



ADAPTATION FUND

**Local Leadership in Adaptation Finance:
Learning from Locally-led Action in
Adaptation Fund Projects and Programmes**

AUGUST 2020

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List of Acronyms

AF	Adaptation Fund
CANE	Afro-Ecuadorian Confederation of Northern Esmeraldas
COP	Conference of the Parties
COVID-19	Coronavirus Disease 2019
CPA	Community Protected Area
CSA	Conservation South Africa
EDA	Enhanced Direct Access
FA	Facilitating Agency
GCA	Global Commission on Adaptation
GCF	Green Climate Fund
GEF	Global Environmental Facility
GFA	Grand Family Awá
IGAD	Intergovernmental Authority on Development
INDER	Rural Development Institute (Costa Rica)
ITCZ	Inter-Tropical Convergence Zone
IUCN	International Union for Conservation of Nature
KC&CD	OKaday Community & Cultural Development Organization
MCT	Micronesia Conservation Trust
MTS	Medium-Term Strategy
MOWE	Ministry of Water and Environment (Uganda)
NARO	National Agricultural Research Organization (Uganda)
NGO	Non-Government Organization
NIE	National Implementing Entity
OSS	Sahara and Sahel Observatory
PCA	Pakin Community Association
RECOMPAS	Network of Southern Pacific Community Councils
SACCO	Savings and Credit Cooperative
SANBI	South African National Biodiversity Institute
SGF	Small Grants Facility
SGP	Small Grants Programme
SSN	SouthSouthNorth
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
WB	World Bank
WFP	United Nations World Food Programme

Executive Summary

Highlights

- In recent years, practitioners, policy-makers and researchers have focused increasingly on the role of local leadership in pursuing effective action on climate change adaptation. Emerging perspectives suggest that vulnerable groups and local actors can deliver effective adaptation when they are empowered to put into action solutions that work best for them.
- In the context of climate change adaptation, locally-led action refers to practices or methodologies that meaningfully put local-level actors in the driving seat on planning, designing, and executing measures that build adaptive capacity and resilience to climate impacts. However, knowledge is limited on what works in practice to best promote locally-led action.
- Since becoming operational 13 years ago, the Adaptation Fund has pioneered an institutional design that promotes the involvement of local-level actors in planning and implementing adaptation solutions. In delivering on its mandate—to finance concrete adaptation projects and programmes that benefit the most vulnerable to climate change—the Fund has prioritized actions that meaningfully involve, and deliver benefits to, local actors.
- This report examines the Adaptation Fund’s experiences in promoting locally-led action on adaptation. It highlights a number of institutional and project-level strategies that have proven central to the successful promotion of locally-led action on adaptation. It also reports on some of the common challenges that local actors have faced in converting the promise of local empowerment into effective action in practice.
- The report provides recommendations on how the Adaptation Fund and its partners can continue to support and learn from locally-led action. The report also contributes to the work of the Global Commission on Adaptation action track on locally-led action.

Context

In recent years, adaptation practitioners, policymakers and researchers have focused increasingly on the decision-making processes that determine how climate finance is spent. In the past decade, as the volume of adaptation finance has increased, and early investments have matured, the role of local leadership in pursuing effective adaptation action has come to the fore. Emerging perspectives suggest that vulnerable groups and local actors can deliver effective adaptation when they are empowered to put into action solutions that work best for them.¹ In short, as the effects of climate change are locally experienced, those effects may best be addressed by meaningfully engaging local actors and institutions.

The rise in interest in local approaches to adaptation mirrors broader shifts in development planning and practice, which is increasingly informed by participatory approaches, justice-based approaches, and the reality that many non-state actors are deploying and financing local-level initiatives. The 2015 Paris Agreement, for instance, departed from previous international agreements by engaging the essential role of non-state actors on climate change adaptation, including civil society, the private sector,

financial institutions, cities, and other sub-national authorities, local communities and indigenous peoples.

In September 2019, the Global Commission on Adaptation (GCA)—which was launched with the mandate to encourage the development of measures to manage the effects of climate change through technology, planning and investment—launched a “Year of Action” to accelerate and scale up action on adaptation in advance of the Climate Adaptation Summit that, as of the issuance of this report, is scheduled to be held online in January 2021.^{2,3} Over the coming decade, the GCA aims to support a comprehensive platform for urgent, bold and equitable adaptation that comprises eight action tracks, one of which focuses on locally-led action. The locally-led action track encourages governments and funders to expand financial resources available to local governments, community-based organizations, and others working at the local level so that they can better identify, prioritize, implement, and monitor adaptation solutions. Further, it aims to empower local groups to influence decision making on adaptation and to scale up finance and policies designed to help local actors implement climate adaptation solutions.

1. Global Commission on Adaptation, 'Global Center on Adaptation, Locally-Led Action Track', 2020 <<https://gca.org/global-commission-on-adaptation/action-tracks/locally-led-action>>; United Nations Department of Economic and Social Affairs, 'Chapter IV: Coherent, Participatory and Adaptive Policymaking for Climate Resilience', 2016 <https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/4_Chapter_WESS2016.pdf>; Crispino Lopo, 'Mainstreaming Climate Change Adaptation: The Need and Role of Civil Society Organisations' <<https://www.wri.org/our-work/project/world-resources-report/mainstreaming-climate-change-adaptation-need-and-role-civil>>.

2. Global Center on Adaptation and World Resources Institute, 'About Us. Global Center on Adaptation', 2020 <<https://gca.org/global-commission-on-adaptation/about-us>>

3. Global Commission on Adaptation, 'Summit – Climate Adaptation Summit', 2020 <<https://climateadaptationsummit.gca.org/summit/>>

About this report

This report offers an overview of locally-led actions and interventions supported by the Adaptation Fund. Its overarching objective is to accelerate learning about institutional and individual capacity strengthening, modalities, and approaches for harnessing successful locally-led adaptation measures and strategies. It will be of interest to a range of Adaptation Fund stakeholders,

including the Board, secretariat, implementing entities, executing entities and the Adaptation Fund NGO Network. It will also be of interest more broadly to practitioners in climate finance, government officials, the private sector, civil society groups, and members of the public seeking to learn more on locally-led action on adaptation.

Main findings

The report finds that several institutional and project-level strategies are central to the successful promotion of locally-led action on adaptation. It also finds a number of common challenges that local actors face in converting the promise of local empowerment into effective action in practice. Its main findings include:

- **Capacity assessment is key to establishing strong partnerships and clear expectations between implementing entities and local partners.** The benefits of assessing local-level capacities at the outset include: generating mutual trust in each organization's capabilities; setting clear expectations about what capacity support is needed for successful project execution; targeting resources effectively towards filling capacity gaps; and avoiding delays from unexpected issues during implementation.
- **Sensitive and respectful working methods can help to build trust with vulnerable and marginalized local actors.** Implementing entities can improve prospects for successfully working with local actors by understanding a region's history, consulting closely with local leaders, and adopting locally-appropriate working methods.
- Involving local government can enable local leaders to play an important long-term role in adaptation action. When local authorities oversee the execution of key project activities, they can build technical and management capacities to make lasting local-level change.
- **Locally-led action may require specific planning efforts to overcome linguistic, geographical and other challenges.** Implementing entities and their partners can encounter specific challenges when working with local level actors due to language and physical geography issues that inhibit easy access and communication. Project managers should integrate these local considerations into project design, including in their budgets, to most effectively overcome them.
- **Instituting simple, flexible procedures is key to effective project management across multiple administrative layers.** Locally-led action may involve several administrative layers and well-intentioned compliance processes can become cumbersome. When implementing entities are creative and flexible, they can adapt project management processes to insulate local actors from administrative burdens.
- **Local leaders are well placed to determine appropriate and effective methods for communication and decision-making.** Working productively with local partners requires clear communication channels and decision-making processes that meaningfully involve locals. Local leaders are well informed to opine on which methods work best.

- **Sensitization on locally-led approaches may increase local ownership and the likelihood of sustaining project outcomes.** Key actors may be accustomed to undertaking projects in traditional and more centralized ways. Undertaking projects in a locally-led way can require investments of time and effort in helping project partners understand the many benefits of locally-led approaches.
- **Where national institutions take on key roles in project execution and**

oversight, they are more prepared to take on strategic leadership roles in other adaptation initiatives. From starting with key roles in project execution, national institutions have been shown to later take on significant national responsibilities. Similarly, implementing locally-led action through the Direct Access modality has enabled national institutions to develop and expand their capacities and to later deploy their expertise widely at national and international levels.

Pavoná grown in a nursery in
the Pacific Ocean of Costa Rica.
Fundecooperación



1. Introduction

Since 2010, the Adaptation Fund has committed US\$ 720 million for climate change adaptation and resilience interventions, including over 100 concrete adaptation projects in the most vulnerable communities of developing countries with more than 6 million direct beneficiaries. In delivering on its mandate—to finance concrete adaptation projects and programmes that benefit the most vulnerable to climate change—the Adaptation Fund has generated a substantial body of experience in financing and overseeing a portfolio of interventions that prioritize local voices and deliver local-level benefits. The Fund’s strategies and policies, including on gender and on environmental and social safeguards, require that all of its projects and programmes involve and empower local stakeholders. In line with its strategic focus on learning and sharing, the Fund commissioned the present report to accelerate learning on institutional and individual capacity strengthening, modalities, and approaches for harnessing successful locally-led adaptation measures and strategies in practice.

Locally-led action on adaptation refers to practices or methodologies that meaningfully put local actors in the driving seat on planning, designing, and executing measures that build adaptive capacity and resilience to climate impacts. When action on adaptation is locally led, a significant degree of power over decision-making is devolved from the international and national levels to

subnational actors such as local authorities, civil society organizations, and community or village-level organizations or groups. Locally-led action can involve the empowerment of women and marginalized groups, and the promotion of various forms of local leadership. It can include initiatives such as local planning committees, local savings groups, and prominent roles for local authorities. Locally-led action looks different across regional, national, and sub-national contexts. It also varies across cultural and institutional settings. In practice, many adaptation measures involve organizations and individuals from the ground level to the global level. In locally-led action, a meaningful proportion of power over key decisions is devolved from higher-level to lower-level actors.

