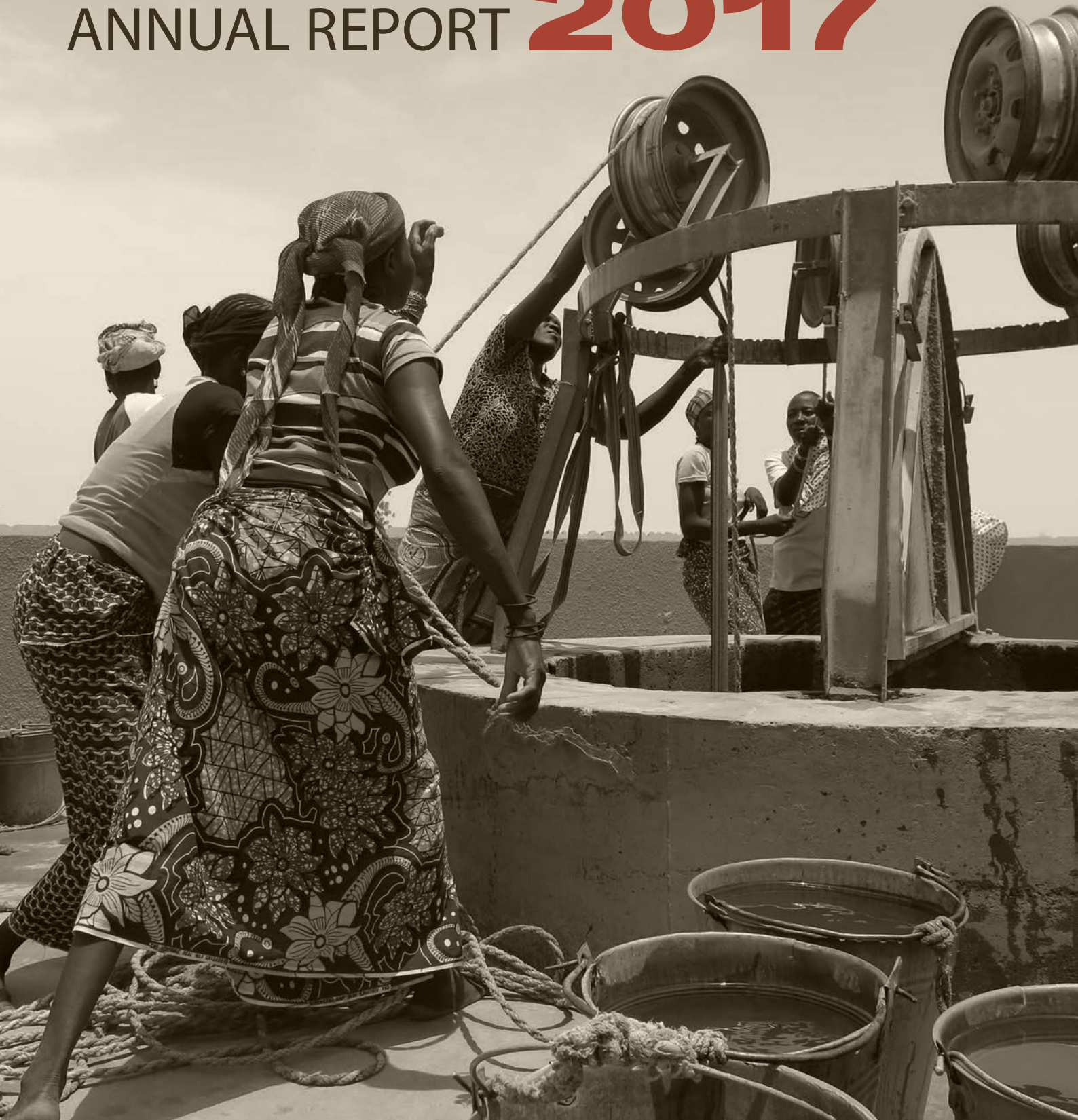


# LoCAL

## ANNUAL REPORT 2017





# **LoCAL**

ANNUAL REPORT **2017**

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Mali  
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Nepal  
Niger  
Tanzania  
Tuvalu

# ACRONYMS

ANICT	Local Authorities National Investment Agency (Agence Nationale d'Investissement des Collectivités Territoriales)
COP	Conference of the Parties
EU	European Union
FNEC	National Fund for Environment and Climate (Fonds National pour l'Environnement et le Climat)
GCCA+	Global Climate Change Alliance
GCF	Green Climate Fund
GEF	Global Environment Facility
LDC	least developed country
LoCAL	Local Climate Adaptive Living
MoU	memorandum of understanding
NAP	National Adaptation Plan
NCDD	National Committee for Democratic Development
PBCRG	performance-based climate resilience grant
PO-RALG	President's Office Regional Administration and Local Government
PEI	United Nations Development Programme–United Nations Environment Poverty-Environment Initiative
Sida	Swedish International Development Cooperation Agency
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change

# ABOUT LOCAL




## PURPOSE

Climate change is a **global challenge**, but its effects are not experienced equally. Notably, least developed countries (LDCs) and their populations are among those most exposed to climate change. Moreover, a large proportion of LDCs are located in geographical areas where climate change can have drastic impacts on people's living conditions. And the largely rural character of many LDCs means that the impact of climate change can have extremely severe repercussions on the natural resource base on which livelihoods rely. LDCs' capacity for adaptation and resilience are hampered by poverty, a lack of infrastructure and basic services, and inadequate resources and capacities to deal with the worst effects of climate change.

While much attention is given to international climate negotiations and actions in which central governments participate, the impacts of climate change are most dramatically observed and experienced at the local level. And **local governments** are uniquely positioned to understand and address the climate change-related issues at the local level, responding to the needs of vulnerable communities and groups across their territories. Local governments are in fact often ultimately responsible for a variety of sectors and areas which are climate sensitive and of extreme importance to the success of adaptation measures – including land use, infrastructure and water management.

Despite the clear relevance of the local level to meaningful adaptation, evidence shows that **most local governments in LDCs cannot contribute effectively** to climate change adaptation and resilience building. Several reasons – mostly stemming from financial weaknesses – underlie this inability, as summarized in Figure 1.


## FIGURE 1: OBSTACLES TO LOCAL GOVERNMENT CONTRIBUTIONS TO ADAPTATION



A lack of appropriate budgetary allocations from the national level, leading to unfunded mandates for climate-sensitive sectors



Local governments' inability to absorb the incremental costs of climate change adaptation



Main sources of climate finance are often only available and accessed through application to national programmes that have specific, earmarked arrangements and which fall outside of established decision-making processes and the public expenditure management cycle

The **Local Climate Adaptive Living (LoCAL)** facility of the United Nations Capital Development Fund (UNCDF) was designed and launched in 2011 to establish a country-based mechanism to help local governments in LDCs access and effectively spend vital funding for local adaptation measures.

In 2014, LoCAL expanded across Asia and was launched in Africa, thereby becoming a global programme. Four years later, LoCAL is supporting 13 countries across three regions, working with 99 local governments which represent a population of over 6 million. This report documents the results over the first four years of LoCAL operation as a global country-based mechanism supporting LDCs.

## APPROACH

LoCAL has innovated a system of **performance-based climate resilience grants (PBCRGs)** to channel climate finance and improve responses to climate change. These grants include a performance element which incentivizes local governments to target adaptation measures, while increasing transparency

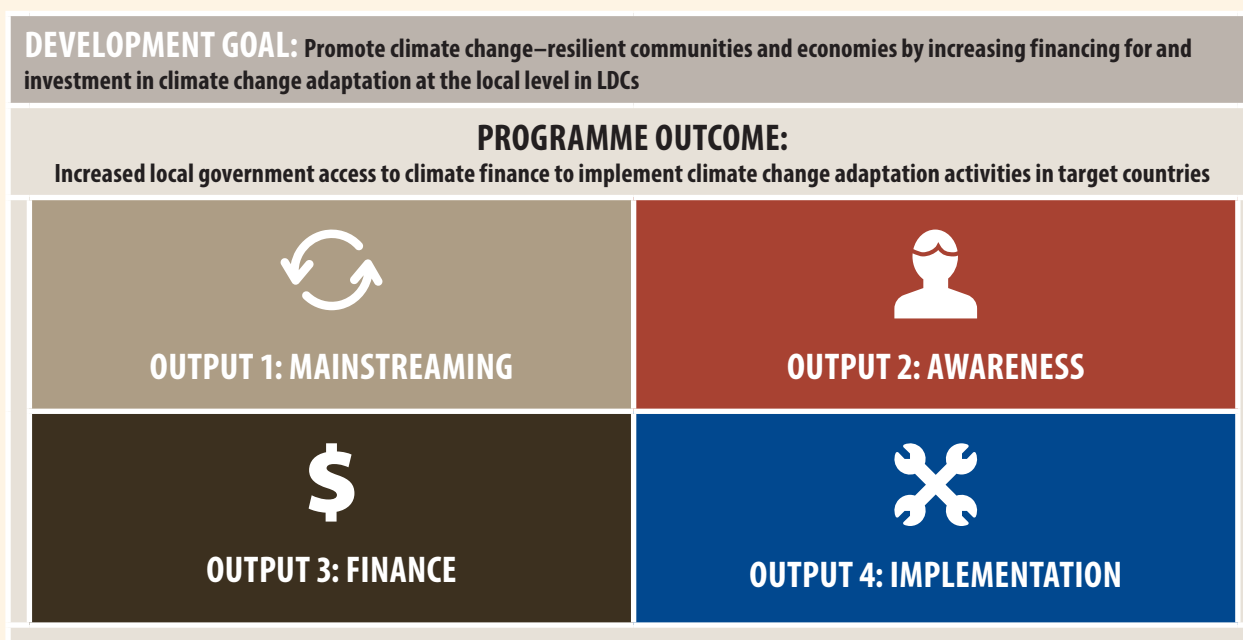
and accountability by enabling verification of climate change expenditure at the local level. By thus building capacity and trust, the LoCAL PBCRGs improve local governments' chances of accessing and effectively using wider sources of climate funding.

LoCAL operates primarily in LDCs, working with local governments at the lowest tier, that closest to the communities and vulnerable groups. In addition to its financial component, LoCAL provides **capacity building** and **technical assistance** to local governments to help them better assess climate risks and vulnerabilities and integrate climate change adaptation into their planning and budgeting processes – thus improving preparedness for, awareness of and resilience to climate change.

The following summarizes the LoCAL global programme's results and resource framework, illustrated in Figure 2.

- **LoCAL development goal.** Promote climate change-resilient communities and economies by increasing financing for and investment in climate change adaptation at the local level in LDCs, thereby contributing to the achievement of the Sustainable Development Goals (SDGs), particularly Goal 1, ending poverty; and Goal 13, combating climate change and its impacts.
- **Programme outcome.** Increased local government access to climate finance to implement climate change adaptation activities in target countries.
- **Output 1: Mainstreaming.** Climate change adaptation is mainstreamed into government planning and budgeting systems.
- **Output 2: Awareness.** Increased awareness of and response to climate change at the local level.

FIGURE 2: LoCAL PROGRAMME GOAL, OUTCOME AND OUTPUTS



- **Output 3: Finance.** Increased amount of climate change adaptation finance available to local government and local economy.
- **Output 4: Implementation.** The programme is effectively, efficiently and transparently implemented in line with UNCDF programme management regulations.

## PERFORMANCE-BASED CLIMATE RESILIENCE GRANTS

PBCRGs aim to cover the additional costs of making local development climate resilient. They are channelled through existing fiscal transfer mechanisms in the countries where LoCAL intervenes, thereby strengthening national appropriation and accountability. For local governments to be eligible for and to access the grants, they must meet and remain in compliance with a set of minimum conditions which ensure that a minimum absorptive capacity is in place to handle the funds. Performance measures are applied through an annual assessment to incentivize local governments to meet climate change adaptation objectives. Measures are selected informed by local climate risk and vulnerability assessments and a menu of eligible investments. The performance measures are used to adjust the level of funding made available to the local government year to year. Where local governments are found not to have met the minimum conditions, capacity-building actions are undertaken to help address the identified gaps and lags.

The programme operates in three distinct phases (Figure 3), each associated with specific criteria to determine the programme's degree of maturity in the respective country (Figure 4).

- **Phase I: Piloting**, consists of an initial scoping analysis, followed by testing in two to four local governments. As of the end of 2017, Phase I countries were **Lesotho**,

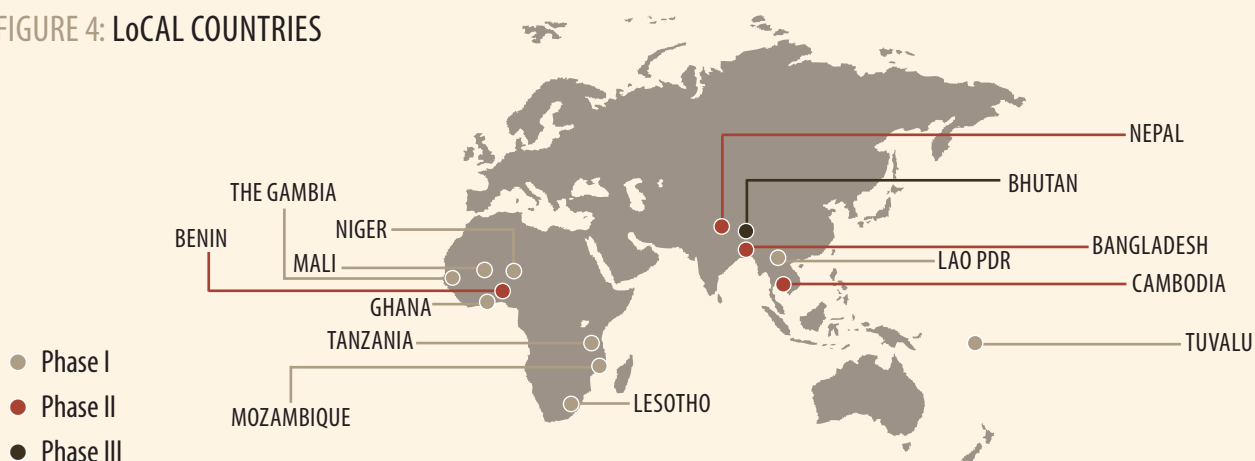
FIGURE 3: LoCAL PHASES

 I PILOTING	<ul style="list-style-type: none"> <li>• Scoping analysis</li> <li>• Introduce PBCRG system</li> <li>• Develop baseline</li> <li>• Test in 2–4 local governments over 1–2 fiscal years</li> <li>• Fine-tune methodology (minimum conditions; performance measures; menu of investments)</li> <li>• Typically financed with up to USD 250,000 per year from the UNCDF LoCAL global programme</li> </ul>
 II CONSOLIDATING	<ul style="list-style-type: none"> <li>• Expand to 5–10 local governments</li> <li>• Form financial and technical partnerships</li> <li>• Financing from USD 2–10 million, mostly from in-country partners</li> <li>• Collect lessons; assess results with technical assistance from the LoCAL Secretariat</li> <li>• Demonstrate effectiveness</li> <li>• Prepare for national roll-out</li> </ul>
 III SCALING-UP	<ul style="list-style-type: none"> <li>• Full national roll-out</li> <li>• Gradual expansion to all local governments</li> <li>• Funded with re-allocated domestic resources and by donor partners</li> <li>• Access international climate financing</li> <li>• Share experiences and data</li> <li>• Quality assurance and support from the LoCAL Secretariat</li> </ul>

Tanzania and Tuvalu, with The Gambia ready to join in 2018. Other Phase I countries ready to move to Phase II are Ghana, Lao PDR, Mali, Niger and Mozambique.

- **Phase II: Consolidating**, takes place in 5–10 local governments in a country. It involves collecting lessons and demonstrating the mechanism’s effectiveness at a larger scale. As of end 2017, Bangladesh, Benin, Cambodia and Nepal are in Phase II.
- **Phase III: Scaling-up**, is full national roll-out of LoCAL based on the results of the previous phases and lessons learned. LoCAL is gradually extended to all local governments, with domestic or international climate finance, and becomes the national system for channelling adaptation finance to the local level. Bhutan is in Phase III, with budget support from the European Union (EU). Phase II countries are preparing to follow.

FIGURE 4: LoCAL COUNTRIES



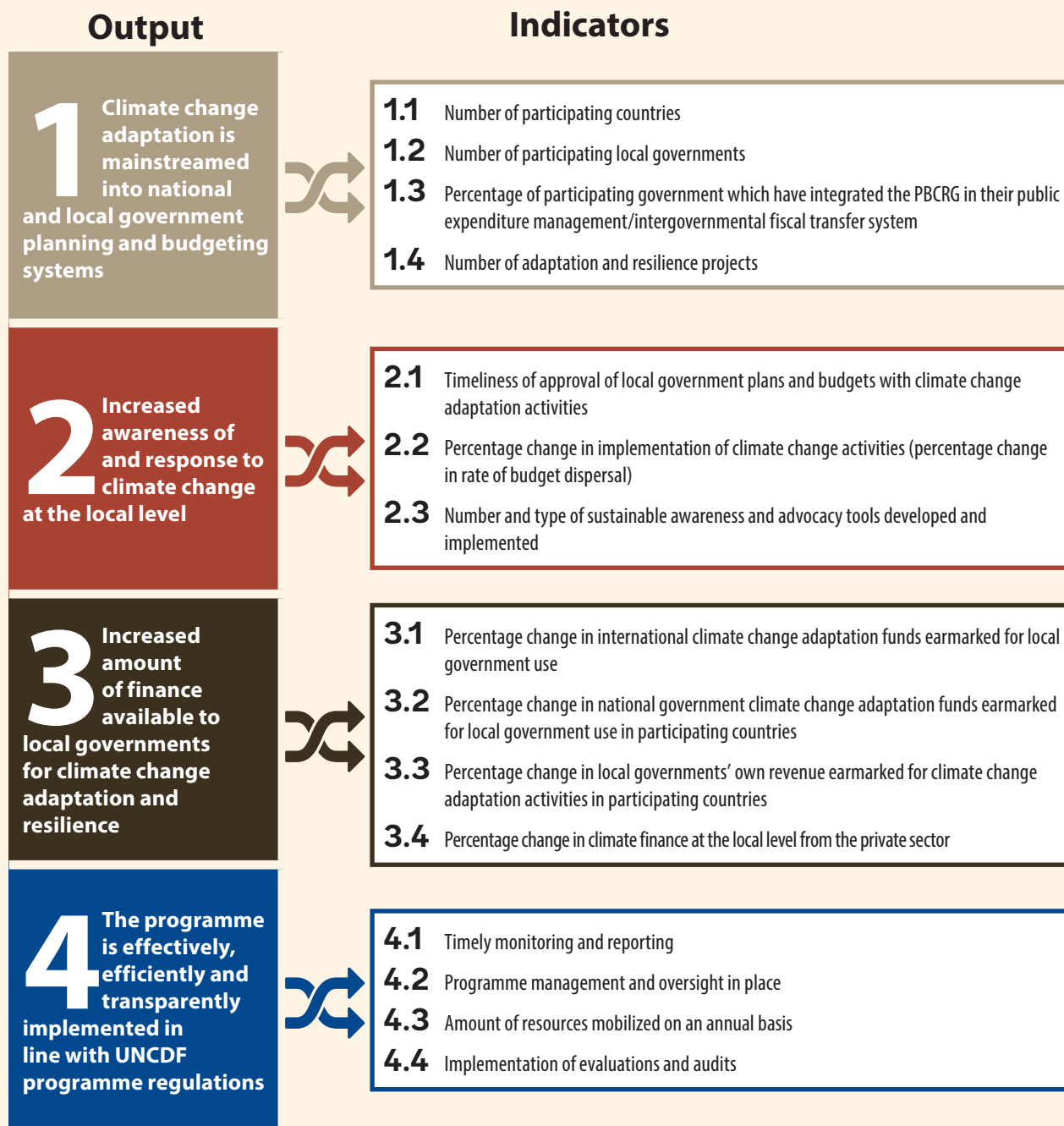
# HIGHLIGHTS



The LoCAL global programme achieved its output targets for 2017; these accomplishments are detailed on the following pages by output and in terms of the indicators established in the UNCDF LoCAL [Global Project Document](#) (see Figure 5). Notable achievements include the following.

- As of end 2017, **99 local governments in 13 countries representing over 6 million people** were engaged in LoCAL.
- A memorandum of understanding (MoU) or a project implementation agreement had been signed by end 2017, and **Phase I or II LoCAL programmes designed and adopted**, in **Bangladesh, Benin, Cambodia, Ghana, Lao PDR, Lesotho, Mali, Mozambique, Nepal, Niger, Tanzania** and **Tuvalu**.
- The original LoCAL country, **Bhutan**, has reached Phase III and is **implementing national roll-out** with a target of scaling up the PBCRG programme to 100 local governments by 2020 with EU budget support.
- **Lesotho** was added to the global portfolio as a **new Phase I country** in 2017. Scoping analysis and design was conducted in **The Gambia**, and the programme will start up in 2018, with EU support.
- During the 2014–2017 period, **507 climate change adaptation interventions were finalized across 11 countries** using LoCAL grants, with another 68 under implementation or being planned. The portfolio addresses a range of sectors – including water and sanitation, agriculture, disaster prevention and preparedness, transport and storage – as well as a diverse set of ecosystems, from the mountainous areas of **Bhutan** to the drylands of **Niger**.
- Between 2014 and 2017, **LoCAL delivered close** to USD 14.5 million, with grants and technical assistance to countries totalling USD 9.8 million.

