

2019–2020 LoCAL GCCA+ progress report

accelerating local climate action



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climate action**

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preface

Local government authorities in developing countries, particularly in the least developed countries (LDCs), are in a unique position to identify climate change adaptation responses which 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 which is 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 aims to promote climate change-resilient communities and local economies by establishing a standard and internationally recognized country-based mechanism to channel climate finance to local government authorities in developing countries, mainly LDCs – 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, implementation 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 evolved considerably. As of May 2020, it had engaged with 293 local governments, representing over 11 million people in 14 countries: **Bangladesh, Benin, Bhutan, Cambodia, The Gambia, Ghana, Lao PDR,¹ Lesotho, Mali, Mozambique, Nepal, Niger, Tanzania and Tuvalu.** Another 11 countries/states had expressed interest in deploying LoCAL: **Burkina Faso, Côte d'Ivoire, Liberia, Malawi, Pakistan, Palestine, São Tomé and Príncipe, Senegal, Solomon Islands, Sudan and Uganda,** bringing the total number of LoCAL

¹ The Lao PDR project officially closed 31 December 2017 with the conclusion of Phase I; partnerships are being explored to initiate a transition to Phase II.

countries/states to 25, with the potential to reach some 500 million people. Over the same period, LoCAL has mobilized around \$94.2 million from partners, own resources and parallel funding from governments; the majority of these funds are disbursed as performance-based grants to local governments.

The LoCAL experience 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 second decade of the millennium, the global pandemic has 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. At this critical time, LoCAL is determined to vigorously pursue its efforts towards institutionalizing a global country-based mechanism for local climate finance and promoting climate-resilient development pathways to ensure societies, economies and ecosystems in developing countries, particularly in LDCs, thrive.

acronyms

ACCAF	Assessing Climate Change Adaptation Framework	LoCAL	Local Climate Adaptive Living Facility
ACP	African, Caribbean and Pacific	MINUSMA	United Nations Multidimensional Integrated Stabilization Mission in Mali
ANICT	Local Authorities National Investment Agency (Agence Nationale d'Investissement des Collectivités Territoriales)	NAP	national adaptation plan
BOAD	West African Development Bank (Banque Ouest Africaine de Développement)	NCDD-S	National Committee for Subnational Democratic Development Secretariat
COP	Conference of the Parties	NDC	nationally determined contribution
EU	European Union	PBCRG	performance-based climate resilience grant
FNEC	National Fund for Environment and Climate (Fonds National pour l'Environnement et le Climat)	PO-RALG	President's Office Regional Administration and Local Government
GCCA+	Global Climate Change Alliance Plus	SDG	Sustainable Development Goal
GCF	Green Climate Fund	Sida	Swedish International Development Cooperation Agency
GrREEN	Boosting Green Employment and Enterprise Opportunities in Ghana	UN	United Nations
LDC	least developed country	UNCDF	United Nations Capital Development Fund
LISA	Local Information System for Adaptation	UNFCCC	United Nations Framework Convention on Climate Change

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, 2007).

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 re-organizing in ways that maintain their essential function, identity and structure, while also maintaining the capacity for adaptation, learning and transformation (IPCC, 2014a).

1



about LoCAL

Climate change is a global challenge, but its effects are not experienced equally. Developing countries, especially least developed countries (LDCs), and their populations are among those most exposed to climate change. A large proportion of developing countries and LDCs are located in geographical areas where climate change 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

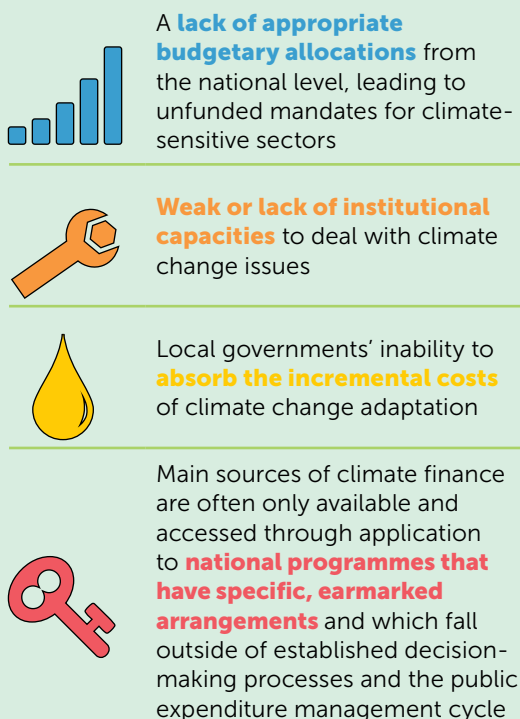
of sectors and areas which are climate sensitive and of extreme importance to the success of adaptation measures – including land use, infrastructure and water management.

Parties to the United Nations Framework Convention on Climate Change (UNFCCC) recognize – as spelled out 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). Despite this recognition, [support for mitigation remains greater than for adaptation](#). According to the most recent [UNFCCC Biennial Assessment and Overview of Climate Finance Flows](#), adaptation accounted for less than a third of bilateral financing flows provided by various funders.¹

¹ 'Bilateral finance flows from OECD-DAC [Organisation for Economic Co-operation and Development Development Assistance Committee] providers had the greatest proportion intended for adaptation (29 per cent) in the period 2015–2016, followed by multilateral climate funds (25 per cent) and MDBs [multilateral development banks] (21 per cent).' The UNFCCC report

Some observers note that less than 20 per cent of adaptation funding flows to the most vulnerable communities in the most vulnerable countries (ICCDP, 2019). In addition, evidence shows that most local governments in developing countries, in particular in the LDCs, cannot contribute effectively to climate change adaptation and resilience building, as summarized in Figure 1.1.

Figure 1.1: **Obstacles to local government contributions to adaptation**



LoCAL purpose

The **Local Climate Adaptive Living Facility (LoCAL)** was designed by the United Nations Capital Development Fund (UNCDF) in 2011 to

acknowledges an increase in contributions earmarked for both mitigation and adaptation which 'makes it more difficult to track the progress made in ramping up adaptation finance' (UNFCCC 2019: 10–11).

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 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 to local governments for climate change adaptation

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

LoCAL mechanism

LoCAL operates primarily in LDCs, working with rural local governments at the lowest or second-lowest tier and with small towns of under 600,000 people. In this way, it **engages with those authorities closest to local communities and vulnerable groups**.

LoCAL has innovated a system of **PBCRGs** to channel climate finance and improve responses to climate change at the local level. These grants include a performance element which simultaneously:

- Incentivizes local governments to develop integrate targeted adaptation measures across in a participatory and gender sensitive
- Increases transparency and accountability by enabling verification of climate change expenditures at the local level

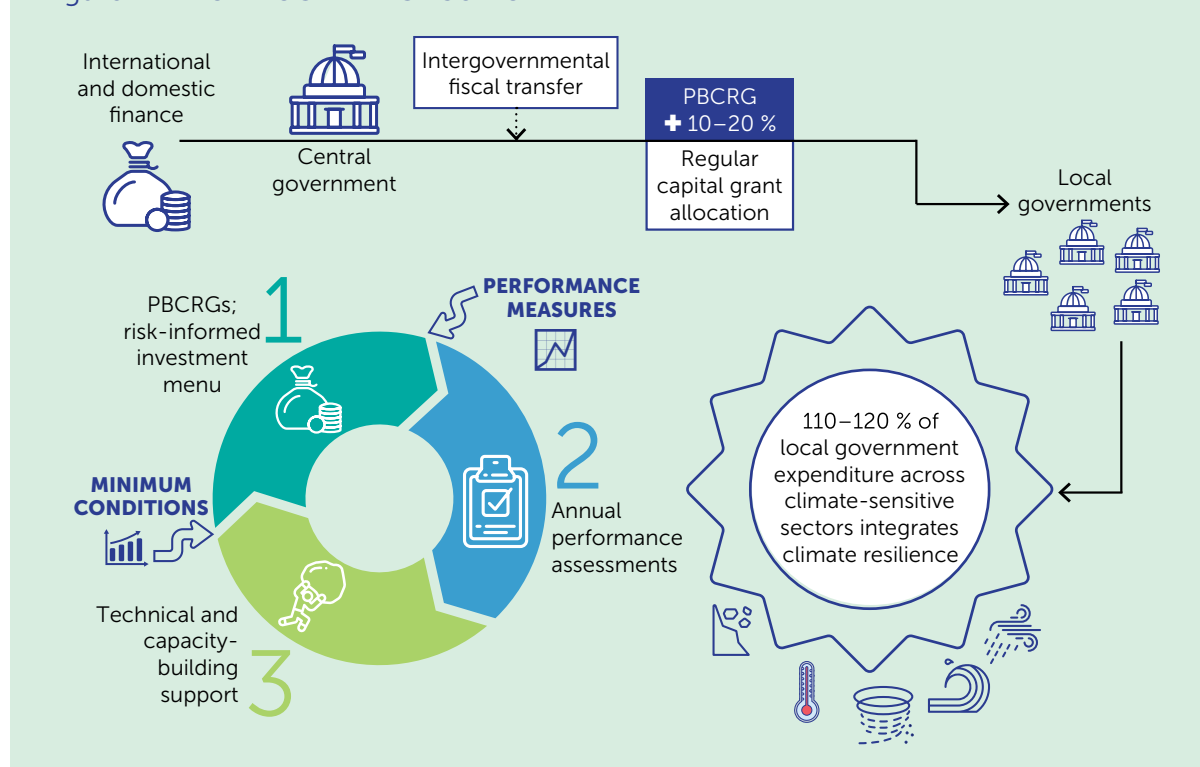
By thus fostering capacity and trust, the LoCAL PBCRGs improve local governments' abilities to access and effectively use various sources of climate funding.

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. By being disbursed as part of a local government's regular budget envelope, PBCRGs can finance the adaptation element of larger projects, allowing for holistic responses to climate change. In general, the grants are a 10–20 per cent 'top up' of regular capital grant allocations.

To ensure accountability and relevance, PBCRGs include **minimum conditions**, **performance measures** and a **menu of eligible investments** aligned with NAPs and NDCs. For local governments to be eligible for and to access the grants, they must meet and remain in compliance with a set of **minimum conditions** which ensure that a certain level of capacity is in place to handle the funds and that they are adequately used year to year. **Performance measures** are applied through an annual assessment to incentivize local governments to meet climate change adaptation objectives. The measures selected are informed by local climate risk assessments and a **menu** of

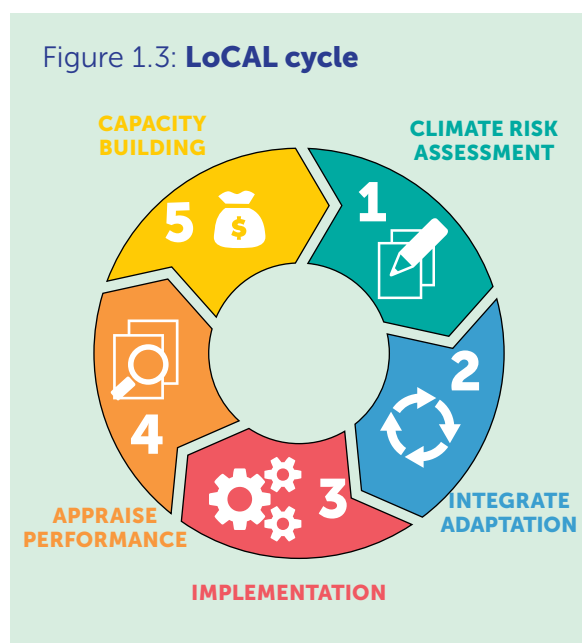
Figure 1.2: How LoCAL PBCRGs work



eligible investments (itself informed by national climate risk assessments). The performance measures are used to adjust the level of funding made available to the local government year to year as well as inform the technical and capacity-building support needed. Where local governments are found not to have met the minimum conditions, actions are undertaken to help address the identified gaps and lags.

As illustrated in Figure 1.3, which summarizes the major operational components of the LoCAL programme on the ground, putting all the LoCAL components in place typically involves:

- Undertaking local climate risk assessments to inform adaptation planning and mainstreaming (Step 1 in Figure 1.3)
- Integrating adaptation in a participatory and gender-sensitive manner in their local development planning and budgeting processes (Step 2)
- Disbursing grants in the context of local governments' annual planning and budgeting cycles (see Figure 1.2)
- Developing, selecting and implementing adaptation measures (Step 3)



- Appraising performance to determine how additional resources have been used and conducting audits as part of a regular national process; these performance results inform the next year's PBCRG allocations and capacity-building support (Step 4)
- Providing capacity-building and technical support activities to identified needs at the policy, institutional and individual levels (Step 5)

LoCAL in action

The LoCAL mechanism is implemented by deploying an instrument for the programming and verification of climate change expenditure at the local level and using the demonstration of its effect to trigger further flows for local adaptation, including national fiscal transfers and access to global climate finance for local governments (through their national governments) and for private sector and public-private adaptation initiatives.

In 2014, LoCAL expanded across Asia and was launched in Africa, becoming a global mechanism in the process. As of May 2020, LoCAL supports 14 countries across two regions and works with 293 local governments, representing a combined population of over 11 million.

The mechanism operates in three distinct phases (Figure 1.4), each associated with specific criteria to determine its degree of maturity in the respective country (Figure 1.5).

- **Phase I: Piloting**, consists of an initial scoping analysis, followed by testing in two to four local governments. Phase I countries as of December 2019 are **The Gambia, Lao PDR**,²

² The Lao PDR project officially closed 31 December 2017 with the conclusion of Phase I; partnerships are being explored to initiate a transition to Phase II.

Figure 1.4: LoCAL phases

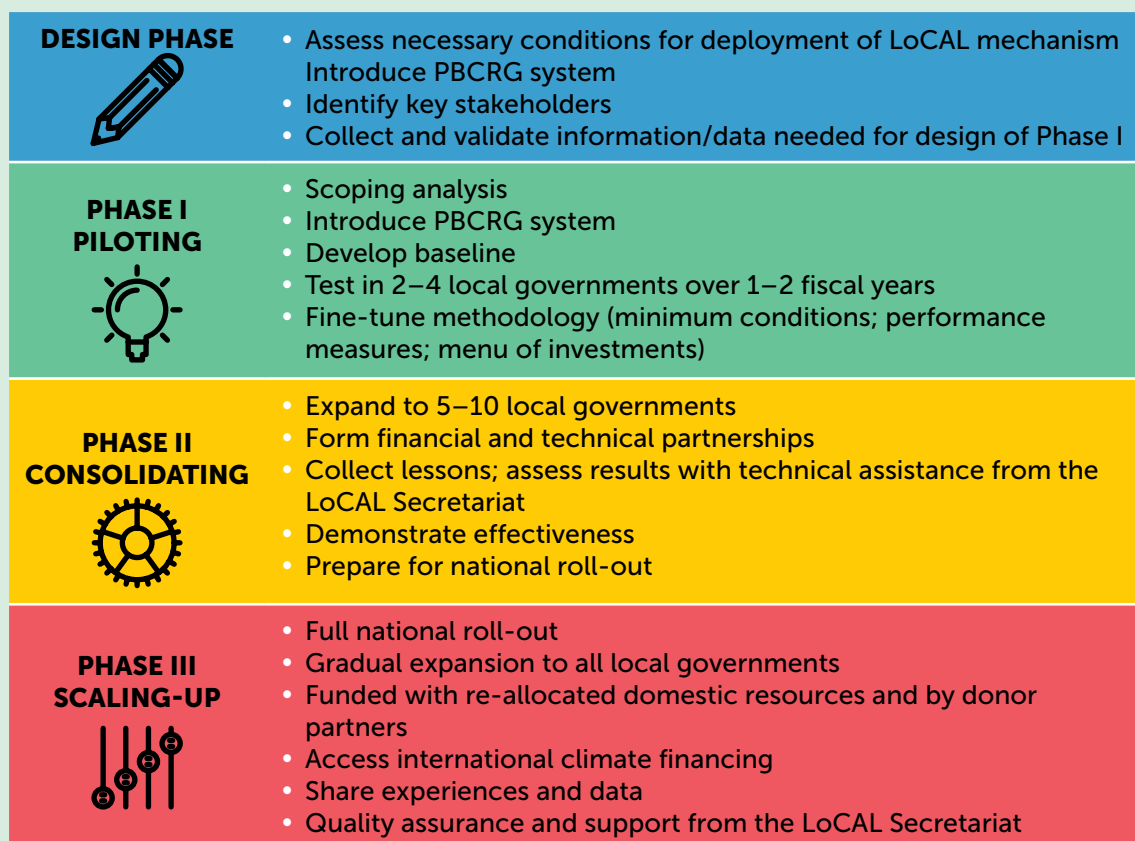


Figure 1.5: LoCAL countries, by phase of engagement



Lesotho, Nepal, Tanzania and **Tuvalu**. **Mali** is preparing to entering Phase II.

- **Phase II: Consolidating**, takes place in 5–10 local governments in a country. It involves collecting lessons and demonstrating the mechanism's effectiveness at a larger scale. As of May 2020, **Ghana** and **Niger** have transitioned into Phase II, joining **Bangladesh, Benin** and **Mozambique**.
- **Phase III: Scaling-up**, is full national roll-out of LoCAL based on the results of the previous phases and lessons learned. LoCAL is gradually extended to all local governments, with domestic or international climate finance, and becomes the national system for channelling adaptation finance to the local level. **Bhutan** and **Cambodia** are in Phase III, and **Benin** has begun Phase III preparations.

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

- Identifying key stakeholders, including national and subnational government institutions, and development partners
- Collecting and analysing the information/data needed for design of LoCAL Phase I – e.g. policy documents, institutional frameworks, assessments and planning mechanisms, financing and budgeting systems, climate risk assessments, implementation of adaptation measures, investment menu, performance assessments, minimum conditions
- Identifying and documenting the elements of design of the LoCAL mechanism (e.g. flow of funds, minimum conditions, performance measures, menu of eligible investments)

Burkina Faso, Côte d'Ivoire, Liberia, São Tomé and Príncipe and **Uganda** are in the design phase, and are expected to begin Phase I in 2020/2021 as resources are mobilized. Additional countries/

states – **Malawi, Pakistan, Palestine, Senegal, Solomon Islands** and **Sudan** – expressed an interest in participating in LoCAL in 2019/ beginning of 2020, and LoCAL is currently engaging with them to begin preliminary design and explore collaboration and financing opportunities.

LoCAL Results and Resource Framework

At the conclusion of its first period of global expansion (2014–2018), 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.

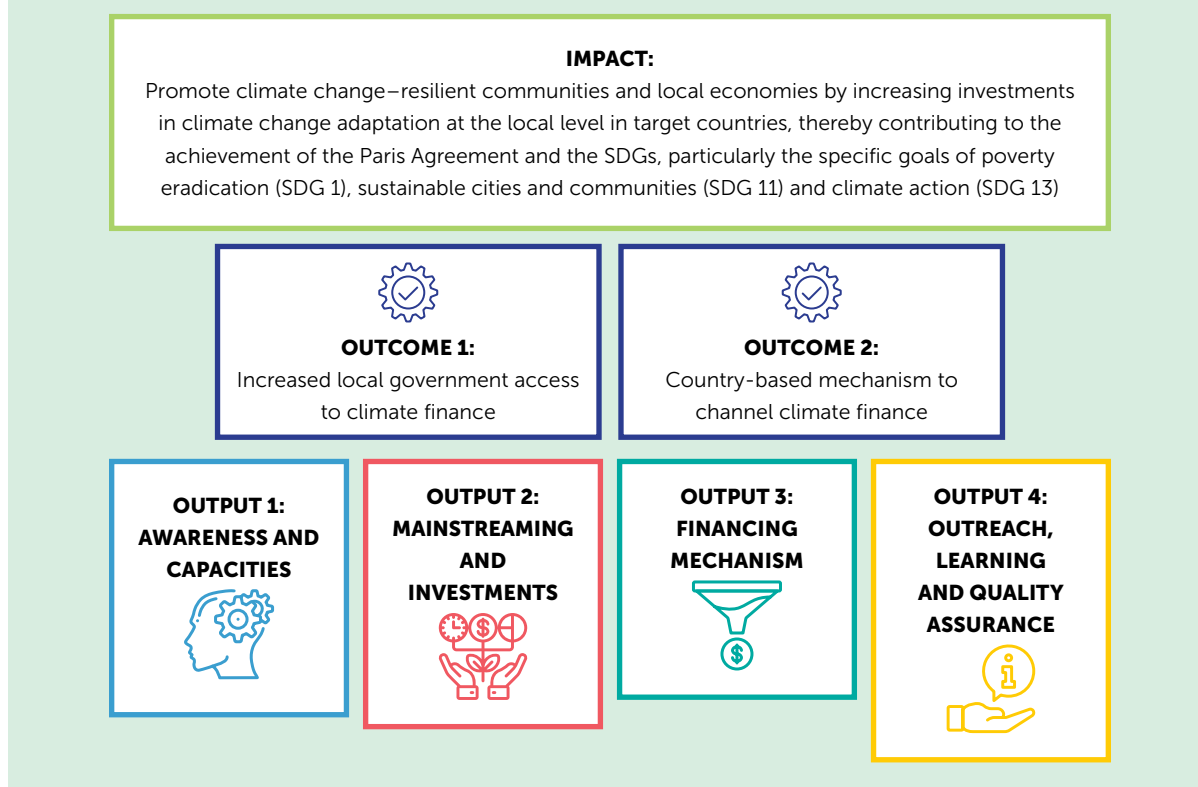
- **LoCAL impact.** Promote climate change–resilient communities and local economies by increasing investments in climate change adaptation at the local level in target countries, thereby contributing to the achievement of the Paris Agreement and the SDGs, particularly the specific goals of poverty eradication (SDG 1), sustainable cities and communities (SDG 11) 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.

Figure 1.6: **LoCAL Results and Resource Framework**



■ **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 between January 2019 and May 2020.



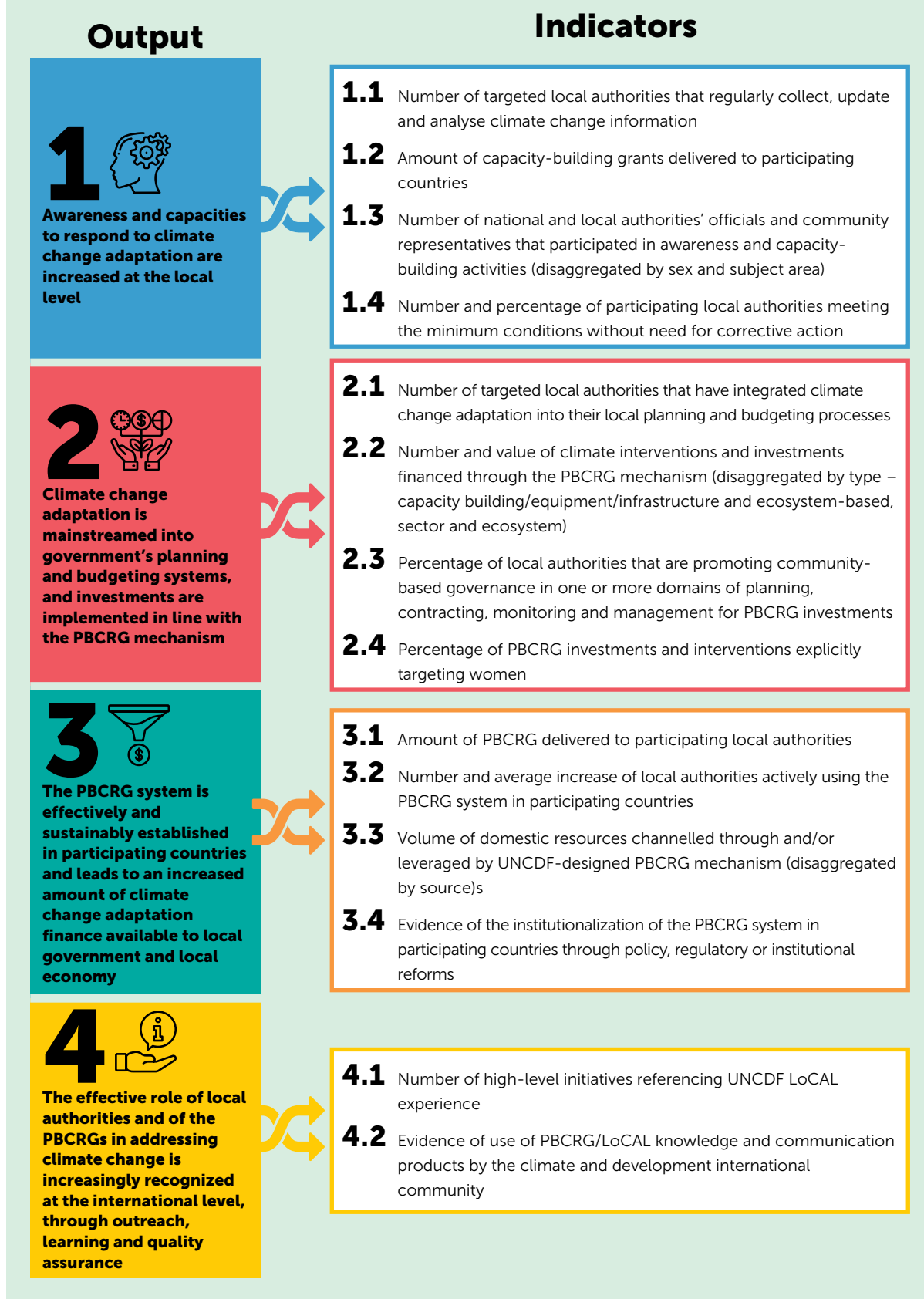
LoCAL highlights

As it entered its second phase of global expansion, LoCAL successfully moved forward with a series of actions at the Global Programme level and across more than 20 countries aimed at realizing the vision set by LoCAL Board members – for LoCAL to ‘become a standard and recognized country-based mechanism for developing countries in particular the LDCs, that supports direct access to the Green Climate Fund and other climate finance entities and mechanisms to transfer resources to local governments through national systems for building verifiable climate change adaptation and resilience.’