The rise in attention to local leadership in adaptation

The role of local leadership in pursuing effective adaptation action has come to the fore in recent years as the volume of adaptation finance has increased and investments in adaptation action have matured. Practitioners, policymakers and researchers are generating new knowledge on the kinds of decision-making and governance processes that lead to the most effective use of climate finance.⁴ Earlier approaches to adaptation relied on government-level decision-making based on long-term regional climate change modeling and impact projections, or adaptation strategies

4. Johanna Nalau, Benjamin L. Preston, and Megan C. Maloney, 'Is Adaptation a Local Responsibility?', *Environmental Science & Policy*, 48 (2015), 89–98.

identified through economic cost-benefit analyses.⁵ Those approaches have the benefit of empowering government stakeholders that are informed on long-term global drivers, as well as the fact that they often have the mandate and resources to create and change policy to enable adaptation. Top-down approaches, however, have not meaningfully incorporated local-level priorities. Locally-led approaches to adaptation contrast with those earlier approaches by placing vulnerable populations at the center of decision-making through bottom-up, participatory, and transparent approaches to planning, deciding where funds are spent, and implementing action for adaptation.

Barriers to increasing local leadership on adaptation

Despite policy shifts towards placing greater attention on the importance of local level leadership, inadequate financing remains a barrier to localized adaptation efforts in developing countries. It is hard to say for certain due to different approaches to tracking and reporting but, by some estimates, less than 10 per cent of all climate finance for adaptation to date has made it to local governments, community-based organizations (CBOs), local non-governmental organizations (NGOs) and households.⁶ Some of the major reasons cited for finance not making it down to the local level include:

- The investment strategies of international funds and national governments that prioritize large-scale results and overlook the role of poor communities in investments and decision-making;
- Traditional financing intermediaries (e.g. development banks) shying away from funding many small projects due to higher transaction costs and concerns around slower project implementation;
- Perceptions that local finance is risky due to low financial literacy, raising concerns that funds may not be properly accounted for;
- Too little support for building local capacity to manage funds;
- Co-financing requirements that hinder local ownership; and,
- Poor enforcement of policies for community engagement.⁷

Opportunities for international organizations to facilitate locally-led action

Recent evidence shows that locally-led action can deliver effective, efficient and sustainable results that enhance the impact of each dollar disbursed.⁸ When done well, local finance empowers local people and local institutions to decide and act for themselves. Devolving decision-making effectively can make investments relevant, sustainable, accountable and good value. Upscaling funding for the local level may generate sustainable results while

5. P. Mick Kelly and W. Neil Adger, 'Theory and Practice in Assessing Vulnerability to *Climate Change* and Facilitating Adaptation', *Climatic Change*, 47.4 (2000), 325–52.

6. Ornsaran Pomme Manuamorn, Robbert Biesbroek, and Victor Cebotari, 'What Makes Internationally-Financed Climate Change Adaptation Projects Focus on Local Communities? A Configurational Analysis of 30 Adaptation Fund Projects', *Global Environmental Change*, 61 (2020), 102035.

7. Marek Soanes and others, *Delivering Real Change: Getting International Climate Finance to the Local Level* (International Institute for Environment and Development, 2017) <<https://pubs.iied.org/pdfs/10178IIED.pdf>>.

8. Jonathan Glennie, *Localising Aid: Can Using Local Actors Strengthen Them?* (London: ODI, 2012) <<http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7789.pdf>>; Soanes and others; Anna Walnycki, *Local Development from Global Finance: How to Extend and Deepen the Impact of 2030 Development Finance* (International Institute for Environment and Development, 2016), JSTOR <<https://www.jstor.org/stable/resrep02706>>.

developing capacities and generating climate positive development benefits.⁹

International funds, through their rules and procedures, can enable or constrain effective channeling of finance to the local level.¹⁰ Several climate finance organizations had built in dedicated approaches to their operations over the past decade or so to encourage local involvement in adaptation. The Climate Investment Funds, for instance, have since their establishment in 2009 implemented active stakeholder engagement policies and practices involving non-state actors.¹¹ Observers from civil society, including indigenous peoples, have had a seat at the decision-making table, playing an active role in governance, investment planning, project design and implementation, and monitoring and evaluation. Local engagement has provided local stakeholders with opportunities to substantively shape the use of resources at the local level through participatory land and resource planning. It has also in other instances played an important role in

minimizing potential negative environmental and social impacts. Similarly, the Small Grants Programme (SGP) administered by the Global Environmental Facility (GEF) allows community organizations to access grants of up to US\$ 50,000 to develop capacities and tools to respond to the adverse impacts of climate change.¹² Risks associated with low capacities at the local level are mitigated in the SGP by disbursing initial grants of US\$ 5,000 to improve the ability of communities to convene, discuss, and plan actions and measures aimed at providing community-owned and implemented solutions.¹³

While it is clear that some international organizations have taken steps towards encouraging the involvement of local level actors in using climate finance, there are few systematic studies on what works in promoting effective locally-led action in practice. Improving the knowledge base on locally-led action requires an analysis of concrete interventions such as those funded by the Adaptation Fund.

9. Adrian Fenton and others, 'Up-Scaling Finance for Community-Based Adaptation', *Climate and Development*, 6.4 (2014), 388–97; Virinder Sharma and others, 'Supporting Local Climate Adaptation Planning and Implementation through Local Governance and Decentralised Finance Provision', *Development in Practice*, 24.4 (2014), 579–90; Jonas Restle-Steinert and others, 'Steering International Adaptation Finance Towards the Local Level', 2019.

10. 'Money Where It Matters: How to Deliver Finance to the Local Level', *International Institute for Environment and Development*, 2016 <<https://www.iied.org/money-where-it-matters-how-deliver-finance-local-level>>.

11. Consensus Building Institute, 'Evaluation of Local Stakeholder Engagement in the Climate Investment Funds', 2020 <<https://www.climateinvestmentfunds.org/news/evaluation-local-stakeholder-engagement-climate-investment-funds>>.

12. Global Environment Facility, 'GEF Small Grants Programme', *Global Environment Facility*, 2016 <<https://www.thegef.org/topics/gefsgp>>.

13. Fenton and others.

Wetland Nyakahita (Kabale Municipality) to be restored in Victoria Water Management Zone.
OSS-Samou Kone



2. Objective

The present study offers an overview of locally-led adaptation actions and interventions supported by the Adaptation Fund. Its overarching objective is to accelerate learning about institutional and individual capacity strengthening, modalities, and approaches for harnessing successful locally-led adaptation measures and strategies. It includes the following specific sub-objectives:

- To provide an overview of relevant financing modalities and practices of the Fund that are designed to support locally-led action;
- To document brief case studies that demonstrate approaches and methodologies that promote locally-led adaptation in practice;
- To highlight the challenges that local actors have faced in converting the promise of local empowerment to effective action in practice.

These experiences will be of benefit to Adaptation Fund stakeholders, including the Board, secretariat, implementing entities, executing entities, and the Adaptation Fund NGO Network. They will also be of interest to practitioners in climate finance, government officials, the private sector, civil society groups, and members of the public seeking to learn more on locally-led action on adaptation. The study is produced within the Learning and Sharing pillar of the Fund's Medium-Term Strategy (MTS) for 2018-2022, which focuses on enhancing the Fund's own processes and activities, as well as those of others.¹⁴ It concludes by proposing several measures that the Adaptation Fund may consider to build on its existing efforts at supporting locally-led action. It also contributes to the work of the Global Commission on Adaptation action track on locally-led action.

14. Adaptation Fund, 'Adaptation Fund Medium Term Strategy 2018-2022', 2018 <<https://www.adaptation-fund.org/document/medium-term-strategy-2018-2022/>>.

3. Methodology

The study was undertaken in two phases. The first phase—focused on a desk study of policy and project-related documents—involved the following steps:

- A literature review of scholarly and policy articles on locally-led action;
- A content analysis that examined project and programme documents in the Adaptation Fund portfolio, with a view to identifying projects and programmes that may involve significant locally-led action;
- A list of projects and programmes to examine in further detail, developed in consultation with staff of the Adaptation Fund Board secretariat.
- Examination of annual project performance reports, mid-term evaluations, and other documentation for each project or programme, with a view to highlighting activities that involved local leadership or

action on proposing, designing, executing and managing adaptation measures.

A second phase—focused on garnering more specific information through interviews—involved the following steps:

- Semi-structured interviews with representatives of national, regional and multilateral implementing entities, and executing entities, with a view to garnering information on strategies and lessons on locally-led action.
- Semi-structured interviews with members of the Adaptation Fund Board secretariat focusing on the Fund’s financial architecture, strategy and policy development, and possibilities to enhance support for locally-led action in the near term and medium term.

A woman prunes trees in a community protected area where UNEP and partners are supporting tree planting, maintenance and patrols as part of a climate change adaptation project to safeguard key areas of forest in rural Cambodia, February 19, 2018. *UNEP*



4. The Adaptation Fund's role in facilitating locally-led action

Since becoming operational 13 years ago, the Adaptation Fund has prioritized actions that benefit the local level and have meaningful local involvement. In implementing its mandate—to finance concrete adaptation projects and programmes that benefit the most vulnerable to climate change—the Fund pioneered an institutional design that includes a range of measures that promote the involvement of local-level actors in planning and implementing adaptation solutions. This section provides an overview of the Fund's policies and procedures that have promoted locally-led action since its origins. It also traces the Fund's evolution as it has learned from experience and adapted to increasing demands for climate finance from a wide range of actors at the local level.