FIGURE 5: LoCAL OUTPUTS AND INDICATORS



- Over the 2014–2017 period, USD 33.6 million **was mobilized by UNCDF LoCAL** from donors and parallel funding from governments.
- In **Benin, Bhutan, Cambodia, Mali and Tanzania** – and with LoCAL support – an agency involved in decentralization was nominated as the country’s national implementing entity to pursue **accreditation with the Green Climate Fund (GCF)**, with a view to scaling up LoCAL (Phase III) through direct access to GCF funding. To this end, three of these countries have, with support from the LoCAL Secretariat, submitted concept notes to the GCF; Bhutan will do so in 2018.

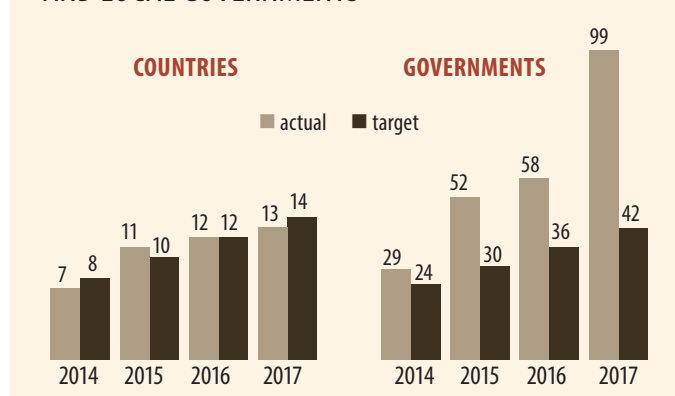
- Significant **climate risk and vulnerability assessment activities** took place during the referenced period. **Bhutan** and **Cambodia**, with support from the Korea Environment Institute, began developing national scientific climate change reports. **Benin** and **Niger** started piloting localized climate risk, vulnerability and adaptation assessments. They also established systems to enable local governments to collect, archive and analyse meteorological, climate and socioeconomic data and undertake local climate projections to inform their planning.
- Over the 2014–2017 period, LoCAL and its participating countries advocated for better recognition of the role of local government in addressing climate change through presentations at and **participation in over 20 high-level events**. Also, LoCAL was invited in 2017 to share its experiences with the GCF Technical Expert Group on Climate Adaptation Finance at the GCF Secretariat in Songdo, Korea.
- LoCAL's growing visibility and proven track record led to the mechanism's being **featured in a guidance note** – *Vertical Integration in National Adaptation Plan (NAP) Processes: A Guidance Note for Linking National and Sub-national Adaptation* – published by the National Adaptation Plan (NAP) Global Network.
- **LoCAL continued to share information** via country news, stories and videos on its website, in English and French. The LoCAL global video reached an audience of over 20,000 people in less than a year. A new LoCAL publication, *Financing Local Adaptation to Climate Change: Experiences with Performance-Based Climate Resilience Grants*, documents LoCAL experience over 2014–2017 and will – on the authority of the LDC Expert Group of the United Nations Framework Convention on Climate Change (UNFCCC) serve as the basis for an annex to the *NAP Guidelines*.
- LoCAL has become a **partner of the Global Centre of Excellence for Climate Adaptation** and has been invited to share lessons and experiences in financing adaptation through local government globally.

## OUTPUT 1: MAINSTREAMING

### PARTICIPATING COUNTRIES AND LOCAL GOVERNMENTS

**LoCAL roll-out from a regional to a global programme has been successful overall.** For 2017, the programme had set a target of 42 local governments in 14 participating countries using PBCRGs (Figure 6). Upon signing an MoU, **Lesotho** joined LoCAL in October 2017, bringing the programme total to 13 countries. The target of 14 countries was reached in the first quarter of 2018 when a financing agreement was signed between the EU and the Government of **The Gambia** on the Inclusive Sustainable Growth and Job Creation in The Gambia Programme which features LoCAL, to be followed by the MoU signature for the PBCRGs.

**The target of 42 participating local governments was well exceeded**, with 99 local governments engaged in 13 countries as of December 2017. Seven of these local governments, in **Lesotho** and **Tanzania**, are new to LoCAL, with their scoping analyses and preparatory work for the launch of Phase I still ongoing; while 21 new local governments in **Bangladesh** and **Benin** will be receiving PBCRGs in 2018 following their 2017 transition from Phase I to Phase II. In **Bhutan** – with support from the EU, the Governments of Denmark and Switzerland, UNCDF, the United Nations Development Programme (UNDP) and United

**FIGURE 6: NUMBER OF PARTICIPATING COUNTRIES AND LOCAL GOVERNMENTS**


Nations Environment – the Local Government Sustainable Development Programme aims to scale up the PBCRGs to 100 gewogs by the end of 2021.

Additional countries have expressed interest in participating in LoCAL, including **Burkina Faso**, **Kiribati**, **Uganda** and **Vanuatu**.

### PBCRG INTEGRATION

As of December 2017, **99 local governments are engaged with LoCAL**; as noted, this exceeds the 2017 target of 42 local governments (Table 1). Of these, 55 benefited from grants and 37 local governments, or 67 per cent of those using PBCRGs, have integrated the

grants into their public expenditure management/intergovernmental fiscal transfers – 8 in **Cambodia**; 6 each in **Benin** and **Bhutan**; 4 in **Mozambique**; 3 each in **Bangladesh**, **Ghana**, and **Tuvalu**; and 2 each in **Mali** and **Niger**. The target for such integration in 2017 was 60 per cent of participating local governments.

**TABLE 1: ENGAGEMENT OF LOCAL GOVERNMENTS IN LOCAL AS OF END 2017**

COUNTRY	LEVEL OF LOCAL GOVERNMENT	PARTICIPATING GOVERNMENTS	LOCAL GOVERNMENTS USING PBCRG	LOCAL GOVERNMENTS WHICH HAVE INTEGRATED PBCRG
Bangladesh	<i>Upazila/parishad</i>	19	3	3
Benin	Commune	9	6	6
Bhutan	<i>Dzongkhag/gewog</i>	8	6	6
Cambodia	District/municipality	8	8	8
Ghana	Metropolitan, municipal and district assembly (MMDA)	3	3	3
Lao PDR	District	12	12	0
Lesotho	Community council	4	N/A	N/A
Mali	Commune	2	2	2
Mozambique	District	4	4	4
Nepal	District	22	6	0
Niger	Commune	2	2	2
Tanzania	District	3	N/A	N/A
Tuvalu	<i>Kaupule</i>	3	3	3
<b>Total</b>		<b>99</b>	<b>55</b>	<b>37</b>

## ADAPTATION AND RESILIENCE INTERVENTIONS AND MEASURES

Over the 2014–2017 period, 11 LoCAL countries (**Bangladesh, Benin, Bhutan, Cambodia, Ghana, Lao PDR, Mali, Mozambique, Nepal, Niger** and **Tuvalu**) delivered an estimated **575 small-scale climate-resilient interventions**, of which 356 are small-scale infrastructure projects.

Across all LoCAL countries, **almost 70 per cent of the interventions have focused on agriculture, water and sanitation and transport and storage**, followed by interventions entailing disaster prevention and preparedness and government and civil society; these last primarily involve the mainstreaming of climate change adaptation activities (Figure 7).

In terms of ecosystems, the **majority of LoCAL investments are undertaken in cultivated areas (Bangladesh, Benin, Ghana, Lao PDR, Mali and Mozambique)** and mountains (**Bhutan, Lao PDR and Nepal**), followed by drylands (**Mali and Niger**) and inland water areas (**Nepal**) (Figure 8).

FIGURE 7: LoCAL INVESTMENTS BY SECTOR, 2014–2017

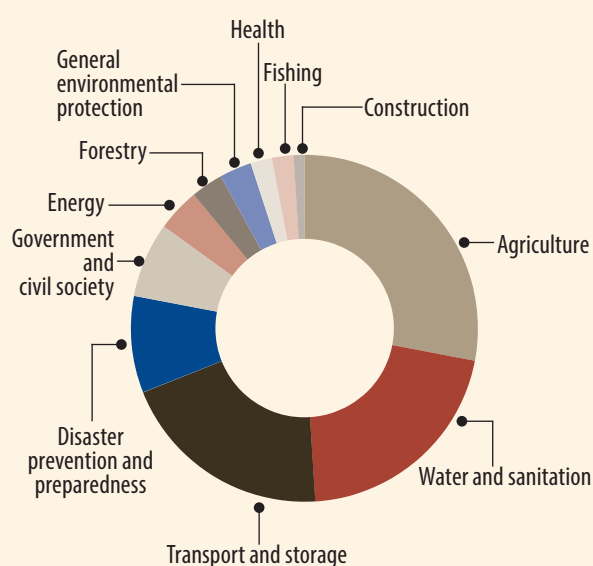
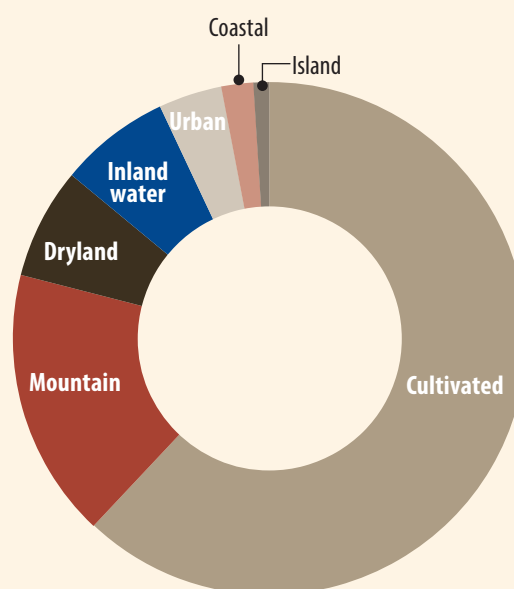


FIGURE 8: LoCAL INVESTMENTS BY ECOSYSTEM, 2014–2017

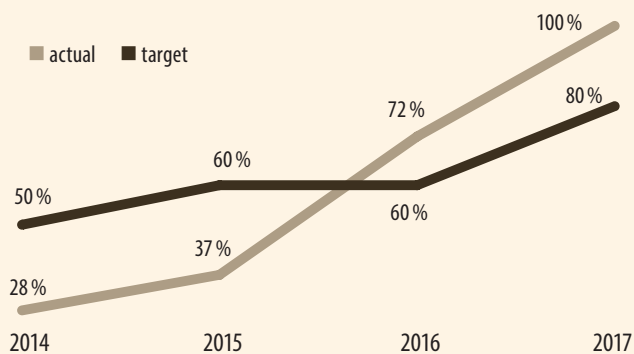


## OUTPUT 2: AWARENESS

### PLANS AND BUDGETS WITH CLIMATE CHANGE ADAPTATION ACTIVITIES

In 2017, local government plans and budgets with climate change adaptation activities were approved in all 55 participating local governments using PBCRGs; this is an increase over past years (figure 9). Over the 2014–2017 period, there has been steadily **increasing integration of both climate change adaptation activities and of the LoCAL PBCRG system** into local government plans, budgets and systems of financial management and intergovernmental fiscal transfer. Numerous initiatives to inform and integrate climate change in plans and budgets have been undertaken, as the following examples show.

FIGURE 9: PARTICIPATING LoCAL GOVERNMENTS WITH CLIMATE CHANGE ADAPTATION ACTIVITIES IN THEIR APPROVED DEVELOPMENT PLAN/BUDGET (%)



NOTE: Plans/budgets were in place within the first quarter of the respective government's fiscal year; 2015 and 2016 figures have been amended for to ensure consistency of reporting over time.

- In **Niger** and **Benin**, LoCAL piloted **localized climate risk, vulnerability and adaptation assessments** and the establishment of a system that will enable local governments to collect, archive and analyse meteorological, climate and socioeconomic data and undertake local climate projections to inform their planning. In the Dogonokiria commune in Niger's Dosso region, for instance, the assessments highlighted an increased risk of malaria, together with agriculture-related risks most often noted by communities. Overall, the effort has broadened the range of climate issues being considered by local governments and communities.
- In **Mali**, together with the United Nations Development Programme (UNDP)–United Nations Environment Poverty-Environment Initiative (PEI), LoCAL conducted **joint workshops to support the integration of climate change** into local governments' Social, Economic and Cultural Development Plans (PDSECs).
- In **Nepal**, LoCAL carried out **stakeholder mappings**, while implementation guidelines and capacity development plans were prepared through district- and village-level consultations; these guidelines were then disseminated, with a total of 142 local government officials and staff trained.
- In **Benin**, several **information and awareness workshops** have been held, including one on lessons learned in which local governments exchanged their experiences regarding climate change adaptation. At another, technical staff in participating local governments were trained in improving their understanding of existing tools to integrate climate change adaptation into local planning and budgeting processes. Local government staff in Benin have also benefited from training on data collection and archiving; this has improved local capacity in monitoring climate change adaptation-related interventions.
- In **Mozambique**, LoCAL has worked closely with provincial- and district-level technical teams to **integrate climate change adaptation into district development plans**, thereby improving local capacities with regard to climate change-sensitive planning. Ten districts are now integrating climate change adaptation into their development plans. Also, 175 national and local-level officials have been specifically trained on integration of climate change adaptation into local planning processes and on how to develop local adaptation plans. Periodic planning and sensitization workshops (at least one per district each year and two workshops involving all provinces participating in LoCAL) are carried out with programme support.
- In **Cambodia**, about 200 **district and municipal technical staff have been trained** since the beginning of the programme. Of these, 67 participants in eight target districts have been trained on the PBCRG mechanism and have received instruction on how to conduct PBCRG assessments. An additional 30 target districts and 25 Capital and Provincial Planning and Investment Division personnel have received training on climate change and gender mainstreaming into sub-national planning.

- Similar **workshops** have been conducted in other LoCAL countries. In **Bangladesh's** Boga Union Parishad, 20 participants attended such a workshop. In **Lao PDR**, 333 officials (38 of whom were women) were trained. In **Tanzania's** Arusha region and in three *kaupules* in **Tuvalu** (Namumea, Nukulealea and Nukufetau), participants learned about **climate risk integration in planning and budgeting**. They also learned about performance criteria and how to apply these in an annual performance assessment.

## IMPLEMENTATION OF CLIMATE CHANGE ACTIVITIES

The target for 2017 was to reach 90 per cent of **budget dispersal** in the majority (85 per cent) of participating local governments. This target was met.

As of December 2017, between 90 and 100 per cent of the yearly grants had been executed in 47 local governments (85 per cent) in 9 countries that have benefited from PBCRGs: **Bangladesh** (3), **Bhutan** (6), **Benin** (6), **Ghana** (3), **Lao PDR** (12), **Mali** (2), **Nepal** (6), **Niger** (2) and **Tuvalu** (3). **Mozambique** (3) and **Cambodia** (8) stand at 12 per cent and 63 per cent, respectively. Participating governments that have not yet received grants were excluded from this calculation.

Over the years, the execution rate of PBCRGs across participating local governments has consistently increased, demonstrating the increased capacity of local governments to implement climate adaptation measures (Table 2).

TABLE 2: EXECUTION RATE OF PBCRGs ACROSS LOCAL GOVERNMENTS

	2014	2015	2016	2017
Actual	N/A	80 % of 2015 budget of participating local governments in Benin, Bhutan and Cambodia	Between 94 % and 100 % of the 2015–2016 budget for climate change activities spent in 49 local governments (84 %)	Between 90 % and 100 % of the 2016/2017 budget for climate change spent in 47 local governments (85 %)
Target	60 % of budget dispersal in majority (70 %) of participating local governments	70 % of budget dispersal in majority (75 %) of participating local governments	80 % of budget dispersal in majority (80 %) of participating local governments	90 % of budget dispersal in majority (85 %) of participating local governments

## SUSTAINABLE AWARENESS AND ADVOCACY TOOLS

Numerous and varied **high-level initiatives** have been undertaken since 2014 by LoCAL and its participating countries to raise awareness and advocate for the role of local governments in climate change adaptation at the global level. These have included LoCAL events and active participation at key policy and technical events, climate conferences and events, and the Conference of the Parties (COP) to the UNFCCC.

### LoCAL AND GLOBAL CLIMATE CHANGE ALLIANCE EVENTS

- In 2016, the **LoCAL Board** established the objective for LoCAL 'to become a standard and recognized country-based mechanism' for LDCs that supports 'direct access to the GCF' and transfers 'resources to local governments through national institutions and systems for building verifiable climate change adaptation and resilience'.

- The **LoCAL Forum**, launched in 2014, facilitates exchanges between LoCAL participating countries and other stakeholders on the role and function of local governments in addressing climate change adaptation. The Forum is held each year in conjunction with the annual LoCAL Board meeting.
- In November 2015, 10 LoCAL participating countries and 4 candidate countries attended the LoCAL **Global Lessons Learned Workshop** in **Cambodia**, held to share lessons from LoCAL implementation and to improve the mechanism and the PBCRG. Representatives of the World Resources Institute, the Korea Environment Institute and the GCF also attended the workshop, providing a useful international perspective on, and knowledge of, climate change and global funds. The workshop led to a flagship publication, *Financing Local Adaptation to Climate Change: Experiences with Performance-Based Climate Resilience Grants*, available in English and French.
- In March 2016, the **Special Post-COP21 Meeting: Helping ACP States Implement the Paris Agreement** was held in Brussels, and LoCAL was presented as a proven country-based mechanism to support sub-national governments in LDCs access climate finance. LoCAL was highlighted as a feasible and recommended mechanism available to African, Caribbean and Pacific (ACP) countries to support implementation of the Paris Agreement – especially with regard to increasing the role of sub-national governments in climate change. Follow-up meetings were held with the African Development Bank, which is accredited by the GCF, and the University of South Pacific, which provides technical support to the Pacific region.
- In September 2016, LoCAL was presented and discussed at the **EU Global Climate Change Alliance (GCCA+) Global Learning Event**, Innovative and Effective Approaches to Climate Change Adaptation and Other Post-COP21 Agreement Priorities in Brussels. LoCAL was acknowledged as an example of GCCA+ support of local governments in implementing nationally determined contributions. At the end of the event, the EU confirmed that LoCAL is a key programme for strengthening local government capacity to increase resilience.

#### **GREEN CLIMATE FUND AND UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE**

- LoCAL participated in the **UNFCCC COP20** in Lima in December 2014, supporting participating countries in furthering their exchange on and joint advocacy work for the benefit of LDCs and local governments.
- The LoCAL Programme Manager and Special Representative of the LoCAL Programme Board introduced LoCAL to the **GCF Board Meeting** in March 2015 as a proven country-based source of support to LDCs in increasing resilience to climate change at the local level. They pointed out that LoCAL has become an acknowledged mechanism in supporting direct LDC access to GCF resources. The GCF Secretariat is now a member of the LoCAL Board.
- In preparation for UNFCCC COP21, LoCAL attended the **Summit of African Regions and Cities for Climate** in Yamoussoukro, Côte d'Ivoire, in June 2015; the **World Summit Climate & Territories** in Lyon, France, in July 2015; and the **Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP)** in Bonn, Germany, in September 2015. At these events, LoCAL shared its experience with LDCs in integrating adaptation in local development planning and budgeting and in setting up a nationwide mechanism to channel climate finance through national fiscal transfers. LoCAL also contributed to the LDC negotiation text drafted at the Bonn

event, addressing the role of sub-national government in implementing climate change adaptation in LDCs, and the need for capacity building for national and sub-national governments to support implementation of climate change adaptation.

Through these efforts – notably that at Bonn – LoCAL helped increase awareness of the role of sub-national government and the importance of capacity building at this level.

- After participating in the UNFCCC NAP Expo 2016 in Bonn in July 2016, the LoCAL Secretariat met with the Chair of the **LDC Expert Group to the UNFCCC**, who confirmed his willingness to become a full LoCAL Board member. It was agreed that LoCAL would feature as a key mechanism for implementation of the UNFCCC LDC Group Three-Year Strategic Plan and that the LoCAL Strategic Plan would be aligned with that of the LDC Group from 2017 onwards.
- LoCAL and its participating countries were well represented at COP22 and parallel and joint side events in November 2016 in Marrakesh. Notably, LoCAL experiences from **Benin, Bhutan, Cambodia** and **Mali** were presented by officials from each country at the COP22 parallel event, **Climate Summit of Local and Regional Leaders**. Other showcases at which LoCAL shared lessons and experiences with the Korea Environment Institute, the World Resources Institute and other United Nations (UN) agencies include the following.
  - *EU GCCA+: Experiences and Innovative Approaches to Accessing and/or Mobilizing Climate Change Finance for Adaptation.*
  - *Sahara and Sahel Observatory, GermanWatch and Adaptation Fund: What Next? Past Experiences and Future Prospects for the Adaptation Fund.*
  - *African Development Bank: Supporting African Countries in Directly Accessing International Climate Funds for Climate-Resilient, Low-Carbon Development.* LoCAL was subsequently invited to join the Bank's Direct Access to Climate Finance Working Group.
  - *Korea Environment Institute: International Cooperation on Building Capacity for Climate Change Adaptation in LDCs.* Following from this, Korea's Ministry of Environment of Korea has expressed its interest in continuing to support the Korea Environment Institute and LoCAL.
  - *International Institute for Environment and Development (IIED): Devolving Climate Finance to Reach the Most Vulnerable.* This event featured a presentation by the Government of **Tanzania** on LoCAL and IIED support of its Decentralization Climate Finance initiative.
  - *UNFCCC High Level Event on the Sustainable Development Benefits of Adaptation in Africa.* This event was chaired by Luc Gnacadja, Special Representative of the LoCAL Board.