This chapter details LoCAL accomplishments by output and indicator, as established in the GCCA+ LoCAL Plan of Action and summarized in Figure 2.1. [Table 2.4](#), at the end of this chapter, presents an at-a-glance status of progress up to May 2020 versus targets. A representative sampling of achievements follows.

- As of May 2020, LoCAL was **deployed** in 14 countries across Africa, Asia and the Pacific, with a potential population reach of over 10 million. Another 11 countries/states – **Burkina Faso, Côte d’Ivoire, Liberia, Malawi, Pakistan, Palestine, São Tomé and Príncipe, Senegal, Solomon Islands, Sudan** and **Uganda** – had submitted official requests to deploy LoCAL.
- During the reporting period, LoCAL **expanded** to 170 new local governments, thereby reaching a total of 293 local governments. This represents a 10-fold increase over 2014, when LoCAL reached 29 local governments in seven countries.
- LoCAL **mobilized** \$33.8 million between January 2019 and May 2020 in direct and parallel funding. Of this, LoCAL **delivered** \$14.2 million to participating countries and local governments in the form of grants, capacity building and operational support at the national and subnational levels. Since its inception, LoCAL has mobilized a total of \$94.2 million.
- During the reporting period, 639 climate change adaptation **interventions** were financed across seven countries – **Bangladesh, Benin, Bhutan, Cambodia, Ghana, The Gambia** and **Mozambique** – using PBCRGs. This brings the number of climate change adaptation interventions financed by LoCAL since 2014 to 1,276. In terms of beneficiary outreach, 496,371 direct beneficiaries – including 261,532 women – benefited from LoCAL investments implemented during the reporting period.

Figure 2.1: LoCAL outputs and indicators



- Countries continued to successfully **transition** through the LoCAL phased approach. In 2019, **Cambodia** joined **Bhutan** in beginning Phase III, reaching 50 districts across the country. **Ghana** and **Niger** secured financial support to transition from Phase I to Phase II early in 2020.
- In April 2019, the LoCAL publication *[Financing Local Adaptation to Climate Change: Experience with Performance-Based Climate Resilience Grants](#)* was endorsed by the Least Developed Countries Expert Group to the UNFCCC as supplementary material to its *[National Adaptation Plan Technical Guidelines](#)*. This publication will help LDCs and developing countries create **intentional and strategic linkages** between country national adaptation plans and nationally determined contributions at the subnational level in a coordinated and standard manner – bringing a financing dimension to the vertical integration of the NAP and NDC processes.
- Following this milestone, LoCAL stepped up its **engagement with the UNFCCC**. Notably, LoCAL became a full member of the LDC Expert Group/NAP Technical Working Group and of the NDC Partnership – a coalition of governments and international institutions supporting countries in achieving their climate and sustainable development targets.
- In 2019, LoCAL initiated the process of **ISO certification** to ensure the consistent, standardized and quality assured use and application of the LoCAL mechanism across local governments and countries.
- LoCAL and its participating countries advocated for better **recognition of the role of local governments** in addressing climate change through presentations at and participation in several high-level events, including NAP Expo 2019, meetings of the UNFCCC Standing Committee on Finance and the LDC Expert Group, and UNFCCC Conference of the Parties (COP) 25.
- Two government agencies engaged in LoCAL were **accredited with the Green Climate Fund** (GCF) in 2019 with LoCAL support – the National Fund for Environment and Climate (FNEC, Fonds National pour l'Environnement et le Climat) in **Benin** and the Secretariat for the National Committee for Subnational Democratic Development (NCDD-S) in **Cambodia**. These entities are now able to directly access GCF funds, using LoCAL as a mechanism to channel finance to the subnational level for local climate action. LoCAL continued to support GCF accreditation efforts in other countries, in particular with the **Bhutan** Trust Fund for Environmental Conservation.
- LoCAL established a partnership with the **West African Development Bank** (BOAD, Banque Ouest Africaine de Développement) for co-development of a regional GCF proposal covering **Burkina Faso, Côte d'Ivoire, Niger** and **Mali**. This effort, along with a similar proposal LoCAL is co-developing with Benin's FNEC, represents a LoCAL-GCF pipeline of approximately \$60 million, with more to follow.
- The 2019 first call for proposals to identify and select **private sector** commercially viable pro-youth and gender-responsive investment projects in **The Gambia** resulted in a pipeline of six investment projects. This milestone marked the piloting of a new methodology for private sector participation in adaptation investments under LoCAL – with potential scale-up in other LoCAL countries and to similar initiatives seeking to increase the participation of the private sector in adaptation action, while providing clear and objective criteria and metrics to measure adaptation outcomes.
- LoCAL secured a number of **new financial partners** and has continued its efforts to mobilize resources for participating and

prospective countries both internationally and in-country. In **Cambodia**, the Ministry of the Environment the Republic of Korea and K-Water, the Republic of Korea water company, approved an additional grant of \$1.2 million for water-related investments under LoCAL. In **Ghana**, LoCAL was embedded in the Boosting Green Employment and Enterprise Opportunities in Ghana (GrEEn) Programme, supported by the EU Emergency Trust Fund for Africa, enabling LoCAL-Ghana to enter Phase II. The United Nations Multidimensional Integrated Stabilization Mission in **Mali** (MINUSMA) Peacebuilding Fund approved resources for a bridging phase as LoCAL-Mali prepares to enter its Phase II. In **Niger**, LoCAL secured funding from the NDC Partnership and the Italian Fund for Migration to implement its Phase II. Through this support, LoCAL will increase the total number of target communes to nine in the regions of Dosso, Tahoua and Zinder.

- LoCAL participated in training workshops delivered by the joint United Nations Development Programme–United Nations Environment Programme **NAP Global Support Programme**, highlighting how the LoCAL mechanism contributes to vertical integration of both NAP and NDC processes. It also collaborated with the **NAP Global Network** to raise awareness, via participation in sessions and panels, on the importance of incorporating a vertical integration dimension in NAPs. As a partner of the the **Organisation for Economic Co-operation and Development (OECD)/Global Centre of Excellence for Climate Adaptation**, LoCAL was invited to share insights and experiences in financing adaptation through local governments globally. LoCAL also became a full member of the Making Cities Resilient Campaign of the United Nations Office of Disaster Risk Reduction.

- LoCAL's partnership with the **Korea Environment Institute** resulted in preparation of **Ghana's** first national climate risk assessment for subnational adaptation report. The report, which will be published in 2020, features a country-based, tailored methodology with a strong scientific foundation, which incorporates both the local dimension and indicators to support climate risk-informed local planning and associated investments. LoCAL will apply the same methodology in other countries going forward, including **Cambodia** and **Niger**.

LoCAL impact

Participating countries and beneficiaries

LoCAL roll-out from a regional to a global mechanism has been successful overall, exceeding targets in terms of participating countries and local governments. LoCAL saw the number of participating local government authorities soar from 29 in 7 countries in 2014 to 293 in 14 countries to date – a 10-fold increase over five years in the number of local government authorities engaged. As of May 2020, LoCAL had a potential beneficiary population reach of over 11 million. Table 2.1 gives the total populations of local governments supported by LoCAL.

During the reporting period, 11 additional countries/states expressed an interest in participating in LoCAL: **Burkina Faso, Côte d'Ivoire, Liberia, Malawi, Pakistan, Palestine, São Tomé and Príncipe, Senegal, Solomon Islands, Sudan** and **Uganda**. LoCAL has engaged with these countries to explore patterns of collaboration and financing opportunities. With these requests, the total number of LoCAL countries/states as of May 2020 is 25.

LoCAL country projects are, as noted in [Chapter 1](#), at different phases of maturity. As LoCAL

Table 2.1: Populations of local governments supported by LoCAL as of May 2020

Country	Population
Bangladesh	1,864,411
Benin	930,586
Bhutan	206,288
Cambodia	3,598,558
Gambia, The	176,620
Ghana	812,255
Lesotho	165,590
Mali	58,614
Mozambique	1,993,950
Niger	393,212
Tanzania	846,281
Tuvalu	3,580
Total	11,049,945

Note: Lao PDR is not included as it closed 31 December 2017; Nepal is not included as it is transitioning to Phase II.

entered its second phase of global expansion, it supported pilots (Phase I) in nine countries, consolidation (Phase II) in three countries, and scale-up (Phase III) in two countries. In addition, the Facility supported three countries as they transition between phases:

- In **Ghana**, UNCDF, in partnership with SNV, a Netherlands non-governmental organization, secured funding from the EU Emergency Trust Fund for Africa to create the GrEEEn Programme. Building on LoCAL Phase I experiences and using PBCRGs to create jobs through cash-for-work programmes and procurement to local small and medium-sized enterprises, the initiative aims to support job creation in regions of departure, transit and return in Ghana, creating local ecosystems that facilitate the development of micro, small and medium enterprises and enabling the transition of local economies to green and climate-resilient development. In doing so, the initiative essentially embeds LoCAL-Ghana

Phase II. The GrEEEn Programme kicked off in the first quarter of 2020.

- Building on experience in the Kayes region in **Mali**, the MINUSMA Peacebuilding Fund is supporting LoCAL expansion as a one-year pilot to two communes in the Mopti region. This effort is part of a joint programme with the United Nations Industrial Development Organization focused on natural resource-based conflict prevention through adaptation to climate change and women's empowerment. This funding window serves as a bridging phase as LoCAL-Mali prepares to enter Phase II.
- In **Niger**, LoCAL secured funding from the NDC Partnership and the Italian Fund for Migration to implement its Phase II. The Climate Action Enhancement Package by the NDC Partnership aims to support counties in fast-tracking implementation of their NDC; the Italian Fund for Migration aims to tackle the root causes of irregular migration in countries of origin by building more resilient communities. Through this support, LoCAL is bringing the total number of target communes in Niger to nine.

Resource mobilization and delivery

Overall, LoCAL mobilized \$94.2 million in direct and parallel funding as of May 2020. Between January 2019 and May 2020, LoCAL delivered \$14.2 million to participating countries and local governments in the form of grants, capacity building and operational support at the national and subnational levels. Cumulative total delivery by LoCAL is \$31.2 million.

About 72 per cent of the 2019 budget (\$7.8 million) was delivered through PBCRGs and national operational support, and the delivery rate stood at 91 per cent (i.e. \$10.9 million out of the \$11.9 million planned). As of May 2020, the delivery rate across the LoCAL global portfolio

stands at 18 per cent (i.e. \$3.3 million out of the \$18.3 million planned for 2020).

In terms of GCCA+ funding for the LoCAL portfolio, as of May 2020, the delivery rate was 87 per cent (i.e. \$1.4 million of the \$1.7 million from the first instalment disbursed in October 2019 under the first tranche). Delivery of the total GCCA+ budget for LoCAL stands at 18.6 per cent.

Delivery of the LoCAL global portfolio by output is shown in Figure 2.2. The largest share, 64 per cent, or \$8.5 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 plans. Thirteen per cent, or \$1.7 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 per cent, or \$2.0 million, generally for activities supporting the deployment, institutionalization and consolidation of the PBCRG system in countries,

including undertaking annual performance assessments. Finally, 8 per cent, or \$1.0 million, was disbursed to Output 4 (outreach, learning and quality assurance).

With respect to utilization by output of GCCA+ funding for the reporting period, 35 per cent, or \$511,076, was disbursed for Output 3 and 26 per cent, or \$369,173, for Output 1. Seventeen per cent (\$251,597) and 15 per cent (\$219,251) have been delivered under Outputs 2 and 4, respectively (Figure 2.3).

The EU and the Swedish International Development Cooperation Agency (Sida) were the top two LoCAL funding partners during the reporting period, together accounting for 92 per cent of total contributions that year (Figure 2.4). Other financial partners included the Governments of Belgium, Catalan and Italy. UNCDF's own contribution stood at 3 per cent of total.

Table 2.2 provides cumulative totals for LoCAL from all funding sources. Over the years, the EU has provided support totalling \$41.3 million

Figure 2.2: LoCAL global portfolio delivery by output, January 2019–May 2020

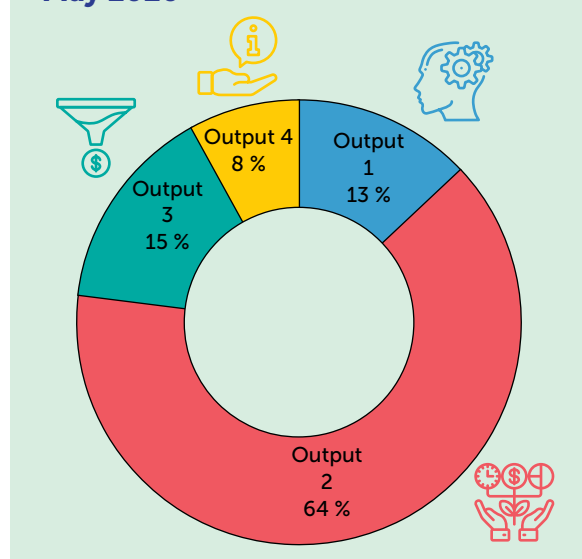


Figure 2.3: GCCA+ contribution for LoCAL delivery by output, January 2019–May 2020

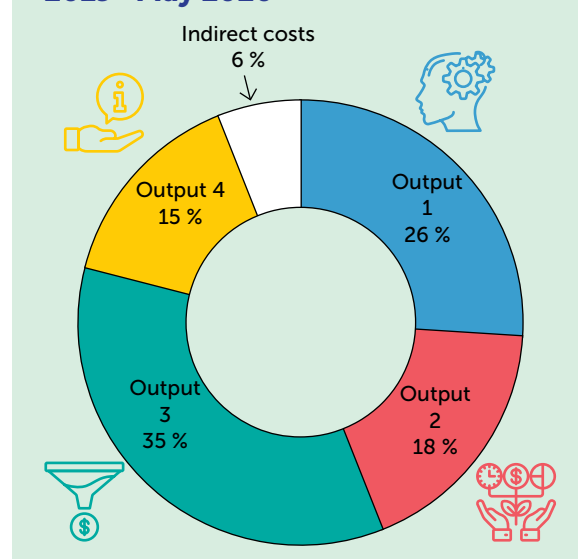
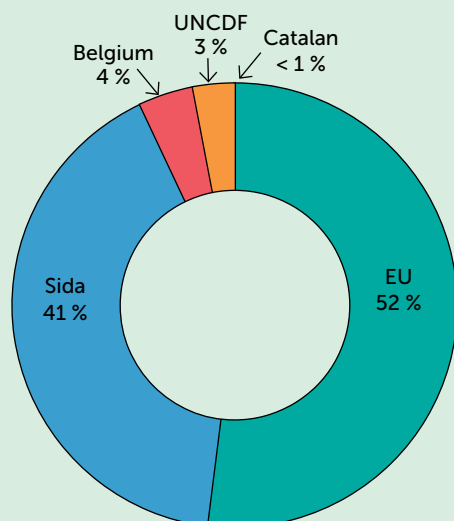


Figure 2.4: LoCAL delivery by donor/source, January 2019–May 2020



to global expansion of the LoCAL portfolio and to selected country initiatives through different funding envelopes (e.g. GCCA+, EU Trust Fund, the Development Cooperation Instrument and the European Development Fund). Sida support of LoCAL over the years amounts to over \$29.2 million. The next largest funder over time has been Belgian Cooperation, with \$1.9 million; followed by various United Nations (UN) entities, including the Small Grants Programme of the United Nations Development Programme–Global Environment Facility and One UN; contributions from the LoCAL country governments of **Bangladesh**, **Benin**, **Bhutan** and **Mali**; the Governments of Catalan, Liechtenstein and Andorra; and UNCDF's own resources.

Highlights in terms of resource mobilization and partnerships during the reporting period include the following:

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

Table 2.2: LoCAL Global Programme funding sources, 2014–May 2020 (\$)

Source	Funding
Belgian Cooperation ¹	1,964,085
Catalan/Mozambique ¹	300,000
EU Bangladesh ¹	4,400,000
EU The Gambia ¹	6,400,000
EU Ghana ¹	6,000,000
EU Mozambique ¹	4,908,674
Sida/Bangladesh ¹	4,000,000
Sida/Cambodia ¹	2,288,287
Sida/Mozambique ¹	13,800,000
Sida/PFIS ¹	3,000,000
EU GCCA+I ²	4,904,750
EU GCCA+II	7,750,400
EU Bhutan ³	7,000,000
UNDP–GEF ³	2,145,000
Cambodia DMK Fund Investment ³	9,021,184
Cambodia Gov't Investment (IFAD loan) ³	3,960,993
Government of Bangladesh ³	775,627
Government of Benin ³	410,000
Government of Mali ³	755,000
Government of Liechtenstein	160,000
Government of Andorra	22,213
One UN/Mali	400,000
Sida/Booster Fund	5,260,870
Sida/Last Mile Trust Fund	937,107
UNCDF	1,216,000
Republic of Korea Ministry of Environment	1,000,000
UNDP Niger	450,000
Italian Fund for Migration	150,000
NDC Partnership	361,800
Italy Junior Professional Officer Programme (in-kind)	460,000
Total	94,201,990

Note: DMK = district/municipality/*khan*; GEF = Global Environment Facility; IFAD = International Fund for Agricultural Development; 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.

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

- In **Cambodia**, a \$1.2 million grant from Korea's Ministry of the Environment and K-Water will initiate a project called Scaling Up Climate Resilience Grants in Cambodia: Innovative Decentralized Water Solutions to Provide Safety and Resilience for Residential Water Systems. As part of the agreement, K-Water will provide technical assistance on cutting-edge solutions in resilient water infrastructure and sustainable water management practices. This project will complement LoCAL-Cambodia with investment in water-related projects during 2020–2021.
- In **Ghana**, where LoCAL was embedded in the EU Emergency Trust Fund for Africa GrEEEn Programme, the \$6 million LoCAL budget will benefit 10 metropolitan, municipal and district assemblies over four years of implementation, with the potential to be scaled up to additional local government authorities.
- In **Mali**, a one-year bridging phase is being funded for \$400,000 by the MINUSMA Peacebuilding Fund pilot.
- 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. For fiscal year 2019/2020, approximately \$2.1 million was allocated as PBCRGs to the 100 gewogs.
- The African Development Bank, through the Africa Climate Change Fund, approved approximately \$1 million to **Benin** and **Lesotho** to support scaling up of the LoCAL mechanism to help local governments execute climate-resilient development projects using performance-based grants.
- In **Niger**, \$361,800 and \$150,000 were mobilized respectively from the NDC

Partnership and the Italian Fund for Migration to implement LoCAL Phase II. The funds will be used to deliver \$450,000 as PBCRGs to nine communes in 2020 and to co-finance mainstreaming and support activities.

Direct access to international climate finance

LoCAL supports national partners in unlocking further resources that will ensure results are maintained and developed after the end of the LoCAL funding period; this includes supporting direct access to the Adaptation Fund and the GCF, budget support and other sources of finance.

LoCAL has supported a number of countries as they have prepared to access international climate finance. Specifically, five LoCAL countries are pursuing or have pursued efforts towards GCF accreditation, with a view to eventual GCF financing of LoCAL scale-up. These efforts serve as models for other LoCAL countries in unlocking GCF resources for their local governments. Following are highlights of direct access achieved in 2019.

- In **Benin**, the FNEC has become a national implementing entity after the GCF Board approved its accreditation request in February 2019. Benin is the first country to have a national implementing entity directly engaged in LoCAL accredited by the GCF. As an accredited entity, FNEC is now in a position to propose projects to the GCF and access financing to implement projects approved by the GCF Board. Preparation of a funding proposal to the GCF to scale up LoCAL began in early 2020.
- In November 2019, **Cambodia's** NCDD-S became the first national implementing entity dealing with local governments to receive GCF accreditation. NCDD-S will use its direct GCF access to channel adaptation finance

to local governments using the country's consolidated PBCRG system.

- The **Bhutan** Trust Fund for Environment Conservation was nominated as the country's candidate for GCF national implementing entity with a view to scaling up LoCAL. With LoCAL support, the Trust Fund was accredited in April 2020.
- In **Tanzania**, the President's Office Regional Administration and Local Government (PO-RALG), which has been nominated as the country's national implementing entity for the GCF, requested funding support from LoCAL to enable it to address a set of questions and comments from the GCF Secretariat. The accreditation process is ongoing.
- In **Mali**, the Local Authorities National Investment Agency (ANICT, Agence Nationale d'Investissement des Collectivités Territoriales) was nominated as the country's national implementing entity for accreditation by the GCF; it submitted its application at COP 24. In 2019, the ANICT requested LoCAL prepare a letter of agreement to advance support in its effort to become a GCF national implementing entity; this was signed in 2019.
- In West Africa, **Burkina Faso**, **Côte d'Ivoire**, **Mali** and **Niger** have been working with LoCAL and BOAD to develop a regional GCF funding proposal to mobilize climate finance for the deployment and consolidation of the LoCAL PBCRG system in these countries. Several consultations were held during 2019 between BOAD, UNCDF and the countries in preparing the proposal. During the 6th meeting of the Local Board, held in Brussels in May 2019, bilateral and multilateral meetings were organized between UNCDF, BOAD and country representatives to discuss consultation stages at the country level; as well as development of the GCF funding proposal, design document and feasibility studies. A regional workshop was organized

in Ouagadougou, **Burkina Faso**, in November 2019 to validate the GCF funding proposal, and next steps and meetings were held – involving the GCF – during COP 25 in December 2019 in Madrid to align the scope of the funding proposal with GCF requisitions and agree on the process for proposal submission. The proposal was submitted to the GCF in February 2020.

Overall, LoCAL is supporting a pipeline of approximately \$60 million to help countries access GCF funding; this includes the above BOAD proposal and one being co-developed with **Benin**. Another \$20 million in projects will be developed in the course of 2020 with **Bhutan** and **Cambodia**.

Additionally, **Uganda** – which already has direct access to the GCF – has requested help in establishing the LoCAL mechanism. A concept note for a five-year programme covering Phases I and II and targeting 10 districts has been developed. Phase I of LoCAL-Uganda will be deployed as a transitional grant for a period of up to three years. Upon approval by Uganda's Ministry of Finance, Planning and Economic Development, and resource mobilization, the LoCAL transitional grant will be mainstreamed and scaled up to additional districts.

Dialogue is ongoing on scaling up LoCAL through GCF direct access with **Ghana**, **Senegal**, **Uganda** and the Pacific.

Output 1: Awareness and capacities

Climate risk-informed plans and budgets and capacity-building support

Under LoCAL, national and local governments receive support to develop and undertake

climate risk and vulnerability assessments that incorporate the local dimension. This supports climate risk-informed planning at the local level, including down-scaled models, as well as capacity-building support to increase capacity to respond to climate change adaptation needs locally. Additionally, communities are sensitized on climate change issues and risks and encouraged to participate in the local decision-making process. Overall, 195 local governments were supported in collecting, updating and analysing climate change information.

Capacity-building support – in the form of trainings and institutional strengthening – has also been provided to help local governments in meeting minimum conditions and improve performance under the PBCRG system. To date, 261 local authorities met the minimum conditions without corrective measures.