4.1 An institutional design to decentralize decision-making

Since its inception, the Adaptation Fund has pioneered a modality through which developing countries could access climate finance through their own country institutions and systems.¹⁵ That modality—the Direct Access modality—put into practice the philosophy of increasingly devolved and country-driven leadership that was promoted through the aid effectiveness agenda and formalized through the Paris Declaration on Aid Effec-

tiveness (2005) and the Accra Agenda for Action (2008). Before accessing funds from the Adaptation Fund through Direct Access, entities must be nominated by their national governments and must pass through a rigorous process that assesses fiduciary and safeguard standards. Many in the international community hoped that vesting decision-making authority in national institutions, and using national systems to access and oversee resources, could increase alignment with national strategies, build capacities, and increase country and local ownership.

In 2009, the Adaptation Fund Board established a set of criteria to ensure that the interventions it funded aligned with its strategic priorities and policies.¹⁶ Alongside other best practices for review criteria on project and programme formulation, the project proposal templates (and instructions for their completion) included specific criteria to ensure that implementing entities consult with the most vulnerable communities in project design. It also mandated that implementing entities develop a results framework which ensures that interventions deliver economic, social and environmental benefits to those communities.¹⁷ These specific criteria formed a first step towards ensuring that local level actors are involved in decision-making processes

15. Adaptation Fund, 'Draft Invitation to Eligible Parties to Submit Project and Programme Proposals to the Adaptation Fund Board', 2010 <<http://www.adaptation-fund.org/wp-content/uploads/2015/01/AFB.B.9.6%20Invitation%20to%20submit%20project%20proposals.pdf>>.

16. Adaptation Fund, 'Report of The Seventh Meeting of the Adaptation Fund Board', 2009 <http://www.adaptation-fund.org/wp-content/uploads/2015/01/AFB.B.7.13.Rev1_Final_Report.pdf>.

17. Adaptation Fund, 'Draft Invitation to Eligible Parties to Submit Project and Programme Proposals to the Adaptation Fund Board', 2009 <http://www.adaptation-fund.org/wp-content/uploads/2015/01/AFB.B.6.11_Draft_NIE_MIE_invitation.pdf>.

and share in the concrete benefits that are results of activities funded by the Adaptation Fund.

In 2010, the Fund accredited its first National Implementing Entity (NIE). As of April 2020, the Fund has accredited 32 NIEs, of which 22 have accessed funds to address climate vulnerabilities in their locales. Direct Access is now a mainstay of the climate finance landscape and has been adopted by the Green Climate Fund as one of its main access modalities. The Adaptation Fund Board played a key role in forming linkages between the two funds so that the Fund's accredited NIEs could be fast tracked in accreditation with the GCF. These efforts have enhanced coherence between the funds and enabled national entities to directly access climate finance in a timely and cost-effective way. Recent studies have confirmed that Direct Access continues to hold promise as an option for devolving authority over adaptation finance, planning, execution, towards the local level.¹⁸

4.2 The evolution of policies and procedures to support more local action

In recent years, Adaptation Fund operations have evolved to keep pace with increasing interest in, and demand for, finance at the local level. The Board and secretariat have developed a range of additional measures to expand support for adaptation action that meaningfully involves local-level actors. Most notable among those measures are: (i) efforts to enhance the number of NIEs that can directly access funds; (ii) efforts to enhance the capacities of already accredited

NIEs to develop and implement good adaptation projects and programmes through the Fund's Readiness Programme; and (iii) efforts to include smaller, local-level entities not nominated to take on the role of NIE but that may nonetheless have a key role to play in delivering local adaptation solutions.

In 2013, the Adaptation Fund approved its Environmental and Social Policy. That policy aims to ensure that projects and programmes supported by the Fund do not result in unnecessary environmental and social harms. The policy requires that implementing entities identify all stakeholders, involve them as early as possible in planning any project or programme supported by the Fund, and ensure that stakeholder consultations are undertaken in a gender responsive way throughout the project life cycle. The policy further requires that the results of environmental and social screening, and environmental and social assessment, are made available for public consultations that are timely, effective, inclusive, free of coercion and appropriate for communities directly affected by the proposed project or programme. As such, the policy plays a key role in guiding local inclusion in project formulation and throughout the project cycle, by reinforcing existing requirements on meaningful consultation with intended beneficiaries, and requiring gender-sensitive attention to vulnerable groups throughout all phases of project implementation.

In 2014, the Adaptation Fund launched its Readiness Programme for Climate Finance

18. Fenton and others; Indira Masullo and others, 'Direct Access' to Climate Finance: Lessons Learned by National Institutions', *World Resources Institute, Working Paper*, Nov, 2015 <<https://www.wri.org/publication/direct-access>>; Liane Schalatek, 'Democratizing Climate Finance Governance and the Public Funding of Climate Action', *Democratization*, 19.5 (2012), 951–73.

which aimed to help strengthen the capacities of national and regional entities to receive and manage climate financing. Under the programme, the Board made available Project Formulation Assistance (PFA) grants, up to US\$20,000 per project, to help NIEs tap into external expertise to undertake environmental impact assessments, vulnerability assessments, risk assessments, gender studies and other environmental and social assessments. It also launched a grant programme for South-South collaboration in which experienced NIEs could support other aspiring NIEs in accreditation, project development, management of environmental and social safeguards, and knowledge management. As of 2020, the Fund has hosted 10 webinars under its Readiness Programme that cover practically all aspects of capacity enhancement required to access and manage climate finance. The programme has proven to be an important component in decentralizing decision-making in climate finance towards the local level, by empowering NIEs and executing entities to share best practices, discuss challenges, and promote the participation of grassroots actors.

In 2015, in response to interest from smaller entities and countries, the Board approved a streamlined accreditation process that allows national entities to demonstrate their capacities to manage smaller amounts of climate finance.¹⁹ The streamlined process aligns with the Paris Agreement, which emphasizes the importance of simplified access modalities and the involvement of smaller, local actors in delivering climate solutions. The Micronesia Conservation Trust (MCT) was the first NIE

approved through the streamlined access feature, meaning that MCT can design projects and access finance directly from the Fund on behalf of the Federated States of Micronesia. The streamlined accreditation process breaks down barriers by unlocking climate finance for smaller entities and countries.

In 2016, the Fund adopted its own Gender Policy and Action Plan. Prior to the adoption of that policy, project proposals submitted by implementing entities already included gender considerations, such as the disaggregation of project results by gender, but in a manner that was not uniform. The Environmental and Social Policy addressed the need for environmental and social safeguards at project design, with a specific principle on “gender equity and women’s empowerment” that initiated a reconfiguring of the Fund’s project proposal template.

The Gender Policy systematically integrates and further defines key principles elaborated in the Fund’s Environmental and Social Policy, especially the principles of access and equity, on consideration of marginalized and vulnerable groups and on human rights. As such, it marks an important codification of the Fund’s approach to ensuring that all of the processes and activities it funds, including those involving local actors, are gender responsive. Shortly after its approval, the Fund developed a guidance document for implementing entities that provides practical information on how to achieve compliance with the Gender Policy throughout the project and programme cycle. The Gender Policy and Action Plan encourage imple-

19. Mark Foss, ‘Streamlined Access and Regional Approaches Strive to Create Greater Efficiency’, *Adaptation Fund*, 2017 <<https://www.adaptation-fund.org/streamlined-access-regional-approaches-strive-create-greater-efficiency/>> [accessed 2 June 2020].

menting entities to provide technical support and capacity building support on gender issues to executing entities and local actors. They also encourage implementing entities to give special consideration as to whether local actors (such as community-based organizations and women's groups) may act as executing entities for specific project components or activities where such arrangements may lead to direct capacity building and the empowerment of local women.

In 2017, following a public consultation process, the Board adopted its Medium-Term Strategy (MTS) for the period 2018-2022 that aims to further enhance the quality of adaptation action in developing countries.²⁰ The strategy, framed around the strategic pillars of action, learning, and innovation, has as one of its crosscutting measures “engaging, empowering and benefitting the most vulnerable communities and social groups”. That crosscutting theme formalizes the commitment of the Fund to ensure the meaningful participation of local actors throughout all of its operations and processes. As an international climate fund with one of the largest portfolios of concrete adaptation projects and programmes under implementation, the Adaptation Fund is well positioned to generate and share knowledge aimed at improving adaptation practice. The strategic learning and sharing pillar has, as an objective, to improve the Fund's policies and performance through “whole-of-organization” learning and sharing, as well as to support learning and sharing across adaptation communities of practice. Some of the expected results from this strategic focus include: the

sharing of practical lessons from processes, projects and programmes; the development of knowledge and guidance on specific themes; and the strengthening of analytical capacities in developing countries.

In 2019, the Board responded to increasing stakeholder interest stakeholders on localizing climate finance by approving a funding window for Enhanced Direct Access (EDA) in its MTS implementation plan. EDA, which already existed in some forms in the Fund's portfolio of project and programmes, further devolves decision-making of international climate funds to the sub-national level. In EDA, the screening, review and selection of projects is done at the national and sub-national levels with stronger stakeholder engagement in the decision making on proposed adaptation initiatives at those levels. As such, the EDA window further empowers local leaders to define and implement adaptation activities. These measures, taken together, demonstrate how the Fund has delivered on its original mandate by prioritizing local-level benefits for vulnerable communities while evolving to meet new demands for climate finance from the local level.

In late 2019, at COP25 in Madrid, the Adaptation Fund announced the launch of a new US\$ 10 million pilot Innovation Aggregator programme, one of several programmes under the Fund's Innovation Facility aimed at fostering innovation of adaptation practices in vulnerable countries. The Aggregator programme targets a broad range of potential finance recipients, including non-governmen-

20. Adaptation Fund, 'Adaptation Fund Five-Year Strategy Fosters Activities Based on Pillars of Action, Innovation, and Learning and Sharing', *Adaptation Fund*, 2018 <<https://www.adaptation-fund.org/adaptation-fund-five-year-strategy-fosters-activities-based-pillars-action-innovation-learning-sharing/>>.

tal organizations, community groups, young innovators and the private sector. Two of the Fund's accredited multilateral implementing entities, the United Nations Development Programme (UNDP) and United Nations Environment Programme (UNEP), each administer US\$ 5 million under the programme, with the objective of aggregating some 45 small grants (up to US\$ 250,000 each). The programme extends opportunities to developing countries that do not yet have NIEs, as well as the private sector, on a competitive basis. Its eligibility criteria are designed to ensure that local actors in developing countries can play a leading role in piloting new, relatively untested techniques, technologies and approaches to adaptation.