## SYNERGIES WITH UNFCCC NAP INITIATIVES

Following on from its July 2016 participation in the **UNFCCC NAP Expo 2016** in Bonn, LoCAL met with the **UNFCCC Adaptation Committee**, which resulted in an agreement for LoCAL to review and finalize the Adaptation Unit's workplan, support implementation of the Paris Agreement with the LoCAL mechanism and lessons learned from LoCAL countries, and support development of country NAPs. Moreover, the **NAP Global Network** featured the LoCAL mechanism in its [guidance note](#), which was launched at COP22 in Marrakesh.

And following on from COP23 in Bonn in November 2017, the **UNFCCC LDC Expert Group** explored the idea of including LoCAL's new comprehensive publication, *Financing Local Adaptation to Climate Change: Experiences with Performance-Based Climate Resilience Grants*, as supporting material to its NAP guidelines. This will be done in 2018.

- At the **UNFCCC COP23** in Bonn in November 2017, LoCAL continued its advocacy work to promote the role of local governments in increasing resilience at the local level. To support future such efforts, LoCAL has been invited to become a partner of the **Global Centre of Excellence for Climate Adaptation**, an initiative launched at the high-level segment of COP23. During the conference, LoCAL visibility was enhanced or its experiences shared at various side events, including the following.
  - *International Institute for Environment and Development and the Africa Climate Change Fund of the African Development Bank: Financing Adaptation at the Local Level: Experiences and Insights from Africa.* LoCAL experience in **empowering local governments in selected countries in Africa** was highlighted and discussed in this side event.
  - *LoCAL and African Development Bank: National and Subnational Access to Climate Finance Direct Access.* LoCAL experiences in **promoting direct access to climate finance** were shared at this side event. This has opened an ongoing dialogue in the context of the Bank's Adaptation Benefit Mechanism and on linking public and private investments for adaptation.
  - *Secretariat of the Convention on Biological Diversity: One Action, Five Outcomes: Aligning National Actions to Amplify Achievement of Global Goals.* This **high-level roundtable** was moderated by the Special Representative of the LoCAL Board, Luc Gnacadja, and attended by heads of state, ministers and heads of delegations.

In addition, LoCAL participated in a joint side event with the International Fund for Agricultural Development (IFAD) on **community access to financial support for strengthening resilience**. LoCAL was a participant in a side meeting organized by the Korea Environment Institute and the World Meteorological Organization on **assessing future climate risks at the local level**. A meeting was also held with the GCF, **Bhutan** and **Tanzania** on **direct access**. This last resulted in Bhutan's stepping up its application efforts to the GCF Enhanced Direct Access programme, and in the LoCAL Global Secretariat being invited to share LoCAL experiences with LDCs with the GCF Technical Expert Group on Climate Adaptation Finance at the GCF Secretariat in Songdo, Korea.

#### **OTHER CLIMATE CONFERENCES AND TRAININGS**

- The **Cambodian** local governments, represented by the National Committee for Sub-National Democratic Development Secretariat (NCDD-S), presented their experiences and lessons learned from LoCAL implementation at the **Eighth International Conference on Community-Based Adaptation** in Nepal in April 2014.
- During the **Small Island Developing States (SIDS) conference** in Samoa in September 2014, the LoCAL Secretariat and the Ministry of Environment of **Solomon Islands** presented the LoCAL mechanism as a partnership model to support local governments in performing their role in increasing community resilience to climate change effects. An immediate result was an invitation from the prime minister of **Tuvalu** to LoCAL and the subsequent launch of the pilot in Tuvalu – making it the first LoCAL country in the Pacific.
- At the **Climate Change Summit** in New York in September 2014, the LoCAL participating countries – led by the Government of **Benin**, as chair of the LDC

Group at the UN – raised the issue of local governments in implementing climate change adaptation activities to increase resilience in LDCs.

- In May 2016, the LoCAL programme was presented at two side events at the **4th International Climate Change Adaptation Conference, Adaptation Future 2016 Practice and Solutions** in Rotterdam. The first side event, New Ideas for Tracking Adaptation Success in Cities, Forests, Water, Finance and National Planning, resulted in a follow-up meeting with the UNFCCC Adaptation Unit, and an invitation to participate in NAP Expo 2016 in Bonn (discussed above). LoCAL experiences in **Bhutan** were presented by that country's delegation in a second side event, Tackling Adaptation, Alleviating Poverty and Inequalities.

### **TRAININGS AND CAPACITY-BUILDING EVENTS**

As part of the missions undertaken in participating countries, in-country workshops were organized at the central and local levels to raise awareness of climate change and the role of local governments in adaptation and on LoCAL itself. Recent examples include the following.

- In **Cambodia**, the NCDD-S conducted capacity development activities based on needs identified by the districts. Trainings were implemented, and course materials developed, in cooperation with other Secretariat projects – sponsored by the International Fund for Agricultural Development, and the UNDP–Global Environment Facility (GEF) – supporting sub-national climate change adaptation. Training topics included mainstreaming climate change in local development planning and technical design of climate-resilient infrastructure. A recent training course was presented in April 2017 for 49 participants from 18 districts and 8 provinces.
- In **Niger**, following two cycles of investment and annual performance assessment, LoCAL organized a stocktaking exercise and a national workshop that brought together all stakeholders engaged in LoCAL, including mayors, deconcentrated services and central-level ministries and agencies. The workshop was held in Niamey in November 2017.

Complementing efforts such as those listed above, LoCAL country programmes have conducted local-level capacity-building initiatives with the local populations to enhance their knowledge and awareness of climate change.

- In **Bangladesh**, LoCAL has provided capacity building to climate-induced internally displaced and vulnerable people, providing them with training on climate-adaptive farming, fish culture, vegetable gardening and organic fertilizer production. Over 35 capacity-building activities were carried out between 2014 and 2017 benefiting more than 4,000 people in two *upazilas* and one *parishad*.
- In **Niger**, 50 local residents were trained in phytosanitation, which is expected to benefit local farmers by helping them combat common pests. In addition, in 2016, LoCAL provided support to train personnel from 10 community early alert and disaster response systems.
- In **Ghana**, 50 people were trained on climate change awareness in 13 selected communities where bush fires are prevalent. Urban, town and area council members also benefited from training on early warning systems; this will help improve local-level preparedness in the face of climate risks. Additionally, in Ada East in 2016,

about 1,000 people were reached by sensitization messages on the causes and effects of climate change.

- In **Benin**, 50 farmers have been trained on climate-resistant rice varieties and on low-cost resilient production systems to counteract the adverse effects of climate change. A video to be broadcast on three national channels was produced in 2017 to further sensitize communities on the effects of climate change.
- In **Mali**, more than 250 women were involved in a market gardening initiative in 2016 which provided them with skills in good and resilient agricultural practices and farm management.
- In **Cambodia**, during 2017, about 10,500 poor households were reached by capacity-building and awareness-raising activities on various climate change-related topics, including resilient agricultural practices and systems, health and sanitation, environmental management, and disaster prevention and preparedness.

Also during this reporting period, government counterparts from six participating countries (**Benin, Cambodia, Lao PDR, Mali, Mozambique and Niger**) were trained in climate change and resilience at **The Hague Academy for Local Governance**. The LoCAL Secretariat delivered some of the training sessions, with a focus on the PBCRG methodology.

### ***INCREASING AND SHARING KNOWLEDGE***

Between 2014 and 2017, LoCAL completed communication and knowledge management initiatives aimed at **developing and sharing knowledge and experiences** – both among its participants and to broader development/climate change communities. These included the following.

- Thirteen country webpages and over 50 articles and stories from the field were developed and shared through the LoCAL website ([www.uncdf-local.org](http://www.uncdf-local.org)) and various social media, including the European Commission's knowledge-sharing platform [Capacity4Dev](#), in several languages.
- The LoCAL Twitter account (@UNCDLoCAL) was launched in 2016 and today has over 700 followers. The LoCAL YouTube channel was also launched in 2016. It features a global video - which has accrued 31,000 views as of this writing - as well as videos for **Bangladesh, Bhutan, Cambodia, Mali, Nepal and Niger**. LoCAL's social media presence on Twitter, LinkedIn, Facebook, Instagram and YouTube shows steady growth and consistent updates.
- A number of assessment reports were developed and launched; these included reports on **Bangladesh, Bhutan and Cambodia** as well as Phase II design assessments for **Ghana, Mali and Niger**.
- The first of a series of [news briefs](#) was launched.
- The LoCAL brochure was updated in 2017 and published in [English](#) and [French](#), as was the annual global report.

## OUTPUT 3: FINANCE

### GRANT DELIVERY

PBCRGs, operational support and technical assistance totalling USD 9.8 million were delivered to governments across 14 countries over the 2014–2017 period. Details are provided in Table 3. About two-thirds of this support (USD 6.4 million) was delivered through PBCRGs and national operational support (i.e. MoUs and letters of agreement with country governments; see Figure 9). Details by country and source of funds are provided in Table 4.

The PBCRGs were allocated as described in the respective MoUs between UNCDF and the government of the LoCAL participating countries. Eligibility for **PBCRG financing** is predicated on local government conformance with a set of minimum conditions verified by the participating national governments before funds are transferred to the local level.

FIGURE 9: LoCAL SUPPORT BY TYPE, 2014–2017

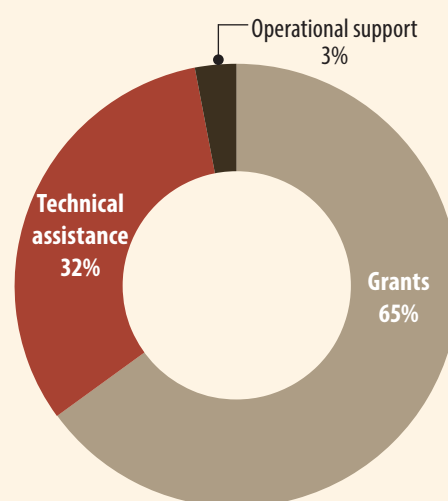


TABLE 3: TOTAL LoCAL SUPPORT BY COUNTRY

COUNTRY	BUDGET (USD)		EXPENDITURE (USD)		DELIVERY AGAINST BUDGET (%)	
	2017	2014–2017	2017	2014–2017	2017	2014–2017
Bangladesh	231,012	600,000	106,264	534,685	46	89
Benin	163,100	700,000	184,112	713,314	113	102
Bhutan	63,850	724,000	85,578	723,612	134	100
Cambodia	808,000	2,100,000	740,160	2,067,297	92	98
The Gambia	6,000	26,000	11,821	11,822	197	45
Ghana	78,500	300,000	125,049	313,148	159	104
Lao PDR	53,166	2,000,000	53,166	1,999,075	100	100
Lesotho	22,000	92,000	38,792	61,789	176	67
Mali	214,143	600,000	263,051	637,920	123	106
Mozambique	240,818	1,100,000	198,947	1,024,392	83	93
Nepal	49,000	380,000	56,430	377,494	115	99
Niger	202,182	600,000	211,841	597,814	105	100
Tanzania	6,000	100,000	12,729	118,958	212	119
Tuvalu	188,780	600,000	170,378	546,020	90	91
Uganda		75,000		42,594		57
Fiji, Solomon, Vanuatu		30,000		29,086		97
<b>Total</b>	<b>2,326,552</b>	<b>10,027,000</b>	<b>2,258,318</b>	<b>9,799,019</b>		

TABLE 4: DELIVERY OF PBCRGs AND OPERATIONAL SUPPORT BY COUNTRY AND SOURCE OF FUNDS (USD)

COUNTRY	EU GCCA+		SIDA PFIS		SIDA BOOSTER FUND		SIDA CAMBODIA		GOVERNMENT OF BELGIUM		UNDP-GEF		GOVERNMENT OF LIECHTENSTEIN		TOTAL		
	2017	2014–2017	2017	2014–2017	2017	2014–2017	2017	2014–2017	2017	2014–2017	2017	2014–2017	2017	2014–2017	2017	2014–2017	
Bangladesh		150,000				114,000											264,000
Benin	107,224	132,224		89,411		181,367									107,224	403,002	
Bhutan		500,000															500,000
Cambodia		100,000					590,000	1,301,330							590,000	1,401,330	
Ghana	30,000	30,000		110,000											30,000	140,000	
Lao PDR												1,845,948					1,845,948
Mali	140,000	245,743				100,000								50,934	140,000	396,677	
Mozambique		100,000								400,000							500,000
Nepal		100,000		30,000		130,000											260,000
Niger	130,000	410,000													130,000	410,000	
Tuvalu	100,000	100,000				104,000								46,000	100,000	250,000	
Total	507,224	1,867,967		229,411		629,367	590,000	1,301,330		400,000		1,845,948		96,934	1,097,224	6,370,957	

NOTE: PFIS = Partnerships Framework on Inclusive Growth and Sustainable Development. Details may not sum to total because of rounding.

For countries in their second or later year of LoCAL implementation, the size of the grants received by local governments was adjusted in accordance with overall performance measures. Once conditions were met, PBCRG funds were transferred through the national fiscal transfer system and were subject to the same financial management, procurement and accounting rules as other government funds.

## INTERNATIONAL AND NATIONAL FUNDS EARMARKED FOR LOCAL GOVERNMENT USE

A number of partnerships materialized and participating countries committed domestic resources to LoCAL.

- Under LoCAL **Bangladesh**, two agreements were signed – one for USD 4.4 million with the EU GCCA+ and one for USD 4 million with the Government of Sweden – to scale up LoCAL as part of a joint programme with UNDP. LoCAL will be embedded in a new programme, the Local Government Initiative on Climate Change (LoGICC), which will provide 75 local governments with access to climate-resilient grants. Programme funds total USD 20 million, including USD 750,000 in funding from the Government of Bangladesh.
- In **Benin**, the mechanism benefited from an allocation of USD 120,000 from the National Fund for Environment and Climate (FNEC, the Fonds National pour l'Environnement et le Climat) in 2016; this was complemented by an additional USD 240,000 in 2017, allowing the programme to gradually expand to a total of nine local governments.
- With EU budget support, the Government of **Bhutan** committed to providing USD 7 million in support of LoCAL national scale-up, allowing the country to replicate the PBCRG system in 100 gewogs.

- The Swedish International Development Cooperation Agency (Sida) agreed in 2016 to fund a two-year bridging phase during which **Cambodia** will achieve the conditions needed for LoCAL national scale-up. These prerequisites include direct mobilization of funds by the Government, a PBCRG design which can be efficiently scaled up to approximately half the rural districts (which are considered most vulnerable to climate change), an effective monitoring and evaluation system, and initiatives to extend the range of options for climate change adaptation action open to sub-national authorities. The NCDD-S is seeking accreditation by the GCF as a national implementing entity. Once this status is achieved, likely in late 2018 or 2019, the PBCRG system will be scaled up with GCF financing.
- In **The Gambia**, LoCAL is embedded under the Sustainable and Inclusive Growth and Job Creation Programme under the 11th European Development Fund. The budget for LoCAL is USD 6.7 million. The financing agreement between the EU and the government of The Gambia was signed in early 2018.
- In **Lao PDR**, LoCAL is implemented in partnership with UNDP in the context of a GEF-funded project. An additional USD 2 million is provided through the LoCAL mechanism integrated within the existing UNCDF District Development Fund block grant system.
- In **Mali**, the Environment and Sustainable Development Agency provided USD 164,000 in parallel financing over the 2014–2017 period and announced another USD 492,000 for the following three years.
- In **Mozambique**, LoCAL developed a partnership with the Belgian Development Cooperation to support an expanded Phase I, with an estimated investment of USD 1.9 million.

## GREEN CLIMATE FUND

LoCAL is supporting a number of countries as they prepare to access international climate finance. Specifically, five LoCAL countries are pursuing efforts towards GCF accreditation, with a view to eventual GCF financing of LoCAL scale-up. These efforts will serve as models for other LoCAL countries in unlocking GCF resources for their local governments.

- In **Benin**, the FNEC, which provides co-financing for LoCAL Phase II, was nominated as the country's GCF national implementing entity.
- The Bhutan Trust Fund for Environment Conservation was nominated by **Bhutan** as its candidate for GCF national implementing entity.
- In 2017, **Cambodia's** NCDD-S formally applied for accreditation to GCF as a national implementing entity based on its nomination by a GCF national designated authority. A number of gaps in NCDD-S policies and procedures relative to GCF requirements have been identified; these are being addressed in parallel with the application process and the roll-out of LoCAL Phase II.
- In **Mali**, the Local Authorities National Investment Agency (ANICT, Agence Nationale d'Investissement des Collectivités Territoriales) was nominated as the country's national implementing entity for accreditation by the GCF. Following its nomination, LoCAL supported the ANICT in organizing a national workshop in which 179 participants learned about international climate finance – specifically, how the GCF works and what kinds of interventions can be financed through it. Subsequently, LoCAL and the ANICT made a joint submission to the Mali National Climate Fund to scale up LoCAL Phase II and gain the necessary experience to access GCF resources.

- In **Tanzania**, the President's Office Regional Administration and Local Government (PO-RALG) was nominated as the country's national implementing entity for the GCF.
- With support from the LoCAL Secretariat, **Benin**, **Cambodia** and **Mali** initiated a joint effort to prepare and submit concept notes to the GCF under its Enhanced Direct Access (EDA) programme to scale up the LoCAL approach through direct access to GCF financing. These proposals were submitted in January 2017. **Bhutan** is preparing a similar concept note for submission in 2018.
- In West Africa, **Benin**, **Mali** and **Niger** are working with LoCAL and the West African Development Bank (BOAD) to mobilize international climate finance for their scale-up. In the Pacific, UNDP, as a GCF multilateral implementing entity, has agreed to scale up LoCAL Phase II to additional *kaupules* in Tuvalu.

## OUTPUT 4: IMPLEMENTATION

The **LoCAL Secretariat**, as mandated, has played a critical role in LoCAL's effective deployment across countries and regions, in raising awareness and mobilizing political support from ministries and institutions at the central government level, and in providing technical assistance to the participating countries. The Secretariat also focuses on timely monitoring and reporting, programme management and oversight, resource mobilization, and evaluation and audits.

### MONITORING AND REPORTING

Over the reporting period, the Secretariat has pursued efforts in improving monitoring and reporting processes and ensuring transparent and accountable financial reporting by participating countries. It has also sought to ensure increased alignment across the local, national and global levels.

The Secretariat has worked closely with the World Resources Institute to develop a **framework for assessing climate change adaptation**. The objective is for each LoCAL participating country to have an adaptation monitoring and evaluation framework for gauging the extent to which the results of the LoCAL programme have contributed to increased resilience. The framework is ready for piloting in **Bangladesh**, **Cambodia** and **Lesotho** in 2018 and progressive roll-out in the participating countries.

### PROGRAMME MANAGEMENT AND OVERSIGHT

The LoCAL Secretariat has organized annual **LoCAL Global Programme Board Meetings**, which have been regularly attended by the participating countries. At the third Board meeting in 2016, Ambassador Masud Bin Momen, Chair of the UN Global Coordination Bureau for LDCs, replaced Ambassador Jean-François Régis Zingou as Co-Chair of the LoCAL Board. Regular attending partner organizations include the EU and the Governments of Belgium, Liechtenstein and Sweden; as well as the GCF, the Korea Environment Institute and the World Resources Institute.

Through its 2016 decision, the LoCAL Board affirmed that **LoCAL's objective is to become a standard, recognized country-based mechanism for LDCs** that supports direct access to the GCF with the aim of transferring resources to local governments through national institutions and systems for building verifiable climate change adaptation and resilience.

In a 2017 decision, the LoCAL Board has committed the Secretariat to work with LoCAL members to **support efforts of countries that have completed Phase I to mobilize resources for Phase II**. It encouraged the LoCAL Secretariat to ‘further explore, pilot and test the expansion of the LoCAL methodology to urban areas and municipalities including its support to public-private partnerships and project finance for larger climate resilient investments’ and requested the Secretariat to ‘increase to 20 the number of LDCs covered by the Programme document’.

## MIDTERM REVIEW

In 2017, LoCAL underwent a midterm review. Overall, the review finds LoCAL relevant and effective as a stand-alone programme working directly with local governments in implementing PBCRGs. It also finds LoCAL to be generally efficient in its management and approach. The midterm review considers that LoCAL is likely to have some lasting influence on policy and institutional systems at the national and local levels, provided it can strengthen some of its efforts and manage some of the risks associated with the sustainability of some of its achievements. The review concludes that, through LoCAL, UNCDF fills a very relevant and specific niche as a UN agency supporting direct access by LDCs to international climate finance at the local level. Notwithstanding, some challenges remain to be tackled by UNCDF to help fully secure that direct access channel. These challenges discussed in the [final section](#) of this report.