Additionally, 7,141 national and local authority officials and community representatives have participated in awareness- and capacity-building activities on climate change adaptation data usage, planning and budgeting, and investment management with support from LoCAL. Of these, 1,900 were women and 5,510 were men. Examples of these activities include the following:

- In **Bangladesh** 71 union *parishads* have been involved in the collection, update and analysis of climate change processes and were supported in developing a risk reduction action plan to integrate climate resilience investment plans and financing through community risk assessment, capacity building and technical support. The action plan development process was participatory and involved *upazila*-level government officials, community representatives and civil society organizations. In all, 5,377 local authority officers and community representatives in Bangladesh participated in awareness and capacity-building activities in 2019, including
- in the use of climate change adaptation data; 1,172 of these participants were women.
- In **Benin**, LoCAL partnered with the Training Centre for Local Administration (CeFAL, Centre de Formation pour l'Administration Locale) to organize basic short-term training for local government staff from different communes on upscaling the LoCAL mechanism and on climate change adaptation planning. The training is expected to be rolled out in 2020.
- In **Mozambique**, 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. In 2019, 754 national and local authority officials and community representatives participated in such activities, consisting of 528 men and 226 women.
- In three districts in **Tanzania** (Chamwino, Kondo, Mpwapwa) and three *kaupules* in **Tuvalu** (Namumea, Nukulaelae and Nukufetau), participants learned about climate risk integration in planning and budgeting and were sensitized on climate change issues. They also learned about performance criteria and how to apply these in an annual performance assessment.
- In **The Gambia**, several sensitization and training sessions with local government officials and community members were organized in collaboration with the Ministry of Lands and Regional Government Services on themes including mapping of physical features in wards, auditing and climate change mainstreaming. For example, 305 participants (135 of whom were women) were trained on basic financial management and procurement, cash-for-work activities/programmes, and budgeting and identification of climate risk investments in the North Bank, Lower River and Central River Regions.

- LoCAL, in partnership with the Korea Environment Institute and the UN Institute for Training and Research, organized a training workshop in Phnom Penh, **Cambodia**, in October 2019, on the LoCAL mechanism, attended by over 50 government representatives from five LoCAL countries (**Bangladesh**, **Cambodia**, **The Gambia**, **Mozambique** and **Uganda**) and development partners including Enabel, LuxDev and the United Nations Development Programme. The training covered PBCRGs and annual performance assessments, climate risk assessments and the Korea Environment Institute's experience. Information was also presented on the Assessing Climate Change Adaptation Framework (ACCAF), a monitoring and evaluation framework developed by LoCAL and the World Resources Institute to ensure the adaptation additionality of the mechanism and investments that follow. Government officials and representatives from LoCAL countries who attended the training shared their experience in implementing the various phases of the LoCAL mechanism, from piloting to national scale-up.
- Other relevant capacity-building activities included 38 trainings for 50 districts/municipalities on climate change mainstreaming in **Cambodia**; trainings on water point management for 71 people in **Niger** as well as trainings on climate change adaptation data usage, planning and budgeting; and investment management for 517 officials in **Bhutan** and for 423 people, including 279 women, in **Mali**.

Overall, LoCAL delivered \$1.7 million in capacity building for institutional strengthening through grants to central-level entities between January 2019 and May 2020 to nine countries: **Bangladesh**, **Benin**, **Cambodia**, **The Gambia**, **Ghana**, **Lesotho**, **Mali**, **Mozambique** and **Niger**. Cumulative capacity-building grants awarded

between 2014 and May 2020 totalled almost \$2.7 million.

Developing and delivering assessment tools to inform adaptation planning

LoCAL has established technical partnerships to design and develop tailor-made, country-based methodologies and systems to support local governments in the collection and analysis of climate data at the local level. Following are achievements made in this area in 2019.

- In **Ghana**, LoCAL – in partnership with the Korea Environment Institute – developed a new model of country climate risk assessment which includes the local dimension and related indicators, down-scaled climate models and identification of local climate risks and vulnerabilities. The aim is to ensure a climate risk-informed local planning and budgeting process. This methodology is also being implemented in **Niger** with financial support from the NDC Partnership.
- In **The Gambia**, LoCAL – in partnership with the Centre de Suivi Ecologique – has begun to design and implement a Local Information System for Adaptation (LISA). LISA is built on in-depth diagnostics of local capacities, successful existing experiences and local knowledge (on information systems and/or similar devices), identification and collection of data from available databases, down-scaled climate models, and a set of indicators of climate and non-climate drivers of risks and vulnerabilities at the local level. Once finalized, the system will allow local governments in The Gambia to set a climate risk and vulnerability benchmark and regularly update data to ensure a risk-informed local planning process.



Output 2: Mainstreaming and investments

Integration of climate change adaptation into local planning and budgeting processes

LoCAL supported a number of local governments in integrating climate change into local planning and budgeting processes. Some examples follow.

- In **Mozambique**, 13 districts are now integrating climate change adaptation into their development plans. LoCAL, in partnership with the National Institute for Disaster Management

and provincial- and district-level technical teams, supported integration of climate change adaptation into district development plans, thereby improving local capacities with regard to climate change-sensitive planning.

- In **Bangladesh**, 71 union *parishads* have integrated climate change adaptation into their local planning and budgeting processes; as have 9 local governments in **Benin**; 100 in **Bhutan**; 50 districts in 12 provinces in **Cambodia**; eight wards in two regions in **The Gambia**, three metropolitan, municipal and district assemblies in **Ghana**; two communities, Sandaré and Simby, in **Mali**; two communes in **Niger**; and three *kaupules* in **Tuvalu** (Table 2.3).

Table 2.3: **Engagement of local governments in LoCAL as of May 2020**

Country	Implementing partner	Level	Number participating	Number using PBCRG
Bangladesh	Local Government Division, Ministry of Local Government, Rural Development and Cooperatives	<i>Upazila/ parishad</i>	71	71
Benin	Ministry of Environment and Climate Change	Commune	9	9
Bhutan	Gross National Happiness Commission and Department of Local Governance	<i>Dzongkhag/ gewog</i>	100	100
Cambodia	NCDD-S	District/ municipality	50	50
Gambia, The	Ministry of Lands and Regional Governments; Ministry of Finance and Economic Affairs	Ward development committees	20	8
Ghana	Ministry of Local Government and Rural Development/District Development Facility	MMDA	9	3
Lesotho	Ministry of Finance	Community council	4	0
Mali	ANICT Environment and Sustainable Development Agency (AEDD)	Commune	2	2
Mozambique	Ministry of Economy and Finance, Ministry of Land, Environment and Rural Development	District	13	13
Niger	Ministry of the Environment, Urban Sanitation and Sustainable Development; Ministry of the Interior, Public Safety and Decentralization and Customary and Religious Affairs; National Environmental Council for Sustainable Development	Commune	9	2
Tanzania	PO-RALG	District	3	0
Tuvalu	Ministry of Home Affairs and Rural Development; Ministry of Local Government and Agriculture	<i>Kaupule</i>	3	3
Total			293	261

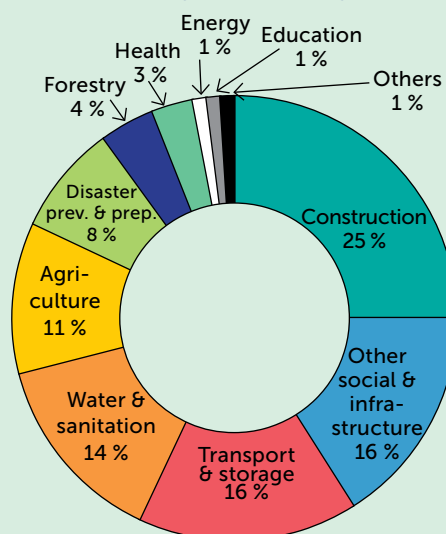
NOTE: n.a. = not applicable; MMDA = metropolitan, municipal and district assembly. Lao PDR is not included as it closed 31 December 2017; Nepal is not included as it is transitioning to Phase II.

Adaptation and resilience interventions and measures

Between January 2019 and May 2020, approximately \$10.6 million – including \$6.6 million in co-financing from either national and/or local governments' own resources or parallel programmes – was delivered as PBCRGs. These grants financed 639 climate change adaptation interventions across seven countries – **Bangladesh, Benin, Bhutan, Cambodia, The Gambia, Ghana** and **Mozambique** – and brought the cumulative total of small-scale climate-resilient interventions financed by LoCAL since 2014 to 1,276. Of this total, as shown in Figure 2.5, 584, or 91.4 per cent, are small-scale infrastructure projects, followed by equipment (49 investments, or 7.7 per cent) and capacity building (6 small-scale investment or 0.9 per cent).

Across all LoCAL countries, almost 72 per cent of the interventions have focused on water and sanitation, construction, transport and storage and other social and Infrastructure services; followed by interventions involving disaster prevention and preparedness, agriculture, health and forestry (Figure 2.6).

Figure 2.6: LoCAL investments by sector, January 2019–May 2020



The majority of LoCAL investments are undertaken in mountains and cultivated land (**Bhutan, Cambodia** and **Benin**), followed by coastal and drylands areas (**Bangladesh, Benin, Mozambique, The Gambia** and **Ghana**), forest and inland water (**Ghana** and **Bangladesh**) (Figure 2.7).

Figure 2.5: LoCAL investments by type, January 2019–May 2020

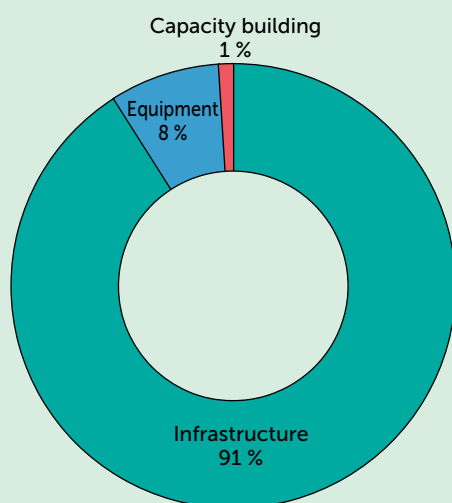
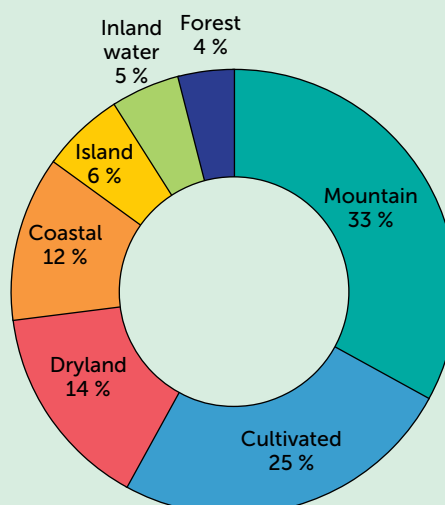


Figure 2.7: LoCAL investments by ecosystem, January 2019–May 2020



Almost half of the 639 interventions financed between January 2019 and May 2020 were classified as 'climate smart,' as per 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. Another 26 per cent of interventions were classified as 'climate strategic' – actions or interventions which are not particularly distinct from development business as usual, but which may be of greater priority because of climate change – and 13 per cent were classified as 'climate specific' – interventions focused specifically and almost exclusively on addressing impacts of climate change and which would be largely irrelevant or unnecessary without climate change.

Following are selected examples of investments implemented and/or identified by LoCAL countries.

- During its first year of LoCAL implementation, wards in **The Gambia** identified eight priority investments after consultations with beneficiary communities. The investments were delivered through cash-for-work programmes for youth and women and through procurement to local small and medium-sized enterprises. The investments will specifically contribute to improved access to clean and reliable water supplies for household and agricultural use, improved and diversified livelihoods for households, and increased adoption of agro-forestry and reforestation to enhance environmental conservation.
- In **Benin**, all investments in 2019 were in the water and sanitation sector and were co-financed by FNEC and the communes, including through ecotaxes. Co-financing accounted for 60 per cent of total invested value (or approximately \$130,000).
- In **Bangladesh**, local governments identified 228 climate change adaptation investments to be financed with PBCRGs under the union *parishad* schemes, as follows. Over three-quarters of these entailed construction, reconstruction and repair of climate-adaptive infrastructure such as roads, culverts and drainage systems. The next largest set of investments was in the water and sanitation sector (16 per cent), followed by plantings and demonstration of alternative adaptation technologies (4 per cent each).
- In **Bhutan**, approximately 90 per cent of investments targeted infrastructure projects in the water and sanitation, transport and storage, and agriculture sectors. These investments were financed through EU budget support to the Government of Bhutan for a total value of \$2.8 million.
- In **Ghana**, most of the nine projects identified in 2019 entailed general environmental protection, water and sanitation, disaster prevention and preparedness, and transport and storage; these are planned to be implemented in 2020.
- In **Mozambique**, 35 interventions were identified, mainly for the drylands ecosystem – highlighting the significant level of exposure faced by parts of the country to drought-related impacts. The projects address water and sanitation, health, energy and agriculture.
- In **Cambodia**, the scaling-up programme being implemented in partnership with the International Fund for Agricultural Development's Agriculture Services Programme for Innovation, Resilience and Extension (ASPIRE) and the United Nations Development Programme's Strengthening Resilient Livelihood financed 157 small-scale infrastructure investments for a total value of approximately \$3.7 million, of which \$2.2 million was co-financed by local governments' own resources.

Gender and the participation of vulnerable groups

LoCAL recognizes that women and men can be affected in different ways by climate change, as well as the importance of their particular contributions to solutions. In fact, because women – especially those living in rural areas and/or poor settlements – are responsible for household care and rely on ecosystem products for their livelihoods, they are disproportionately affected by climate change impacts.

LoCAL is by design a gender-sensitive approach to climate change adaptation, as it brings the planning and budgeting process for climate change adaptation closer to those who need it – and to those who are directly able to respond to those needs. Overall, 51 per cent of the total number of beneficiaries of LoCAL investments are women. While the specific criteria for the PBCRG system vary from one country to another, most designs include specific **gender-sensitive performance measures**, and over half of both direct and indirect beneficiaries of such investments are women. Highlights of country experience in this area for 2019/2020 follow.

- The Government of **Bhutan** uses gender-responsive planning and budgeting to achieve the larger goal of gender mainstreaming. Although these efforts are still at a nascent stage, the government has taken a number of critical institutional as well as policy measures that serve as entry points for strengthening gender-responsive planning and budgeting in the country. The government is also mainstreaming gender, environment, climate change, disaster and poverty in local planning through the institution of central and local mainstreaming reference groups.
- In **The Gambia**, the LoCAL mechanism – deployed under the JSF Programme – integrated gender in its design and followed through in its implementation. To date, around 11,000 women benefited from JSF Programme interventions. Also, a call for proposals to identify commercially viable pro-youth and gender-responsive investment projects resulted in six shortlisted project proposals. LoCAL has been supporting project developers in further structuring their financing proposals and maximizing developmental and climate goals, with a focus on promoting women's economic empowerment. The proposals are under review by the UNCDF Local Development Finance Investment Committee.
- Gender equality has also been integrated since the design stage in the LoCAL mechanism embedded in the GrEEEn Programme in **Ghana**. As with the JSF Programme in **The Gambia**, the GrEEEn Programme sets forth objectives for women and girls in terms of the number of temporary jobs created, the percentage of investments financed by the PBCRGs which are pro-women and the number of female beneficiaries of the investments.
- In **Cambodia**, the LoCAL–Local Governments and Climate Change Project continues to strengthen gender mainstreaming in the subnational climate change adaptation programme. LoCAL supported the drafting of a policy on gender equality in subnational development and a gender action plan; these were approved by the NCDD-S in May 2019.
- In **Mali**, the ANICT has asked LoCAL to provide support for implementation of its new gender policy, and a letter of agreement was signed in 2019.
- **Mozambique** has taken numerous measures to ensure women's voices are heard and their needs considered in LoCAL implementation. A minimum quota has been for women's inclusion on the district consultative councils, which make decisions about investments in the context of the LoCAL grant. Also, at least 50 per cent of identified and financed projects

must specifically target women's development. As part of the LoCAL scale-up process, a study was carried out to analyse gender aspects and ensure gender mainstreaming into the overall LoCAL programmatic design. As a result, a two-pillared gender strategy will guide LoCAL interventions: (i) strengthening and mainstreaming gender equality and equity in existing LoCAL interventions, and (ii) strengthening gender planning and transformation capacity at the district level through specific gender equity interventions. Further, gender indicators have been added to the annual performance assessment system.

Output 3: Financing mechanism

To May 2020, 293 local governments were engaged with LoCAL (Table 2.3), with the largest numbers in **Bhutan**, **Bangladesh** and **Cambodia**. Of these local authorities, 261 or 89 per cent have been using the PBCRG system, while 236 local authorities – 98 in **Bhutan**; 71 in **Bangladesh**; 35 in **Cambodia**; 13 in **Mozambique**; 9 in **Benin**; 8 in **The Gambia**, and 2 in **Niger** – implemented a PBCRG cycle in 2019/early 2020.

- In **The Gambia**, the LoCAL mechanism is being adopted in council planning and strategy development processes. A recent country government monitoring report highlights the participation of key local stakeholders in these processes – including the governor, the area council chair, the ward committees and multidisciplinary facilitation teams. Implementation of LoCAL-funded interventions is high; and there is high visibility of the interventions in the region, as information is shared in various platforms, including meetings and online platforms. There is a high sense of ownership and participation among beneficiaries and stakeholders.
- In **Tanzania**, PO-RALG, the International Institute for Environment and Development and UNCDF officially launched the Local Climate Finance Initiative in February 2019. The Local Climate Finance Initiative builds on LoCAL and aims to promote 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 policies, particularly Vision 2025 and the country's NDCs.
- In **Bangladesh**, the community mobilization facilitator played a key role in selecting climate-resilient schemes to be funded by PBCRGs. The participatory community risk and vulnerability assessment was carried out with a focus on women's empowerment, with the result that 60 per cent of PBCRG-funded union *parishad* schemes are gender responsive. Subnational governments shared information on their public finance plans and expenditures with the public and local communities through ward meetings every six months and annual open budget meetings of the union *parishad*. Financial plans and budget information were disseminated and distributed through the information boards of these local governments.
- In **Bhutan**, EU budget support for capacity development for local government and fiscal decentralization aims is to assist the Government of Bhutan in reducing poverty and inequality and promoting carbon-neutral development. While the specific objectives focus on local government reforms, decentralization, local service delivery and governance, and public financial management, the expected results include implementation of the Local Government Sustainable Development Programme; local service delivery through PBCRGs;

mainstreaming of gender, environment, climate and poverty issues; good governance; sustainable and inclusive socioeconomic development, conservation and sustainable management of the environment; and quality public financial management. The sector reform contract includes as an indicator the number of *gewogs* which plan, request, receive and account for a PBCRG – i.e. those which benefit from the LoCAL mechanism. Over five years 100 *gewogs* out of 205 will benefit from such grants, thus covering almost half of the country.

Output 4: Outreach, learning and quality assurance

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

Outreach

Several high-level initiatives were undertaken during the reporting period by LoCAL and its participating countries to raise awareness and advocate for the role of local governments in climate change adaptation at the global level.

- The EU Delegation in **Tanzania**, together with the GCCA+, organized a National Climate Change conference in 2019, at which LoCAL-Tanzania was presented to participants.
- In 2019, LoCAL participated in two thematic panels during the GCCA+ African Regional

Conference on Climate Smart Africa: Harnessing Growth and Protecting the Gains. The conference was held in Kigali, Rwanda, and was organized by the EU GCCA+, together with the International Union for Conservation of Nature (IUCN), and the Rwandan Ministry of Environment.

- In June 2019, LoCAL organized a session entitled 'Local Climate and Energy Action to Fight Inequalities in Sub-Saharan Africa: Tackling Territorial Inequalities through Local Climate Action and Innovative Finance' during European Development Day 2019. Representatives of the Covenant of Mayors in Sub-Saharan Africa participated in the session, describing concrete actions they have taken to empower their cities and overcome climate change – underscoring the knowledge and capabilities available at the local level in Sub-Saharan Africa. Emphasis was placed on innovative approaches for local authorities to access and leverage climate finance and inter-governmental fiscal transfers for blended finance, including the LoCAL mechanism.
- In February/March 2019, LoCAL participated in the Thirty-Fifth Meeting of the LDC Expert Group held in Kiribati. The focus was on presenting LoCAL guidelines on vertical integration using the PBCRG system and LoCAL methodology, documented in the publication [*Financing Local Adaptation to Climate Change: Experience with Performance-Based Climate Resilience Grants*](#); this was endorsed by the LDC Expert Group as supplementary material to its own NAP Technical Guidelines during the NAP Expo in April 2019.
- LoCAL has become 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 (i.e. vertical integration).

- During the NAP Expo 2019, LoCAL organized a series of side events on subnational adaptation financing and planning. It had a booth at the expo, featuring information on LoCAL and its vertical integration approach to NAPs.
- In September 2019, LoCAL participated in the Thirty-Sixth Meeting of the LDC Expert Group in Nairobi, Kenya, reinforcing the importance of inclusion of the local level in the NAP process. LoCAL also attended a meeting of the NAP Technical Working Group, held back-to-back with the LDC Expert Group meeting. In February 2020, LoCAL attended the Thirty-Seventh LDC Expert Group and Stocktaking Meeting in Antananarivo, Madagascar, which sought to identify experiences, good practices and lessons learned; discuss opportunities, challenges and gaps; and identify good practices in support delivery.
- At the September 2019 meeting of the UNFCCC Standing Committee on Finance in Beirut, LoCAL shared experiences and lessons learned with subnational adaptation across LDCs and developing countries, highlighting the PBCRG system. The following March, LoCAL participated in the 17th Adaptation Committee Meeting with a series of submissions to support the Committee's work, including on methodologies for reviewing the adequacy and effectiveness of adaptation and support for adaptation as well as on data for adaptation planning.
- During a workshop organized by the World Meteorological Organization and the GCF on 'Enhancing the Climate Science Basis of the Climate Rationale in GCF Funded Activities,' in St. Lucia in September/October 2019, LoCAL shared experiences in undertaking local climate risk assessments and implementing LISA in LDCs, as well how this can be linked to the broader NAP process.
- LoCAL participated in the Africa's Climate Chance Summit held in **Ghana** in October 2019, making presentations in three sessions and the closing plenary on how to mobilize local governments and non-state actors in all their diversity, including increased mobilization of finance dedicated to climate action.
- LoCAL organized two side events at COP 25: 'Subnational Adaptation: Promoting Vertical Integration in the Context of the NAP Process and NDCs' at the EU Pavilion; and 'Localizing the Paris Agreement and Climate Related SDGs' at the UN SDG Pavilion. Representatives from **Benin, Bhutan, Cambodia, The Gambia, Mali**, the NAP Global Network and the LDC Expert Group participated as resource persons in the side events.
- Also during COP 25, representatives from the Ministry of Environment, Climate Change and Natural Resources of **The Gambia** shared learning and experiences on how LoCAL is promoting integrated approaches to adaptation, with strong engagement from the Minister. Bilateral and multilateral meetings were held between the LoCAL Facility team with some LoCAL country delegations, as well as with the GCF, the EU, the Secretariat of the African, Caribbean and Pacific (ACP) countries and other prospective LoCAL countries.
- UNCDF participated in the UNFCCC Inception Workshop of the Needs-Based Finance Project for East Africa in February 2020 in Hotel Verde, Zanzibar. The workshop sought to take stock of the state of climate finance in the region, elucidate common needs and initiate discussions around the development of an Eastern African Climate Finance Strategy.
- In March 2020, OECD called on LoCAL in preparing its report 'Strengthening Climate Resilience: Guidance for Governments

and Development Co-operation.’ LoCAL shared experiences and recommendations on engaging development partners and governments to address the subnational and local levels in building climate-resilient communities and pursuing the principle of subsidiarity in designing and implementing climate change strategies and programmes.

