited Entity Nam: Development Bank of Southern Africa (DBSA)

Annual Reporting Period Covered in this Report:
(From 20-11-2019 to 20-11-2020)

Sections in this report:

- Section 1: General Information
- Section 2: Implementation Progress
- Section 3: Financial Information¹ (Excel worksheet attached).
- Section 4: Report on Environmental and Social Safeguards & Gender
- Section 5: Annexes
- Section 6: Attachments

SUBMITTED BY	
Name and title: Muhammed Sayed: Climate Change Specialist	Date: 17 March 2020
Please indicate if this report has been shared with the relevant NDA(s) for this Funded Activity (No)	Interim report. Final APR to be shared with NDA

¹ Please refer to excel worksheet attached "APR Section 3 (Financial Information)". Provide as attachments to this report any detailed additional financial information if required in the Funded Activity Agreement.

SECTION 1: GENERAL INFORMATION

This section provides general information on the funded activity.

1. Funded Activity Title:	<i>As per the approved Funding Proposal</i>
2. Funding Proposal Number:	<i>(FP098)</i>
3. Date of Board approval - Board Meeting Number:	10/20/2018 <i>B.21</i>
4. Accredited Entity:	<i>Development Bank of Southern Africa</i>
5. Focal Point of the Accredited Entity for this Project:	<i>Olympus Manthata</i>
6. Executing Entity(ies):	
7. Implementation Period:	<i>From: 11/20/2019</i> <i>To: 11/20/2024</i>
8. Current year of Implementation:	<i>Year 1</i>
9. Date of Submission of the Report:	3/18/2020
10. Annual Reporting period covered in this report:	<i>From: 11/20/2019</i> <i>To: 11/20/2020</i>
11. Total Project Budget²:	<i>Loan: USD 110,000,000</i> <i>Grant: USD 1,220,000</i>
12. Total amount of GCF Proceeds Approved:	<i>Loan: USD 55,000,000</i> <i>Grant: USD 610,000</i>
13. Total amount of GCF Proceeds disbursed (cumulative) to the Accredited Entity:	<i>Loan: USD 0</i> <i>Grant: USD 0 (Awaiting CP for disbursement to be fulfilled). Registration of Trust</i>

² Total project budget including co-financing as reflected in the relevant Funded Activity Agreement.

SECTION 2: IMPLEMENTATION PROGRESS

2.1 OVERALL (SUMMARY) PROJECT PROGRESS *(less than one (1) page³)*.

Provide a narrative report describing the overall progress on the implementation of the funded activity, focusing on implementation achievements, delays and challenges according to the planned activities. As relevant, include references to other sections of this report (including Annexes or Attachments).

The DBSA have started implementing the CFF despite delays in getting the CFF trust registered which is a CP for receiving GCF disbursements including grant funding. The Climate Finance Facility (“CFF”) programme was established with a dedicated operating unit within the DBSA. The CFF has been resourced with a dedicated team and is supported by various units within the DBSA, which has led to the successful development of an operational manual, pipeline development, partnership with commercial banks on co-investment opportunities. The CFF team also started with communication and marketing of the CFF in all of the four ZAR-based countries (i.e. South Africa, Namibia, Lesotho and eSwatini) through roadshows. However, the following challenges were encountered since the effectiveness of the FAA, which caused some delays in the implementation of the CFF. The first major challenge faced so far is the delay by the South African Master’s office to register the Trust which is a CP for disbursement. The Master’s Office has requested that the lawyer appointed by the GCF to register the trust provide them with the English law equivalent of letters of authority evidencing that DBSA was properly appointed as trustee of the Trust. Such letter has been provided and it is expected that the trust will be registered in due course. The second challenge faced to date is that the FAA limits funding from the CFF to project companies only and not to financial institutions. An amendment to the agreement will be sought to facilitate lending to financial institutions. The implementation status of the Funded Activities is summarised below:

Funded Activity	Status	Comments
Component 1 – Operationalisation and Project management of CFF		
i) Unit establishment within DBSA	Complete	The CFF was established as communicated to the GCF on the 12 th November 2019 which is being implemented by the Product Innovation and Climate Finance Units of the DBSA. The CFF team comprises six dedicated members.
ii) Development of CFF operational manual	Complete	Approved by the GCF as part of the submission to the Board.
iii) Annual work plan and Budget	On-going	
iv) Project pipeline and financial product development	On-going	This is an on-going activity. Pipeline is originated through active and passive methods and it is targeted at projects that satisfy the CFF’s climate, developmental, environmental and economic requirements. Roadshows were conducted in South Africa, Namibia, Lesotho and Swaziland to form relationships with Government institutions and commercial banks for pipeline development purposes. A request for proposals (RFP) was also drafted however, it may only be published for the next round of funds since the current fund is already ~50% committed.
Component 2 – Project Financing: Providing Credit Enhancements and debt Financing to Climate Change Mitigation and Adaption Projects		
i) Mitigation Financing	On-going	Three renewable energy and energy efficiency projects have been identified and are undergoing the DBSA’s appraisal process. Two are at due diligence stage while one is scheduled to be considered for due diligence stage.
ii) Adaptation Financing	On-going	Two of the projects under review have water efficiency and water treatment components. One of these projects has been approved to proceed to due diligence stage while the other is scheduled for consideration to proceed to due diligence stage.