## RESOURCE MOBILIZATION

The total budget for the LoCAL global programme is USD 40 million for the five-year period 2014–2018.

Over the 2014–2017 period, LoCAL has mobilized USD 24,533,306 in direct funding and USD 11,537,444 in parallel funding or a total of USD 36,870,750 (Table 5).

LoCAL donors to date include the **EU** through the **GCCA+** and the **Development Cooperation Instrument** with other funding instruments to follow; **Sida**; the Governments of **Andorra**, **Bangladesh**, **Belgium**, **Benin**, **Bhutan**, **Liechtenstein** and **Mali**; the **UNDP-GEF**; and **UNCDF**.

## CROSS-CUTTING ISSUES

### PARTNERSHIPS AND SYNERGIES

To maximize synergies and resources, LoCAL collaborates at the global, regional and country levels with various organizations with expertise in the areas of local governance, development and climate change.

TABLE 5: LoCAL GLOBAL PROGRAMME FUNDING SOURCES, 2014–2017 (USD)

FUNDING SOURCE	TOTAL RESOURCES
EU GCCA+	5,452,059
Sida/PFIS	3,000,000
Sida/Booster Fund	3,260,870
UNCDF	800,000
Government of Liechtenstein	160,000
Andorra	8,004
EU Bangladesh <sup>1</sup>	4,400,000
Sida/Bangladesh	4,000,000
Sida/Cambodia <sup>2</sup>	2,288,287
Belgian Cooperation <sup>3</sup>	1,964,085
EU Bhutan <sup>4</sup>	7,000,000
UNDP-GEF <sup>4</sup>	2,145,000
Cambodia DMK Fund Investment <sup>4</sup>	646,445
Government of Bangladesh <sup>4</sup>	750,000
Government of Benin <sup>4</sup>	340,000
Government of Mali <sup>4</sup>	656,000
<b>Total</b>	<b>36,870,750</b>

NOTE: DMK = District/Municipality/Khan Investment; PFIS = Partnerships Framework on Inclusive Growth and Sustainable Development. Details may not sum to total because of rounding.

<sup>1</sup> Provided as direct funding to the joint UNCDF-UNDP country project level (Bangladesh) under the LoCAL framework document.

<sup>2</sup> Provided as direct funding to the country project level (Cambodia) under the LoCAL framework document.

<sup>3</sup> Provided as direct funding to the country project level (Mozambique) under the LoCAL framework document.

<sup>4</sup> Funded through parallel budget.

- LoCAL is working closely with the **PEI** in countries where both programmes are under implementation – **Bangladesh, Bhutan, Mali** and **Nepal**. As an example of their collaboration, the two programmes organized joint training workshops in **Mali** aimed at supporting two pilot communes in better incorporating climate change in their planning, budgeting, implementation and monitoring tools. LoCAL and PEI regularly share experiences and learning at the regional level. LoCAL attended the Africa Regional Meeting in Rwanda in October 2015 and the West Africa Regional meeting in May 2016. At these meetings, it was demonstrated how PEI policy and capacity-building activities in mainstreaming climate change adaptation into the government planning process has been translated into action on the ground by local government through the LoCAL PBCRG mechanism. This in turn resulted in a request from new countries to join LoCAL.
- An agreement was made with the **World Resources Institute** to support the development of a framework for assessing climate change adaptation to monitor the extent to which LoCAL country programmes contribute to increased resilience and capacity building for adaptation. To this end, the World Resources Institute undertook field missions in **Bhutan, Cambodia** and **Niger** to assess the current situation and needs and to inform framework development at the local, national and global levels. The draft framework has been developed and will be piloted in **Bangladesh, Cambodia** and **Lesotho** in 2018. Local governments' investments will also be tracked in terms of contribution to local-level adaptation outcomes.
- LoCAL signed an agreement with the **Korea Environment Institute** to support LoCAL countries in developing science-based climate change frameworks and to inform the development and refinement of a menu of eligible investments. The agreement was signed in 2015 and the first draft frameworks were developed in **Bhutan** and **Cambodia**. As part of the Bhutan exercise, the Department of Local Governance – with support from the LoCAL programme – organized an **experts' group consultation workshop**. During this workshop, the Korea Environment Institute team introduced the purpose of, approach to and process for carrying out assessments of climate change risks and vulnerabilities, and presented information on selecting the main sectors and sub-sectors for assessment.
- To support LoCAL implementation, dissemination and scale-up in the Pacific, the programme is working closely with the **Commonwealth Local Government Forum** and key stakeholders and entities such as the **Secretariat of the Pacific Regional Environment Programme (SPREP)**, the Pacific Risk Resilience Programme and the **UNDP National Adaptation Programme of Action (NAPA) II**. Based on their strong commonalities, LoCAL-Tuvalu and UNDP NAPA II have agreed to collaborate in support of local planning processes and investment plans, institutional strengthening of central ministries for *kaupule* sector coordination and national scale-up of PBCRGs to all *kaupules*.
- LoCAL is working closely with the **International Institute for Environment and Development**, which provides technical support and funding for grants to **Tanzania** through its Decentralized Climate Finance in Tanzania initiative. The two organizations also work together closely in **Mali** where they jointly support ANICT efforts for accreditation as a national implementing entity for the GCF.

## GENDER AND THE PARTICIPATION OF VULNERABLE GROUPS

LoCAL understands the different ways in which women and men can be affected by climate change, as well as the importance of their particular contributions to solutions. While the specific criteria for the PBCRG system vary from one country to another, most design include specific **gender-sensitive performance measures**.

- In **Cambodia**, the LoCAL/Local Governments and Climate Change Project (LGCC) continues to strengthen gender mainstreaming in the sub-national climate change adaptation programme. The recruitment of a gender adviser and development of specific gender and climate change mainstreaming methodologies under Cambodia's UNDP-GEF Sustainable Rural Livelihoods project creates further opportunities for strengthening gender in LoCAL/LGCC and/or for a follow-on PBCRG scale-up programme. As part of GCF accreditation preparation, an overarching NCDD-S Gender Policy document will be developed.
- Building on the experience of Phase I, LoCAL Phase II in **Mali** has been designed with a specific focus on gender equality. To this end, it foresees an inclusive, participatory and gender-sensitive approach that contributes to giving a voice to women and girls, combined with a dedicated work stream on women's economic empowerment in the context of climate change.
- In **Mozambique**, a minimum quota is set for the inclusion of women in the District Consultative Council, which makes decisions about investments to be made within the context of the LoCAL grant. An additional performance criterion requires a minimum of 50 per cent of identified and financed projects to specifically target women's development.
- Concrete investments have also been made that target women in particular. In **Niger**, women are the main beneficiaries of a number of investments made during the pilot phase. One project – rehabilitation of degraded land – specifically benefited women by providing 200 women with temporary jobs in rehabilitating the land and planting new trees. The project simultaneously reduced the risk of flooding and provided additional income to women and their families. Many of the water projects in Niger also specifically benefit women, as women spend a disproportionate amount of their time each day to fetch water. The rehabilitation of a number of wells through LoCAL has greatly improved access to water and thus reduced the amount of time women need to spend in walking to the nearest wells.

## LESSONS LEARNED

Several lessons can be drawn from LoCAL's experience in pilot countries and in expanding the portfolio to new countries.

- **By being fully aligned with national fiscal transfer mechanisms, the PBCRG system can help strengthen existing systems.** LoCAL funds follow normal public expenditure and disbursement cycles, thereby building confidence in the system and strengthening national capacity. In **Benin**, for example, the PBCRG system is fully aligned with the country's Commune Development Fund (FADeC, Fonds d'appui au développement). In the long term, this will improve and broaden confidence in the system, thus helping local governments obtain access to global adaptation

finance via the national allocation mechanisms, should these be accredited by global climate finance institutions such as the GCF. In **Lao PDR**, on the other hand, financial flows and related accountability have proven challenging. The current mechanism runs within a project-specific setting in parallel to the national public financial management system, thus reducing sustainability and increasing processing time. Six international and national entities are involved in the funds flow to the sub-national level, increasing the duration of the funds transfer process and taking an average of five to six months. Also, it has been difficult for national authorities to track expenditures at the sub-national level, as funds are managed from special accounts and are not subject to national public expenditure management rules. All of these challenges and lessons learned are being integrated into the design of Phase II.

- **The LoCAL mechanism should be designed with great care.** In particular, attention should be paid in selecting minimum access conditions and performance measures, so as to provide **adequate incentives** for local government to continuously improve performance. Minimum conditions generally involve public financial management and good governance. In **Mali**, these conditions include the establishment of an agreement between the municipality and the central ministry, the functioning of the local bodies, past audit results, the funds' execution rate and reporting to the LoCAL committee. Performance measures are more qualitative; typically, they address the details of each functional area, such as quality of planning, quality of climate change management, etc. These measures are used to adjust the level of funds made available to local governments as and when they have complied with the minimum conditions. In **Niger**, the performance measures relate to the use of climate information; local adaptation plans; integration of adaptation into local development plans, investment plans and budgets; citizen participation; implementation of adaptation measures; and reporting.
- **The size of the PBCRG must be gauged correctly.** There is no one-size-fits-all approach to grant size. The size of the grant must take into account issues of fiscal sustainability and scalability, as well as the absorption capacity of the local governments. These factors in turn depend on local government capacities as well as the national allocation mechanisms, which are thus important criteria to assess in determining the optimal size of the grant. For example, the PBCRG in **Ghana** will constitute an average top-up of around 10–15 per cent of the District Development Fund for the enrolled metropolitan, municipal and district assemblies. The PBCRG in **Mozambique** constitutes an average top-up of around 15 per cent.
- **Changing people's attitudes, behaviour and practices is complex.** It is particularly complex when dealing with climate change, given the unpredictability of climate, the lack of data, and the uncertainty of success with new technologies and practices. Infrastructure projects such as retrofitting a bridge or elevating a road are thus generally more appealing to sub-national governments and local communities than 'soft' adaptation measures such as awareness raising or vocational training. For this reason, infrastructural efforts comprise the majority of adaptation measures selected in LoCAL countries in the earlier phase, while soft adaptation measures such as **awareness raising, training and climate information services** account for a minority of interventions. Yet such measures are crucial in ensuring that climate change considerations are adequately mainstreamed into local planning processes. In **Niger**, for instance, training local early alert and resilience committees

helped boost the local population's knowledge and understanding of climate change adaptation.

- **Without a standard adaptation metric to serve as a 'bottom line,' there is no quick and easy way to measure impact on climate change adaptation.** There might also be challenges in differentiating development and climate interventions. LoCAL mainstreaming efforts and funded interventions should therefore be informed by a **local climate risk and vulnerability assessment** that integrates both climate data and local knowledge. Implementation should further be informed by feasibility studies and technical designs that take climate change into account. Last, investment menus should make climate change explicit and include provisions that the measures are eligible provided their selection is informed by the climate risk and vulnerability assessment.
- **The participation of local communities and vulnerable groups is integral to successfully planning and implementing adaptation at the local level.** To this end, **Cambodia** has used participatory climate and vulnerability assessment as part of its local development planning process and as a basis for responding to local adaptation needs. Similarly, increasing local governments' capacity in public financial management is essential to ensuring they can meet the minimum conditions of the performance-based grant mechanism. In **Tuvalu**, after a series of interventions on capacity building, the *kaupules* were able to meet the PBCRG minimum conditions, allowing them to access LoCAL grants within the next few months.
- **A concept as innovative and ambitious as the PBCRG system needs long-term policy support.** As demonstrated in **Bhutan** and **Cambodia**, both policy support and knowledge management are needed so that the new mechanism is institutionalized and policymaking is informed by field experience. Strong national and local government commitment to communicating Phase I results to the climate change community increases the chances of a given country's ability to scale up its initiative. Knowledge sharing and learning as promoted via the **LoCAL Board** and its members are crucial in highlighting the results and impact of the LoCAL mechanism and can help national institutions access a wider pool of climate financing in the long term through demonstrated programme success. Further, programme implementation efficiency is improved by pointing out what does and does not work in specific circumstances.

## FINANCIAL IMPLEMENTATION

Cumulative expenditures from all funding sources **dropped 10 per cent** between 2016 and 2017, amounting to USD 3,521,051 in 2017. Delivery was consistently high across funding sources and reached **93 per cent** of planned activity in 2017 (Table 6). The decrease in expenditures in 2017 is directly linked to the need to keep some funds in reserve to be expended in 2018 as the LoCAL global programme furthers some of its partnerships for 2018 onwards. The level of delivery of technical assistance is consistent with last year – USD 1,015,575 in 2017 compared to USD 1,007,471 in 2016.

Between 2014 and 2017, most of the LoCAL budget was allocated to **Output 1** (mainstreaming) activities; these accounted for 74 per cent of expenditures (Table 7). Delivery against budget for mainstreaming over the four years was 91 per cent.

TABLE 6: LoCAL GLOBAL PROGRAMME BUDGET AND EXPENDITURES BY SOURCE OF FUNDS

FUNDING SOURCE	BUDGET (USD)		EXPENDITURE (USD)		DELIVERY AGAINST BUDGET (%)	
	2017	2014–2017	2017	2014–2017	2017	2014–2017
EU GCCA+	1,568,958	4,982,629	1,545,385	4,401,140	98	88
Sida/PFIS	73,979	1,705,721	73,066	1,659,911	99	97
Sida Booster Fund	589,417	3,303,345	584,992	3,018,228	99	91
Sida/Cambodia	773,525	1,881,147	724,324	1,720,283	94	91
Government of Belgium	240,818	827,398	203,725	803,524	85	97
UNDP-GEF	53,166	2,000,000	53,166	1,977,453	100	99
Government of Liechtenstein	48,780	210,995	33,968	139,405	70	66
UNCDF	200,000	565,000	206,200	547,337	103	97
EU Bangladesh	87,957	87,957	61,605	61,605	70	70
Sida Bangladesh	143,055	143,055	34,619	34,619	24	24
<b>Total</b>	<b>3,779,656</b>	<b>15,707,247</b>	<b>3,521,051</b>	<b>14,363,505</b>	<b>93</b>	<b>91</b>

NOTE: PFIS = Partnerships Framework on Inclusive Growth and Sustainable Development. Details may not sum to total because of rounding.

TABLE 7: LoCAL GLOBAL PROGRAMME BUDGET AND EXPENDITURES BY OUTPUT

OUTPUT	BUDGET (USD)		BUDGET ALLOCATION (%)		EXPENDITURES (USD)		DELIVERY AGAINST BUDGET (%)	
	2017	2014–2017	2017	2014–2017	2017	2014–2017	2017	2014–2017
<b>1: Mainstreaming</b>	3,146,417	11,678,045	84	74	2,948,844	10,638,453	94	91
<b>2: Awareness</b>	250,774	1,407,970	7	10	245,283	1,365,954	98	97
<b>3: Finance</b>	106,300	600,493	3	4	102,853	506,157	97	84
<b>4: Implementation</b>	276,165	2,020,920	6	13	224,071	1,852,941	81	92
<b>Total</b>	<b>3,779,656</b>	<b>15,707,428</b>	<b>100</b>	<b>100</b>	<b>3,521,051</b>	<b>14,363,504</b>	<b>93</b>	<b>91</b>

Over the 2014–2017 period, about 14 per cent of the total budget was allocated to **Outputs 2 and 3**. This funding largely covered work in the field of knowledge management and communication, awareness raising and country-level support, as well as participation in global or regional events contributing to the international dialogue on the role of local governments in addressing climate change and climate finance.

Expenditures for programme implementation (**Output 4**) totalled USD 224,071 in 2017; cumulative expenditures for the 2014–2017 period are USD 1,852,941, or about 13 per cent of the total budget. This distribution reflects a strong emphasis on the provision of technical assistance rather than administrative support to countries.



# WHAT'S NEXT

## IMPLEMENTING THE PHASED APPROACH

LoCAL has expanded rapidly since the launch of the global programme in 2014, growing from two pilot efforts in **Bhutan** and **Cambodia** to 13 participating countries. In 2018, LoCAL will consolidate its portfolio across local governments in all 13 countries, and **The Gambia** will be added as new country.

**Bhutan** will implement Phase III in more than 100 local governments with EU budget support; while **Bangladesh, Benin, Cambodia, Lao PDR** and **Nepal** will expand through Phase II. **Ghana, Mali, Mozambique, Niger** and **Tuvalu** will consolidate their work through a second or third cycle of investments while mobilizing partners for Phase II. **The Gambia, Lesotho,** and **Tanzania** will implement their respective first PBCRG. In addition, partnership for targeted country expansion will be explored.

## ADDRESSING THE MIDTERM REVIEW RECOMMENDATIONS

Based on the analysis and building on the main conclusions of the midterm review, LoCAL will act on several recommendations from the evaluation team, notably including the following:

- The LoCAL Board and programme management should seriously explore the possibility of expanding the portfolio in urban and coastal areas, given their increasing priorities for LDCs with respect to climate change adaptation. In Asia, UNCDF LoCAL has developed a regional urban resilience programme with UN-Habitat. In **Cambodia, Ghana** and **Mozambique**, coastal areas will be considered in the expansion.

- The LoCAL Board and programme management teams at the global and country levels should make more effort to engage international and national partners and the private sector. LoCAL should continue to establish partnerships and explore work with financial service providers in selected countries.
- Programme management should address existing management bottlenecks identified in the evaluation report with respect to human resources, technical support, communication channels, resources for monitoring, and transfer and procurement process delays, while keeping an eye on management costs.
- Programme management at the global and country levels should significantly increase monitoring and evaluation efforts, and improve monitoring and evaluation, data management and reporting systems. Programme management at the global level should strengthen lesson learning efforts throughout the programme. A priority should be to complete the World Resources Institute's framework for assessing climate change adaptation and ensure that the resulting new approach and tools are fully used at the global and country levels.
- The LoCAL Board and programme management at the global and local levels should increase efforts to significantly strengthen the programme's climate change dimension. Partnerships should be sought to strengthen and systematize deployment of local climate risk and vulnerability assessments that combine quantitative and qualitative approaches including local climate projections.
- Programme management at the global and national levels should favour integrated, holistic approaches, working more on the basis of complementarities and synergies with other programmes, deploying a multi-dimensional package in targeted localities which allows critical mass and reinforces resilience impacts. Building on LoCAL learning, a new generation of programmes in **The Gambia, Mali and Niger** is already working towards integrated approaches which address both short-term challenges faced by local populations and longer-term climate risks.

Adequate financial and human resources will need to be secured to allow implementation of the recommendations.

## SUPPORTING DIRECT ACCESS

LoCAL is working hard with countries to develop a **standard and internationally recognized country-based mechanism** to channel climate adaptation finance and increase resilience at the local level. Local government achievements in implementation of climate change adaptation activities through the PBCRG mechanism have increased national government trust in both local governments and the decentralization process. In **Cambodia, Mali and Tanzania**, the respective national body in charge of decentralization was nominated by its government as that country's first national implementing entity to be accredited for access to GCF resources. In **Benin**, FNEC is also working towards GCF accreditation. In 2018, LoCAL will continue to support these four countries as they continue their accreditation efforts and submit proposals to the GCF's Enhanced Direct Access programme. LoCAL will continue to work closely with the **UNFCCC LDC Group** to support LDCs in implementing the Paris Agreement, especially in building the capacity of – and advocacy for the role of – sub-national governments in increasing resilience.