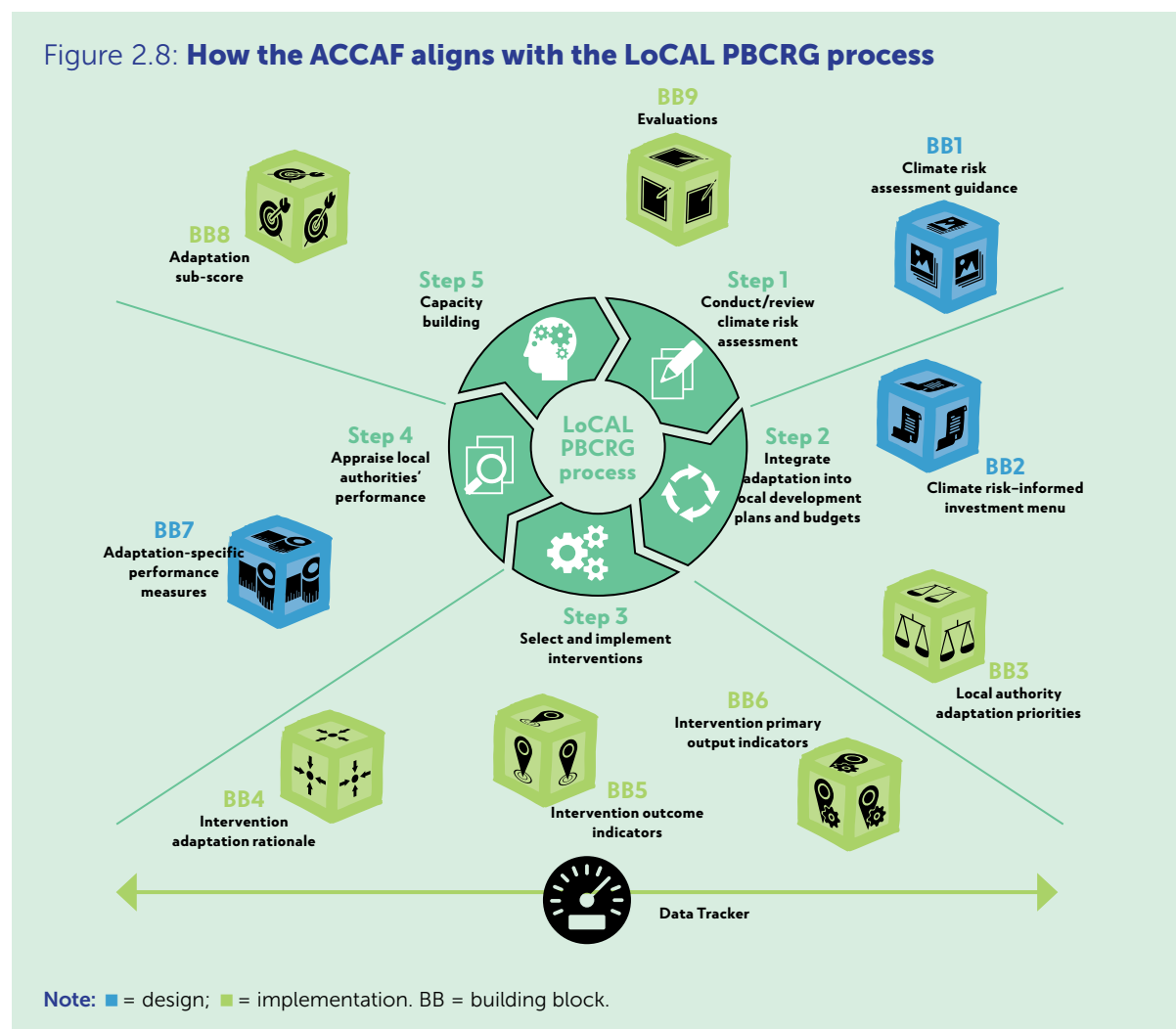
ACCAF

The Facility has worked closely with the World Resources Institute to develop the ACCAF so each LoCAL participating country can have a tailored adaptation monitoring and evaluation framework to gauge the extent to which the results of the LoCAL mechanism have contributed to increased

resilience. The ACCAF is organized in line with the LoCAL PBCRG process and consists of nine building blocks for an adaptation monitoring and evaluation system (Figure 2.8). It is accompanied by a spreadsheet, the ACCAF Data Tracker, which enables country programme staff to collect all the information needed by the framework in one place.

After completion of the ACCAF pilot in 2019 in **Bhutan, Cambodia** and **Lesotho**, the framework began to be gradually rolled out to the other LoCAL participating countries. A webinar on ACCAF was held in June 2019 with the UNCDF Country Teams that will be responsible for deploying ACCAF at the country level.

Figure 2.8: **How the ACCAF aligns with the LoCAL PBCRG process**



The LoCAL Facility, in partnership with the Korea Environment Institute, organized a training workshop in Phnom Penh, **Cambodia**, in October 2019, part of which covered the ACCAF. Government officials and representatives from LoCAL countries who attended the training thus learned how to implement and use the ACCAF.

The Facility has begun a systematic review of the minimum conditions and performance measures currently employed in the 14 LoCAL country designs and performance assessment systems. The effort enables horizontal comparison of indicators and categories across LoCAL country mechanisms. It also aims at identifying a harmonized and standardized set of potential indicators to be deployed across the LoCAL countries, anchored on recognized public financial management standards and performance indicators for gender equity promotion, participatory planning and budgeting, and climate resilience and adaptation activities, among others.

LoCAL Boards

During the reporting period, the LoCAL Facility organized its sixth and seventh annual LoCAL Global Programme Board Meeting in May 2019 and May 2020, respectively.

The sixth LoCAL Global Programme Board Meeting saw the participation of 11 LoCAL countries' representatives – **Bangladesh, Benin, Bhutan, Cambodia, The Gambia, Ghana, Mali, Mozambique, Nepal, Niger** and **Tuvalu** – in addition to several strategic partner representatives participated as well, including the Korea Environment Institute; Sida; the ACP Secretariat; the World Resources Institute; the Munich Climate Insurance Initiative; ICLEI – Local Governments for Sustainability; the Covenant of Mayors for Sub-Saharan Africa; the UNFCCC; the African Development Bank; Cities Alliance; BOAD; the Secretariat of the Union for the Mediterranean; and Unit C6 of the

European Commission's Directorate-General for International Cooperation and Development, which oversees energy and climate change including GCCA+. Perks Master Ligoya, Global Coordinator for the Coordination Bureau for the Least Developed Country Group of the UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and the Small Island Developing States (UN-OHRLLS), and Ambassador Extraordinary and Plenipotentiary Permanent Representative of the Republic of **Malawi** to the United Nations, replaced Masud Bin Momen as co-chair of the LoCAL Board.

At the meeting, LoCAL countries reaffirmed a vision for LoCAL to 'become a standard and recognized country-based mechanism' for LDCs and developing countries, supporting direct access to the GCF and other climate finance entities and mechanisms; and encouraged enhanced cooperation at all levels in support of increased climate finance for subnational and local climate action.

The LoCAL Board meeting also discussed experiences in piloting the new climate risk assessment methodology in **Ghana**, along with the new ACCAF. These tools are expected to, respectively, inform local planning and investments in LoCAL countries; and strengthen LoCAL's existing assessment system, enabling UNCDF to better understand and share the adaptation gains made by LoCAL. Both will contribute to the global evidence base on adaptation programming and successes.

During the past year, the LoCAL Facility spearheaded a series of actions to support achievement of the LoCAL vision as reaffirmed at the Board meeting:

- As noted above, the LoCAL experience guidelines were approved by the LDC Expert Group as supplementary material to the NAP Technical Guidelines of the UNFCCC.

- The process of ISO certification of the LoCAL mechanism was initiated.
- A professional self-paced modular course on LoCAL and its PBCRG is under development with the UN Institute for Training and Research.

Because of the COVID-19 pandemic, the seventh annual LoCAL Global Programme Board Meeting was held virtually for the first time. The meeting registered 153 participants, including ministers and representatives from current and candidate member countries/states – **Bangladesh, Benin, Bhutan, Burkina Faso, Cambodia, Côte d'Ivoire, The Gambia, Ghana, Lao PDR, Lesotho, Liberia, Malawi, Mali, Mozambique, Nepal, Niger, Palestine, São Tomé and Príncipe, Senegal, Solomon Islands, Sudan, Tanzania, Tuvalu** and **Uganda** – and high-level representatives of LoCAL institutional partners, including the Director of the Directorate-General for International Cooperation and Development - Planet and Prosperity (DEVCO.C) at the European Commission, the Head of the Unit for Global Cooperation on Environment at Sida, the Director of the Country Programming Division of the GCF Secretariat, as well as colleagues from the UNFCCC.

Observers included representatives from the Agence Française de Développement; Cities Alliance; Enabel; ICLEI – Local Governments for Sustainability; LuxDevelopment; the African Development Bank; the Asian Development Bank; the Belgian Diplomatic Office in Maputo, Mozambique; the Catalan Cooperation; the Covenant of Mayors for Latin America; the Global Covenant of Mayors Secretariat; the Governments of Austria, Italy and Switzerland; the International Fund for Agricultural Development; the Korea Environment Institute; the NAP Global Network; the NDC Partnership; the OECD; the Organisation of African, Caribbean and Pacific States; the Secretariat of the Pacific Community; the Swiss Agency for Development and Cooperation; the Union for the Mediterranean Secretariat;

the United Nations Convention to Combat Desertification; the United Nations Institute for Training and Research; the World Resources Institute; the United Nations Environment Programme; and the United Nations University Institute for Environment and Human Security's Munich Climate Insurance Initiative. All of these distinguished observers are cordially invited to the next Board meeting.

The Board was co-chaired this year by the Ambassador to the United Nations of the country (**Malawi**) now leading the LDC group at the UN in New York and by the Chair of the LDC group to the UNFCCC (**Bhutan**), assisted by the UNCDF's Director of Local Development Finance.

In line with the sixth meeting's endorsements, the Board reiterated the need to establish modalities to secure long-term and stable financing for the LoCAL Facility, in collaboration with funding partners and in the context of UNFCCC global stakeholder platforms – i.e. the LDC Initiative for Effective Adaptation and Resilience. In this regard, the Board recognized that, in LoCAL, LDCs already have a government-led, internationally recognized country-based mechanism for channelling climate finance transparently and effectively for local action. It requested partners to make use of LoCAL to fast-track implementation of the LDC 2050 Vision and the LDC Initiative for Effective Adaptation and Resilience by scaling up existing LoCAL country-based mechanisms and activating newly designed mechanisms across the initiative's seven pilot countries as well as the other LDCs engaged in LoCAL.

The Board also suggested that options be explored with the GCF to fast-track concept notes and project proposals that would meet LoCAL standards and facilitate direct access to the GCF across the three LoCAL phases, including modalities of formal recognition of the LoCAL mechanism. A memorandum of understanding is under preparation to formalize this partnership.

Partner countries are encouraged to adhere to LoCAL standards as much as possible when moving to national roll-out through parallel sources of funding.

Finally, the Board established a group of LoCAL Ambassadors comprised of ministers from LoCAL member countries, who commit to taking a lead role in supporting implementation of Board decisions and advocating for the LoCAL mechanism. Ministers from **Benin**, **The Gambia**, **Mozambique** and **Niger** expressed their willingness to become LoCAL Ambassadors.

Partnerships for learning and sharing knowledge

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

- As of May 2020, 14 country webpages and over 100 articles, publications, blogs and stories from the field had been developed and shared through the LoCAL [website](#) and various social media, including the European Commission's knowledge-sharing platform [Capacity4Dev](#), in several languages. Also, some 40 links hosted by partner/stakeholder websites referenced LoCAL publications and other online available resources, including the LoCAL website.
- The LoCAL Twitter account ([@UNCDFLoCAL](#)) registered 1,264 followers and produced 1,854 tweets. The global LoCAL [promotional video](#) on YouTube has had 208,645 views as of this writing. LoCAL's social media presence on Twitter, LinkedIn, Facebook, Instagram and YouTube shows steady growth and consistent updates.

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

- At the global level, LoCAL has entered into a strategic partnership with the UN Institute for Training and Research to develop a course module/curriculum aligned with the LoCAL guidelines and the ACCAF. The main objective of the training programme is to ensure that key stakeholders have sufficient understanding of LoCAL, its various key elements and the steps to take to be able to effectively participate in the mechanism. In this way, the training programme contributes to the establishment of a standard and internationally recognized country-based mechanism to channel climate finance through PBCRGs. The training is based on the LoCAL guidelines; training sessions will be launched in 2020.
- LoCAL collaborated with the joint United Nations Development Programme–United Nations Environment Programme National Adaptation Plan Global Support Programme, funded by the Global Environment Facility. This initiative aims to assist LDCs and developing countries in identifying technical, institutional and financial needs to integrate climate change adaptation into medium- and long-term national planning and financing, and to support the process to formulate and implement NAPs under the UNFCCC.
- LoCAL joined the NDC Partnership in 2019 and has since been supporting countries in enhancing their NDC ambition and implementation through the subnational level. Country support requests have been addressed in this regard, including from **Niger** and **São Tomé and Príncipe**, which have sought support in integrating national with subnational adaptation plans, including mapping communities at risk and vulnerability.





LoCAL will continue to support countries under the NDC Partnership throughout 2020.



- Important partnerships were also enhanced to advance cooperation in strategic areas such as adaptation monitoring with the World Resources Institute, with the roll-out of the ACCAF, as noted above; and enhanced support for NDC implementation in developing countries, mainly LDCs, small island developing states, and ACP countries with the ACP Secretariat.
- K-Water and LoCAL signed a memorandum of understanding for the promotion of innovative climate-smart water solutions and infrastructure in participating LoCAL countries, starting with **Cambodia**. K-Water

will provide technical assistance to LoCAL and its participating countries/local government authorities on cutting-edge solutions in resilient water infrastructure and sustainable practices.

- For the Sahel region, LoCAL has entered into a partnership with the Overseas Development Institute, which is providing expertise together with Lead International (Chad) to undertake gender analysis for **Mali, Niger, Burkina Faso** and **Côte d'Ivoire** and to develop gender action plans.

Table 2.4: **Progress as of May 2020 on the EU-LoCAL Results and Resource Framework**

Results chain	Indicator	Baseline	Target	Progress Year 1	Progress Year 2
		2017	Year 4	2019	2020
Overall objective: Impact					
The overall objective of the action is to promote climate-resilient communities and local economies by increasing investment in climate change adaptation at the local level in target countries, thereby contributing to the achievement of SDG 1 and SDG 13	Number of direct and indirect beneficiaries (disaggregated by sex)*	5.5 million (50 % women)	7.5 million (50 % women)	10.2 million	11 million
Specific objective(s)					
 Increase local authorities' access to climate finance to implement climate change adaptation investments in target countries	Number of local authorities using the PBCRGs*	55 local authorities	136 local authorities including for Phase III	261 local authorities including for Phase III	261 local authorities including for Phase III
 Establish a standard and internationally recognized country-based mechanism to channel climate adaptation finance and increase local resilience through PBCRGs	Volume of international climate finance channeled through UNCDF-designed PBCRG mechanism (disaggregated by source)	0	EUR 5 million	EUR 21.1 million (total mobilized; direct and parallel funding)	EUR 30 million (total mobilized; direct and parallel funding)
	Number of participating countries by phase*	13 countries (8 Phase I, 4 Phase II, 1 Phase III)	14 countries (3 Phase I, 8 Phase II, 3 Phase III)	14 countries (9 Phase I, 3 Phase II, 2 Phase III)	14 countries (7 Phase I, 5 Phase II, 2 Phase III)
Outputs					
 R1: Awareness and capacities to respond to climate change adaptation are increased in targeted local government areas and communities in participating countries	Number and percentage of participating local authorities meeting the minimum conditions without need for corrective action	n/a	100 in the last year and 75 % on average	100 %	100 %
	R2: Climate change adaptation is integrated into targeted local authorities' plans and budgets and climate change adaptation interventions and investments are implemented in line with the PBCRG system	Number of climate interventions and investments implemented under the PBCRG system (disaggregated by type, sector and ecosystem)	575 over 2011–2017	320 small-scale investments (over 4 years)	462 investments (2019)
					

Results chain	Indicator	Baseline	Target	Progress Year 1	Progress Year 2
		2017	Year 4	2019	2020
 R3: The PBCRG system is effectively piloted (Phase I) and/or established (Phase II/III) in participating countries and integrate gender, participation and environmental sustainability	Amount of grants (PBCRG and capacity-building grants) disbursed to participating countries and local authorities annually	\$1.097 million in 2017	EUR 4.935 million (over 4 years)	EUR 6.8 million (2019)	EUR 682,000 (2020); EUR 7.5 million (cumulative)
	R4: The role of local authorities in addressing climate change is increasingly recognized at the global level and the mechanism becomes a standard internationally recognized country-based mechanism, through outreach and quality assurance	3 in 2017	12 (over 4 years)	13 high-level initiatives (2019)	3 high-level initiatives (2020); 16 high-level initiatives (cumulative)
	Number of high-level initiatives actively attended or organized by LoCAL and participating countries on local climate finance and adaptation	3 in 2017	12 (over 4 years)	13 high-level initiatives (2019)	3 high-level initiatives (2020); 16 high-level initiatives (cumulative)
	Number of countries gaining GCF accreditation for the mechanism*	0	3 countries	2 countries	3 countries

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

3



lessons and next steps

As LoCAL enters a second period of global expansion, experience and learning continue to be accumulated across the participating countries, complementing and supplementing lessons gleaned from the first period of global expansion (2014–2018). The lessons LoCAL has learned and the expertise it has 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 across all LoCAL countries. Ultimately, both the challenges LoCAL faces and the lessons it has learned will inform the mechanism's future success. This chapter looks at some of these challenges and lessons, and describes next steps as LoCAL moves forward.

Challenges

Common themes emerge from LoCAL's implementation experience.

- Increased demand from countries and exponential growth in local governments in **countries transitioning between phases** require increased capacity on LoCAL's part, in terms of both human resources and financial capacity.
- LoCAL **standards must be applied consistently** across all countries implementing the mechanism. The ISO certification LoCAL is presently pursuing and the training programme it is developing in partnership with the UN Institute for Training and Research will go a long way towards ensuring consistency.
- Access to **reliable climate information** for risk-informed decision-making can be challenging at the subnational level. To answer this need, LoCAL is supporting countries in developing a climate risk assessment methodology that incorporates the local dimension, as well as in establishing LISA.
- Lack of **political buy-in** at high levels of the government can compromise the institutionalization of the LoCAL mechanism as a de facto public programme – and therefore its sustainability over the medium to long term. LoCAL is developing political anchorage across ministries dealing with local governments, finance and climate change/environment, including countries' GCF national designated authorities.
- Countries transitioning between phases often face difficulties in **accessing regular and predictable climate finance**. This is particularly relevant after the LoCAL pilot

phase and its UNCDF seed capital grants. Significant levels of financing are required to leverage and take the mechanism to scale. It is also a challenge for new candidate countries, as global resources are allocated to earlier pilots. The LoCAL Facility is working to have LoCAL recognized by various national and international climate funds and towards joint reporting.

- A **lack or low capacities of local government staff** is observed across all LoCAL countries, albeit with variation. This deficiency has implications for the effectiveness and promotion of resilience in communities and local economies. Increasing the funds dedicated to capacity-building support and technical assistance is critical but challenging to implement in a context of limited resources where investments are emphasized over 'soft' programmatic components.
- LoCAL was designed to cover the incremental cost of making local public investments climate resilient, i.e. as a top-up of regular grant allocations for resilient, climate-smart local public goods and services. However, the decrease in delivery of block grants in many LoCAL countries has in some instances presumed LoCAL to be a **stand-alone grant** scheme. This has implications in terms of the amount of finance required to achieve on-the-ground results and sustain the mechanism.

Lessons learned

The [*LoCAL Final Report on the First Period of Global Expansion: 2014–2018*](#) compiles a comprehensive list of lessons learned by LoCAL and its member countries; the following presents lessons learned during LoCAL implementation since entering the second period of global expansion.

- **Effective involvement of communities can create short-term job opportunities.** For example, jobs were created in **Nepal** and **Niger** to construct local infrastructure and rehabilitate ecosystems through cash-for-work initiatives which prioritized investments in youth, women and other vulnerable groups. Combined with skills development support and access to finance, LoCAL can be a vehicle to stimulate green local economies and job creation, as is being done in **The Gambia** where eight cash-for-work intervention sites have been started. To date, about 410 jobs have been created in two regions, and 63 per cent of those jobs taken by women and youths. Participants are acquiring skills while becoming increasingly involved in intra-household and community decision-making processes.
- **To increase country ownership and government support, LoCAL needs strong political anchorage.** This includes enhanced coordination at the national level between the GCF national designated authorities, UNFCCC national focal points, the ministry of finance and planning, and ministries/agencies dealing with local governments and climate change issues. Anchoring LoCAL in this way ensures its institutionalization, and thus its sustainability.
- **Climate risk and vulnerability assessments should incorporate local-level indicators.** This is an important component in ensuring effective subnational adaptation via climate risk-informed planning and budgeting at the local level. Similarly, the development and establishment of a tailor-made LISA affords an important local platform to link local levels with the NDCs and NAP goals consistently, as well as providing a local platform for climate change adaptation accountability.
- **The design phase is crucial to ensuring the sustainability of the LoCAL phased approach.** The design phase provides an important opportunity to plan at programme

outset for phase transitions from piloting to scale-up – particularly to ensure that predictable funding is secured so the LoCAL programme can move smoothly and uninterruptedly from pilot to consolidation to national roll-out.

What's next

Implementing the phased approach

LoCAL experience during its first period of global expansion shed light on the importance of subnational adaptation and of bridging national with subnational adaptation efforts; it also highlighted the contribution of the local level to national climate change plans and goals such as the NDCs and NAPs. Since its inception, LoCAL has demonstrated strengthened local government capacity to identify, prioritize and co-finance investments for climate change adaptation and the growing interest and attention of national governments in scaling up subnational adaptation financing. In **Bhutan** and **Cambodia**, for instance, government satisfaction with LoCAL programme results resulted in roll-out to additional local governments with additional funding.

Going forward, LoCAL will continue supporting:

- **Bhutan** in implementing its Phase III in more than 100 local governments with EU budget support; and **Bhutan** and **Cambodia** in accessing GCF funding to expand PBCRGs, as they progress through LoCAL Phase III
- **Benin** in securing additional finance to roll out LoCAL to 30 communes
- **Burkina Faso, Côte d'Ivoire, Mali** and **Niger** in accessing GCF and other sources of finance to roll out to 100 communes, working closely with BOAD
- **Bangladesh, The Gambia, Ghana** and **Mozambique** as they expand through Phase II
- **Lesotho** and **Tanzania** in successfully implementing their first PBCRG cycles
- **Tuvalu** in supporting a bridging phase, while mobilizing partners for Phase II; and **Nepal** and **Lao PDR** in taking stock of and consolidating their work while mobilizing partners for Phase II

LoCAL will also support candidate countries/states that have officially expressed interest in deploying the mechanism: **Burkina Faso, Côte d'Ivoire, Liberia, Malawi, Pakistan, Palestine, São Tomé and Príncipe, Senegal, Solomon Islands, Sudan** and **Uganda**; their engagement will bring the total number of LoCAL countries/states to 25, potentially reaching some 500 million people.

In addition, partnerships for targeted country expansion will be explored and fostered through the LoCAL process, along with innovative public-private partnerships and private finance (e.g. municipal eco-bonds) for local resilience and adaptation initiatives.

Institutionalization of the LoCAL/PBCRG mechanism

As described in Chapter 2, the LoCAL Facility has spearheaded a series of actions to support achievement of the LoCAL vision as a standard, internationally recognized country-based mechanism for the delivery of subnational and local climate action, and as a proven avenue for the vertical integration of the NAP and NDC processes.

The global pandemic and its repercussions mean that increased efforts and enhanced ambition will be needed to support developing countries and LDCs achieve their climate targets and accelerate sustainable development, with a special focus on the local level, where climate action is most needed. The LoCAL Facility will continue to work

towards enhancing and building new partnerships, as well in achieving increased recognition and institutionalization of the mechanism in several forums, highlighting LoCAL's potential role as an innovative delivery mechanism to strengthen the climate finance architecture and ensure support reaches the local level. Activities in this regard include the following:

- Synergizing with other initiatives such as the LDC 2050 Vision and the LDC Initiative for Effective Adaptation and Resilience, which are aimed at all LDCs to deliver climate-resilient development pathways by 2030 and net zero emissions by 2050 to ensure societies, economies and ecosystems thrive.
- Supporting and promoting intentional and strategic linkages between international, national and subnational financing, planning, implementation, and monitoring and evaluation of climate action, bringing a financial perspective to the 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 and the NAP Global Support Programme.
- Issuing a call for financing instruments, in particular the GCF, to enhance direct access modalities for local governments, including through central governments and/or national implementing entities and systemic country-led approaches such as LoCAL, rather than relying primarily on international intermediaries.