³ Please remove text below to fit report to one page. Additional reports can be provided as other attachment to the APR.

2.2 Performance against the GCF Investment Criteria (summary) (max two (2) pages).

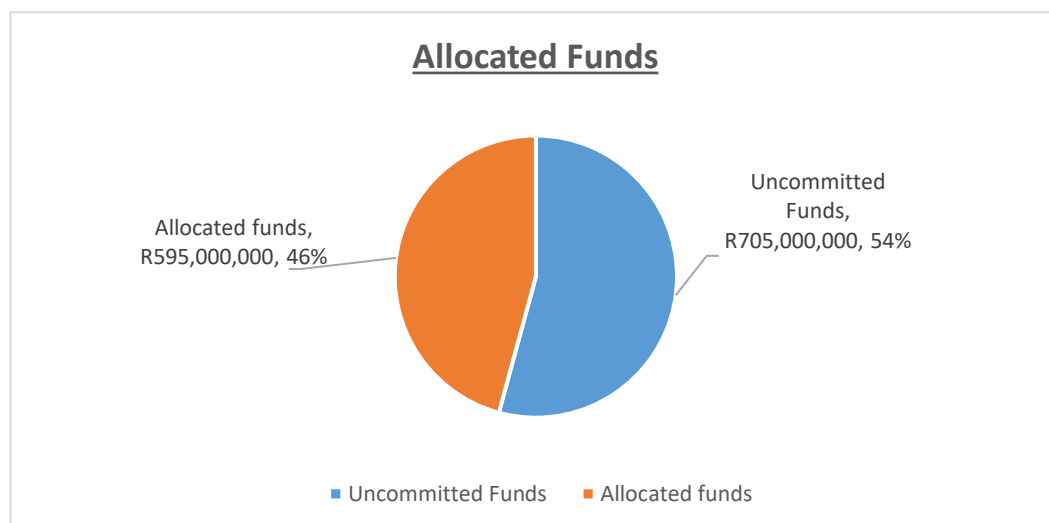
Provide a narrative report describing the progress on the funded activity's performance against the GCF investment criteria framework. The performance should be compared against the initial assessment provided in the Board-approved Funding Proposal (section E). The list of the investment criteria as per the current framework is provided below.

It should be noted that dedicated resources were put in place immediately after the effective date of the FAA during November 2019. Since the due diligence exercise and approval process can take several months, none of the project companies under review in the CFF programme has either obtained final approval by the DBSA's High Impact Investment committee or been funded. Therefore, none of the envisaged climate impact potential for the pipeline projects can be recognised at this stage of the process. However, the current pipeline, which could potentially commit up to half of the total CFF funds, has the following potential climate impact:

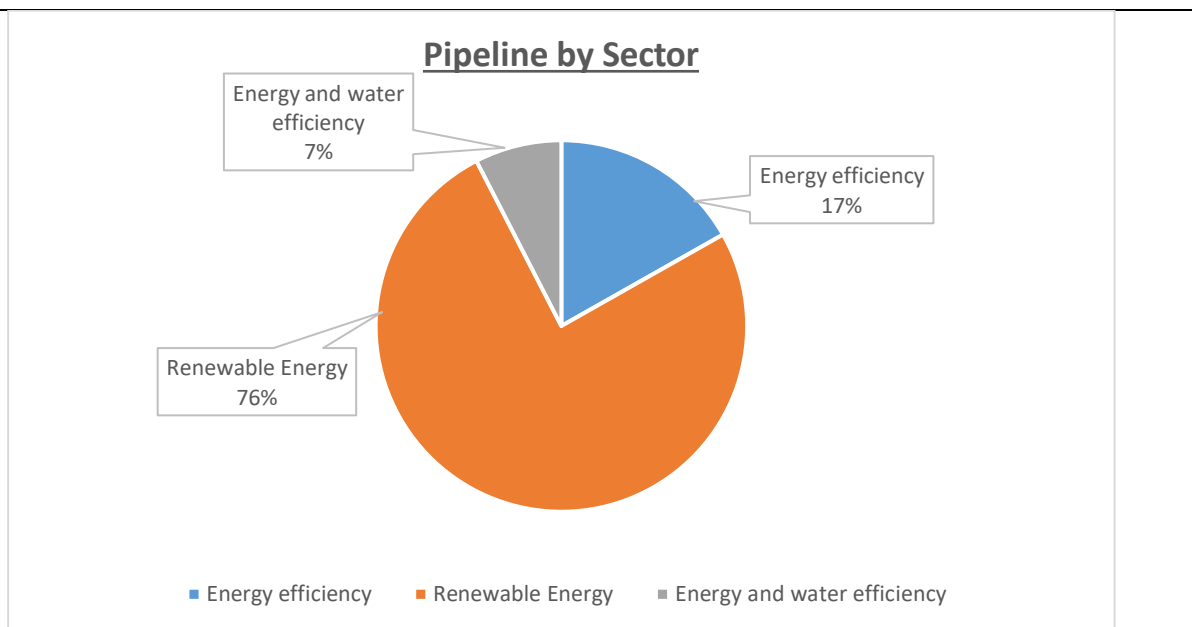
Pipeline	RE* Annual output (MWh/a)	EE* Annual Savings (MWh/a)	tCO ₂ emissions avoided	Location	Amount (ZAR)	Amount (USD)**
1. Company A	-	1.65	2,572	South Africa	R100million	\$6.7million
2. Company B	7.26	-	11,317	South Africa	R200million	\$13.3million
3. Company C		1.2	15,900	Namibia	R45million	\$3million
4. Company D	Est. 20		31,176	Namibia	R250million	\$16.7million
Total	27.26	2.85	60,965		R595million	\$39.7million