Pakin community members install signs to demarcate boundaries of a Marine Protected Area, a key strategy to build community resilience to climate change.
MCT, Conservation Society of Pohnpei



5. Locally-led action in the Adaptation Fund portfolio

This section presents six brief case studies that take a closer look at initiatives involving local leadership in Adaptation Fund projects and programmes. These cases, from regions of the world facing diverse climatic challenges, demonstrate a number of strategies that implementing entities and their partners have used to empower local level actors in adaptation interventions. Each case reviews the strategies deployed to encourage locally-led action, impacts, and lessons learned.

5.1 South Africa: Taking adaptation to the ground: A Small Grants Facility for enabling local-level responses to climate change (US\$ 2,442,682)

Project Background

Rising temperatures, increasingly intense rains, and water scarcity have brought new challenges to economically stressed rural farmers in South Africa. Having experienced the devastating effects of prolonged droughts in recent years, farming communities in arid regions of the country understand the need to adapt their farming practices to these new challenges.

In 2014, the Adaptation Fund approved US\$ 2.44 million for an innovative project focused on climate adaptation that was implemented by the South African National Biodiversity Institute (SANBI) and executed by South-SouthNorth (SSN) in two regions of the country. Those regions, the Mopani District, in Limpopo in the north east of South Africa, and the Namakwa District, in the Northern Cape in the north west of South Africa, are facing increasing temperatures and changing rainfall patterns due to the effects of climate change. As an accredited NIE of the Adap-

tation Fund, SANBI opted to design the proposed intervention with three investment windows: climate smart agriculture; climate-resilient livelihoods; and climate-proof settlements.

Strategies for Locally-Led Action

The project facilitates local leadership on adaptation through several innovative strategies. Chief among those strategies is the **decentralized design** of the project itself, which was framed as a Small Grants Facility (SGF). The SGF piloted a form of **Enhanced Direct Access** (EDA) in which subnational actors were empowered to access funding to execute interventions in their locality. Responding to an open call for proposals in 2014, those local organizations could apply for up to the equivalent of US\$ 50,000 to execute adaptation actions. In seeking grant finance, prospective grantees had to demonstrate, among other criteria, that the initiative was designed to respond specifically to current impacts of, or threats of, climate



Farmers from the Ramotshinyadi Small Grant Recipient demonstrating measures to control erosion at the communal garden.
Makganthe Maleka SANBI

change. Putting in place a country-level financial architecture to channel resources in this way represents an innovative approach that devolves decision-making on finance, planning, and execution to the grassroots level.

Another strategy that SANBI put in place to encourage local leadership was to adopt a **project governance model** that paired grassroots organizations with “Facilitating Agencies” (FA) in the two project target areas, Namakwa and Mopani. It chose Conservation South Africa (CSA) as the Namakwa Facilitating Agency and CHoiCe Trust as the Mopani Facilitating Agency. The chosen FAs were selected for their prior experience in operating small grants for development projects and in climate change adaptation. While Executing Entities were tasked with project administration tasks such as contract management and reporting, the role of the FAs was to **provide technical and financial support directly to small grant recipients**. Through this approach, the intention was to place grassroots organizations in the driving seat in project design and execution while providing them with support to ensure the effective use of climate change information and compliance with project administration requirements.

An additional measure that South Africa took to encourage local leadership on adaptation was to consider from the outset how to **institutionalize a longer-term national legacy that empowers local actors**. In piloting the SGF, SANBI saw its role as a proof of concept, in the hope that a larger, national-level financial mechanism could be created to promote

local responses. It involved government partners closely in planning that mechanism to encourage a transparent, responsive, and more permanent means of supporting local actors.

Impacts

Grant recipients in South Africa have completed 11 projects with funding from the SGP, bringing direct benefits to over 3,000 community members, the majority of whom were women. Each project has delivered **tangible results on adaptation that respond to locally determined priorities**. All interventions funded through the SGP have focused on financial literacy and capacity enhancement to ensure that projects deliver on intended results, through effective project management processes, while safeguarding social and ecological wellbeing.

In Mopani District, in the north east of the country, **vulnerable communities are paired with community-based organizations with long histories working in the area**, to undertake several initiatives to overcome intermittent drought and periodic flooding. These initiatives included: rehabilitated earth dams for livestock drinking water, climate-smart agricultural vegetable nursery using drip irrigation, and the construction of chicken coops that take into account climate impacts. The small-scale farming practices contrast with more conventional practices in the area, for instance in their physical orientation, heat insulation, and water management practices. In addition to providing direct benefits to grant recipients, these strategies enabled communities in Mopani to grow sufficient vegetables to open a mar-

ketplace, providing them with additional income that is more resilient to climate stressors than existing agricultural practices in their communities.

In Namakwa District in the Northern Cape, farming communities have interbred livestock with hardier breeds and adopted resilient grazing regimens to overcome intense heats. From an initial 65 livestock supported through the project, herders have now bred 350 offspring that are more resilient to climate variability and change in the project area. Other projects in this area have assisted herders through mobile caravans and shade structures for the dry summer months.

Lessons

As one of the first pioneering approaches to placing local-level agencies in the driving seat in adaptation planning, design, and execution, South Africa's Small Grants Facility has generated a number of key lessons on locally-led action.

- **Supporting locally-led action means recognizing capacity gaps and being transparent on support for capacity enhancement.** In seeking to empower local actors to take charge of adaptation, funders and implementing entities must acknowledge that local actors may have significant capacity gaps. Challenges are to be expected in working with local level actors, many of which have limited experience in financial and project management. These are not signs of failure, but a recognition of the reality that empowering local actors may lead to encountering gaps in e.g. knowledge on climate change, organizational structure, project management capabili-

ties, or financial literacy. The South Africa experience demonstrates how capacities for contracting, oversight and reporting can be enhanced through 'learning by doing'. In that project, grant recipients ended up dedicating significant time and effort to developing capacities throughout project execution. Local organizations that participated are now much better prepared to exercise leadership in future endeavors. A key lesson is that implementing entities should determine the minimum capacities required for effective project execution and consider undertaking capacity assessments at project outset. Such an approach would make clear to all participants what capacity building support is needed, what resources will be provided through the project, and what time, effort and resources counterparts will have to contribute.

- **Implementing entities can protect local level actors from administrative burdens through innovation and flexibility.** In South Africa, the inclusion of FAs proved critical to successfully empowering grassroots organizations to decide on, and execute, adaptation measures. The multiple cascading lines of reporting, however, contributed to some miscommunications and project delays. The project management team acted with flexibility by adapting reporting requirements when it became aware of these challenges. It decided, for instance, that FAs would provide more intensive support early in each quarter and undertake informal check-ins on progress and reporting. That shift enabled a reduction in the frequency of written reporting from grant recipients to executing entities. **Instituting simple and effective proce-**

dures is key to effective project management across administrative layers. Otherwise, staff in lower management levels can become preoccupied with meeting compliance requirements, to the exclusion, and sometimes detriment, of strengthening organizational capacities, community ties, and expression of voice from the grassroots. Implementing entities can act flexibly to learn, adapt, and protect the local level from overly burdensome reporting.

- **In Enhanced Direct Access, a flexible approach to grant amounts could match needs and capacities at the local level.** Through the experience of

implementing the small grants facility, SANBI and their partners found that prospective grantees had different perspectives on the grants of the equivalent of US\$ 50,000. For some local actors, that amount was appropriate to execute local adaptation actions whereas for others, that amount was too much to absorb, manage, and report on. Although that amount may appear small in the context of international climate finance, it represents a significant amount for some local actors. In retrospect, and in future endeavors, **a varied, instead of fixed, size of grants may better meet the needs of local partners.**

5.2 Costa Rica: Reducing vulnerability by focusing on critical sectors (agriculture, water resources and coastlines) in order to reduce the negative impacts of climate change and improve the resilience of these sectors (US\$ 9,970,000)

Project Background

Costa Rica is exposed to multiple hazards, including natural disasters and extreme weather events. In addition to those exposures, populations throughout the country are vulnerable to increasingly frequent and extreme floods and droughts due to climate change. Coastal communities, as well as communities further inland, are struggling to adapt reduced agricultural productivity, impacts to water resources, and degradation of mangroves and coral reefs.

In October 2015, the Adaptation Fund approved US\$ 10 million in funding for a programme implemented by Fundecooperación para el Desarrollo Sostenible (Fundecooperación), a private foundation nominated by Costa Rican government to serve as the country's NIE. The programme aims to improve the resilience of populations throughout the country through attention to agriculture, water resources and coastal zones. Fundecooperación pioneered a decentralized approach that sought to empower local organizations, including indigenous groups, to plan and execute projects aligned with the aims of the programme.

Strategies for Locally-Led Action

The Costa Rica programme adopts a number of strategies to empower local actors to lead in proposing and executing local adaptation interventions. First, Fundecooperación opted to design the programme as a small

grants facility that would enable dozens of organizations, of any type, to apply for and access funds. It **shared an open call for proposals through national and regional news, social media channels, and dissemination workshops** before selecting over 50 grantees to lead pilot projects in strategic pre-determined focus areas (agriculture, water resources, and coastal zones). Fundecooperación selected the grantees based on their demonstrated local knowledge as well as their capacities and expertise for executing the proposed adaptation actions.

