

LoCAL final report on second period of global expansion 2019–2022

realizing demand with standard and scalable locally led action



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global expansion 2019–2022

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Photos: Cover – Schoolchildren cross bridge built with LoCAL support, Bhutan (Cédric Jancloes, © UNCDF-LoCAL); p. viii – GrEEen programme beneficiary in Ghana (Rodney Quarcoo, © UNCDF-LoCAL); p. 8 – cash-for-work participant builds a fence in Julafaar ward, The Gambia (© JSF Programme team); women fill water containers in Toukountouna, Benin (Sarah Harris, © UNCDF-LoCAL); pp. 48–51 – LoCAL ministers and senior country representatives (<https://www.michaelchia.eu/>)

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preface

Local government authorities in the least developed countries (LDCs) and other vulnerable countries, particularly small island developing states (SIDS) and African nations, are in a unique position to identify climate change adaptation responses that best meet local needs. Moreover, they typically are mandated to undertake the small to medium-sized adaptation investments needed to build climate resilience. Yet they frequently lack the resources to do so—particularly in a way aligned with established local decision-making processes and planning and budgeting cycles.

Building on its experience in working with local governments, the United Nations Capital Development Fund (UNCDF) designed the Local Climate Adaptive Living Facility (LoCAL) in 2011. LoCAL promotes climate change-resilient communities and local economies by providing a standard and internationally recognized country-based mechanism to channel climate finance to local government authorities in LDCs and other vulnerable developing countries—thereby contributing, through the subnational level, to country achievement and implementation of the Paris Agreement, particularly nationally determined contributions, national adaptation plans and climate-related Sustainable Development Goals.

LoCAL places local and community adaptation needs at the centre of climate change action and creates intentional linkages and frameworks for

planning, financing, implementing and monitoring of nationally determined contributions and national adaptation plans at subnational and community levels (i.e. vertical integration). LoCAL increases awareness and capacities to respond to climate change at the local level, integrates climate change adaptation into local governments' planning and budgeting systems in a participatory and gender-sensitive manner, and increases the amount of finance available to local governments for climate change adaptation.

Since its global scale-up in 2014, LoCAL has been deployed in 17 countries: [Bangladesh](#), [Benin](#), [Bhutan](#), [Burkina Faso](#), [Cambodia](#), [The Gambia](#), [Ghana](#), [Lao PDR](#), [Lesotho](#), [Malawi](#), [Mali](#), [Mozambique](#), [Nepal](#), [Niger](#), [Tanzania](#), [Tuvalu](#) and [Uganda](#). As of December 2022, LoCAL has engaged with a total of 350 local governments representing a population of over 16.27 million. Another 17 countries have expressed interest in deploying the mechanism—[Côte d'Ivoire](#), [Equatorial Guinea](#), [Fiji](#), [Guinea](#), [Guinea-Bissau](#), [Jamaica](#), [Liberia](#), [Madagascar](#), [São Tomé and Príncipe](#), [Senegal](#), [Solomon Islands](#), [Somalia](#), [South Sudan](#), [Sudan](#), [Tunisia](#), [Vanuatu](#) and [Zambia](#)—bringing the total number of LoCAL countries to 34. Over the same period, LoCAL has mobilized \$155.94 million from partners, own resources and parallel funding from governments; the majority of these funds are disbursed as performance-based grants to local governments.

LoCAL experience over its second period of global expansion (2019–2022) underscores the importance of subnational adaptation and of bridging national and subnational adaptation efforts (vertical integration), while highlighting the contribution of the local level to national climate change goals such as national adaptation plans and nationally determined contributions.

As we enter the third decade of the millennium, the global pandemic and recovery efforts being undermined by the war in Ukraine have both intensified and crystallized the need to tackle climate change—especially at the local level. Fresh resolve, firm commitment and increased efforts are essential so developing countries and LDCs can achieve their climate targets and accelerate sustainable development.

As it begins a new phase, LoCAL is determined to vigorously pursue its efforts towards institutionalizing a globally recognized and standard mechanism to mobilize and channel climate finance to the local level to promote climate-resilient development pathways and to ensure that societies, economies and ecosystems in developing countries—particularly LDCs—thrive.

This report summarizes LoCAL activities and results from its second period of global expansion across Africa, Asia, the Caribbean and the Pacific, and at the global level, drawing on a range of experiences and good practices in LoCAL design and implementation.

acronyms

ABM	Adaptation Benefits Mechanism	MMDAs	metropolitan, municipal and district assemblies
ACCAF	Assessing Climate Change Adaptation Framework	NAP	national adaptation plan
AfDB	African Development Bank	NDC	nationally determined contribution
BOAD	West African Development Bank (Banque Oueest Africaine de Développement)	NMA	non-market mechanism
COP	United Nations Climate Change Conference	PBCRG	performance-based climate resilience grant
EU	European Union	SDC	Swiss Agency for Development and Cooperation
FNEC	National Fund for Environment and Climate (Fonds National pour l'Environnement et le Climat)	SDG	Sustainable Development Goal
GCCA+	Global Climate Change Alliance Plus	SIDS	small island developing states
GCF	Green Climate Fund	Sida	Swedish International Development Cooperation Agency
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit	SMEs	small and medium enterprises
IFAD	International Fund for Agricultural Development	UN	United Nations
ISO	International Organization for Standardization	UNCDF	United Nations Capital Development Fund
LDC	least developed country	UNDP	United Nations Development Programme
LISA	Local Information System for Adaptation	UNFCCC	United Nations Framework Convention on Climate Change
LoCAL	Local Climate Adaptive Living Facility	UNITAR	United Nations Institute for Training and Research
LoGIC	Local Government Initiative on Climate Change	WRI	World Resources Institute

glossary

Intergovernmental fiscal transfer systems:

Intergovernmental transfers or grants can be broadly classified into two categories: general-purpose (unconditional) and specific-purpose (conditional or earmarked) transfers. General-purpose transfers are provided as general budget support, with no strings attached. These transfers are typically mandated by law, but occasionally they may be of an ad hoc or discretionary nature. Such transfers are intended to preserve local autonomy and enhance interjurisdictional equity. Specific-purpose, or conditional, transfers are intended to provide incentives for governments to undertake specific programmes or activities. These grants may be regular or mandatory in nature or discretionary or ad hoc (World Bank).

Menu of eligible adaptation investments: The set of areas of interventions or measures within local authorities' remit that can promote climate resilience. It is used to inform the planning process and act as safeguard.

Minimum conditions: The basic requirements with which local governments have to comply to access the grants. These are formulated to ensure that a minimum absorptive capacity is in place to handle the funds. The entire set of minimum conditions needs to be met before local authorities can access their grants. The minimum conditions are, generally speaking, concerned with good governance and public financial management; their number varies from 3 to 10. They act as on or off triggers and basic safeguards.

Performance measures: The set of indicators against which local governments are assessed on an annual basis. They are more qualitative and variable measures of performance and go into more detail within each functional area, such as the quality of the planning, integration of climate change adaptation and execution of the adaptation measures. Overall performance against the set of measures is used to adjust the level of funds made available to local governments the following year as they have complied with the minimum conditions.

Performance-based climate resilience grants (PBCRGs): Performance-based grants that provide a financial top-up to cover the additional costs of making investments climate resilient. They complement regular allocations made by the central level to local governments through the intergovernmental fiscal transfer system. Their technical features include a set of minimum conditions, performance measures and a menu of eligible investments.

Resilience: The capacity of social, economic and environmental systems to cope with a hazardous event or trend or disturbance, responding or reorganizing in ways that maintain their essential function, identity and structure, while also maintaining the capacity for adaptation, learning and transformation (Intergovernmental Panel on Climate Change).



about LoCAL

We are living through a global climate crisis, the consequences of which are already devastating lives and livelihoods. The demand for adaptation action that meets the needs of those countries most affected by climate change has never been greater. Developing countries—especially least developed countries (LDCs), small island developing states (SIDS) and African nations—and their populations are among those most exposed to the worst impacts of climate change, such as drought, floods and shifting weather patterns. The Local Climate Adaptive Living Facility (LoCAL) is working with ever more countries to deliver on their adaptation needs without delay.

A large proportion of developing countries and LDCs are located in geographical areas where the climate crisis can have drastic impacts on people's living conditions. Specifically, the largely rural character of many of these countries means that the impact of climate change can have extremely severe repercussions on the natural resource base on which livelihoods rely. The **capacity of developing countries and LDCs for adaptation and resilience is 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 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 that are climate sensitive and of extreme importance to the success of adaptation measures—including land use, water management, natural resource management and infrastructure.

Parties to the United Nations Framework Convention on Climate Change (UNFCCC) recognize—as specified in the [Paris Agreement](#)—the local and subnational dimensions of adaptation in protecting people, livelihoods and ecosystems in response to climate change (Article 7); the need to foster country ownership in climate action response capacity building, including at the subnational and local levels (Article 11); and the importance of taking into account the urgent needs of developing country parties that are particularly vulnerable to climate change (Article 7). The [Glasgow Climate Pact](#) adopted at the 2021 United Nations Climate Change Conference (COP26) reiterated the urgency of scaling up action and support—including finance, capacity building and technology transfer—to enhance adaptive capacity; strengthen resilience and reduce vulnerability to climate change; and further integrate adaptation into local, national

and regional planning. The pact emphasized the importance of **adequate, predictable funding** in scaling up provisions for financing adaptation action. The Sharm el-Sheikh Implementation Plan endorsed at COP27 further acknowledges existing gaps in adaptation finance and welcomes consideration by the UNFCCC parties in matters related to funding arrangements responding to the loss and damage associated with the adverse effects of climate change, especially in most vulnerable states. It calls for developed country parties, multilateral development banks and international financial institutions to scale up efforts, through **transformative finance, new channels and instruments**, to meet global climate finance commitments and address climate change challenges.

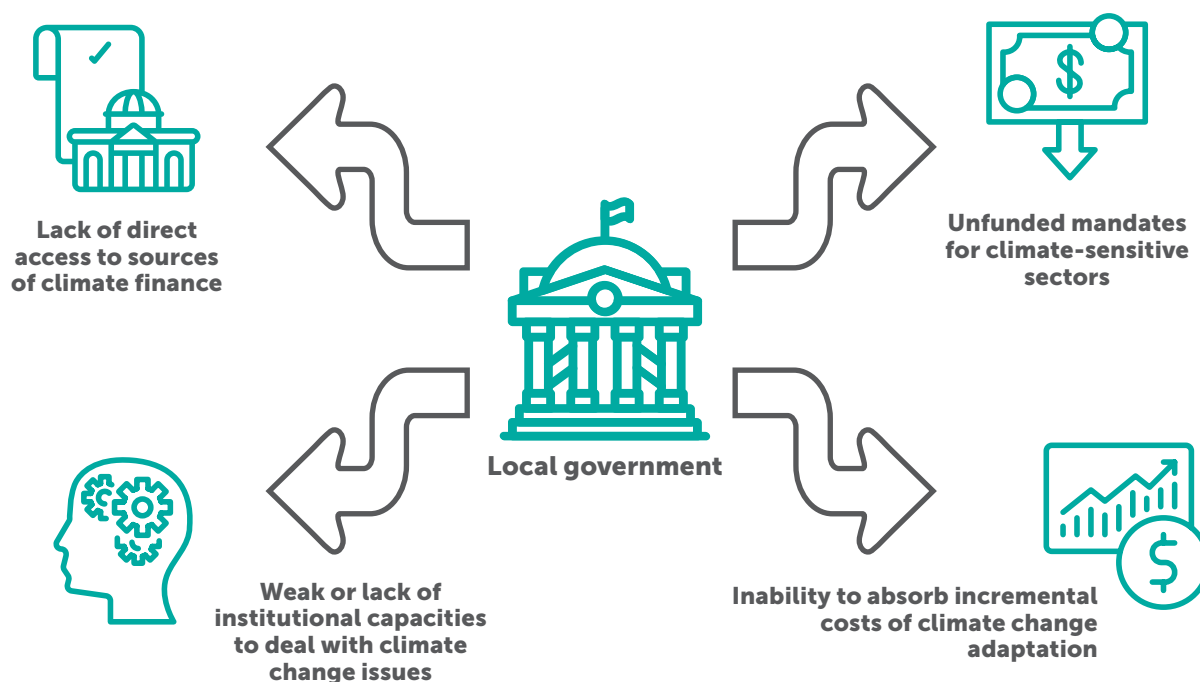
According to the most recent UNFCCC assessment (2020), average annual global climate finance flows increased 16 percent over the previous biennial to \$75.5 billion, with flows to LDCs and SIDS accounting for less than a quarter of total flows. But **adaptation finance**—which accounts for only about 20–25 percent of committed concessional finance—has shown little growth in recent years and is in fact increasing

at a lower rate than adaptation costs. Because climate change is accelerating, this means **the adaptation finance gap is widening**. According to the United Nations Environment Programme’s 2020 Annual Gap Report, annual adaptation costs in developing countries are currently estimated to be in the range of \$70 billion, and are expected to reach \$140–\$300 billion in 2030 and \$280–\$500 billion in 2050. Moreover, the **effectiveness of adaptation planning** against criteria for integration across sectors (horizontal) and governance levels (vertical) is mixed: specifically, there is fairly high horizontal but rather low vertical integration. The result is that **local governments in developing countries, particularly LDCs, are not contributing significantly** to climate change adaptation and resilience building, as summarized in Figure 1.1.

LoCAL purpose

LoCAL was designed by the United Nations Capital Development Fund (UNCDF) in 2011 to promote climate change–resilient communities and local economies by establishing a standard,

Figure 1.1: Obstacles to local government contributions to adaptation



internationally recognized country-based mechanism to channel climate finance to local government authorities in developing countries, particularly the LDCs. LoCAL:

- Increases local-level climate change **awareness** and capacities
- Integrates climate change adaptation into local government **planning and budgeting** in a participatory and gender-sensitive manner
- Increases the **financing** available for locally led adaptation through local governments

To this end, LoCAL provides **performance-based climate resilience grants (PBCRGs)** aimed to cover the additional costs of adaptation and making local development climate resilient. 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.

LoCAL is aligned with national climate change and decentralization strategies, nationally determined contributions (NDCs) and national adaptation plans (NAPs), thus bringing the Paris Agreement and achievement of climate-related Sustainable Development Goals (SDGs) to the local and community levels.

The LoCAL Standard: ISO 14093



LoCAL informed a new standard issued by the International Organization for Standardization (ISO), [ISO 14093: Mechanism for financing local adaptation to climate change—performance-based climate resilience grants](#), cementing LoCAL’s position as

an internationally recognized and standardized approach to climate finance delivery for local climate action, working with local governments at the lowest or second-lowest tier.

The innovative **PBCRG system** channels climate finance to improve responses to climate change at the local level. The PBCRG includes a performance element that simultaneously:

- Incentivizes local governments to integrate adaptation and implement targeted measures in a participatory and gender-sensitive manner
- Ensures traceability and increases transparency and accountability by enabling verification of climate change expenditures at the local level

By thus fostering capacity and trust, the LoCAL PBCRGs improve local governments’ abilities to access and effectively use various sources of climate funding.

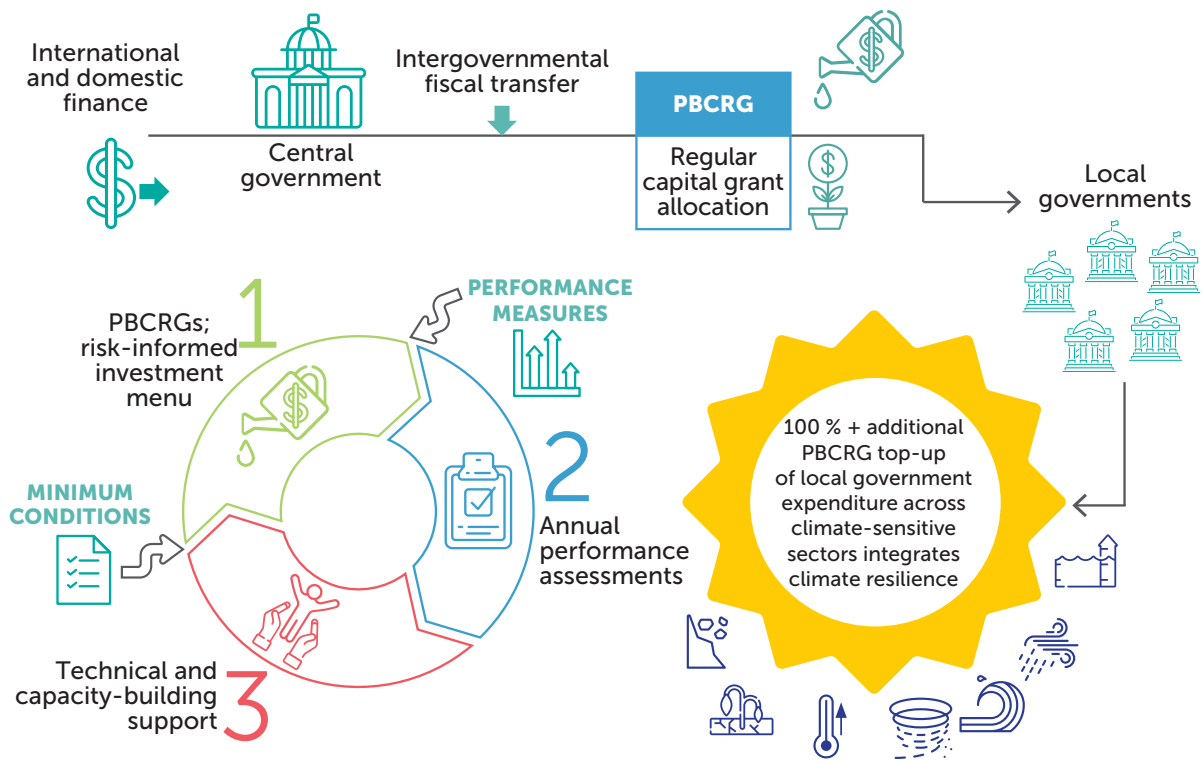
As shown in Figure 1.2, PBCRGs are channelled through **existing fiscal transfer mechanisms** in the countries where LoCAL is involved, thereby strengthening national appropriation and accountability.

The PBCRG can be seen as an **earmarked cross-sectoral grant with conditions** attached to the use of its funding for climate change adaptation related to identified vulnerabilities. Combined with regular grant allocations, the PBCRG gradually enables an increased percentage of local governments’ investments in climate-sensitive sectors to become climate resilient over time. To ensure accountability and relevance, PBCRGs include minimum conditions, performance measures and a menu of eligible investments aligned with NAPs and NDCs.

Figure 1.3 summarizes the **major operational components of the LoCAL mechanism** on the ground, putting all these components in place typically involves the following:

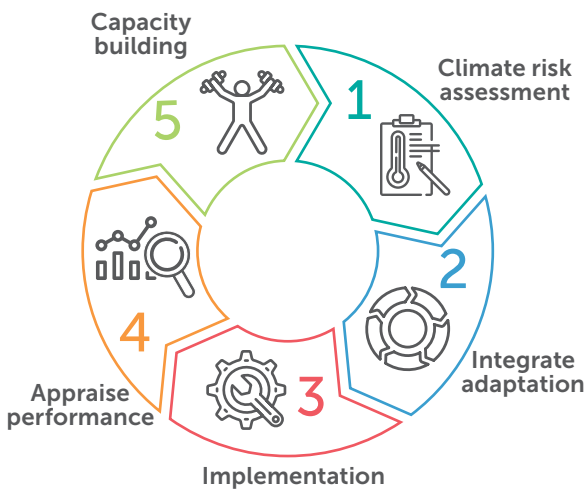
- **Climate risk assessment.** Climate risks, vulnerability and adaptation assessments

Figure 1.2: How LoCAL PBCRGs work



4

Figure 1.3: LoCAL cycle



are reviewed or undertaken to inform the local government adaptation planning and mainstreaming process. Needs and capacities are assessed.

- **Integrate adaptation.** Local governments integrate adaptation in their own local development planning and budgeting processes, and cost, prioritize and select

adaptation investments within the boundaries of the investment menu to be financed through the PBCRGs. They develop local adaptation programmes in a participatory manner.

- **Implementation.** Local governments are assessed annually against minimum conditions. PBCRGs are disbursed to support implementation of adaptation investments in the context of local governments’ annual planning and budgeting cycles; these actions are implemented or coordinated by local governments.
- **Appraise performance.** The performance of local government LoCAL operations is appraised annually. This assessment determines how efficiently and effectively additional resources have been used and how core functions were performed as well as climate change adaptation promoted. Audits are undertaken as part of the established national process. Lessons are learned, and systems and procedures gradually improved.

- **Capacity building.** The performance results inform the PBCRG allocations for the next year, based on a pre-agreed formula and priority capacity-building activities designed to address weaker performance areas. This strengthens local governments’ incentives for continual performance improvement and targeting of the most-needed adaptation investments.

with specific criteria to determine its degree of maturity in the respective country (Figure 1.5).

LoCAL in action

Launched in 2014 in Asia, LoCAL has expanded across that region and Africa and the Pacific, becoming a global mechanism in the process. Between 2014 and 2022, LoCAL was **deployed in 17 countries** and has overall engaged with 350 local governments, accounting for a **combined population of over 16.27 million**.

The mechanism operates in three distinct phases plus a design phase (Figure 1.4), each associated

- **Phase I: Piloting** consists of initial testing in two to four local governments. Phase I countries as of December 2022 are **Burkina Faso, Lao PDR, Lesotho, Malawi, Mali, Nepal, Senegal, Tanzania, Tuvalu** and **Uganda**. These Phase I efforts are at different stages: in **Lao PDR** and **Nepal**, design work and resource mobilization are ongoing to transition to Phase II following earlier preparatory work; **Tuvalu** will resume its LoCAL deployment in 2023 following a COVID-19–induced break. And **Lesotho** will move into Phase II as of 2023.
- **Phase II: Consolidating** takes place in at least 5–10 local governments in a country. It involves collecting lessons and demonstrating the mechanism’s effectiveness at a larger scale. As of December 2022, **The Gambia** transitioned into Phase II, joining **Bangladesh, Benin, Ghana** and **Niger**. **Mozambique** is

Figure 1.4: LoCAL phases





DESIGN PHASE 	<ul style="list-style-type: none"> • Collect and validate information/data needed for design of Phase I • Assess necessary conditions for deployment of LoCAL mechanism • Define the PBCRG system • Engage key stakeholders • Form financial and technical partnerships
PHASE I PILOTING 	<ul style="list-style-type: none"> • Introduce PBCRG system • Develop baseline • Test in 2–4 local governments over 1–2 fiscal years • Fine-tune methodology (minimum conditions; performance measures; menu of investments; flow of funds and formula)
PHASE II CONSOLIDATING 	<ul style="list-style-type: none"> • Expand to at least 5–10 local governments • Expand on financial and technical partnerships • Collect lessons; assess results with technical assistance from LoCAL • Demonstrate effectiveness • Prepare for national roll-out
PHASE III SCALING-UP 	<ul style="list-style-type: none"> • National roll-out • Gradual expansion to all local governments • Funded with reallocated domestic resources, direct access to international climate financing and other partners • Share experiences and data • Quality assurance and support from LoCAL

Figure 1.5: LoCAL countries as of end 2021, by phase of engagement



preparing to transition to Phase III in 2023 expanding into a third of the country's districts with several sources of donor funding.

formula, minimum conditions, performance measures, menu of eligible investments)

6

- **Phase III: Scaling-up** is national roll-out of LoCAL based on the results of the previous phases and lessons learned. LoCAL is gradually extended to an increasing number of local governments, with domestic or international climate finance, and becomes the national system for channelling adaptation finance to the local level. **Bhutan** and **Cambodia** are in Phase III, with the latter country seeking direct access to vertical funds to sustain this phase following the end of its European Union budget support.

Côte d'Ivoire, Fiji, Guinea, Jamaica, Liberia, São Tomé and Príncipe, Senegal, Solomon Islands, Somalia, Sudan, Tunisia, Vanuatu and **Zambia** are in the scoping/design phase and are expected to begin Phase I in 2023/2024 as resources are mobilized. **Equatorial Guinea, Guinea-Bissau, Madagascar** and **South Sudan** are the latest countries to officially express interest in deploying LoCAL in 2022; preparatory work for their early engagement with the mechanism is ongoing.

A **design phase** preceding these three implementation phases is aimed at assessing the necessary conditions for deployment of the LoCAL mechanism in the prospective country by:

- Engaging key stakeholders, including national and subnational government institutions, and development partners
- Collecting and analysing the information/data needed for design of LoCAL Phase I
- Defining the elements of design of the LoCAL mechanism (e.g. flow of funds, grant allocation

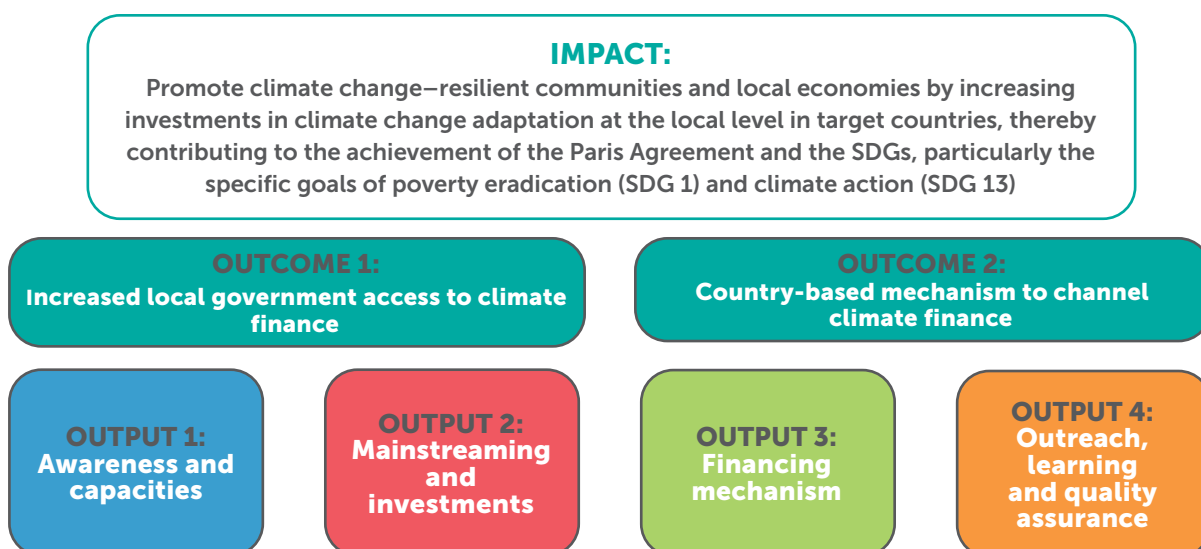
LoCAL Results and Resource Framework

For its second period of global expansion (2019–2022), a streamlined Results and Resource Framework was put in place to guide LoCAL operations. The key components of this framework are illustrated in Figure 1.6 and described below.

- **LoCAL impact.** Promote climate change–resilient communities and local economies by increasing investments in climate change adaptation at the local level in target countries, thereby contributing to the achievement of the Paris Agreement and the SDGs, particularly the specific goals of poverty eradication (SDG 1) and climate action (SDG 13).
- **Outcomes:**
 - Increased local government access to (international) climate finance to implement climate change adaptation investments in target countries.
 - Establishment of a standard and internationally recognized country-based mechanism to channel climate finance and increase local resilience through PBCRGs.
- **Output 1: Awareness and capacities.** Awareness and capacities to respond to climate change adaptation at the local level are increased.
- **Output 2: Mainstreaming and investments.** Climate change adaptation is mainstreamed into government planning and budgeting systems, and investments are implemented in line with the PBCRG mechanism.
- **Output 3: Financing mechanism.** The PBCRG system is effectively and sustainably established in participating countries and leads to an increased amount of climate change adaptation finance available to the local government and local economy.
- **Output 4: Outreach, learning and quality assurance.** The effective role of local authorities and of the PBCRGs in addressing climate change is increasingly recognized at the international level through outreach, learning and quality assurance.

The next section of this report presents highlights of LoCAL achievements and progress made over the 2019–2022 period.

Figure 1.6: LoCAL Results and Resource Framework





summary of achievements

Since the commencement of its second phase of global expansion in 2019, LoCAL has successfully moved forward with a series of actions at the global level and across its 34 countries aimed at establishing the vision set by its Board members as a

Standard and internationally recognized country-based mechanism for the Least Developed Countries (LDCs) and other Vulnerable Countries in particular Small Island Developing States (SIDs) and African nations that is uniquely positioned to assess local needs, build subnational and local government capacity, reach grassroots communities to promote green and resilient communities and local economies.

This section details LoCAL accomplishments by output and indicator (Figure 2.1). Table 2.5, at the end of the section, presents an at-a-glance status of progress to December 2022 against its targets. The most notable achievements follow.

- As of December 2022, **LoCAL was deployed in 17 countries** across Africa, Asia and the Pacific: [Bangladesh](#), [Benin](#), [Bhutan](#), [Burkina Faso](#), [Cambodia](#), [The Gambia](#), [Ghana](#), [Lao PDR](#), [Lesotho](#), [Malawi](#), [Mali](#), [Mozambique](#), [Nepal](#), [Niger](#), [Tanzania](#), [Tuvalu](#) and [Uganda](#). Another 17 countries—[Côte d'Ivoire](#), [Equatorial Guinea](#), [Fiji](#), [Guinea](#), [Guinea-Bissau](#), [Jamaica](#), [Liberia](#), [Madagascar](#), [São Tomé and Príncipe](#), [Senegal](#), [Solomon Islands](#), [Somalia](#), [South Sudan](#), [Sudan](#), [Tunisia](#), [Vanuatu](#) and [Zambia](#)—

had submitted official requests to deploy LoCAL and/or are undergoing scoping/design exercises to inform resource mobilization and launch of Phase I. [Equatorial Guinea](#), [Guinea-Bissau](#), [Madagascar](#) and [South Sudan](#) are the most recent countries to officially express an interest in deploying LoCAL in 2022.