# ANNEX: COUNTRY PROFILES



# BANGLADESH

<p><b>CONTEXT</b></p>	<p>Situated on the delta of the two largest rivers of the Indian sub-continent, Bangladesh is one of the most vulnerable countries in the world to extreme climatic events such as floods, cyclones and droughts. Climate change is expected to lead to a rise in sea level and surface temperatures, which could increase the frequency and intensity of cyclones and floods, as well as of other climate-related events. In 2008, the country launched the Bangladesh Climate Change Strategy and Action Plan; the strategy prioritizes six thematic areas for climate change adaptation, many of which call for action by local government institutions.</p> <p>Local governments in Bangladesh have been mandated to perform several key functions related to disaster preparedness and management. In the process, they have become important stakeholders in the climate change area. Local governments at the <i>upazila</i> (sub-district) and union <i>parishad</i> (grassroots) levels receive fiscal transfers which are used to strengthen local infrastructure and deliver services. LoCAL works with these local governments to mainstream climate change resilience into their planning and investment systems.</p>
<p><b>OBJECTIVES</b></p>	<p>The overall objective of LoCAL-Bangladesh is to demonstrate the comparative advantage of local governments in managing climate change finance for improving climate change resilience at the local community level. The specific objectives of the programme are to ensure that local governments can perform the following:</p> <ul style="list-style-type: none"> <li>• Respond to the increasing impact of climate change in Bangladesh in accordance with locally prioritized needs and vulnerabilities, with sufficient consideration for the operation and maintenance of the infrastructure they support</li> <li>• Promote robust, transparent and accountable local public expenditure management systems by providing funds to further consolidate meaningful, efficient, effective and participatory local planning and budgeting processes as well as strengthen incentives for climate change resilience</li> <li>• Support strengthening of Bangladesh's overall fiscal transfer system and the establishment of a strategic platform for the government to attract further financial support for local-level infrastructure and services in a sustainable, performance-based and climate change-resilient manner</li> </ul>
<p><b>ACHIEVEMENTS</b></p>	<p>LoCAL- Bangladesh kicked off in 2014 when a memorandum of understanding was signed with the Local Government Division of the Ministry of Local Government, Rural Development and Co-operatives. Since then, two tranches of performance-based climate resilience grants (PBCRGs) have been transferred to and fully implemented by the targeted local governments. Key achievements over the past four years include:</p> <ul style="list-style-type: none"> <li>• Formulation of five-year climate change adaptation plans for the two <i>upazilas</i> of Godagari and Mohanpur, which has been approved with the engagement of standing committees and line departments (a union <i>parishad</i> – Boga in the Bauphal Upazila – has also been involved, although to a lesser degree)</li> <li>• Positive assessments on the performance of the two <i>upazilas</i> and their financial audits, qualifying for two cycles of PBCRGs in 2014 and 2015</li> <li>• Identification of 301 small-scale schemes, effectively completed by June 2016; LoCAL contributed to 35 small-scale interventions, affecting 4,776 beneficiaries directly and 523,502 indirectly</li> <li>• Successful integration of the PBCRG model into the Bangladeshi intergovernmental fiscal transfer system, with UNCDF funds transferred through the Local Government Division of the Ministry of Local Government, Rural Development and Co-operatives to the <i>upazilas</i> (and in some cases directly to unions – lower-tier local governments – when those were specifically assigned as implementing parties)</li> <li>• Successful completion of LoCAL phase I and preparatory work carried out over 2017 for consolidation into Phase II, when the programme will extend its outreach to new local governments with the Swedish International Development Cooperation Agency (Sida) and European Union (EU) Global Climate Change Alliance (GCCA+) support.</li> </ul>
<p><b>ADAPTATION MEASURES AND INVESTMENTS</b></p>	<p>During Phase I, LoCAL contributed to 35 small-scale interventions under the climate change adaptation schemes identified. The most common type of schemes implemented – particularly in Godagori – were integrated interventions based around rehabilitation of ponds serving poor, marginalized and landless communities. Other schemes included model resilient drought-tolerant high-value cropping and household and community development, as well as organic fertilizer production. Some interventions focused on promoting more climate-resilient livelihoods, as demonstrations and/or capacity building on various climate- and water-efficient agricultural techniques (inter-cropping and green sheds for seedling) and renewable energy interventions.</p> <p>The schemes paid particular attention to extremely vulnerable groups, such as communities displaced due to climate change, ethnic minorities and women.</p>

## BANGLADESH

<p><b>LESSONS LEARNED</b></p>	<ul style="list-style-type: none"> <li>• Initial engagements revealed strong demand and willingness on the part of local governments to improve communities’ resilience to climate change. This facilitated LoCAL buy-in at the local level and cooperation.</li> <li>• LoCAL mainly targeted second-tier local governments (<i>upazilas</i>), which represented an advantage in terms of availability of technical expertise and higher-level strategic capacity. Nonetheless, this approach highlighted some limits on the amount of the PBCRGs disbursed – they were too small to use in more impactful infrastructure projects and compared to other sources of funding reaching the <i>upazilas</i>.</li> <li>• Implementation of LoCAL Phase I suffered from frequent changes in government officials, which disrupted the continuity of activities. This problem needs to be taken into account during LoCAL scale-up when UNCDF support will progressively withdraw.</li> <li>• Intergovernmental coordination may sometimes be time-consuming and cumbersome in planning, fiscal transfer and execution of schemes. Clearer procedures and protocols may ease these processes.</li> <li>• A greater availability of data on local-level climate trends and climate change impact on local communities may help in better planning and prioritizing the most effective interventions.</li> </ul>
<p><b>WAY FORWARD</b></p>	<p>Following its maturity model of piloting, consolidating and scaling up, UNCDF is kicking off LoCAL Phase II, jointly with the United Nations Development Programme, to be implemented by the Local Government Division of the Ministry of Local Government, Rural Development and Co-operatives. LoCAL will be earmarked in a new project, Local Governments Initiative on Climate Change – LoGIC. The project’s objective is to enhance the capacity of local stakeholders (vulnerable communities, local government institutions and civil society organizations) for planning and financing climate change adaptation solutions in selected climate-vulnerable areas. UNCDF will be responsible for managing USD 9 million of a total of USD 20 million allocated to the project by the EU GCCA+ and Sida.</p> <p>The project will be implemented in the lowest tier (union <i>parishads</i>) of local governments in climate change–vulnerable areas. The number of expected beneficiaries is around 200,000 of the most vulnerable households in 72 union <i>parishads</i> in 19 <i>upazilas</i> and 7 districts.</p>
<p><b>MORE INFORMATION</b></p>	<p><a href="https://www.local-uncdf.org/bangladesh.html">https://www.local-uncdf.org/bangladesh.html</a></p>

## BENIN

<p><b>CONTEXT</b></p>	<p>A 2008 evaluation of Benin's national vulnerabilities identified three major climate risks: drought; late, heavy rains; and flooding. The resources with the highest exposure to these risks are drainage basins, subsistence agriculture and water resources. The most exposed social groups are small farmers, market gardeners and emerging farmers, and fishermen. A vulnerability and adaptation to climate change study identified four vulnerable sectors: the coast, water resources, forestry and agriculture.</p> <p>The communes in Benin are independent in both financial and management terms, and a national funding mechanism for local development, the Fonds d'Appui au Développement (FADeC) is supporting them. Communes are responsible for environmental protection, as confirmed by the Environmental Governance Charter. Despite the part communes should play in the national effort to plan and implement appropriate adaptation measures, the 2003 National Adaptation Strategy does not specify any particular role for them.</p>
<p><b>OBJECTIVES</b></p>	<p>The aim of LoCAL-Benin is to demonstrate and highlight the role communes could play in promoting local climate change adaptation/resilience measures, through integrating climate funding in budget transfer mechanisms and planning/allocation of local resources. Expected results of LoCAL-Benin are as follows:</p> <ul style="list-style-type: none"> <li>• Capacity building (in financial, technical and governance terms) in pilot communes with regard to programme management of climate change adaptation/resilience activities</li> <li>• Methods and procedures to integrate adaptation/resilience to climate change in planning processes and allocation of commune resources designed and tested for subsequent extension to all communes in the country</li> <li>• Climate change adaptation measures funded in a transparent and participatory manner, through climate resilience grants (based on commune performance as measured on an annual basis)</li> <li>• A commune performance evaluation system (including indicators and an evaluation method) developed and tested for subsequent extension to all communes in the country</li> <li>• Greater awareness among commune councillors and local populations of climate change phenomena and the vulnerabilities arising from them</li> <li>• Lessons learned from LoCAL-Benin implementation documented, shared and disseminated on a wide scale</li> </ul>
<p><b>ACHIEVEMENTS</b></p>	<ul style="list-style-type: none"> <li>• The memorandum of understanding was signed with the Ministry of Living Environment and Sustainable Development, the Ministry of Decentralization and Local Governance, and the Ministry of Economy and Finance at the end of 2013. The performance-based climate resilience grant (PBCRG) mechanism has been developed and includes minimum conditions for access, performance criteria and an indicative investment menu to inform the process of integrating adaptation into local planning and budgeting. The LoCAL-Benin Technical Committee was set up within the Ministry of Living Environment and Sustainable Development to guide and support the programme.</li> <li>• LoCAL-Benin has initially been implemented in the northern communes of Boukoubé, Copargo and Toukountouna (with a total population of 195,068). These were selected as pilots as part of the country's most vulnerable agro-ecological areas and because of the municipalities' institutional capacity to handle concerns related to climate change. With the first PBCRG cycle, LoCAL has supported and supplemented the regular funding transfers the communes were already receiving through the FADeC by around 8.5 per cent.</li> <li>• The positive pilot experience secured the backing of the National Fund for the Environment and Climate (Fonds National pour l'Environnement et le Climat – FNEC) in 2017, when three additional communes – Coby, Matéri and Ouaké in the Atacora and Donga Departments – received USD 200,000 to plan and budget climate change adaptation activities with LoCAL support. Additionally, the northern Benin communes of Banikoara, Karimana and Malanville will begin Phase II and will initiate implementation of a cycle of adaptation measures in 2018.</li> <li>• FNEC was nominated as the country's national implementing entity to pursue accreditation to the Green Climate Fund (GCF), with a view to scale-up LoCAL.</li> </ul>

## BENIN

<b>ADAPTATION MEASURES AND INVESTMENTS</b>	<ul style="list-style-type: none"> <li>• So far, 20 adaptation measures in six communes have been identified and are under implementation. Approximately 67,000 people are expected to benefit from those investments, 55 per cent of whom are women.</li> <li>• The first round of planning and budgeting for LoCAL PBCRGs focused on the construction of bridging structures to facilitate circulation of goods and people during the rainy season.</li> <li>• New adaptation measures planned by end December 2017 will mainly focus on the following: <ul style="list-style-type: none"> <li>– Rehabilitation/improvements of community ponds for multiple purposes, including revitalizing the local aquaculture sector and providing water for agricultural activities throughout the year (cattle and irrigation)</li> <li>– Irrigation projects and yield maintenance interventions for vegetable gardens</li> <li>– Capacity-building activities on climate-resilient crop varieties (rice)</li> <li>– Pumping systems for potable water distribution in nine rural and remote community villages, which are expected to serve more than 3,500 people</li> </ul> </li> </ul>
<b>LESSONS LEARNED</b>	<ul style="list-style-type: none"> <li>• By providing PBCRGs in addition to regular transfers, LoCAL has helped make the Beninese public funding system more robust and transparent. Special attention was paid to the design of the mechanism – in particular, in the choice of minimum access conditions and performance criteria for local governments.</li> <li>• A great asset for LoCAL-Benin is the fact that the PBCRG model is fully aligned with the country's national investment fund transfer system for local authorities. This will improve and broaden confidence in the system over the long term, thus helping local governments obtain access to international adaptation finance.</li> </ul>
<b>WAY FORWARD</b>	<ul style="list-style-type: none"> <li>• The bridging phase for moving into consolidation (Phase II) has been undertaken throughout 2017 with government co-financing. A total of nine local governments will form part of the programme and will receive second- or third-cycle PBCRGs in 2018.</li> <li>• Climate risk and vulnerability assessments for the three new local governments of Banikoara, Karimana and Malanville will inform the planning, selection and integration of new adaptation measures in commune development and investment plans and budgets. A system will be put in place so that these assessments can be updated by local governments in the future and replicated in other communes.</li> <li>• Periodic assessments, reviews and results-based management will drive continuous revisions and improvements in order to happen to lay the groundwork for further programme expansion.</li> <li>• LoCAL will provide technical assistance and support the accreditation efforts of the candidate national implementing entity to the GCF.</li> </ul>
<b>MORE INFORMATION</b>	<a href="https://www.local-uncdf.org/benin.html">https://www.local-uncdf.org/benin.html</a>

## BHUTAN

<p><b>CONTEXT</b></p>	<p>As a least developed, mountainous and landlocked country, Bhutan – and its population and ecosystems – are extremely vulnerable to climate change. Changing weather patterns affect communities in different ways. More intense rains, reduced soil moisture in high altitudes, flash floods and landslides put decades of development efforts at risk, with effects ranging from losses in agricultural production and food insecurity, to water stress and insecurity, climate-related disasters, changes to ecosystems and losses of biodiversity, and impacts on human health. The Government of Bhutan has a strong focus on the environment, climate change and poverty reduction in all operations from planning to implementation; this priority was most recently announced in the guidelines to central and local government agencies for the 11th Five-Year Plan.</p> <p>The Government of Bhutan has undergone a history of decentralization reforms. In 1981 and 1991, respectively, 20 <i>dzongkhags</i> (districts) and 205 <i>gewogs</i> (blocks) were instituted by royal decree. The role, mandate and capacities of local governments in Bhutan have been significantly strengthened in recent years. Initiated in 2008, the Joint Local Governance Support Programme aims to make finance systems effective and transparent for local government service delivery, while strengthening the central government's policy, regulatory, supportive and supervisory functions. Its strategy includes assisting local governments in implementing block grants allocated for improving local-level infrastructure and in providing public services, while offering training and capacity development for local personnel and officials. LoCAL is embedded in the Joint Local Governance Support Programme.</p>
<p><b>OBJECTIVES</b></p>	<p>The overall goal of the LoCAL-Bhutan initiative is to improve the resilience of local governments to climate change by increased access to climate change adaptation financing through performance-based climate resilience grants (PBCRGs). The programme's core objectives are to ensure that <i>dzongkhags</i> and <i>gewogs</i> can accomplish the following:</p> <ul style="list-style-type: none"> <li>• Respond to the increasing impact of climate change in Bhutan in accordance with local prioritized needs and vulnerabilities in a sustainable manner, with sufficient consideration to operation and maintenance of the structures supported</li> <li>• Promote robust, transparent and accountable public financial management/public expenditure management systems by providing funds to make the local planning and budgeting process meaningful, efficient, effective and participatory as well as strengthening incentives for climate change adaptation activities</li> </ul> <p>Five outputs contribute to achievement of these objectives: (i) an effective and transparent climate change financing mechanism for local governments (<i>dzongkhags</i> and <i>gewogs</i>) through the establishment, further development and testing of a PBCRG system, based on experiences from Phase I; (ii) an inclusive, effective and accountable climate change adaptation planning process designed and integrated in the local development planning process of <i>dzongkhags</i> and <i>gewogs</i>; (iii) development and establishment of an effective and transparent municipal PBCRGs and a climate change adaptation planning process; (iv) an effective capacity development mechanism established to strengthen local government capacities for climate change adaptation; and (v) efficient, effective and transparent implementation of climate change adaptation activities by participating local governments through the PBCRG system.</p>
<p><b>ACHIEVEMENTS</b></p>	<p>LoCAL-Bhutan was initiated in July 2011 in two village groups – Gangtey and Nangkor – in the districts of Wangdue and Zhemgang, respectively, and in the Phobjica Valley. Overall, Phase I successfully covered and was implemented in 6 <i>dzongkhags</i> and 15 <i>gewogs</i>. Bhutan (together with Cambodia) was selected as a first pilot test for LoCAL and served to validate the approach which is now being replicated across 13 countries.</p> <p>LoCAL was successfully integrated in the five-year Local Governance Support Programme, together with other initiatives. This has been instrumental in supporting local governments in developing and rolling out guidelines, supporting vulnerability assessments and local planning, and raising awareness – particularly within the six <i>dzongkhags</i> which have received PBCRGs for mainstreaming since 2012.</p> <p>LoCAL grants effectively apply existing national capital grant rules and regulations for allocating, channelling and reporting on funds while strengthening the overall intergovernmental fiscal transfer system and piloting innovative features (e.g. for performance measurement).</p> <p>The Bhutan Transparency Fund for Environmental Conservation (BT FEC) has been nominated by the government as the national implementing entity for accreditation by the Green Climate Fund (GCF) and is processing its registration; in tandem, a proposal for support to cover all <i>gewogs</i> is being prepared.</p>

## BHUTAN

<p><b>ADAPTATION MEASURES AND INVESTMENTS</b></p>	<p>Since 2012, a total of 104 small-scale investments have been realized in the six <i>dzongkhags</i> targeted with PBCRGs. Among the core adaptation priorities financed are the following:</p> <ul style="list-style-type: none"> <li>• Infrastructure works aimed at the improvement of farm roads for enhanced climate resilience – this involved slope stabilization of landslide-vulnerable areas, rectification/improvement of the drainage system and construction of a causeway</li> <li>• Construction of elevated bridges to overcome risks posed by swollen rivers and streams during heavy rain events</li> <li>• Improvement of rural water supply schemes – this involved tapping new/ additional water sources, protecting water sources and their enhancement through planting water-conserving species, upgrading water tanks to increase storage capacity, or replacement of water supply lines with climate-resilient materials</li> <li>• Improvement of irrigation systems by rehabilitating irrigation channels and installing climate-resilient pipes to distribute irrigation water</li> <li>• Soil conservation and landslide risk mitigation works, such as planting bamboo plants and constructing drains in landslide-prone areas or farms</li> <li>• Equipment provisions for renewable energy use through installation of bio-gas producing plants and bio-digesters or solar lamps/panels</li> </ul>
<p><b>LESSONS LEARNED</b></p>	<ul style="list-style-type: none"> <li>• The PBCRGs have proven to be effective in transferring adaptation finance directly to <i>dzongkhags</i> and <i>gewogs</i> and in providing an incentive for local governments to think about and plan for climate change adaptation actions. Using existing government systems and procedures with limited additional requirements has improved efficiency in spending and allowed for low transaction costs, while creating strong ownership.</li> <li>• Baseline and monitoring assessments of performance have provided useful information about local government capacity in terms of areas to be strengthened and performance trends in climate change and public financial management. Vulnerability assessments at the local level have been useful in supporting planning and prioritization for using grants in climate change initiatives.</li> </ul>
<p><b>WAY FORWARD</b></p>	<ul style="list-style-type: none"> <li>• Thirty <i>gewogs</i> (including the six already targeted) have been identified and will conduct climate risk and vulnerability assessments for implementation with support from the European Union (EU) by March 2018.</li> <li>• LoCAL is expected to be rolled out to 100 local governments through the Local Government Sustainable Development Programme, accounting for 48.7 per cent of the local governments to be included as part of national scale-up, with EU budget support and in partnership the United Nations Development Programme–UN Environment Poverty-Environment Initiative (PEI) by the end of 2021. The remaining 105 local governments are envisaged to be covered through support from the GCF, once the BT FEC is accredited.</li> </ul>
<p><b>MORE INFORMATION</b></p>	<p><a href="https://www.local-uncdf.org/bhutan.html">https://www.local-uncdf.org/bhutan.html</a></p>

## CAMBODIA

<p><b>CONTEXT</b></p>	<p>With a high poverty rate and a predominantly agrarian economy influenced by the hydrological behaviour of the Tonle Sap and Mekong River systems, Cambodia is ranked one of the most climate-vulnerable countries in the world. While the exact trend and nature of climate change is hard to predict, Cambodia is expected to experience increased variation in, and intensity of, precipitation. Over 2 million farming households, or over 8 million people, rely heavily on the climate for their livelihoods. Coastal communities and ecosystems will be affected by sea level rise. Low-lying areas will be increasingly prone to floods, while the higher areas are likely to experience more incidences of drought. Increases in temperature and humidity may create conditions of increased health risk to humans and an exacerbation of diseases in crops and livestock. These changes will amplify and compound already existing development challenges.</p> <p>In the last few years, the Government of Cambodia has developed a responsive policy framework, with over 21 state agencies under the helm of a National Climate Change Committee, administered by the Climate Change Department of the Ministry of Environment. Within this framework, the latest National Strategic Development Plan streamlines sectoral climate change strategies and action plans to guide the country's climate change response over the next decade, including at the local level. The increasing relevance of local governments emerged in 2008, when the National Committee for Sub-National Democratic Development (NCDD) was established as the interministerial mechanism for promoting democratic development through decentralization and deconcentration reforms throughout Cambodia.</p>
<p><b>OBJECTIVES</b></p>	<p>The objective of the LoCAL-Cambodia initiative, the Local Governments and Climate Change Project (LGCC), is to demonstrate the role of local governments in fostering climate change resilience and identify practical ways to mainstream climate change resilience into sub-national planning and finance systems. The project's major outcomes and related outputs are as follows:</p> <ul style="list-style-type: none"> <li>• Increased awareness of climate change and potential adaptation and resilience-building responses among sub-national governments and local communities</li> <li>• Integration of cross-sectoral, analysis-based strategies for building climate change resilience in sub-national plans and investment programmes</li> <li>• Systems and procedures for mainstreaming climate change resilience within sub-national government public expenditure management systems in a fiscally sustainable manner proven and available for scale-up</li> <li>• National guidelines for sub-national public expenditure management (e.g. sub-national and annual budget planning, investment programming, medium-term expenditure framework) facilitate mainstreaming of climate change resilience, particularly through cooperative actions between district/municipal and commune/<i>sangkat</i> councils and administrations</li> </ul>
<p><b>ACHIEVEMENTS</b></p>	<p>LGCC Phase I was launched in three local administrations in the Takeo province: Doun Keo municipality and Bati and Borei Chulsar districts. During Phase II, the programme expanded to five districts in Battambang: Bavel, Mong Ruessei, Rukhak Kiri, Sampov Lun and Thma Koul. These districts have a total population of 1.8 million.</p> <p>Different initiatives were undertaken to improve climate change adaptation mainstreaming, including the adoption of a new Climate Vulnerability Map Tool (with subsequent trainings to relevant local authorities) and alignment to the vulnerability rankings of the Climate Change Vulnerability Index to select new potential local partners (which is part of the National Climate Change Monitoring and Evaluation Framework), as well as performance assessments in the targeted districts which allow for transfers of new performance-based climate resilience grant (PBCRG) cycles.</p> <p>Cambodia successfully moved to the bridging Phase II (2016–2018) aimed at strengthening systems and building capacity for a full roll-out of sub-national climate change adaptation finance. Three districts (Mong Ruessei, Thma Koul and Bavel in Battambang) have been selected for inclusion during the bridging phase as part of the International Fund for Agricultural Development's Agriculture Services Programme for Innovation, Resilience and Extension (ASPIRE) programme.</p> <p>In December 2015, the Ministry of Environment, as national designated agency for the Green Climate Fund (GCF), nominated NCDD Secretariat (NCDD-S) to become a national implementing entity under the GCF's Enhanced Direct Access modality. This nomination is a major achievement for the LGCC, as it is expected to make climate change adaptation finance accessible to the most vulnerable local administrations nationwide. The NCDD-S accreditation process has helped influence other least developed countries within LoCAL to initiate their own process of GCF accreditation for sub-national climate change finance.</p>