Supporting direct access

LoCAL is working with countries to support their direct access to the GCF and other climate finance entities and mechanisms to transfer resources to local governments through national systems for building verifiable climate change adaptation and resilience. Local government achievements

in implementing climate change adaptation activities through the PBCRG mechanism have increased national government trust in both local governments and the decentralization process. In five LoCAL countries – **Benin, Bhutan, Cambodia, Mali and Tanzania** – a national body in charge of, or involved in, decentralization was nominated by its government as that country's first national implementing entity to be accredited for access to GCF resources.

Going forward, LoCAL will continue to support countries in their accreditation efforts and submission of proposals to the GCF's Enhanced Direct Access programme. Several meetings have taken place between the GCF and LoCAL teams with a view to increasing knowledge on the potential contribution of the LoCAL mechanism in promoting resilience of communities and local economies through the PBCRG system, as well as to increase alignment and synergies with GCF objectives and requirements.

Against this background, LoCAL commissioned in May 2020 an assessment to identify entry points for collaboration between UNCDF/LoCAL and the GCF, under the Readiness Support programme – for instance, for capacity building, access to climate finance, mainstreaming and programming, building investment pipelines, development of concept notes, private sector engagement, NAPs and other possible areas. The assessment will also map technical, institutional and financial needs and gaps of target developing countries with regard to advancing their NAP process and potential support from the GCF that can be delivered by LoCAL as a delivery partner.

LoCAL expansion

As noted above, **Burkina Faso, Côte d'Ivoire, Liberia, Malawi, Pakistan, Palestine, São Tomé and Príncipe, Senegal, Solomon Islands, Sudan and Uganda** have officially expressed interest in deploying the LoCAL mechanism; this indicates that LoCAL is increasingly perceived as a sound

vehicle to channel climate finance to the local level, while promoting vertical integration of NAP and NDC processes. LoCAL is working with these countries to assess the necessary conditions for deployment; identifying key stakeholders, including national and subnational government institutions, and development partners; as well as collecting and validating the information and data necessary for the design of LoCAL Phase I. LoCAL is also supporting prospective countries with resource mobilization efforts that will allow deployment of Phases I and II.

As more countries become interested in using the LoCAL mechanism, it is important to ensure the consistency and quality assurance of the methodology. A standardized approach supports capacity building and learning across local governments and countries. To this end, LoCAL is currently involved in the process of becoming certified as an ISO standard. ISO certification will also promote more awareness of and traction for the LoCAL mechanism.

PBCRGs for addressing urban and rural linkages

Cities are faced with both challenges and opportunities due to rapid urbanization, demographics (cities frequently account for more than a third to a half of a country's population), emissions, and limited adaptation to climate

change and a green economy, e.g. in construction, sustainable transport, waste management. They offer opportunities for improved living standards, green employment, innovation – and ultimately achievement of the SDGs. Sustainable cities also depend on their links to the rural and peri-urban areas where food production and transformation take place, as well as artisanal and industrial production. This connection is critical to achieve the SDGs throughout a country and to ensure the sustainability of cities.

PBCRGs offer an opportunity to address localization of SDG13, SDG 11 and climate-related SDGs in both rural and urban areas while strengthening government systems – particularly inter-governmental fiscal transfers, local planning and budgeting and local public financial management. This creates the enabling conditions for improving the mobilization and effective of other sources of finance, own revenue-generated resources and private finance for local investments, aligned with local priorities. LoCAL will continue to explore partnerships and opportunities for the expansion of the PBCRG system to urban areas.

annex



country profiles

This annex consists of 14 country profiles and a summary table which provide detailed information on the status of the LoCAL initiative in each participating country, covering:



Country background



Objectives



Major achievements and milestones



Implemented and planned adaptation interventions



Lessons learned



Next steps



Webpage

The 14 countries are as follows:

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

Bangladesh

 context	<p>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 rivers on 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.</p> <p>Bangladesh's national adaptation programme of action was submitted in 2005 and revised in 2009; the 2009 Bangladesh Climate Change Strategy and Action Plan prioritizes six thematic areas for climate change adaptation, many of which call for action by local government institutions. Two innovative funds are available to support climate change adaptation activities across key policies and sectors: the government-funded Bangladesh Climate Change Trust Fund and the development partner-supported Bangladesh Climate Change Resilient Fund. The country's intended nationally determined contributions (iNDCs) submitted to the UN Framework Convention on Climate Change in 2015 cite food security, livelihood and health protection (including water security); comprehensive disaster management; coastal zone management, including salinity intrusion control; flood control and erosion protection; and building climate-resilient infrastructure among the key areas of intervention to address the adverse impacts of climate change.</p> <p>Local governments in Bangladesh have been mandated to perform several key functions related to disaster preparedness and management. In the process, they have become important stakeholders in the climate change area. Local governments at the <i>upazila</i> (subdistrict) and union <i>parishad</i> (grassroots) levels receive fiscal transfers which are used to strengthen local infrastructure and deliver services. LoCAL works with these local governments to mainstream climate change resilience into their planning and investment systems and support localization of the iNDCs and national climate change adaptation goals.</p> <p>LoCAL has been incorporated into Bangladesh's Local Government Initiative on Climate Change (LoGIC), an effort funded by Sida and the European Union, with some input from the United Nations Development Programme and UNCDF. LoGIC uses LoCAL's system of performance-based climate resilience grants (PBCRGs) to channel additional resources to local governments and support locally identified projects with technical support and capacity building.</p>
 objectives	<p>The overall objective of LoCAL-Bangladesh is to demonstrate the comparative advantage of local governments in managing climate change finance for improving climate change resilience at the local community level. The specific objectives of the programme are to ensure that local governments can perform the following:</p> <ul style="list-style-type: none"> ■ 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	<p>LoCAL-Bangladesh began in 2014 with the roll-out of PBCRGs in 3 local governments and was rapidly expanded to 71. Since Phase II was kicked off in 2016, two cycles of PBCRGs have been transferred to and fully implemented by the targeted local governments. Key achievements over the past three years include the following:</p> <ul style="list-style-type: none"> ■ Formulation of a Risk Reduction Action Plan to integrate climate resilience investment plans and financing through community risk assessment, capacity building and technical support for 71 union <i>parishads</i>, which have been approved with the engagement of standing committees and line departments ■ 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 71 union <i>parishad</i> 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. ■ 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 <i>parishads</i>.

Bangladesh



achievements	<ul style="list-style-type: none"> ■ Positive financial audit of 71 union <i>parishads</i> qualifying for a first cycle of PBCRGs for 2018–2019. The breakdown of PBCRG-funded union <i>parishad</i> schemes is as follows: <ul style="list-style-type: none"> ■ Construction, reconstruction and repair of climate-adaptive infrastructure (e.g. road, embankment, culvert, drainage system) – 76 per cent ■ Installation and construction of alternative sources of safe drinking water and environmental sanitation – 16 per cent ■ Plantings to reduce carbon emissions – 4 per cent ■ Demonstration of alternative adaptation technology (e.g. hydroponics, solar system) – 4 per cent ■ Delivery in 2019 stood above \$4 million and included about \$27,000 in domestic resources channelled through the PBCRG mechanism.
adaptation measures and investments	<p>As of January 2020, 228 small-scale climate resilience schemes had been finalized under the PBCRG 2018–2019 cycle. The schemes delivered direct results for 279,714 people and indirectly for 1,576,981 more. The most common types of schemes were hydroponics, reverse osmosis, culverts to sustain tidal surge and u-drains for agricultural irrigation. Other schemes included road elevation, repair of a cyclone shelter and the road leading to it, rainwater harvesting, reconstruction of an embankment, pond sand filtering and desalinization, a solar photovoltaic system, a flood defence wall, tree planting, guide wall construction, model resilient drought-tolerant high-value cropping, and household and community development. Some interventions focused on promoting more climate-resilient livelihoods, through demonstrations and/or capacity building on various climate- and water-efficient agricultural techniques (inter-cropping and green sheds for seedling) and renewable energy interventions. The schemes took extremely vulnerable groups into consideration, such as communities displaced by climate change, ethnic minorities and women.</p>
lessons learned	<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. ■ LoCAL Phase I mainly targeted second-tier local governments (<i>upazilas</i>). While this enabled access to a high level of technical expertise and strategic capacity, the PBCRG amounts were too small for meaningful impact. ■ LoCAL Phase II targeted the union <i>parishads</i>, which engaged communities at the grassroots level to address their vulnerabilities; the community mobilization facilitator played a key role in selecting climate-resilient schemes. However, a lack of co-financing resulted in difficulties in differentiating between development finance and climate change finance. ■ Government procedures greatly delayed implementation of Phase II activities – an issue which needs to be taken into account during LoCAL scale-up when UNCDF support will progressively transition to technical assistance and quality assurance. ■ 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. ■ A greater availability of data on local-level climate trends and climate change impact on local communities may help in better planning and prioritizing the most effective interventions. ■ The participatory community risk and vulnerability assessment was carried out with a focus on women's empowerment, with the result that 60 per cent of PBCRG-funded union <i>parishad</i> schemes are gender responsive. ■ For expediency and efficiency, the project now provides a list of pre-selected adaptive livelihood option measures rather than giving communities an open-ended choice; this avoids their selecting traditional and non-climate-change-related options.
way forward	<ul style="list-style-type: none"> ■ Planning and implementation of another round of PBCRG schemes ■ Review of the performance assessment system, and mid-term evaluation of the project ■ Drafting of a policy document on integrating LoCAL performance indicators into the government's local government monitoring indicators ■ Drafting of a policy document on co-financing to establish climate change additionality ■ Roll-out of the Assessing Climate Change Adaptation Framework (ACCAF)
more information	https://www.uncdf.org/local/bangladesh

Benin

 context	<p>A 2008 evaluation of Benin's national vulnerabilities identified three major climate risks: drought; late, heavy rains; and flooding. The resources with the highest exposure to these risks are drainage basins, subsistence agriculture and water resources. The most exposed social groups are small farmers, market gardeners and emerging farmers, and fishermen. A vulnerability and adaptation to climate change study identified four vulnerable sectors: the coast, water resources, forestry and agriculture.</p> <p>Benin's nationally determined contributions (NDCs), initially submitted to the UN Framework Convention on Climate Change (UNFCCC) in 2015, cite LoCAL-Benin as a measure towards bridging 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 NDC goals.</p> <p>The communes in Benin are independent in both financial and management terms, and a national funding mechanism for local development, the Commune Development Fund (FADeC, Fonds d'appui au développement) supports them. Communes are responsible for environmental protection, as confirmed by the Environmental Governance Charter; however, the 2003 National Adaptation Strategy does not specify a role for them in the national effort to plan and implement appropriate adaptation measures.</p>
 objectives	<p>The aim of LoCAL-Benin is to demonstrate and highlight the role communes could play in promoting local climate change adaptation/resilience measures, through integrating climate funding in budget transfer mechanisms and planning/allocation of local resources. Expected results of LoCAL-Benin are as follows:</p> <ul style="list-style-type: none"> ■ Capacity building (in financial, technical and governance terms) in pilot communes with regard to programme management of climate change adaptation/resilience activities ■ Methods and procedures to integrate adaptation/resilience to climate change in planning processes and allocation of commune resources designed and tested for subsequent extension to all communes in the country ■ Climate change adaptation measures funded in a transparent and participatory manner, through climate resilience grants (based on commune performance as measured on an annual basis) ■ A commune performance evaluation system (including indicators and an evaluation method) developed and tested for subsequent extension to all communes in the country ■ Greater awareness among commune councillors and local populations of climate change phenomena and the vulnerabilities arising from them ■ Lessons learned from LoCAL-Benin implementation documented, shared and disseminated on a wide scale
 achievements	<ul style="list-style-type: none"> ■ The LoCAL memorandum of understanding was signed at the end of 2013. The performance-based climate resilience grant (PBCRG) mechanism has been developed and includes minimum conditions for access, performance criteria and an indicative investment menu to inform the process of integrating adaptation into local planning and budgeting. The LoCAL-Benin Technical Committee was set up within the Ministry of Living Environment and Sustainable Development to guide and support the programme. ■ 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. In the first PBCRG cycle, LoCAL supplemented the regular funding transfers the communes were receiving through the FADeC by around 8.5 per cent. ■ 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 – Coby, Matéri and Ouaké in the Atacora and Donga Departments – received \$200,000 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. ■ FNEC, with UNCDF/LoCAL support, has been accredited as Benin's national implementing entity with the Green Climate Fund (GCF) with a view to scaling up LoCAL. In 2019, FNEC officially submitted a GCF concept note for LoCAL scale-up to 30 communes. ■ A LoCAL Phase II framework has been developed.

Benin



achievements

- LoCAL piloted localized climate risk assessments and established a system that will enable local governments to collect, archive and analyse meteorological, climate and socioeconomic data and undertake local climate projections to inform their planning.
- LoCAL-Benin has partnered with the Training Centre for Local Administration (CeFAL, Centre de Formation pour l'Administration Locale) to scale up basic short-term training to all LoCAL-implementing local government staff.
- Government officials have participated in several workshops and seminars to share experience and lessons learned through LoCAL implementation, including at the 2019 Conference of the Parties to the UNFCCC in Madrid.
- Several information and awareness workshops have been held, including one on lessons learned in which local governments exchanged their experiences regarding climate change adaptation. At another, technical staff in participating local governments were trained in improving their understanding of existing tools to integrate climate change adaptation into local planning and budgeting processes. Local government staff in Benin have also benefited from training on data collection and archiving, which has improved local capacity in monitoring climate change adaptation-related interventions.
- 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.
- The Adaptation Climate Change Fund of the African Development Bank approved a grant envelop to support LoCAL-Benin in (i) development of high-quality, bankable projects aligned with the NDCs; (ii) identification and strengthening of national institutions and stakeholders to access the GCF; and (iii) small-scale adaptation initiatives targeting vulnerable communities via the PBCRG system.



adaptation measures and investments

- To date, 34 adaptation measures in nine communes have been identified and are being implemented; of these 5 are new investments identified in 2019 in Materi, Ouaké, Banikoara, Coby and Toukountouna. Approximately 34,000 people are expected to benefit from these new investments, 52 per cent of whom are women. These measures mainly focus on the following:
- Rehabilitation/improvement of community ponds, including to revitalize the local aquaculture sector and provide water for agricultural activities throughout the year (cattle and irrigation)
 - Irrigation projects and yield maintenance interventions for vegetable gardens
 - Capacity-building activities on climate-resilient crop varieties (rice)
 - Pumping systems for potable water distribution in nine rural and remote community villages, which are expected to serve more than 3,500 people



lessons learned

- 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, in the choice of minimum access conditions and performance criteria for local governments.
- A great asset for LoCAL-Benin is the PBCRG model's being 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, thus helping local governments obtain access to international adaptation finance.



way forward

- Bridging activities for Phase II will continue throughout 2020 with government and African Development Bank co-financing; nine local governments will be involved and will receive third- or fourth-cycle PBCRGs during the year.
- The climate risk assessment system pilot will be finalized.
- LoCAL will support FNEC in developing and submitting a full proposal to the GCF.
- Periodic assessments, reviews and results-based management will drive continuous revisions and improvements to lay the groundwork for further programme expansion.
- As part of Phase II agenda, LoCAL will provide technical assistance and capacity development support to the Permanent Secretariat of National Commission on Local Finance and to CeFAL.
- The Assessing Climate Change Adaptation Framework (ACCAF) will be rolled out.







more information

<https://www.uncdf.org/local/benin>

Bhutan

 context	<p>As a least developed, mountainous and landlocked country, 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, disaster risk management, gender and poverty reduction. 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).</p> <p>Decentralization reforms in Bhutan were initiated in 1981 by royal decree to institute a <i>dzongkhag</i> development committee in all <i>dzongkhags</i>; this was followed by institution of a <i>gewog</i> development committee in all <i>gewogs</i> 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.</p> <p>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.</p>
 objectives	<p>The overall goal of the LoCAL-Bhutan initiative is to improve the 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 <i>dzongkhags</i> and <i>gewogs</i> can accomplish the following:</p> <ul style="list-style-type: none"> ■ 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 as well as strengthening incentives for integrating climate change adaptation needs in local investments ■ Train participating local governments to develop their knowledge and skills for integration of climate change adaptation in local development investments
 achievements	<ul style="list-style-type: none"> ■ 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 <i>gewogs</i> in two <i>dzongkhags</i>. It has since been extended to 100 <i>gewogs</i> across 16 of the country's 20 <i>dzongkhags</i> 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 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 (ACCAF) was successfully piloted in Bhutan and is now being rolled out to other LoCAL countries. ■ The Bhutan Trust Fund for Environment Conservation (BT FEC) was nominated as the Green Climate Fund (GCF) national implementing entity with a view to scaling up LoCAL. With LoCAL support, the BT FEC reached its second stage of GCF accreditation in 2019, with GCF Board approval expected in 2020.

Bhutan

 adaptation measures and investments	<p>Since 2012, 314 small-scale investments have been realized through PBCRGs in 100 <i>gewogs</i>, 53 in 2019 and 157 in the first half of 2020. 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
 lessons learned	<ul style="list-style-type: none"> ■ The introduction of LoCAL PBCRGs has promoted robust, transparent and accountable public financial management/public expenditure management systems. Bhutan is implementing LoCAL Phase III, using EU budget support to finance PBCRGs. ■ The PBCRGs have been effective in transferring adaptation finance directly to <i>dzongkhags</i> and <i>gewogs</i> and in providing an incentive for local governments to think about and plan for climate change adaptation actions. Using existing government systems and procedures with limited additional requirements has improved efficiency in spending and allowed for low transaction costs, while creating strong ownership. ■ 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. Climate risk assessments at the local level have supported planning and prioritization for using grants in climate change initiatives.
 way forward	<ul style="list-style-type: none"> ■ UNCDF will be posting a national officer in Bhutan. The position will be instrumental in providing readiness and capacity development support by LoCAL to the BTFEC and other national and subnational stakeholders as they prepare for direct access to the GCF and the Adaptation Fund. ■ Following GCF accreditation of the BTFEC, develop a GCF funding proposal for scaling up PBCRGs to the remaining 105 <i>gewogs</i> and develop complementary capacity of local governments to implement the grants effectively and efficiently. This plan will be pursued in parallel with LoCAL support of the the Bhutan National Bank in securing accreditation as a GCF national implementing agency. ■ Update the performance assessment manual, climate change adaptation planning and the investment menu in response to the needs of scaling-up PBCRGs and taking into account recent changes in annual capital grant financing to local governments. Explore linking PBCRG performance assessment in the overall Government Performance Management System so that the mechanism becomes internalized and sustainable. ■ Assessment by the World Resources Institute to document and evaluate how climate finance has been reaching the local level in Bhutan and its effectiveness in achieving adaptation results through LoCAL. This assessment will include early support through the LoCAL facility as well as its integration into broader programming and subsequent scale-up. It will especially focus on documenting whether and how local-level climate finance is making a tangible impact on individuals and communities on the ground. This evidence can be used by the government and other relevant partners to highlight the results of action already taken, learn from experience, make the case for channelling additional finance to the local level for adaptation, and showcase Bhutan's pioneering work in this area.
 more information	https://www.uncdf.org/local/bhutan

Cambodia

 context	<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 heavily on the climate for their livelihoods. Coastal communities and ecosystems will be affected by sea level rise. Low-lying areas will be increasingly prone to floods, while the higher areas are likely to experience more incidences of drought. Increases in temperature and humidity may create conditions of increased health risk to humans and an exacerbation of diseases in crops and livestock. These changes will amplify and compound already existing development challenges.</p> <p>In the last few years, the Government of Cambodia has developed a responsive policy framework, with over 21 state agencies under the helm of a National Climate Change Committee, administered by the Climate Change Department of the Ministry of Environment. Within this framework, the latest National Strategic Development Plan streamlines sectoral climate change strategies and action plans to guide the country's climate change response over the next decade, including at the local level. Cambodia's development of its intended nationally determined contributions was guided by the 2009 Green Growth Road Map, developed with the aim of achieving middle-income country status by 2030.</p> <p>Cambodia has undertaken initiatives to mainstream adaptation into national development and in specific sectors such as agriculture, forestry and human health, as well as coastal zone management. Its 2006 National Adaptation Programme of Action to Climate Change identifies coping mechanisms to hazards and climate change impacts, as well as key adaptation needs. 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>
 objectives	<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
 achievements	<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 is being 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 (SRL). In 2019, the scaling-up programme has benefited 8 provinces, 24 districts, 114 communes, under ASPIRE; and 2 provinces and 10 districts under SRL. During this phase, the programme expanded to five districts in Battambang with a total population of 1.8 million. ■ At the close of Phase II, the last cycle of PBCRGs totalled more than \$800,000 and had been allocated to target districts and financed 36 subprojects. These benefited some 320,934 people, 50 per cent of whom were women.

Cambodia



achievements

- 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.
- Various initiatives were undertaken to improve climate change adaptation mainstreaming, including adoption of a new climate vulnerability mapping tool (with subsequent 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.
- With support from UNCDF and the Korea Environment Institute, Cambodia began developing national scientific climate change reports to inform and strengthen public adaptation planning.
- 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. A workshop on the ACCAF was held in 2018 to train government staff. The country is rolling out the ACCAF to additional LGCC districts.
- The UNCDF developed a proposal submitted to the Korean Ministry of Environment on Scaling Up Climate Resilience Grants in Cambodia: Innovative Decentralized Water Solutions to Provide Safety and Resilience for Residential Water Systems. The initiative will use the PBCRG system in Cambodia to transfer finance for investments in water-related projects during 2020–2021, aimed to promote resilient communities and economies at the local level. This will contribute to localization and achievement of the Sustainable Development Goals (SDGs), particularly SDG 6 (clean water and sanitation) and SDG 13 (climate action). Opportunities will also be sought for supporting local governments in leveraging public and private sector investment for projects with the potential to generate cash flow through water tariffs and user fees.



adaptation measures and investments

Overall, 433 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.

Of the 433 projects financed, most 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.



lessons learned

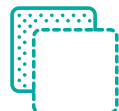
- Local governments have adequate capacity for simple climate change response actions, but further capacity development is needed.
- Public expenditure management systems need further strengthening.
- Monitoring and evaluation of local climate change adaptation is a work in progress.
- Smarter systems are needed to facilitate scale-up, and more partnerships are needed to ensure sustained change.
- Changing people's attitude, behaviour and practices is generally complex; this is especially true for climate change because of its unpredictability, lack of accurate data, and the uncertainty of success of innovative technologies and practices. The involvement of subnational governments and local communities is key to ensure adaptation results at the local level.

Cambodia



lessons learned	<ul style="list-style-type: none"> ■ 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, however, and their application ensures understanding of climate change within local decision-making structures and communities as they evaluate local vulnerabilities, local capacities and measures on the ground. ■ 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.
way forward	<ul style="list-style-type: none"> ■ A final assessment of LoCAL-Cambodia Phase II was completed, and lessons learned and recommendations will inform the next LoCAL phase in Cambodia. ■ Cambodia will expand implementation of LoCAL Phase III. In line with the concept note prepared for the GCF, up to 20 districts may receive GCF-funded PBCRGs through the existing fiscal transfer system. UNCDF will continue to provide support to Cambodia in mobilizing additional resources for scaling up PBCRGs in 2020 and beyond. ■ Cambodia will continue to roll out implementation of the ACCAF. ■ Together with K-Water, Cambodia will implement the Scaling Up Climate Resilience Grants in Cambodia: Innovative Decentralized Water Solutions to Provide Safety and Resilience for Residential Water Systems project through 2020–2021.
more information	https://www.uncdf.org/local/cambodia

The Gambia



context

Ranked at 175 out of 188 countries, The Gambia is classified as least developed by the United Nations Development Programme's 2015 Human Development Index. An estimated 48.6 per cent of The Gambia's 2.28 million inhabitants live below the national poverty line with an average per capita income estimated at \$710 in 2018. Rural dwellers are twice as likely to be poor as those in urban areas. The Gambia's economy is highly reliant on subsistence agriculture, with additional household income coming from cash crops and surpluses in productive years. Gender inequality is an important feature of poverty in The Gambia. The World Economic Forum's Global Gender Gap Report 2017 placed The Gambia at 119 out of 144 countries – far behind neighbouring Senegal at 91, and a notable regression from its 2006 ranking of 79 out of 115 countries.

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 per cent 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.