In addition, Fundecooperación built into programme design several measures that sought to empower women as active community leaders and agents of change. It ensured, for instance, that **contractual clauses were included in formalized relationships with executing entities** to ensure that project activities included cross-cutting gender equity considerations. It also included **ambitious targets to train 1,500 women on adaptation measures**. Moreover, the project steering committee ensured that both women and men held important decision-making positions.

Impacts

Many concrete, positive adaptation results have been generated from the programme throughout Costa Rica. **Diverse grant recipients**—including non-government organizations, community-based organiza-



Water harvest in
Guanacaste, Costa Rica
Fundecooperación.

tions, and indigenous groups—completed projects of between US\$ 50,000 and US\$ 250,000.

The programme has supported adaptation initiatives that are expected to impact over 450 farming families and more than 50 water operators that provide water to more than 50,000 people in different communities around the country. **Half of all projects under the programme have been led by women.** In some instances, demonstration farms led by women have become models for other climate vulnerable farmers to follow. Doña Sonia Gómez, for instance, a female farmer in in Tierra Blanca de Cartago, executed adaptation measures on her farm using a micro-credit through the project, which included a climate-resilient greenhouse, rainwater harvesting, and drip irrigation system. The Ministry of Agriculture highlighted Doña Gómez' farm as a demonstration farm to which it takes other farmers, with the intent to replicate those adaptation measures elsewhere.

In another instance, the Costa Rican Rural Development Institute (INDER) executed a US\$ 250,000 **project focused on food security for the indigenous population** of the Talamanca-La Estrella Valley. It demonstrated how ancestral knowledge is central to adaptation for indigenous populations and can be combined with modern production techniques to increase the resilience of crops to climatic risks. Ancestral knowledge was central to the approach that the valley's indigenous communities adopted to make small-scale production of plantain, banana,

and livestock more resilient to climate change. That project was awarded a prestigious 2019 innovation prize, by the Management Network for Innovation in the Agrifood Sector.²¹

Lessons

The Costa Rica programme was one of the first of its type in piloting EDA through a programmatic approach to adaptation. Now close to completion, the programme offers a number of essential lessons on localizing adaptation finance.

- **In programmatic approaches to localizing climate finance, equitable support may mean differentiated support.** Experienced executing entities, which may include research and government agencies, often have more experience in undertaking administrative, monitoring and legal tasks as compared to community-level cooperatives and other local organizations. The former executing entities may also have more resources, in terms of time and finance, to offer as an in-kind contribution to project execution. The Costa Rica experience highlighted support needs were differentiated across the highly varied organizations. An equitable approach to supporting executing partners does not mean dedicating time and resources equally. The level of support that the implementing entity provides can be, and should be, adjusted for each grant recipient.
- The Direct Access modality can lead to a heightened profile for national institutions on climate adaptation. In the Costa Rican experience, Fundecooperación's role as an NIE, in which it demonstrated its capacity

21. Inter-American Institute for Cooperation on Agriculture, 'Innovators from Costa Rica, Spain and Mexico Win the 2019 INNOVAGRO Award', *IICA.INT*, 2019 <<https://www.iica.int/en/press/news/innovators-costa-rica-spain-and-mexico-win-2019-innovagro-award>>.

and expertise in managing climate finance, led it to take on a high-profile role as a strategic actor for the country on climate change. Fundecooperación is now well placed to play a longer-term role in mainstreaming climate adaptation in public policy, and in channeling larger volumes of

climate finance to local-level entities in the future. Fundecooperación has also taken on an important international role in peer-to-peer learning by assisting existing and prospective NIEs in capacity enhancement and knowledge generated from the programme.

5.3 Micronesia: Practical Solutions for Reducing Community Vulnerability to Climate Change in the Federated States of Micronesia (US\$ 970,000)

Project Background

Located in the Western Pacific, the Federated States of Micronesia comprises the four island states of Yap, Chuuk, Pohnpei, and Kosrae. The nation's economy is largely dependent on fishing and subsistence farming. Most of its 100,000 inhabitants live in settlements situated in coastal areas or in areas around rivers and streams, making them vulnerable to sea-level rise and flooding. In recent decades, climate change has combined with the demise of traditional management to reduce fish stocks. These trends threaten the sustainability of fisheries and the key role they play in local food and economic security.

In 2018, the Adaptation Fund approved US\$ 970,000 for a multi-sector project that aimed to reduce community vulnerability to climate stressors in all four states. The project, implemented by the Micronesia Conservation Trust (MCT), focuses on improving the sustainability of climate-impacted fisheries as well as providing communities with the resources and support needed to implement eco-based adaptation that protect their marine ecosystems in the long run.

Strategies for Locally-Led Action

MCT has worked on environmental issues across Micronesia for two decades. During that time, the organization developed capabilities to work across differences in culture, traditions and governance systems. A first strategy to enable locally-led action across the nation was to seek accreditation through the Adaptation

Fund's **Streamlined Accreditation Process**, through which MCT became the first accredited small NIE in 2015. As Micronesia's NIE, MCT became eligible to apply for projects up to US\$1M to support climate adaptation work in Micronesia. Once accredited, MCT was charged to oversee, implement, monitor, and evaluate projects in line with their own internal policies and procedures. As such, MCT became the principal conduit for the devolution of responsibility over adaptation finance from the international to national and local levels.

A second strategy to enable local-level participation was to dedicate at least US\$ 340,000 to a Small Grants Facility (SGF). The SGF was designed to **enable community-based organizations, and other local level actors, to identify their own priorities on climate vulnerability, to design their own proposals, and to seek funding to put solutions into action in their own locales**. MCT has a long-standing experience in small grants in the Micronesian context. A key staff member of MCT was invited to a learning exchange with SANBI in South Africa, enabling them to witness directly how localized adaptation action had played out there. Micronesia's SGF is a smaller facility with smaller organizations than the South African context. MCT did a call for proposals that allowed a wide range of entities to apply for funds, with no set limit on the funding each could receive.

A third strategy to promote fairness across the range of community-based organizations



Consultation in Pakin community discussing stakeholder roles and the importance of Marine Protected Areas as a strategy to build community resilience to climate change.
MCT, Conservation Society of Pohnpei

was to undertake a **capacity screening** that categorized organizations based on organizational capacities: those with, and without, the requisite financial and project management capacities to adequately and effectively manage project funds. Where such organizations lacked capacities, they were paired with a “**fiscal sponsor**” who would assist with budgeting, bookkeeping and reporting. The idea behind this approach was **to ensure that all local level actors who needed funds could access them unconstrained by their different organizational capacities to self-manage those funds.**

A fourth strategy that sought to respect and empower local-level actors in determining adaptation solutions was to institute **project governance arrangements that respected traditional decision-making processes.** The customary power of traditional chiefs in Micronesia varies from culture to culture: on Kosrae the power was historically centralized, while on Yap, the power of the chiefs was decentralized and subjected to elaborate checks and balances built into the customary political relationship. The project governance design respects customs by working through traditional community leaders where they remain important to policy and decision-making. In line with existing governance structures, public meetings were held at the community level to ensure transparency in how funds are allocated in line with community needs.

Impacts

In its first two years of implementation, the project has yielded several examples of meaningful local leadership. It has, to date, empowered several community-based

organizations to exercise leadership on planning for building resilience in their area, by managing small grants. Two municipal governments (in Pohnpei and Kosrae, where marine areas are under the administrative purview of the government) also gained funding through the Small Grants Facility to work on marine protected areas. Those funds empower local authorities to enforce action against nighttime spear fishing that is destructive to fish stocks. Entrusting local government with execution project activities has the potential to empower local leaders to play an important longer-term role, after project completion, in improving resilience of marine protected areas that livelihoods depend on.

Several communities also demonstrated leadership in prioritizing their needs and accessing funds through the SGF. The close-knit community of 90 people living in the Pakin Atoll, for instance, which lies 30 km off the northwest coast of Pohnpei, is represented by traditional leadership (Sounirek Pakein) and recognized as a non-government organization as the Pakin Community Association (PCA). Pakin is challenging to access on a three-hour boat ride that is subject to dangerous tides and currents. The PCA worked through the Conservation Society of Pohnpei as a fiscal sponsor to develop their proposal. Their efforts in doing so stand out as an important form of local leadership, in overcoming the geographic burdens that communities face in accessing finance.

In Okaw and Kaday villages, in the state of Yap, women’s groups have demonstrated leadership in planning marine and terrestrial approaches to ecosystem-based adap-

tation. Following **traditional leadership structures**, the communities designated members to a “core group” that report back to village chiefs, and to community members, in open village meetings where potential adaptation solutions were discussed. **Women’s groups, through focused planning, have a key role in setting goals and prioritizing investment decisions.** Through the Kaday Community & Cultural Development Organization (KC&CDO), two communities were able to access funds from the project for actions that women’s groups prioritized. Many of those actions emphasized measures to build unity through an improved social fabric, to overcome the loss of traditional values and practices that had led to deterioration of ecosystems. Additional measures include technical capacity building such as skills for improvement of soil quality, and essential organizational capacity building on project administration.

Lessons

- **The Streamlined Accreditation Process enables a significant devolution over financial decision-making to the local level.** As the first nation globally to make use of the streamlined accreditation option tailored to smaller organizations, Micronesia has demonstrated that small organizations in developing countries can directly access and responsibly manage climate finance. The leadership role taken on by MCT demonstrates the opportunity that exists for other small organizations in other contexts, such as other small island developing states and least developed countries, to directly access climate funds and manage projects.

- **Implementing entities are tapping into a growing international knowledge base on locally-led action.** A learning exchange between staff of MCT and SANBI, in South Africa, allowed MCT’s grants facility on adaptation to benefit from the experience of a more mature, and larger scale, grants facility pioneered several years earlier. This form of South-South learning is a crucial aspect of empowering local-level communities and organizations to mentor others embarking on similar journeys.
- **Tailoring support across contextual differences can enable effective local action.** The Micronesia project demonstrates flexibility in embracing cultural, institutional and governance-related differences across the national territory. Such an approach may contribute to leveling the playing field across economic and cultural differences within countries. Proactive steps that MCT took, including on matching communities with fiscal sponsors, promoted social equity by enabling each community to undertake their planning in ways that were suitable to their context without precluding their involvement due to different capacity levels.
- **Locally-led action can face long-term sustainability challenges in contexts of remote geographies and aging populations.** In Micronesia, outward migration of youth to places including Guam, Hawaii, and the United States, can mean that project execution and decision-making primarily involves middle aged to elder community members. Difficulties in involving youth and young adults may pose additional challenges for the long-term sustainability of local institutional capacities.