RE* – Renewable Energy; EE* – Energy Efficiency

** - ZAR/USD Exchange rate – R15/\$1



Allocated funds are subject to the approval by the DBSA investment committee and Board



For each investment criteria outlined below, please include an assessment of current status, changes, progress and impact of the project as well as any impact of project context on the project during this reporting period against the initial baseline scenario and planned activities as per the assessment presented in the approved Funding Proposal.

2.2.1 Impact Potential (max one (1) page).

As per the initial assessment against the investment criteria provided in the Funding Proposal approved by the GCF Board, please provide an assessment of the performance of the funded activity during the relevant reporting period against the investment criteria "Impact Potential".

Projects listed in the table below are still under review, therefore the impact reported on these projects has not yet been realised.

Pipeline	tCO2 emissions avoided	Jobs created
1. Company A	2,572	75 indirect
2. Company B	11,317	630 (direct) and 1,176 (indirect)
3. Company c	15,900	92 direct
4. Company D		
Total		1,973 direct and indirect jobs

1. Company A:

The Project promotes economic development and growth through financing infrastructure development, job creation and leveraging the private sector to alleviate poverty and energy shortages.

The project will exhibit development impact in the following areas:

- Reduced carbon emissions and energy consumption due to installed energy efficient and renewable energy systems
- Catalyses private sector participation within the renewable energy infrastructure sector through co-investment with CFF in projects.
- Co-benefits: Rehabilitation of dilapidated inner-city buildings, which increases accessibility, habitation and economic activity in the city
- 75 indirect jobs will be created

2. Company B:

The project aligns with CFF mandate through installation of ~7MW of solar energy in the first year. It attracts private sector investment and helps with the overall reduction of carbon emissions. The project will exhibit development impact in the following areas:

- Reduced carbon emissions and energy consumption due to installed energy efficient and renewable energy systems
 - Reduced degree of dependence on the national power grid
 - Co-benefits: Jobs will be created during the solar panel installation process and maintenance. 1,176 direct and 630 indirect jobs will be created
3. **Company C**: The project aligns with CFF mandate through installation of 10MW of solar energy and water efficiency systems. It attracts private sector investment and helps with the overall reduction of carbon emissions. The project will exhibit development impact in the following areas:
- Reduced carbon emissions and energy consumption due to installed energy efficient and renewable energy systems
 - Catalyses private sector participation within the renewable energy infrastructure sector through co-investment with CFF in projects.
 - Co-benefits: 92 direct jobs will be created
4. **Company D**: This project involves various renewable energy projects that will generate a total of 270MW. Company D is in the process of allocating projects to three earmarked funders, one of which is DBSA. Details of projects to be allocated to DBSA will be provided at a later stage.
- Company D will ensure security of supply of power from renewable sources by delivering a least-cost electricity supply mix, strengthening Namibia's transmission network, leveraging regional market opportunities, preparing its business units for a change in the local market model and by supporting government in the development of strategic projects.

2.2.2 Paradigm shift potential (max one (1) page).

As per the initial assessment against the investment criteria provided in the Funding Proposal approved by the GCF Board, please provide an assessment of the performance of the funded activity during the relevant reporting period against the investment criteria "Paradigm shift potential".

The CFF aims to address market constraints, playing a catalytic role with a blended finance approach, to increase climate related investment in the Southern African region. Based on the current pipeline, a total of \$233 million (R3.5billion) will be leveraged from the private sector, which multiplies the impact of the CFF funding. ~30% of the private sector funding will be in a form of equity while the remaining ~50% will be senior debt. However, not all of the funding has been committed since CFF's Due diligence exercises are not yet concluded. CFF funding is meant to crowd-in private investment, therefore commitment from commercial banks is expected to materialize subsequent to the approval of CFF funding.

The CFF team is in the process of organizing the SADC Climate Finance Summit. The Summit will discuss strategies to enhance country capacity to access and mobilise climate finance from bilateral and multilateral sources and the operating entities of the UNFCCC financial mechanism including the Green Climate Fund (GCF). This Summit is convened by a broad network of partners in addition to the DBSA including the United Nations Framework Convention on Climate Change (UNFCCC), the European Investment Bank (EIB) and South South North (SSN) amongst others and will offer an immersive opportunity to engage with key ministries and national development finance institutions (nDFIs) in member countries of the Southern African Development Community (SADC). This collaborative event will enable the operating entities of the Financial Mechanism, United Nations agencies and bilateral, regional and other multinational channels, to explore ways and means to assist developing country parties assess their needs and priorities, to include technological and capacity-building needs, and finance them in a country-driven manner. A key outcome of the workshop is to arrive at a set of country determined actions and steps, encompassed in a roadmap, backed by a cohesive climate finance strategy, to include concrete ideas on concept notes that could be presented to the GCF based on the CFF green bank model.