- LoCAL has overall **engaged with 350 local governments across its portfolio since 2014**, reaching an indirect beneficiary population of over 16.27 million. Over 2019–2022, LoCAL has expanded assistance to 259 new local governments. Overall, this represents a 12-fold increase over 2014, when LoCAL was engaged in just 29 local governments in seven countries.
- Over 2019–2022, LoCAL **mobilized \$107.57 million in funding and delivered \$64.70 million** in the form of grants, and capacity-building and operational support at the national and subnational levels. Since its inception, LoCAL has mobilized a total of \$155.94 million, including \$27.82 million (approximately 18 percent) in parallel funding—delivering in total \$81.81 million to participating countries and local governments.
- LoCAL has **expanded to new countries and increased its global outreach**, especially across Africa. Since 2019, [Burkina Faso](#), [Malawi](#), [Tanzania](#) and [Uganda](#) have launched their pilot phases to channel resources to climate-vulnerable local governments for

Figure 2.1: LoCAL outputs and indicators

Output

Indicators

1

Awareness and capacities to respond to climate change adaptation are increased at the local level

- 1.1** Number of targeted local authorities that regularly collect, update and analyse climate change information
- 1.2** Amount of capacity-building grants delivered to participating countries
- 1.3** Number of national and local authorities' officials and community representatives that participated in awareness and capacity-building activities (disaggregated by sex and subject area)
- 1.4** Number and percentage of participating local authorities meeting the minimum conditions without need for corrective action

2

Climate change adaptation is mainstreamed into government's planning and budgeting systems, and investments are implemented in line with the PBCRG mechanism

- 2.1** Number of targeted local authorities that have integrated climate change adaptation into their local planning and budgeting processes
- 2.2** Number and value of climate interventions and investments financed through the PBCRG mechanism (disaggregated by type—capacity building/equipment/infrastructure and ecosystem-based, sector and ecosystem)
- 2.3** Percentage of local authorities that are promoting community-based governance in one or more domains of planning, contracting, monitoring and management for PBCRG investments
- 2.4** Percentage of PBCRG investments and interventions explicitly targeting women

3

The PBCRG system is effectively and sustainably established in participating countries and leads to an increased amount of climate change adaptation finance available to local government and local economy

- 3.1** Amount of PBCRG delivered to participating local authorities
- 3.2** Number and average increase of local authorities actively using the PBCRG system in participating countries
- 3.3** Volume of domestic resources channelled through and/or leveraged by UNCDF-designed PBCRG mechanism (disaggregated by source)
- 3.4** Evidence of the institutionalization of the PBCRG system in participating countries through policy, regulatory or institutional reforms

4

The effective role of local authorities and of the PBCRGs in addressing climate change is increasingly recognized at the international level, through outreach, learning and quality assurance

- 4.1** Number of high-level initiatives referencing UNCDF LoCAL experience
- 4.2** Evidence of use of PBCRG/LoCAL knowledge and communication products by the climate and development international community

locally led climate action. **Burkina Faso** kicked off PBCRG deployment in three communes in the course of 2022, while **Malawi** and **Uganda** have prepared to start their pilots with two and four vulnerable districts, respectively. In **Tanzania**, a memorandum of understanding for the launch of a LoCAL pilot with three local governments was signed on the government’s behalf by the President’s Office—Regional Administration and Local Government (PO-RALG) and the Ministry of Finance and Planning.

- **Countries scaled up PBCRG uptake.** Since 2019, three countries have transitioned to Phase I (**Burkina Faso**, **Malawi** and **Uganda**), and another three have graduated from Phase I to Phase II (**The Gambia**, **Ghana** and **Niger**). **Cambodia** transitioned to Phase III in 2019. **Lesotho** is preparing to transition to Phase II in 2023 as a new partnership is established with GIZ (Deutsche Gesellschaft für Internationale

Zusammenarbeit). **Mozambique** (Box 2.1) is transitioning to Phase III with additional districts to be added under LoCAL and an overall budget of approximately \$50 million mobilized from multiple funding sources.

- Between 2019 and 2022, **1,469 climate change adaptation interventions were financed across 10 countries** using the PBCRGs. This brings the number of climate change adaptation interventions delivered by LoCAL since 2014 to 2,103, reaching almost 4.7 million direct beneficiaries.
- To help shape the climate finance system in favour of subnational actors—and especially local authorities—LoCAL has been **supporting member countries in pursuing accreditation efforts** of national implementing entities. To date, three institutions dealing with local government finance have been accredited to the Green Climate Fund (GCF), with LoCAL support and know-how. LoCAL also

Box 2.1: Local governments and communities in the lead in Mozambique

LoCAL’s development methodology channels funds directly to the local level, while providing incentives for local governments to incorporate climate adaptation thinking into day-to-day planning and investments. This **inclusive and participatory approach** has been central to LoCAL implementation in all districts in Mozambique—both in deciding on climate-resilient investments, as well as in integrating climate change adaptation into planning and budgeting instruments and documentation.

Through the inclusion of community experiences and knowledge via participation in the regular sessions of local consultative councils, **local governments listen to the voices and needs of communities** regarding investments that are resilient to rapid changes in climate and local adaptation plans.



Residents of Cupo community celebrate the inauguration of a new health centre built through LoCAL. Milton Zango, © UNCDF Mozambique

“LoCAL serves as an example of **how to proceed with the country’s sustainable development** in a way that is adapted to climate change. It is a national good practice example that we should be proud of,” noted Jadwiga Massinga, National Director for Climate Change at the Ministry of Land and Environment, Mozambique.

has been developing a GCF and Adaptation Fund pipeline of proposals (of approximately \$180 million) destined for local adaptation finance to further enable LoCAL expansion in existing and candidate LoCAL countries.

- Since 2019, **LoCAL has gained increasing global recognition** as a vehicle to promote local climate resilience and deploy decentralized climate finance. In 2019, LoCAL’s publication Financing Local Adaptation to Climate Change: Experience with Performance-Based Climate Resilience Grants was endorsed by the Least Developed Countries Expert Group to UNFCCC as supplementary material to its National Adaptation Plan Technical Guidelines. This milestone paved the way for continued and strong engagement of LoCAL with UNFCCC and its constituting bodies.
- As an active observer in the Standing Committee on Finance, the Adaptation Committee and the Least Developed Countries Expert Group, **LoCAL has been featured and referenced in a number of UNFCCC reports**. For example, LoCAL was referenced in the Standing Committee’s Biannual Assessment and Overview of Climate Finance Flows as well as in the 53rd Subsidiary Body for Implementation’s Report of the Stocktaking Meeting of the Least Developed Countries Expert Group.
- From 2020 through 2022, LoCAL participated in highlighting the **Principles for Locally Led Adaptation** developed by the Global Center on Adaptation, the International Institute for Environment and Development and the World Resources Institute (WRI). To date, more than 50 governments and leading institutions have endorsed the eight principles, with LoCAL among the first to endorse them at their



LoCAL considerably enhanced its visibility at COP27, hosting a number of side events in the Locally Led Adaptation Pavilion. Sarah Harris, © UNCDF-LoCAL

launch at the Climate Adaptation Summit 2021.

- Further recognition of LoCAL is cited in the LDC-led Doha Programme of Action, which was adopted during the LDC5 Conference in Doha in March 2022. The programme recognizes the importance of resilience building in developing countries and identifies LoCAL as a vehicle for supporting implementation of countries’ adaptation to climate change. LoCAL has been active in 27 LDCs and has set a target to be in at least two-thirds of LDCs by 2025 to further support implementation of the Doha Programme.
- In 2022, high-level representatives and ministers of the environment from countries deploying LoCAL agreed on a ministerial declaration focusing attention on the need for more finance and international action on local adaptation to climate change in the world’s most affected countries. The **declaration highlights the potential of LoCAL as a mechanism for effective climate finance delivery** for locally led adaptation. The LoCAL Ministerial Declaration was officially launched in September 2022, calling for a commitment

from UNCDF and partners to grow into a \$500 million Facility by 2027.

- Encouraged by expectations raised following the 26th United Nations Climate Change Conference (COP26) of **LoCAL being officially recognized as a non-market mechanism (NMA)** under Article 6.8 of the Paris Agreement, [Cambodia](#), [Côte d'Ivoire](#) and [The Gambia](#), among other entities, made submissions to the UNFCCC Secretariat for LoCAL's recognition as an existing NMA. Such recognition could unlock significant additional climate finance for adaptation to the impacts of climate change at the local level.
- Culminating a process initiated in 2019, the **ISO issued a new standard**, 14093: Mechanism for financing local adaptation to climate change—performance-based climate resilience grants, based on LoCAL as an established country-based mechanism to increase local government access to climate finance for adaptation. This step further cements LoCAL's position as an internationally recognized and standard approach to climate finance delivery for action and results at the local level.
- Between 2019 and 2022, LoCAL secured a **number of new technical and financial partners**. New European Union (EU) member states joined the EU and the Swedish International Development Cooperation Agency (Sida) in supporting LoCAL through global and country-earmarked funding. These include [Belgium](#), [Denmark](#), [Italy](#), [Luxembourg](#), [Norway](#) and [Switzerland](#). Overall funding from EU member states increased to approximately 80 percent of total resources mobilized since 2014. Other LoCAL collaborations include with the African Development Bank (AfDB), through the Africa Climate Change Fund, in [Benin](#) and [Lesotho](#); and with GIZ in [Lesotho](#) on an Integrated Water Catchment Programme. A similar engagement is being pursued in [Pakistan](#), where the PBCRG will be piloted in the Khyber Pakhtunkhwa province under the GIZ Strengthening Climate Adaptation and Resilience Project in Pakistan.
- Through supporting countries in meeting the objectives of other climate and environment international conventions and frameworks—such as the Sendai Framework for Disaster Risk Reduction, the Rio conventions on biodiversity, climate change and desertification, and the climate-related SDGs—LoCAL has begun to build a closer relationship with the United Nations Office for Disaster Risk Reduction on the **climate change adaptation-disaster risk reduction nexus**, while exploring new approaches towards leveraging the PBCRG and its tools for a greater adoption of nature-based solutions throughout its portfolio.

LoCAL impact

Participating countries and beneficiaries

LoCAL saw its number of local government authorities soar from 29 in 7 countries in 2014 to **350 in 17 countries as of end of 2022**—a 12-fold increase over eight years in the number of local government authorities engaged. Since 2019, LoCAL has expanded assistance to 259 new local governments, considerably increasing its deployment capacity. Since inception, LoCAL has reached an overall indirect beneficiary population of over 16.27 million. Table 2.1 gives the total populations of local governments supported by LoCAL.

Seventeen additional countries are undertaking LoCAL scoping/design exercises. Efforts with the respective governments are ongoing to explore patterns of collaboration and financing opportunities. These countries are [Côte d'Ivoire](#), [Equatorial Guinea](#), [Fiji](#), [Guinea](#), [Guinea-Bissau](#), [Jamaica](#), [Liberia](#), [Madagascar](#), [São Tomé and Príncipe](#), [Senegal](#), [Solomon Islands](#), [Somalia](#), [South Sudan](#), [Sudan](#), [Tunisia](#), [Vanuatu](#) and [Zambia](#). Early in 2022, [Equatorial Guinea](#), [Guinea-Bissau](#), [Madagascar](#) and [South Sudan](#) became the latest countries to officially express interest in deploying LoCAL, bringing the total number of LoCAL countries to 34.

Table 2.1: Populations of local governments supported by LoCAL, 2014–2022

Country	Population
Bangladesh	1,864,412
Benin	860,586
Bhutan	206,288
Burkina Faso	296,971
Cambodia	3,598,558
Gambia, The	301,367
Ghana	1,202,573
Lao PDR	509,990
Lesotho	165,590
Malawi	1,268,891
Mali	107,541
Mozambique	3,080,417
Nepal	137,435
Niger	514,057
Tanzania	846,281
Tuvalu	1,642
Uganda	1,307,533
Total	16,270,132

14

The LoCAL projects in these countries are, as noted in section 1, at different phases of maturity. LoCAL has supported pilots (Phase I) in 10 countries, consolidation (Phase II) in six countries, and scale-up (Phase III) in two

countries. Between 2019 and 2022, three new countries have transitioned to Phase I ([Burkina Faso](#), [Malawi](#) and [Uganda](#)) and three others have graduated from Phase I to Phase II ([The Gambia](#), [Ghana](#) and [Niger](#)). [Cambodia](#) transitioned to Phase III in 2019.

Resource mobilization and delivery

LoCAL had mobilized \$155.94 million in direct and parallel funding as of December 2022. Parallel funding over the 2014–2022 period stands at \$27.82 million, or 18 percent. During its second period of global expansion, LoCAL boosted resource mobilization efforts with roughly \$107.57 million raised by multiple partners.

Between 2019 and 2022, LoCAL delivered **\$64.70 million to participating countries and local governments** in the form of grants, capacity-building and operational support at the national and subnational levels (Figure 2.2). Cumulative total delivery (2014–2022) was \$81.81 million (Table 2.2).

Between 2019 and 2022, in terms of delivery by output (Figure 2.3), **58 percent, or \$37.23 million, was disbursed for Output 2 (mainstreaming and investments)**; this was primarily for local climate change adaptation investments and climate change adaptation mainstreaming into local public

Figure 2.2: LoCAL annual delivery 2014–2022 (\$)

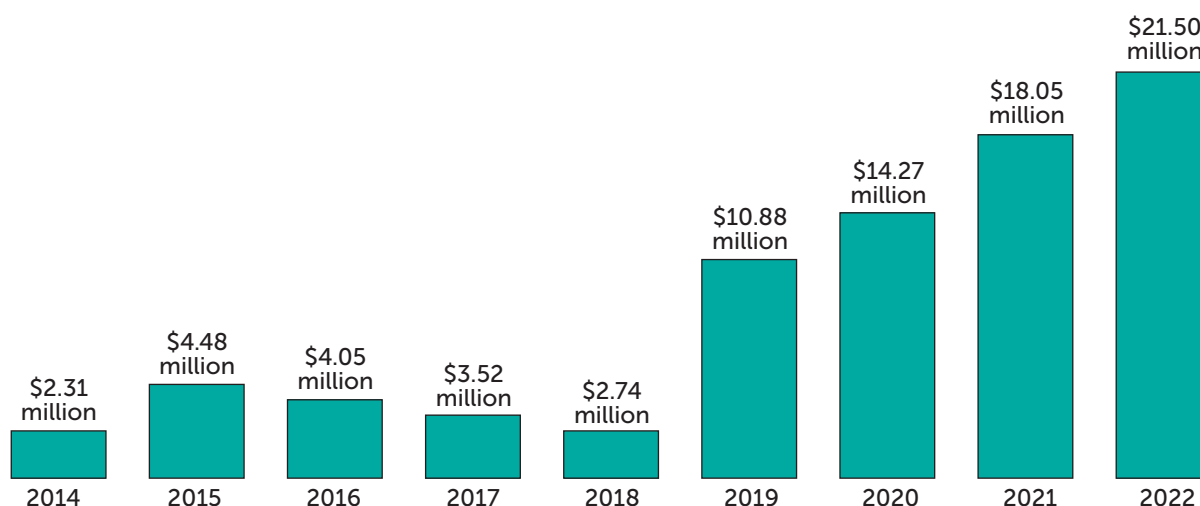
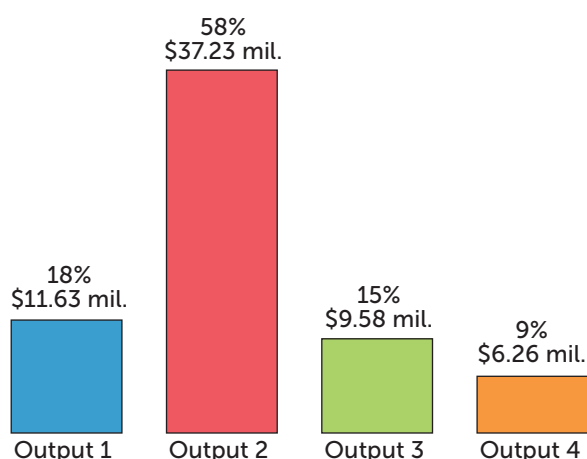


Table 2.2: LoCAL cumulative delivery 2014–2022 (\$)

Country	2014–2021	2022	Total
Bangladesh	11,462,892	1,983,100	13,445,991
Benin	1,307,968	135,056	1,443,024
Bhutan	1,136,933	180,634	1,317,567
Burkina Faso	243,036	18,622	261,658
Cambodia	3,903,121	143,278	4,046,399
Chad	18,200	0	18,200
Côte d'Ivoire	42,739	18,657	61,395
Egypt	0	25,800	25,800
Fiji	10,398	0	10,398
Gambia, The	6,260,688	3,264,746	9,525,434
Ghana	2,796,165	1,549,470	4,345,635
Guinea	10,466	28,617	39,082
Guinea Bissau	0	7,944	7,944
Jamaica	31,850	21,761	53,611
Lao PDR	2,081,016	42,598	2,123,614
Lesotho	373,191	110,096	483,287
Liberia	26,119	18,079	44,198
Madagascar	0	35,643	35,643
Malawi	165,003	445,122	610,125
Mali	1,545,304	256,392	1,801,695
Mozambique	14,233,842	7,750,620	21,984,462
Nepal	479,499	43,295	522,794
Niger	2,347,161	148,988	2,496,149
Pakistan	27,600	30,400	58,000
Palestine	14,450	0	14,450
Peru	37,593	0	37,593
Rwanda	14,850	0	14,850
São Tomé and Príncipe	155,251	51,099	206,350
Senegal	64,713	52,101	116,814
Solomon Islands	52,839	606,257	659,096
Somalia	0	32,546	32,546
South Sudan	0	813	813
Sudan	19,850	0	19,850
Tanzania	485,087	231,824	716,912
Tunisia	13,101	72,381	85,482
Tuvalu	754,469	51,546	806,015
Uganda	142,598	1,118,931	1,261,529
Vanuatu	30,650	0	30,650
Zambia	0	10,878	10,878
West Africa	165,465	12,073	177,539
Asia	16,800	8,000	24,800
Pacific	98,838	4,266	103,105
Global Secretariat	6,199,101	1,472,307	7,671,408
Evaluation Unit	0	109,419	109,419
GMS (indirect cost)	3,540,521	1,403,842	4,944,363
Total	60,309,363	21,497,200	81,806,563

Figure 2.3: LoCAL delivery by output, 2014–2022



plans. Eighteen percent, or \$11.63 million, was disbursed for Output 1 (awareness and capacities) as capacity-building support and technical and operational assistance to national and local governments and communities. Output 3 (financing mechanism) received 15 percent, or \$9.58 million, generally for activities supporting the deployment, institutionalization and consolidation of the PBCRG system in countries; this includes undertaking annual performance assessments and supporting access to climate finance. Finally, 9 percent, or \$6.26 million, was disbursed to Output 4 (outreach, learning and quality assurance); this includes \$4.22 million for the project office, monitoring and evaluation, learning and communications.

Table 2.3 and Figure 2.4 provide **cumulative totals for LoCAL from all funding sources**.

Over the years, the EU has provided support totalling \$45.48 million to global expansion of the LoCAL portfolio and to selected country initiatives through different funding envelopes, including the Global Climate Change Alliance Plus (GCCA+), the EU Trust Fund for Africa, the Development Cooperation Instrument and the European Development Fund. Sida support has increased over the years and to date totals \$52.37 million, making Sida the largest contributor to LoCAL. The next largest funder as of 2022 was the Belgian Cooperation, with total contributions to country programmes in **Mozambique** and **Uganda** of \$14.66 million. **Denmark** become a

Table 2.3: LoCAL global programme funding sources, 2014–2022 (\$)

Source	Funding
European Union	45,483,667
EU Bangladesh ¹	8,519,843
EU Bhutan ³	7,000,000
EU The Gambia ¹	6,400,000
EU Ghana ¹	6,000,000
EU Mozambique ¹	4,908,674
EU GCCA+I ²	4,904,750
EU GCCA+II	7,750,400
Sida	52,372,609
Sida/Bangladesh ¹	6,172,166
Sida/Booster Fund	7,113,314
Sida/Cambodia ¹	2,288,287
Sida/Last Mile Trust Fund	1,401,252
Sida/Mozambique ¹	32,397,590
Sida/PFIS ¹	3,000,000
Governments' own resources	18,675,968
Bangladesh ³	2,773,294
Benin ³	559,497
Cambodia DMK Fund Investment ³	9,021,184
Cambodia IFAD loan ³	3,960,993
The Gambia	1,350,000
Mali ³	916,000
Senegal	10,000
Uganda	85,000
Other donor partners	32,923,390
AfDB (ACCF Benin & Lesotho)	997,524
Belgian Cooperation ¹	14,664,085
Catalan/Mozambique ¹	530,000
Denmark	7,093,426
GIZ	1,230,000
Government of Andorra	22,213
Government of Liechtenstein	160,000
Italy JPO Programme (in-kind)	460,000
Italy Ministry of Foreign Affairs	150,000
Korean Ministry of Environment	1,000,000
NDC Partnership	572,080
Norway Ministry of Foreign Affairs ¹	1,357,715
SDC/Mozambique ¹	4,686,347
United Nations	6,487,078
One UN/Mali	400,000
One UN/Niger	716,740
UNCDF	1,937,000
UNDP–GEF ³	2,145,000
UNDP Niger	450,000
UNICEF Joint SDG fund (Ghana)	15,000
UNDP Pacific (Fiji)	713,338
UNPPS and UNRCO	110,000
Total	155,942,702

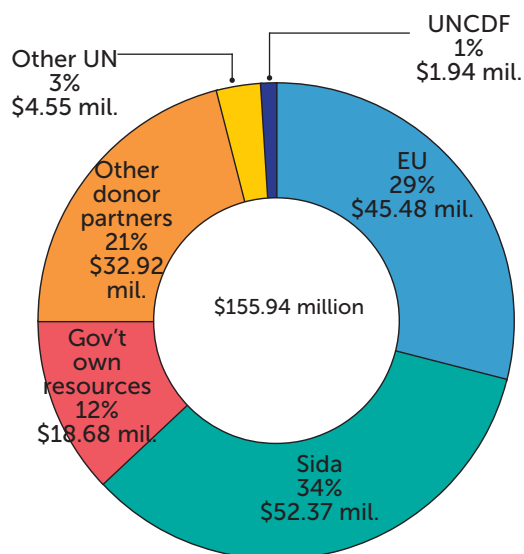
Note: ACCF = Africa Climate Change Fund; DMK = district/municipality/*khan*; GEF = Global Environment Facility; JPO = Junior Professional Officer; PFIS = Partnerships Framework on Inclusive Growth and Sustainable Development; UNDP = United Nations Development Programme.

¹ Direct funding at the country project level under the LoCAL Global Programme document.

² Amount of contribution adjusted to match actual income received in U.S. dollars.

³ Funded through parallel budget.

Figure 2.4: LoCAL delivery by donor/ source, 2014–2022



core contributor of LoCAL-Africa with regional funding amounting to \$7.09 million in 2022.

Other key funders include the Government of **Cambodia**, with \$12.98 million, including a concessional loan from the International Fund for Agricultural Development (IFAD) under the Agriculture Services Programme for Innovation, Resilience and Extension (ASPIRE); the Swiss Agency for Development and Cooperation (SDC) and the Korean Ministry of Environment, with \$4.69 million and \$1.00 million, respectively; AfDB with roughly \$1 million for LoCAL-**Benin** and LoCAL-**Lesotho**; various United Nations (UN) entities; contributions from the LoCAL country governments; the Governments of **Catalan**, **Liechtenstein** and **Andorra**; and UNCDF’s own resources.

Highlights of resource mobilization and new partnerships between 2019 and 2022 include the following.

LoCAL global and/or regional

- Via the GCCA+, the EU approved replenishment of an additional cycle of LoCAL globally for 2019–2022, with resources amounting to about \$7.8 million. This enabled continued support from LoCAL in piloting Phase I countries and in transitioning

countries to Phases II and III, while exploring possible expansion of the mechanism to prospective countries.

- **Denmark** committed its first \$7.09 million to LoCAL Global in 2022. This contribution will continue supporting LoCAL in consolidating and expanding its footprint in Africa. The funding will also incentivize the piloting of new adaptation solutions and approaches leveraging on nature-based solutions, biodiversity and ecosystem conservation.

LoCAL countries

- Belgian Cooperation extended support to LoCAL of approximately \$5.2 million and \$7.5 million, respectively, in **Mozambique** and **Uganda**. Thanks to this support, Mozambique will expand the LoCAL mechanism in the Gaza and Inhambane provinces, with a specific focus on reaching coastal districts and areas. In Uganda, the PBCRG system will be deployed in up to 10 local governments in Western regions, introducing the LoCAL mechanism in the country.
- In **Bangladesh**, Sida and the EU committed to continue supporting the Local Government Initiative on Climate Change (LoGIC) with funding amounting to \$6.20 million for a bridging phase. This will enable channelling of finance for subnational adaptation through the PBCRG system while exploring new grant systems for accrued local climate resilience in support of local enterprises and climate-oriented businesses.
- As the climate becomes a risk multiplier in Sahelian countries, LoCAL has explored collaborations for addressing key concomitant resilience-building concerns at the local level. In **Mali**, with funding from the UN Peacebuilding Fund, LoCAL is contributing to mitigating the risks of inter-communal conflicts over natural resources, and supporting community-based participatory planning of locally led investments that take climate change and environmental risks into account. In **Niger**, LoCAL has partnered with

the United Nations Development Programme (UNDP), the NDC Partnership, the Italian Fund for Migration and the UN Peacebuilding Fund to channel resources to subnational authorities in conflict-sensitive and migration-prone areas to invest in climate-sensitive sectors and create better livelihood options for local communities.

- AfDB, through the Africa Climate Change Fund, approved approximately \$1 million to **Benin** and **Lesotho** to support scale-up of the LoCAL mechanism to help local governments execute climate-resilient development projects using performance-based grants while exploring the potential for private climate finance mobilization. Implementation started in 2021.
- In **Ghana**, where LoCAL is embedded in the Boosting Green Employment and Enterprise Opportunities in Ghana (GrEEEn) Project, the \$6 million LoCAL budget will benefit 10 metropolitan, municipal and district assemblies (MMDAs) over four years of implementation, with the potential to be scaled up to additional local government authorities. In 2022, the Ministry of Foreign Affairs of Norway committed to top up LoCAL within the framework of GrEEEn Project deployment with an additional \$1.35 million.
- As of this writing, **Lesotho** is preparing to transition to Phase II in 2023 as a new partnership is established with GIZ under its Integrated Catchment Management Programme, which will consolidate the PBCRG in two current community councils and add six more to increase the amount of climate finance available for water-related infrastructure. **Mozambique** is transitioning to Phase III, with additional districts being added in old and new provinces under LoCAL. An overall budget of approximately \$50 million has been mobilized to date from multiple funding sources (Sida, the SDC, the EU, **Belgium**).

Parallel funding

- In **Cambodia**, LoCAL Phase III was initiated through the government's DMK Fund and IFAD via a concessional loan to the government. In 2020, such parallel funding allowed Cambodia to continue deploying PBCRGs in 32 districts in eight provinces.
- With EU budget support, the Government of **Bhutan** committed \$7 million in support of LoCAL national scale-up, allowing the country to replicate the PBCRG system in 100 *gewogs* out of a total of 205 through 2018 and 2021. **Bhutan** was the first country to mature to Phase III.

Direct access and enhanced direct access to international climate finance

LoCAL supports national partners in unlocking resources that will ensure efforts are sustained through a sequencing of finance. This includes supporting direct access to the GCF and the Adaptation Fund, budget support and other sources of finance. **Direct access to international climate finance remains a challenge for developing countries and subnational authorities and institutions**, as funding is primarily distributed to national governments. To shift this paradigm, LoCAL supports member countries in pursuing accreditation of national implementing entities responsible for managing fiscal transfers and/or supporting local governments or actors, while developing a pipeline of proposals for local adaptation finance by the GCF or the Adaptation Fund to further enable LoCAL expansion.

- As of December 2022, **three national implementing entities engaged with and/or supported by LoCAL received GCF accreditation**. **Benin's** National Fund for Environment and Climate (FNEC, Fonds National pour l'Environnement et le Climat) was the first national implementing entity directly engaged in LoCAL accredited by GCF. Following its accreditation, it submitted



LoCAL-Bangladesh under the LoGIC project targets extremely vulnerable and exposed populations, including through the introduction of income-generating activities. © UNCDF LoGIC

a concept note to the GCF to expand LoCAL to 25 communes over the next five years. **Cambodia's** National Committee for Subnational Democratic Development Secretariat became the first national implementing entity dealing with local governments to receive GCF accreditation. The secretariat will use this accreditation to directly access and channel adaptation finance to local governments using the country's consolidated PBCRG system; a concept note is under review by the GCF. It is also working with LoCAL to fast-track accreditation to the **Adaptation Fund** with an eye to expanding direct access options for subnational adaptation finance. The **Bhutan Trust Fund for Environmental Conservation** was accredited in 2020 with UNCDF support. Shortly thereafter, it reached out to LoCAL for assistance in leveraging GCF direct access to

scale up LoCAL. A concept note was prepared and submitted in early 2022. The **Bhutan National Bank** is also pursuing accreditation to the GCF with LoCAL support.

- LoCAL has been supporting the accreditation efforts of national implementing entities in **Mali** (the Local Authorities National Investment Agency, ANICT), **Niger** (the National Agency for Local Authority Funding, ANFICT) and **Tanzania** (PO-RALG). All these institutions have long-term relationships with UNCDF and view LoCAL and the PBCRG system as a recognized standard to help them succeed in their accreditation process.
- **Regional efforts** were pursued in West Africa as **Burkina Faso**, **Côte d'Ivoire**, **Mali** and **Niger** continued to work with LoCAL and the West African Development Bank (BOAD, Banque Ouest Africaine de Développement). In 2021,

an upgraded regional GCF funding proposal was submitted to mobilize climate finance for the deployment and consolidation of the LoCAL PBCRG system in these countries. LoCAL partnered with the Pacific Community to submit a concept note for a multi-country programme benefiting four Pacific SIDS—[Fiji](#), [Solomon Islands](#), [Tuvalu](#) and [Vanuatu](#). The concept note was submitted to and approved by the GCF Secretariat in 2021.

- Candidate countries are **exploring how to leverage the GCF Readiness Programme** to deploy LoCAL Phase I and prove the concept in view of a subsequent LoCAL scale-up through GCF direct access or other funding sources. This is the case for [Jamaica](#), the first LoCAL Caribbean country. Jamaica submitted a readiness proposal in 2022 to undertake LoCAL preparatory work and launch a first pilot to be led by the Climate Change Division of the Ministry of Housing, Urban Renewal, Environment and Climate Change and the Ministry of Local Government and Rural Development. The readiness proposal addresses the subnational dimension of the NAP process by strengthening the capacity of local governments to ensure vertical integration with Jamaica’s overarching NAP process and

establish climate-resilient communities and local economies, as well as strengthen the link between the Paris Agreement and the Sendai Framework on Disaster Risk Reduction at the subnational level.

Readiness envelopes in support of LoCAL consolidation and scale-up were also sought in [Niger](#), to boost accreditation work with its candidate national implementing entity; and in [Cambodia](#), to strengthen capacities and (infra)national architecture for subnational adaptation finance.

- Since 2019, LoCAL has been supporting member countries to **directly access GCF funding**, for a pipeline of approximately \$165 million. Most of the proposals are positioned in the Enhancing Direct Access (EDA) window, which seeks to enable regional and national accredited entities to establish country-based mechanisms involving a stronger devolution of decision-making to local actors, including local authorities. A pipeline of approximately \$15 million is being developed for **direct access to the Adaptation Fund**, with [Bhutan](#) and [Tanzania](#) laying the groundwork for efforts to be pursued in 2023.



output 1

Awareness and capacities

Sensitization and capacity building for effective local climate governance

Under LoCAL, national and local governments receive support to increase awareness and build capacities to assess, plan and effectively respond to climate change through appropriate adaptation actions. Capacity-building support—in the form of trainings and institutional strengthening—covers all aspects encompassing effective local decision-making processes for risk-informed planning, budgeting and implementation of adaptation options that respond to locally identified needs. **Sensitization of communities on climate change issues and risks encourages participatory approaches** to resilience building and reinforces bottom-up responses for locally led adaptation.