# CAMBODIA

<p><b>ADAPTATION MEASURES AND INVESTMENTS</b></p>	<p>Overall, 240 adaptation measures have been financed through PBCRGs. Since inception, USD 1.3 million in top-up grants have been transferred to the eight selected districts with 100 per cent co-financing from communes’ resources.</p> <p>Of the 240 projects financed, 152 are small-scale infrastructure projects mainly entailing construction of elevated roads/bridges and renovation/construction of rural/farm roads; restoration/protection of irrigation canals; and rehabilitation/construction of water gates, sewage systems and community ponds. Several capacity-building and awareness-raising activities were also supported – e.g. on climate change causes and effects (both for local authorities and communities), agricultural climate-resilient practices (improved varieties of rice, good agricultural practices, cattle farming, etc.), health and sanitation (prevention of climate change–borne diseases, personal hygiene, etc.) and general environmental protection.</p> <p>The majority – approximately 35 per cent – of investments aimed at improving transport systems, especially during the rainy season, for people and goods; followed by those aiming at strengthening the resilience of agricultural systems and improving the availability of potable and safe water (20 per cent each).</p>
<p><b>LESSONS LEARNED</b></p>	<ul style="list-style-type: none"> <li>• Local governments have adequate capacity for simple climate change response actions, but further capacity development is needed.</li> <li>• Public expenditure management systems need further strengthening.</li> <li>• Monitoring and evaluation of local climate change adaptation is a work in progress.</li> <li>• Smarter systems are needed to facilitate scale-up, and more partnerships are needed to ensure sustained change.</li> <li>• Changing people’s attitude, behaviour and practices is generally complex; this is especially true for climate change because of its unpredictability, lack of accurate data, and the uncertainty of success of innovative technologies and practices. The involvement of sub-national governments and local communities is key to ensure adaptation results at the local level.</li> <li>• Infrastructure sub-projects are generally more appealing to sub-national governments and local communities than soft adaptation measures because of the multiple and immediate benefits. Hard and soft approaches are complementary, however, and their application ensures understanding of climate change within local decision-making structures and communities as they evaluate local vulnerabilities, local capacities and measures on the ground.</li> <li>• An innovative and ambitious concept and approach such as PBCRGs requires long-term policy support. To facilitate this, advocacy and knowledge sharing is needed to inform policy-makers with evidence from the field.</li> </ul>
<p><b>WAY FORWARD</b></p>	<ul style="list-style-type: none"> <li>• Cambodia is progressing through the bridging phase (Phase II) and will focus on meeting the targets set to prepare systems and capacity for scale-up with GCF support, once accreditation is confirmed (up to two years). This work includes (i) more formally integrating the PBCRG into the budget and financial management framework of the sub-national administrations; and (ii) improving the efficiency of implementation so that the task of administering a large number of grants does not become overwhelming for the NCDD-S.</li> <li>• PBCRGs will continue at the Phase II scale of eight districts; an additional 34 districts are expected to benefit from a PBCRG (or similar financing arrangement) under the ASPIRE programme and the Reducing the Vulnerability of Cambodian Rural Livelihoods through Enhanced Sub-National Climate Change Planning and Execution of Priority Actions project. In line with the concept note submitted to the GCF, up to 60 districts may receive GCF-funded PBCRGs. In combination with the other funding sources, this would allow full scale-up to be achieved.</li> </ul>
<p><b>MORE INFORMATION</b></p>	<p><a href="https://www.local-uncdf.org/cambodia.html">https://www.local-uncdf.org/cambodia.html</a></p>

## GHANA

<p><b>CONTEXT</b></p>	<p>Because of climate change, Ghana is facing increased pressure on water, reduced yields leading to more poverty and food insecurity, and the loss of national revenue from cash crops such as cocoa. Other vulnerabilities include migration which adds pressure on urban services; deteriorating health because of increased disease; severe impacts on land use leading to loss of biodiversity and soil fertility, land degradation and increased deforestation; and exposure of fragile groups such as women and youth to climate change impacts. In 2013, Ghana launched its National Climate Change Policy, which includes the three objectives of effective adaptation, social development and mitigation. Four thematic areas have been identified to address adaptation issues in Ghana: energy and infrastructure, natural resource management, agriculture and food security, and disaster preparedness and response.</p> <p>Many metropolitan, municipal and district assemblies (MMDAs) are confronted with increased climate change variability and human vulnerability. More than 80 per cent of disasters in MMDAs are climate related and affect key growth and economic sectors such as agriculture, forestry and fisheries; as well as environmental sanitation, water supply and management. The National Development Planning Commission's guidelines on preparing MMDA medium-term plans therefore incorporate climate change adaptation issues in profiling as well as in prioritizing projects – though without providing clear guidance.</p> <p>As highlighted in the National Climate Change Policy, the Ministry of Local Government and Rural Development, which aims to ensure good governance and equitable development of MMDAs, plays an important role in ensuring that climate change is mainstreamed at the local level.</p>
<p><b>OBJECTIVES</b></p>	<p>The overall outcome of LoCAL-Ghana is to improve the resilience of MMDAs to climate change as a result of increased access to climate change adaptation financing through performance-based climate resilience grants (PBCRGs). The objectives for LoCAL-Ghana are as follows:</p> <ul style="list-style-type: none"> <li>• Respond to the increasing impact of climate change in Ghana in accordance with local prioritized needs and vulnerabilities in a sustainable manner with sufficient consideration for the operation and maintenance of the structures supported</li> <li>• Promote robust, transparent and accountable public financial management/public expenditure management systems by providing funds to make the local planning and budgeting process meaningful, efficient, effective and participatory as well as strengthening incentives for climate change adaptation activities</li> </ul> <p>Four outputs will contribute to the achievement of these objectives: (i) effective and transparent climate change financing mechanism in place for local governments (MMDAs) through the establishment of the PBCRG system linked with the existing District Development Facility (DDF); (ii) inclusive, effective and accountable climate change adaptation planning process designed and integrated in the MMDA local development planning process; (iii) effective capacity development mechanism promoted to strengthen MMDA capacities for climate change adaptation; and (iv) climate change adaptation activities efficiently, effectively and transparently implemented and reported by participating MMDAs through the PBCRG system.</p>
<p><b>ACHIEVEMENTS</b></p>	<p>Since its launch in 2015, the PBCRG system has been successfully designed and is fully aligned with the DDF introduced in 2009 to support enhancement of MMDA capacity through a combination of capital grants, capacity development support and incentives for improved performance in – among other areas – public financial management, procurement systems, revenue mobilization and good governance. The size of the PBCRG in Ghana constitutes an average top-up of around 10–15 per cent of the DDF.</p> <p>Three MMDAs, with a combined population of 308,008, were selected to pilot the approach: the Fanteakwa District, the Ada East District and the Efutu Municipal Assembly. Following the first cycle of planning, budgeting and transfer of funds in November 2015, the first adaptation measures and investments captured in the MMDA approved workplans commenced in June 2016 and completed in January 2017. Upon completion of the first cycle of investments, an annual performance assessment (APA) was conducted in June 2017.</p> <p>The Government of Ghana has expressed a strong desire to further mainstream adaptation activities in all procedures at the MMDA level, with a focus on strengthening district environmental committees and compliance with various environmental safeguards, as well as drawing attention to the expanding role of MMDAs in addressing climate change at the local level.</p> <p>A technical assistance mission commissioned by UNCDF was organized in June 2016 to review climate information (risks, vulnerability and adaptation assessments) to inform adaptation planning and mainstreaming into local development planning and make recommendations to strengthen local capacities. Additionally, LoCAL supported the efforts of the Fiscal Decentralisation Unit of the Ministry of Finance and Economic Planning in fine-tuning its District Functional Organisational Assessment Tool (FOAT) and mainstreaming it into national monitoring and evaluation systems.</p> <p>UNCDF commissioned two technical assistance missions in 2017 to design LoCAL Phase II in a consultative manner. The design was endorsed by partners and the Government of Ghana, and the country is ready to move to Phase II.</p>

## GHANA

<b>ADAPTATION MEASURES AND INVESTMENTS</b>	<ul style="list-style-type: none"> <li>• Sixteen climate change adaptation investments were realized during the first PBCRG cycle.</li> <li>• Many of the interventions dealt with reforestation/afforestation, such as reforestation of degraded reserve forest land along the Akum and Osubin Rivers and planting of different tree species along streams and roads or schools and public gardens, as a mean of protecting against soil erosion and flooding.</li> <li>• In Ada, PBCRGs financed the construction of a mechanized borehole water storage facility, which improved access to water for approximately 1,050 people, and the construction of a wooden bridge. Sensitization activities on climate change and specific trainings on bush fire prevention and early warning systems were held in two of the three MMDAs, reaching approximately 2,200 people.</li> </ul>
<b>LESSONS LEARNED</b>	<ul style="list-style-type: none"> <li>• It is critical to design the flow of funds and the PBCRG operational mechanism to fully align with the existing system of intergovernmental transfers and to follow the regular public expenditure management cycle. In this way, funds are fully fungible with other resources available locally. In Ghana, PBCRGs are fully aligned and linked with the DDF and its FOAT. Because the PBCRG is now to be integrated into the District Assemblies Common Fund, it is critical to ensure that LoCAL is aligned with the new fund and with the Performance Assessment Framework for the Decentralisation Sector Wide Approach.</li> <li>• The development of minimum conditions and performance measures should take into account MMDA mandates and obligations within the legal and regulatory framework. The APA revealed that there is a need to review LoCAL's minimum conditions, performance measures and indicators to better address adaptation and participation in the MMDAs and to align with the National Development Planning Commission's guidelines.</li> <li>• The APA also revealed that a climate risk and vulnerability assessment is necessary to support MMDA participatory planning of adaptation responses to climate change impacts. It should therefore be included under Phase II performance measures.</li> </ul>
<b>WAY FORWARD</b>	<ul style="list-style-type: none"> <li>• The APA found that the MMDAs unfortunately did not meet all the minimum conditions for ready access to grants in the second cycle of LoCAL Phase I. Following discussions with the DDF Secretariat, LoCAL is helping the MMDAs produce a simple climate vulnerability assessment to plan for climate change adaptation activities that should be reflected in their district medium-term development plans, in fulfilment of LoCAL minimum conditions. This support will enable the MMDAs to have access to the LoCAL grants so the second cycle of Phase I can commence.</li> <li>• A more in-depth work stream on establishing a system for local climate risk and vulnerability assessment will be launched with the support of the Korea Environment Institute.</li> <li>• Based on mobilization of further funding, the objective of LoCAL Phase II is to expand the pilot phase and test the PBCRG in a larger sample of MMDAs from other parts of the country, particularly those in the north.</li> </ul>
<b>MORE INFORMATION</b>	<a href="https://www.local-uncdf.org/ghana.html">https://www.local-uncdf.org/ghana.html</a>

## LAO PDR

<p><b>CONTEXT</b></p>	<p>Temperatures are rising in Lao PDR with rainfall, storms, droughts and floods expected to become more severe and frequent. The effects of climate change have serious impacts on the livelihoods and living conditions of people in the country. Floods and storms can destroy infrastructure by washing away streets, damaging buildings or interrupting electricity supply. Expected impacts include crop failure, lack of drinking and irrigation water as well as an increase in vector-borne diseases such as malaria or dengue. Increased vulnerability towards the negative effects of climate change is compounded by natural resource-driven economic development, such as the country's heavy reliance on mining and hydropower generation.</p> <p>Many small-scale village-level infrastructure projects such as irrigation schemes or water supplies for domestic consumption are built on ad hoc-based traditional knowledge only, which lacks the necessary technical know-how and financing to be climate risk-proof. The challenge lies in limited understanding of and awareness about the effects of climate change on the ecosystem and gaps in local capacity and budgets to build resilience.</p>
<p><b>OBJECTIVES</b></p>	<p>The overall objective of the Effective Governance for Small-Scale Rural Infrastructure and Disaster Preparedness in a Changing Climate project, in which LoCAL is earmarked, is to improve local administrative systems affecting the provision and maintenance of small-scale rural infrastructure through participatory decision making that reflects the genuine needs of communities and natural systems vulnerable to climate risk. The project has three main outcomes:</p> <ul style="list-style-type: none"> <li>• Inclusive planning, budgeting and capacity development for reducing climate- and disaster-related risks</li> <li>• Local investment for reducing climate risks, guided by climate vulnerability and disaster risk assessments</li> <li>• Securing ecosystem services and assets</li> </ul> <p>The project makes use of a local government grants mechanism – specifically, the District Development Fund–Climate Resilient Grants (DDF-CRG) operating under the National Governance and Public Administration Reform Programme (NGPAR) led by the Ministry of Home Affairs – as the primary entry point for delivering performance-based climate resilience grants (PBCRGs) in Saravane and Sekong Provinces.</p>
<p><b>ACHIEVEMENTS</b></p>	<ul style="list-style-type: none"> <li>• Operating through the DDF-CRG, LoCAL has supported fiscal decentralization and delegation of authority and responsibility from the central government to local administrations. This initiative is in line with the government's Sam Sang (3 Builds) decentralization policy, under which local administrations have been given a greater role and responsibility in exercising discretionary decision-making power and authority.</li> <li>• A total of USD 2 million in climate financing has been transferred to 12 districts of two provinces in Southern Lao PDR through the existing UNCDF-supported DDF block grant system, to ensure that projects supported by the Global Environment Facility's Least Developed Countries Fund as well as baseline DDF projects are made more climate resilient and address the climate resilience needs of target communities.</li> <li>• Capacity building of local governments was central to the LoCAL strategy; a total of 333 local officials have been trained (including 38 women) on climate change mainstreaming, planning and budgeting.</li> <li>• A detailed climate risk and vulnerability assessment process was developed; it integrates nature-based solutions with engineered infrastructure. The process can be replicated elsewhere in the country ensuring incorporation of ecosystem considerations into infrastructure planning and design. The project has also helped update the existing Guidelines on Ecosystem-based Adaptation to Climate Change in Lao PDR with specific reference to small-scale rural infrastructure. These guidelines will be applicable across many sector agencies dealing with the design and implementation of rural infrastructure.</li> <li>• Various assessments and evaluations have been carried out to evaluate the effectiveness and efficiency of the initiative: UNCDF commissioned an independent international consultancy to conduct an assessment of usage of the DDF-CRG guidelines and manual in 2016, and the United Nations Development Programme commissioned a mid-term review and a final evaluation; these were conducted in 2016 and 2017, respectively. Results have been taken into account to improve project design.</li> </ul>
<p><b>ADAPTATION MEASURES AND INVESTMENTS</b></p>	<ul style="list-style-type: none"> <li>• A total of 29 small-scale rural water infrastructure (water supply, irrigation and wetlands management, and bridges and culverts) were developed and successfully implemented over the three fiscal years between 2014/2015 and 2016/2017. The district administrations led the infrastructure development process, using a participatory and bottom-up approach and following public expenditure management procedures in accordance with DDF-CRG guidelines, instructions and manuals.</li> <li>• The total number of local beneficiaries in the 12 districts is 6,311 households and approximately 47,400 people, of whom approximately 22,100 are women.</li> </ul>

# LAO PDR

<p><b>LESSONS LEARNED</b></p>	<ul style="list-style-type: none"> <li>• Policy actions, governance and institutional coordination                             <ul style="list-style-type: none"> <li>– Further mainstream adaptation into development plans, particularly at the local level</li> <li>– Ensure that a local government grants system to address climate-resilient infrastructure investments is fully funded</li> <li>– Promote strong engagement with and coordination between line ministries and agencies</li> <li>– Obtain government co-financing to top-up climate-resilient infrastructure development and ensure adequate operational and maintenance costs</li> </ul> </li> <li>• Access to and availability of technical compliance with climate-proof (re)design of infrastructure                             <ul style="list-style-type: none"> <li>– Estimate adaptation costs for the design of local climate-resilient infrastructure</li> <li>– Need to address major capacity gaps at the local level in conducting climate-resilient technical specifications and costing</li> </ul> </li> <li>• PBCRGs and performance assessment mechanism of local climate financing                             <ul style="list-style-type: none"> <li>– Rationalize the allocation formula of the DDF-CRG</li> <li>– Employ a performance assessment mechanism for local climate-resilient investments</li> <li>– Carefully design the performance assessment in terms of team composition and methods to integrate it into government internal audit systems to promote and ensure credibility, integrity, quality assurance and maintenance</li> <li>– Publish and share performance assessment results widely to ensure full transparency, public awareness, positive competition, learning and targeted capacity-building support</li> </ul> </li> </ul>
<p><b>WAY FORWARD</b></p>	<p>The project closed on 31 December 2017. A new phase of the NGPAR (Governance for Inclusive Development Programme) is expected to be launched soon. Note that the DDF mechanism has not yet been adopted as a government mechanism for local planning and funding, but is still seen as a project delivery system. The new phase of the NGPAR is expected to better integrate a revised DDF system into national planning frameworks such as the Sam Sang policy; this offers an opportunity to integrate project outcomes and lessons learned from the present experience, thereby ensuring integration of climate resilience criteria into national and local planning mechanisms.</p>
<p><b>MORE INFORMATION</b></p>	<p><a href="https://www.local-uncdf.org/lao-pdr.html">https://www.local-uncdf.org/lao-pdr.html</a></p>

# LESOTHO

<p><b>CONTEXT</b></p>	<p>Climate change is affecting Lesotho in several ways: a delayed rainy season, provoking severe droughts and drinking water shortages; heat waves; dry spells during the growing season, reducing food production; and heavy and erratic frost – all resulting in high vulnerability for households. Sectors reported as vulnerable to the projected impacts of climate change include agriculture, forestry, health, culture and historical heritage.</p> <p>Lesotho recognizes climate change as a serious threat to the country’s development plan and to the future of both its livelihoods and one of its main sources of revenue: water. In fact, the Lesotho 2013 Second National Communication to the Conference of Parties notes that projected scenarios suggest that reduced precipitation for the southern parts of the country, coupled with increased temperatures, will adversely affect water resources and agriculture, in particular. The projected reduction in the growing season due to delayed onset of rains will also adversely affect rangelands and livestock production – with a corresponding negative impact on livelihoods reliant on wool and mohair.</p> <p>The Lesotho Meteorological Service, the country’s national designated authority, cited weak financing for climate change initiatives in the country in the absence of a climate change policy and strategy. Most of the ongoing climate change interventions are donor funded. The Lesotho Meteorological Service highlighted the need to put in place necessary mechanisms to facilitate direct access to international climate funds to promote resilience across all sectors – and, in particular, at the community level.</p> <p>The demand for decentralization and resources to act on vulnerability at the community level has led the government to publish a devolution policy to empower both district and community councils to plan and manage their development.</p> <p>Climate change adaptation falls within the core mandate of community councils, along with land use planning, natural resource management and infrastructure development. Climate change adaptation requires effective coordination of various stakeholders. As a gateway for development facilitation at the local level as well as custodians of all development, community councils are strategically positioned to fulfil this coordination role. However, community councils seldom have sufficient resources to execute these functions.</p>
<p><b>OBJECTIVES</b></p>	<p>The overall outcome of LoCAL-Lesotho is to improve the climate change resilience of the communities in the selected councils as a result of climate change adaptation activities funded through the performance-based climate resilience grant (PBCRG) and capacity development support.</p> <p>By promoting climate change–resilient communities and economies via increasing financing for and investment in climate change adaptation at the local level, LoCAL-Lesotho will directly contribute to one of the country’s development plan pillars – reversing environmental degradation and adapting to climate change. The objectives for LoCAL-Lesotho are as follows:</p> <ul style="list-style-type: none"> <li>• Increased transfer of climate finance to local governments through national institutions and systems for building verifiable climate change adaptation and resilience</li> <li>• A standard and recognized country-based mechanism which supports direct access to international climate finance</li> </ul> <p>Four outputs are envisaged to achieve these objectives: (i) inclusive and accountable climate change adaptation is mainstreamed into local council planning; (ii) government, local authority and population awareness of and capacities in adaptation and resilience planning are improved; (iii) an effective PBCRG finance mechanism is established and operational in Lesotho, providing additional funding to targeted community councils; and (iv) experience and lessons learned are consolidated and shared.</p>
<p><b>ACHIEVEMENTS</b></p>	<ul style="list-style-type: none"> <li>• The PBCRG system has been successfully designed and is fully aligned with the previous Deepening Decentralisation Programme (DDP), which had established a performance-based capital grants system combined with capacity development support.</li> <li>• The Government of Lesotho and UNCDF have defined the modalities for LoCAL-Lesotho, including funding arrangements, eligibility and minimum conditions of access, allocation criteria, and funding flow and reporting. The institutional framework and roles of the parties have also been defined. These modalities are described in the memorandum of understanding, signed in October 2017, which provides the framework for LoCAL-Lesotho and establishing the financing and management of the LoCAL facility.</li> <li>• Four community councils within the district of Molepolole were selected to pilot the approach in Lesotho: Khoelenya, Lithipeng, Qhoasing and Senqunyane.</li> </ul>
<p><b>ADAPTATION MEASURES AND INVESTMENTS</b></p>	<p>The first cycle of planning, budgeting and funds transfer will take place over the course of 2018. Implementation of identified investments captured in the community councils’ approved annual workplans is expected to commence as of the second half of 2018.</p>