2.2.3 Sustainable development potential (max one (1) page).

As per the initial assessment against the investment criteria provided in the Funding Proposal approved by the GCF Board, please provide an assessment of the performance of the funded activity during the relevant reporting period against the investment criteria "Sustainable development potential".

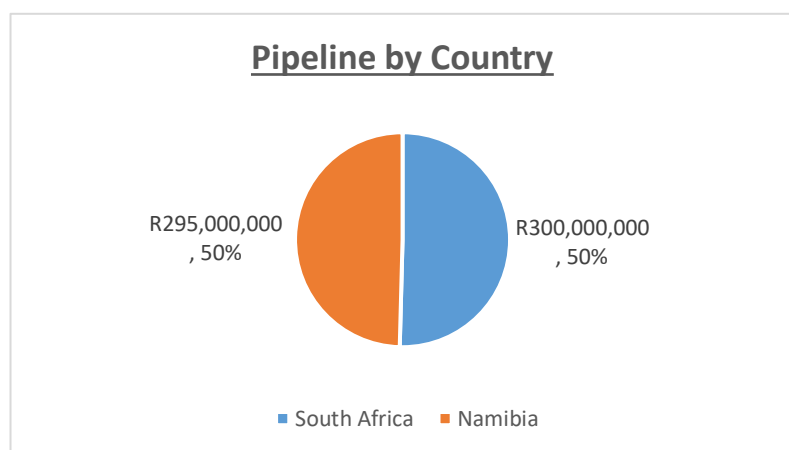
A total of 27MWh of power will be generated from renewable sources and while 3 MWh of energy will be saved from installation of energy efficient systems from the current pipeline alone if approved and implemented. This translates into 60,965 tonsCO₂e avoided. Water will be saved due to installation of water efficient systems. 1,973 Jobs will be created, 37% of which are direct while 63% are indirect. A 40%-60% split is envisaged for males and females respectively, however this can only be confirmed when the projects have been implemented.

Water efficient systems in two of the projects in the pipeline will help relieve drought and water scarcity problems in Namibia and South Africa while Company A's project will improve economic activity in the inner cities of South Africa through refurbishment and revitalisation of old abandoned inner city buildings.

2.2.4 Needs of the recipient (max one (1) page).

As per the initial assessment against the investment criteria provided in the Funding Proposal approved by the GCF Board, please provide an assessment of the performance of the funded activity during the relevant reporting period against the investment criteria "Needs of the recipient".

Of the four countries supported under CFF, South Africa and Namibia are the only two countries from which the current pipeline emanates. The pipeline split is as indicated in the diagram below. Projects from Namibia fall under water efficiency and renewable energy, which aligns to the Country's need to reduce water consumption and increase energy supply due to current drought and energy shortage challenges faced. South African projects also address the current energy supply shortage and unemployment challenges that are critical to the country.



Plans are underway to initiate active deal origination from the other two countries (Eswatini and Lesotho) in order to have fair representation from all countries.

2.2.5 Country Ownership (max one (1) page).

As per the initial assessment against the investment criteria provided in the Funding Proposal approved by the GCF Board, please provide an assessment of the performance of the funded activity during the relevant reporting period against the investment criteria "Country Ownership".

All projects supported under consideration by the CFF support the objectives and policies set by the respective countries. The DBSA have also received endorsement from the NDA in Namibia for the proposed initiative with Company D.

2.2.6 Efficiency and Effectiveness (max one (1) page).

As per the initial assessment against the investment criteria provided in the Funding Proposal approved by the GCF Board, please provide an assessment of the performance of the funded activity during the relevant reporting period against the investment criteria "Efficiency and Effectiveness".

A request for proposals (RFP) has been drafted and is ready to be published. However, considering that ~50% of the CFF fund has already been indicatively allocated to the current pipeline, it may not be necessary to publish an RFP when remaining are funds are limited. An active deal origination approach may be more suitable.

2.3 PROJECT OUTPUTS IMPLEMENTATION STATUS			
Project Output	Project Activity	Status ⁴	Implementation progress (%)
1. Operationalisation and Project management of CFF			
1.1 Unit establishment within DBSA	1.1.1. Operationalise and launch of the CFF unit within the DBSA	<i>Completed</i>	100%
	<i>This milestone was completed on time.</i>		
	1.1.2 Establish CFF portfolio management unit team	<i>Activity Started -progress on track</i>	90%
	<i>Two new resources have been employed in CFF. Additional resources will be employed once the outstanding CFF grant has been disbursed.</i>		
	1.1.3 Develop strategic plan	<i>Completed</i>	100%
	<i>Aligned to operations manual and FP submitted to GCF. Will be updated as per need.</i>		
	1.1.4 Form CFF Steering committee	<i>Completed</i>	100%
	<i>The CFF steering committee has been formed and it is operational. All active transactions in the CFF were reviewed and approved by the committee.</i>		
	1.1.5 Oversee legal and accounting arrangements	<i>Ongoing</i>	Ongoing
	<i>Ongoing. Awaiting registration of the Trust with the Master's office.</i>		
	1.1.6 Create budget template and ring-fence trust bank accounts and other tasks as required	<i>Completed</i>	100%
<i>Dedicated bank accounts opened.</i>			
1.2 Development of CFF Operations Manual	1.2. Develop the CFF operations manual	<i>Completed</i>	100%

⁴ Activity Not Yet Due; Activity Started -ahead of schedule; Activity started – progress on track; Activity started but progress delayed; Activity start is delayed.