Between 2019 and 2022, **23,148 national and local authority officials and community representatives participated in capacity-building activities** on climate change adaptation data usage, planning and budgeting, investment management and public financial management with LoCAL support. Of these participants, 6,087 were women. Highlights from 2022 implementation follow.

- In **Benin**, following a government request to **build the capacities of key actors on climate change mainstreaming**, LoCAL delivered a training workshop to the Interministerial Steering Committee for the National Decentralization and Deconcentration Policy. The training workshop focused on three main topics: (i) the relevance and challenges of the climate change law in Benin, (ii) the principles of the national climate change management policy and (iii) an overview of LoCAL as a mechanism to verticalize national climate change objectives to the local level. A training
- of trainers with a complementary scope was held in partnership with the Local Authorities Training Center to benefit 16 national trainers. The three-day training focused on the LoCAL mechanism and the **Assessing Climate Change Adaptation Framework (ACCAF)** as practical tools to support the mainstreaming of adaptation considerations within local planning processes, while strengthening adult training techniques for successful delivery of capacity-building services to local governments.
- In **Burkina Faso**, trainings were organized to benefit the three pilot communes with support from the Permanent Secretariat for the National Council for Sustainable Development to **support the processes of identifying adaptation investments** for PBCRG financing during fiscal year 2023. The workshop focused on (i) understanding key concepts of climate change, (ii) integrating climate change into local planning and budgeting and (iii) adaptation investment prioritization and programming. The training leveraged existing climate change training modules, while integrating tools made available by LoCAL (e.g., ACCAF). A total of 42 people took part in the training.
- In **The Gambia**, thanks to a partnership between UNCDF and the Department of Community Development, sensitization, training and capacity building at the ward level has taken place on a regular basis. LoCAL-The Gambia continued to undertake a series of **capacity-building activities on public financial management** as well as on the functioning of the LoCAL mechanism and its PBCRG system. Sixty-eight extension workers from across the 32 wards have been sensitized through train-the-trainer sessions held across the Central River region (north),

the Lower River region and the North Bank region.

- In **Lesotho**, the Ministry of Local Government and Chieftainship, in collaboration with the National Climate Change Committee and Lesotho Meteorological Services, undertook **climate change training for community councils** (Khoelenya, Lithipeng, Qhoasing, Senqunyane) in Mohale's Hoek district with a total of 115 participants (51 female and 64 male). The main objective of the training was to build communities' awareness of climate change, including the expected impacts of climate change on livelihoods and the need to adapt. The training covered basic climate change science, climate change scenarios, impacts, risk and vulnerability assessment, community-level vulnerabilities, and adaptation needs.
- In **Mozambique**, a series of district-level workshops were held in the provinces of Gaza, Inhambane, Nampule and Niassa. These capacity-building activities targeted **local government staff, civil society, community leaders, and interest groups** such as women, the elderly, and youth. The activities were intended to raise awareness about climate change; promote a participatory approach to project identification, selection and prioritization among community members;

and change behaviours towards the environment in fulfilment of the SDGs at the community level. Trainings covered (i) project identification prioritization, integrating a gender and inclusiveness perspective; (ii) interpretation and broadcasting of data generated from meteorological stations; (iii) integration of climate change adaptation and resilience into local development plans, including monitoring and evaluation tools; (iv) infrastructure project design, contractor hiring and contract management. A total of 9,418 people across 24 districts benefited from the training.

- In **Niger**, 55 representatives from local governments and deconcentrated state services were trained in **climate change adaptation mainstreaming**—a collaboration with the National Council for the Environment and Sustainable Development, LoCAL's implementing partner in the country. The training aimed to (i) improve the knowledge of targeted local government administrations on the causes and consequences of climate change; (ii) strengthen their capacities to best respond to climate change and its impacts through adaptation action and sustainable development; and (iii) promote the integration of climate change considerations into plans and budgets and investment implementation, in line with the LoCAL mechanism.



LoCAL-Lesotho organized a two-day refresher training workshop in April 2022 with the Ministry of Local Government and Chieftainship; public financial management was one of the key topics on the agenda. Mabohlokoa Taum, © UNCDF-Lesotho

Efforts to **directly engage local communities and sensitize on climate change and local resilience** were also undertaken. A few examples from the field follow.

- In **The Gambia**, communities are systematically involved in the realization of climate change adaptation interventions through cash-for-work schemes (Box 2.2). All 32 ward development committees have successfully begun implementation of cash-for-work activities and created 5,086 full-time-

equivalent short-term jobs so far, mainly for women and youth. About 76 percent of these jobs were taken by youths between the ages 18 and 35. The cash-for-work beneficiaries have acquired new skills in various domains related to **climate-smart agriculture, market gardening and husbandry**. Similarly in **Ghana**, cash-for-work schemes combined with **life skills training** and access to finance support have created 426 full-time-equivalent short-term jobs in its first cycle.

Box 2.2: Addressing water issues through climate resilience in The Gambia

Nyanagbanta ward lies on the fringes of the Sahara Desert in central Gambia, a region beset by rising temperatures and erratic yet diminishing rainfall. Pastoral farmers are increasingly struggling to keep their animals alive, so when an adaptation grant became available through LoCAL, the community decided to **focus on constructing new climate-resilient water infrastructure**. Following community consultations, led by the Ward Development Committee, a menu of eligible investments was drafted in line with the LoCAL PBCRG approach; actions eligible for funding included climate-proofed water projects, drought management and flood protection. The labour for the work is provided by the villagers themselves, using a cash-for-work system.



Khady Sowe and Mariama Bah with a goat bought with income from LoCAL cash-for-work activities. © JSF Programme team

“Once the land was selected for the project, construction of a large water storage tank was built through the cash-for-work beneficiaries to ensure availability of water for both human and animal consumption,” said Khady Sowe, who sits on the Ward Development Committee.

“The ward was content because people were benefiting from the project by earning monthly savings and saving hours of waiting in line for the well that we had before.”

LoCAL–The Gambia is being rolled out as part of the Jobs, Skills and Finance for Women and Youth in The Gambia, with funding from the European Union. The JSF Programme takes a **whole-of-society approach to climate-resilient development**, incorporating skills training, job creation and inclusive finance with a focus on the needs of women and youth. Besides investments in water supply and management, some communities are focusing on agroforestry, agro-processing, improved energy efficiency or climate-smart agriculture, depending on locally identified needs.



Community members in Copargo, Benin, with solar panels to power farmers; irrigation systems. Sarah Harris, © UNCDF-LoCAL

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Between 2019 and 2022, LoCAL delivered **\$8.91 million in capacity-building and institutional-strengthening grants**. Cumulative grants for this purpose awarded between 2014 and 2022 total \$9.34 million.

Capacity-building support has covered public financial management, adaptation budgeting and planning, adaptation monitoring and evaluation, and gender mainstreaming. This support has been critical in **helping local governments meet minimum conditions and improve their performance** under the PBCRG system. As of 2022, 69 percent of the local governments actively using the PBCRG system have met the minimum conditions without the need of corrective measures. Over the second period of global expansion, there has been a positive trend in performance (with 75 percent meeting minimum conditions in 2019 and 87 percent in 2020), with a drop in 2021 (mostly due to the impact of the COVID-19 pandemic on normal functioning of local governments, with a decrease to 63 percent) and improvements again starting from 2022.

Delivering climate data and services

Science-based evidence of climate change risks to support risk-informed planning is often lacking at the local level and in LDCs, making **access to actionable climate information a challenge**. In response, LoCAL has established technical partnerships to design and develop tailor-made, country-based methodologies and systems to support the collection and analysis of climate data for local-level decision-making, while testing options to help national and subnational governments estimate the benefits and costs of potential adaptation options, based on climate scenarios and available projections.

- In **Ghana**, during its pilot phase, LoCAL performed a **country-wide climate risk assessment** to identify climate risk maps both at the MMDA level and for prioritized sectors (agriculture, health and water). This work served as foundational in establishing a local-based information system for climate change adaptation. The **Local Information System**

for Adaptation (LISA) platform is currently almost fully configured and equipped with key climate and vulnerability-related data sets that cover, among others, precipitation, temperature, humidity, sunshine, wind velocity and disasters (e.g., flood-sensitive areas), as well as crops, waterbodies, soil, vegetation, pests, livestock, REDD+, tree cover, biomass, carbon dioxide emissions, wetlands, infrastructure data and land use data (Box 2.3). A similar LISA platform is being

rolled out in **The Gambia**; these prototypes will inform future deployments in other countries.

- In **Niger**, following the finalization of a **climate risk assessment focusing on climate change impacts on food security**, LoCAL undertook an integrated cost-benefit analysis of prioritized adaptation options in line with priority interventions identified in the assessment and national-level adaptation objectives. This will ultimately support national and subnational stakeholders in closing the loop for risk-informed and effective decision-making in adaptation planning. A similar exercise was undertaken in **Bangladesh**. Here, in order to evaluate the overall benefits and assess the perception of climate change adaptation realization, a cost-benefit analysis study of PBCRG-funded investments was commissioned. Over a sample of most prominent types of adaptation options, the study showed that the estimated overall cost-benefit ratio was positive for all interventions. Cumulatively, distribution of benefits accounted for 62 percent of direct benefits and 38 percent of co-benefits (e.g., in terms of increased incomes as a result of avoided costs). Adaptive water and sanitation solutions and climate-proofing interventions provided the highest cost-benefit ratio based on total benefits.

- **Uganda** has finalized a **climate risk and vulnerability assessment** consisting of (i) a climate downscaling of past and future climate projections at a lower resolution than data available from most climate models; and (ii) a risk and vulnerability analysis exploring climate stressors and the vulnerability causality chain, trends and main drivers (Box 2.4). The report has been widely endorsed by national counterparts; options for its more granular use for the benefit of local governments is under discussion. The **Uganda** report completes a series of climate risk assessments undertaken in **Burkina Faso** (downscaling), **Mali**, **Niger**, **São Tomé and Príncipe**, **Ghana** and **The Gambia** over 2019–2022. In **Burkina**

Box 2.3: Focus on LISA Ghana

The LISA platform supports MMDAs in obtaining relevant climate data relevant for their area of jurisdiction. To strengthen existing government systems, Ghana’s LISA is integrated into the District Development Data Platform web application hosted by the Ministry of Local Government, Decentralization and Rural Development; it will allow stakeholders to **access climate change adaptation and SDG-related data with ease**. The main benefits and functionalities of the LISA are:

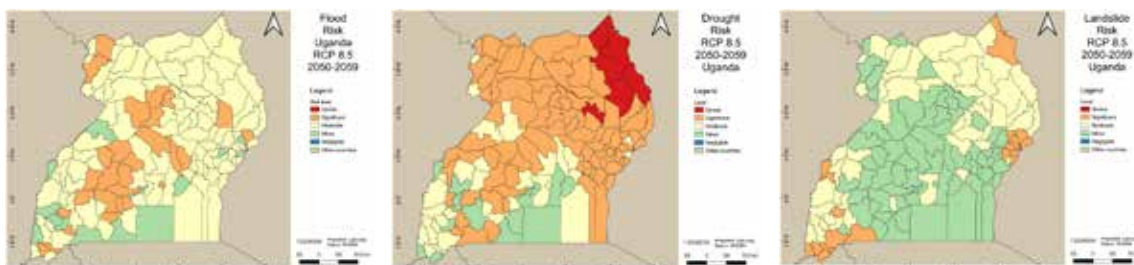
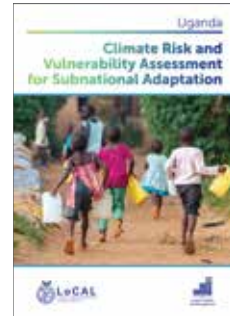
- Display of **real-time weather forecast** and localized climate data data sets
- Display of **localized climate projections** and climate risk hotspots (configuration pending)
- **Climate-related data** (hazards, exposure, vulnerability) analysis, manipulation and visualization for planning
- Adaptation projects and benefits reporting **aligned with the ACCAF methodology**
- Data extrapolation to **support project design and adaptation/climate justification**



Sekyere Afram Plains district temperature map generated through LISA. © UNCDF GrEEn Project

Box 2.4: Focus on Uganda climate risk and vulnerability assessment

The main objective of Uganda's Climate Risk and Vulnerability Assessment for Subnational Adaptation is to provide information about current and future risks and the likely impacts of climate change across the country's districts. The analysis is based on the climate change risk and impact models developed by Working Group III for the [fifth report](#) of the Intergovernmental Panel on Climate Change (IPCC) and the Paris Agreement. **Climate change future projections are defined for 10-year-average time slices and for 2030, 2040 and 2050 future time horizons**, based on two IPCC greenhouse gas emissions representative concentration pathway (RCP) scenarios—an intermediate one and the most unfavourable one (RCP 4.5 and RCP 8.5, respectively). District-level exposure and vulnerability data (sensitivity and adaptive capacity) were collected in line with key performance parameters (for vulnerability-related indicators): governance, knowledge and innovation, equity and social cohesion, ecosystem integrity and carbon neutrality. Hazards, exposure and vulnerability were combined and **district risk levels established and plotted in country-wide risk maps**. This means that **district-level landslide, flood and drought risk maps (current and projected) are now available** for the districts so as to anticipate possible impacts and plan for adequate adaptation responses.



Flood, drought and landslide risk projections for 2050–2059 mapped across Uganda's districts.

Faso, a series of online methodological deep dives were also undertaken with the University of Ouagadougou and the National Meteorological Agency (ANAM) to expose 14 researchers and practitioners to downscaling techniques and climate modelling practices as part of the knowledge transfer component of this assignment.

The LoCAL-supported combination of tailored technical assistance to produce and make quality science-based climate data and information

readily available is bridging the data gap issue at the local level. Capacity-building support and learning by doing in managing these tools and using them for local adaptation planning are further bridging the capacity gap. As of December 2022, **265 local governments engaged with LoCAL regularly collect, update and analyse climate change information**. This represents 95 percent of local governments actively participating in LoCAL. LoCAL continually seeks to improve the quality and effectiveness of that work.

output 2

Mainstreaming and investments

Integration of climate change adaptation into local planning and budgeting processes

Climate change adaptation mainstreaming into local development plans is aimed at enhancing subnational programming of resources towards more resilient and sustainable development pathways and strategies. As of December 2022, **266 local governments have integrated climate change considerations into their local planning and budgeting processes** (Table 2.4). **Burkina Faso, Malawi** and **Uganda**—the latest pilots launched in 2022—have started engaging local governments in the review of their midterm local development plans using an adaptation lens and/or in the development of adaptation-focused annual investment plans.

Four countries—**Cambodia, Lao PDR, Nepal** and **Tuvalu**—are transitioning between phases and thus have not deployed PBCRGs over their last two budgetary cycles. This gap in deployment lowers the number of actively participating local governments to 279 as of 2022.

Adaptation and resilience interventions and measures

Between 2019 and 2022, LoCAL financed 1,469 climate change adaptation interventions in 10 countries—**Bangladesh, Benin, Bhutan, Cambodia, The Gambia, Ghana, Lesotho, Mali, Mozambique** and **Niger**—for a total value of approximately \$30.50 million, including about \$12.32 million in co-financing from either national and/or local governments' own resources or in parallel funding. This brought the **cumulative total of small-scale climate-resilient interventions financed by LoCAL since 2014 to 2,103**. Over the same period, approximately 4.70 million people were reported as directly benefiting from

PBCRG-financed investments in target local governments.¹

Over the referenced four years, **81 percent of PBCRG-financed interventions were infrastructure investments** (Figure 2.5). The remaining 13 percent of total investment was dedicated to the provision of equipment and some 5 percent to awareness-raising and capacity-building activities.

By sector, **44 percent of interventions focused on water and sanitation or agriculture** followed by investments in transport and storage (12 percent) and social and rural infrastructure (11 percent each) (Figure 2.6). Recent years have seen an increase in the number of investments focusing on disaster prevention and preparedness and general environmental protection.

The **majority of LoCAL investments have been undertaken in coastal areas** (**Bangladesh** and **Mozambique**), followed by cultivated areas (**Cambodia**), dryland areas (**The Gambia, Mozambique** and **Niger**), inland water ecosystems (**Bangladesh** and **Lesotho**) (Figure 2.7).

The majority of interventions (52 percent) financed were classified as **climate smart** (Figure 2.8) as defined by the ACCAF methodology. These are interventions aimed at development goals, but whose actions need to be modified, changed or adjusted to account for climate change—e.g. climate-proofing of critical infrastructure. Another 37 percent of interventions were classified as **climate strategic**—actions or

¹ As reported by local governments implementing PBCRG investments in 2021; this excludes Cambodia, as its figures were provided in terms of households rather than individuals. Note that these numbers are estimates based on local governments' own assessment of the number of individuals directly benefiting from financed interventions based on the scope, location and type of investment.

Table 2.4: Engagement of local governments in LoCAL as of December 2022

Country	Lead implementing partner	Government level	Participating in LoCAL	Integrating CCA ¹
			Number	
Bangladesh	Ministry of Local Government, Rural Development and Cooperatives, Local Government Division	Union parishad	72	72
Benin	Ministry of Living Environment and Sustainable Development; National Fund for the Environment and Climate, Permanent Secretariat of the Local Finance National Commission	Commune	9	9
Bhutan	Gross National Happiness Commission, Department of Local Governance, National Environment Commission, Bhutan Trust Fund for Environmental Conservation	Dzongkhag/ gewog	100	100
Burkina Faso	Ministry of the Environment, Green Economy and Climate Change, Environment Intervention Fund, Permanent Secretariat of the Green Climate Fund, Local Government Directorate General	Commune	3	0
Cambodia	Ministry of Environment, National Committee for Subnational Democratic Development Secretariat	District/ municipality	n.a.	n.a.
Gambia, The	Ministry of Lands and Regional Governments, Ministry of Finance and Economic Affairs, Ministry of Environment, Climate Change and Natural Resources	Ward development committees	32	32
Ghana	Ministry of Local Government, Decentralization and Rural Development, Ministry of Environment, Science, Technology and Innovation, Environmental Protection Agency	MMDA	13	9
Lao PDR	Ministry of Natural Resources and Environment, Ministry of Home Affairs, Ministry of Finance, Ministry of Planning and Investment	District	n.a.	n.a.
Lesotho	Ministry of Local Government and Chieftainship Affairs, Ministry of Finance, Lesotho Meteorological Services, Ministry of Energy, Meteorology and Water Affairs	Community council	4	4
Malawi	Ministry of Natural Resources and Climate Change, Ministry of Finance, National Local Government Finance and Ministry of Local Government	District	2	0
Mali	Ministry of Environment, Sanitation and Sustainable Development; Ministry of Local Administration and Decentralization, Environment and Sustainable Development Agency	Commune	4	4
Mozambique	Ministry of Economy and Finance, Ministry of Land, Environment and Rural Development	District	24	24
Nepal	Ministry of Forest and Environment, Ministry of Federal Affairs and General Administration, Ministry of Finance	Former VDC/ municipality	n.a.	n.a.
Niger	Ministry of Environment and the Fight against Desertification; Ministry of Interior and Decentralization; National Environment Council for Development, Local Government Financing National Agency	Commune	9	9
Tanzania	President's Office—Regional Administration and Local Government, Office of Vice President, Institute of Rural Development Planning	District	3	0
Tuvalu	Ministry of Local Government and Agriculture; Ministry of Finance	Kaupule	n.a.	n.a.
Uganda	Ministry of Water and Environment; Ministry of Local Governments; Ministry of Finance, Planning and Economic Development	District	4	0
Total			279	266

Note: VDC = village development committee. Cambodia, Lao PDR, Nepal and Tuvalu are transitioning between phases with no PBCRGs deployed over their past two fiscal years and are thus excluded from the count for 2022.

¹ Integrating climate change adaptation planning and budgeting.

Figure 2.5: LoCAL investments by type, 2019–2022

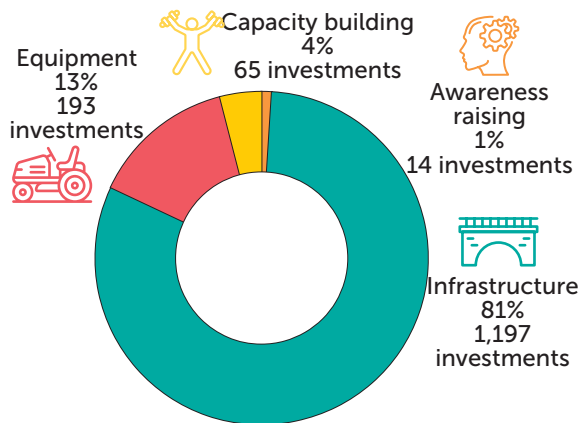


Figure 2.6: LoCAL investments by sector, 2019–2022

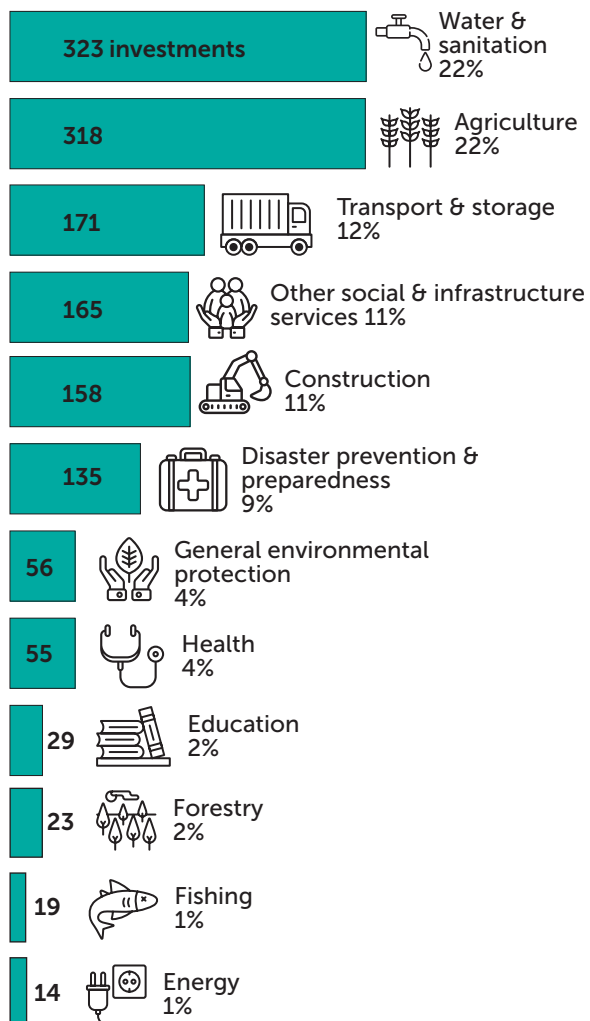


Figure 2.7: LoCAL investments by ecosystem, 2019–2022

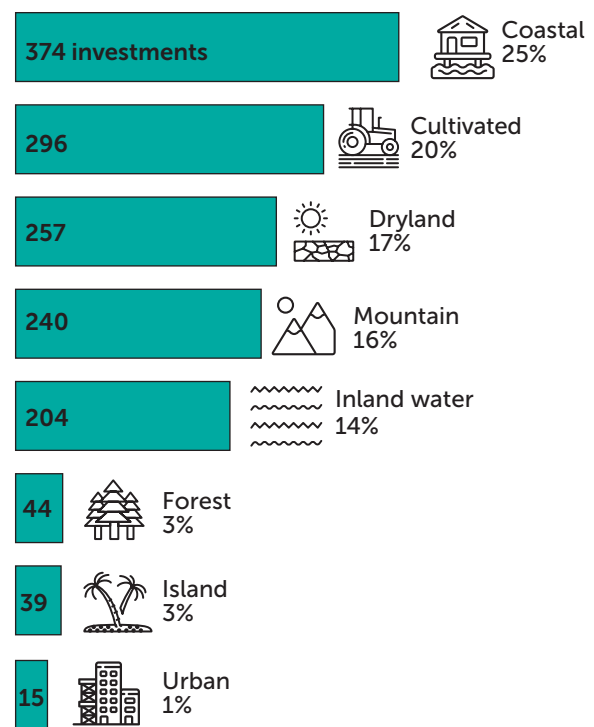
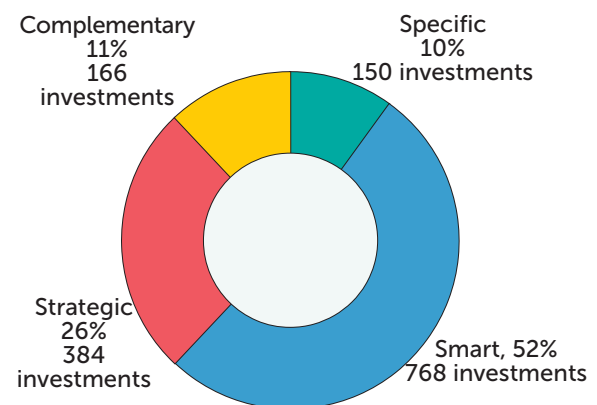


Figure 2.8: LoCAL investments by climate responsiveness, 2019–2022



interventions that are not particularly distinct from development business as usual, but that may be of greater priority because of climate change—or **climate complementary**—actions or interventions that are not specific to climate change, but loosely relate to underlying drivers of climate vulnerability. Ten percent were classified as **climate specific**—interventions that focus specifically and almost exclusively on addressing impacts of climate change.

Snapshots of PBCRG portfolios in selected member countries for implementation over 2022 follow.

- In **Bangladesh**, **216 interventions were financed for \$2.98 million**, approximately 11 percent of which was provided as co-financing to LoCAL allocations. More than half of the 72 parishads deploying PBCRGs are in coastal areas, and a considerable part of the investments (57 percent) were focused on (i) providing access to drinkable water through climate-resilient water infrastructure able to withstand salinity intrusion, and (ii) improved irrigation schemes through re-excavation of canals for better water catchment and/or solar-powered pumps. Disaster prevention measures using a mix of engineering and nature-based solutions (e.g. protection walls combined with reforestation and wetlands preservation for flood prevention) were also explored through a partnership with the Bangladesh University of Engineering Technology and the Center for Natural Resource Studies. Box 2.5 highlights additional examples of nature-based solutions being undertaken in Bangladesh to adapt to climate change.
- In **The Gambia**, **34 adaptation investments were delivered in 32 wards for a total value of \$720,000**. These include solar-powered boreholes, integrated horticulture gardens, poultry and animal husbandry, tree nurseries and climate-proofed road infrastructure. LoCAL investments implemented through cash-for-work schemes created some 5,086 full-time-equivalent temporary jobs—26 percent filled by

adult women and 76 percent by youth—since inception.

- In **Lesotho**, seven water supply infrastructure projects were finalized, **providing improved access to water to some 4,900 people**. Main activities in these projects include installation of glove valves and standpipes, erection of spring catchments, construction of silt boxes and stone walls, and excavation of trenches.
- In **Mozambique**, **\$2.97 million worth of climate-resilient infrastructure** were delivered in the three provinces of Niassa, Inhambane, Gaza. Twenty-eight climate-proofed facilities in the water and sanitation, education, and health sectors were built to provide reliable access to key basic social services for approximately 665,000 people in climate disaster-affected areas.
- In **Niger**, approximately half of the portfolio was devoted to land restoration initiatives to combat desertification and erosion through cash-for-work schemes. Over 600 hectares of degraded land are being restored using bioengineering techniques. Climate resilience of rural livelihoods was addressed through support to diversified income-generating opportunities for women, including market gardening and provision of livestock, as well as food supply to communal cereals banks for the most-vulnerable communes. Overall, **23 interventions were undertaken in nine communes for approximately \$431,000**.

Empowering women and youth for local climate action

By design, LoCAL is a gender-sensitive and inclusive approach to climate change adaptation, as it brings the planning and budgeting process for climate change adaptation closer to the communities—especially those disproportionately affected by climate change effects. While the specific criteria for the PBCRG system vary by country, most designs include specific **gender-sensitive performance measures** to hold local governments accountable for the inclusiveness of their local decision-making processes. Overall,

Box 2.5: Leveraging nature for increased adaptation outcomes in Bangladesh

The Paris Agreement calls on all parties to recognize the role of natural ecosystems in providing **vital services and goods that responds to both adaptation and mitigation aims**. Nature-based solutions can simultaneously help meet the three great interlinked challenges of our time:

- Responding to climate change risks and impacts
- Protecting biodiversity and ecosystems
- Ensuring human well-being and resilience

Communities in Bangladesh are testing **new nature-based solutions to provide meaningful responses to climate change impacts**. Nature-based rainwater harvesting systems, vetiver plantation for nature-based slope protection, mangrove and swamp plantation to protect riverbanks from erosion and natural calamities have been implemented in Khulna, Kurigram and Sunamganj districts; sample projects are highlighted below.

Swamp plantation in north-eastern Haor region to reduce impacts of flash floods on human settlement. Flooding during the monsoon is a normal event in the north-eastern Haor region, where people live in congested conditions on raised mounds known as *hatis*. The *hatis* usually are not inundated during the monsoons; however, they are increasingly threatened by land erosion caused by climate change-induced disasters such as flash floods and *afals* (high waves caused by strong winds). The Uttar Sreepur and Dakkhin Sreepur unions in the Tanguar Haor World Heritage Site have planted approximately 11,000 Hajal (*Barringtonia acutangula*) and Karach (*Pongamia pinnata*) to slow the speed of flood water, while contributing to carbon sequestration and creating habitat for fish and wildlife. The investment was realized in collaboration with the Center for Natural Resources Studies.

Vetiver grass plantation to reduce slope erosion of rural roads in flood prone areas. Soil erosion is a major cause of land degradation in Bangladesh, especially in river delta. Soil erosion causes loss of land, reduced agricultural production, siltation of waterbodies, as well as degradation of earthen infrastructure such as rural roads and embankments; this in turn has various social, economic and ecological effects. Maintaining a plant cover is a very cost-effective solution to soil erosion, especially the use of vetiver (*Chrysopogon zizanioides*) is a well-known nature-based management practice. The grass is native to the Indian subcontinent, and can thrive in inhospitable growing conditions. Vetiver has long and dense roots with good tensile strength; civil engineers call it a “living soil nail.” The above-ground parts of the grass grow dense, which slows runoff and traps sediments. Vetiver reduces pest attacks in crop fields, improves soil fertility, retains soil moisture and removes contaminants. Pankhali union, in the southern coastal district of Khulna, and Thanahat union, located in the northern riverine flood-prone Kurigram district, used the PBCRG to plant 10,000 seedlings on a 100-metre-long segment of the outer slope of an embankment. The unions were assisted by Bangladesh University of Engineering and Technology in selecting the plantation sites, preparing the sites, collect and plant seedlings, and maintaining the plantations.



Pilot plantation of vetiver in a beneficiary union. © UNCDF LoGIC



Uganda community meeting in Nwoya District. Everline ACCA UNCDF Uganda © JSF Programme team

PBCRG investments are reported to benefit women and men equally, as approximately 50 percent of direct beneficiaries are women. Between 2019 and 2022, 7 percent of the investments on average were reported to target women specifically, with women accounting for more than two-thirds of the direct beneficiaries. Initiatives across LoCAL countries have also aimed to ensure greater participation and engagement of youth in local climate action. Examples of how LoCAL promotes inclusiveness across the PBCRG cycle follow.