# LESOTHO

<p><b>LESSONS LEARNED</b></p>	<ul style="list-style-type: none"> <li>• As LoCAL-Lesotho has been launched, it has taken stock of lessons from relevant programmes and efforts in the country. LoCAL lessons learned will be added as it the programme is deployed.</li> <li>• Communities and their councils are increasingly expressing their needs, and councils have demonstrated their ability to plan and implement projects of practical interest. Grant size needs to be adapted to meet current management capacity.</li> <li>• Adaptation support programmes focused on capacity development have been conducted in a limited number of councils where adaptation plans had been developed with support from with support from the United Nations Development Programme, the World Food Programme and/or the Food and Agriculture Organization of the United Nations.</li> <li>• The EU has found it essential in achieving change for the relevant populations to focus on the community and sub-catchment levels for outreach. Relatedly, GIZ has found that the Participatory Initiative for Social Accountability (PISA) has helped increase dialogue between the people and their local governments in order to address their needs.</li> </ul>
<p><b>WAY FORWARD</b></p>	<ul style="list-style-type: none"> <li>• LoCAL will follow up with the government of Lesotho, in particular the Ministry of Finance, about opening a dedicated special account for LoCAL at the Treasury.</li> <li>• Pilot community councils will be supported regarding climate risk and vulnerability assessments for identification of sound adaptation measures and investments. LoCAL will provide technical support for implementation of local diagnostics and mapping of climate risks, vulnerability and climate change adaptation options.</li> <li>• A technical mission will take place in March 2018 to set performance measurement baselines, fine-tune baseline indicators, train key district and community council staff on LoCAL, and elaborate workplans with pilot district and associated community councils for the first round of investments.</li> <li>• A training workshop is planned for May 2018 with a view to testing the Assessing Climate Change Adaptation Framework, a guiding framework for incorporating climate change adaptation monitoring and evaluation into LoCAL. Lesotho was selected as one of three LoCAL countries to pilot the adaptation monitoring and evaluation framework.</li> <li>• LoCAL will rely on the PISA as a dialogue broker to ensure participation by both the public in general and vulnerable populations in particular contributes to needs assessment, planning of adaptation activities and monitoring of their implementation.</li> </ul>
<p><b>MORE INFORMATION</b></p>	<p><a href="https://www.local-uncdf.org/lesotho.html">https://www.local-uncdf.org/lesotho.html</a></p>

# MALI

<p><b>CONTEXT</b></p>	<p>Mali, like many other countries in West Africa, has been hit hard by the effects of climate change. Climate change in Mali is evidenced by, among other effects, (i) an average reduction in annual rainfall of 20 per cent, combined with limited geographic and temporal distribution when it does occur; (ii) increasingly high temperatures; (iii) more frequent periods of drought and flooding; (iv) decreased water levels in the major rivers; (v) marked deterioration in soil quality; and (vi) greater ecosystem fragility. Projected climate scenarios indicate that by 2100, the average temperature in Mali could increase by about 0.2°C per decade and rainfall decrease by 10 per cent. A predominantly arid country, less than a quarter of Mali's land is suitable for cultivation. Land degradation, and the dependence of the country's farms on rainfall, make Mali extremely vulnerable to random climatic events.</p> <p>The main objectives of Mali's 2011 National Climate Change Policy are to facilitate better integration of climate challenges in planning processes at the national and local levels; and to build the population's capacity to increase the resilience of ecological, economic and social systems to the effects of climate change by incorporating adaptation measures – primarily in the most vulnerable sectors.</p>
<p><b>OBJECTIVES</b></p>	<p>LoCAL-Mali aims to demonstrate and highlight the role of commune authorities in promoting local climate change adaptation/resilience measures by integrating climate funding in budget transfer mechanisms and in the planning/allocation of local resources. Specifically, it aims to strengthen technical and institutional capacities in the pilot communes to ensure better local governance of adaptation to climate change, enable communes to create infrastructure and local services which are resilient to climate change through targeted funding, and promote increased awareness among commune councillors and local communities about the impact of climate change phenomena and the relevance of a local approach to adaptation/resilience.</p> <p>The Environment and Sustainable Development Agency (Agence de l'Environnement et du Développement Durable – AEDD), which serves as the national designated authority, is responsible for administering the LoCAL programme in partnership with the other members of the National Steering Committee, using the Local Authorities National Investment Agency (Agence Nationale d'Investissement des Collectivités Territoriales – ANICT) structure for funding the communes. This is done with technical support from UNCDF and under the general direction of the Ministry of Territorial Administration and Decentralization.</p>
<p><b>ACHIEVEMENTS</b></p>	<ul style="list-style-type: none"> <li>• A memorandum of understanding was signed in June 2014 between UNCDF and the Government of Mali, and between the AEDD and the Simby and Sandaré communes in the Niore du Sahel district, as the grant beneficiaries.</li> <li>• The mechanism is being implemented and aligned with national systems for local governance (budget allocations, decentralization) in both communes.</li> <li>• Oversight and monitoring mechanisms – including a UNCDF National Coordination Team, a LoCAL-Mali Technical Committee under the authority of the Ministry of the Environment, Sanitation and Sustainable Development, a Local Support and Orientation Committee established at the circle level and presided over by the circle's prefect, and a Commune Committee for Technical Support and Orientation – have been established and are fully operational.</li> <li>• The first two PBCRG cycles have been completed and were successfully evaluated in 2016 and in 2017. The communes are now preparing for implementation of adaptation activities slated for the third year of the LoCAL mechanism with the grants selected in the first phase.</li> <li>• The Government of Mali has granted financing through the AEDD to LoCAL over 2016–2017 and has pledged further support over the next years. The design of Phase II was developed during 2016 and 2017, and has been peer reviewed and validated by the Government of Mali. The ANICT was nominated as country's national implementing entity and is pursuing efforts to be accredited to the Green Climate Fund (GCF), with a view to scale-up LoCAL.</li> </ul>

## MALI

<p><b>ADAPTATION MEASURES AND INVESTMENTS</b></p>	<ul style="list-style-type: none"> <li>• The first adaptation measures and investments were implemented in 2015–2016 and 2016–2017 for a total amount of USD 656,000 and directly benefited 6,000 people, the majority of whom were women.</li> <li>• Interventions financed included 6.5- and 2.5-hectare market gardening plots for women’s groups, equipped with supplementary pools, hedges and wire fencing and solar panels to provide energy to an automated water pump. This garden plot project benefited over 200 people, mostly women. The grant was also used to build women’s capacities, with trainings in agricultural techniques, and procurement of agricultural inputs and seeds.</li> <li>• Following the first cycle of investments, Sandaré financed a fish farm project, complementing the garden plot effort, with two ponds and a well to ensure a steady supply of water to the ponds. The irrigation system is made of PVC piping, and the well is equipped with an automatic solar pump system. The integrated garden/fish farm project is maintained by the Jama Jigui women’s group comprising 53 members, of whom 50 are women.</li> <li>• Additional interventions included Neem wood forest rehabilitation in Simby and two irrigation systems and a solar-based well-water pump in Sandaré. All the stakeholders involved in the LoCAL mechanism – elected leaders, beneficiaries, officers of decentralized state services – have been sensitized and trained to better understand the issues and challenges related to climate change.</li> </ul>
<p><b>LESSONS LEARNED</b></p>	<ul style="list-style-type: none"> <li>• The communes involved demonstrated strong civic engagement and a responsive attitude. All of the key stakeholders – including the mostly female beneficiaries – are actively engaged in project identification; project implementation is handled collaboratively with the commune councils which spearhead the local development efforts.</li> <li>• The majority of stakeholders and national policies are fully supportive and aligned with adaptation objectives and the need to build population resilience in climate-vulnerable areas. This synergy helped drive communication and build capacities; this in turn had a transformative effect on the strategic planning documents of both the supported communes and bordering communes. Nevertheless, the communes remain highly dependent on technical support and assistance from the state and service providers and – due to the low level of transfers from the central government to the decentralized administrations – on external funding.</li> <li>• Sustainability and prospects for scale-up rely on several factors including close follow-up and coordination between LoCAL and its national counterpart; technical and operational support provided by LoCAL at the regional and central levels; clear allocation of resources to the communes to address and implement climate adaptation activities, and allowing for modification; strong ownership by commune councils and beneficiaries; and positive synergy between the actors as a result of the immediate outcomes (economic/social) of the activities implemented.</li> <li>• Other positive developments include the strategic role played by the mechanism at the national level, reinforced by coordination and partnership building (government, development partners, civil society, others); a competitive spirit between the communes engaged in the LoCAL mechanism; a strengthened level of technical support provided by the decentralized state services and their related structures; improved capacities of local service providers and contractors; the emergence of new synergies between other actors, projects and programmes in the targeted areas and at national levels; political support from the government and alignment of the mechanism to ongoing reforms and the increasing level of transfer of capacities and resources from the central to the decentralized governments; and strengthening of audits and inspections of public funds.</li> </ul>
<p><b>WAY FORWARD</b></p>	<ul style="list-style-type: none"> <li>• LoCAL is expected to increase the support provided to the two pilot communes, from both national and international partners. This support will include technical assistance from the Treasury, and the Inspection and Controls Department of the Ministry of Interior, in collaboration with the Steering Committee and the AEDD; climate risk and vulnerability assessment via the establishment of local information and data collection systems; cost/benefit evaluations, self-assessments and APAs; and advocacy and visibility actions.</li> <li>• LoCAL will build on existing synergies with other local and national partners – including the United Nations Development Programme–UN Environment Poverty-Environment Initiative (PEI), Near East Foundation/International Institute for Environment and Development, GIZ – particularly in the areas of climate mainstreaming and capacity strengthening at the local level.</li> <li>• Following validation of the Phase II design by the Technical Committee, LoCAL-Mali Phase II seeks to scale-up the mechanism to a larger number of communes, ultimately aiming for national scale-up. Continued support in this regard will be provided in the accreditation process of the ANICT to the GCF.</li> </ul>
<p><b>MORE INFORMATION</b></p>	<p><a href="https://www.local-uncdf.org/mali.html">https://www.local-uncdf.org/mali.html</a></p>

## MOZAMBIQUE

<p><b>CONTEXT</b></p>	<p>Mozambique’s geographical location in the Intertropical Convergence Zone makes it particularly susceptible to extreme climate phenomena such as El Niño and La Niña, which bring droughts, floods and cyclones on a regular basis. Available data and climatic models indicate a steady increase in the severity and frequency of these events over the last 30 years with a similar forecast for the future. Data from the Institute for Disaster Relief show that, between 1985 and 2008, over 16 million people were affected by droughts and over 100,000 people died as a result. The adverse effects of climate change in Mozambique undermine government efforts to reduce poverty, improve food and nutritional security, expand infrastructure and services and reach the targets set out in the Sustainable Development Goals.</p> <p>The decentralization process in Mozambique has been a combination of decentralization and deconcentration with a gradual transfer of responsibilities, powers, staff and funding to the municipal tier as well as to the more deconcentrated levels of provincial and district governments. The Government of Mozambique initiated the process of deconcentration as part of its public sector reform in 2003, culminating in the approval of a new institutional framework for sub-national state organs under Law 8/2003, which establishes new principles and norms of organization, competencies and functioning for provinces, districts, administrative posts and localities.</p> <p>In addition to general executive and administrative functions, the law assigns detailed competencies to the district level in a large number of functional areas – notably, emergency services; preservation of the environment; commerce and industry; water supply; education; health; natural resource management; energy resources; transportation and public transit, participatory local development; public services; public works; and recreation, culture and tourism. Many of these sectors figure prominently in climate change adaptation.</p>
<p><b>OBJECTIVES</b></p>	<p>The overall outcome of LoCAL-Mozambique is to improve the resilience of districts to climate change as a result of increased access to climate change adaptation financing through PBCRGs. Five specific outputs contribute to the achievement of this overall outcome:</p> <ul style="list-style-type: none"> <li>• An effective performance-based climate resilience grant (PBCRG) system established as a finance mechanism in Mozambique and operational for additional funding</li> <li>• Inclusive, effective and accountable climate change planning and budgeting processes at the district level</li> <li>• Climate change adaptation activities managed efficiently, effectively and transparently and implemented by participating districts through the PBCRG system</li> <li>• A monitoring and evaluation system and lessons learned to inform national policies about experiences from the LoCAL launch and integration of climate change in all stages of public financial management processes and improvement of public financial management</li> <li>• Completed roll-out plans and capacity-building support for new districts in new province(s) established by the end of the programme</li> </ul>
<p><b>ACHIEVEMENTS</b></p>	<ul style="list-style-type: none"> <li>• Since its launch in 2015, LoCAL has been reinforcing the government-led planning, budgeting and investment cycles to finance local adaptation plans and the way these support implementation of overall district development plans.</li> <li>• The integration of the PBCRG system into the intergovernmental fiscal transfer system further facilitated delivery to the public financial management system of at least USD 800,000 over the coming years to finance resilient interventions in the four selected districts under LoCAL.</li> <li>• LoCAL’s implementing partners – the Ministry of Land, Rural Development and Environment, through its National Directorate of Environment, and the Ministry of Economy and Finances, through the National Directorate of Economy and Finances – have supported policy dialogue among the development partners and donors to consolidate LoCAL-driven experience in the Gaza and Inhambane provinces for the 2018–2022 period.</li> <li>• The development impact achieved within the Environmental Sector Support Program (PASA II) financed by Danida, the European Union and the Irish Development Aid, combined with the programmatic lessons emerging up from implementation of the LoCAL mechanism in Gaza, has guided the programmatic design of resilient development interventions in the Nampula and Zambezia provinces for the 2018–2022 period.</li> </ul>

# MOZAMBIQUE

<p><b>ADAPTATION MEASURES AND INVESTMENTS</b></p>	<p>LoCAL-Mozambique has thus far implemented two cycles of PBCRGs. The first cycle financed three infrastructure projects, which consisted of the drilling of a borehole to provide Chibutane villagers have access to clean water. A pumping infrastructure, which connects the borehole to the village school attended by 122 pupils and to irrigated fields, was also built.</p> <p>The second investment cycle is ongoing, and another eight adaptation measures have been planned. These measures include irrigation and dam systems to improve the availability of water for agricultural purposes year round, rehabilitation and climate-proofing of a local research centre and the launch of a fish production system in Massinger. Overall, the investments are expected to benefit more than 25,000 people, improving their resilience to climate change and their food security.</p>
<p><b>LESSONS LEARNED</b></p>	<ul style="list-style-type: none"> <li>• Through a dialogue among district technical teams and central government staff, the procurement process was highlighted as an element in the local development process which should receive special attention. The majority of capacity development interventions in the coming months should be aimed at supporting local governments in implementing and complying with the 2016 National Decree on Procurement of Goods and Services. LoCAL will increase its technical support in procurement through the National Directorate of Planning and Budgeting’s human resource structure.</li> <li>• LoCAL trainings in public financial management should build district technical staff capacities in matters related to budgetary programming, execution and accountability. LoCAL directly supports the state-district budget transfer system, channelling climate finance through e-SISTAFE. PBCRGs should be accompanied with continuous support and capacity development trainings of the relevant ministries to ensure a suitable tracking system at all levels.</li> </ul>
<p><b>WAY FORWARD</b></p>	<ul style="list-style-type: none"> <li>• LoCAL is preparing for expansion (Phase II) in the provinces of Gaza, Inhambane, Nampula and Zambezia for the 2018–2022 period.</li> <li>• In the short term, LoCAL will provide financial and technical support to quickly finalize and implement prioritized socioeconomic infrastructure projects in each of the six districts. This work will include facilitating an advisor for planning and public infrastructure to be based at the Provincial Directorate of Public Works and Housing in Gaza Province with the aim of further strengthening local human capital.</li> <li>• LoCAL It will also continue to fine-tune the performance measures within the PBCRG system in the selected districts to pave the way for expansion to the new areas.</li> <li>• Priority will be placed on improving the monitoring system to ensure adequate service delivery by both LoCAL and complementary programmes, such as the Food Security and Nutrition Programme led by UNCDF and the Belgian Fund for Food Security.</li> </ul>
<p><b>MORE INFORMATION</b></p>	<p><a href="https://www.local-uncdf.org/mozambique.html">https://www.local-uncdf.org/mozambique.html</a></p>

# NEPAL

<p><b>CONTEXT</b></p>	<p>Despite its relatively small size, Nepal has very diverse climatic conditions. Over 80 per cent of the country's population depend on agriculture and forest resources for their livelihoods, which makes the Nepali people highly vulnerable to climate change. Climate change impacts projected for the country include significant warming, particularly in the middle hills and at higher elevations, leading to reductions in snow and ice coverage; increases in climatic variability and the frequency and intensity of extreme weather events, including floods and droughts, and in areas with no past history of such events; and changing precipitation patterns (increase in regional precipitation during the wet season, decrease in precipitation in the middle hills, shortened monsoon, longer dry spells). Like other Himalayan populations, the Nepalese live in areas with a high risk of floods, soil erosion and landslides. Increased snow melting rates will further exacerbate the risk of glacial lake outbursts and their related flash floods.</p> <p>As part of its National Adaptation Programme of Action, Nepal established a Climate Change Knowledge Management Centre and a Multi-Stakeholder Climate Change Initiative Coordination Committee. It has also initiated local adaptation plans of action, appointing district and village development committees to act on climate change adaptation. This last has provided an important entry point for LoCAL to support local governments and communities in climate change adaptation.</p>
<p><b>OBJECTIVES</b></p>	<p>The aim of LoCAL-Nepal is to demonstrate the role and ability of local bodies in promoting climate change resilience through mainstreaming climate finance into the intergovernmental fiscal transfer system and the local planning and budgeting process. The expected results are as follows:</p> <ul style="list-style-type: none"> <li>• Increased awareness of climate change and potential adaptation/resilience-building responses among local bodies and communities</li> <li>• Modalities for mainstreaming climate resilience in local public expenditure management systems tested and available for scale-up</li> <li>• Strengthened local government capacity for climate change resilience/adaptation planning, financing and implementation, gender equity and social inclusion</li> <li>• Arrangements for tracking and reporting on climate change adaptation expenditures at the local level designed and tested</li> </ul>
<p><b>ACHIEVEMENTS</b></p>	<ul style="list-style-type: none"> <li>• The performance-based climate resilience grant (PBCRG) system was successfully designed and tested in pilot districts. LoCAL grants have been aligned with the District Development Fund flow and reporting modalities and have thus contributed to strengthening the country's fiscal transfer system, albeit through parallel systems. A menu of eligible resilience investments was designed and approved, comprising two categories of intervention. At the district level, the menu has a strategic and cross-sectoral focus; at the local level, it focuses on improving the climate resilience of community livelihoods and existing small infrastructure.</li> <li>• Two districts – Dhading and Rupandhahi – and six municipalities have been receiving support from LoCAL since 2014, when the memorandum of understanding was signed with the Environment Section of Ministry of Federal Affairs and Local Development.</li> <li>• LoCAL stakeholder mapping, implementation guidelines and capacity development plans were prepared through district- and village-level stakeholder consultations and transferred to local authorities through workshops and trainings benefiting 142 officials and staff.</li> <li>• LoCAL-Nepal successfully completed its pilot phase and it is now transitioning toward Phase II. Following a series of consultations, two new districts – Sindhuli and Kavre, comprising 22 municipalities – have been selected by the government, UNCDF and the United Nations Development Programme–United Nations Environment Poverty-Environment Initiative (PEI); the UN agencies have been providing technical support, and the government has started providing its own grants while preparing for PBCRG scale-up.</li> </ul>