	<i>The CFF Operations manual was developed and approved by the GCF. The manual includes details investment criteria, eligibility criteria for each sector targeted by the CFF and the monitoring and impact measurement guidelines.</i>		
1.3 Annual work plan and budget	1.3.1. Develop budget plan that considers the financial sustainability of the facility and a balanced portfolio of programmes	<i>Activity Started - progress on track</i>	30%
	<i>Ongoing</i>		
1.4 Project pipeline & Financial product development programmes	1.4.1 Portfolio management team to develop first round of CFF financial products	<i>Ongoing</i>	
	<i>Ongoing</i>		
	1.4.2 Design and launch an open ended Request for proposal (RFP) process to support development of a robust project pipeline for the CFF	<i>Activity started – progress on track</i>	90%
	<i>A request for proposals (RFP) was drafted however, it may only be published for the next round of funds since the current fund is already ~50% committed.</i>		
	1.4.3 Interface with DBSA origination channels and the new CPI “Climate Lab” to be hosted at DBSA	<i>Ongoing</i>	30%
	<i>Ongoing</i>		
1.5 Communications and Marketing	1.5.1 Develop, manage and maintain organisational brand and external presence of the CFF and execute a communication and outreach effort that promotes the objectives of the CFF working with the DBSA marketing team	<i>On going</i>	50%
	<i>A CFF webpage is in the process of being developed to market the CFF on the DBSA website.</i>		
	1.5.2 Lead direct outreach to project developers, commercial banks, DFI’s and other relevant stakeholders	<i>On-going</i>	80%
	<i>Roadshows were conducted in South Africa, Namibia, Lesotho and Swaziland to form relationships with Government institutions and commercial banks for pipeline development purposes.</i>		
	1.5.3 Build the reputation and brand of the CFF with donors, foundations, corporations, the media and public officials and agencies	<i>On going</i>	50%
	<i>Press release issued immediately after approval of the CFF by the GCF Board.</i>		
2. Project financing of climate change mitigation and adaption projects	1.5.4 Establish strategic partnerships with lenders, contractors, developers, government agencies, utilities, business and industry associations, and community groups.	<i>On going</i>	30%
	<i>Ongoing</i>		
2.1 Mitigation	2.1.1 DBSA will enter into loan agreements for mitigation projects (Renewable Energy, Waste to Energy, Energy Efficiency, Low Emission transport)	<i>Activity started – progress on track</i>	40%

financing	<p><i>The CFF team has already built a pipeline and they continue to engage the private sector on the quest to attract more projects and form relationships with relevant stakeholders. A pipeline of more than 8 projects is under review. Two of the projects are at due diligence stage where they undergo a comprehensive appraisal before a funding decision can be undertaken. Two are undergoing early review assessment in order to advance to due diligence while the rest are being screened. The four projects that are being appraised have funding requirement of ~50% of total CFF funding, which shows that the CFF has performed above expectation in light of pipeline development and appraisal progress. The CFF funding was meant to be committed and disbursed over a period of 5 years however, with 50% of the funding already committed to projects, it is highly likely that the CFF will have all funds committed much earlier than anticipated. Details of the projects under review are given in section 2.2 of this report.</i></p>		
	<p>2.1.2 Signing of Loans and disbursements to be in line with the eligibility criteria and the operations manual of the programme</p>	<p>Activity not yet started</p>	<p>0%</p>
	<p><i>None of the projects have been approved for funding therefore none are at agreement signature and disbursement stage.</i></p>		