5.4 Colombia-Ecuador border region: Building adaptive capacity through food and nutrition security and peacebuilding actions in vulnerable Afro and indigenous communities in the Colombia-Ecuador border area (US\$ 14,000,000)

Project Background

The Colombia-Ecuador border area is one of Latin America's most climate sensitive and food-insecure regions. Its climate is heavily influenced by the Inter-Tropical Convergence Zone (ITCZ), La Niña and El Niño. Climatic effects on ecosystems in the region, including coastal mangroves and inland dry and humid forests, render communities in the region highly vulnerable to food insecurity.

In 2017, the Adaptation Fund approved a US\$ 14 million regional project that spans two binational watersheds: the Guaitara-Carchi and the Mira-Mataje. The project is implemented by the UN World Food Programme (WFP) and executed by the Grand Family Awá (GFA), the Network of Southern Pacific Community Councils (RECOMPAS), the Afro-Ecuadorian Confederation of Northern Esmeraldas (CANE). The project contributes to reversing the marginalization that Afrodescendent and Awá communities have faced from social and environmental damage associated with conflict in the region. It also aims to contribute to reconciliation, and to strengthen food security and nutrition in accordance with the priorities of Afrodescendent and Awá communities.

Strategies for Locally-Led Action

The project incorporated several strategies to empower **Afrodescendent and indigenous Awá communities** to determine how use adaptation finance in the region.

First, those communities, through the **Grand Family Awá (GFA), the Afro-Ecuadorian Confederation of Northern Esmeraldas (CANE) and the Network of Southern Pacific Community Councils (RECOMPAS)** that represent them, have since project design, played an integral part in participatory baseline studies and investment decisions side-by-side with WFP. The **commitment from local leaders** from those organizations is evident in their undertaking of a community-level socioeconomic baseline study that garnered primary data on 6,819 households from 136 communities dispersed throughout the isolated border region. Through workshops and meetings, leaders from community organizations have played a critical role in identifying goals, results indicators, and project activities that genuinely respond to needs in the project region as related to adaptive capacity.

A specific leadership role that Afrodescendent community organizations have taken on relates to the documenting of ancestral knowledge. **Women leaders from community councils**, in addition to their decision-making roles in local governments, have facilitated entry to the territories, helped define the scope of the project, contributed to creating a locally-appropriate methodology, and taken steps to build trust for project execution. In the case of indigenous Awá communities, **community governors ensured that methodological approaches**

Beneficiary - Paterson Arboleda, Agroforestry Engineer, oversees cacao drying in Consejo Bajo Mira y Frontera. WFP



for documenting knowledge were **culturally appropriate** and provided simultaneous translation between Awapit and Spanish languages. These measures sought to ensure that Awá communities were empowered to meaningfully participate in decision-making. Due to security restrictions that prevented implementing entity staff from accessing certain target areas of the project, Awá and Afrodescendent leadership proved central to undertaking key project activities in isolated and risky areas.

The methodologies that community leaders co-created with WFP featured several measures that empower the local level to lead in to **cataloguing and disseminating ancestral knowledge on lunar cycles, plant medicines, agricultural practices intended to improve food security**. Strategies used to gather knowledge included: socialization sessions in which community members discussed plants important to them for medicinal, traditional, spiritual or cultural reasons; the formation of local survey data gathering teams charged with undertaking transects of vegetation in local vernacular; participatory mapping based on community perceptions of climatic threats and vulnerabilities, and the gathering of audio, photographic and video data, with the informed consent of community members.

Impacts

Though still early in implementation, the project has made several important steps towards empowering indigenous Awá and Afrodescendent communities to determine how adaptation takes form in their locales. **A high degree of trust** has been produced between community-based organizations

and WFP, **through an intentional side-by-side partnership that benefits from local leadership.**

A significant achievement of the project thus far is the production of an inventory of 92 traditional medicines that emphasizes species that have disappeared or are close to extinction. Afrodescendent communities have catalogued the role of traditional medicines emphasizing the role of women as midwives and healers. Indigenous Awá communities have catalogued the important role of shamans using traditional medicines in community health. The communities, together with WFP, have developed a portfolio of best practices using traditional and modern methods to conserve threatened plant species, work on which is ongoing. Awá and Afrodescendent communities retain the intellectual property over the information produced through this component of the project, a key distinguishing feature from earlier work by third parties that damaged trust by extracting traditional knowledge with no feedback or acknowledgement.

Another achievement relates to the nurturing of peer-to-peer mutual knowledge networks through exchange workshops. In contrast to conventional facilitator-attendee relations, this project has enabled Afrodescendent communities in Colombia to share knowledge with other communities to promote mutual learning. One instance includes the community council of Bajo Mira y Frontera, which has shared information and helped build technical, financial and organizational capacities in the community council of neighboring Alto Mira y Frontera. Facilitating mutual capacity building

networks has proven to be an effective way to ensure good project execution. These community strengthening networks have other important benefits. For instance, when Ecuador declared a national state of emergency in March 2020 due to COVID-19, community leaders stepped up to adjust methodologies to ensure the continuity of project activities, using exemplar project materials provided by other communities.

Lessons

The binational project in the Ecuador-Colombia border region, though relatively early in its implementation, holds important lessons on localizing decision-making on adaptation towards traditionally marginalized communities.

- **Locally-led action on adaptation action goes beyond financial management.** The binational project demonstrates significant local leadership by indigenous Awá and Afrodescendent communities in co-designing methodologies for knowledge documentation and management and in determining adaptation solutions to be implemented. In this isolated region that is recovering from decades of conflict, local-level capacities for project management are low and a focus solely on devolution of financial management was not considered appropriate. The experience to date, however, proves that in challenging contexts such as this, local actors can still play crucial roles in project design and exe-

cution. Opportunities exist for meaningful local involvement to determine how adaptation finance is spent, even where capacities for financial management are low.

- **Local peer-to-peer networks can strengthen project deliver.** Through the participatory modalities that the project engaged, peer-to-peer dialogues and workshops between communities have proven to be an important means of nurturing mutual aid. Some communities have taken the lead in supporting neighboring communities in project-related planning and execution. These mutual capacity building modalities have strengthened social networks and allowed communities to adapt quickly in the face of emerging challenges such as the COVID-19 pandemic.
- **Implementing entities must carefully develop trust when working with marginalized local actors.** In the project region, a legacy of exclusionary interventions from years past damaged trust between external actors and local communities. The project demonstrates that in such situations, sustained efforts can be made to recover trust and to establish roles as collaborators and partners. The regional project's efforts to co-determine goals and to co-design methodologies with communities demonstrates effective ways to reestablish trust and respect. Crucially, protecting communities' intellectual property of ancestral knowledge proved key in developing relationships based on trust.

5.5 Cambodia: Enhancing Climate Resilience of Rural Communities Living in Protected Areas of Cambodia (US\$ 4,954,273)

Project Background

Rural Cambodians are experiencing a fall in agricultural productivity due to increasingly erratic rains. These increasingly dramatic fluctuations in precipitation are harming farmers and their families by causing more intense periods of drought and floods. As well as threatening crop yields, the increasingly severe weather is damaging roads and other critical infrastructure that farmers use to transport their goods to urban markets. In response, many rural communities are increasingly relying on forest ecosystems for food and income, which is exacerbating soil erosion and reducing the ability to grow crops.

In 2012, the Adaptation Fund approved a US\$ 4.9 million project implemented by the United Nations Environment Programme (UNEP) and executed by Cambodia's Ministry of Environment. The project aimed to increase food supply and reduce soil erosion in three Community Protected Areas (CPA): Beung Per Wildlife Sanctuary, Phnom Prech Wildlife Sanctuary and Phnom Kulen National Park. Project activities include the restoration of a variety of plant species in degraded forests; planting of multi-use tree species at rice paddy boundaries and other cultivated areas to enhance crop productivity; testing of several drought-tolerant hybrid rice cultivars to assess their potential yield and suitability for cultivation; and the intensification and diversification of production in at some 2,000 family agricultural areas in communities close to forest sites,

including small home gardens ranging in size from 0.2 hectares to 1 hectares.

Strategies for Locally-Led Action

The project included several measures to empower local actors to determine appropriate adaptation solutions. First, the project worked closely with the Department of Livelihoods at the Ministry of Environment, which is deeply connected to work on the ground in the three target Community Protected Areas.

Second, the project employed Community Liaison Officers who had extensive prior experience in the communities. Those officers, who had developed good relationships over time with community members in each area and were involved in community consultations in the project design phase, were charged with liaising with the local level and overseeing restoration and planting.

Third, the project encouraged local-level financial literacy and management by seed-funding US\$1,000 for Village Saving Groups in each of the five target communities. That measure was intended to empower the local level by providing training and resources, especially for women leaders, in financial management.

Impacts

Some 24,000 people have benefited from the project's adaptation interventions. One of the major successes of the project has proven to be its efforts in putting into action climate-



A girl shows how to operate a well that feeds a vegetable garden outside their home where UNEP and partners are helping people to rely less on rain-fed agriculture as climate change makes weather more unpredictable in Cambodia, February 18, 2018.

UNEP

resilient water supply and water management practices.

Other outcomes include the planting of approximately 200,000 indigenous tree species in degraded areas of CPAs and 170,000 fruit trees that benefit 8,500 people. The project has also established three community-level plant nurseries and provided training for 2,500 community members on adaptation measures.