- In line with its Youth Strategy, which led to the identification of some 8,872 youth from vulnerable communities to engage in climate-resilience awareness raising, LoCAL-Bangladesh under the LoGIC project provided **trainings to 158 youths on climate change-related topics** in 2022, following a first cohort of 132 youth in 2021. Youth are systematically mobilized on project activities including social auditing, adaptation enterprise development, and promotion of nature-based solutions.
- **The Gambia** and **Ghana** systematically involve communities in the realization of PBCRG-funded adaptation and resilience-

building interventions through cash-for-work schemes, which have set quotas for the participation of vulnerable groups, especially women and youth. To date in **The Gambia**, **cash-for-work schemes have created 5,086 temporary full-time-equivalent jobs**—26 percent filled by adult women and 76 percent by youth—since inception. In **Ghana**, a second round of cash-for-work onboarding was finalized end of 2022, with 837 expected beneficiaries, of which 73 percent are women and 54 percent are youth.

- In **Mozambique**, the participation of women, youth and vulnerable groups was strengthened in the identification and prioritization process for adaptation investments. A key step in the process includes scrutiny by four subgroups created from the 50-member district consultative councils—a women’s group, a youth group, a civil society group and a community leaders’ group. During the exercise, points are awarded to each investment using various criteria; two of those, which account for 20 percent of the total score, aim at measuring gender and the social protection of vulnerable groups.

output 3

Financing mechanism

PBCRG institutionalization

As of 2022, 279 local governments were actively participating in LoCAL (Table 2.4). Four countries—**Cambodia**, **Lao PDR**, **Nepal** and **Tuvalu**—are transitioning through phases and have thus not deployed PBCRGs over their last two budgetary cycles. Cambodia is, through the National Committee for Subnational Democratic Development Secretariat, engaging on direct access to international climate finance to continue PBCRG deployment in current and new local governments. Tuvalu resumes LoCAL implementation following a two-year break due to the pandemic. Both **Lao PDR** and **Nepal** undertook redesign exercises in 2022 so as to relaunch Phase I/II implementation and mobilize partners and governments. **The majority of participating local authorities—266, or 95 percent—have deployed the PBCRG system over the past two years** (2019/2020 and 2020/2021 budgetary cycles).

Evidence of progressive institutionalization of the mechanism from member countries over 2019–2022 follows.

- In **Bangladesh**, the LoGIC locally led adaptation model featuring the PBCRG system is a **proven business case** for the Local Government Division to scale up nationally and showcase as a global best practice. The initiative’s exemplary contribution to climate change adaptation in Bangladesh has been referred to in the NAP and recognized in the government’s *Mujib Climate Prosperity Report 2030*. The Government of Bangladesh and LoGIC hosted a side event—Locally Led Adaptation Initiatives through Local Governance and Innovative Climate Financing—in the Bangladesh Pavilion at COP27 to share the model and lessons to a global audience. Additionally,
- experiences from LoCAL and LoGIC have served to develop a Local Climate Financing Framework, which has been shared with the Local Government Division of the Ministry of Local Government, Rural Development and Co-operatives to ensure a policy provision for decentralized climate finance in the revised National Climate Financing Framework.
- In **Benin**, imports of **items deemed to have a high negative impact on the environment are subject to an ecotax** (Box 2.6). The funds collected are then invested to compensate for damage to the environment and in climate-compatible projects. Since 2017, FNEC has been channelling a portion of these ecotaxes via the PBCRG system. In 2022, some \$150,000 was committed from ecotaxes to co-finance five adaptation investments in LoCAL beneficiary local governments. Since FNEC engagement with LoCAL and its PBCRG system, approximately \$540,000 in ecotaxes have been matched with LoCAL direct funding in Benin.
- The **Gambian** Government reiterated its commitment to scale-up existing resilience-building activities using LoCAL as part of a **new government-owned LoCAL+ action**. The government has planned to secure \$15 million in finance from the Adaptation Fund to scale current JSF activities from 32 wards to 48, with expansion into two new regions—the Upper River and West Coast regions. A second component of the initiative will unlock financing for small and medium enterprises (SMEs) through the creation of a new investment pipeline of climate-resilient SME-led projects.
- In **Ghana**, LoCAL’s in-country experience and advocacy for subnational adaptation was attested to by the **establishment of a Climate Change Desk** at the Ministry of

Box 2.6: Leveraging ecotaxes for climate-compatible local development

The Government of Benin levies a small percentage or flat fee against polluting imports. For example, two- and three-wheeled motorized vehicles such as motorbikes and tuk-tuks incur an import charge of about \$0.50, that has to be renewed every year via a technical roadworthiness test. Taxis and small vans are subject to a similar charge of just under about \$1, while heavy vehicles have to pay about \$5. Tyres incur a 0.5 percent import charge, and single-use plastic bags a 0.25 percent charge; even tobacco products incur an ecotax levy.



Appolinaire Gnanvi. Sarah Harris, © UNCDF-LoCAL

Appolinaire Gnanvi, Director General of FNEC, explains the reasoning behind the government's approach: "Why have we chosen ecotaxes? It's part of the polluter pays approach, so that

the polluters go some way towards addressing the negative impacts of their goods. The funds are used as reparations and go towards climate-compatible projects to redress the damage that they have caused to the environment."

He credits the development and implementation of ecotaxes with Benin's securing accreditation with the GCF in 2019. He also cites the importance of FNEC's ongoing engagement with LoCAL, noting that the combination of LoCAL and the use of ecotaxes has "been a magnificent experience, a unique experience that has permitted us to regulate and rapidly address the environmental and climate problem."

Local Government and Rural Development to further support mainstreaming of climate change adaptation in district assemblies' mandates. As LoCAL consolidated in Phase II, stronger alignment was sought to integrate

the PBCRG performance assessment system with the national District Assemblies' Performance Assessment Tool, paving the way for **more systematic institutionalization of the LoCAL mechanism** into the District Assemblies Common Fund Responsiveness Factor Grant. This approach led to the inclusion of climate-related indicators in the country's performance-based grant system of the decentralization sector as well as of climate change considerations in the National Decentralization Policy and National Decentralization Strategy (2020–2024).

- In **Mozambique**, LoCAL has been recognized as a valuable tool for climate funding; in November 2022, the president issued a command to the Ministry of Economy and Finance to take the requisite steps towards **institutionalization of the mechanism countrywide**. LoCAL is currently the only mechanism in Mozambique channelling decentralized climate finance through the National Financial Administration System (SISTAFE) directly to local governments; decisions on the use of funds are made at decentralized levels with active citizen involvement. An upscaling redesign is ongoing and will pave the way for a Phase III roll-out.

Over 2019–2022, **\$26.73 million for PBCRG deployment was delivered by LoCAL** through memorandums of understanding to participating local governments to support LoCAL scale-up.

Unlocking domestic private finance for local climate resilience

LoCAL has been testing approaches to unlock private climate finance, and thus match the PBCRG system with other financing instruments that may contribute to capital formation for investments in adaptation at the local level. Highlights of these efforts follow.

- In **The Gambia**, LoCAL identified climate-resilient projects that offer socioeconomic **opportunities in the green economy and**

climate-sensitive sectors for SMEs. These projects were assessed against a LoCAL-created Climate Resilience Impact Key to ensure investment decisions account for climate change risks and opportunities. The five SMEs selected were awarded a seed capital grant of \$100,000 each. The SMEs were subsequently supported in de-risking their investments in order to access additional funding from commercial banks. All projects supported agro-processing or dairy companies seeking working capital to expand their operations and thereby create job opportunities in their communities, especially for women and youth.

- In **Cambodia**, **UNCDF partnered with K-water** and, through a \$1 million grant from Korea’s Ministry of the Environment, initiated a pilot project to address the issue of water scarcity in rural areas. The public-private partnership is to develop a small-scale water supply infrastructure in Battambang province, demonstrating a sustainable business model to ensure water service delivery in rural districts. The pilot project is expected to prove

the concept for potential scale-up of similar initiatives country-wide. It informs LoCAL on how PBCRGs can be used to **leverage public-private partnerships and/or private finance for local adaptation projects** with the potential to generate revenues.

- Within the framework of a partnership established with AfDB to pilot and operationalize the Adaptation Benefits Mechanism (ABM), seed capital—including PBCRGs—will be deployed for demonstration projects. These projects seek to prove the concept for **transformative impact financing approaches at the local level, led by SMEs, local governments and other local stakeholders**. The initiative promotes locally born pipelines of investable projects and public investments with an impact on local climate resilience as well as job creation, women’s economic empowerment and food security.

ABM envisages the realization of at least 10 replicable small-scale, high-impact adaptation demonstration projects in

Small-scale farmer in the increasingly drought-prone village of Kujew, in The Gambia’s Central River region. Awa Jagne © JSF Programme team



vulnerable communities in at least six African LDCs. These projects would likely be catalytic in attracting private capital for replication at a larger scale. LoCAL will leverage the PBCRG system, combined with other de-risking financing instruments, for eight ABM projects in five countries: [Benin](#), [Mozambique](#), [Rwanda](#), [Senegal](#) and [Uganda](#). With AfDB support, LoCAL launched a feasibility assessment in Benin to explore potential financing instruments to be deployed jointly with the PBCRG to mobilize private sector finance for adaptation. The study feeds into the ABM toolbox and provides insights for leveraging private capital within the framework of PBCRG-financed investments.

- As noted above, LoCAL and BOAD are partnering to **co-develop a multi-country GCF funding proposal** so as to deploy innovative financing instruments in West Africa to build more resilient local economies and communities. The initiative will provide access to climate finance to a wide range of local actors, especially local governments, SMEs, cooperatives and civil society organizations. The PBCRGs are expected to be jointly deployed with blended finance facilities in [Burkina Faso](#), [Côte d'Ivoire](#), [Mali](#) and [Niger](#) to scale up local impacts on climate resilience and explore approaches to empower local stakeholders to act for effective adaptation.

LoCAL is extending operations in Madagascar. Ronan Pecheur © UNCDF LoCAL



output 4

Outreach, learning and quality assurance

Guided by its mandate, the LoCAL team has played a critical role in LoCAL's effective deployment across countries and regions, **raising awareness and mobilizing political support from ministries and institutions at the central government level**. Over 2019–2022, efforts were devoted to working with member countries for greater recognition of the LoCAL mechanism as an initiative to support achievement of the [LDC 2050 Vision](#) and the Paris Agreement towards and beyond COP26. Notably, LDCs have set out an agenda for change with the adoption of the [Doha Programme of Action](#), which lays out six internationally agreed-upon priorities for addressing the needs of the world's poorest communities. This LDC-led plan recognizes the importance of resilience building in developing countries and identifies LoCAL as a vehicle for supporting implementation of countries' adaptation to climate change. The United Nations General Assembly approved the programme in March 2022.

UNFCCC bodies

LoCAL has gained progressively greater recognition by UNFCCC and its constituted bodies as a mechanism to finance and advance subnational adaptation.

- LoCAL is an active member of the **LDC Expert Group/NAP Technical Working Group**. In this capacity, it supports mobilization and collaboration with relevant organizations to enhance and coordinate technical guidance and support on NAPs for the LDCs—focusing on the contribution of the local level to national climate goals and on bridging the national with subnational adaptation plans and actions (vertical integration). LoCAL guidelines on vertical integration using the PBCRG system and LoCAL methodology, documented in the publication [National Adaptation Plans 2020: Progress in the](#)
- [Formulation and Implementation of NAPs](#), were endorsed by the LDC Expert Group as supplementary material to the NAP Technical Guidelines during the NAP Expo in April 2019.
- As a non-party stakeholder, LoCAL elevated its engagement in the UNFCCC's **Adaptation Committee** and **Standing Committee on Finance**. LoCAL is referenced by several UNFCCC bodies and reports, including the following:
 - The Standing Committee on Finance refers to LoCAL in its most recent [Biannual Assessment and Overview of Climate Finance Flows](#) as an initiative supporting domestic national budget systems to target adaptation actions at the local level, while reinforcing transparency and reporting through those systems.
 - The 53rd Subsidiary Body for Implementation's [Report of the Stocktaking Meeting of the Least Developed Countries Expert Group](#) cites LoCAL as a "financing mechanism for subnational and local climate action based on performance-based climate-resilient grant systems and for integrating adaptation into subnational development plans."
 - The UNFCCC Secretariat's note on [Progress in the Process to Formulate and Implement National Adaptation Plans](#) showcases LoCAL activities to integrate climate change adaptation into local government planning and budgeting systems.
 - UNCDF's contribution, through LoCAL, to advancing the NAP process in LDCs and other developing countries was documented in the 2021 UNFCCC publication [National Adaptation Plans 2020: Progress in the Formulation and Implementation of NAPs](#).

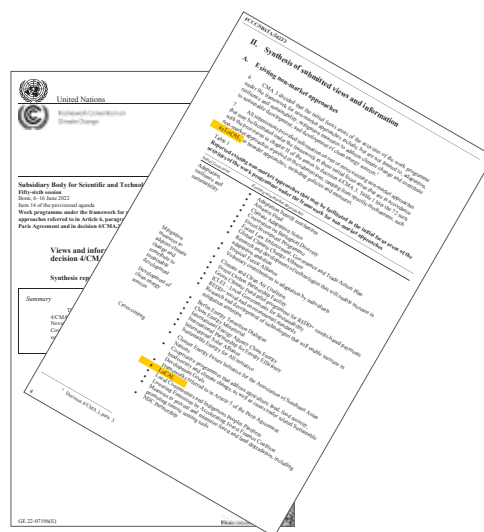
- The UNFCCC Secretariat’s synthesis report on Views and information referred to in paragraph 6 of decision 4/CMA.3 on non-market approaches under Article 6.8 of the Paris Agreement states that LoCAL was the most frequently cited existing mechanism and was identified for facilitation in all three initial focus areas.
- In October 2022, the UNFCCC Secretariat published a technical paper referred to in paragraph 135(c) of the report of the Subsidiary Body for Scientific and Technological Advice on its 56th session where LoCAL is cited as an example of how parties and observers have presented

programmes or initiatives that address the elements and approaches of prospective NMAs (Box 2.7).

- LoCAL participated in GCF-led consultations on guidelines for Enhancing Direct Access. Through its engagement and advocacy, the role of local governments in advancing climate action was recognized and is referenced in the new guidelines. As part of its engagement with climate vertical funds to facilitate direct access for member countries through the LoCAL mechanism, UNCDF—through the Facility—was granted observer status on the Adaptation Fund Board.

Box 2.7: Boosting recognition of LoCAL as an existing non-market approach

Cambodia, Côte d’Ivoire, The Gambia and Ghana made submissions to the UNFCCC Secretariat for LoCAL to be recognized as an existing NMA. The Government of Kenya, the African Group of Negotiators and the LDC Group similarly referenced LoCAL in their submissions, resulting in the **LoCAL mechanism being listed as one of the most commonly cited non-market approaches** by the synthesis report prepared by the Secretariat, and discussed during the 56th session of the subsidiary bodies (SB56). LoCAL was also given an opportunity to present its experience and approach during an in-session workshop. A side event, Local Climate Adaptive Living Mechanism as Non-Market Approach for Adaptation in LDCs, SIDs & Africa, further reinforced the potential for LoCAL as an NMA to achieve increased adaptation finance for the most-vulnerable countries. Following SB56, the UNFCCC Secretariat published a technical paper, in which LoCAL was cited as an example of how parties and observers presented programmes or initiatives that address the elements and approaches of prospective NMAs. Discussions are ongoing under the Glasgow Committee on Non-market Approaches.



Why is this important for LoCAL countries? By being officially recognized as an NMA within the UNFCCC’s financial architecture, LoCAL has the potential to accelerate implementation of NDC-aligned climate action at the local level—where it is most needed and where climate finance is barely reaching—while increasing donor confidence and trust. In addition, LoCAL offers a readily available and tried NMA that enables the transfer of financial and technology resources, and capacity building from developed countries to developing countries as well as through South-South cooperation, in particular to LDCs, SIDS and African countries, which are among the most vulnerable to climate change impacts. LoCAL as an NMA enables them to accomplish their international commitments under the Paris Agreement in relation to, for instance, provision of finance, technology, and capacity-building support.

UNFCCC events

To further advocacy, visibility and communications on subnational climate finance, LoCAL has attended, participated in and been featured at a number of key UNFCCC events and forums. Major engagements over 2019–2022 included the following.

- LoCAL participated in the recent Gobeshona Conference that focused on locally led adaptation to the impacts of climate change. In 2022, the Facility co-hosted the side event on **Bridging the Adaptation Finance Gap: Scaling up Innovative Tools and Mechanisms for Locally Led Adaptation**. This was held in partnership with the International Centre for Climate Change and Development and featured discussions on LoCAL experiences in [Bangladesh](#), [Cambodia](#), [The Gambia](#) and [Mozambique](#). LoCAL was also featured at the [session](#) presented by the Institute for Global Environmental Strategies and the Asia-Pacific Network for Global Change Research on Localization of NDCs through Community-led Adaptation Innovation in the Asia-Pacific Region, in which LoCAL was discussed as an innovation to advance NDC localization.
- LoCAL participated in the last two [NAP Expo](#) outreach events. At NAP Expo 2022 in Zimbabwe, **LoCAL hosted the official UNFCCC side event** on Accelerating the Formulation and Implementation of NAPs at the Subnational Level through PBCRG Systems. Representatives from [Niger](#), [Lesotho](#), [Ghana](#), [Uganda](#) and UNCDF shared experiences and good practices on localizing adaptation planning, financing and implementation for accelerated and transformational local climate action as part of the NAP implementation strategy, in support of vertical integration of the NAP process.
- At the **Asia-Pacific Climate Week in July 2021**, UNCDF, UNDP and UN-Habitat co-organized a side session on Scaling up Collaboration on Integrated Approaches and Actions for Urban and Local Climate Resilience. The session discussed and shared lessons learned and good practices on how communities, local partners, cities and local governments can deliver adaptation results. It focused on three pillars: capacity building for climate change mainstreaming into local/urban public planning and budgeting systems, innovative financial mechanisms, and NDC-aligned adaptation measures.
- At the **Middle East and North Africa Climate Week in March 2022**, LoCAL, with UNDP and the Union for the Mediterranean, co-led a side event on scaling up climate risk management and innovative financing for locally led adaptation. The event shared experiences and technical and financial solutions that can be scaled up in support of climate-resilient communities and local economies in the region, while increasing awareness of the role of local stakeholders in locally led adaptation outcomes.
- At the **Africa Climate Week in August 2022**, LoCAL was invited to join two panels on mobilizing private sector finance for adaptation. The first, with AfDB, featured the AfDB-LoCAL ABM pilot; the second, with UNDP, covered financing transformative adaptation and long-term resilience in Africa.
- At the **New York Climate Week in September 2022**, LoCAL hosted the high-level event Making Paris Work for the People: Adaptation at Scale in Climate-vulnerable Nations, with ministers and high-level representatives from [Cambodia](#), [The Gambia](#), [Jamaica](#), [Malawi](#) and [Niger](#). The session provided a platform for leaders from climate-vulnerable nations to present their solutions for increasing access to finance using existing proven instruments and mechanisms, notably LoCAL. The event built on commitments under the LoCAL Ministerial Declaration calling for LoCAL to be recognized as an NMA under Article 6.8 of

As a result of its global footprint, LoCAL was featured and promoted as a **best practice on subnational adaptation finance and locally led adaptation** at all UNFCCC Climate Weeks over 2019–2022. Recent highlights follow.

the Paris Agreement. During the event, LoCAL was encouraged to raise efforts and ambitions and become a \$500 million Facility by 2027.

LoCAL has also considerably enhanced its visibility at COPs. **COP26 and COP27 were milestones in politically elevating the LoCAL mechanism** as a long-term initiative that supports implementation and achievement of the LDC 2050 Vision and the Paris Agreement. Between the two conferences, LoCAL hosted and co-hosted some 15 technical and high-level events with countries and partners in support of the locally led adaptation agenda and LoCAL's role in mobilizing decentralized climate finance and promoting local climate action (Box 2.8).

LoCAL, an international ISO Standard



The ISO is a worldwide federation of more than 160 national standards bodies; it publishes globally recognized guidelines and frameworks based on international collaboration. These standards are built around consensus and are essential tools to help governments, industry and consumers contribute to the achievement of the SDGs.

To implement the 2019 LoCAL Board Decision, UNCDF initiated a process to develop LoCAL into an international standard. Following the application, the ballot for ISO 14093, which builds on LoCAL, was approved by the ISO Technical Committee on Environmental Management. A working group, chaired by UNCDF, was established, comprised of experts from national standards bodies that had experience with local climate change adaptation. A series of rounds of working group consultations and review meetings were held in 2020 and 2022 to discuss the ISO proposal; participants included UNFCCC and vertical fund representatives. UNCDF also established the LoCAL ISO Experts Committee, which participated in the standard development process through UNCDF as part of the working group. This committee was primarily composed

of representatives and experts from national and local governments familiar with LoCAL—specifically from **Benin, Cambodia, The Gambia** and **Niger**.

Several global ballots were launched to receive input from ISO member countries and, ultimately, approve the final draft. At COP27, ISO 14093: Mechanism for financing local adaptation to climate change—performance-based climate resilience grants, was officially launched by the ISO.

The ISO is aimed at organizations involved in implementing a country-based mechanism for channelling climate finance to local governments. These may include national and subnational authorities, donors, companies, financial institutions and international organizations. UNCDF/LoCAL will assess conformity with ISO 14093 standards in current and prospective LoCAL countries.

LoCAL and the Principles for Locally Led Adaptation

Eight Principles for Locally Led Adaptation were developed by the Global Commission on Adaptation, in collaboration with the International Institute for Environment and Development and the WRI, and strengthened through consultation with stakeholders and peers including LoCAL, among others. The principles have been endorsed by over 50 governments and leading institutions; the WRI [webpage](#) on the principles prominently features an endorsement from UNCDF.

The principles aim to help ensure that **local communities are empowered to lead sustainable and effective adaptation to climate change** at the local level in line with the ambitions of LDC Vision 2050.

LoCAL and UNCDF were among the first organizations to endorse the principles during the Climate Adaptation Summit in 2021, given the alignment of the LoCAL approach with the principles' goal and spirit:

Box 2.8: LoCAL at COP27



LoCAL Pavilion at COP27. Sarah Harris, © UNCDF-LoCAL

Building on its successful engagement at COP26, LoCAL organized/co-organized 10 side events and recommitted to co-host the Locally Led Adaptation Hub, where over 50 LLA Talks brought together representatives from across the globe, **making their case and sharing their experiences on locally led adaptation**. Highlights follow.

- A joint proposal by the UN Office for Disaster Risk Reduction, the UN Institute for Training and Research (UNITAR) and UNCDF was shortlisted by UNFCCC as an **official COP27 side event on enhancing climate resilience for LDCs and SIDS** through space data, finance mechanisms and partnerships. The session explored how space data, participatory planning tools and innovative finance mechanisms can close the loop to support LDCs, SIDS and African nations build and implement effective climate adaptation plans.
- UNCDF joined UN-Habitat in an official UNFCCC side event, **No Solution for Me: Without Me**, discussing climate justice in cities. The session showcased examples of community resilience and how policymakers and UN partners can work together and with communities to scale up local climate action. LoCAL emphasized the need for scalable, systemic approaches with a sequencing of aid that can allow for the long-term support needed to address local adaptation needs in depth.
- At the ISO UNFCCC official side event **Transforming the Climate Actions of Global Economies through Standards**, which convened partners to showcase actions to convert and mainstream commitments for a measurable positive climate impact, ISO 14093: Mechanism for financing local adaptation to climate change—performance-based climate resilience grants, was announced, cementing LoCAL's position as an internationally recognized and standardized approach to decentralized climate finance delivery.
- The EU, UNCDF and Agence française de développement (AFD) joined southern Mediterranean countries and partners in boosting access to climate finance at the local government level with the official launch of the **Advancing Climate Adaptation in the Southern Mediterranean programme (ACA-MED)** at COP27. The programme aims to increase climate and environmental resilience in southern Mediterranean countries. Such a programme will be the first step for LoCAL in northern Africa and confirms the high relevance of country-based systems in financing subnational adaptation worldwide and in different development contexts.

1. Devolved decision-making
2. Participation of the most vulnerable
3. Predictable and patient funding
4. Investing in local capabilities, to leave a legacy
5. Understanding risks
6. Flexible programming and learning
7. Transparency and accountability
8. Collaborative action and investment

LoCAL's alignment with the Locally Led Adaptation Principles is documented in the 2022 Global Center on Adaptation report, [Stories of Resilience: Lessons from Local Adaptation Practice](#).

LoCAL 2022 Board Decision and Ministerial Declaration

From 9–12 May 2022, LoCAL country representatives and partners met in Brussels for a series of technical, high-level events that marked the strategic path for LoCAL for the coming year.

- On 9–10 May 2022, 42 climate negotiators and UNFCCC focal points from LoCAL countries

gathered for a **workshop on Making the LoCAL Mechanism a Non-Market Approach**. Participants examined UNFCCC processes and ongoing discussions around Article 6.8 of the Paris Agreement. An action plan on joint efforts towards LoCAL recognition under Article 6.8 was discussed and agreed upon in advance of COP27.

- On 11 May, the **ninth annual LoCAL Global Board Meeting** was held with over 100 participants to define shared adaptation priorities for 32 LDCs and developing countries over the coming year as they respond to the impacts of climate change using LoCAL. Participants included representatives from LoCAL member and candidate countries—[Bangladesh](#), [Benin](#), [Bhutan](#), [Burkina Faso](#), [Cambodia](#), [Côte d'Ivoire](#), [Equatorial Guinea](#), [The Gambia](#), [Ghana](#), [Guinea](#), [Guinea-Bissau](#), [Lao PDR](#), [Lesotho](#), [Liberia](#), [Malawi](#), [Mali](#), [Mozambique](#), [Nepal](#), [Niger](#), [São Tomé and Príncipe](#), [Senegal](#), [Solomon Islands](#), [Sudan](#),

The 9th Annual LoCAL Board in Brussels brought together over 100 participants to elevate joint ambitions on adaptation and climate finance at the international level with the LoCAL Facility. Michael Chia, ©UNCDF



Tanzania, Tuvalu and Uganda—and high-ranking representatives of LoCAL institutional partners. These latter included the Head of the Unit for Climate Change and Sustainable Energy at the Directorate-General for International Partnerships at the European Commission; the Sida Unit Head for Global Cooperation on Environment; and the Deputy Director, Environment and Climate, Foreign Trade and Development Cooperation of Belgium. The Board was co-chaired by the global coordinator of the UN LDC group in New York (a position currently held by the Malawi Ambassador to the UN) and the chair of the LDC group at the UNFCCC (currently chaired by Senegal), assisted by UNCDF’s Director of Local Transformative Finance.

In line with previous meetings’ endorsements, the Board reiterated the **need to establish modalities to secure long-term and stable financing for LoCAL**. It was recommended that UNCDF apply for GCF and Adaptation Fund accreditation to support LDCs, SIDS and African nations that do not yet have direct access to vertical funds. Similarly, the Board encouraged LDCs and developing countries engaged in LoCAL to leverage the mechanism to fast-track implementation of the LDC 2050 Vision, the Paris Agreement and the three Rio conventions. The Board acknowledged ongoing efforts for LoCAL’s recognition as an NMA and called upon further engagements from the Facility, including by facilitating the establishment of a group of negotiators from LoCAL countries with similar interests, and mobilizing LoCAL countries to support LoCAL recognition under the NMA framework. Partner countries were encouraged to adhere to the LoCAL standard as much as possible when moving to country-wide roll-out through parallel sources of funding and in line with the LoCAL standard application to the ISO.

- The **second LoCAL Ministerial Meeting** was held 12 May, with 19 ministers and deputy ministers of environment and 5 appointed high-level officials attending either in person

or virtually. UNCDF’s Executive Secretary also attended and facilitated discussions during the ministerial segment. The meeting marked the endorsement of a LoCAL ministerial declaration that calls attention to the need for more climate finance and international action on local adaptation to climate change in the world’s most affected countries and highlights the potential of LoCAL as a mechanism for effective climate finance delivery for locally led adaptation.

At the Ministerial Meeting, Hon. Dr. Afriyie of Ghana and Hon. Samuda of Jamaica volunteered as LoCAL Ambassadors, bringing the total of ministerial ambassadors to 10. They join this network of LoCAL champions along with counterparts from Benin, Burkina Faso, Cambodia, The Gambia, Malawi, Mali, Mozambique and Niger.

Creating knowledge and sharing experiences

As LoCAL approached the end of its second period of global expansion, an **independent evaluation of the LoCAL Global Facility was commissioned**. The evaluation is intended to allow LoCAL, its member countries and development partners to meet their accountability and learning objectives and capture good practice and lessons to date in a sector that is fast-evolving and increasingly relevant to meeting SDG objectives. The evaluation will serve as a means to define the priorities and strategic directions of LoCAL’s next global expansion phase. The evaluation sampled four countries—Ghana, Lesotho, Bhutan and Niger—which made the object of field visits and in-depth assessments. The evaluation reports is expected to be finalized in Q1 2023.

LoCAL started **exploring new approaches towards leveraging the PBCRG and its tools** for a greater adoption of nature-based solutions and ecosystem-based adaptation throughout its portfolio. Nature-based solutions are largely leveraged in Bangladesh and Niger, as highlighted in the previous sections. Awareness is being raised

across LoCAL’s local governments and countries. **Burkina Faso**, for instance, is in the process of designing its interventions to be financed by the PBCRG, where “nutrition gardens” constitute a key activity. These not only provide communities with non-timber forest products for improved food security and income-generating opportunities, but also support the preservation of natural ecosystems and local biodiversity. In **Benin**, the commune of Toukountouna is planning to finance for the first time with the PBCRG the development of a community garden in the village of Dahande, with the aim of promoting protection and enhancement of biodiversity in the forest-rich area.

Collaborations

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

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- At the **global level**, LoCAL continues a strategic partnership with the United Nations Institute for Training and Research (**UNITAR**) to develop course modules/curricula. Following the LoCAL [e-tutorial](#) (live on UNCC:e-Learn) and an extensive four-module training programme on the LoCAL mechanism for practitioners, UNITAR and LoCAL continue to collaborate in developing **workshop content for climate negotiators from LDCs and developing countries** to strengthen negotiation skills and awareness of UNFCCC-led processes. Following content on Article 6.8 and NMAs, LoCAL and UNITAR are working on climate finance modules to elevate LDC and developing country voices at core negotiation tables in discussing financing commitments, modalities of deployment and new official vehicles.
- The **WRI and LoCAL continue to collaborate on research evaluations** in mature and semi-mature LoCAL countries to assess the likely impact of the mechanism on local adaptation benefits and shaping ecosystems for improved climate finance leverage potential. **Bhutan** was the first country to undertake such an

exercise in 2021; similar evaluations were undertaken in **Cambodia**, **Lesotho** and **Niger** in 2022. The assessments are expected to provide qualitative evaluation information on LoCAL’s effectiveness in advancing locally led adaptation. Key findings will feed into current and future LoCAL designs. The LoCAL-WRI collaboration provided the mechanism with a sound and tailored adaptation monitoring and evaluation framework—ACCAF—to gauge the extent to which LoCAL results have contributed to increased resilience. The ACCAF has been deployed since its pilot in 2019 in **Bhutan**, **Cambodia** and **Lesotho** to all LoCAL portfolio countries.