2.4 PROGRESS UPDATE ON THE LOGIC FRAMEWORK INDICATORS⁵

2.4.1 PROGRESS UPDATE ON FUND-LEVEL IMPACT INDICATORS OF THE LOGIC FRAMEWORK

<i>Fund-level impact Core indicators⁶ (Mitigation)</i>	<i>Baseline</i>	<i>Current value⁷</i>	<i>Target (mid-term)</i>	<i>Target (final)</i>	<i>Remarks (including changes⁸, if any)</i>
Tonnes of carbon dioxide equivalent (t CO ₂ eq) reduced or avoided as a result of Fund-funded projects/programmes (accumulated GHG reduction over 20 years)	<i>Annual -</i>	<i>Annual -</i>	<i>Annual -</i>	<i>Annual -</i>	<i>Projects still under review</i>
	<i>Lifetime 0</i>	<i>Lifetime 0</i>	<i>Lifetime</i>	<i>Lifetime 11 976 640 (As per FP)</i>	<i>Projects still under review</i>
Tonnes of carbon dioxide equivalent (t CO ₂ eq) reduced or avoided as a result of Fund-funded projects/programmes (Accumulated GHG reduction over 10 years)	<i>0</i>			<i>1,242,590 (As per FP)</i>	<i>Projects still under review</i>
Tonnes of carbon dioxide equivalent (t CO ₂ eq) reduced or avoided as a result of Fund-funded projects/programmes (Accumulated GHG reduction over 10 years)	<i>0</i>			<i>16,500,872 (As per FP)</i>	<i>Projects still under review</i>
Number of males and females with year-round access to reliable and safe water supply despite climate shocks and stresses	<i>0</i>		<i>205,481</i>	<i>410,963 (As per FP)</i>	<i>Projects still under review</i>
MW of low-emission energy capacity installed, generated and/or rehabilitated as a result of GCF support	<i>0</i>		<i>130</i>	<i>260 (As per FP)</i>	<i>Projects still under review</i>
Vehicle fuel economy and energy source as a result of Fund support	<i>0</i>		<i>41600</i>	<i>83200 (As per FP)</i>	<i>Projects still under review</i>
Energy intensity/improved efficiency of buildings, cities, industries and appliances as a result of Fund support. – (GWh/annum installed)	<i>0</i>			<i>1,603 (As per FP)</i>	<i>Projects still under review</i>
Use by vulnerable households, communities, businesses and public-sector services of Fund-	<i>0</i>			<i>410,963 (As per FP)</i>	<i>Projects still under review</i>

⁵ Per the approved methodology in and the Logic Framework in the Funding Proposal, please provide an update on the relevant indicators.

⁶ As per the relevant indicators established in the Funding Proposal and the Performance Measurement Framework, including all indicators approved by the Board and relevant updates agreed with GCF, if applicable.

⁷ As of 31 December of the relevant year.

⁸ Related to the approved indicators and targets in the Logic Framework.

supported tools, instruments, strategies and activities to respond to climate change and variability					
Water sourced, saved or treated for reused	0			100 mL/day (As per FP)	Projects still under review
Project / Programme outputs					
NB: Targets as per Full Proposal. To be updated once projects have been approved by DBSA Investment Committees					
Mitigation : Renewable energy projects generation- SPV	0			4	
Mitigation: Waste to energy projects	0			2	
Mitigation: Energy efficiency	0			3	
Mitigation: Low emissions transport	0			1	
Adaptation: Water efficiency	0			1	
Adaptation: Water treatment	0			2	
Adaptation: New Clean Water	0			2	
Percentage finance leveraged					
Mitigation programmes per country: <ul style="list-style-type: none"> • South Africa • Lesotho • Nambia • Swaziland 	0			6 1 2 1	
Adaption: programmes per country: <ul style="list-style-type: none"> • South Africa • Lesotho • Nambia • Swaziland 				2 1 1 1	
Total value of CFF funding approved	0		84.5	169	

Total value of CFF funds disbursed	0		84.5	169	
Renewable energy projects generation SPV	0		26.15	52.31	
Energy efficiency and transport	0		24.5	49.01	
Mitigation: Waste to energy	0		33.8	16.9	
Adaptation: Water efficiency, treatment and production	0		25.33	50.76	
Value mitigation programmes per country: <ul style="list-style-type: none"> • South Africa • Lesotho • Namibia • Swaziland 				<ul style="list-style-type: none"> * 70.98 * 11.83 * 23.66 *11.83 	
Value adaption programmes per country: <ul style="list-style-type: none"> • South Africa • Lesotho • Namibia • Swaziland 				<ul style="list-style-type: none"> • 20.28 • 10.14 • 10.14 • 10.14 	
Number of jobs created: Renewable energy projects generation SPV <ul style="list-style-type: none"> • Total • Female jobs 	0			<ul style="list-style-type: none"> • 2,700 • 1,215 	
Number of jobs created: Energy efficiency and transport <ul style="list-style-type: none"> • Total • Female 	0			<ul style="list-style-type: none"> • 1,034 • 465 	
Number of jobs create: waste to energy <ul style="list-style-type: none"> • Total • Female jobs 	0			<ul style="list-style-type: none"> *457 *206 	
Number of jobs created: Water efficiency, treatment and production <ul style="list-style-type: none"> • Total • Female jobs 	0			<ul style="list-style-type: none"> *132 *59 	
Value of funding MSMEs <ul style="list-style-type: none"> • Mitigation • Adaptation 	0			<ul style="list-style-type: none"> *41.35 *17.49 	



2.5 IMPLEMENTATION TIMETABLE/MILESTONES FOR THE NEXT REPORTING PERIOD

Provide a timetable including milestones to be delivered for the next annual reporting period. This section should be aligned with Section 2.3 and the project Implementation Timetable in Annex 1. Please provide below a list of relevant milestones included in the annual work plan reflected below.

It is expected that milestones for the next reporting period should be defined in more detail than originally planned since project managers should have a better idea of what milestones are to be achieved in their annual work plans than they may have had when the original project implementation timetable was included in the funding proposal.