The country's intended nationally determined contributions outline key adaptation measures for transitioning to a low-carbon, resilient development pathway, including fiscal policy, public investments to green key sectors (agriculture, energy, water resources, waste management, etc.) and employing new market-based instruments. 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

- In June 2017, a UNCDF mission met with stakeholders to present the overall objectives and elements of the PBCRG mechanism and, more broadly, of the LoCAL programme; this was followed up by a technical mission in October 2017 to collect data and information for programme design. In July 2018, another mission took place to discuss and validate programme design with stakeholders. The mission team met with representatives of various government agencies and ministries, the private sector, financial providers, civil society organizations, development partners and non-governmental organizations to build awareness of the programme and validate key information to help ensure successful implementation of the various components.
- In October 2018, the JSF Programme was officially launched. During the launch event, LoCAL Steering and Technical Committees were constituted, and beneficiary wards for Years 1 and 2 were identified (Lower River Region: Gikoko, Julafarr, Kaif, Bureng, Jaduma, Kiang Banta, Masemba and Pakaliba; North Bank Region: Saaba, Dasilameh, Kachang, Prince, Kerewan, Kerr Jarga, No-Kunda and Pakau). An initial set of activities was set out, focused on creating the structures for governance aligned with existing government processes, and building partnerships with public and private sector players relevant to programme implementation.
- In late 2018, LoCAL undertook a series of activities with ward representatives, technical advisory committees (TACs), multidisciplinary facilitation teams (MDFTs) and communities. The aim was to familiarize the selected wards and their communities with the JSF Programme and details of the LoCAL investment mechanism, as well as train TAC and MDFT members in LoCAL design. In all, 329 people attended the workshops, 50 per cent of whom were women.

The Gambia



achievements

- 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; these activities include capacity development support to key governance structures such as the TACs and MDFTs, which in turn provide regular support to the work developed and implemented by the wards. Additionally, a letter of agreement was signed with the Office of the Auditor General to provide guidance, training and supervision to the 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.
- The eight Year 1 ward development committees (WDCs) were supported in identifying climate-relevant priorities, and preparing and finalizing climate change adaptation investment plans and related cash-for-work (CfW) activities. These priority investments have been delivered through CfW programmes for youth and women and through procurement to local small and medium-sized enterprises. PBCRGs totalling \$180,000 have been transferred from the Central Bank of The Gambia to the eight wards to undertake these activities.
- About 410 jobs have been created in the Lower River and North Bank Regions through CfW programmes. About 63 per cent of these jobs were taken by women and youths. Participants are acquiring skills in various areas of expertise while increasing their participation in intra-household and community decision-making processes. The CfW beneficiaries have been paid through their own accounts opened under the JSF Programme, bringing financial services to the beneficiaries, their dependants and their communities for the first time.
- In July 2019, UNCDF entered into a partnership with the Centre de Suivi Écologique, a specialized technical institution based in Senegal, to undertake a local climate risk assessment and establish a Local Information System for Adaptation (LISA) in The Gambia. A methodology for establishing the system has been developed and shared with key stakeholders, including Ministry of Environment, Climate Change and Natural Resources (MoECCNR). The system will enhance the availability and use of climate and weather data for local planning needs. A technical committee has also been established chaired by the MoECCNR to provide oversight and effective collaboration during the process. The WDCs will be assessed annually on performance measures including evidence of climate information collected and use of climate risk assessments to inform local planning. The system is expected to be replicated or rolled-out to other WDCs in The Gambia.
- In December 2019, a high-level delegation from the MoECCNR, led by the minister, presented experiences from The Gambia on how LoCAL is promoting integrated approaches to adaptation during several side events at the 25th Conference of the Parties in Madrid. The goal – pursued during formal presentations and informal interactions and meetings – was to influence policymakers, leaders and donors in recognizing LoCAL and its PBCRG mechanism as a successful solution to decentralized climate finance and climate change resilience building at the local level, in an effort to attract further climate finance for LoCAL countries.
- To initiate programme expansion to the Central River Region in The Gambia, UNCDF undertook a series of trainings and sensitization meetings in August and October 2019 with TACs, MDFTs, WDCs and area councils in the region. The aim was to introduce the JSF Programme and various components of the LoCAL approach. In all, 64 women and 131 men participated in the training events. To ensure efficient roll-out in 2020, efforts were concentrated on setting up the necessary conditions based on learning from the experience of the first year regions.



adaptation measures and investments

Supported by UNCDF, eight WDCs have identified eight investment plans to be financed with PBCRGs. The investments range from sectors including water, sanitation and health to climate-smart agriculture, agro-processing and climate-proofing of infrastructure. These investments will contribute to improved access to clean and reliable water supplies for household and agricultural use, improved and diversified livelihoods for households, and increased adoption of agro-forestry and reforestation to enhance environmental conservation. To date, the investments have benefited some 21,000 people and created 410 temporary jobs, mainly for women and youth.

The Gambia



lessons learned

- The JSF Programme implemented through the LoCAL mechanism has made disbursements much faster than similar ongoing efforts in the country, due to the capacity of decentralized structures of local government.
- One of the key emerging success stories is how the LoCAL mechanism is being adopted in council planning and strategy development processes. This is being realized through close engagement at all levels from women and producer groups, WDCs, MDFTs, area councils, TACs, etc. Information sharing, including through online platforms, has enhanced the visibility of the UNCDF interventions in the region. There is a high sense of ownership and participation among beneficiaries and stakeholders.
- Compared to women, the participation of young people (especially males) in the CfW programmes is relatively low. This can be attributed to low awareness of the immediate benefits of the CfW to individual beneficiaries, a low level of skills among young people and the non-attractiveness of the interventions to young people. This situation is gradually changing, with more sensitization on the immediate benefits of CfW. Going forward, the JSF's skills pillar, implemented by the International Trade Centre, will be further aligned to the WDC projects to enhance participation of youth and their continued capacity building even after the end of the CfW initiatives in specific locations
- The LoCAL mechanism can be used as an integrated approach to address multiple development challenges. Implementation of climate change adaptation investments have created jobs for women and youth, enabling women to have access to financial services – thus enhancing financial inclusion and the realization of Sustainable Development Goal (SDG) 8. In addition, the LoCAL mechanism has helped strengthen and improved the accountability of government structures by promoting good governance and participatory approaches (SDG 16).



way forward

- The Office of the Auditor General is currently undertaking the first annual audits of the LoCAL wards on budget execution and minimum conditions including financial statements, use of funds and compliance with national public finance management rules and standards; this will serve as the baseline for future audits.
- LoCAL will continue to work closely with key ministries to support The Gambia in leveraging climate finance under the PBCRG system, including with the Green Climate Fund and other funding sources and partners.
- The LoCAL mechanism will be expanded from 8 wards in two regions to 20 wards in four regions in 2020.
- Scoping of a possible expansion to the Banjul area was undertaken at the request of the European Union and will be considered for further deployment.
- As the pilot local councils finalize implementation of climate change adaptation investments in Year 1, the JSF Programme will develop a performance assessment manual for PBCRGs, train key LoCAL stakeholders and conduct annual performance assessments in the eight wards.
- The ACCAF will be rolled out to LoCAL WDCs.
- Readiness and capacity development support by LoCAL to the Ministry of Finance and Economic Affairs and other national and subnational stakeholders will be offered as they prepare for direct access to the GCF.



more information

<https://www.uncdf.org/local/gambia>

Ghana

 context	<p>Because of climate change, Ghana is facing increased pressure on water, reduced yields leading to more poverty and food insecurity, and the loss of national revenue from cash crops such as cocoa. Other vulnerabilities include migration which adds pressure on urban services; deteriorating health because of increased disease; severe impacts on land use leading to loss of biodiversity and soil fertility, land degradation and increased deforestation; and exposure of fragile groups such as women and youth to climate change impacts. In 2013, Ghana launched its National Climate Change Policy, which includes the three objectives of effective adaptation, social development and mitigation. Four thematic areas have been identified to address adaptation issues in Ghana: energy and infrastructure, natural resource management, agriculture and food security, and disaster preparedness and response.</p> <p>Many metropolitan, municipal and district assemblies (MMDAs) are confronted with increased climate change variability and human vulnerability. More than 80 per cent of disasters in MMDAs are climate related and affect key growth and economic sectors such as agriculture, forestry and fisheries; as well as environmental sanitation, water supply and management. The National Development Planning Commission's guidelines on preparing MMDA medium-term plans therefore incorporate climate change adaptation issues in profiling as well as in prioritizing projects – though without providing clear guidance.</p> <p>As highlighted in the National Climate Change Policy, the Ministry of Local Government and Rural Development, which aims to ensure good governance and equitable development of MMDAs, plays an important role in ensuring that climate change is mainstreamed at the local level. Ghana's intended nationally determined contributions include 11 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.</p>
 objectives	<p>The overall outcome of LoCAL-Ghana is to improve the resilience of MMDAs to climate change as a result of increased access to climate change adaptation financing through performance-based climate resilience grants (PBCRGs). The objectives are as follows:</p> <ul style="list-style-type: none"> ■ Respond to the increasing impact of climate change in Ghana in accordance with local prioritized needs and vulnerabilities in a sustainable manner with sufficient consideration for the operation and maintenance of the structures supported ■ Promote robust, transparent and accountable public financial management/public expenditure management systems by providing funds to make the local planning and budgeting process meaningful, efficient, effective and participatory as well as strengthening incentives for climate change adaptation activities ■ Four outputs will contribute to the achievement of these objectives: (i) effective and transparent climate change financing mechanism in place for local governments (MMDAs) through the establishment of the PBCRG system linked with the existing District Assemblies Common Fund Responsiveness Factor Grant (DACF RFG), formerly known as the District Development Facility (DDF); (ii) inclusive, effective and accountable climate change adaptation planning process designed and integrated in the MMDA local development planning process; (iii) effective capacity development mechanism promoted to strengthen MMDA capacities for climate change adaptation; and (iv) climate change adaptation activities efficiently, effectively and transparently implemented and reported by participating MMDAs through the PBCRG system.
 achievements	<ul style="list-style-type: none"> ■ Since its launch in 2015, the PBCRG system has been fully aligned with the DDF (now the DACF RFG) introduced in 2008 to support enhancement of MMDA capacity through a combination of capital grants, capacity development support and incentives for improved performance in – among other areas – public financial management, procurement systems, revenue mobilization and good governance. The PBCRG constitutes an average top-up of 10–15 per cent of the DDF/DACF RFG. ■ Three MMDAs, with a combined population of 308,008, were selected to pilot the approach: the Fanteakwa North District, the Ada East District and the Efutu Municipal Assemblies. Following the first cycle of planning, budgeting and funds transfer in November 2015, the first adaptation measures and investments captured in the MMDA approved workplans commenced in June 2016 and were completed in January 2017. Upon completion of the first cycle of investments, an annual performance assessment was conducted in June 2017. ■ The Government of Ghana has expressed a strong desire to further mainstream adaptation activities in all procedures at the MMDA level, with a focus on strengthening district environmental committees and compliance with various environmental safeguards, as well as drawing attention to the expanding role of MMDAs in addressing climate change at the local level.

Ghana



achievements

- A technical assistance mission commissioned by UNCDF in partnership with the Korea Environment Institute, was organized in 2016 to review climate information (risks, vulnerability and adaptation assessments) to inform adaptation planning and mainstreaming into local development planning and make recommendations to strengthen local capacities. This resulted in the 2019 preparation of a LoCAL country report on climate risk and vulnerability assessment which incorporates the local dimension, identifying and mapping climate risk, exposure and vulnerability hotspots at subnational and local/community levels and prioritize climate change adaptation actions and investments based on quantified and evidence-based analysis, and may serve to update nationally determined contributions and define main adaptation targets and actions in synergy with boosting and accelerating SDGs achievement, particularly SDG 13.
- LoCAL supported the efforts of the Fiscal Decentralization Unit of the Ministry of Finance in fine-tuning its District Functional Organizational Assessment Tool (FOAT) of the DDF; this has been renamed the District Assembly Performance Assessment Tool (DPAT) and is being mainstreamed into national monitoring and evaluation systems.
- UNCDF commissioned two technical assistance missions in 2017 and 2018 to design LoCAL Phase II in a consultative manner. The performance assessment system under Phase II, particularly the minimum conditions, has been further aligned with the FOAT and renamed the District Assemblies Common Fund Responsiveness Factor Grant. The design note for Phase II was endorsed by the partners and the Government of Ghana, and the country is ready to move to Phase II.
- This approach led to the inclusion of climate indicators in the country's performance-based grant system of the decentralization sector as well as to the inclusion of climate change considerations in the forthcoming National Decentralization Policy and National Decentralization Strategy (2020-2024).
- UNCDF, in partnership with SNV, a Netherlands development agency, has secured funding from the European Union Trust Fund for Africa to implement the Boosting Green Employment and Enterprise Opportunities in Ghana (GrEEEn) Programme beginning in 2020. The GrEEEn Programme will be LoCAL Phase II, building on the experiences of LoCAL-Ghana Phase I. It will deploy PBCRGs with a focus on creating jobs locally – through cash-for-work programmes and procurement to local micro, small and medium-sized enterprises (MSMEs) – while promoting climate resilience. Under the GrEEEn Programme, MMDAs will receive funding under the DACF RFG system based on the minimum conditions already in the DPAT. GrEEEn will make use of existing performance measures and complement them with targeted climate-related performance measures and cash-for-work indicators.



adaptation measures and investments

Since inception, 16 climate change adaptation investments, benefiting approximately 32,000 people, particularly women, were realized during the first PBCRG cycle; another 9 are planned to be implemented in 2020. These interventions included the following:

- Reforestation/afforestation, such as reforestation of degraded reserve forest land along the Akrum and Osubin Rivers and planting of different tree species along streams
- Roads or schools and public gardens as a mean of protecting against soil erosion and flooding in the Fanteakwa North District

In Ada East, PBCRGs financed the construction of a mechanized borehole water storage facility, which improved access to water for approximately 1,050 people, and the construction of a wooden bridge. Sensitization activities on climate change and specific trainings on bush fire prevention and early warning systems were held in two of the three MMDAs, reaching approximately 2,200 people.



lessons learned

- It is critical to design the flow of funds and the PBCRG operational mechanism to fully align with the existing system of intergovernmental transfers and to follow the regular public expenditure management cycle. In this way, funds are fully fungible with other resources available locally. In Ghana, PBCRGs are fully aligned and linked with the former DDF and its FOAT. Because the PBCRG is now to be integrated into the District Assemblies Common Fund, it is critical to ensure that LoCAL is aligned and mainstreamed with the new fund and with the Performance Assessment Framework for the Decentralization Sector Wide Approach.
- The development of minimum conditions and performance measures should take into account MMDA mandates and obligations within the legal and regulatory framework. The annual performance assessment revealed a need to review LoCAL minimum conditions, performance measures and indicators to better address adaptation and participation in the MMDAs and to align with the National Development Planning Commission's guidelines. This was done in the design of Phase II.

Ghana



lessons learned

- The annual performance assessment also revealed that a robust climate risk assessment is critical to support MMDA participatory planning of adaptation responses to climate change impacts. It should therefore be included under Phase II performance measures. Work is ongoing with the Korea Environment Institute to strengthen climate risk assessments.
- Effective involvement of communities – for example, in the construction of local infrastructure or rehabilitation of ecosystems – can create short-term job opportunities. Cash-for-work opportunities arise through the prioritization of investments in youth, women and other vulnerable groups for sustainable natural resource management, infrastructure building and other public works.



way forward

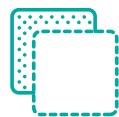
- A country report on climate risk assessments recently undertaken in Ghana with Korea Environment Institute support is expected to help participating local government authorities strengthen their adaptation planning with a view towards prioritizing interventions yielding greater impacts in terms of climate change adaptation and increased resilience of target communities.
- Transfer of additional funds to the MMDAs will take place in the first half of 2020 to commence investments in the second cycle of Phase I.
- The GrEEn Programme will be launched in the regions in September 2020, and the mechanism will be gradually rolled out in a total of 13 MMDAs by 2023. In close collaboration with the MMDAs, GrEEn will assist local governments in developing and implementing green and climate-resilient local investments which foster the employability for returnees, youth and women through cash for work and procurement to local MSMEs.
- National roll-out is envisaged from 2024 onwards (Phase III); preparing for this is an integral part of Phase II. Policy advice, readiness support, support for accreditation and adjustment to project design as needed are foreseen to ensure that the country can transition to Phase III and initiate national roll-out after the four-year GrEEn Programme ends. Dialogue is ongoing with the GCF nationally designated authority and other national stakeholders to this end.
- The country will roll out the Assessing Climate Change Adaptation Framework (ACCAF) to participating local governments.



more information

<https://www.uncdf.org/local/ghana>

Lao PDR



context

Temperatures are rising in Lao PDR with rainfall, storms, droughts and floods expected to become more severe and frequent. The effects of climate change have serious impacts on the livelihoods and living conditions of people in the country. Floods and storms can destroy infrastructure by washing away streets, damaging buildings or interrupting electricity supply. Expected impacts include crop failure, lack of drinking and irrigation water as well as an increase in vector-borne diseases such as malaria or dengue. Increased vulnerability towards the negative effects of climate change is compounded by natural resource-driven economic development, such as the country's heavy reliance on mining and hydropower generation.

Many small-scale village-level infrastructure projects such as irrigation schemes or water supplies for domestic consumption are built on ad hoc-based traditional knowledge only, which lacks the necessary technical know-how and financing to be climate risk-proof. The challenge lies in limited understanding of and awareness about the effects of climate change on the ecosystem and gaps in local capacity and budgets to build resilience.



objectives

The overall objective of the Effective Governance for Small-Scale Rural Infrastructure and Disaster Preparedness in a Changing Climate project, in which LoCAL is earmarked, is to improve local administrative systems affecting the provision and maintenance of small-scale rural infrastructure through participatory decision making that reflects the genuine needs of communities and natural systems vulnerable to climate risk. The project has three main outcomes:

- Inclusive planning, budgeting and capacity development for reducing climate- and disaster-related risks
- Local investment for reducing climate risks, guided by climate vulnerability and disaster risk assessments
- Securing ecosystem services and assets

The project makes use of a local government grants mechanism – specifically, the District Development Fund–Climate Resilient Grants (DDF-CRG) operating under the National Governance and Public Administration Reform Programme (NGPAR) led by the Ministry of Home Affairs – as the primary entry point for delivering performance-based climate resilience grants (PBCRGs) in Saravane and Sekong Provinces.



achievements

- Operating through the DDF-CRG, LoCAL has supported fiscal decentralization and delegation of authority and responsibility from the central government to local administrations. This initiative is in line with the government's Sam Sang (3 Builds) decentralization policy, under which local administrations have been given a greater role and responsibility in exercising discretionary decision-making power and authority.
- A total of \$2 million in climate financing has been transferred to 12 districts of two provinces in Southern Lao PDR through the existing UNCDF-supported DDF block grant system to ensure that projects supported by the Global Environment Facility's Least Developed Countries Fund as well as baseline DDF projects are made more climate resilient and address the climate resilience needs of target communities.
- Capacity building of local governments was central to the LoCAL strategy; a total of 333 local officials have been trained (including 38 women) on climate change mainstreaming, planning and budgeting.
- A detailed climate risk assessment process was developed; it integrates nature-based solutions with engineered infrastructure. The process can be replicated elsewhere in the country ensuring incorporation of ecosystem considerations into infrastructure planning and design. The project has also helped update the existing Guidelines on Ecosystem-based Adaptation to Climate Change in Lao PDR with specific reference to small-scale rural infrastructure. These guidelines will be applicable across many sector agencies dealing with the design and implementation of rural infrastructure.
- Various assessments and evaluations have been carried out to evaluate the effectiveness and efficiency of the initiative: UNCDF commissioned an independent international consultancy to conduct an assessment of usage of the DDF-CRG guidelines and manual in 2016, and the United Nations Development Programme commissioned a mid-term review and a final evaluation; these were conducted in 2016 and 2017, respectively. Results have been taken into account to improve project design.

Lao PDR



adaptation measures and investments

- A total of 29 small-scale rural water infrastructure (water supply, irrigation and wetlands management, and bridges and culverts) were developed and successfully implemented over the three fiscal years between 2014/2015 and 2016/2017. The district administrations led the infrastructure development process, using a participatory and bottom-up approach and following public expenditure management procedures in accordance with DDF-CRG guidelines, instructions and manuals.
- The total number of local beneficiaries in the 12 districts is 6,311 households and approximately 47,400 people, of whom approximately 22,100 are women.



lessons learned

- Policy actions, governance and institutional coordination
 - 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
- Access to and availability of technical compliance with climate-proof (re)design of infrastructure
 - Estimate adaptation costs for the design of local climate-resilient infrastructure
 - Need to address major capacity gaps at the local level in conducting climate-resilient technical specifications and costing
- PBCRGs and performance assessment mechanism of local climate financing
 - 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



way forward

The project closed on 31 December 2017. A new phase of the NGPAR (Governance for Inclusive Development Programme) is expected to be launched soon. The DDF mechanism has not yet been adopted as a government mechanism for local planning and funding, but it is still seen as a project delivery system. The new phase of the NGPAR is expected to better integrate a revised DDF system into national planning frameworks such as the Sam Sang policy; this offers an opportunity to integrate project outcomes and lessons learned from the present experience, thereby ensuring integration of climate resilience criteria into national and local planning mechanisms.

Partnership with an EU Member State is being explored to resume LoCAL in Lao PDR through a joint programme.



more information

<https://www.uncdf.org/local/lao-pdr>

Lesotho

 context	<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>As the country's national designated authority, the Lesotho Meteorological Service, under the Ministry of Energy and Meteorology, cited poor financing as a major hindrance to climate change initiatives in Lesotho. In fact, most of the ongoing climate change initiatives are donor funded. The Lesotho Meteorological Service also highlighted the need to put in place necessary mechanisms to facilitate direct access to international climate funds to promote resilience across all sectors – and, in particular, at the community level.</p> <p>The EU Delegation in Lesotho has supported the government, through the Lesotho Meteorological Service, in setting up the required policy and institutional framework to reverse environmental degradation and promote climate change adaptation by finalizing (i) a national climate change policy and strategy, which was approved by the Cabinet in 2018; (ii) a national sustainable energy strategy; and (iii) policy and institutional frameworks to support implementation of climate change policies and strategies.</p> <p>The demand for decentralization and resources to act on vulnerability at the community level has led the government to publish a devolution policy to empower both district and community councils to plan and manage their development.</p> <p>Climate change adaptation falls within the core mandate of community councils, along with land use planning, natural resource management and infrastructure development. Climate change adaptation requires effective coordination of various stakeholders. As a gateway for development facilitation at the local level as well as custodians of all development, community councils are strategically positioned to fulfil this coordination role. However, community councils seldom have sufficient resources to execute these functions.</p>
 objectives	<p>The overall outcome of LoCAL-Lesotho is to improve the climate change resilience of the communities in the selected councils as a result of climate change adaptation activities funded through the performance-based climate resilience grant (PBCRG) and capacity development support.</p> <p>By promoting climate change–resilient communities and economies via increasing financing for and investment in climate change adaptation at the local level, LoCAL-Lesotho will directly contribute to one of the country's development plan pillars – reversing environmental degradation and adapting to climate change. The objectives for LoCAL-Lesotho are as follows:</p> <ul style="list-style-type: none"> ■ Increased transfer of climate finance to local governments through national institutions and systems for building verifiable climate change adaptation and resilience ■ A standard and recognized country-based mechanism which supports direct access to international climate finance <p>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>
 achievements	<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 the financing and management of the LoCAL facility.

Lesotho



achievements

- Four community councils within the district of Mphahle's Hoek were selected to pilot the approach in Lesotho: Khoelenya, Lithipeng, Qhoasing and Senqunyane.
- The Ministry of Finance opened a special account for LoCAL at the Central Bank, which will allow PBCRGs to flow from UNCDF to the LoCAL account and then to community councils. Bank accounts have also been opened for the community councils with commercial banks.
- Lesotho has been selected by UNCDF and the World Resources Institute as one of three pilot countries to test a framework for assessing climate change adaptation to monitor the extent to which LoCAL country programmes contribute to increased resilience and capacity building for adaptation. A workshop on the framework was held in May 2018 to train government staff.
- UNCDF conducted a technical mission in March 2018 to set performance measurement baselines, fine-tune baseline indicators, train key district and community council staff on LoCAL, and elaborate workplans with pilot district and associated community councils for the first round of investments. Local councillors and staff and district staff participated in the training on the LoCAL mechanism and related climate change topics (e.g. adaptation planning) in Khoelenya (24 participants), Lithipeng (21), Senqunyane (28) and Qhoasing (17).
- The first PBCRGs were transferred to the LoCAL-Lesotho account at the Central Bank and will be transferred to the community councils during 2020.
- The African Development Bank, through the Africa Climate Change Fund, approved funding contributing to the implementation of the LoCAL-Lesotho pilot phase.



adaptation measures and investments

Community councils, in close consultation with their communities, have identified adaptation investment plans to be financed with PBCRGs, covering such areas as improved water-related infrastructure and sustainable land management.