- LoCAL secured a number of key memberships over the period under analysis. In 2019, LoCAL joined the **NDC Partnership** and has since been supporting countries in enhancing their NDC ambitions and implementation through the subnational level. Country support requests have been addressed in this regard, including from **Benin**, **Liberia**, **Niger** and **São Tomé and Príncipe**, to mention a few. In 2020, the Secretariat joined the **DAC (Development Assistance Committee) Network on Environment and Development Co-operation (ENVIRONET)**. This engagement eventually led to recommendations and lessons on subsidiarity on climate change programmes that were reflected in the Organisation for Economic Co-operation and Development (OECD) publication [Strengthening Climate Resilience: Guidance for Governments and Development Co-operation](#).
- In 2021, LoCAL was invited to join the UNFCCC-led **UN4NAPs** initiative, an UN-wide partnership to scale up technical support—initially to LDCs and SIDS—to formulate and implement their NAPs.
- In 2022, LoCAL became a member of the **Alliance Sahel**, an operational coordination platform that brings together the action of 26 bilateral and multilateral development partners. Its purpose is to provide a more coordinated, joint, adapted and effective response to the development issues and concerns of the

countries and populations of the G5 Sahel. LoCAL is currently active in three of the five G5 Sahel countries, with a growing engagement on complementary climate-related issues, including natural resource management–induced inter-communal conflicts, differential vulnerability, and women’s economic empowerment, among others.

- LoCAL has begun to build a closer relationship with the **UN Office for Disaster Risk Reduction** on the climate change adaptation–disaster risk reduction nexus, to address risk management comprehensively in target countries. As LoCAL-Uganda expands to more districts, programmatic synergies with districts engaged on early and anticipatory actions will be sought. LoCAL, through the PBCRG, has already financed on-the-ground disaster risk reduction–related investments as part of locally led climate resilience strategies, especially in natural disaster–prone areas. In **Bangladesh**, for instance, these accounted for approximately 16 percent of the total portfolio, with interventions focused on shelter construction/rehabilitation, flood protection walls, and water discharge infrastructure to avoid waterlogging and flooding.

Publications

As LoCAL gains best practices and experiences across continents, it is increasingly referenced in thematic publications, particularly those addressing issues of climate resilience, climate finance and mechanisms for effective climate action in the global South. The most recent references include the following.

- LoCAL was referenced by the Global Center on Adaptation in its publication Stories of Resilience: Lessons from Local Adaptation Practice, a compilation of success stories, based on the sessions of the 2022 Gobeshona Conference on Locally Led Adaptation, to understand locally led action and to identify effective ways of supporting local leadership.
- The LoCAL flagship publication *LoCALizing NDCs* is available on the NDC Partnership

Knowledge Portal as a resource for countries and adaptation practitioners to build on the LoCAL mechanism’s experiences in supporting verticalization of NDC adaptation objectives. LoCAL is similarly referenced on the UNFCCC Adaptation Knowledge Portal.

Initiatives

LoCAL completed several communication and knowledge management initiatives aimed at developing and sharing knowledge and experiences, both among its participants and to the broader development and climate change communities.

- LoCAL **communication and knowledge materials** are available at www.uncdf.org/local and illustrate LoCAL outreach and impacts. These materials include updates to the LoCAL brochure, the LoCAL promotional video and LoCAL infographics, with a strong focus on capturing impact at the community level.
- **Articles and success stories** from the field have been produced and disseminated through the LoCAL and UNCDF websites. Many of these articles have been picked up and reproduced in national newspapers, regional news-gathering sites like AllAfrica.com, as well as on partner websites and newsletters (capacity4dev.eu, NDC Partnership, AfDB etc.).
- **Videos and numerous social media “shorts”** were produced and disseminated through the LoCAL-UNCDF YouTube channel, the LoCAL website and social media. Many of these videos were presented at international events including COPs, Gobeshona and New York Climate Week (among others) to showcase the work of LoCAL and its impacts at the community level.
- The LoCAL Twitter account, @UNCDFLoCAL, had grown to more than 2,000 followers by end December 2022. The LoCAL-UNCDF YouTube channel has recorded 419 subscribers as of this writing. LoCAL’s social media presence on Twitter, LinkedIn and YouTube shows steady growth and consistent updates.

Table 2.5: Progress 2019–2022 on the LoCAL Results and Resource Framework

Indicator	Baseline (Dec. 2017)	Cumulative targets (2022)	As of 2022	2019–2022
Impact: To promote climate-resilient communities and local economies by increasing investments in climate change adaptation at the local level in target countries, thereby contributing to the achievement of SDG 1 and SDG 13 and country-specific SDG and CCA targets				
I.1 Number of direct and indirect beneficiaries of CCA investments and interventions financed through LoCAL/PBCRG mechanism (disaggregated by sex)	Direct: 1.10 mil. (~50% women) indirect: 6.13 mil.	Direct: 2.85 mil. indirect: 15.83 mil.	Direct: 4.70 mil. indirect: 16.27 mil.	—
I.2 Number of LDCs, small island developing states and developing countries that are receiving specialized support, and amount of support, including finance, technology and capacity building, for mechanisms for raising capacities for effective climate change-related planning and management, including focusing on women, youth and local and marginalized communities, through LoCAL	13 countries \$11.33 mil.	18 countries \$22.66 mil.	34 countries \$81.81 mil.	—
I.3 Evidence of CCA impact of proposed CCA investments and interventions in targeted communities through case studies, focusing particularly on the most vulnerable population groups and applying a gender-sensitive approach	n.a.	≥6 case studies	1 case study	—
Outcomes				
0.1: Increase local authorities' access to (international) climate finance to implement CCA investments in target countries				
0.2: Establish a standard and internationally recognized country-based mechanism to channel climate finance and increase local resilience through PBCRGs				
O.1.1 Volume of international climate finance channelled through and/or leveraged by UNCDF-designed PBCRG mechanism (disaggregated by source) (\$)	\$11.54 mil. ¹	\$22.26 mil. ¹	\$155.94 mil. (including \$27.82 mil. in parallel funding)	\$107.57 mil. (including \$11.22 mil. in parallel funding)
O.1.2 Number of participating countries which have been accredited from international climate funds and/or mechanisms to access international climate finance as result of LoCAL/UNCDF support	0	3	3	3
O.2.1 Number and percentage of participating countries moving from the pilot phase (Phase I) to consolidation (Phase II) and from consolidation to roll-out of the PBCRG mechanism (Phase III)	Phase I → II: 4 countries (30%) Phase II → III: 1 country (7%)	5 countries in Phase I 10 in Phase II 3 in Phase III	—	Design → Phase I: 3 countries (9 in Phase I) Phase I → II: 3 countries (6 in Phase II) Phase II → III: 1 country (2 in Phase III) Design/scoping: 17 countries
Outputs				
R.1 Awareness and capacities to respond to CCA are increased at the local level				
R.1.1 Number of targeted local authorities that regularly collect, update and analyse climate change information	10 of 55 using PBCRG	71 of 142 using PBCRG	—	265 of 266 using PBCRG
R.1.2 Amount of capacity-building grants delivered to participating countries (\$)	\$977,555	\$1.96 mil.	\$9.34 mil.	\$8.91 mil.

Indicator	Baseline (Dec. 2017)	Cumulative targets (2022)	As of 2022	2019–2022
R.1.3 Number of national and local authorities' officials and community representatives who participated in awareness- and capacity-building activities (disaggregated by sex and subject area)	~3,998	~9,000 (~3,000 women)	—	23,148 (6,087 women)
R.1.4 Number and percentage of participating local authorities meeting the minimum conditions without need for corrective action	n.a.	100 and 75% on average	—	69% of local governments using PBCRG
R.2 CCA is mainstreamed into government's planning and budgeting systems, and investments are implemented in line with the PBCRG mechanism				
R.2.1 Number of targeted local authorities that have integrated CCA into their local planning and budgeting processes	55	99	—	266
R.2.2 Number and value of climate interventions and investments financed through the PBCRG mechanism (disaggregated by type: capacity building/equipment/infrastructure and ecosystem-based, sector and ecosystem)	575 \$6.14 mil.	1,495 \$15.89 mil.	2,103 \$37.57 mil.	1,469 \$30.50 mil.
R.2.3 Percentage of local authorities that are promoting community-based governance in one or more domains of planning, contracting, monitoring and management for PBCRG investments	25% (14 of 55)	50% (71 of 142)	—	61% (163 of 266)
R.2.4 Percentage of PBCRG investments and interventions explicitly targeting women	~0.8%	4%	—	~7% on average
R.3 The PBCRG system is effectively and sustainably established in participating countries and leads to an increased amount of CCA finance available to local government and local economy				
R.3.1 Amount of PBCRG delivered to participating local authorities (\$)	\$5.63 mil.	\$15.38 mil.	\$33.57 mil.	\$26.73 mil.
R.3.2 Number and average increase of local authorities actively using the PBCRG system in participating countries	55	142	—	266
R.3.3 Volume of domestic resources channelled through and/or leveraged by UNCDF-designed PBCRG mechanism (disaggregated by source) (\$)	\$1.89 mil. (public) \$0 (private)	\$3.78 mil. (public) \$1.00 mil. (private)	\$18.67 mil. (public) \$0 (private)	\$11.22 mil. (public) \$0 (private)
R.3.4 Evidence of the institutionalization of the PBCRG system in participating countries through policy, regulatory or institutional reforms	n.a.	≥3 countries	3 countries	—
R.4 The role of local authorities and of the PBCRGs in addressing climate change are increasingly recognized at international level, through outreach and quality assurance				
R.4.1 Number of high-level initiatives referencing UNCDF LoCAL experience	~22	46	64	—
R.4.2 Evidence of use of PBCRG/LoCAL knowledge and communication products by the climate and development international community (number)	n.a.	≥6 cases	6 cases	—

¹ Includes funding from the Global Environment Facility, EU Bhutan and governments' own parallel funding.

Note: — = not available; n.a. = not applicable; CCA = climate change adaptation. * = cumulative amount; figures from previous years (with baseline as per programme document) added to the current reference year.



lessons and next steps

Experience and learning continue to accrue across LoCAL participating countries. The lessons learned and expertise developed will be critical in meeting the challenges ahead, as LoCAL seeks to address growing demand for deployment in new countries while maintaining and strengthening a standard mechanism. This section looks at some of these challenges and lessons, and describes next steps as LoCAL moves forward.

Challenges

LoCAL implementation has revealed some common challenges.

- **Increased demand from new candidate countries and exponential growth in local governments in countries transitioning between phases require increased LoCAL capacity in terms of both human and financial resources.** Consistency and predictability in climate finance deployment remain key to ensuring positive impacts are felt on the ground, while capacities are progressively built for climate resilience mainstreaming at the local level. Sequencing of funding remains a challenge for LoCAL's countries, especially those not benefiting from dedicated funding envelopes. LoCAL will continue to engage systematically with donors and the international climate finance community to pursue its resource mobilization targets and explore a funding structure providing greater effectiveness for its deployment.
- **LoCAL standards must be applied consistently so as to provide all countries with a solid and trusted foundation for mobilizing and channelling climate finance at the subnational level and advancing local climate action.** The ISO standard and the training programme developed in partnership with UNITAR go a long way towards ensuring consistency and accountability. Quality assurance and technical support are critical to ensuring alignment with internationally recognized best practices on local adaptation finance as moved forward by the LoCAL approach.
- **As LoCAL expands and consolidates in countries with volatile political contexts, flexible implementation arrangements in PBCRG deployment and operationalization are essential.** Such arrangements ensure that vulnerable communities continue to receive the support and funding they need to build their climate resilience. LoCAL is committed to working closely with partners to identify the best solutions to adjust to countries' specific circumstances and pursue their unique adaptation goals. As the nexus between climate and security deepens in fragile countries where LoCAL operates, integrated approaches addressing



“This is an innovative and transformative climate financing mechanism—it is not a project. That means it can be integrated into national systems so it can be sustained.

—Agnes Chimbiri-Molande,
Permanent Representative of the
Republic of Malawi to the UN

concomitant resilience-building issues will be pursued and tested.

- **Absent or low capacity of local government staff is observed across all LoCAL countries, albeit with some variation.** This deficiency—whether in climate change awareness, climate change adaptation mainstreaming, public financial management or investment management—has implications for the effectiveness and promotion of resilience in communities and local economies. Maintaining a balance between the funds dedicated to capacity-building support and technical assistance and grants for investments is critical, especially in Phases I and II. LoCAL will keep mobilizing and advocating for much-needed soft support in terms of climate data and science-based planning and programming in its engagement with donors and technical partners globally and in-country.

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Lessons learned

The following summarizes lessons learned during LoCAL’s second period of global expansion.

- **Involvement and participation of local communities and vulnerable groups in adaptation can be boosted along the PBCRG deployment cycle.** Examples from [Mozambique](#) and [Bangladesh](#) on participatory decision-making and participatory development of a vulnerability

and risk atlas, respectively, provide the groundwork for increasing awareness and civic engagement on a relevant topic. Community engagement in the realization of climate adaptation investments can increase awareness—while simultaneously creating short-term jobs and providing complementary safety nets in extremely remote and poor areas. This lesson was gleaned from experience in [Nepal](#) and

[Niger](#), where local governments have been pursuing community contracting schemes to construct local infrastructure and rehabilitate ecosystems. Such experiences have been replicated in [The Gambia](#) and [Ghana](#), where cash-for-work schemes, combined with skills development support and access to finance, have been used to create a demand for short-term jobs and actively involve the community in adaptation action.

- **Climate change can act as a risk multiplier in already fragile contexts.** By contributing to building climate-resilient communities and economies in some of the world’s most fragile contexts and working closely with local administrations to do so, LoCAL offers a viable approach to addressing concomitant resilience-threatening issues—including insecurity, public mistrust and disengagement and marginalization of most-vulnerable groups. In Sahel countries such as [Mali](#) and [Niger](#), LoCAL, through support from the Peacebuilding Fund, is partnering with other UN agencies to pilot and consolidate such integrated approaches in conflict-sensitive and migration-prone areas by investing in climate-sensitive sectors and creating better livelihoods for local communities.
- **To increase country ownership and overall international recognition, LoCAL needs strong political anchorage.** Since its inception, LoCAL has worked closely with ministries and agencies dealing with climate change, decentralization and finance to

ensure effective coordination and buy-in from key central-level stakeholders. As a de facto public programme, LoCAL devolves strategic guidance and supervision responsibilities to a LoCAL technical committee, which brings together other sectoral ministries and directorates to ensure a shared trajectory on local resilience building through LoCAL. At the regional and global levels, LoCAL has built a solid network of like-minded countries' high-level representatives to further push for advocacy and recognition within the international climate finance architecture and in climate negotiation rooms.

- **Climate data remain at the backbone of informed decision-making and effective adaptation.** Localized climate data empower local governments and communities to act with full awareness. LoCAL's ongoing work on localized climate risk assessments and tailor-made LISAs are useful resources to advance understanding of climate trends and properly factor climate and environmental risks into local decision-making. Systematizing this support across countries is imperative in preparing the ground for PBCRG deployment, and appropriate resources and time should be allocated to it.
- **Tagging climate finance within national budgets is an important step for governments to monitor and track what they spend on climate-related projects and communicate this to their citizens and financial partners.** Subnational climate finance tracking systems are not typically used in LDCs and other developing countries, which affects the traceability, accountability and transparency of local climate expenditures. In new designs (including, for instance, in [Uganda](#) and in the Pacific), LoCAL is systematically integrating the ACCAF as a planning and tracking tool for adaptation benefits and expenditures. Such a tool may also help central governments in

accounting for subnational climate budgets and support resource mobilization strategies with international climate funders.

- **The design phase is crucial in ensuring the sustainability of the LoCAL phased approach.** Countries transitioning between phases often face difficulties in accessing regular and predictable climate finance. The design stage thus provides an important opportunity to plan at the outset for phase transitions from piloting to scale-up—particularly to ensure that funding is secured so the LoCAL mechanism can move smoothly and uninterruptedly from pilot to consolidation to national roll-out. This approach is especially relevant for candidate countries, as demand exceeds LoCAL's current global financing capacity. Beginning at the design phase, LoCAL works closely with government counterparts to advance PBCRG take-up as a country-owned mechanism for subnational climate finance and mobilize resources through national and international climate funds as well as bilateral funders.

What's next

Supporting countries to initiate and sustain LoCAL through the phased approach

LoCAL's experience during its global expansion has shed light on the importance of subnational adaptation and of bridging national with

“The support of LoCAL helps strengthen the role of local governments in the lines of adaptation to climate change at the local level.

—Viriato Luis Soares Cassama, Minister of Environment and Biodiversity, Guinea-Bissau



subnational adaptation efforts; it has also highlighted the contribution of the local level to national climate change plans and goals such as NDCs and NAPs. Since its inception, LoCAL has demonstrably strengthened local government capacity to identify, prioritize and co-finance investments for climate change adaptation and the growing interest and attention of national governments across line ministries in scaling up subnational adaptation financing.

LoCAL is set to develop a **clear pathway and strategy for countries' graduation** through phases, so as to establish cornerstones and targets along this scaling-up path and commit efforts from inception.

LoCAL will also continue to support countries in **sustaining their efforts** through a sequencing of aid, finance diversification and direct access, as highlighted below.

- Support **Bhutan** and **Cambodia** in accessing Adaptation Fund and/or GCF funding to expand PBCRGs as they progress through LoCAL Phase III (approximately \$20 million between the two countries).
- Support **Benin** in pursuing direct access to international climate finance to roll out LoCAL to 25 communes (approximately \$10 million).
- Support **Burkina Faso**, **Côte d'Ivoire**, **Mali** and **Niger** in accessing GCF and other sources of finance to roll out to 80 communes, working closely with BOAD (approximately \$48 million).

- Support **Bangladesh**, **The Gambia**, **Ghana** and **Mozambique** as they expand through Phase II and transition to Phase III. **Mozambique** is to transition as of 2023.
- Support **Lesotho** and **Tuvalu** in a bridging phase, while mobilizing partners for Phase II; and support **Lao PDR** and **Nepal** in taking stock of and consolidating their work while mobilizing partners for Phase II.
- Support **Burkina Faso**, **Malawi**, **Tanzania** and **Uganda** in successfully implementing a first PBCRG cycle while mobilizing Adaptation Fund and/or GCF finance and other partner sources of finance in transitioning to Phase II.

LoCAL will continue to support candidate countries that have officially expressed interest in deploying the mechanism: **Côte d'Ivoire**, **Equatorial Guinea**, **Fiji**, **Guinea**, **Guinea-Bissau**, **Jamaica**, **Liberia**, **Madagascar**, **São Tomé and Príncipe**, **Senegal**, **Solomon Islands**, **Somalia**, **South Sudan**, **Sudan**, **Tunisia**, **Vanuatu** and **Zambia**. Their interest indicates that LoCAL is viewed as a sound vehicle to channel climate finance to the local level, while promoting vertical integration of NDC and NAP processes. LoCAL has worked with these countries to assess the necessary conditions for deployment, engaging key stakeholders and development partners, and collecting and validating the information and data needed to design LoCAL country mechanisms.

Joint efforts with national counterparts will be pursued to secure funds from various sources. LoCAL is also supporting prospective countries with resource mobilization efforts that will allow deployment of Phases I and II.



“The approach of LoCAL—to go down to the people who are most affected by the adverse consequences of climate change—is perhaps one of the best things we can do.

—Wilson K. Tarpeh, Executive Director and CEO, Environment Protection Agency, Liberia

LoCAL as an international standard for subnational climate finance

To support achievement of the LoCAL vision as a standard, internationally recognized country-based mechanism for the delivery of subnational and local climate action, LoCAL will work on leveraging the **ISO 14093 standard** to ensure consistency and rigour in deployment, while cementing LoCAL’s positioning vis-à-vis countries, donors and partners.

LoCAL will continue to support implementation of the **LDC 2050 Vision** for all LDCs to deliver climate-resilient development pathways by 2030 and net-zero emissions by 2050 to ensure that societies, economies and ecosystems thrive. LoCAL will work towards **enhancing and building new partnerships**, as well as in achieving increased recognition and institutionalization of the mechanism in several forums. It will highlight LoCAL’s potential role as an innovative delivery mechanism to strengthen the climate finance architecture and ensure support reaches the local level. Activities to this end include the following:

- Continue ongoing engagement with LoCAL countries and UNFCCC for recognition **as a non-market approach** under Article 6.8 of the Paris Agreement.
- Promote **intentional and strategic linkages** between international, national and subnational financing, planning, implementation, and monitoring and evaluation of climate action, bringing a financial perspective to vertical integration of NDC and NAP processes. This work will be performed in close partnership with the LDC Expert Group, the NAP Technical Working Group, the NDC Partnership, the NAP Global Network, the NAP Global Support Programme and UN 4 NAPs.
- Engage with UNFCCC financial mechanisms— notably, the GCF and the Adaptation Fund—to **enhance (direct) access modalities** for locally led climate action, central governments and/ or national implementing entities and the

“It is really fulfilling to see climate finance channelled to the local level to support the lives of the people who are hit hard by impacts of climate change.

—Mohapi Mohapinyane, Minister of Energy and Meteorology, Lesotho



use of country systems rather than relying primarily on international intermediaries and project approaches.

- Engage with the **ISO to raise awareness of the standard** and build a consistent strategy to engage countries in its promotion, application and use for subnational adaptation finance deployment. Along the same lines, LoCAL will increase its efforts at policy development support on topics related to decentralized climate frameworks, NAP/NDC verticalization and subnational climate tagging to advance institutionalization of the mechanism and full political uptake.

Linking climate resilience and nature-based solutions

The Paris Agreement calls on all parties to recognize the role of natural ecosystems in providing vital services and goods that respond to both adaptation and mitigation aims. In-depth analysis of NDCs submitted to UNFCCC found that approximately 130 NDCs (or 65 percent of signatories) commit to nature-based solutions in their climate pledges—suggesting **broad consensus on the role of nature in helping meet climate change goals**.

But high-level commitments do not always translate into robust, measurable actions on the ground. To this end, LoCAL offers an **opportunity to integrate and advance nature-based**

solutions in local climate action. The PBCRG cycle provides practices and incentives aimed at mainstreaming nature-based solutions for increased adaptation outcomes and mitigation co-benefits, as the following examples show,

- LoCAL **investment menus aligned** to NDCs and NAPs include categories and examples of nature-based solutions, such as ecosystem restoration approaches, ecosystem-based adaptation and area-based conservation approaches.
- **Climate risk assessments** that increasingly consider ecological vulnerabilities and cost-benefit analysis promote a better understanding of nature-based solutions.
- Monitoring and evaluation and learning activities aim to **share good practices and knowledge** regarding nature-based solutions.

LoCAL Board decisions have paved the way for such engagement. Most recently, the 2022 LoCAL Board decision

Encourages the LoCAL Facility to engage with all the Rio Conventions considering the potential role of the LoCAL Mechanism for promoting Nature Based Solutions (NBS) in synergy across Rio Conventions (Convention on Biodiversity (CBD) and United Nations Convention to Combat Desertification (UNCCD) and invites the LoCAL Facility and countries to collaborate and share their experiences with the secretariat of the Conventions.

Exploring the urban-rural nexus in climate resilience building

Demographics and climate change merge to confront urban areas with both challenges and opportunities. **PBCRGs provide an opportunity to address localization of climate-related SDGs** in both rural and urban areas while strengthening government systems—particularly intergovernmental fiscal transfers, local planning and budgeting, and local public financial management.

In 2022, a few redesigns have been looking specifically at how to **leverage both an urban and rural scale-up of the PBCRG** as an integral part of the countries' LoCAL roll-out strategy. This is the case in [Ghana](#), for instance, where an urban-rural PBCRG system is being explored for funding and synergies with existing urban initiatives in the country.

As UNCDF's financial instruments evolve and expand, synergies with the PBCRG system may be explored to meet compelling, but differing, rural and urban financing needs for adaptation and climate-compatible development.

country profiles

This annex consists of 17 country profiles which provide detailed information on the status of the LoCAL initiative in each participating country where the Facility is active. The 17 countries are as follows:

- Bangladesh
- Benin
- Bhutan
- Burkina Faso
- Cambodia
- The Gambia
- Ghana
- Lao PDR
- Lesotho
- Malawi
- Mali
- Mozambique
- Nepal
- Niger
- Tanzania
- Tuvalu
- Uganda



Bangladesh



context

Climate change is expected to lead to a rise in sea level and surface temperatures with devastating consequences for Bangladesh, which sits on the low-lying delta of two of the largest river systems (the Ganges and the Brahmaputra) in the Indian subcontinent. One of the most densely populated countries in the world, the **impact of extreme climatic events such as floods and cyclones threatens the lives of many of its population**, whose number exceeds 160 million.

Two national plans address climate change adaptation: the National Adaptation Plan, which was approved in 2022; and the Mujib Climate Prosperity Plan, which was approved in 2021. The 2009 Bangladesh Climate Change Strategy and Action Plan was revised in 2022 but has not yet been approved. Bangladesh developed the **Delta Plan 2100** with a specific focus on climate change and water resource management-related issues in the country.

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 upazila (subdistrict) and union parishad (lowest tier of government) levels receive fiscal transfers which are used to strengthen local infrastructure and deliver services. LoCAL works with these local governments as well as with district and central-level authorities to mainstream climate change resilience into planning and investment systems and support **localization of the NDCs and national climate change adaptation goals**.



objectives

The overall objective of LoCAL-Bangladesh, under the Local Government Initiative on Climate Change (LoGIC), 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 are to ensure that local governments can:

- **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
- **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
- **Support strengthening of the country's fiscal transfer system** and 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







achievements

- LoCAL-Bangladesh began in 2014 with the roll-out of **performance-based climate resilience grants (PBCRGs) in 3 local governments and was rapidly expanded to 72**. LoCAL has been incorporated into Bangladesh's LoGIC, an effort funded by Sida and the European Union, with input from the United Nations Development Programme and UNCDF. LoGIC uses LoCAL's system of PBCRGs to channel additional resources to local governments and support projects identified locally based on local-level adaptation needs.
- State-of-the-art **accounting and management information systems and adaptation tracking and measuring software** have been developed to support local governments. LoCAL has trained 72 union parishad secretaries in the accounting and information system software; field-level project staff have had hands-on training on entering and updating field-level data in the adaptation tracking app.
- A Risk Reduction Action Plan has been formulated to **integrate climate resilience investment plans and financing** through community risk assessment, capacity building and technical support for 72 union parishads, which have been approved with the engagement of standing committees and line departments.
- The **PBCRG model has been successfully integrated** into the Bangladeshi intergovernmental fiscal transfer system, with UNCDF funds transferred through the treasury and the Local Government Division of the Ministry of Local Government, Rural Development and Co-operatives to the union parishads.
- LoCAL serves as a **standard to advance the country's commitment to decentralized climate finance**. Experiences from LoCAL and LoGIC implementation have contributed to the development of a Local Climate Financing Framework, which has been shared with the Local Government Division of the Ministry of Local Government, Rural Development and Co-operatives to ensure a policy provision for decentralized climate finance in the revised National Climate Financing Framework. Local governments will subsequently have enhanced capacity to scale up the PBCRG system to all vulnerable upazilas in Bangladesh.
- LoCAL is supporting development of a **climate vulnerability index** to map the exposure, sensitivity and adaptive capacity of all union parishads. Local administrations will be able to use the index to formulate appropriate responses to projected climate-induced disasters; at the national level, higher-vulnerability areas can be prioritized for early action or medium-/long-term adaptation interventions. Thus far, a risk atlas has been developed for 7 districts, 18 upazilas and 72 unions.



Bangladesh

 <p>achievements</p>	<ul style="list-style-type: none"> ● Positive financial audits were recorded for 72 union parishads, with all union parishads qualifying for another cycle of PBCRGs. This cycle was successfully launched and implemented throughout 2022 with ~\$2.9 million of investments delivered. ● As of 2022, LoCAL-Bangladesh is transitioning to the upazila level of local government. For fiscal year 2022, LoGIC will support 19 upazilas with \$1 million in PBCRGs for some 56 pre-identified local climate-adaptive infrastructure projects. Working from this higher tier of local government, LoCAL will aim to explore larger climate-resilient public infrastructure projects.
 <p>adaptation measures and investments</p>	<p>As of December 2022, 725 small-scale climate resilience measures had been financed under LoCAL—216 in 2022 alone. The investments delivered direct results for approximately 798,000 people.</p> <ul style="list-style-type: none"> ● Priority investments included construction, reconstruction and repair of climate-adaptive infrastructure (drainage systems, culverts, embankments, roads etc.) to protect human settlements and other critical facilities. Particular emphasis was on mainstreaming nature-based solutions to withstand the impacts of climate change for disaster risk prevention, e.g. schemes including vetiver grass or swamp planting. ● Investments to ensure the availability of drinking water were also prioritized, including climate-proofing of water supply systems and sanitation facilities; flood proofing of sanitary latrines in flood-prone areas; and installation of filtering and desalinization technologies (especially in coastal areas). Further, some 134 rainwater harvesting systems were constructed at the community and household levels. Each system covers at least 350 households, which were provided with water ATM cards to collect drinking water in line with their needs. ● Many interventions focused on promoting more climate-resilient agricultural livelihoods. In 2022, PBCRGs financed climate-adaptive and environmentally friendly irrigation systems, including the re-excavation of 38 irrigation canals and the establishment of 16 solar-powered irrigation systems. ● Other interventions targeted extremely vulnerable and exposed populations, including through the introduction of income-generating activities and the provision of safety equipment and training (e.g. for fishing communities).
 <p>lessons learned</p>	<ul style="list-style-type: none"> ● 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. ● Intergovernmental coordination can sometimes be time-consuming and cumbersome in planning, fiscal transfer and execution of schemes. Clearer procedures and protocols may ease these processes. ● 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. Building on past work, the climate vulnerability index and risk atlas will further help to bridge the data gap for risk-informed decision-making. ● A more systemic approach to the integration of nature-based solutions into adaptation planning is providing interesting learning for innovative disaster prevention measures (e.g. protection walls combined with reforestation and wetlands preservation for flood prevention). This effort is supported through a partnership with the Bangladesh University of Engineering Technology and the Center for Natural Resource Studies.
 <p>way forward</p>	<ul style="list-style-type: none"> ● Based on the soft commitment made by Sida and Danida for an additional \$10 million to cover a two-year extension, LoGIC will expand to two additional climate-vulnerable areas in the country. ● As an accredited entity of the Green Climate Fund (GCF) and a LoGIC partner, the United Nations Development Programme, with technical contributions from UNCDF, has developed a concept note for submission to the GCF to further address local climate risks. LoGIC's next phase is featured in Bangladesh's country pipeline document for the GCF with an estimated total budget of \$100 million. ● Advance institutionalization of the LoCAL mechanism with a view to integrating LoCAL performance indicators in local government monitoring indicators, including climate vulnerability indicators in the country's allocation formula for intergovernmental transfer systems, and providing for climate change additionality in subnational budgeting.



Benin



context

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.