Operating Stage	Inception, Launch & Operation																							
Year	2019				2020				2021				2022				2023				2024			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Component 1: Operationalization and project management of CFF																								
1.1 Unit establishment within DBSA																								
<ul style="list-style-type: none"> • Lead successful operationalization and launch of the CFF unit within the DBSA; • Design and put in place CFF portfolio management unit team; • Develop strategic plan; • Form CFF Steering Committee; • Oversee legal and accounting arrangements; • Create budget template, and ring-fenced trust bank accounts: and other tasks as required. 																								
1.2 Development of CFF Operations Manual																								
<ul style="list-style-type: none"> • Manual will include detailed investment criteria, eligibility criteria for each sector targeted by CFF, monitoring and impact measurement guidelines; • The Operational Manual will stipulate how CFF investment and eligibility criteria will be fully integrated into the investment appraisal process of CFF; • Eligibility criteria will include a focus on the water sector. 																								
1.3 Annual Work Plan and Budget:																								
<ul style="list-style-type: none"> • Develop budget plan that considers the financial sustainability of the facility and a balanced portfolio of programs 																								

<ul style="list-style-type: none"> • DBSA will enter into loan agreements for adaptation projects (Water Efficiency, Water Treatment, New Clean Water) • Signing of Loans and disbursements to be in line with the eligibility criteria and the operations manual of the programme. 																													
Annual Performance Report					Interim APR (Current report)					APR					APR						APR					APR			PC

2.7 REPORT ON CHANGES DURING IMPLEMENTATION (include actual and expected changes)

Describe changes to the project during the reporting period. In particular, the report should cover elements such as change of beneficial ownership structure, management changes of the Accredited Entity, policies and other elements relevant for the project, and any other material change that could influence the overall outcome of the project.

DBSA to seek amendment to FAA to overcome limitations around funding. CFF aims to invest in some sector specific financial institutions in order to gain access into niche sector markets that would otherwise prove difficult to penetrate. This would also help CFF to gain access into the smaller transactions and help diversify CFF's portfolio.

2.6 IMPLEMENTATION CHALLENGES AND LESSONS LEARNED

Describe implementation challenges faced during the last reporting period, including measures adopted and lessons learned. If any issues have arisen in the last twelve (12) months of implementation that may result in a change to the scope and/or timing of the project, please provide a description of those items and how they have impacted the implementation period and final targets.

Challenge encountered	Type ⁹	Measures adopted	Impact on the project implementation ¹⁰	Lessons learned and Other Remarks
CFF received funding applications from financial institutions of good standing. However, these could not be supported due to a clause in the FAA agreement that limits GCF to invest in project companies only.	Legal	The CFF has made a request to GCF to consider amending the Funding Agreement in order to lift the limitation.	Moderate	
	Choose an item.		Choose an item.	

⁹ Implementation; Legal; Financial; Environmental/Social; Political; Procurement; Other; AML/CFT; Sanctions; Prohibited Practices.

¹⁰ Minor/Solved; Moderate; High.

SECTION 3. FINANCIAL INFORMATION		
OVERVIEW OF THE FUNDED ACTIVITY (Please complete Sections 3.1 to 3.6 in Excel file "APR Section 3 Financial Information")	<i>For the Reporting Period</i> (EUR/USD/JPY/GBP)	<i>Cumulative</i> (EUR/USD/JPY/GBP)
Total Project Cost¹¹:		USD 170,550,000
Total GCF financing to the Project:	<i>Disbursement request to be made to GCF once CFF trust registered</i>	<i>USD 55,610,000</i>
Total Amount of GCF Proceeds Disbursed to AE:		
Grant component:	0	0
Loan Component:	0	0
Equity Component:	NA	NA
Guarantee Component:	NA	NA
Total Amount:	0	0
Total Amount of Funds used for the Funded Activity¹²:	<i>As noted above</i>	
By Executing Entity 1:		
By Executing Entity 2, etc.:		
Total amount:		
Total Amount of Expenditures on the Funded Activity:		
- Pipeline development	<i>USD 48,000</i>	<i>USD 48,000</i>
- Roadshow cost (communication & marketing)	<i>USD13,000</i>	<i>USD 13,000</i>
- Operational manual (<i>USD 62,000</i>	<i>USD 62,000</i>
- Request for Proposal	<i>TBC</i>	<i>TBC</i>
- Website	<i>TBC</i>	<i>TBC</i>
Total Amount of funds Committed to the Funded Activity¹³:	<i>Projects still at Due Diligence stage. Will be committed after approval by DBSA investment committee</i>	
Amount of Other Inflows received by the AE¹⁴	0	0
Total Amount of Reflowed Funds to GCF from AE:	0	0
Closing balance of the AE for the Funded Activity¹⁵:		
Closing balance of the Executing Entity(ies) for the Funded Activity¹⁶:		
Absorption Capacity¹⁷		
<i>Please provide a brief explanation in the case of variances between the executed budget (annual and cumulative) and the approved project cost/budget/approved amount absorption capacity</i>		
COUNTRY SPECIFIC INFORMATION		
Total Amount of GCF Proceeds Disbursed by the AE for each Target Country of the Project:	NB: Projects under review. Awaiting GCF disbursement	NB: Projects under review. Awaiting GCF disbursement
South Africa	0	0
Namibia	0	0
Eswatini	0	0
Lesotho	0	0