The Village Saving Groups established in each of the five target communities were executed in partnership with a local non-government organization with experience in similar activities in other parts of Cambodia. That organization provided each community with basic equipment such as register, stationary, and a lockbox. They also helped communities establish a management committee to oversee the savings group and to open an account with a local bank. Microloans of up to US\$ 50 were made available to members of the group, repayable with interest. Community members used these loans to purchase seeds and fertilizer. The concept has generally proven to be successful, with one community increasing the total capital pool to around US\$ 5,000 within two years.

Lessons

Cambodia's project on increasing food supply and reducing soil erosion in Community Protected Areas generates a number of lessons for locally-led action.

- **Where adaptation can be a challenging concept for local actors, a focus on**

water management can increase local buy-in. The most successful components of the project, according to performance reports and reviews, were physical measures such as pipeline improvement and storage tanks, which improved water supply and water management. Those activities were believed to contribute most towards the achievement of sustainable project outcomes and results. By contrast, trainings and execution of activities framed more directly around adaptation proved challenging to communicate and generate support for. As water is a cross-cutting feature in practically all dimensions of climate vulnerability, impacts, and adaptation, it may prove effective to focus communications around water-related activities to generate local support.

- **Working with local actors can require additional logistical efforts to overcome challenges due to language and remoteness.** Implementing entity staff found that the richness of languages across the Cambodian context meant that additional efforts were required to communicate effectively with local partners. Additionally, two of the CPAs that the project targeted were isolated, making access challenging. Linguistic, geographical and other barriers are encountered in many contexts where vulnerable local communities reside. These aspects should be incorporated into project design, including in project budgets, to build effective working relationships that overcome such challenges.

5.6 Uganda: Enhancing resilience of communities to climate change through catchment-based integrated management of water and related resources in Uganda (US\$ 7,751,00)

Project Background

In Uganda, climate change is causing higher temperatures as well as increased variability and unpredictability of rainfall patterns that lead to more frequent and intense floods and landslides. Rural farmers who depend on rain-fed agriculture are particularly vulnerable to crop damage and economic losses from these climatic effects. These effects, coupled with an increasing demand for water, threaten ecosystems, landscapes and rural livelihoods.

In 2016, the Adaptation Fund approved US\$ 7,751,000 for a project implemented by the Sahara and Sahel Observatory (OSS) and executed by the Ministry of Water and Environment (MOWE), that aims to increase community resilience to the risk of floods and landslides in three of the nation's catchments (Awoja, Maziba and Aswa). It aims to increase resilience through an integrated water management approach that responds to growing demand for water and the uncertainties of climate change. Specific objectives include: the sustainable management of forests, wetlands and riverbanks; sustainable community-level water harvesting; income generation through credit and market access; and capacity building for institutions at the local, catchment and national level.

Strategies for Locally-Led Action

The project uses a number of measures to encourage local-level actors to take charge

over water resource management. First, in line with Uganda's national approach over the past decade, it adopts a **participatory catchment-based approach**, meaning that water resource planning is undertaken catchment by catchment, with the involvement of stakeholders at multiple spatial scales. At the project design state, some catchment management committees already existed. These committees include representatives from district government, research bodies, the private sector and civil society, and are tasked with development and implementation of water management plans. Those plans typically include infrastructural investments, and various management interventions to prevent or resolve conflict, conserve and protect water resources, and ensure equitable access and use of those resources. Prior to the project, those plans had not accounted for the effects of climatic change on water resources. One main innovation of the project is to localize water resource planning to the sub-catchment level, involving local village representatives. The extension of these governance institutions to an increasingly local level, involving women's groups and youth groups, is an important step in empowering local actors to take responsibility over water resource planning and management.

The project further **localizes water resource planning and management through the creation of community planning and implementation committees**, the most



Kapchorwa (River Bank) to be restored in Victoria Water Management Zone.
OSS-Khaoula Jaoui

localized of administrative bodies in the project. These committees are responsible for the local-level coordination of project activities and for ensuring that synergies are created among stakeholders. Further, they serve as a means of channeling stakeholder views to higher level and tailoring execution plans taking into account local feasibility. From the early project design stage, through execution, those local committees are encouraged to explore the root causes of water resource challenges that affect them and to propose responses in line with the project's broad objectives. The project provides financial and technical support build local-level capacities for the execution of agreed upon activities.

Third, the project proposes the establishment of a revolving fund in each of the three catchments following an earlier pilot by the International Union for Conservation of Nature (IUCN). The project establishes links with 21 Savings and Credit Co-operatives (SACCOs) throughout the catchments, with each receiving up to US\$ 25,000 that eligible groups can access for income-generating activities. In the Ugandan context, a SACCO is seen as a democratic, member driven, self-help co-operative that is owned, governed and managed by its members who live in the community. The expectation is that the creation of these revolving funds will incentivize local actors to carefully plan and implement catchment-wide adaptation interventions that enable them to adapt to climate change while developing capacities for financial management and oversight.

Fourth, the project design includes a specific capacity-building and training component

that includes a key role for the National Agricultural Research Organization (NARO). As a local research organization, NARO is providing project partners with dedicated training on, for instance, the construction of fuel-efficient cook stoves, water harvesting, wetland and riverbank restoration. Training materials are translated to local languages and disseminated through locally-appropriate means. It is expected that the training programs developed and offered by NARO will represent an important legacy for local-level climate-resilient water management long after the project is complete.

Impacts

Thus far, most of the achievements of the project relate to institutional strengthening at the local level and water resource planning undertaken by local committees. In each of the three target catchments, three sub-catchment management committees have been established and sensitized to help them contribute meaningfully to decision-making towards climate resilient planning. Communities in the Maziba catchment have already begin to execute concrete adaptation measures, for instance in riverbank restoration, water harvesting structures and check dams. These structures have already begun to alleviate effects of flash flooding. Communities in the Awoja and Aswa catchments are about to commence execution of activities tailored to their local contexts. Beyond the target project areas, interested communities have also established a number of community planning and implementation committees. Though the project will hold true to its original designated target areas and beneficiaries, it has been able to extend technical

skills and training to those other communities, demonstrating a scaling out of the project's philosophy towards multi-level catchment water resource planning.

Another notable achievement is the tailoring of project activities during the early phase of execution. Through close consultation with local-level stakeholders on community planning and implementation committees, a number of project activities have been subtly adjusted to improve feasibility and ownership. For instance, community-level feedback on the viability of deploying improved cookstoves led to a more cost-effective approach using local materials, i.e. clay and mud, to better match household economics. Similarly, working with SACCOs, the project team tailored eligibility criteria to ensure that vulnerable communities could access revolving funds at low interest rates.

Lessons

As an innovative project that aims to empower local actors to take charge in planning and executing sub-catchment water management measures, the Uganda project has generated a number of important lessons on locally-led action.

- **Non-traditional planning and execution require investments in awareness raising across all levels.** The project philosophy—of empowering communities to plan and execute project activities—contrasts with typical traditional development projects. As such, project staff and partners, in all organizations, required dedicated training to understand its methodology and approach. OSS and the MOWE invested significant time

in **raising awareness among project partners and communities** on why the project was designed the way it was. In some cases, it did so through church events, which resulted in lower overall costs. This sensitization process was time consuming and resulted in a slowdown in financial disbursement, causing some frustration among partners and beneficiaries. Time spent on raising awareness on the participatory and locally-focused approach is well invested in raising prospects of greater local-level ownership and long-term sustainability of project outcomes.

- **National Implementing Entities, if key partners in execution, can be well placed to scale up and expand project benefits.** In 2019, during project implementation, the MOWE was accredited to access funds directly through the Adaptation Fund. Its experience as a key partner in this project, in which it gained experience in planning and executing adaptation measures, places it well to initiate and lead on similar interventions. The MOWE, for instance, is developing a project that takes a similar approach to climate-resilient water resource planning in a fourth catchment in Uganda. It is also working in collaboration with OSS on a regional project in the IGAD region that focused on smallholder farmers and pastoralists in Djibouti, Kenya, Sudan and Uganda. If national institutions can develop and build their capacities in key roles in projects that are implemented by other accredited entities, they may be well positioned to later take on leadership roles for longer-term and future adaptation initiatives.

Kapter Kween Tree Nursery to be supported under Public Private Partnership (PPP) in Victoria Water Management Zone
OSS-Samou Kone



6. Synthesis of findings

The cases of local leadership reviewed above demonstrate several innovative and important features relating to how locally-led adaptation action works in practice in interventions supported by the Adaptation Fund. Across the cases, common challenges in empowering local level actors to take charge of adaptation action emerge. Similarly, implementing entities and their local partners have demonstrated flexibility, innovation and dedication in their efforts to ensure that power over climate finance—and decision-making on local adaptation measures more specifically—is meaningfully and increasingly devolved to local level actors. The study's findings are presented below in three main categories.

6.1 Project formulation: Making the most of opportunities for local leadership

Implementing entities have used a variety of methods to identify opportunities to partner with local groups and organizations, from disseminating open calls for proposals to the local level through social media and workshops, to working with organizations that they have good pre-existing relationships with. At the project formulation stage, four key findings emerge on how implementing entities have established effective relationships with their local partners on the ground:

- **Capacity assessment is key to establishing strong partnerships and clear expectations between implementing entities and local partners.** It is up to

implementing entities to establish the financial, project management and other capacities that will be required for local-level partners to effectively deliver on the activities they are responsible for. If implementing entities assess, or screen, the capacities of prospective partners early on, all parties can work to identify and agree on the specific capacity building needs of executing partners. Project-related capacity building support can then be tailored to match those needs. As the Costa Rican and South African experiences demonstrate, needs for capacity support can be highly variable across different organizations. An equitable approach to supporting executing partners does not mean dedicating time and resources equally between partners. Implementing entities can and should tailor the support offered to each partner. The benefits of undertaking capacity assessment at the outset include: generating mutual trust in each organization's capabilities; setting clear expectations about what capacity support will be required; targeting limited resources effectively towards filling essential capacity gaps; and preventing delays from the emergence of unexpected capacity issues during implementation.