LoCAL-Benin is viewed as a measure to help bridge the gap for financing adaptation to climate change at the local community level while building local institutional and technical capacity to address climate risks and challenges. The country looks to **extend LoCAL to all 77 of its municipalities** as part of its nationally determined contribution (NDC) goals. Benin's updated NDC highlights the following as cross-cutting priorities for enhanced adaptation action in response to climate change:

- Improving the use of vulnerability assessments and decision support tools to integrate adaptation into planning and management instruments at multiple levels
- Building adaptive capacity to climate change in all socioeconomic sectors (generating employment, income etc.)
- Mobilizing the necessary financial resources to finance climate change adaptation

Benin's communes are independent in both financial and management terms; they are supported by a national funding mechanism for local development, the Commune Development Fund (FADeC, Fonds d'appui au développement). **Communes are responsible for environmental protection**, as confirmed by the country's Environmental Governance Charter. Recent policies on adaptation reaffirm the role of multilevel governance systems to address the climate challenge.

Benin's first **National Adaptation Plan** was submitted to the United Nations Framework Convention on Climate Change in July 2022.

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objectives

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:

- Build the capacities (financial, technical, governance) of Benin's communes and communities to respond to climate change risks
- Integrate climate change adaptation/resilience into municipal resource planning and allocation processes
- Finance climate change adaptation measures in a transparent and participatory manner through the establishment, consolidation and institutionalization of a climate finance transfer mechanism (the performance-based climate resilience grant [PBCRG] system)
- Introduce and institutionalize a climate-focused performance evaluation system (indicators and evaluation assessment process) to incentivize communes, and accrue accountability and traceability of local climate expenditures
- Disseminate and capitalize on lessons learned from LoCAL-Benin execution in large-scale territories







achievements

- Benin was the **first African country to deploy LoCAL** in 2013. LoCAL-Benin has initially been implemented in the northern communes of Boukoubé, Copargo and Toukountouna (total population: 195,068), which are located in Benin's most vulnerable agro-ecological areas and have the institutional capacity to handle climate change-related concerns.
- The **positive pilot experience secured the backing of the National Fund for Environment and Climate** (FNEC, Fonds National pour l'Environnement et le Climat) in 2017, when three additional communes—Cobly, Matéri and Ouaké in the Atacora and Donga Departments—were supported to plan and budget climate change adaptation activities with LoCAL support. The communes of Banikoara, Karimana and Malanville initiated implementation of a cycle of adaptation measures in 2017. In 2019, FNEC co-financed PBCRGs in the communes of Matéri and Ouaké; the \$120,000 provided was obtained in part from ecotax revenues.
- The **LoCAL/PBCRG system has been cited as a key measure to support achievement of NDC goals at the subnational level**—clear evidence of the institutionalization and ownership of the PBCRG system in Benin.



Benin

 <p>achievements</p>	<ul style="list-style-type: none"> ● Building on LoCAL experience, FNEC was accredited as Benin's national implementing entity with the Green Climate Fund (GCF). Since its accreditation, FNEC and LoCAL have been working on a funding proposal to scale up LoCAL to cover up to a third of Benin's communes; the associated concept note was approved by the Second Investment Committee (CIC2) in 2022. ● The Adaptation Climate Change Fund of the African Development Bank (AfDB) approved a grant envelop to LoCAL-Benin. The bridge funding is aimed at supporting the financing of small-scale adaptation investments targeting vulnerable communities via the PBCRG system, while exploring modalities to promote private sector participation in local adaptation in line with AfDB's Adaptation Benefits Mechanism. ● In response to Benin's request for support on NDC implementation, LoCAL has provided capacity development support on climate change adaptation mainstreaming into local planning and budgeting processes in line with the LoCAL methodology to the Permanent Secretariat of the National Commission on Local Finance (SP-CONAFIL) and the Training Centre for Local Governments.
 <p>adaptation measures and investments</p>	<p>To date, 24 adaptation measures in nine communes received financing through PBCRGs. Overall, 71,000 people are reported to have benefited (or will benefit) from PBCRG-financed investments; 55 percent of these are women. These measures mainly focus on the following:</p> <ul style="list-style-type: none"> ● Rehabilitation/improvement of community ponds in an effort to revitalize the local aquaculture sector as an alternative livelihood option for local communities as well as water retention infrastructure for supporting agro-pastoralism ● Construction/rehabilitation of wells and irrigation facilities to ensure water availability for irrigated fields throughout the year and maintenance of market garden yields, as a key income-generating activity especially for women ● Capacity-building activities on climate-resilient crop varieties, i.e. climate-resilient rice varieties and cost-efficient agricultural practices in two communes. ● Water-related infrastructure (e.g. boreholes) to ensure a supply of potable water in rural villages affected by water scarcity
 <p>lessons learned</p>	<ul style="list-style-type: none"> ● 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 mechanism's design—in particular, the choice of minimum access conditions and performance criteria for local governments. ● The PBCRG model is fully aligned with the country's national investment fund transfer system for local authorities and embedded in the country's climate change strategy (the NDCs). This will deepen and broaden confidence in the system over the long term, helping local governments obtain access to international adaptation finance. ● Technical assistance and capacity-building grants are as important as investment grants since the former enable proper execution of investment activities for adaptation at the local level. Operating with constrained resources for capacity development and support may hamper the performance of target communes, which may lose access to much-needed funds for locally led adaptation.
 <p>way forward</p>	<ul style="list-style-type: none"> ● Phase II will continue throughout 2023 and 2024 with co-financing from the government and AfDB and expected funding from the GCF. UNCDF and the government will continue to engage partners and funders to scale up LoCAL and ensure achievement of the set target of a national roll-out. ● LoCAL will continue to support FNEC in obtaining GCF approval to scale up LoCAL in 25 communes starting in 2024. ● LoCAL will continue to deliver technical assistance and capacity development to reinforce the overall architecture of LoCAL deployment in Benin. ● LoCAL will support key institutions in implementation of decentralization reform to ensure that lessons learned from LoCAL on subnational adaptation are reflected and capitalized in the new setup (FADeC reform) through full institutionalization of the PBCRG system.



Bhutan



context

As a least developed, mountainous and landlocked country situated in the geologically fragile Himalayas, Bhutan is extremely vulnerable to climate change. **Environmental conservation has been at the centre of the Government of Bhutan’s development policies and plans** since the inception of the 1st Five-Year Plan; recent five-year plans have emphasized mainstreaming climate change, the environment, disaster risk management, gender and poverty reduction as cross-sectoral concerns. Guidelines in this regard were set for formulation of the 11th Five-Year Plan (2013–2018) and carried onward in the ongoing 12th Five-Year Plan (2018–2023).

Decentralization reforms in Bhutan were initiated in 1981 by royal decree to institute a *dzongkhag* development committee in all dzongkhags; this was followed by institution of a *gewog* development committee in all gewogs in 1991. The role, mandate and capacities of local governments—particularly with regard to sustainable development—have been significantly strengthened through recent legislation, regulations and programmes. Notably, the Local Governance Sustainable Development Programme initiated in 2013 assists local governments in implementing block grants allocated for sustainable local community development, while developing their capacity for good governance and improved public service delivery. LoCAL support is embedded in this programme. A draft decentralization policy has also been developed aimed at enabling local governments to provide democratic and accountable governance to local communities, deliver public services in a sustainable manner, and mobilize local community participation in matters of local community development.

Bhutan is a carbon-negative country and has internationally pledged to remain carbon-neutral for all time to come, and has embarked on a policy of green economic development. Bhutan’s intended nationally determined contribution priority adaptation actions—based on information in the country’s national adaptation programme of action, vulnerability and adaptation assessment in its Second National Communication and other sectoral plans and programmes—include increasing resilience to the impacts of climate change on water security through integrated water resource management; promoting climate-resilient agriculture to contribute towards achieving food and nutrition security; sustainable forest management and conservation of biodiversity; and strengthening resilience to climate change–induced hazards. Bhutan also is formulating its first national adaptation plan, which is envisaged to be completed by 2023.



objectives

The overall goal of the LoCAL-Bhutan initiative is to **improve the adaptive capacity and resilience of local communities to climate change** with increased access to climate change adaptation financing through performance-based climate resilience grants (PBCRGs). The programme’s core objectives are to ensure that dzongkhags and gewogs can accomplish the following:

- **Respond to the increasing impact of climate change on local livelihoods** and livelihood assets in accordance with community-prioritized needs and vulnerabilities in a sustainable manner
- 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 with particular emphasis on strengthening incentives for integrating climate change adaptation needs in local investments
- **Train participating local governments** to develop their knowledge and skills for planning and integration of climate change adaptation in local development investments







achievements

- **Bhutan and Cambodia were the first countries selected by LoCAL to pilot PBCRGs**; their efforts served to validate the approach. LoCAL-Bhutan was initiated in 2011 in two gewogs in two dzongkhags. It has since been extended to **100 gewogs across 16 of the country’s 20 dzongkhags** with budgetary support from the European Union (EU) and technical support from LoCAL.
- LoCAL’s **successful integration in the Local Governance Sustainable Development Programme** has been instrumental in supporting local governments in developing and rolling out guidelines, supporting participatory climate vulnerability assessments and integration of adaptation in local development planning, and raising awareness.
- 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).
- The **Assessing Climate Change Adaptation Framework was successfully piloted** in Bhutan and is now being rolled out to other LoCAL countries.



Bhutan

 <p>achievements</p>	<ul style="list-style-type: none"> • With LoCAL support, the Bhutan Trust Fund for Environmental Conservation (BT FEC) was accredited in early 2020 as the Green Climate Fund (GCF) national implementing entity with a view to scaling up LoCAL. LoCAL and BT FEC prepared and submitted a concept note to support LoCAL Phase III to the GCF; this was approved in 2022. The Bhutan National Bank is now pursuing GCF accreditation with LoCAL support. • BT FEC is further leveraging LoCAL support to fast-track its accreditation to the Adaptation Fund, paving the way for more diversified funding sources to sustain LoCAL national roll-out. • During 2022, LoCAL and the World Resources Institute undertook evaluative research to document and assess how climate finance has been reaching the local level in Bhutan and its effectiveness in achieving adaptation results through LoCAL. The research particularly focuses on documenting whether and how local-level climate finance is making a tangible impact on individuals and communities on the ground. The report is expected to be released in 2023. • In 2022, LoCAL provided bridge PBCRG funding to six gewogs for 2022/2023 to enable local government adaptation efforts pending access to additional resources, particularly from the GCF.
 <p>adaptation measures and investments</p>	<p>Since 2012, just under 350 small-scale investments have been realized through PBCRGs in 100 gewogs. The following are among the core adaptation priorities financed to date:</p> <ul style="list-style-type: none"> • Infrastructure works aimed at improving 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 • Construction of elevated bridges to overcome risks posed by swollen rivers and streams during heavy rain events • 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, and/or replacement of water supply lines with climate-resilient materials • Community water harvesting and improvement of irrigation systems by rehabilitating irrigation channels and installing climate-resilient pipes to distribute irrigation water more effectively and improve agricultural productivity and farm livelihoods • Soil conservation and landslide risk mitigation works, such as planting bamboo and hedgerows and contour bunding to prevent soil erosion and protect agricultural lands • Development of stormwater drainage to mitigate flood and landslide risks to farmlands, schools, homes and other public and private properties in rural areas
 <p>lessons learned</p>	<ul style="list-style-type: none"> • The introduction of LoCAL PBCRGs has promoted robust, transparent and accountable public financial management/public expenditure management systems while addressing local climate adaptation priorities. Bhutan is implementing LoCAL Phase III using EU budget support to finance PBCRGs. • The PBCRGs have been effective in transferring adaptation finance directly to dzongkhags and gewogs 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. • Baseline and monitoring assessments 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. Participatory climate risk assessments at the local level have supported planning and prioritization for using grants in climate change initiatives.
 <p>way forward</p>	<ul style="list-style-type: none"> • Finalize the full-fledged GCF funding proposal to sustain the PBCRG in 65 gewogs and develop complementary capacity of local governments to mainstream climate adaptation and implement grants effectively and efficiently. • Implement the bridging cycle of PBCRGs to target gewogs, with a specific focus on testing and deploying nature-based solutions and ecosystem-based approaches to local adaptation. • Engage with the Government of Bhutan and the European Union on a forthcoming budget support programme to support further roll-out



Burkina Faso



context

Climate change is a major concern for Burkina Faso because of its high exposure and vulnerability. The country is **prone to recurrent and increasingly frequent and serious natural disasters such as drought, floods and locust invasions**. These are expected to exacerbate as the climate changes. In fact, climate projections suggest that Burkina Faso will experience a rise in temperatures in line with the trend in West Africa, which projects average annual temperature increases of a median value of 0.9°C by 2035, 2.1°C by 2065 and 4.0°C by 2100 (RCP 8.5). Burkina Faso could experience a late end to the rainy season and an increase in the duration of dry spells; overall, the uncertainty associated with future rainfall patterns in West Africa makes it difficult to understand the potential implications of climate change for Burkina Faso's people and economy.

Studies on the **assessment of vulnerability and adaptation capacities to climate variability** were carried out within the framework of the National Adaptation Plan (2015) and its sectoral studies. These indicate the most vulnerable key sectors (agriculture and animal resources, forestry/biodiversity, water resources) and the most vulnerable groups (poor rural populations, particularly women, young people and small agricultural producers).



objectives

LoCAL–Burkina Faso aims to contribute to strengthening the climate resilience of communities and local economies through **increased access to climate finance and action at the local level**. LoCAL–Burkina Faso will support the government and local authorities in achieving the objectives of the Paris Agreement and facilitate vertical integration of the nationally determined contributions and the National Adaptation Plan, while contributing to achieving national development strategies—especially in terms of promoting resilient local economies and sustainable livelihoods. LoCAL will achieve these through two objectives:

- **Strengthen the capacity of local authorities** in Burkina Faso to access climate finance for the realization of investments for adaptation to climate change
- **Establish a standard and internationally recognized country-based performance-based transfer mechanism** to channel climate finance (national and international) to local authorities.

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achievements

- LoCAL has engaged with Burkina Faso since 2019, when the government first expressed interest in deploying the mechanism and in **working with three other West African countries (Côte d'Ivoire, Mali and Niger) to prepare and submit a funding proposal to the Green Climate Fund** in partnership with the West African Development Bank (BOAD) to enable direct access to pilot and consolidate LoCAL in these countries.
- LoCAL–Burkina Faso design was undertaken in 2019 and validated through wide stakeholder consultations. LoCAL and the Government of Burkina Faso have worked to **mobilize resources and elevate LoCAL in the country**, as well as internationally, as a standard and recognized mechanism to channel climate finance for locally led adaptation. Burkina Faso is a signatory to the LoCAL Ministerial Declaration of 2021 and has supported positioning LoCAL as a least developed country (LDC) long-term initiative supporting implementation of LDC Vision 2050.
- The Government of Burkina Faso and LoCAL committed to **launch a pilot phase with three local governments** late in 2021. A memorandum of understanding with the Ministry of Environment, Green Economy and Climate Change was signed to transfer the tranche of performance-based climate resilience grants (PBCRGs) through the Environmental Intervention Fund (Fonds d'Intervention pour l'Environnement—FIE). A letter of agreement was signed with the FIE to operationalize the mechanism, mobilize key stakeholders and provide assistance and oversight support to pilot communes during PBCRG deployment. Key stakeholders include the National Council for Sustainable Development and its Permanent Secretariat, the General Directorate of Local Authorities within the Ministry of Territorial Administration, Decentralization and Social Cohesion, and the General Directorate of Territorial Development.
- Following in-country consultations, **three local governments in three regions were selected** based on their exposure to climate change threats, strong degradation of natural resources and pressure on natural resources, exacerbated by the internal displacement crisis: Saponé (Centre-Sud), Loumbila (Plateau-Central) and Pabré (Centre). Preparatory work with the communes on adaptation investment identification began in 2022 for implementation in 2023.
- To support Burkina Faso in understanding climate change and its potential impacts, LoCAL is undertaking a **climate downscaling exercise**. Downscaling allows climate models to home in on climate variability at the local level, providing the basis to identify current and future risks in different localities of the country. Capacity building on downscaling modelling has been undertaken with the National Meteorological Agency and the University of Ouagadougou.
- The LoCAL Technical Committee—LoCAL's oversight and strategic body in Burkina Faso—was established by ministerial decree and held its first meeting in August 2022 to launch the initiative. Committee members represent all key national and subnational stakeholders engaged in subnational climate adaptation; the committee thus serves as an interministerial forum to increase coordination among key parties.



Burkina Faso



way forward

- Through FIE and partners and with LoCAL direct technical assistance, deploy needed support to the three pilot local governments to undertake their first PBCRG cycle, and monitor implementation and evaluate performance.
- Capitalize on the pilot experience for improvement and adjustment as needed, while exploring in-country partnerships to ensure mobilization of additional support to progressively expand the LoCAL mechanism to more communes and to deliver resilient infrastructure and services to vulnerable communities.







Cambodia

 <p>context</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 and is expected to experience increased variation in, and intensity of, precipitation. Over 2 million farming households, or over 8 million people, rely 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. Cambodia’s updated nationally determined contributions place added emphasis on adaptation measures in vulnerable sectors, namely agriculture and water resources, forestry, coastal zones, and human health.</p> <p>National adaptation plan development is being used to strengthen ongoing climate change adaptation processes through cross-sectoral programming and implementation at the national and subnational levels; this is expected to inform future climate change strategies, financing frameworks, and national development planning and budgeting. LoCAL-Cambodia is aligned with these plans and processes. The increasing relevance of local governments emerged in 2008, when the National Committee for Subnational Democratic Development (NCDD) was established as the inter-ministerial mechanism for promoting democratic development through decentralization and deconcentration reforms throughout Cambodia.</p>
 <p>objectives</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 subnational planning and finance systems. The project’s major outcomes and related outputs are as follows:</p> <ul style="list-style-type: none"> ● Increased awareness of climate change and potential adaptation and resilience-building responses among subnational governments and local communities ● Integration of cross-sectoral, analysis-based strategies for building climate change resilience in subnational plans and investment programmes ● Systems and procedures for mainstreaming climate change resilience within subnational government public expenditure management systems in a fiscally sustainable manner proven and available for scale-up ● National guidelines for subnational public expenditure management (e.g. subnational 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
 <p>achievements</p>	<ul style="list-style-type: none"> ● Cambodia and Bhutan were the first countries selected by LoCAL to pilot performance-based climate resilience grants (PBCRGs); their efforts served to validate the approach. LGCC Phase I was launched in three local administrations in the Takeo province: Doun Keo municipality and the Bati and Borei Chulsar districts. ● Cambodia successfully moved to Phase II (2016–2019), a bridging period aimed at strengthening systems and building capacity for full roll-out of subnational climate change adaptation finance. The scale-up was implemented in partnership with the International Fund for Agricultural Development’s Agriculture Services Programme for Innovation, Resilience and Extension (ASPIRE), which supports climate-adaptive productive infrastructure in 50 districts, and the United Nations Development Programme’s Strengthening Resilient Livelihood. The scaling-up programme benefited 32 districts in 8 provinces under ASPIRE. ● The NCDD Secretariat (NCDD-S) was nominated in 2015 as a national implementing entity for the Green Climate Fund (GCF). With support from UNCDF, NCDD-S accreditation was approved by the GCF Board in 2019 and became the world’s first GCF national implementing entity dealing with local governments. The lessons learned from Cambodia and the NCDD-S during the GCF accreditation process serve as good practice for other least developed countries engaging with LoCAL. LoCAL is supporting NCDD-S in preparing a concept note to the GCF to continue scale-up of the mechanism under Phase III. A readiness proposal to ensure continued technical assistance, capacity building and quality assurance while scaling up LoCAL was also drafted for submission to the GCF.



Cambodia

 <p>achievements</p>	<ul style="list-style-type: none"> ● Initiatives were undertaken to improve climate change adaptation mainstreaming, including adoption of a new climate vulnerability mapping tool (with trainings to relevant local authorities) and alignment of rankings along a 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 targeted districts which allow for transfers of new PBCRG cycles. LoCAL also contributed to the development of NCDD-S policies on environmental and social safeguards and gender; preparation of a performance-based grants manual; and identification of a partnership project for climate-adaptive water supplies in a Battambang district with K-Water and the Korean Ministry of Land and Transport. ● Cambodia was selected by UNCDF and the World Resources Institute as one of three pilot countries to test the Assessing Climate Change Adaptation Framework (ACCAF) to monitor the extent to which LoCAL country programmes contribute to increased resilience and capacity building for adaptation. The country is rolling out the ACCAF to additional LGCC districts. ● With financial support from the Korean Ministry of Environment, the Scaling Up Climate Resilience Grants in Cambodia: Innovative Decentralized Water Solutions to Provide Safety and Resilience for Residential Water Systems supports local governments in leveraging public and private sector investment in projects with the potential to generate cash flow through water tariffs and user fees. Implementation began in 2020; the private-public partnership (PPP) framework was established in 2022 to support financing and operation of a water supply system in the Battambang province.
 <p>adaptation measures and investments</p>	<p>Overall, 538 adaptation measures have been financed through PBCRGs. The largest share of investments are aimed at improving transport systems, especially during the rainy season, for people and goods; followed by those aimed at strengthening the resilience of agricultural systems and improving the availability of potable and safe water and disaster prevention and preparedness.</p> <p>Of the 538 projects financed, 450 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>lessons learned</p>	<ul style="list-style-type: none"> ● Local governments have adequate capacity for simple climate change response actions, but further capacity development is needed: e.g. public expenditure management systems need further strengthening, and monitoring and evaluation of local climate change adaptation is a work in progress. ● Smarter systems are needed to facilitate scale-up, and more partnerships are needed to ensure sustained change at the local level. ● Changing people's attitudes, behaviours and practices is generally complex, especially regarding climate change because of its unpredictability, lack of accurate data and the uncertainty of success of innovative technologies and practices. The involvement of subnational governments and local communities is key to ensure adaptation results at the local level. ● Infrastructure subprojects are generally more appealing to subnational governments and local communities than soft adaptation measures because of the multiple and immediate benefits. Hard and soft approaches are complementary, 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. ● 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.
 <p>way forward</p>	<ul style="list-style-type: none"> ● Cambodia will expand implementation of LoCAL Phase III. In line with the concept note submitted to the GCF, up to 20 districts may receive GCF-funded PBCRGs through the existing fiscal transfer system. In combination with other funding sources, this may contribute to full scale-up of LoCAL nationwide. UNCDF will continue to provide support to Cambodia in mobilizing additional resources for scaling up PBCRGs.



The Gambia



context

The Gambia's **fragile economic and social profile makes it particularly vulnerable to a number of potential shocks**, including climate change and weather extremes. In 2014/2015, the double shock of drought and the Ebola scare led to rising food insecurity rates and increasing migration to urban areas or overseas, particularly Europe. An estimated 57 percent of the Gambian population now live in the urban areas. The Gambia needs support in paradigm change and the creation of efficient democratic institutions. Job creation and social inclusion are key to ensuring this goal.

Climate change impacts are expected to put considerable pressure on the country's natural and societal systems, with decreasing rainfall projected to intensify salinization and acidification of lowland soils across the country, affecting marginally productive soils or soils most exposed to climate stressors. The Gambia is committed to advancing its national adaptation plan process and intends to **transition from project-based adaptation planning and implementation to an integrated approach**, with a focus on vulnerable economic sectors and social groups (including women, youth, indigenous peoples and local communities) and ecosystems. LoCAL–The Gambia is aligned with and responds to these goals.



objectives

LoCAL–The Gambia is one of three components of the Jobs, Skills and Finance for Women and Youth in The Gambia (JSF) Programme funded by the 11th European Development Fund. The programme aims to help stabilize the country's economic, social and security situation during its democratic transition by facilitating the social inclusion and employment of youth and women, with a specific emphasis on promoting gender equality and addressing climate change. It will accomplish this goal through two components:

- Job creation for youth, women and local communities and equal access to employable skills development
- Improved access to finance

Activities undertaken as part of the first component, featuring the LoCAL performance-based climate resilience grant (PBCRG) approach, **aim at creating jobs, particularly in the green economy**. Local authorities and communities are supported in identifying needs in priority sectors and in planning investments accordingly. Support is provided to increase the number, quality and accessibility of vocational training schemes offered to youth and women. Activities under the second component facilitate access of micro, small and medium-sized enterprises to financial services, with a particular focus on youth and women. Public-private partnerships are being established for local relevant employment creation and economic development.







achievements

- Following technical missions and a consultative meeting to draft and validate LoCAL design in 2017, the **JSF Programme was officially launched in October 2018**, including the establishment of the JSF National Steering and LoCAL Technical Committees. In the first half of 2019, a memorandum of understanding was signed between UNCDF and the Ministry of Lands and Regional Governments (MoLRG) and the Ministry of Finance and Economic Affairs for deployment of the LoCAL mechanism and associated PBCRGs.
- A letter of agreement was signed between UNCDF and MoLRG to provide the ministry with operational support for successful implementation of LoCAL/JSF activities, including **capacity development support to key governance structures**. A letter of agreement was also signed with the Office of the Auditor General to provide guidance, training and supervision to wards on good governance and financial management; under this agreement, support is provided for annual audits of the wards on budget execution, use of funds and compliance with national public finance management.
- Since then, 32 ward development committees (WDCs) across the North Bank, Lower River, Central River North and Central River South regions have been supported in identifying climate-relevant priorities, and preparing and **finalizing climate change adaptation investment plans and related cash-for-work activities**. Three PBCRG cycles have been delivered so far, with positive feedback on compliance with minimum conditions and performance measures.
- Through cash-for-work schemes, the **programme created 5,086 temporary full-time-equivalent jobs**, 26 percent of which were filled by adult women and 76 percent by youth.
- In partnership with the Department of Community Development, the JSF Programme undertook activities to sensitize target wards and their communities on the programme, the LoCAL mechanism and investment menu, employment opportunities to be generated via cash-for-work activities and broadly on climate change adaptation. A total of 2,373 participants have been sensitized on mechanism operations across the four regions since LoCAL launch.



The Gambia

 <p>achievements</p>	<ul style="list-style-type: none"> ● UNCDF, in partnership with the Centre de Suivi Écologique (CSE), continued to provide technical support for climate risk assessment and Local Information System for Adaptation (LISA) design. Climate risk assessments were finalized for the first eight wards; these will serve as a model for replication as the PBCRG mechanism is expanded to additional wards. The assessments provide information on climate risks, vulnerabilities and adaptation strategies to guide prioritization of community investments; they will also provide input for LISA development, which is under final refinement with CSE support. ● A high-level delegation led by the ministers of environment, agriculture and energy visited LoCAL project sites in the Lower River Region in May 2021 to understand how LoCAL is promoting integrated approaches to adaptation. The minister of environment, who is a LoCAL Ambassador, has been on the forefront advocating for the LoCAL mechanism as a successful solution to decentralized climate finance and resilience building at the local level. ● The Gambian Government reiterated its commitment to adaptation to climate change in the National Steering Committee meeting that took place in April 2022, committing to scale up existing resilience-building activities using LoCAL as part of the new government-owned LoCAL+ action. The main goal of LoCAL+ is to scale up current JSF activities to 48 wards with expansion to the Upper River and West Coast regions through the Adaptation Fund.
 <p>adaptation measures and investments</p>	<p>A total of 67 locally led adaptation projects have been implemented since inception, 34 of which were completed in the third cycle. The investment plans have been developed based on climate adaptation priorities in the wards as identified through climate risk assessment. Investments ranged from providing clean drinking water for humans and livestock through solar-powered boreholes; horticulture gardens; construction of culverts to improve accessibility to markets, schools and hospitals; increased adoption of agro-forestry and reforestation to enhance environmental conservation; and integrated poultry horticulture farms as priority interventions to improve community resilience to climate change. All interventions were implemented through cash-for-work activities, mainly focused on women and youth.</p>
 <p>lessons learned</p>	<ul style="list-style-type: none"> ● The LoCAL mechanism is clearly aligned with the National Climate Change Policy for The Gambia (2017). LoCAL activities have fast-tracked realization of the policy through strengthening governance and coordination, implementing priority capacity needs and increasing resource mobilization by activating a separate budget code. ● LoCAL provides a mechanism for identifying national and subnational budgetary allocations to respond to climate change. This is a critical first step in enhancing resource mobilization for mainstreaming climate change. It is also in line with government initiatives to design and implement a climate change budget coding and scoring system to track, monitor and report on climate change expenditures that are harmonized with the Integrated Financial Management Information System. ● The annual performance assessment embedded in the LoCAL mechanism is crucial in enhancing the capacity of local government structures. For instance, the results of the annual performance assessment for the first eight pilot wards revealed major capacity gaps and needs, including with regard to climate risk and vulnerability assessment, budget management, record keeping and ward development plans. Through LoCAL, good performance is incentivized through increased budgetary allocation, the progress of each WDC is monitored systematically, and meaningful improvements can be made to achieve impact on community and ward development.
 <p>way forward</p>	<ul style="list-style-type: none"> ● The LISA platform is expected to help participating WDCs strengthen their adaptation planning and selection of climate investment plans through easier access to climate information. UNCDF will continue to provide technical support to the Ministry of Environment, Climate Change and Natural Resources for LISA website design. ● Based on the results of the annual performance assessment and audit, the JSF Programme/LoCAL will continue to build WDC capacity in procurement and financial management processes, as well as in understanding the LoCAL mechanism, in implementation of the next PBCRG cycle; this cycle is expected to deliver 32 new adaptation investments in target wards. ● LoCAL will continue to work closely with key ministries to support The Gambia in leveraging climate finance under the PBCRG system, including with the Adaptation Fund and other funding sources and partners.



Ghana



context

Because of climate change, Ghana is facing increased pressure on water and reduced yields, leading to more poverty and food insecurity, and the loss of national revenue from cash crops such as cocoa. Other **vulnerabilities undermined by climate change** include migration, which puts pressure on urban services; deteriorating health due to 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. 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.

Many metropolitan, municipal and district assemblies (MMDAs) are confronted with increased climate change variability and human vulnerability. **More than 80 percent 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 (NDPC's) guidelines on preparing MMDA medium-term plans therefore incorporate climate change adaptation issues in profiling as well as prioritizing projects, though without providing clear guidance.