- One of the major challenges facing the community councils of Qhoasing, Lithipeng and Khoelenya is scarcity of water supply. Although some initiatives have been undertaken to supply clean water, climate change, combined with a lack of sufficient resources to ensure proper management, has left tanks empty or dilapidated, with limited water storage capacity. This situation is expected to worsen with the impacts of climate change. There is thus a need to harvest and capture several sources/springs to preserve water and ensure sufficient clean water for the communities during droughts. Improvements to water catchment and storage systems are being proposed under LoCAL to increase the resilience of communities in the target villages.
- Most of the communities in Senqunyane rely on subsistence agriculture for their livelihood. Increased frequency and intensity of rainfalls has caused high rates of soil erosion – which, combined with unsustainable farming practices such as tillage, has been wearing away topsoil. The reduction of arable land available directly affects crop production, and thus the livelihood of smallholder farmers; this situation is expected to deteriorate with climate change. To protect the soil and rehabilitate the eroded areas, the community council has decided to plant grass and trees and to remove invasive shrub species detrimental to the environment and agricultural production. Besides mitigating soil erosion and loss, this intervention will support communities by guaranteeing their income-generating activity, eventually increasing crop production and ultimately securing their livelihood.

The first cycle of planning, budgeting and funds transfer – as well implementation of identified investments captured in the community councils' approved annual workplans – is expected to commence in 2020.






lessons learned

- As LoCAL-Lesotho has been launched, it has taken stock of lessons from relevant programmes and efforts in the country. LoCAL lessons learned will be added as the programme is deployed.
- 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 with support from the United Nations Development Programme, the World Food Programme and/or the Food and Agriculture Organization of the United Nations.
- The European Union has found it essential in achieving change for the relevant populations to focus on the community and sub-catchment levels for outreach. Relatedly, GIZ has found that the Participatory Initiative for Social Accountability has helped increase dialogue between the people and their local governments in order to address their needs.

Lesotho

 way forward	<ul style="list-style-type: none"> ■ The first cycle of fund transfers and implementation of identified investments captured in the community councils' approved annual workplans are expected to commence in the first half of 2020. ■ Pilot community councils will be supported 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. ■ LoCAL will rely on the Participatory Initiative for Social Accountability as a dialogue broker to ensure participation by both the public in general and vulnerable populations in needs assessment, planning of adaptation activities and monitoring of their implementation. ■ Recruitment of the LoCAL-Lesotho national coordinator is ongoing; this position is expected to support the Government of Lesotho, particularly the Ministry of Local Government and Chieftainship, in the implementation and monitoring of LoCAL activities, as well as in mobilizing additional finance for scaling up LoCAL in Lesotho.
 more information	https://www.uncdf.org/lesotho

Mali

 context	<p>Mali, like many other countries in West Africa, has been hit hard by the effects of climate change. Climate change in Mali is evidenced by, among other effects, (i) an average reduction in annual rainfall of 20 per cent, combined with limited geographic and temporal distribution when it does occur; (ii) increasingly high temperatures; (iii) more frequent periods of drought and flooding; (iv) decreased water levels in the major rivers; (v) marked deterioration in soil quality; and (vi) greater ecosystem fragility. Projected climate scenarios indicate that by 2100, the average temperature in Mali could increase by about 0.2°C per decade and rainfall decrease by 10 per cent. A predominantly arid country, less than a quarter of Mali's land is suitable for cultivation. Land degradation, and the dependence of the country's farms on rainfall, make Mali extremely vulnerable to random climatic events.</p> <p>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.</p>
 objectives	<ul style="list-style-type: none"> ■ LoCAL-Mali aims to demonstrate and highlight the role of commune authorities in promoting local climate change adaptation/resilience measures by integrating climate funding in budget transfer mechanisms and in the planning/allocation of local resources. Specifically, it aims to strengthen technical and institutional capacities in the pilot communes to ensure better local governance of adaptation to climate change, enable communes to create infrastructure and local services which are resilient to climate change through targeted funding, and promote increased awareness among commune councillors and local communities about the impact of climate change phenomena and the relevance of a local approach to adaptation/resilience. ■ 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 the LoCAL programme 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	<ul style="list-style-type: none"> ■ A memorandum of understanding was signed in June 2014 between UNCDF and the Government of Mali, and between the AEDD and the Simby and Sandaré communes in the Niolo du Sahel district as the grant beneficiaries. ■ The mechanism is being implemented and aligned with national systems for local governance (budget allocations, decentralization) in both communes. ■ Oversight and monitoring mechanisms – including a UNCDF National Coordination Team, a LoCAL-Mali Technical Committee under the authority of the Ministry of the Environment, Sanitation and Sustainable Development, a Local Support and Orientation Committee established at the circle level and presided over by the circle's prefect, and a Commune Committee for Technical Support and Orientation – have been established and are fully operational. ■ The first two performance-based climate resilience grant (PBCRG) cycles were completed and successfully evaluated in 2016 and in 2017. The communes are now preparing for implementation of adaptation activities slated for the third year of the LoCAL mechanism with the grants selected in the first phase. ■ The Government of Mali granted financing through the AEDD to LoCAL over 2016–2018 and pledged further support over the next years. The design of Phase II was developed during 2016 and 2017, and has been peer reviewed and validated by the Government of Mali. ■ 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 the GCF works and what kinds of interventions can be financed through it. Subsequently, LoCAL and ANICT made a joint submission to the Mali National Climate Fund to scale up LoCAL Phase II and gain the necessary experience to access GCF resources. In 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.

Mali



achievements

- LoCAL has acquired strong synergy and ownership within the UN system in Mali. Accordingly, it contributes to UNDAF goals as stated in Mali's UNDAF 2020–2024. Further, 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. The \$800,000, 18-month initiative is funded through the UN Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) Peacebuilding Fund. This focus on climate-security-peace issues demonstrates LoCAL flexibility and adaptability and its multidisciplinary/cross-sectoral dimension. Under this initiative, LoCAL will be expanded to two communes in the Mopti region (Dandougou Fakala and Sokoura) beyond the two pilot communes in Kayes.
- 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 help identified local authorities increase their access to funding for adaptation through a combination of dedicated grants and technical assistance throughout the planning, implementation and reporting cycle to develop, finance and implement investments aligned with nationally determined contributions and local needs. The programme includes a component on private finance mobilization to test a blended finance model adapted for local adaptation finance. This model will be piloted in Mali.



adaptation measures and investments

- Since inception in 2015, LoCAL-Mali has invested in 36 local adaptation initiatives, accounting for about \$350,000 and directly benefiting more than 29,154 people, mostly women.
- Interventions financed included 6.5- and 2.5-hectare market gardening plots for women's groups, equipped with supplementary pools, hedges and wire fencing and solar panels to provide energy to an automated water pump. This garden plot project benefited over 200 people, mostly women. The grant was also used to build women's capacities, with trainings in agricultural techniques, and procurement of agricultural inputs and seeds.
- Following the first cycle of investments, Sandaré financed a fish farm project, complementing the garden plot effort, with two ponds and a well to ensure a steady supply of water to the ponds. The irrigation system is made of PVC piping, and the well is equipped with an automatic solar pump system. The integrated garden/fish farm project is maintained by the Jama Jigui women's group comprising 53 members, of whom 50 are women.
- Additional interventions included Neem wood forest rehabilitation in Simby and two irrigation systems and a solar-based well-water pump in Sandaré. All the stakeholders involved in the LoCAL mechanism – elected leaders, beneficiaries, officers of decentralized state services – have been sensitized and trained to better understand the issues and challenges related to climate change.
- For its third year of operation (2017–2018), LoCAL allocated funding to the two target local authorities. These funds were used to finance construction of 1.5 hectares of vegetable gardens for the women's cooperative in the village of Wassamangaté and improvements of the Madina Malinké women's vegetable garden. Market gardeners also benefited from capacity-building sessions in innovative and sustainable farming techniques on improved cooking stoves. They have been equipped with small farm inputs and improved and adapted seeds. A half-hectare village forestry project of gum acacia was also implemented.
- In 2019, the two original pilot communes financed and implemented two new technology market gardening perimeters and two groves, and provided improved seeds to dozens of vulnerable households.



lessons learned

- The communes involved demonstrated strong civic engagement and a responsive attitude. All of the key stakeholders – including the mostly female beneficiaries – are actively engaged in project identification; project implementation is handled collaboratively with the commune councils which spearhead the local development efforts.
- The majority of stakeholders and national policies are fully supportive and aligned with adaptation objectives and the need to build population resilience in climate-vulnerable areas. This synergy helped drive communication and build capacities; this in turn had a transformative effect on the strategic planning documents of both the supported communes and bordering communes. Nevertheless, the communes remain highly dependent on technical support and assistance from the state and service providers and – due to the low level of transfers from the central government to the decentralized administrations – on external funding.

Mali



lessons learned	<ul style="list-style-type: none"> ■ Sustainability and prospects for scale-up rely on several factors including close follow-up and coordination between LoCAL and its national counterpart; technical and operational support provided by LoCAL at the regional and central levels; clear allocation of resources to the communes to address and implement climate adaptation activities, and allowing for modification; strong ownership by commune councils and beneficiaries; and positive synergy between the actors as a result of the immediate outcomes (economic/social) of the activities implemented. ■ Other positive developments include the strategic role played by the mechanism at the national level, reinforced by coordination and partnership building (government, development partners, civil society, others); a competitive spirit between the communes engaged in the LoCAL mechanism; a strengthened level of technical support provided by the decentralized state services and their related structures; improved capacities of local service providers and contractors; the emergence of new synergies between other actors, projects and programmes in the targeted areas and at national levels; political support from the government and alignment of the mechanism to ongoing reforms and the increasing level of transfer of capacities and resources from the central to the decentralized governments; and strengthening of audits and inspections of public funds.
way forward	<ul style="list-style-type: none"> ■ LoCAL is expected to increase the support it provides through national and international partners. This support will include technical assistance from the treasury and the Inspection and Controls Department of the Ministry of Interior, in collaboration with the Steering Committee and the AEDD; climate risk and vulnerability assessment via the establishment of local information and data collection systems; cost-benefit evaluations, self-assessments and annual performance assessments; and advocacy and visibility actions. ■ LoCAL will build on existing synergies with local and national partners – including UN Volunteers, the Netherlands, ENABEL, the World Bank, the Near East Foundation/International Institute for Environment and Development, and GIZ – particularly in the areas of climate mainstreaming and capacity strengthening at the local level. ■ The design of LoCAL-Mali Phase II has been approved by ANICT as part of the country's decentralization efforts. Following validation of the Phase II design by the Technical Committee, LoCAL-Mali seeks to scale up the mechanism to a larger number of communes, ultimately aiming for national scale-up. In this context, the Peacebuilding Fund project will serve as a bridging phase as the country mobilizes additional resources. ■ Through the letter of agreement signed with ANICT, LoCAL will continue to provide technical and financial support to ANICT's GCF accreditation for operationalization of Phases II and III. ■ The MINUSMA Peacebuilding Fund will serve as a LoCAL-Mali bridging phase, expanded to an additional two communes, as the country mobilizes additional finance to implement Phase II. ■ LoCAL will follow up on the approval process of the joint BOAD-UNCDF GCF funding proposal for the West Africa region, including Mali. ■ Resource mobilization and synergy strategies will continue to support scaling-up objectives.
more information	https://www.uncdf.org/local/mali

Mozambique

 context	<p>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 per cent 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 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.</p> <p>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. In 2018, a constitutional amendment allowed the entry of new decentralized and deconcentrated hybrid bodies characterized by the election, in 2019, of governors and members of provincial assemblies with their own powers. The districts will remain under the central government until 2024, when new general elections will be held. District administrators will be equally elected by popular vote. These changes in the country's legal framework are established by Law No. 4/2019, which sets out the principles, organizational standards, competencies and functioning of provincial decentralized governance executive bodies. Law No. 5/2019 establishes the legal framework of state protection to which decentralized governing bodies and local authorities are subject. Laws No. 6 and No. 7/2019 set out the frameworks for the organization, composition and functioning of the provincial assembly and the functioning of state representative bodies in the province. 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. It is with this entity that programmes funded and supported by international partners (i.e. LoCAL) should interact. 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.</p>
 objectives	<p>The overall outcome of LoCAL-Mozambique is to improve the resilience of districts to climate change as a result of increased access to climate change adaptation financing through PBCRGs. Five specific outputs contribute to the achievement of this overall outcome:</p> <ul style="list-style-type: none"> ■ An effective performance-based climate resilience grant (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	<ul style="list-style-type: none"> ■ 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. ■ Thirteen districts have integrated climate change adaptation into their development plans. Also, 754 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.

Mozambique



achievements

- The integration of the PBCRG system into the intergovernmental fiscal transfer system further facilitated delivery to the public financial management system of at least \$2 million over the coming years to finance resilient interventions in the four selected districts under LoCAL.
- LoCAL's implementing partners – the Ministry of Land, Environment and Rural Development, through its National Directorate of Environment, and the Ministry of Economy and Finance, through the National Directorate of Planning and Budget – have supported policy dialogue among the development partners and donors to consolidate LoCAL-driven experience in the Gaza and Inhambane provinces for the 2018–2022 period. The development impact achieved within the Environmental Sector Support Programme (PASA II) financed by Danida, the European Union and the Irish Development Aid, combined with the programmatic lessons emerging up from implementation of the LoCAL mechanism in Gaza, has guided the programmatic design and start of implementation of resilient development interventions in the Nampula and Zambezia provinces for the 2018–2022 period.
- The LoCAL initiative, with its local government-led development interventions in Gaza Province, has been reinforced with financial support from the Swedish Embassy in Mozambique; ultimately, this has enhanced government capabilities in financing local adaptation plans in Gaza and Inhambane Provinces. Discussions between the Swedish Embassy and UNCDF, with the support of the Ministry of Economy and Finance and the Ministry of Land, Environment and Rural Development, began in 2106; these were finalized with an agreement signed in 2018 by the Swedish Embassy and UNCDF aimed at reinforcing locally based development finance within the LoCAL programme (Phase II). This crucial step guarantees follow-up financing after the initial pilot phase (2015–2018), which was financed and supported by the Belgian Development Cooperation in Gaza Province with a budget of \$2 million.
- Overall, Belgian and Swedish development support will cover a five-year period starting from August 2018 for Gaza and Inhambane. In addition, UNCDF is managing – in consultation with the government – financial resources for localized technical assistance to further operationalize the local adaptation plans in both provinces. LoCAL programmatic development interventions – which were launched in Gaza with Belgian Development Cooperation financial support and UNCDF technical assistance in July 2015 – support and build on existing government-led and -managed climate change adaptation experiences in four more selected Gaza districts (eight in total). The current programme's up-scaling phase expands on this to include five new districts in Inhambane to be supported within the Swedish budgetary framework. The initial country-based tailored LoCAL strategic development methodology and programmatic design was funded globally with European Union Headquarters funds, Sweden's Headquarters funds and UNCDF core financial resources.



adaptation measures and investments



Since LoCAL's inception, a total of 49 projects have been prioritized and launched, of which 24 were completed and 25 are ongoing or planned with completion expected by 2020/2021. Overall, the investments are expected to benefit more than 320,000 people, improving their resilience to climate change and their food security. Sectors and activities include infrastructure projects consisting of the drilling of a borehole to provide Chibutane villagers with access to clean water; a pumping infrastructure which connects the borehole to the village school attended by 122 pupils and to irrigated fields; irrigation and dam systems to improve water availability for agricultural purposes year round; rehabilitation and climate-proofing of a local research centre; and the launch of a fish production system in Massinger.



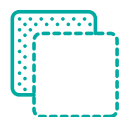
lessons learned

- Through a dialogue among district technical teams and central government staff, the procurement process was highlighted as an element in the local development process which should receive special attention. The majority of capacity development interventions in the coming months should be aimed at supporting local governments in implementing and complying with the 2016 National Decree on Procurement of Goods and Services. LoCAL will increase its technical support in procurement through the National Directorate of Planning and Budgeting's human resource structure.
- LoCAL trainings in public financial management should build district technical staff capacities in matters related to budgetary programming, execution and accountability. LoCAL directly supports the state-district budget transfer system, channelling climate finance through e-SISTAFE. PBCRGs should be accompanied with continuous support and capacity development trainings of the relevant ministries to ensure a suitable tracking system at all levels.

Mozambique

  way forward	<ul style="list-style-type: none"> ■ LoCAL is preparing for expansion (Phase II) in Gaza, Inhambane, Nampula and Zambezia for the 2019–2023 period, with support from the Belgian Development Cooperation, the Swedish Embassy and the European Union Delegation. Programmatic implementation will take advantage of PASA development experiences as well as of existing government-based human resources, processes and local government systems. ■ In the short term, LoCAL will provide financial and technical support to quickly finalize and implement prioritized socioeconomic infrastructure projects in each of the six Phase I districts. This work will include facilitating an adviser for planning and public infrastructure to be based at the Provincial Directorate of Public Works and Housing in Gaza Province with the aim of further strengthening local human capital. ■ Following the third annual performance assessment covering eight districts – including Chigubo, Massangena, Chibuto and Chókwe, all of which are new to the LoCAL programme – target districts will be informed of their allocations for the next financial cycle based on performance as well as on compliance with minimum conditions. ■ 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, such as the Food Security and Nutrition Programme led by UNCDF and the Belgian Fund for Food Security. ■ The Assessing Climate Change Adaptation Framework (ACCAF) will be rolled out with UNCDF support.
more information	https://www.uncdf.org/local/mozambique

Nepal



context

Despite its relatively small size, Nepal has very diverse climatic conditions. Over 80 per cent of the country's population depend on agriculture and forest resources for their livelihoods, which makes the Nepali people highly vulnerable to climate change. Climate change impacts projected for the country include significant warming, particularly in the middle hills and at higher elevations, leading to reductions in snow and ice coverage; increases in climatic variability and the frequency and intensity of extreme weather events, including floods and droughts, and in areas with no past history of such events; and changing precipitation patterns (increase in regional precipitation during the wet season, decrease in precipitation in the middle hills, shortened monsoon, longer dry spells). Like other Himalayan populations, the Nepalese live in areas with a high risk of floods, soil erosion and landslides. Increased snow melting rates will further exacerbate the risk of glacial lake outbursts and their related flash floods.

As part of its National Adaptation Programme of Action, Nepal established a Climate Change Knowledge Management Centre and a Multi-Stakeholder Climate Change Initiative Coordination Committee. It has also initiated local adaptation plans of action, appointing district and village development committees to act on these plans. This has provided an important entry point for LoCAL to support 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 the 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 grants were aligned with the former District Development Fund flow and reporting modalities during their initial piloting, thus helping to strengthen the country's fiscal transfer system, albeit through parallel systems. A menu of eligible resilience investments was designed and approved, comprising two categories of intervention. At the district level, the menu has a strategic and cross-sectoral focus; at the local level, it focuses on improving the climate resilience of community livelihoods and existing small infrastructure.
- The initial LoCAL pilot focused on three former village development committees in each district – Kiranchowk, Mahadevsthan and Salang in Dhading; and Gonaha, Hattibangain and Kamhriya in Rupandehi during the beginning of 2014, when the memorandum of understanding was signed with the Environment and Disaster Management Section of the Ministry of Federal Affairs and General Administration (MoFAGA).
- 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. LoCAL was implemented in these two districts until June 2017.
- LoCAL Phase I ended in July 2017. However, UNCDF, under the umbrella framework of MoFAGA'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 the changed political context of the country as it moved from a unitary to a federal structure.
- Two new districts – Kavre and Sindhuli – were selected based on their high vulnerability to climate change. All 22 municipalities within these two districts have been covered. Given the limited investment grants available, LoCAL provided capacity development support to the 22 local governments so as to enhance their capacity for better planning and utilization of their own resources for climate change adaptation/resilience projects. Capacity development, policy improvement and advocacy have supported increased government grants for climate resilience projects in these two districts. For FY 2017/18, the Government of Nepal provided about \$500,000 as an additional grant for climate resilience activities in the 22 LoCAL districts.

Nepal



achievements

- About 500 people were trained in these two districts 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 addition, in partnership with Tribhuvan University, LoCAL financed the development of EFLG baseline data in these two districts covering all 22 local governments.
- The Government of Nepal approved the multi-donor-funded Provincial and Local Government Support Programme, one of whose funders is UNCDF. This capacity development programme will cover 7 provinces and 753 local governments under a four-year budget of \$130 million (excluding infrastructure services).
- A scoping mission was undertaken in 2019 to gauge the 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, which encompass four rounds of PBCRG allocations. The programme will raise awareness and strengthen capacities for subnational climate change adaptation; support the integration of climate change in local planning and budgeting processes and implementation of local climate resilient investments; and establish and operationalize an effective PBCRG financing mechanism that can attract various sources of climate finance. Fully aligned with the country's climate change policy, financial systems for local governments, and related institutional and regulatory frameworks, the programme will be designed and piloted in 4 local governments and rolled out to 10 local governments. The proposed programme builds on UNCDF experience with decentralization programmes in Nepal and earlier preparation for the introduction of the LoCAL mechanism in the country; it takes into account the most recent developments in Nepal, allowing for deployment of a full-fledged mechanism aligned with the country's next constitution.



adaptation measures and investments

Two PBCRG cycles have been fully implemented, with 60 small-scale adaptation measures financed in the two pilot districts, which together have a population of almost 50,000 people.

During Phase I, the majority of investments focused on climate-related disaster prevention, with 27 projects addressing bioengineering, drainage and damming works on roads, river streams and canals to prevent flooding and landslides for downstream and neighbouring communities. Another 23 interventions aimed at improving rainwater harvesting and availability through the construction/restoration of community ponds, to be used for irrigation, watering cattle, etc. Some measures included alternative income-generating activities, such as eco-tourism in Siddalake, and a bee-keeping initiative in Gajuri.

Overall, PBCRGs have benefited 10,099 people in the six municipalities; of these, 4,419 are male, 4,340 are female and 1,340 are children.



lessons learned

- Training, mentoring and provision of on-site technical support for the planning and budgeting process for climate resilience projects was found to be very effective. Building knowledge and awareness complemented by technical assistance for identifying climate resilience investment and climate adaptation was found to be effective for local governments to allocate more resources to climate change finance.
- Extending the technical assistance support to cover all local governments within a district has had a very positive spillover effect. During Phase I, LoCAL had covered three local governments each in two districts, providing \$30,000–\$40,000 each year as a climate investment grant per district. Training and capacity development support was confined to the six municipalities. However, during the transition phase, LoCAL covered 22 local governments, providing training and awareness building to all local governments on climate resilience investment projects financed through government grants. In some cases, the local governments have added their own resources for climate resilience investments. For example, in FY 2017/18, the 22 local governments received a total of about \$500,000 as an EFLG grant. They supplemented this with funding from other sources, allocating a total of about \$1.7 million for climate resilience investments. This budget was allocated for 391 projects combining climate resilience and environmentally friendly investments.
- Continued training and awareness building provided jointly to all local governments resulted in positive spillover effects. Local governments officials are sharing knowledge and information with each other, which has helped them to better plan and budget climate resilience investment projects.
- Local governments can be stronger and have more discretionary power once they enhance their own revenues. Through this approach, local governments have become more receptive to LoCAL and are prepared for higher budget allocations for LoCAL investments.