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Date of First Cash Disbursement of GCF Proceeds by the Executing Entity:	Subject to registration of Trust	
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SECTION 4: REPORT PROJECT SPECIFIC ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS & GENDER

4.1 IMPLEMENTATION OF ENVIRONMENTAL AND SOCIAL SAFEGUARDS AND GENDER ELEMENTS (max 1 page)

During the Due Diligence stage which is currently underway for 2 projects in the CFF pipeline, the AE will ensure that the project companies complies with the DBSA ESSs which includes:

- Reviewing Client information relating to the project environmental and social risks and impacts, and requesting additional relevant information where there are gaps that prevent the DBSA from completing its due diligence.
- Undertaking due diligence of proposed projects, proportionate to the nature and potential significance of project environmental and social risks and impacts.
- Appointing appropriately skilled people to appraise projects and evaluate whether projects meet ESSs requirements.
- Appraising the nature and significance of the projects potential environmental and social risks and impacts, project implementation timeframes, and client capacity to develop and implement the project.
- Providing guidance to assist the Client develop appropriate measures consistent to address environmental and social risks and impacts in accordance with the ESSs.
- Undertaking site visits and interacting with relevant key stakeholders, as appropriate. Identifying any measures and actions that the client needs to put in place to address identified social and environmental risks and impacts.

, including bank interest earned, revenue from income generating activities, reflowed funds to the Accredited Entity, Value Added Tax/other tax refunds, proceeds from disposal of assets, etc.

¹⁵ As of the end of the relevant period, the Closing Cash Balance resulting from the opening Cash Balance plus total Inflows, minus total Outflows in relation to the Funded Activity. Please refer to the Closing Balance expressed in section 3.1 (excel sheet attached).

¹⁶ As of the end of the relevant period, the Closing Cash Balance resulting from the opening Cash Balance plus total Inflows, minus total Outflows in relation to the Funded Activity.

¹⁷ The rate of utilization of the project cost/budget, i.e. total amount of funds used for the funded activity in the period expressed as a percentage of the total project cost/budget for the corresponding period.

4.2 GENDER ACTION PLAN

The Gender Action Plan for the Climate Finance Facility and the proposed plan outlined in the plan sets the tone for how gender matters can be addressed when implementing projects that will be funded through the CFF. The Gender Action Plan should be for the projects that will be financed under this facility. Since some of the CFF projects in the pipeline are still at DD stage, each of the projects to be financed after approval by the DBSA Investment shall apply a gender mainstreaming approach in line with the DBSA gender requirements described in the Environmental and Social Safeguard Standards. For each project, project sponsors will be obligated to prepare a project-specific Gender Action Plan, and for each project a project-specific Gender Specialist will be assigned by the project sponsor at their own cost to oversee the facilitation and implementation of the project-specific Gender Action Plan.

4.2.1 PROGRESS ON IMPLEMENTING THE PROJECT-LEVEL GENDER ACTION PLAN SUBMITTED WITH THE FUNDING PROPOSAL.

Activities/ac-tions	Indicators	Baseline	Targets, in-cluding sex-disaggre-gated targets	Timeline	Responsibilities	Budget	Report on annual progress

4.3 PLANNED ACTIVITIES ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS

Provide a list of activities in the ESMP to be implemented in the next reporting period. Include relevant deliverables such as reports or action plans, and other project specific products. Please include the monitoring schedule concerning ESS and gender activities for the next annual reporting period.

In the next reporting period, the due diligence exercise of at least 2 CFF pipeline projects should be complete in which ESS requirements for sub-projects should have been completed. In this regard, the client is responsible for providing the DBSA with relevant information to enable the DBSA to undertake a comprehensive environmental and social due diligence. The DBSA recognises that Clients may have different levels of information regarding environmental and social risks and impacts available at the time the DBSA carries out its due diligence. The DBSA will assess the proposed projects risk and impacts based on the project type, context and information available to the DBSA, and the Clients capacity to develop and implement the project in accordance with the ESSs. The DBSA will assess the significance of any information gaps, and the potential risk this may present to meeting the ESS objectives. Where the DBSA is approached to finance a project that is under construction, or where the project has met the necessary national legislative requirements, the DBSA's due diligence will include a gap analysis and mitigation measures required to meet the ESSs. Depending on the potential significance of environmental and social risks and impacts, the DBSA will determine whether the Client will be required to retain independent third party specialists to assess project environmental and social impacts.

4.4 PLANNED ACTIVITIES ON GENDER ELEMENTS

Provide a list of activities in the gender action plan to be implemented in the next reporting period. Include relevant deliverables such as reports or action plans, and other project specific products including processes that will be involved to implement the activities effectively. Please include the monitoring schedule concerning gender activities for the next annual reporting period.

Report on actions taken on any of the recommendations made by the secretariat (if applicable) to improve the level of integration of gender issues in the project.

See 4.2 above

In the next reporting period, the due diligence exercise of at least 2 CFF pipeline projects should be complete in which gender action plans for sub-projects should have been completed which should be aligned with the Gender Action Plan targets for the programme. It is envisaged that clients would at least have an appreciation of country-specific (South African, Namibia, Lesotho, Swaziland) gender policies and framework depending on the location of their project (s).



SECTION 5: ANNEXES