Ghana's updated **nationally determined contributions include 13 adaptation programmes** of action in priority economic sectors for implementation over 2020–2030—notably, sustainable land use including food security; climate-proof infrastructure; and equitable social development.



objectives

The main objective of LoCAL-Ghana is to **stimulate local economies and short-term job opportunities for youth, women and returnees through green and climate-resilient investments**, with a specific objective to support the transition of local economies to green and climate-resilient development. Three outputs will contribute to this objective:

- **Strengthen MMDA capacities** (learning by doing) in the preparation of climate risk informed, participatory and gender-sensitive local economic development planning
- Deliver **green and resilient local infrastructure/investments** (including those to be co-financed by the diaspora) under the oversight of MMDAs, through cash-for-work schemes benefiting youth, women and returnees; and procurement to local small and medium enterprises
- Design and deploy a performance-based grants system that can be scaled up and attract various sources of finance, including private finance, international finance and diaspora funds to build resilient local economies







achievements

- The **LoCAL pilot (Phase I) began with three local governments** in 2016 and has been fully aligned with the District Assemblies Common Fund Responsiveness Factor Grant (DACF RFG), a performance-based grant transferred to MMDAs for investment in local infrastructure development. The LoCAL performance-based climate resilient grant (PBCRG) constitutes an average top-up of 10–15 percent of the DACF RFG.
- UNCDF, in partnership with SNV (a Netherlands development agency), secured funding from the European Union Trust Fund for Africa to implement the **Boosting Green Employment and Enterprise Opportunities in Ghana (GrEEn) Project** beginning in 2020, which features LoCAL in its Result 1. Under GrEEn, LoCAL-Ghana progressed to Phase II, with expansion to 6 MMDAs in 2021 and to 10 MMDAs from 2022.
- In partnership with the Korea Environment Institute, LoCAL finalized a **country report on climate risk and vulnerability assessment incorporating the local dimension**, identifying and mapping climate risk, exposure and vulnerability hotspots at the subnational and local/community levels and prioritizing climate change adaptation actions and investments based on quantified, evidence-based analysis. This work was a basis in establishing a **Local Information System for Adaptation (LISA)** to provide local governments and communities with a user-friendly platform—to be integrated with the District Development Data Platform—to access relevant climate information. The LISA was tested and piloted in target MMDAs in 2022.
- LoCAL experience led to the **inclusion of climate indicators** in Ghana's PBCRG system as well as to the inclusion of climate change considerations in the National Decentralization Policy and National Decentralization Strategy (2020–2024). Ghana has been on the front line in advocating for LoCAL recognition as a non-market approach under Article 6.8 of the Paris Agreement, both in Bonn and during COP27.
- LoCAL Ghana delivered its third PBCRG cycle in 2021/2022, implemented through GrEEn cash-for-work schemes. For the **fourth PBCRG cycle, 837 beneficiaries** have been identified; they have been trained by UNCDF partner SOS Children's Villages. PBCRG implementation should take place in early 2023, with grants being rolled out to an **additional 4 MMDAs**, bringing the total number of local governments using the PBCRG system to 13.



Ghana

 <p>achievements</p>	<ul style="list-style-type: none"> ● A redesign exercise was launched in late 2022 to assess LoCAL technical elements and deployment modalities with a view to wider scale-up in both rural and urban areas. Key features under assessment include PBCRG allocation size and the investment menu as well as the overall institutionalization framework of the PBCRG window into the DACF-RFG. ● During a 2021 tour with the European Union Ambassador, representatives of the Norwegian Ministry of Foreign Affairs witnessed first hand the impacts of PBCRG interventions implemented in GrEEen MMDAs in building climate resilience at the local level. Consequently, the Government of Norway has committed funding to support the PBCRG system in six MMDAs over the next two years under the programme Promoting Green and Climate Resilient Local Economies in Ghana—Applying Circular Economy and Climate Smart Agriculture Principles and Solutions to Local Development Pathways. ● Preparatory work with the United Nations Environment Programme on the Green Climate Fund is ongoing, with submission for expanded implementation of ecosystem-based adaptation and the PBCRG in northern Ghana projected for late in 2023.
 <p>adaptation measures and investments</p>	<p>Since inception, 34 climate change adaptation investments, benefiting approximately 94,500 people, were realized in nine MMDAs. Highlights follow:</p> <ul style="list-style-type: none"> ● Reforestation of degraded reserve forest land was done along the Akrum and Osubin Rivers, and trees were planted along streams in the Effutu and Fanteakwa North districts, respectively. ● Bridges were constructed with climate-proofing, and roads were rehabilitated for resilience to flood risks through a culvert. Public infrastructure (e.g. schools) was made more resilient through tree planting to withstand storms and strong winds. A market was paved to sustain it against excessive rains that would have curtailed community activities. Mechanized boreholes and water storage facilities were constructed to improve access to safe drinkable water. ● Sensitization activities on climate change and specific trainings on bush fire prevention, coastal erosion prevention and early warning systems were held in three MMDAs. ● Activities were implemented via cash-for-work schemes that have thus far benefited 421 people. On average, 381 (62 percent female, 38 percent male) beneficiaries were on payroll for each of the four months infrastructure investments were being implemented.
 <p>lessons learned</p>	<ul style="list-style-type: none"> ● 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 Ghana, PBCRGs are fully aligned and linked with the DACF RFG. This has been effective (i) in advancing institutionalization of the PBCRG system as the country's own standard for subnational adaptation finance and (ii) for mainstreaming climate change adaptation considerations into decentralization policies and tools. ● MMDAs lack knowledge of climate change adaptation and of the issues entailed. Ongoing guidance and capacity building are needed for effective integration of climate data into planning and budgeting for resilient infrastructure development in order to have a transformative effect at the local level and thus stimulate local economic development. ● Redesign exercises are useful in reassessing the feasibility of LoCAL deployment features. The funding envelope size of the PBCRG is perceived as too small to have a great impact on building climate resilience at the local level; the geographic spread also needs to be boosted, as LoCAL presently covers only 5 percent of Ghana's MMDAs.
 <p>way forward</p>	<ul style="list-style-type: none"> ● Preparing for the anticipated national roll-out (Phase III), to begin in 2024, is an integral aspect of Phase II. LoCAL will provide and support necessary policy advice, stakeholder engagement and design adjustments as needed to ensure that the country can transition to Phase III after the four-year GrEEen Project ends. ● The Government of Ghana and LoCAL will roll out the LISA system and pursue synergies with the Environmental Protection Agency and the Ministry of Environment, Science, Technology and Innovation on national adaptation plan and nationally determined contribution implementation. LoCAL will undertake climate change vulnerability assessments in 13 MMDAs to enable risk-informed decision-making within the framework of the MMDAs' midterm development plans and annual action plans. ● As the fourth cycle is deployed, UNCDF LoCAL will launch a study to assess circular economy and climate-smart agriculture mainstreaming in local investment programming and realization. With support from Norway, circular economy and climate-smart agriculture principles will be further integrated into LoCAL investments and support to MMDAs.



Lao PDR



context

As global temperatures rise, Lao PDR can expect rainfall patterns to change with increased and more severe storms, droughts and floods. The **effects of climate change are already having serious impacts on the livelihoods and living conditions of people in the country**. Floods and storms destroy infrastructure by washing away streets, damaging buildings or interrupting electricity supply. In the near future, 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.

Lao PDR thus is highly vulnerable to climate change and is stepping up its adaptation at the local level, notably through the National Green Growth Strategy and the upcoming nationally determined contribution and national adaptation plan. The National Socio-Economic Development Plan and the National Green Growth Strategy together clearly establish a long-term vision for national and local development that puts the role of local administrations at the centre in managing natural resources and reducing vulnerabilities to climate change while adapting to the new climate. The ninth National Socio-Economic Development Plan includes several targets relevant to the country's Sam Sang (Three Builds) devolution strategy covering poverty reduction, achieving developed village status and upgrading from poor district status.



objectives

The overall objective of the Effective Governance for Small-scale Rural Infrastructure and Disaster Preparedness in a Changing Climate project, in which the LoCAL pilot phase was earmarked, is to **improve local administrative systems affecting the provision and maintenance of small-scale rural infrastructure** through participatory decision-making that reflects the actual needs of communities and natural systems vulnerable to climate risk. As part of its Phase II design, LoCAL-Nepal will:

- Increase local-level climate change awareness and capacities
- Integrate climate change adaptation into local government planning and budgeting in a participatory and gender-sensitive manner
- Increase the financing available to local governments for climate change adaptation






achievements

- A **form of LoCAL mechanism implementation** was initiated under the Effective Governance for Small-scale Rural Infrastructure and Disaster Preparedness in a Changing Climate project, which is implemented by the Ministry of Natural Resources and Environment (MoNRE), and supported by the United Nations Development Programme and funded by the Global Environment Facility's Least Developed Countries Fund. UNCDF provided technical assistance for the design and implementation of local government grants for climate-resilient infrastructure, namely the **District Development Fund climate resilient grants (DDF-CRGs)**. The project was based in rural communities in two provinces, Saravane (eight districts) and Sekong (four districts), and aimed to address the limitations of technical, human resource and financial capacities of government to effectively plan and implement successful resilience-building measures.
- The **re-engagement of the LoCAL mechanism** in Lao PDR started in early 2021 with series of UNCDF technical assistance team meetings with the MoNRE, the Ministry of Home Affairs, the Ministry of Finance, the Ministry of Planning and Investment, and other development partners in the country.
- In 2020–2021, UNCDF conducted a **re-scoping of the LoCAL mechanism** for Lao PDR and to identify early preparatory work that can be undertaken and through a subsequent Phase II (2022–2026). The main purpose of the scoping mission is to take stock of and collect data on areas vulnerable to climate change.
- Following up on the scoping results and based on the country's climate risks and vulnerability assessment, UNCDF drafted a **design paper for the LoCAL mechanism** consisting of minimum conditions, an investment menu and performance measures to lay the groundwork for a transition to a bridging phase and towards LoCAL Phase II.
- The draft **design document for LoCAL–LAO PDR Phase II was validated in May 2022** by the Government of Lao PDR represented by the MoNRE. As part of this process, LoCAL organized a series of consultation workshops with key stakeholders, including local government agencies, during 2022. The main objective of the consultations was to present the draft design document and receive comments and suggested inputs from national and local stakeholders.






Lao PDR

 <p>adaptation measures and investments</p>	<p>A total of 29 small-scale rural water infrastructures (water supply, irrigation and wetland management; bridges and culverts) were developed over the three fiscal years between 2014/15 and 2016/17 (LoCAL Phase I). District administrations led the infrastructure development process, taking the participatory and bottom-up approach and following public expenditure management processes guided by DDF-CRG guidelines, instructions and manuals.</p>
 <p>lessons learned</p>	<ul style="list-style-type: none"> ● Further mainstream adaptation into development plans, particularly at the local level ● Ensure that a local government grants system to address climate-resilient infrastructure investments is fully funded ● Promote strong engagement with and coordination between line ministries and agencies ● Obtain government co-financing to top-up climate-resilient infrastructure development and ensure adequate operational and maintenance costs ● Estimate adaptation costs for the design of local climate-resilient infrastructure ● Address major capacity gaps at the local level in conducting climate-resilient technical specifications and costing ● Rationalize the allocation formula of the DDF-CRG ● Employ a performance assessment mechanism for local climate-resilient investments ● 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 ● Publish and share performance assessment results widely to ensure full transparency, public awareness, positive competition, learning and targeted capacity-building support
 <p>way forward</p>	<ul style="list-style-type: none"> ● LoCAL will continue to support resource mobilization activities with the relevant in-country and external donors to ensure a successful transition to Phase II. ● Two national awareness-raising events on climate change impacts for central and local government officials will be organized by the MoNRE with UNCDF financial support. ● A national climate risk and vulnerability assessment training will be organized jointly between the MoNRE and UNCDF with financial and technical assistance support from the UNCDF consultancy team.







Lesotho

 <p>context</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 its development plan and to the future of both its livelihoods and one of its main sources of revenue: water. 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. Most of the ongoing climate change interventions are donor funded. The Meteorological Service highlighted the need to put in place mechanisms to facilitate direct access to international climate funds to promote resilience across all sectors, particularly 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. 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>objectives</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. 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.</p> <p>The objectives for LoCAL-Lesotho are (i) increased transfer of climate finance to local governments through national institutions and systems for building verifiable climate change adaptation and resilience, and (ii) a standard and recognized country-based mechanism which supports direct access to international climate finance. Four outputs are envisaged: (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 country PBCRG finance mechanism is established and operational, providing additional funding to targeted community councils; and (iv) experience and lessons learned are consolidated and shared.</p>
 <p>achievements</p>	<ul style="list-style-type: none"> ● The PBCRG system has been successfully designed and is fully aligned with the previous Deepening Decentralization Programme (DDP), which had established a performance-based capital grants system combined with capacity development support. ● The Government of Lesotho and UNCDF have defined 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 been defined. The modalities are described in the memorandum of understanding signed October 2017, which provides the framework for LoCAL-Lesotho and establishes LoCAL financing and management. ● Four community councils were selected to pilot the approach in the Mhale’s Hoek district of Lesotho: Khoelenya, Lithipeng, Qhoasing and Senqunyane. ● The first PBCRG cycle was delivered to the four pilot community councils in 2020. In preparation for PBCRG deployment, e-training and in-person trainings were conducted for local government staff and other national officials to ensure they were able to use LoCAL guidance; had a basic understanding of the framework; and had full understanding of the LoCAL-Lesotho design elements, particularly the performance assessment indicators (i.e. the minimum conditions and performance measures).



Lesotho

 <p>achievements</p>	<ul style="list-style-type: none"> ● Capacity-building support on climate change mainstreaming and adaptation plans was delivered to implementing teams, line ministries and non-governmental organizations. This was aimed at improving awareness and capacities on climate change, impacts, risks, vulnerabilities, adaptation and resilience planning—as well as to allow community councils to integrate climate change in development plans in a participatory and gender-sensitive manner. ● Following the first annual performance assessment, a series of measures were put in place to ensure compliance and adequate performance in the second PBCRG cycle deployment. For example, the community councils were required present evidence that their adaptation plans had been endorsed by the council and that management had followed up on recommendations from the Auditor General on previous reports. ● The Office of the Auditor General in Lesotho conducted an audit of LoCAL's financial statements; for the fiscal year ending 31 March 2021, The local governments received a clean, unqualified audit opinion. ● The African Development Bank, through the Africa Climate Change Fund, approved funding contributing to implementation of the LoCAL-Lesotho pilot phase; this enables the four pilot local governments to continue using the mechanism through 2023 and implement adaptation investments through PBCRGs. ● In 2022, a series of refresher training and capacity-building activities accompanied deployment of the second PBCRG cycle. This included a two-day training session on public financial management, training of community council on climate change to support the adaptation planning process, and training on community-based participatory planning to enhance the capacity and skills of district technical team members. ● UNCDF and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) signed an agreement in December 2022 to use LoCAL and its PBCRG system for GIZ's Integrated Catchment Management (ICM) project to avoid duplication and the creation of parallel systems for subnational financing in Lesotho. The partnership aims to support the Government of Lesotho in aligning ICM financing with the decentralization process through the LoCAL mechanism, in line with catchment management and development planning processes. Based on the agreement, six community councils—two already using LoCAL in Mophale's Hoek and four in the Thaba Tseka, Mokhotlong, Maseru and Leribe districts—were selected for implementation of ICM activities through the LoCAL mechanism in 2023.
 <p>adaptation measures and investments</p>	<ul style="list-style-type: none"> ● The first PBCRG cycle financed climate-proofing of nine water-related infrastructures and one range management infrastructure in the four pilot community councils, providing access to clean water to more than 1,800 people—especially in periods of prolonged drought and the drying up of water springs. ● The second PBCRG cycle financed seven clean, reliable water supply infrastructures in the four councils, benefiting some 4,904 people.
 <p>lessons learned</p>	<ul style="list-style-type: none"> ● Communities and their councils are increasingly expressing their needs, and councils have demonstrated an ability to plan and implement projects of practical interest. Grant size needs to be adapted to meet current management capacity. ● 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 the United Nations Development Programme, the World Food Programme and/or the Food and Agriculture Organization of the United Nations.
 <p>way forward</p>	<ul style="list-style-type: none"> ● Further support pilot community councils regarding climate risk 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. ● Undertake the second annual performance assessment and disburse a third cycle of PBCRGs in 2023 within the framework of collaboration with the Africa Climate Change Fund. ● Start LoCAL implementation in four newly selected community councils in four districts in partnership with GIZ/ICM. A total of eight councils will benefit from LoCAL support. ● Continue to deliver training on the LoCAL mechanism, financial management, climate change mainstreaming, and monitoring and evaluation throughout the pilot phase to ensure LoCAL roll-out achieves its objectives.



Malawi



context

With its narrow economic base, limited agro-processing industries, over-dependency on rain-fed agriculture and biomass for household energy, Malawi is **highly vulnerable to the adverse impacts of climate change and extreme weather events**. This situation is exacerbated by increasing poverty among rural communities, increasing population pressure on a limited land resource base, land degradation arising from agricultural expansion and the cultivation of marginal lands, and increasing deforestation to meet growing demands for energy, food and construction.

Decentralized service delivery was initiated as part of Malawi's transition to multi-party democracy, with the aim of diffusing overly centralized power and bringing services closer to citizens through elected local councils. The executive arm, the Council Secretariat, is led by a district commissioner (rural councils) or a chief executive officer (urban councils), and includes core functions of finance, administration and planning, and the heads of key sectors. Devolved functions for rural local governments include basic education, primary health care, agriculture, water, rural roads, and community development. In addition, urban local governments have the mandate to provide for municipal services such as waste management, urban roads, sewerage, town planning etc. This devolution provides a sound basis for **territorial administrations to play a role in climate action**. At the subdistrict level, village development committees and area development committees are meant to identify and consolidate community development priorities for the five-year district development plans.



objectives

The overall objective of the LoCAL programme in Malawi is to **promote climate change–resilient communities and local economies** by increasing investments in climate change adaptation at the local level, thereby contributing to achievement of the Paris Agreement and the Sustainable Development Goals.

LoCAL-Malawi aims to **increase district access to climate finance** for implementation of nationally determined contributions and the National Adaptation Plan–aligned climate change adaptation priority investments; and to consolidate a standard and internationally recognized country-based mechanism of performance-based climate resilience grants (PBCRGs) in the country, further attracting domestic and international climate finance. LoCAL is aligned with Malawi's National Climate Change Investment Plan, the National Climate Change Management Policy, the nationally determined contributions, and as well as the National Adaptation Plan process. The objective and outcomes will be addressed through three outputs:

- Increase awareness of and capacities to **respond to climate change at the local level**
- Implement **mainstreaming of climate change adaptation** into government's planning and budgeting systems and investments in line with the PBCRG mechanism
- Effectively and sustainably establish the PBCRG system, leading to an **increased amount of climate change adaptation finance** available to local government and local economy



achievements

- UNCDF, with financial assistance from the European Union and the Government of Sweden, has supported the Government of Malawi in **designing a performance-based climate resilience financing mechanism** to support subnational climate change adaptation as a top-up to the recently introduced general performance-based grant under the Governance to Enable Service Delivery Project.
- Following the design phase, UNCDF worked closely with the Government of Malawi—particularly the Ministry of Natural Resources and Climate Change (MONRCC), the National Local Government Finance Commission and the Ministry of Local Government—to **validate the design note and identify potential funding sources to activate the mechanism**. A contribution from the Government of Sweden enabled a letter of agreement to be signed with the MONRCC in its capacity as Malawi's climate change focal point. The letter of agreement aims to provide the ministry with **operational budget support to execute LoCAL-specific tasks**, such as capacity-building support to target districts on climate information, mainstreaming and resilience planning tools, as well as sensitization of communities on climate change adaptation and on LoCAL. It also will support identification and updating of LoCAL performance measures in the overall performance assessment system, the development of concept notes and funding proposals building on the LoCAL mechanism, and support promotion of vertical integration via LoCAL in climate-related policies, legislative documents, regulations and guidelines.



Malawi



achievements

- Also with Swedish support, a **letter of agreement was signed with the National Local Government Finance Commission**—the LoCAL host and coordinator in Malawi—for overall execution of LoCAL-Malawi, coordination of capacity development activities at the central and subnational levels, advice on LoCAL-related aspects of the general performance-based grant system, support to overall operations, updating of guidelines, and monitoring and reporting on activities and inspection of compliance by participating districts.
- The **Nkhotakota, Phalombe and Mwanza districts were selected to launch the pilot**; the PBCRG will constitute a top-up of 13 percent of their normal allocation. The total transfer for the first year of the pilot is \$410,000, which will be sent directly to the districts through the National Local Government Finance Committee.
- **LoCAL has gained increased political support from the Government of Malawi**, in particular from the former Minister of Natural Resources and Climate Change, who now serves as Minister of Foreign Affairs and who joined the network of LoCAL Ambassadors and signed the LoCAL Ministerial Declaration. This minister has also participated in several LoCAL events, including at COPs, to highlight LoCAL's potential as a broker for increased climate finance for locally led adaptation in developing countries, particularly the least developed countries.



way forward

- Operationalize the LoCAL mechanism with government partners to provide the necessary architecture at the national (LoCAL Technical Committee) and subnational levels to implement the first PBCRG cycle.
- Provide technical assistance and capacity-building support to target pilot local governments (these are in the process of being selected) to support climate change adaptation mainstreaming into their local development plans; budget for the PBCRG envelope in line with the principle of additionality of LoCAL allocations; and execute, monitor and report on local climate investments.
- Continue to support the Government of Malawi in resource mobilization efforts, including through development of funding proposals to vertical funds and/or bilateral donors.



Mali



context

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 percent, 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 percent. 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.

One of the main objectives of Mali's 2019–2023 Strategic Framework for Economic Recovery and Sustainable Development is to **ensure a healthy environment and strengthen resilience to climate change**. To achieve these goals, the Malian authorities facilitate better integration of climate challenges in planning processes at the national and local levels; and 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. Mali's intended nationally determined contributions prioritize the transition towards a green and resilient economic pathway. LoCAL directives are aligned with the objectives and priorities of the country's strategic framework, UN Development Assistance Framework (UNDAF) 2020–2024 and the nationally determined contributions.



objectives

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. The Environment and Sustainable Development Agency (AEDD, Agence de l'Environnement et du Développement Durable), which serves as the national designated authority, is responsible for administering LoCAL in partnership with the other members of the National Steering Committee, using the Local Authorities National Investment Agency (ANICT, Agence Nationale d'Investissement des Collectivités Territoriales) 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.







achievements

- LoCAL was launched in Mali in 2014, when a memorandum of understanding was signed between UNCDF and the government. **LoCAL was initially deployed in two communes** in the Kayes region, Sandaré and Simby, and the first **two performance-based climate resilience grant (PBCRG) cycles** were completed and successfully evaluated in 2016 and in 2017. The communes continued to plan and implement adaptation activities slated for a third year (2018) with grants channelled in the first phase.
- The Government of Mali has granted financing through AEDD to LoCAL since 2016 and pledged further support over the next years. Phase II design was developed during 2016 and 2017, and peer reviewed and validated by the government to set the groundwork for LoCAL expansion. The **Phase II design aimed at stronger alignment of the LoCAL PBCRG system** with the Fonds National d'Appui aux Collectivités Territoriales (FNACT) managed by ANFICT.
- **ANICT was nominated as the country's national implementing entity** and is pursuing efforts for accreditation to the Green Climate Fund (GCF), with a view to scaling up LoCAL. Following its nomination, LoCAL supported ANICT in organizing a national workshop in which 179 participants learned about how GCF works and what kinds of interventions can be financed through it. In 2019, LoCAL signed a letter of agreement with ANICT to provide technical and financial assistance to the Government of Mali (ANICT, AEDD) to support its GCF accreditation.
- **LoCAL has achieved strong synergy and ownership within the UN system** in Mali and contributes to goals stated in Mali's UNDAF 2020–2024. A joint programme with the United Nations Industrial Development Organization and UNCDF-LoCAL was established in 2019 to support risk management and mitigate inter-community conflicts through the PBCRG system and funded through the UN Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) Peacebuilding Fund. Under this initiative, LoCAL expanded beyond the two pilot communes in Kayes to two communes in the Mopti region, with a focus on climate-security-peace nexus.
- Under MINUSMA, **new partnerships were forged with subnational partners**—including the Regional Development Agency of Mopti, supporting the two new LoCAL communes in adaptation planning, budgeting and implementation of PBCRG-financed investments—and a local non-governmental organization, supporting all four communes in establishing community-based solutions to prevent conflicts over natural resources and promote social cohesion, e.g. through public consultation mechanisms and cash-for-work schemes for resilience building interventions.



Mali

 <p>achievements</p>	<ul style="list-style-type: none"> As local climate data production and access have proved to be a challenge, LoCAL began a nationwide climate risk assessment in 2020. The exercise provides critical science-based data to drive adaptation planning at the local level, building on downscaled models highlighting climate change trends to 2060, and serves as a basis for conclusions regarding current and projected climate risks in light of exposure and localized vulnerabilities across priority sectors. The report has been validated by the National Adaptation Committee and is being finalized. Mali is one of the West African countries (along with Burkina Faso, Côte d'Ivoire and Niger) included in the joint UNCDF-LoCAL–West African Development Bank (BOAD) funding proposal submitted to the GCF in early 2020. The joint proposal aims to scale up LoCAL in 25 additional communes in Mali and includes a component on private finance mobilization to test a blended finance model adapted for local adaptation finance.
 <p>adaptation measures and investments</p>	<p>LoCAL-Mali has delivered \$450,000 worth of adaptation investments over four cycles to the four target communes. Interventions financed included forest rehabilitation; setup of 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; resilient seeds provision; a fish farm project, with two ponds and a well to ensure a steady supply of water. Grants were also used to build women's capacities, with trainings in agricultural techniques, and procurement of agricultural inputs and seeds. All stakeholders—elected leaders, beneficiaries, officers of decentralized state services—have been sensitized and trained.</p> <p>With support from the MINUSMA Peacebuilding Fund, the fourth PBCRG cycle, released in 2021, is benefiting two pilot communes in Kayes and two in Mopti. As of December 2022, the communes were working to implement the PBCRG-financed investments. Ten investments focusing on building the climate resilience of local agricultural practices, while ensuring adequate water supply through construction/rehabilitation of water facilities in anticipation of more prolonged and frequent drought events.</p>
 <p>lessons learned</p>	<ul style="list-style-type: none"> The communes demonstrated strong civic engagement and a responsive attitude. All 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. Field presence and partnerships with local stakeholders may further contribute to inclusiveness along the PBCRG cycle. 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. Nevertheless, communes remain highly dependent on technical support and assistance from the state and service providers and on external funding. Sustainability and prospects for scale-up rely on several factors including follow-up and coordination between LoCAL and its national counterpart; technical and operational support from 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. Other positive developments include the strategic role played by LoCAL at the national level, reinforced by coordination and partnership building; 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.
 <p>way forward</p>	<ul style="list-style-type: none"> The MINUSMA Peacebuilding Fund serves as a LoCAL-Mali bridging phase, expanded to an additional two communes, as the country mobilizes finance to implement Phase II. LoCAL-Mali seeks ultimately to scale up the mechanism nationally. To this end, LoCAL, under the leadership of the Government of Mali, will engage partners for resource mobilization, including advancing the BOAD-UNCDF GCF proposal to seek final approval by the Board. LoCAL will continue providing technical and financial support to national partners to operationalize Phase II, building capacities and expertise on subnational climate finance. In 2023, specific attention will be given to strengthening the LoCAL PBCRG deployment infrastructure, as the FNACT circuit was tested with the last cycle in preparation for progressive scale-up to more communes.



Mozambique



context

Mozambique's location in the Inter-tropical 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. Its coast forms the western border of the world's most active tropical cyclone basin, the Southwest Indian Ocean, which produces about 10 percent of all cyclones. 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. Between January and May 2019, the country was hit by unprecedented, consecutive, tropical cyclones Idai, Kenneth and Desmond, displacing tens of thousands of people and destroying infrastructure and livelihoods. Cyclones have affected almost a third of the country, especially the coastal provinces and those close to them. 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.

The decentralization process in Mozambique has been a combination of **decentralization and deconcentration with a gradual transfer of responsibilities, personnel and funding** to the municipal level as well as to the more deconcentrated levels of provincial and district governments. A constitutional amendment allowed the entry of new decentralized and deconcentrated hybrid bodies and districts will remain under the central government until 2024, when new general elections will be held. These bodies will maintain the functional liaison of the districts until 2024 and will be the face of the central government at the local level. The laws also assign 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.

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objectives

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 performance-based climate resilience grants (PBCRGs). **Five specific outputs** contribute to the achievement of this overall outcome, along with rural livelihood development interventions, specifically focused on responding to the current COVID-19 pandemic:

- An effective PBCRG system established as a finance mechanism in Mozambique and operational for additional funding
- Inclusive, effective and accountable climate change planning and budgeting processes at the district level
- Climate change adaptation activities managed efficiently, effectively and transparently and implemented by participating districts through the PBCRG system
- 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
- Completed roll-out plans and capacity-building support for new districts in new province(s) established by the end of the programme







achievements

- Since its launch in 2015, LoCAL has been **reinforcing the government-led planning, budgeting and investment cycles** to finance local adaptation plans and, more broadly, implementation of district development plans.
- In 2018, Mozambique **transitioned to Phase II**, extending its reach to four provinces—Gaza, Inhambane, Nampula, Zambezia—covering 20 climate-affected districts. In 2020, this coverage was expanded to four districts, three in the Niassa province. Donorship has grown beyond initial support from Belgium to include the Governments of Catalan, Sweden and Switzerland and the European Union over the 2018–2025 period.
- **All districts have integrated climate change adaptation into their development plans.** National and local-level officials have participated in awareness and capacity-building activities such as integration of climate change adaptation into local planning processes and 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) have been carried out with programme support.
- LoCAL's implementing partners—the Ministry of Economy and Finance, through the National Directorate of Planning and Budget, and the Ministry of Land and Environment—have supported **policy dialogue among the development partners and donors** to consolidate LoCAL-driven experience in five provinces for the 2018–2023 period.



Mozambique

 <p>achievements</p>	<ul style="list-style-type: none"> ● A midterm review reaffirmed the relevance of MERCIM/LoCAL as a climate adaptation financing tool, with good replicability and up-scaling potential. The review found MERCIM/LoCAL to be a mechanism that contributes to 12 of the 17 Sustainable Development Goals and well aligned with the Paris Agreement.
 <p>adaptation measures and investments</p>	<p>Since LoCAL's inception, a total of 102 projects have been prioritized and financed through PBCRGs, 40 in 2021/2022.</p> <ul style="list-style-type: none"> ● In 2021/2022, PBCRGs were mostly devoted to social infrastructure, specifically schools and hospitals, by rehabilitating/climate-proofing existing ones and building new facilities to improve access to basic social services for climate-vulnerable groups. Most districts identified multifunctional water supply systems as a priority intervention to ensure reliable access to drinking water. ● Through participatory activities, local consultative councils, community representatives—women, men and youth, including the most vulnerable—identify, prioritize and select the climate-adaptive investments that best correspond to their needs. This enhances community awareness and engagement in local governance, planning and budgetary processes; and also allows local governments to be held accountable in providing adequate public and climate-smart goods and services. The decentralized participatory approach strengthens feelings of inclusiveness and ownership, building a strong base for the success of the interventions in the districts, trust in local governance and the sustainability of the LoCAL programme.
 <p>lessons learned</p>	<ul style="list-style-type: none"> ● Dialogue among district technical teams and central government staff highlighted procurement as an element in the local development process that should receive special attention. LoCAL will increase its technical support in procurement through the National Directorate of Planning and Budgeting's human resource structure. ● LoCAL trainings in public financial management should build district technical staff capacities in 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. ● Integration of a gender perspective in local development, governance and budgetary activities needs attention. Progress has been made, and gender-related activities and trainings are planned for local actors; but the equitable inclusion of women and girls in the selection, implementation and maintenance of climate-resilient investment projects must be ensured. Local governments need to strengthen their institutional capacity and accountability taking gender into consideration. ● The flexible design of LoCAL-Mozambique allows it to adapt and be tailored to the country's changing environment and local needs. Examples include responding to the COVID-19 pandemic by increasing access to basic needs such as water/soap; extending a focus on the climate-sensitive coastal zones; exploring nature-based solutions; strengthening social inclusion, civic rights and government accountability in providing public services—all in the context of local climate adaptation and resilience development. This demonstrates the LoCAL programme's adaptability, replicability and ambition.
 <p>way forward</p>	<ul style="list-style-type: none"> ● LoCAL-Mozambique will increase its number of districts in 2023. Baseline exercises and annual performance assessments for the new districts and municipalities in Gaza, Inhambane and Nampula will be carried out. Districts will be informed of their allocations for the next financial cycle based on performance and compliance with minimum conditions. ● LoCAL-Mozambique will continue to explore further opportunities, partnerships and local development and climate adaptation needs to enhance its reach, impact and sustainability. ● LoCAL will continue to fine-tune performance measures within the PBCRG system in the selected districts to pave the way for expansion to new areas. Priority will be placed on improving the monitoring system to ensure adequate service delivery by both LoCAL and complementary programmes.