- **Sensitive and respectful working methods can help to build trust with vulnerable and marginalized local actors.** Empowering local level actors to lead on adaptation can often involve working with vulnerable and marginalized actors. Implementing entities can develop trust

in working with those actors through processes and modalities that are sensitive and respectful. In the Colombia-Ecuador border region, for instance, a legacy of exclusionary interventions had left a legacy of mistrust from local communities towards external actors. WFP adopted a collaborative approach towards co-determining project goals and co-designing methodologies with communities, that proved successful in bridging that gap to build trust and protect community wellbeing. Implementing entities can improve prospects for successfully working with local actors by understanding a region's history, consulting closely with local leaders, and adopting locally-appropriate working methods.

- **Involving local government has the potential to empower local leaders to play an important long-term role in adaptation action.** Several implementing entities have sought to ensure a meaningful role for local government as a strategic way to ensure a project's impact is sustained well after project completion. In Micronesia, for instance, local authorities were entrusted with key project activities focused on improving the resilience of marine protected areas that livelihoods depend on. Similarly, in Uganda, where district governments are involved in catchment-based water management processes, districts can hone their capabilities in adaptation planning. When local authorities are entrusted with overseeing the execution of key project activities, they can build technical and management capacities that make lasting local-level change.

- **Locally-led action may require specific planning efforts to overcome linguistic, geographical and other challenges.** Implementing entities and their partners can encounter challenges when working with local actors due to language and physical geography factors that can inhibit easy access and communication. In Cambodia, for instance, a multitude of languages are spoken across target communities in disparate and remote project sites. In Micronesia, some atoll islands can be inaccessible due to challenges navigating strong sea currents. Project managers should integrate these local considerations into project design, including in their budgets, to most effectively overcome them.

6.2 Project implementation: Delivering locally-led action in practice

Experience demonstrates that it is possible to insulate local actors from overly burdensome reporting and compliance requirements. Doing so allows local level actors to focus on strengthening their organizational capacities and ensuring the effective inclusion of grassroots voices in decision making. The following three strategies and practices demonstrate how different sets of actors have sought to empower local actors while ensuring high quality project delivery:

- **Instituting simple and flexible procedures is key to effective project management across multiple administrative layers.** Many instances of implementing locally-led action involve multiple administrative layers, from the project management unit to the ground level. At times, well-intentioned compliance processes aimed at ensuring quality project man-

agement have become cumbersome. Project monitoring is key to identifying such issues. When implementing entities are creative and flexible, they can adapt management processes to protect local level actors from such administrative burdens. In South Africa, when such issues were identified, Facilitating Agencies began communicating with local actors through informal check-ins to support local actors in meeting reporting requirements in more efficient ways. In Micronesia, project management arrangements were adapted to match the cultural, institutional and governance-related differences across the national territory. Management processes that are adapted to local realities may contribute to leveling the playing field across differences within countries.

- **Local leaders are well placed to determine appropriate and effective methods for communication and decision-making.** Working productively with local partners means establishing clear communication channels and decision-making processes. In the binational project in the Colombia-Ecuador border region, indigenous Awá community governors ensured that methodological approaches for documenting ancestral knowledge were culturally appropriate. They also provided simultaneous translation between Awapit and Spanish languages. Such measures increase the likelihood that local actors are empowered to meaningfully participate in the decisions that affect them.
- **Sensitization on locally-led approaches may increase local ownership and the likelihood of sustaining project out-**

comes. The Ugandan experience demonstrates the importance of sensitizing a range of actors, from the local to the national level, on locally-led approaches to planning and execution. Key actors may be accustomed to undertaking projects in traditional, more centralized, ways. Undertaking projects in non-traditional (i.e. locally-led) ways may require investing time and effort in helping project partners understand the many benefits of locally-led approaches. Key partners in the Uganda project reported that sensitization processes were essential to increasing local-level ownership and the likelihood of sustaining project outcomes in the long term.

6.3 Promoting locally-led action through long-term institutional growth

Several experiences in Adaptation Fund projects and programmes demonstrated how locally-led action can promote institutional growth and development. The following two findings demonstrate institutional development at different scales:

- **Where national institutions take on key roles in project execution, they can be well placed to take on leadership roles in future adaptation initiatives on a larger scale.** In Uganda, MOWE, a national institution, played a key role in executing climate-resilient catchment-based water resource planning in an Adaptation Fund project. Based on those experiences, MOWE deployed its capabilities to develop a separate initiative that takes a locally-focused approach to water resource planning in a different part of the coun-

try. In 2019, that institution gained accreditation as an NIE of the Adaptation Fund. MOWE's replication of key aspects of the Uganda project elsewhere in the country, as well as its accreditation, are strong signals of institutional strengthening. From a key role in project execution, MOWE grew its institutional capacity to the point that it can now manage significant climate finance on behalf of the nation.

- **Where NIEs demonstrate their capacities in managing climate finance, they can grow into other high-level strategic roles.** In Costa Rica, Fundecooperación's demonstration of its capacity and expertise in channeling finance to the local level enabled it to take on a high-profile

role as a strategic actor for the country on climate change. Following its multi-year adaptation programme, Fundecooperación was well placed to support the mainstreaming of adaptation in public policy and to channel larger volumes of finance to local-level entities. It also took on an important international role in peer-to-peer learning by assisting existing and prospective NIEs in capacity enhancement. These experiences demonstrate how pursuing locally-led action through the Direct Access modality can enable national institutions to expand their capacities and to later deploy their expertise widely at national and international levels.

Female leaders discuss participatory livelihood adaptation strategies that are being developed with 32 Afrodescendent communities in the project target area.
WFP



7. Moving forward

The Adaptation Fund's experiences with locally-led action demonstrate how the philosophy of localizing climate finance can work in reality. From its adoption of funding criteria that ensure vulnerable communities are consulted and benefit directly from interventions, to its pioneering of the Direct and Enhanced Direct Access modalities, the Fund has proven that the aspiration to localize climate finance can be meaningfully achieved in practice. The interventions that the Fund has supported also demonstrate a range of challenges that must be overcome if locally-led action is to succeed at scale.

The study concludes with four recommendations on moving ahead with the promotion of locally-led action:

- » **The Adaptation Fund will need to continue to raise funds and evolve to keep pace with new demands from the local level.** The Fund has proven its ability to strategize and adjust to demands for increased financial support at the local level through measures including: the **Readiness Programme; the streamlined accreditation process; and the Enhanced Direct Access window.** The Fund should continue to support these measures, and to generate lessons from activities supported through them, in order to support locally-led action on a broader scale. Its resources, however, are limited. A significant increase in funding for locally-led action through the Adaptation Fund would provide an opportunity to meet growing local-level demands for finance as well as to continue to document lessons on locally-led action in practice.
- » **Opportunities exist to channel finance to local-level entities through Multilateral Implementing Entity (MIE) aggregators.** The Adaptation Fund is expected to launch aggregators in late 2020 through the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP). This initiative, borne from the implementation plan for the Fund's Medium-term Strategy, will provide innovation grants of up to US\$ 250,000 to "non-accredited entities" such as universities, research institutes, public agencies, civil society organizations, non-profit groups, and small enterprises. Publicizing the opportunity provided by these aggregators to local-level entities could expand the number of local organizations accessing Adaptation Fund resources, increase local-level capacities, and provide new opportunities to learn about localizing climate finance.

» **A range of options exists to enhance the Fund’s existing strategy and policy measures that encourage locally-led action.** If the Board intends to further enhance its support for locally-led adaptation action, it should study a range of actions to do so. One among several options could be **to modify project proposal templates to include an explicit review criterion on the extent to which local actors are included in project execution.** Such a modification may encourage implementing entities to identify, early on, roles for local actors in financial management and decision-making. Template amendment has precedent: in the past, in response to the adoption of the Environmental and Social Policy and Gender Policy, the Board modified the project proposal templates and instructions to implementing entities for project preparation. More generally, the Board might consider ways to better formalize the inclusion of local-level actors such as local governments, community-based organizations, and others working at the local level so that those actors can contribute to the design and implementation of adaptation solutions.

» **The Fund is well placed to seize on its comparative advantage as a convener of expertise and to disseminate new knowledge on channeling climate finance for locally-led action.** An increasing number

of international organizations, and national-level funds, are beginning to scale up their support for localizing climate finance. Similarly, a number of research organizations and think tanks are beginning to research, learn from, and report on what works in practice in locally-led action on adaptation. As the Fund’s investments in locally-led action continue to mature, and as it generates new knowledge on what works in practice, it can continue to systematize, synthesize, and disseminate that knowledge in appropriate forms to its stakeholders. Opportunities exist for the Fund to partner with the organizations mentioned above, to act collaboratively in scaling up much-needed finance for the local level. Opportunities also exist for the Fund to establish partnerships with research institutions, academics, other climate funds, and the Adaptation Fund NGO network to monitor and learn from locally-led initiatives on adaptation. In future activities under its Readiness Programme, the Fund might also include executing entities with firsthand experience of locally-led action, as those entities are central to the creation of knowledge on the challenges in empowering local level actors to put into practice adaptation actions. Taken together, these possibilities represent an opportunity for the Fund to continue to use its comparative advantage as a convener of expertise and to disseminate new knowledge at scale.



A woman looks at the crickets she has grown in rural Cambodia, February 19, 2018. UNEP and partners are helping people adapt to climate change and rely less on rain-fed agriculture by supporting alternative livelihoods such as cricket farming.

UNEP

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Children at a school on top of Kulen Mountain learn about the importance of trees for keeping the climate cooler and helping to protect the land and harvests. The school has benefited from a project supported by UNEP and partners to provide fruit trees, vegetable gardens and a water system so that people can rely less on rain-fed agriculture for crops in Cambodia, February 20, 2018. *UNEP*