# NEPAL

<p><b>ADAPTATION MEASURES AND INVESTMENTS</b></p>	<p>Two PBCRG cycles have been fully implemented, with 59 small-scale adaptation measures financed in the two pilot districts, which together have a population of almost 50,000 people.</p> <p>The majority of investments have focused on climate-related disaster prevention, with 27 projects consisting of bio-engineering, drainage and damming works on roads, river streams and canals to prevent flooding and landslides for downstream and neighbouring communities. Another 23 interventions aimed at improving rainwater harvesting and availability through the construction/restoration of community ponds, to be used by communities for purposes including irrigation and cattle. Some measures included alternative income-generating activities, such as eco-tourism in Siddalake, an area full of natural beauty and a beekeeping initiative in Gajuri.</p> <p>Overall, PBCRGs have benefited 10,099 people in the six municipalities; of these, 4,419 are male, 4,340 are female and 1,340 are children.</p>
<p><b>LESSONS LEARNED</b></p>	<ul style="list-style-type: none"> <li>• To undertake climate change adaptation activities more effectively and efficiently, an incentive-based performance system should be applied beyond local bodies and be extended to service delivery institutions. Recent earthquakes in Nepal and the resulting devastation in LoCAL targeted districts underscore the need to upgrade existing infrastructure standards and ensure construction quality and maintenance.</li> <li>• Meaningful participation of vulnerable and marginalized communities through bottom-up planning needs to be ensured. Such participation helps integrate climate change risk management activities into community development and planning processes – particularly where environment and climate change–related issues have not been a priority area.</li> <li>• At the beginning of the programme, some stakeholders at the local level were not fully aware of their roles and responsibilities. Awareness raising and capacity enhancement are very important at programme start to ensure full buy-in and allow for effective launch of LoCAL activities.</li> </ul>
<p><b>WAY FORWARD</b></p>	<ul style="list-style-type: none"> <li>• LoCAL will continue supporting efforts through the provision of more resilient and quality infrastructure and strengthening of community institutions.</li> <li>• Given the recent changes in Nepal’s political context with the establishment of federal structures, LoCAL will continue working closely with the PEI, building on its lessons and best practices.</li> <li>• As part of its transition to Phase II, LoCAL will continue working within the government’s Environmental Friendly Local Government Framework in municipalities of the Sindhuli and Kavre districts, which are expected to be receiving PBCRGs during 2018.</li> </ul>
<p><b>MORE INFORMATION</b></p>	<p><a href="https://www.local-uncdf.org/nepal.html">https://www.local-uncdf.org/nepal.html</a></p>

## NIGER

<p><b>CONTEXT</b></p>	<p>Niger, like other countries in West Africa, has been hard hit by the effects of climate change, and addressing these is a central plank of UNCDF's commitment in the country. Climate change in Niger is evidenced by, among other factors, a reduction in average annual rainfall, combined with limited temporal and geographic distribution when it does occur; increasingly high temperatures; more frequent periods of drought; marked deterioration in soil quality; and greater ecosystem fragility. The degradation of land potentially suitable for cultivation and the dependence of the country's farms on rainfall make Niger extremely vulnerable to random climatic events.</p> <p>Drafted in 2013, the National Policy on Climate Change aims to contribute to sustainable development by reducing the negative impacts of climate change. Specifically, it seeks to strengthen the population's capacity for adaptation and the resilience of ecological, economic and social systems in relation to climate change; and to incorporate climate change into planning tools for socioeconomic development actions at the national, regional and local levels.</p> <p>Decentralization in Niger provides for two levels of local authority – the commune and the region – which are administered by elected councils. Both are legal entities and have financial autonomy, with their own budget, staff and estates. Communes have general powers to provide public services that meet the needs of the population and that do not fall under the jurisdiction of the state or region. Further, the state has the authority to transfer, through devolution decrees made by the Cabinet, a wide range of specific powers – covering, among others, the environment and management of natural resources. Budget transfers from the state are handled through three mechanisms: the Decentralization Support Fund, the Cross-Subsidization Fund of the National Agency for Local Authority Funding (ANFICT) and taxes reassigned by the state.</p>
<p><b>OBJECTIVES</b></p>	<p>The aim of LoCAL-Niger is to demonstrate and highlight the role of communes in promoting local climate change adaptation/resilience measures through integrating climate funding in budget transfer mechanisms and the planning and allocation of local resources. More specifically, it aims to:</p> <ul style="list-style-type: none"> <li>• Strengthen technical and institutional capacities in the pilot communes to ensure better local governance of adaptation to climate change</li> <li>• Enable communes to create infrastructure and local services which are resilient to climate change through targeted funding</li> <li>• Promote increased awareness among commune councillors and local communities about the impact of climate change phenomena and the relevance of a territorial approach to adaptation/resilience</li> </ul>
<p><b>ACHIEVEMENTS</b></p>	<ul style="list-style-type: none"> <li>• Two communes in the Dosso region, Sokorbé (Department of Loga) and Dogon Kyria (Department of Dogondoutchi), have been selected for the LoCAL-Niger pilot phase; these have a combined population of 101,569.</li> <li>• Since the memorandum of understanding was signed in 2015, the performance-based climate resilience grant (PBCRG) mechanism has been developed. It includes minimum conditions for access, performance criteria and an indicative investment menu to inform the process of integrating adaptation into local planning and budgeting.</li> <li>• The LoCAL-Niger Technical Committee has been set up under the authority of the Ministry of the Environment, Urban Sanitation and Sustainable Development; the Ministry of the Interior, Public Safety and Decentralization and Customary and Religious Affairs; and the National Environmental Council for Sustainable Development. The committee coordinates and monitors implementation of the LoCAL pilot phase.</li> <li>• The two communes implemented and completed two PBCRG cycles and were evaluated in 2016 and 2017 by a government team together with independent national and international assessors and UNCDF. Both local governments complied with the LoCAL minimum conditions, allowing them to maintain access to the grants. In 2016, Sokorbé achieved a global performance score of 75 per cent and Dogon Kiria 70 per cent; in 2017, both local governments scored 77 per cent, showing that improvements are ongoing, due to LoCAL's continued efforts in capacity building of relevant local authorities.</li> <li>• The two-year pilot phase paved the way for LoCAL Phase II to fully integrate the PBCRG model into the Treasury's fiscal transfer system; this has only been partially implemented thus far.</li> </ul>

# NIGER

<p><b>ADAPTATION MEASURES AND INVESTMENTS</b></p>	<ul style="list-style-type: none"> <li>• Over the two-year pilot phase, LoCAL-Niger financed 32 adaptation investments directly benefiting more than 19,170 people in the two communes.</li> <li>• In Sokorbé, 55 hectares of degraded land was rehabilitated using semi-circular bunds to combat erosion and were further planted with 18,000 trees. These interventions allowed for greater soil infiltration, thus better supporting plants' water needs. Four wells were rehabilitated. This work increased water storage capacity, protected the wells from climate variation, and helped village women to draw water. An organizational mechanism and management committee for the rehabilitated wells have been established in each village.</li> <li>• In Dogon Kiria, 60 hectares of degraded land was rehabilitated and replanted by local communities using a work for pay system. Three wells were excavated and four rehabilitated to improve access to safe drinking water and reduce water collection time considerably.</li> <li>• Capacity-building activities targeting elected leaders, community agents and civil society were conducted, specifically: (i) training and equipping 50 pest control volunteers, (ii) establishing five community early warning and emergency response systems, (iii) training community workers in climate change-related issues and (iv) training 30 women in improved cook-stove production.</li> </ul>
<p><b>LESSONS LEARNED</b></p>	<ul style="list-style-type: none"> <li>• As the impact of climate change is local and affects multiple sectors, it is important to allow local authorities to choose the priority activities to be funded by LoCAL grants on a consultative basis. A local adaptation action programme, informed by climate risk and vulnerability assessments, must therefore follow on from the list of indicative investments developed when the programme was first established.</li> <li>• It is essential to design a funding channel for LoCAL grants which is fully aligned with the existing system of intergovernmental transfers. Funds must be fully integrated with other resources available locally. An intermediate funding channel has been established in Niger for the first two years. LoCAL will use the National Treasury System for its second phase.</li> </ul>
<p><b>WAY FORWARD</b></p>	<ul style="list-style-type: none"> <li>• A third cycle of investments has started in the two communes.</li> <li>• Work on climate risk and vulnerability assessments will be further developed in 2018–2019 to ensure adequate inclusion of climate change considerations in local government operations.</li> <li>• The design of Phase II was developed over 2017–2018 and is ready to be launched. It will be able to build on the newly acquired capacities and recent practical experiences of the two pilot local governments.</li> </ul>
<p><b>MORE INFORMATION</b></p>	<p><a href="https://www.local-uncdf.org/niger.html">https://www.local-uncdf.org/niger.html</a></p>

## TANZANIA

<p><b>CONTEXT</b></p>	<p>Tanzania's economic growth depends heavily on its environmental and natural resources, with more than 80 per cent of the population dependent on them for income generation. Critical challenges threaten these resources, including their unsustainable harvesting and use, unchecked cultivation practices, degradation of and encroachment on water sources, and the impacts of climate change and extreme weather events. Climate change – evident in 60 per cent of the country – is manifested in droughts, floods, sea level rise and increased water-borne diseases.</p> <p>Given these threats, the government sees an urgent need to protect and manage the environment and its natural resources. In 2012, Tanzania launched its National Climate Change Strategy. The strategy covers adaptation, mitigation and cross-cutting interventions; and outlines the importance of establishing institutions and policies at the national level for climate change planning – including a climate change finance mechanism.</p> <p>With UNCDF support, Tanzania has both an efficiently functioning system of local governments and a well-developed intergovernmental fiscal transfer system, which has introduced performance-based elements over the past decade. A policy of decentralization by devolution gives local governments significant roles and responsibilities in implementing government policies and programmes. This includes supporting efforts to achieve national development goals (e.g. Vision 2025), as well as international goals such as the Sustainable Development Goals and other regional and international protocols and development frameworks. As to its intergovernmental fiscal transfer system, Tanzania has been reforming and strengthening it to include considerations on the impact of climate change and opportunities for climate change funding.</p>
<p><b>OBJECTIVES</b></p>	<p>The over-arching purpose of the five-year (2016–2021) Decentralised Climate Finance in Tanzania (DCF) project, of which LoCAL is a part, is to establish a robust and effective mechanism to enable local government authorities (LGAs) in Tanzania to access climate finance on a regular and sustained basis to fund investments that build climate-resilient development at LGA and community levels. To achieve this, the project has two specific objectives:</p> <ul style="list-style-type: none"> <li>• Strengthen the capacities of the President's Office – Regional Administration and Local Government (PO-RALG) to become an accredited national implementing entity of the Green Climate Fund (GCF) and channel climate finance initially to 15 LGAs, and then nation-wide</li> <li>• Build PO-RALG and LGA capacities to mainstream climate change and community-driven adaptation into LGA development planning and financial systems in support of climate-resilient development and low-carbon growth</li> </ul> <p>The project will deliver five outputs in the achievement of these objectives: (i) an effective performance-based climate resilience grant (PBCRG) system is established in Tanzania and operational for additional funding; (ii) functional devolved district climate finance and planning mechanisms in 15 district councils in mainland Tanzania to finance community-prioritized investments in public goods that build climate resilience; (iii) investments that build climate resilience are effectively and efficiently implemented and managed by the districts and their performance transparently assessed as part of the mechanism; (iv) the PO-RALG develops the institutional and financial competencies to become an accredited national implementing entity of the GCF to scale-up devolved climate finance in support of community-driven adaptation across Tanzania; (v) evidence and learning on the effectiveness of devolved climate finance investments to improve community resilience, differentiated by gender, is generated and used to inform policy.</p>

## TANZANIA

<b>ACHIEVEMENTS</b>	<ul style="list-style-type: none"> <li>• In 2016, the PO-RALG signed a project implementation agreement with the International Institute for Environment and Development (IIED) and UNCDF to guide DCF implementation.</li> <li>• The first phase of the project (2016–2018), financed by UKAid, has invested more than USD 1 million in 35 climate-resilient and adaptation projects in the districts of Monduli, Longido and Ngorongoro, engaging women and traditional leaders in planning. Manuals for resource mapping and resilience assessments were developed as planning tools for LGAs, and institutions such as Institute for Rural Development Planning and the Local Government Training Institute incorporated climate change issues into their curricula.</li> <li>• In preparation for the project's second phase, a planning workshop was organized in early December 2017 with a view towards sharing lessons learned from Phase I, validating the approach and key components of Phase II, and identifying key policy and institutional opportunities and challenges to scale-up the DCF nation-wide.</li> <li>• A field mission aimed at elaborating and validating the Annual Performance Assessment Manual for the LoCAL PBCRG under the DCF was held in mid-December 2017; the final draft of the manual was completed in mid-January 2018 and shared with key stakeholders.</li> <li>• The PO-RALG was nominated as the country's national implementing entity for the GCF and is pursuing its efforts towards accreditation. A final draft of the PO-RALG institutional assessment report, presented during a workshop in late January 2018, aimed to help the PO-RALG identify its strengths and weaknesses, as well to strengthen needs with regard to the GCF's six relevant accreditation standards.</li> </ul>
<b>ADAPTATION MEASURES AND INVESTMENTS</b>	<ul style="list-style-type: none"> <li>• Among the 35 projects financed by the DCF in Phase I are water-related infrastructures, construction of cattle troughs, flood control systems and agricultural warehouses. These were financed outside of the LoCAL PBCRG system, as the DCF project was already under way.</li> <li>• The first cycle of planning, budgeting and funds transfer under the LoCAL PBCRG will take place over the course of 2018.</li> </ul>
<b>LESSONS LEARNED</b>	<ul style="list-style-type: none"> <li>• Despite renewed commitment towards implementation of the DCF by all stakeholders, a lack of funding was identified as a major hindrance to project scale-up. The size of the grants to ensure fiscal sustainability is therefore a key element of the design of the LoCAL PBCRG in Tanzania.</li> <li>• Concerns raised over the de facto participation of women and marginalized groups in the LGA planning process; the use of divisions as a planning forum, as opposed to districts (which are part of the public planning and budgeting system); and potential political bias in the planning process need to be addressed in future phases of the DCF.</li> </ul>
<b>WAY FORWARD</b>	<ul style="list-style-type: none"> <li>• The PBCRG mechanism will be piloted in 2018, using LoCAL seed capital, in three districts of the Dodoma region to be confirmed according to their compliance with the minimum conditions.</li> <li>• A memorandum of understanding and letter of agreement will be signed in 2018 between UNCDF and the Government of Tanzania to set guidelines for operationalization of the PBCRG pilot.</li> <li>• An annual performance assessment will be conducted in the second half of 2018 focusing on activities implemented in the districts of Monduli, Longido and Ngorongoro in the Arusha region building on previous work by the IIED. It will be applied to three new districts in the Dodoma region, in order to set a baseline for performance measures.</li> <li>• The project is exploring partnerships to allow scale-up of LoCAL grants and capacity building to additional districts.</li> <li>• The PO-RALG will set a roadmap towards GCF accreditation, focusing on priority areas for strengthening. The PO-RALG is expected to submit an official application to become a GCF national implementing entity in the first half of 2018.</li> </ul>
<b>MORE INFORMATION</b>	<a href="https://www.local-uncdf.org/tanzania.html">https://www.local-uncdf.org/tanzania.html</a>

# TUVALU

<p><b>CONTEXT</b></p>	<p>Tuvalu is the fourth smallest country in the world with a population of around 11,000 and a land area of 25.9 km<sup>2</sup>; its exclusive economic zone covers 900,000 km<sup>2</sup>. Like other Pacific Island countries, Tuvalu faces a unique set of development challenges due to its small size; narrow production and export bases; insularity; remoteness; fragmented, limited resources and capacity constraints; and proneness to natural disasters and vulnerability to climate change. These characteristics heighten its susceptibility to economic and climate-related shocks. Climate change has been identified by the Government of Tuvalu and the Pacific Islands Forum Leaders as the greatest threat facing this and other small island countries. Tuvalu faces key climate vulnerabilities including scarcity of freshwater, coastal erosion, soil salinization, reduced fish habitats due to ocean acidification, coral bleaching, rising sea water levels and increasing extreme climate events (typhoons, wave surges)</p> <p>Given the specific context of climate vulnerabilities and risks in Tuvalu and the Pacific region in general, LoCAL-Tuvalu will address in addition to climate change adaptation and resilience measures, climate-related disaster risk reduction and disaster preparedness measures (e.g. cyclones, prolonged drought).</p>
<p><b>OBJECTIVES</b></p>	<p>The aim of LoCAL-Tuvalu is to improve the capacities of local governments to address climate change by increasing access to climate change adaptation financing through PBCRGs. The expected outputs are as follows:</p> <ul style="list-style-type: none"> <li>• <b>Output 1:</b> Effective PBCRG system (finance mechanism) is established in Tuvalu and operational for additional funding</li> <li>• <b>Output 2:</b> Inclusive, effective and accountable climate change mainstreamed planning and budgeting processes at the <i>kaupule</i> level</li> <li>• <b>Output 3:</b> Climate change—resilient investments (services and infrastructure) are managed efficiently and effectively, and transparently implemented by the participating <i>kaupules</i> through the PBCRG system</li> <li>• <b>Output 4:</b> M&amp;E system, and lessons learned to inform national policies, informed through experiences with the launch of LoCAL and the integration of climate change in all steps of the local public financial management process and improvements of public financial management</li> <li>• <b>Output 5:</b> Completed roll-out plans and capacity-building support for new <i>kaupules</i> by end of programme</li> </ul>
<p><b>ACHIEVEMENTS</b></p>	<ul style="list-style-type: none"> <li>• Tuvalu is the first country to implement LoCAL in the Pacific. An MoU was signed between LoCAL and Tuvalu in December 2015. Subsequently, the LoCAL mechanism was adopted rapidly in Tuvalu and various strategic missions were held to prepare for implementation, which commenced in 2016.</li> <li>• Through a participatory and inclusive process, a climate vulnerability and risk scan was undertaken for the first batch of climate adaptation and risk reduction investment activities to inform the requirements of the LoCAL planning process. The initial investment activities were successfully implemented by the three pilot <i>falekaupules</i> (local governments) under the 1st tranche of the PBCRG for FY 2016/17. Investment activity descriptions for the 2nd tranche for FY 2017/18 have been completed, following the normal LoCAL planning and design process.</li> <li>• The second annual performance assessment (APA) of the <i>kaupules/falekaupules</i> under the LoCAL programme was successfully completed in May 2017. The APA reviewed compliance on the part of the pilot <i>kaupules</i> with the minimum conditions for access to grants for the FY 2017/18. The APA report was reviewed by the LoCAL Secretariat and subsequently approved by the Kaupule Development Coordinating Committee, and signed by the secretary and consented to by the minister. The APA found LoCAL has good traction in the initial three LoCAL programme pilot local government authorities.</li> <li>• Upon approval of the APA report and its recommendations, UNCDF released the 2nd tranche of the PBCRG to Tuvalu for allocation as per the determined formula so the <i>kaupules</i> can implement their FY 2017/18 activities. Implementation of these activities is to commence before March 2018.</li> </ul>

# TUVALU

<p><b>ADAPTATION MEASURES AND INVESTMENTS</b></p>	<p>The viability of subsistence-based livelihoods in Tuvalu is likely to be undermined significantly due to climate change. Consequently, the first and second cycles of PBCRG investments focused on two critical axes: water and sanitation, and disaster prevention and preparedness.</p> <ul style="list-style-type: none"> <li>• <b>Water:</b> The key vulnerabilities and risks related to water are the increased variability and decreased predictability of rainfall and safe water availability. To this end, six water catchment and harvesting systems were completed/planned in the three <i>kaupules</i>.</li> <li>• <b>Disaster prevention and preparedness:</b> Tuvalu is dangerously exposed to extreme climate events such as storms and cyclones. Two cyclone shelters are under construction in two <i>kaupules</i> which will provide protection for more than 800 inhabitants.</li> </ul>
<p><b>LESSONS LEARNED</b></p>	<ul style="list-style-type: none"> <li>• To undertake climate change adaptation activities effectively and efficiently, an incentive-based performance system could be considered to promote service delivery within other institutions. Meaningful participation of vulnerable and marginalized communities through bottom-up planning needs to be ensured. Such participation helps integrate climate change risk management activities into community development and planning processes. At programme outset, a number of stakeholders at the village level were not fully aware of their role and responsibilities.</li> <li>• Capacity at both the <i>kaupule</i> and government levels has been identified as a major constraint to successful provision of services to communities, and as such has been accorded high priority. Awareness raising and capacity enhancement are very important at programme start and throughout the life of a project. As part of the overall capacity development strategy planned for Phase II, institutional and organizational reform at the <i>kaupule</i> as well as at the central government level will be needed. Capacity development support in the country will be coordinated with a number of core initiatives such as the National Adaptation Programme of Action II and the Public Sector Reform Program. It is also envisaged that collaboration with the newly implemented Tuvalu Coastal Adaptation Project would be supported and reinforced.</li> </ul>
<p><b>WAY FORWARD</b></p>	<p>The LoCAL programme was initially piloted in three highly vulnerable <i>falekaupules/kaupules</i> representing the various geographical areas of Tuvalu (north, central and south). Phase II is expected to commence in 2019–2020 with planning and preparation of interventions for up-scaling, with expected coverage of all local governments, or at least an additional two or three authorities. In the latter case, full scale-up for the national system is envisaged for 2021 onwards (Phase III).</p>
<p><b>MORE INFORMATION</b></p>	<p><a href="https://www.local-uncdf.org/tuvalu.html">https://www.local-uncdf.org/tuvalu.html</a></p>



UNCDF makes public and private finance work for the poor in the world's 47 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF's financing models work through two channels: **financial inclusion** that expands the opportunities for individuals, households, and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and by showing how **localized investments** – through fiscal decentralization, innovative municipal finance, and structured project finance – can drive public and private funding that underpins local economic expansion and sustainable development. By strengthening how finance works for poor people at the household, small enterprise, and local infrastructure levels, UNCDF contributes to SDG 1 on eradicating poverty and SDG 17 on the means of implementation. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access, UNCDF contributes to a number of different SDGs.

LoCAL provides a mechanism to integrate climate change adaptation into local governments' planning and budgeting systems, increase awareness and response to climate change at the local level, and increase the amount of finance available to local governments for climate change adaptation.



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