Nepal



context

Despite its relatively small size, Nepal has **very diverse climatic conditions**. Over 80 percent 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.

As part of its National Adaptation Plan (2021–2050), a **framework was established to integrate adaptation across sectors and levels of government**. Similarly, Nepal formulated the Climate Change Policy (updated in 2019), which provides a framework for climate actions in the country. It has also initiated a local adaptation plan of action framework as a way through which climate change adaptation may be localized. The National Adaptation Plan acknowledges the role of provincial and local governments to address climate change adaptation and to contribute to achieving national goals; this provides an important entry point for LoCAL to continue its support of local governments and communities in climate change adaptation.



objectives

The aim of LoCAL-Nepal is to demonstrate the **role and ability of local government in promoting climate change resilience investment** through mainstreaming climate finance into the intergovernmental fiscal transfer system and local planning and budgeting process. This is expected to result in:

- **Increased awareness** of climate change and potential adaptation/resilience-building responses among local government and communities
- **Modalities for mainstreaming climate-resilience investment** in local public expenditure management systems tested and available for scale-up
- **Strengthened local government capacity** for climate change resilience/adaptation through improving planning and budgeting, financing and implementation, considering gender equity and social inclusion
- Designed and tested **arrangements for tracking and reporting** on climate change adaptation expenditures at the local level






achievements

- LoCAL-Nepal **Phase I** ran from 2014 to 2017, targeting two districts (Dhading and Rupandehi).
- 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.
- Following the pilot phase, UNCDF, under the umbrella framework of the Ministry of Federal Affairs and General Administration's Environmental Friendly Local Governance (EFLG), designed an **EFLG Transition Support Plan to continue LoCAL jointly with the Poverty-Environment Initiative** (PEI) of the United Nations Development Programme–United Nations Environment Programme. The transition plan took into account Nepal's changed political context as it moved from a unitary to a federal structure.
- During the transition, **two new districts—Kavre and Sindhuli—were selected based on their high vulnerability to climate change** and included in the EFLG plan. All 22 municipalities within these two districts have been covered. For 2017/2018, the Government of Nepal provided about \$500,000 in additional grants for climate-resilience activities in these municipalities.
- Given the limited investment grants available, LoCAL provided capacity development support to the 22 local governments to **better plan and utilize their own resources for climate change adaptation/resilience projects**. About 500 people were trained on the planning and budgeting process and financing for climate-resilience investment projects. Training beneficiaries included mayors, deputy mayors, municipal officials and representatives of community-based organizations and non-governmental organizations. In partnership with Tribhuvan University, LoCAL financed the development of EFLG baseline data in Kavre and Sindhuli covering all 22 local governments.
- **Two investment cycles** with 60 small-scale adaptation measures were financed in the pilot districts, which together have a population of almost 50,000 people.



Nepal

 <p>achievements</p>	<ul style="list-style-type: none"> • A stocking-taking mission was undertaken in 2019 to gauge interest in and potential for a follow-up LoCAL programme for Nepal and in supporting the performance-based climate resilience grant (PBCRG) mechanism in a federal context. This resulted in a concept note, developed with support from UNCDF, for a LoCAL-Nepal Phase II. The concept note was designed to be fully aligned with the country's climate change policy, financial systems for local governments, and related institutional and regulatory frameworks.
 <p>lessons learned</p>	<ul style="list-style-type: none"> • Experience shows that capacity-building support has a more significant impact when it is combined with strong incentives and additional funding for investments and service delivery, especially when it comes to addressing new or often less-known challenges and innovations. • The awareness and engagement of communities and local governments led to the prioritization and allocation for climate-resilience investments: 22 local governments in Kavre and Sindhuli invested NPR 191.9 million for the environment and climate change in 2017/2018, which is over two and half times the central government transfer of NPR 53.9 million for the same purpose. This demonstrates that a reasonable-size grant backstopped by technical support can encourage local governments to invest more in climate-resilience investments. This early work did not include the performance-based elements of the grants and annual performance assessments, which will be a new innovation under the proposed programme.
 <p>way forward</p>	<ul style="list-style-type: none"> • To complete the stocking-taking report of 2019, a concept note was updated in 2022 which was endorsed by the Government of Nepal. An in-depth country design note is being finalized for LoCAL deployment in Nepal in 2023 within the federal context. The design will consider experiences and lessons learned from LoCAL Phase I and other initiatives on climate finance for subnational government. It will establish a clear path for institutionalizing the PBCRG system and complementary municipal finance instruments for leveraging climate finance for locally led adaptation in Nepal. • LoCAL will continue to advocate and closely partner with key stakeholders such as the Ministry of Forest and Environment, the Ministry of Federal Affairs and General Administration, and the Ministry of Finance. LoCAL will also continue to support Nepal in mobilizing resources for scaling up the mechanism (Phase II), including by developing funding proposals at the regional and country levels.



Niger



context

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 LoCAL'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**.

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.

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.



objectives

LoCAL-Niger seeks 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. 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
- 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






achievements

- The **pilot phase successfully delivered three cycles of climate-earmarked performance-based grants to two pilot communes** in the Dosso Region—Sokorbé and Dogon Kyria. To capitalize on this experience, a stocktaking exercise—which brought together all stakeholders engaged in LoCAL, including mayors, deconcentrated services and central-level ministries and agencies—was held in 2017 to provide strategic direction for Phase II and pave the way for full integration of the LoCAL grant system in the treasury's fiscal transfer system.
- By better aligning with the national fiscal transfer system, ANFICT—the agency mandated to mobilize, receive, manage and transfer budgetary resources to local governments—was supported in **establishing a climate window within the national circuit of local government financing based on the LoCAL standard**, while reinforcing its capacities on climate finance and programme management. Relatedly, ANFICT requested that LoCAL support its Green Climate Fund (GCF) accreditation for direct access. A GCF readiness proposal was prepared and submitted, with UNCDF as the delivery partner.
- Through the NDC Partnership and the Italian Fund for Migration, **LoCAL-Niger secured funding for LoCAL scale-up in three regions** (seven pilot communes beyond the original two). Thanks to these grants, \$450,000 was disbursed as performance-based climate resilience grants (PBCRGs) to LoCAL communes in 2020. In three communes in the Tahoua and Zinder regions, the Italian Fund for Migration has matched the provision of financial and non-financial services with cash-for-work activities to help vulnerable individuals build their credit history.
- In **piloting localized climate risk assessments**, Niger established systems to enable local governments to collect, archive and analyse meteorological, climate and socioeconomic data and to undertake local climate projections to inform their planning. With the NDC Partnership, LoCAL expanded on this effort by developing a country report on climate risk and vulnerability assessment, which incorporates a local dimension and commune-level indicators. The report was finalized in 2021 and submitted for endorsement as a key deliverable in the nationally determined contribution (NDC) revision process. The report focuses on the implications of climate change on food security and agri-food systems, identifying country risk hotspots and analysing potential adaptation strategies.



Niger

 <p>achievements</p>	<ul style="list-style-type: none"> As part of the national adaptation plan process, LoCAL undertook a cost-benefit analysis of 11 adaptation investment models to inform national- and local-level decision-makers on the most-appropriate adaptation options—as well as informing LoCAL support on investment programming. The investment models align to the NDC and the National Climate Change Policy as well as to local government mandates in strategic sectors, especially in climate-smart agriculture, environmental protection and natural resource management. Under a Peacebuilding Fund project with UN Women and the United Nations Population Fund, LoCAL will expand to additional seven communes in 2023 (three benefiting from the PBCRG) to support gender-sensitive, climate risk-informed and conflict-aware local planning in sensitive areas in the Tahoua region. Niger is one of the West African countries (along with Burkina Faso, Côte d'Ivoire and Mali) included in the joint UNCDF-LoCAL–West African Development Bank (BOAD) funding proposal submitted to the GCF in early 2020. The proposal is expected to scale up LoCAL in up to 20 communes in Niger.
 <p>adaptation measures and investments</p>	<p>Since inception, LoCAL-Niger has financed 64 adaptation investments in nine communes in the Dosso Region, carried out by local populations under a cash-for-work scheme.</p> <p>Capacity-building activities targeting elected leaders, community agents and civil society were also conducted, including (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.</p> <p>Approximately half of the 2022 portfolio was devoted to land restoration initiatives to combat desertification and erosion: 611 hectares of degraded land were restored. The rehabilitation was carried out by local populations under a cash-for-work programme, which allowed for environmentally minded civic engagement while providing opportunities for alternative sources of income. Rehabilitated areas are put under the surveillance of village committees that ensure protection of the site and sustainable use of resources—e.g. through managing grazing activities.</p> <p>Climate resilience of rural livelihoods was addressed through support to diversified income-generating opportunities for women, including market gardening and provision of livestock, as well as food supply to communal cereal banks for the most vulnerable communes. Cattle kits were provided to women in different villages to diversify local livelihoods and sources of income with an eye to strengthening food security mechanisms; village women's groups were enlisted to lead the selection of the most vulnerable women to benefit from the kits as well as to manage and oversee allocation of cattle springs. In Falawel, for instance, cattle heads have increased by almost 50 percent in only six months.</p>
 <p>lessons learned</p>	<ul style="list-style-type: none"> 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 assessment, must therefore follow on from the list of indicative investments developed when the programme was first established. It is essential to design a funding channel for LoCAL grants that is fully aligned with the existing system of intergovernmental transfers. The Phase II design achieved this through alignment with the ANFICT circuit. Funds must be fully integrated with other resources available locally to ensure a progressive acclimatization of regular municipal budgets. Capacity building provided to LoCAL pilot communes enabled them to plan and implement climate resilience actions from their annual investment plans and ensure their sustainability, thus demonstrating the importance of capacity-building support to ensure impactful and effective climate change adaptation measures at local level.
 <p>way forward</p>	<ul style="list-style-type: none"> In 2023, LoCAL will accompany 16 communes in three regions, supporting the mainstreaming of gender, conflict and climate change adaptation considerations into local planning, leveraging LoCAL's established methodology to support risk-informed local development processes. LoCAL will continue to strengthen its relationship with national counterparts and secure strong political buy-in to consolidate Phase II and move towards LoCAL scale-up. Resource mobilization efforts also will continue (e.g. the BOAD-UNCDF GCF proposal). ANFICT will continue to be supported as it seeks GCF accreditation for direct access to international climate finance. LoCAL will engage with the Government of Niger in the ongoing national adaptation plan process to verticalize national adaptation objectives.



Tanzania



context

Tanzania's economic growth depends on its environmental and natural resources, with more than 80 percent of the population dependent on them for income generation and livelihoods. 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 percent of the country—is manifested in droughts, floods, sea level rise and increased water-borne diseases.

Given these threats, the government sees an urgent need to protect and manage the environment and its natural resources. In 2021, Tanzania launched its **revised National Climate Change Response Strategy (2021–2026)**, aligning it with national and international development plans such as the country's current (Third) Five-Year Development Plan, nationally determined contributions under the Paris Agreement, and the Sustainable Development Goals (SDGs) in the context of the National Vision 2025 and Zanzibar Vision 2050. Importantly, the strategy triggers the integration of climate change adaptation and mitigation issues into sector policies and plans by providing **guidance for enhancing adaptation and resilience measures as well as harnessing mitigation opportunities for economic and development growth**. The new strategy also takes into account that Tanzania, since 2020, has largely been a lower middle-income country emphasizing industrialization. This emphasis may have implications on energy and water demand and subsequent greenhouse gas emissions sources and sinks, **necessitating climate change intervention strategies at both the policy and community levels**.



objectives

LoCAL-Tanzania is embedded in the Local Climate Finance Initiative (LCFI) and aims at promoting climate-resilient communities and local economies by enabling climate finance to reach the most vulnerable, while complementing existing development finance in line with the SDGs and national development targets embedded in the Third Five-Year Development Plan, particularly Vision 2025, the country's nationally determined contributions and the forthcoming national adaptation plan. To achieve this, LoCAL has two specific outcomes:

- Contribute to **increased transfer of climate finance to local governments** through national institutions and systems for building verifiable climate change adaptation and resilience
- Establish a standard and recognized country-based **mechanism that supports direct access to international climate finance**

LoCAL also aims at achieving the following outputs in Tanzania:

- **Increased awareness and capacities** to respond to climate change adaptation in targeted local government areas and communities in Tanzania
- **Climate change adaptation mainstreamed** into targeted local authorities' plans and budgets and climate change adaptation interventions and investments are implemented in line with the performance-based climate resilience grant (PBCRG) system, as well as integrate gender, participation, and environmental sustainability
- Established **PBCRG system** and operational in Tanzania
- Consolidated and shared **experience and lessons learned**







achievements

- LoCAL, with support from the European Union's Global Climate Change Alliance Plus (GCCA+) and under the LCFI, has initiated **LoCAL piloting in three districts** of the Dodoma Region—Chamwino, Mpwapwa and Kondoa—potentially benefiting more than 800,000 people, particularly women. The objective is to scale up the LCFI mechanism to other districts from 2022 onwards, with support from development partners.
- The **President's Office—Regional Administration and Local Government (PO-RALG) was nominated as Tanzania's national implementing entity for the Green Climate Fund (GCF)** and submitted its official application to the GCF in 2019. PO-RALG—the national-level institution responsible for local authorities—has received comments from the GCF Secretariat on its proposal and is working with UNCDF to address them.
- A **memorandum of understanding to launch a LoCAL pilot with three local governments** was signed by PO-RALG and the Ministry of Finance and Planning on behalf of the Government of Tanzania. A letter of agreement was signed with PO-RALG to provide operational budget to support implementation, monitoring, capacity development and overall coordination of LoCAL activities. PO-RALG has finished setting up the **LoCAL-Tanzania Technical Committee**. Among other functions, the committee will approve local government plans for implementation.
- Through LoCAL, UNCDF signed an agreement with the Vice President's Office to **support national and policy climate change adaptation** implementation and coordination.



Tanzania

 <p>achievements</p>	<ul style="list-style-type: none"> ● A letter of agreement was signed with Tanzania's Institute of Rural Development Planning (IRDP) to develop a handbook to train local government staff on mainstreaming climate change adaptation in their budgeting and planning processes, building on LoCAL's Assessing Climate Change Adaptation Framework guidelines. The handbook will enhance staff understanding of the LoCAL mechanism and how it works to facilitate access to climate finance by local government authorities. ● In preparation for the first PBCRG cycle to be implemented in 2022/2023, UNCDF continued to work closely with the Government of Tanzania, particularly with PO-RALG and the Ministry of Finance and Planning, on the operationalization and deployment of PBCRGs to local government authorities. Through a grant agreement with IRDP, local government staff were trained on mainstreaming climate change adaptation into their budgeting and planning systems. ● LCFI/LoCAL is featured in the National Climate Change Response Strategy 2021–2026 as a mechanism that allows local government authorities across the country to access and use climate finance effectively in building verifiable climate-resilient local economies and communities. ● The LoCAL technical team supported the National Environment Management Council in preparing a proposal to the Adaptation Fund; this was submitted in January 2022.
 <p>adaptation measures and investments</p>	<p>LoCAL-Tanzania is supporting the three pilot districts—Chamwino, Mpwapwa and Kondoa—in identifying priority adaptation measures to be financed with PBCRGs. Synergies with other initiatives, such as the UKAid-financed Accountability in Tanzania (ACT-2) Programme, will ensure enhanced capacity-building support to districts and communities during the planning process.</p>
 <p>lessons learned</p>	<ul style="list-style-type: none"> ● Despite renewed commitment towards LCFI implementation by all stakeholders, a lack of funding was identified as a major obstacle to project scale-up. Developing a medium- to long-term resource mobilization strategy at programme onset is critical to ensuring the mechanism's sustainability after the pilot phase ends. ● Concerns raised over the de facto participation of women and marginalized groups in the local government authority 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 LCFI phases. ● Ensuring that grants are of sufficient size for fiscal sustainability is a key element in the design of LoCAL-Tanzania. ● Government procedures and protocols for approving and signing agreements need to be understood well in advance of project start dates in order to avoid delays in implementation. This requires close interaction with several government entities, particularly the Ministry of Finance and Planning, to ensure full understanding of project scope and objectives and alignment with government goals. ● As a new approach to development financing in Tanzania, it will take time for partners to understand and apply the LoCAL mechanism. However, local government authorities acknowledge that LoCAL will sustain local climate change adaptation efforts and capacities.
 <p>way forward</p>	<ul style="list-style-type: none"> ● LoCAL and the Government of Tanzania will update LoCAL-Tanzania's design to reflect the current intergovernmental fiscal transfer system, particularly discontinuation of the local government development grant, to which the mechanism was originally designed to align. ● LoCAL and the Government of Tanzania will update the annual performance assessment manual to reflect this new design and undertake the first annual performance assessment of the target districts. ● LoCAL will continue exploring partnerships to allow scale-up of PBCRGs and capacity building to additional districts. ● LoCAL will provide follow-up and technical assistance to support PO-RALG and the National Environment Management Council throughout the GCF accreditation process. ● In 2023, LoCAL will support target districts in PBCRG deployment and realization of adaptation interventions as identified in the local planning process.



Tuvalu



context

Tuvalu is the fourth smallest country in the world with a population of around 11,000 and a land area of 25.9 square kilometres; its exclusive economic zone covers 900,000 square kilometres. 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 it 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).

Given the context of climate vulnerabilities and risks in Tuvalu and the Pacific region in general, LoCAL-Tuvalu addresses climate change adaptation and resilience measures, climate-related disaster risk reduction and disaster preparedness measures (e.g. cyclones, prolonged drought).



objectives

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 performance based climate-resilience grants (PBCRGs). The expected outputs are as follows:

- **Effective PBCRG system** (finance mechanism) is established in Tuvalu and operational for additional funding
- Inclusive, effective and accountable **climate change mainstreamed** in planning and budgeting processes at the *kaupule* level
- Climate change–resilient investments (services and infrastructure) are managed efficiently and effectively, and transparently **implemented by the participating kaupules** through the PBCRG system
- Monitoring and evaluation 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
- Completed **roll-out plans and capacity-building support for new kaupules** by end of programme







achievements

- **Tuvalu is the first country to implement LoCAL in the Pacific.** A memorandum of understanding 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.
- 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 *falekaupules* (local governments) under the first tranche of the PBCRG for 2016/2017 and the second tranche for 2017/2018.
- The **second annual performance assessment** (APA) of the kaupules/falekaupules under the LoCAL programme was successfully completed in May 2017. The APA reviewed compliance on the part of the pilot kaupules with the minimum conditions for access to grants for 2017/2018. The APA found LoCAL has good traction in the initial three LoCAL programme pilot local government authorities. Upon approval of the APA report and its recommendations, UNCDF released the second tranche of the PBCRG to Tuvalu for allocation as per the determined formula so the kaupules can implement their 2017/2018 activities.
- The **third APA** verified that all three participating kaupules—Nukulaelae, Nukufetau and Namumea—have met the minimum conditions, and were thus qualified to receive the next PBCRG cycle. The assessment also noted that the **performance of LoCAL kaupules had improved significantly**, particularly in planning and budgeting, financial management and climate resilience investments, with an average 83 percent improvement on performance measures noted from 2016 to 2018. Following compliance with minimum conditions, a third cycle of PBCRG was channelled to the pilot kaupules in 2020.
- Stringent COVID-19 restrictions on movement kept the **third PBCRG cycle in Tuvalu on hold**. Activities are expected to be resumed in 2023.



Tuvalu

 <p>achievements</p>	<ul style="list-style-type: none"> ● The Government of Tuvalu prepared a concept note in 2019 for scaling up LoCAL. The objective is to increase the resilience of island communities across the country through predictable, systemic and verifiable climate finance in support of local climate responses, through increased kaupule access to climate finance to implement climate change adaptation investments in Tuvalu (outcome 1) and institutionalizing a standard and internationally recognized country-based mechanism of PBCRGs to attract further domestic and international climate finance (outcome 2). The initiative will support LoCAL-Tuvalu scale-up to all nine islands over a four-year period, with a focus on those islands more vulnerable to climate change and exposed to climate-related risks. ● As one of four small island developing states pursuing access to international climate finance to consolidate / scale up LoCAL, Tuvalu participated in drafting a multi-country Green Climate Finance (GCF) concept note in partnership with the Secretariat of the Pacific Community; this was submitted to the GCF for approval during 2022. UNCDF is working with partners to finalize the full-fledged funding proposal; this is expected to be submitted to the GCF in 2023. ● LoCAL supported the Government of Tuvalu in designing a model for its performance-based grants to kaupules to which LoCAL will provide a top-up to cover the additional costs of adaptation. The model is viewed as a bridging phase between the existing general performance-based grants system and future LoCAL scale-up.
 <p>adaptation measures and investments</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"> ● The key vulnerabilities and risks related to water are increased variability and decreased predictability of rainfall and safe water availability. To this end, six water catchment and harvesting systems were completed in the three kaupules. ● Tuvalu is also dangerously exposed to extreme climate events such as storms and cyclones. Two cyclone shelters were constructed in two kaupules which will provide protection for more than 800 inhabitants.
 <p>lessons learned</p>	<ul style="list-style-type: none"> ● 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. ● Capacity at both the kaupule 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 kaupule 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 Programme. ● It is also envisaged that collaboration with the newly implemented Tuvalu Coastal Adaptation Project would be supported and reinforced.
 <p>way forward</p>	<ul style="list-style-type: none"> ● LoCAL will assist kaupules in resuming the implementation of the third cycle of PBCRGs and of the recommendations arising from the third APA. ● LoCAL will support efforts for Phase II deployment in the 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 light of prospective scale-up, LoCAL will support updating of the project design note, taking into account lessons learned during the pilot phase and further integrating LoCAL with the new general performance-based grant system and reflecting changes in the concept note shared with development partners. ● LoCAL will continue to support Tuvalu in mobilizing additional finance from funds and development partners for scale-up. ● UNCDF will continue working with partners to finalize the full-fledged GCF funding proposal.



Uganda



context

Uganda's climate is naturally variable and susceptible to flood and drought events, which have had negative socioeconomic impacts. Uganda's National Adaptation Programme of Action cites an average temperature increase of 0.28°C per decade in the country between 1960 and 2010, with the months of January and February most affected by this warming trend, averaging an increase of 0.37°C per decade. Also, the frequency of hot days in Uganda has increased significantly over the reference period, and the frequency of cold days has dropped, resulting in a spread of malaria into new areas of the country. Changes in rainfall patterns have also been observed, with decreasing and more unreliable rainfalls, as well as increased incidence of drought events.

This **scenario is expected to deteriorate** as anthropogenic climate change hits hard in Uganda. A review of modelling outputs for East Africa based on the Intergovernmental Panel on Climate Change's carbon dioxide emissions scenarios finds consensus around an increase in mean temperature by up to 1.5°C in the next 20 years and by up to 4.3°C by 2080. Changes in rainfall patterns and total annual rainfall amounts are also expected, but these are less certain than changes in temperature. Uganda's climate may become wetter on average, and the increase in rainfall may be unevenly distributed and manifest as more extreme or more frequent periods of intense rainfall. Changes in temperature, regardless of rainfall, are likely to have significant implications for water resources, food security, natural resource management, human health, settlements and infrastructure. Further, there is a high likelihood of increased frequency and severity of extreme weather events such as heat waves, droughts, floods and storms.

Climate change can negatively affect development activities—and even reverse past successes. Given the high levels of poverty and inequality in Uganda, climate change is a very real threat for both the most vulnerable populations and overall development progress. Uganda is ranked 166 out of 181 countries on the Notre Dame Global Adaptation Initiative index for vulnerability and readiness for climate change adaptation, meaning that it is **very vulnerable yet very unready to cope with climate change effects**.

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objectives

The overall objective of the Uganda's LoCAL programme is to **increase the resilience of communities and local economies across the country** through regular, predictable, systemic and verifiable climate finance in support of local climate response/action.

LoCAL-Uganda aims to provide supplementary capital through its performance-based climate resilience grant (PBCRG) system to finance local public climate change-resilient investments in target districts and increase awareness and capacities to respond to climate change at the local level, integrate climate change adaptation into local government planning and budgeting systems in a participatory and gender-responsive manner, and increase the level of climate finance available to local government authorities (i.e. districts) for climate-smart, resilient investments.

These objectives will be addressed through three outputs:

- **Awareness and capacities to respond to climate change adaptation are increased** at the central and subnational levels
- **Climate change adaptation is integrated into district plans and budgets**, and climate change adaptation interventions and investments are implemented in line with the PBCRG system
- **An effective PBCRG system (finance mechanism) is deployed** across Uganda and is operational for additional funding



achievements

- UNCDF is supporting the Government of Uganda in implementing LoCAL Phase I and its PBCRGs as a top-up grant to the **general discretionary development equalization grant** (DDEG).
- **LoCAL-Uganda was designed and developed** with support from the European Union (EU) / GCCA+; technical assistance from UNCDF; and dialogues between UNCDF, the Government of Uganda (represented by the Ministry of Local Government, the Ministry of Finance and the Ministry of Water and Environment) and bilateral partners (particularly the EU Delegation to Uganda and the Governments of Belgium and Sweden) initiated to identify synergies and complementarities as well as funding opportunities.
- Subsequently, the Government of Sweden funded the LoCAL pilot in Uganda, and the Government of Belgium committed approximately EUR 6.5 million to fund LoCAL-Uganda for three PBCRG cycles under Phase I and one cycle under a bridging phase (Year 4) as the country transitions to Phase II. The Government of Uganda committed co-financing of approximately \$1 million via its Ministries of Local Government and Finance. The **launch event for LoCAL-Uganda** was held in May 2022 with high-level officials from the Government of Uganda and development partners in attendance.



Uganda



achievements

- A memorandum of understanding was signed by the Ministry of Finance and Economic Development to **deploy the LoCAL mechanism and transfer PBCRGs to four districts** (Kasese, Zombo, Nebbi and Nwoya).
- A letter of agreement has been signed with the Ministry of Local Government to provide it with **operational budget support in the execution of LoCAL-specific tasks** (e.g. for LoCAL-Uganda programme management); coordination of capacity development activities at the central and subnational levels; provision of advice on LoCAL-related aspects of the DDEG; support to overall operations; updating of DDEG guidelines; ensure reporting on activities and inspection of compliance by participating districts etc.
- A separate letter of agreement was proposed to the **Ministry of Water and Environment as Uganda's climate change focal point** for the provision of operational budget support to execute climate change-related activities such as capacity-building support to target districts on climate information, mainstreaming and resilience planning tools (including for issues related to marginalized groups, environmental screening and assessments, and the preliminary findings of the climate risk assessment), and sensitization of communities on climate change adaptation and LoCAL. The letter of agreement also aims to support the identification and updating of **LoCAL performance measures** in the overall performance assessment system, the development of concept notes and funding proposals building on the LoCAL mechanism, and promotion of vertical integration via LoCAL in climate-related national policies, legislative documents, regulations and guidelines.
- An agreement was signed with ODI (formerly the Overseas Development Institute) to **support LoCAL's PBCRG system for intergovernmental fiscal transfers** and mainstreaming of climate change adaptation into districts' planning, budgeting and procedures.
- As part of LoCAL, UNCDF supported the development of a **climate risk assessment** to provide data for climate risk-informed local development planning by identifying and mapping climate risk, exposure and vulnerability hotspots at the district level. Local decision makers, in consultation with their communities, can use this information to prioritize climate change adaptation actions and investments based on quantified scientific analysis.
- UNCDF supported the Ministry of Water and Environment, a national accredited institution to the Green Climate Fund (GCF), in developing an **Enhanced Direct Access GCF funding proposal** building on the LoCAL model.
- Uganda's Minister of Local Government, together with 13 other high-level officials and/or ministers from other countries, signed a **ministerial declaration in 2021 calling for LoCAL to be used to channel increased climate finance** to least developed countries and other climate-vulnerable nations for locally led adaptation.
- In 2022, a LoCAL **national resource pool** was set up, comprised of resource people in line ministries and agencies to support the districts in LoCAL deployment. A training of trainers was held, followed by training sessions in the districts to **launch LoCAL and the PBCRG system**.
- In 2022, districts prepared their **first programme of investments**. Steps will be taken to fast-track the flow of funds and implement the PBCRG system in Uganda within the 2023/2024 fiscal year cycle.



way forward

- Operationalize the LoCAL mechanism with government partners and recruitment of a project management unit to kick off PBCRG implementation with pilot local governments.
- Roll out the country climate risk assessment to guide the selection of LoCAL districts based on risk hotspots and pressing vulnerabilities.
- Pursue resource mobilization efforts through direct access support of the Ministry of Water and Environment to the GCF (pipeline development) and regular dialogue with development partners.

The **LOCAL CLIMATE ADAPTIVE LIVING FACILITY (LoCAL)** was designed to promote climate change–resilient communities and local economies by establishing a standard, internationally recognized country-based mechanism to channel climate finance to local government authorities in least developed countries. It thus aims to contribute through the local level to country achievement of the Paris Agreement and the Sustainable Development Goals—particularly poverty eradication (SDG 1), sustainable cities and communities (SDG 11) and climate action (SDG 13). LoCAL increases local-level climate change awareness and capacities, integrates climate change adaptation into local government planning and budgeting in a participatory and gender-sensitive manner, and increases the financing available to local governments for climate change adaptation. LoCAL combines performance-based climate resilience grants—which ensure programming and verification of climate change expenditures at the local level while offering strong incentives for performance improvements in enhanced resilience—with technical and capacity-building support.

The **UNITED NATIONS CAPITAL DEVELOPMENT FUND (UNCDF)** is the United Nations’ flagship catalytic financing entity for the world’s 46 Least Developed Countries (LDCs). With its unique capital mandate and focus on the LDCs, UNCDF works to invest and catalyse capital to support these countries in achieving the sustainable growth and inclusiveness envisioned by the 2030 Agenda for Sustainable Development and the Doha Programme of Action for the least developed countries, 2022–2031.

UNCDF builds partnerships with other UN organizations, as well as private and public sector actors, to achieve greater impact in development; specifically by unlocking additional resources and strengthening financing mechanisms and systems contributing to transformation pathways, focusing on such development themes as green economy, digitalization, urbanization, inclusive economies, gender equality and women’s economic empowerment.

A hybrid development finance institution and development agency, UNCDF uses a combination of capital instruments (deployment, financial & business advisory and catalysation) and development instruments (technical assistance, capacity development, policy advice, advocacy, thought leadership, and market analysis and scoping) which are applied across five priority areas (inclusive digital economies, local transformative finance, women’s economic empowerment, climate, energy & biodiversity finance, and sustainable food systems finance).

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