Nepal

 lessons learned	<ul style="list-style-type: none"> ■ Small block grants, if managed properly, can effectively leverage additional resources. This was evident from the additional funds local governments mobilized with the initial grants funded through LoCAL. For example, LoCAL provided an initial contribution of \$14,000 to fund a reservoir irrigation project in the Panchkhal municipality (Dumkate Ward 6); the municipality provided an additional \$55,000 for the investment following a participatory budget consultation and design process. The municipality thus mobilized significant additional resources and demonstrated a high level of government ownership. ■ At the beginning of the programme, some stakeholders at the local level were not fully aware of their roles and responsibilities in relation to incorporating climate change adaptation into local planning processes. Awareness raising and capacity enhancement are very important at programme start to ensure full buy-in and allow for effective launch of LoCAL activities. ■ Nepal's earlier experience with PBCRGs occurred during 2004–2016 in the former system of local bodies. Experience shows that capacity-building support has a more significant impact when combined with strong incentives and additional funding for investments and service delivery – especially in addressing less familiar challenges and innovations. ■ UNCDF explored this space for climate finance to local governments through an initiative in the districts of Kavre and Sindhuli, in 2017–2018 and, earlier, in partnership with the PEI. In conjunction with small conditional grants awarded by the Government of Nepal to 22 local governments in these districts, UNCDF provided technical assistance to carry out community-based needs assessments, identify and include relevant investments in annual development plans and facilitate implementation of these investments. The awareness and engagement of communities and local governments led to the prioritization and allocation of climate-resilient investments: 22 local governments in the two districts invested over twice as much funding as they received from the central government for environment and climate change initiatives – demonstrating that a reasonably sized grant, backstopped by technical support, can encourage local governments to invest more in climate resilience. This early work did not include the performance-based elements of PBCRGs and annual performance assessments, which will be a new innovation under the proposed programme. ■ The two sets of experience constitute the set of lessons underpinning the programme. Based on regional and global experience, full application of the LoCAL mechanism – including PBCRGs, annual performance assessment and improved capacity building and support – in support of investments towards vulnerable areas may lead to strong national ownership and sustainability, as evidenced by national scale-up in Bhutan (100 <i>gewogs</i> out of 205) and Cambodia (50 districts out of 159).
 way forward	<ul style="list-style-type: none"> ■ LoCAL will continue to support mobilization of resources for the scale-up, including by following up on the concept note for the new programme (LoCAL-Nepal Phase II). ■ UNCDF will continue to liaison and closely partner with MoFAGA, the Ministry of Finance, and the National Natural Resource and Finance Commission to design a PBCRG in the changed federal context, based on lessons learned and best practices from piloting in the 22 local governments. ■ The Assessing Climate Change Adaptation Framework (ACCAF) will be integrated in programme design of LoCAL-Nepal Phase II and provide the basis for adaptation monitoring and reporting aligned with government systems. ■ Unlocking Green Climate Fund financing for Nepal through direct access should help meet government expectations for additional funding.
 more information	https://www.uncdf.org/nepal

Niger

 context	<p>Niger, like other countries in West Africa, has been hard hit by the effects of climate change, and addressing these is a central plank of UNCDF's commitment in the country. Climate change in Niger is evidenced by, among other factors, a reduction in average annual rainfall, combined with limited temporal and geographic distribution when it does occur; increasingly high temperatures; more frequent periods of drought; marked deterioration in soil quality; and greater ecosystem fragility. The degradation of land potentially suitable for cultivation and the dependence of the country's farms on rainfall make Niger extremely vulnerable to random climatic events.</p> <p>Drafted in 2013, the National Policy on Climate Change aims to contribute to sustainable development by reducing the negative impacts of climate change. Specifically, it seeks to strengthen the population's capacity for adaptation and the resilience of ecological, economic and social systems in relation to climate change; and to incorporate climate change into planning tools for socioeconomic development actions at the national, regional and local levels.</p> <p>Decentralization in Niger provides for two levels of local authority – the commune and the region – which are administered by elected councils. Both are legal entities and have financial autonomy, with their own budget, staff and estates. Communes have general powers to provide public services that meet the needs of the population and that do not fall under the jurisdiction of the state or region. Further, the state has the authority to transfer, through devolution decrees made by the Cabinet, a wide range of specific powers – covering, among others, the environment and management of natural resources. Budget transfers from the state are handled through three mechanisms: the Decentralization Support Fund, the Cross-Subsidization Fund of the National Agency for Local Authority Funding (ANFICT) and taxes reassigned by the state.</p>
 objectives	<p>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. More specifically, it aims to:</p> <ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ Two communes in the Dosso region, Sokorbé (Department of Loga) and Dogon Kyria (Department of Dogondoutchi), have been selected for the LoCAL-Niger pilot phase; these have a combined population of 101,569. ■ Since the memorandum of understanding was signed in 2015, the performance-based climate resilience grant (PBCRG) mechanism has been developed. It includes minimum conditions for access, performance criteria and an indicative investment menu to inform the process of integrating adaptation into local planning and budgeting. ■ The LoCAL-Niger Technical Committee has been set up under the authority of the Ministry of the Environment, Urban Sanitation and Sustainable Development; the Ministry of the Interior, Public Safety and Decentralization and Customary and Religious Affairs; and the National Environmental Council for Sustainable Development. The committee coordinates and monitors implementation of the LoCAL pilot phase. ■ The two pilot communes implemented and completed three PBCRG cycles and were evaluated in 2016, 2017 and 2019 by a government team together with independent national and international assessors and UNCDF. Both local governments complied with LoCAL minimum conditions, allowing them to maintain access to the grants. In 2016, Sokorbé achieved a global performance score of 75 per cent and Dogon Kiria 70 per cent; in 2017, both scored 77 per cent; in 2019, Sokorbé scored 74 per cent and Dogon Kiria 79 per cent. This record shows that improvements are ongoing, in line with LoCAL's continued capacity-building efforts with relevant local authorities. ■ Niger has begun piloting localized climate risk assessments. It has also 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. In collaboration with the NDC Partnership, LoCAL will complement and expand this effort in 2020 by developing a country report on climate risk and vulnerability assessment which incorporates the local dimension and indicators.

Niger



achievements

- Following two cycles of investment and annual performance assessment, LoCAL organized a stocktaking exercise and national workshop which brought together all stakeholders engaged in LoCAL, including mayors, deconcentrated services and central-level ministries and agencies. The workshop was held in Niamey in November 2017 and provided strategic direction for Phase II. The design note for Phase II is ready.
- The three-year pilot phase paved the way for LoCAL Phase II to fully integrate the PBCRG model into the treasury's fiscal transfer system; this has been partially implemented thus far.
- LoCAL experience in financing adaptation at the local level has been shared with technical and financial partners, deconcentrated technical services and civil society. Stakeholders have also been informed about the future deployment of LoCAL Phase II in Niger.
- Through the NDC Partnership, LoCAL-Niger secured funding for a bridging phase as the country prepares to move to Phase II. The intervention will promote climate change-resilient communities, ecosystems and local economies in target communes through consolidation of the PBCRG system. The target communes and communities will benefit from assistance and PBCRGs to undertake risk-informed planning and carry out specific climate change interventions and investments. Alignment with the areas of support requested by the Government of Niger will be ensured through the menu of investments.
- 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 Green Climate Fund (GCF) in early 2020. The joint proposal aims to help identified local authorities increase their access to funding for adaptation through a combination of dedicated grants and technical assistance throughout the planning, implementation and reporting cycle to develop, finance and implement investments aligned with nationally determined contributions and local needs.



adaptation measures and investments

- Over the three-year pilot phase, LoCAL-Niger financed 41 adaptation investments, directly benefiting more than 42,000 people in the two communes.
- In Sokorbé, 95 hectares of degraded land was rehabilitated using semi-circular bunds to combat erosion, and 38,533 trees were planted. These interventions allowed for greater soil infiltration, thus better supporting plants' water needs. This work was carried out by local populations under a cash-for-work programme. A management committee was created to make the infrastructure sustainable, protect the site and ensure equitable benefits for beneficiaries. This activity mobilized 6,477 person-days; 77 per cent of which were performed by women. The site was sown with locally available herbaceous species and planted with 28,533 plants. Contracts were signed with nurserymen for the supply of seedlings. Six wells were rehabilitated, which increased water storage capacity, protected the wells from climate variation and helped village women draw water. An organizational mechanism and management committee for the rehabilitated wells were established in each village. Elected officials and communal agents have been trained on climate change, which has helped ensure the issue will be better taken into account in planning development actions.
- In Dogon Kiria, 60 hectares of degraded land was rehabilitated and replanted by local communities under a cash-for-work programme, with 4,315 people – including 1,483 women, i.e. 35 per cent – taking part in the work. Four wells were excavated and four rehabilitated, improving access to safe drinking water and reducing water collection time considerably. Also, two 14-tonne millet banks were built in two villages and 1.5 tonnes of improved seed was delivered to 13 villages suffering from food shortages, thus improving the availability and accessibility of millet during the lean season. Some 703 households, including 33 female-headed households, were supported.
- Capacity-building activities targeting elected leaders, community agents and civil society were conducted: (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.
- Dogon Kiria's communal development plan was revised to take climate change into account.

Niger



lessons learned

- 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 which is fully aligned with the existing system of intergovernmental transfers. Funds must be fully integrated with other resources available locally. An intermediate funding channel has been established in Niger for the first two years. LoCAL will use the National Treasury System for its second phase.
- Capacity building provided to LoCAL pilot communes enabled them to plan and implement climate resilience actions from their annual investment plan and ensure their sustainability, thus demonstrating the importance of capacity-building support to ensure impactful and effective climate change adaptation measures at local level.



way forward

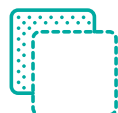
- The fourth cycle for 2020 is under way: the letter of agreement has been signed and the memorandum of understanding is in the process of being signed.
- Work on climate risk assessment will be further developed in 2020 to ensure adequate inclusion of climate change considerations in local government operations. In collaboration with the NDC Partnership, LoCAL will develop a country report on climate risk and vulnerability assessment which incorporates the local dimension, identifying and mapping climate risk, exposure and vulnerability hotspots at the subnational and local/community levels; prioritizing climate change adaptation actions and investments based on quantified and science-based analysis; and updating nationally determined contributions and defining main adaptation targets and actions in synergy with boosting and accelerating Sustainable Development Goal (SDG) achievement, particularly of SDG 13.
- The design of Phase II was developed over 2017–2018 and is ready to be launched. It will be able to build on the newly acquired capacities and recent practical experiences of the two pilot local governments.
- The bridging phase will be implemented in 2020–2021, with support from the NDC Partnership and the Italian Fund for Migration, and will effectively transition LoCAL-Niger to Phase II. This phase might be financed in part through the GCF funding proposal described above.
- The ANFICT financial circuit will continue to be used to deliver PBCRGs to target communes.



more information

<https://www.uncdf.org/local/niger>

Tanzania



context

Tanzania's economic growth depends heavily on its environmental and natural resources, with more than 80 per cent of the population dependent on them for income generation. Critical challenges threaten these resources, including their unsustainable harvesting and use, unchecked cultivation practices, degradation of and encroachment on water sources, and the impacts of climate change and extreme weather events. Climate change – evident in 60 per cent of the country – is manifested in droughts, floods, sea level rise and increased water-borne diseases.

Given these threats, the government sees an urgent need to protect and manage the environment and its natural resources. In 2012, Tanzania launched its National Climate Change Strategy. The strategy covers adaptation, mitigation and cross-cutting interventions; and outlines the importance of establishing institutions and policies at the national level for climate change planning – including a climate change finance mechanism.

With UNCDF support, Tanzania has both an efficiently functioning system of local governments and a well-developed intergovernmental fiscal transfer system, which has introduced performance-based elements over the past decade. A policy of decentralization by devolution gives local governments significant roles and responsibilities in implementing government policies and programmes. This includes supporting efforts to achieve national development goals (e.g. Vision 2025), as well as international goals such as the Sustainable Development Goals and other regional and international protocols and development frameworks. As to its intergovernmental fiscal transfer system, Tanzania has been reforming and strengthening it to include considerations on the impact of climate change and opportunities for climate change funding.



objectives

LoCAL-Tanzania is embedded in the Local Climate Finance Initiative (LCFI), a programme jointly implemented by UNCDF, the International Institute for Environment and Development (IIED) and the Government of Tanzania, represented by the President's Office – Regional Administration and Local Government (PO-RALG). The LCFI aims to increase awareness and capacities to respond to climate change at the local level; integrate climate change adaptation into local governments' planning and budgeting systems in a participatory and gender-responsive manner; and increase the level of climate finance available to local government authorities for climate-smart, resilient investments. The LCFI builds on LoCAL and aims to promote climate-resilient communities and local economies by enabling climate finance to reach the most vulnerable while complementing existing development finance in line with the Sustainable Development Goals and national policies, particularly Vision 2025, the country's nationally determined contributions and the forthcoming national adaptation plan. To achieve this, the LCFI has two specific objectives:

- Strengthen PO-RALG capacities to become an accredited national implementing entity of the Green Climate Fund (GCF) and channel climate finance initially to 15 local government authorities, and then nation-wide
- Build PO-RALG and local government authority capacities to mainstream climate change and community-driven adaptation into local government authorities' development planning and financial systems in support of climate-resilient development and low-carbon growth



achievements

- In 2016, the PO-RALG signed a project implementation agreement with the IIED and UNCDF to guide implementation of the Decentralized Climate Finance Programme (DCF), which later resulted in the launch of the LCFI.
- The DCF project (2016–2018), financed by UKAid, invested more than \$1 million in 35 climate-resilient and adaptation projects in the districts of Monduli, Longido and Ngorongoro (Arusha region), engaging women and traditional leaders in planning. Manuals for resource mapping and resilience assessments were developed as planning tools for local government authorities, and entities such as the Institute for Rural Development Planning and the Local Government Training Institute incorporated climate change issues into their curricula. Lessons acquired in this phase were incorporated in the LCFI.
- A field mission aimed at elaborating and validating the Annual Performance Assessment Manual for the LoCAL performance-based climate resilience grant (PBCRG) mechanism under the LCFI was held in mid-December 2017; the final draft of the manual was completed in mid-January 2018 and shared with key stakeholders.
- In 2019, PO-RALG, in partnership with UNCDF and IIED, hosted a partner meeting in Dar es Salaam to launch the LCFI and discuss how the programme would move forward. Many development partners participated in the event, including the World Bank, UN agencies, UKAid, the European Union, Italy, Norway and Sweden. During the event, a memorandum of understanding and letter of agreement were signed between the Government of Tanzania and UNCDF for the LoCAL pilot.

Tanzania



achievements

- The PBCRG mechanism, with support from the European Union's Global Climate Change Alliance Plus (GCCA+) and under the LCFI, will be piloted in three districts of the Dodoma region – Chamwino, Mpwapa and Kondoa – potentially benefiting more than 800,000 people, particularly women. It will be run for two fiscal cycles, delivering PBCRGs worth \$50,000 per district/financial cycle. The objective is to scale up the LCFI mechanism to other districts from 2021 onwards, with support from development partners.
- A technical mission to the target districts was organized in 2019 to train district officials on the PBCRG mechanism, including on performance indicators, minimum conditions, climate change adaptation plans, investment menu and the financial circuit.
- The PO-RALG was nominated as the country's national implementing entity for the GCF and is pursuing efforts towards accreditation. A final draft of the PO-RALG institutional assessment report, presented during a workshop in early 2018, aimed to help the PO-RALG identify its strengths and weaknesses, as well as address needs with regard to the GCF's six relevant accreditation standards. Based on the assessment, the PO-RALG submitted its official application in 2019 to become a GCF national implementing entity. The PO-RALG has received comments from the GCF Secretariat on its proposal and is currently working with partners to address them.



adaptation measures and investments

LoCAL-Tanzania will support the Chamwino, Mpwapa and Kondoa districts 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.



lessons learned

- Despite renewed commitment towards implementation of the DCF 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 phases of the LCFI.
- 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, to ensure full understanding of project scope and objectives and alignment with government goals.



way forward

- With support from the GCCA+, the PBCRG mechanism will be piloted in three districts of the Dodoma region and scaled up to other districts beginning in 2021 with support from development partners and as resources are mobilized.
- An annual performance assessment will be conducted in 2021 to provide a baseline for performance measures.
- 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 the PO-RALG throughout the GCF accreditation process.



more information

<https://www.uncdf.org/local/tanzania>

Tuvalu

 context	<p>Tuvalu is the fourth smallest country in the world with a population of around 11,000 and a land area of 25.9 km²; its exclusive economic zone covers 900,000 km². Like other Pacific Island countries, Tuvalu faces a unique set of development challenges due to its small size; narrow production and export bases; insularity; remoteness; fragmented, limited resources and capacity constraints; and proneness to natural disasters and vulnerability to climate change. These characteristics heighten its susceptibility to economic and climate-related shocks. Climate change has been identified by the Government of Tuvalu and the Pacific Islands Forum Leaders as the greatest threat facing this and other small island countries. Tuvalu faces key climate vulnerabilities including scarcity of freshwater, coastal erosion, soil salinization, reduced fish habitats due to ocean acidification, coral bleaching, rising sea water levels and increasing extreme climate events (typhoons, wave surges).</p> <p>Given the 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).</p>
 objectives	<p>The aim of LoCAL-Tuvalu is to improve the capacities of local governments to address climate change by increasing access to climate change adaptation financing through performance based climate-resilience grants (PBCRGs). The expected outputs are as follows:</p> <ul style="list-style-type: none"> ■ Output 1: Effective PBCRG system (finance mechanism) is established in Tuvalu and operational for additional funding ■ Output 2: Inclusive, effective and accountable climate change mainstreamed planning and budgeting processes at the <i>kaupule</i> level ■ Output 3: Climate change-resilient investments (services and infrastructure) are managed efficiently and effectively, and transparently implemented by the participating <i>kaupules</i> through the PBCRG system ■ Output 4: M&E system, and lessons learned to inform national policies, informed through experiences with the launch of LoCAL and the integration of climate change in all steps of the local public financial management process and improvements of public financial management ■ Output 5: Completed roll-out plans and capacity-building support for new <i>kaupules</i> by end of programme
 achievements	<ul style="list-style-type: none"> ■ 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 <i>falekaupules</i> (local governments) under the first tranche of the PBCRG for FY 2016/17 and the 2nd tranche for FY 2017/18. ■ The second annual performance assessment (APA) of the <i>kaupules/falekaupules</i> under the LoCAL programme was successfully completed in May 2017. The APA reviewed compliance on the part of the pilot <i>kaupules</i> with the minimum conditions for access to grants for the FY 2017/18. The APA report was reviewed by the LoCAL Secretariat and subsequently approved by the <i>Kaupule</i> Development Coordinating Committee, and signed by the secretary and consented to by the minister. The APA found LoCAL has good traction in the initial three LoCAL programme pilot local government authorities. ■ Upon approval of the APA report and its recommendations, UNCDF released the 2nd tranche of the PBCRG to Tuvalu for allocation as per the determined formula so the <i>kaupules</i> can implement their FY 2017/18 activities. Implementation of these activities have commenced in the first half of 2018. ■ The third APA, conducted in 2018, verified that all three participating <i>kaupules</i> – 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 <i>kaupules</i> had improved significantly, particularly in planning and budgeting, financial management and climate resilience investments, with an average 83 per cent improvement on performance measures noted from 2016 to 2018.

Tuvalu



achievements

- A concept note for scaling up the LoCAL mechanism was prepared jointly with the Government of Tuvalu in 2019. 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 in Tuvalu, further attracting 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.



adaptation measures and investments

- 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.
- **Water:** 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/planned in the three *kaupules*. Five of these projects have been completed, with the final project to be completed in May/June 2020.
- **Disaster prevention and preparedness:** Tuvalu is dangerously exposed to extreme climate events such as storms and cyclones. Two cyclone shelters are under construction in two *kaupules* which will provide protection for more than 800 inhabitants.



lessons learned

- 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.



way forward

- Follow-up on implementation of the third cycle of PBCRGs (2019/2020) and of the recommendations arising from the third annual performance assessment was completed in June 2018.
- Recruitment of the LoCAL-Tuvalu national coordinator is ongoing. The post will complement LoCAL support efforts for Phase II deployment by planning and preparing interventions for up-scaling with expected coverage of all local governments.
- LoCAL will continue to support Tuvalu in mobilizing additional finance for scale-up, including through the development and submission of concept notes to funds and development partners, including the European Union, the Green Climate Fund and New Zealand, and close coordination with the Tuvalu Coastal Adaptation Project.
- Roll-out of the Assessing Climate Change Adaptation Framework (ACCAF) will be supported across target LoCAL *kaupules*.



more information

<https://www.uncdf.org/local/tuvalu>

Table A.1: LoCAL Global Programme summary by country, January 2014–May 2020

Country	Start date ¹	LoCAL phase to date	Population	Number of local gov'ts		Number of CCA interventions		Value of CCA interventions (\$)		Grants (\$) ²		Technical and capacity-building support including MEL (\$)		Operational support (\$)		Total expenditures (\$)	
				2019/2020	Cumulative	2019/2020	Cumulative	2019/2020	Cumulative	2019/2020	Cumulative	2019/2020	Cumulative	2019/2020	Cumulative	2019/2020	Cumulative
Bhutan	2011	III	206,288	92	100	210	314	2,794,864	3,629,742	0	500,000	58,692	272,520	25	35,210	58,717	807,730
Cambodia	2013	III	3,598,558	42	50	157	433	3,691,292	7,244,827	103,400	2,004,730	117,602	838,901	6,060	108,921	227,062	2,952,552
Benin	2013	II	930,586	0	9	5	25	225,731	1,118,235	149,876	552,878	58,107	389,892	1,956	18,031	209,939	960,801
Lao PDR	2013	I	n.a.	n.a.	n.a.	n.a.	29	n.a.	298,119	0	1,845,948	0	185,873	0	110	0	2,031,931
Nepal	2014	I	n.a.	n.a.	n.a.	n.a.	60	n.a.	112,798	0	260,000	31,627	142,662	0	8,373	31,627	411,034
Mali	2014	I	58,614	0	2	0	36	0	256,466	94,259	490,936	140,288	390,681	7,874	52,229	242,420	933,847
Bangladesh	2015	II	1,864,411	52	71	213	248	1,255,868	1,535,152	3,587,960	3,851,960	552,713	1,210,865	313,978	422,384	4,454,651	5,485,209
Ghana	2015	II	812,255	6	9	9	25	80,094	169,598	130,000	270,000	181,830	375,710	64,991	83,253	376,821	728,963
Mozambique	2015	II	1,993,950	9	13	35	49	2,405,192	3,327,057	3,067,423	3,967,423	346,476	951,165	88,077	202,562	3,501,976	5,121,151
Niger	2015	II	393,212	7	9	0	41	0	327,401	40,000	450,000	72,164	339,973	1,246	8,059	113,410	798,032
Tuvalu	2015	I	3,580	0	3	0	6	0	194,557	0	250,000	13,145	314,650	19	294	13,164	564,944
Tanzania	2016	I	846,281	0	3	0	0	0	0	0	0	34,525	177,296	1,342	10,175	35,867	187,471
Lesotho	2017	I	165,590	0	4	0	0	0	0	84,000	84,000	19,684	85,048	(1,570)	(1,391)	102,114	167,657
Gambia, The	2018	I	176,620	12	20	10	10	180,000	180,000	358,034	358,034	2,614,346	2,696,087	234,032	234,067	3,206,412	3,288,188
Global	2014	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	69,239	69,239	717,399	4,082,193	61,366	902,564	848,004	5,053,997
Burkina Faso	2019	D										27,422	27,422	1,472	1,472	28,894	28,894
Côte d'Ivoire	2018	D										31,502	31,502	821	821	32,323	32,323
São Tomé & Príncipe	2019	D										1,422	1,422	0	0	1,422	1,422
Uganda	2019	D										5,637	48,179	0	52	5,637	48,231
W. Africa Regional	n.a.	D										38,669	38,669	749	749	39,417	39,417
Liberia	2019	D										26,119	26,119	1,828	1,828	27,947	27,947
Senegal	2020	D										0	0	0	0	0	0
Solomon Islands	2020	D										0	13,739	0	0	0	13,739
Malawi	2019	D										0	0	0	0	0	0
Sudan	2020	D										0	0	0	0	0	0
Pakistan	2020	D										0	0	0	0	0	0
Palestine	2020	D										0	0	0	0	0	0
Chad	n.a.	n.a.										18,200	18,200	0	0	18,200	18,200
Fiji	2020	D										0	10,398	0	0	0	10,398
Guinea	n.a.	n.a.										0	0	0	0	0	0
Vanuatu	n.a.	n.a.										0	4,950	0	0	0	4,950
GMS	n.a.	n.a.										0	0	647,370	1,491,130	647,370	1,491,130
Total	n.a.	n.a.	11,049,945	220	293	639	1,276	10,633,042	18,393,952	7,684,192	14,955,149	5,107,569	12,674,116	1,431,633	3,580,893	14,223,394	31,210,158

Country	Funding sources (\$)									Direct access to GCF with LoCAL support	
	2019/2020					Cumulative					
	EU GCCA+	Other EU instruments	Other partners	Gov't	Total	EU GCCA+	Other EU instruments	Other partners	Gov't		Cumulative
Bhutan	0	0	0	0	0	0	7,000,000 ⁷	0	0	7,000,000	BTfEC accredited (2020); National Bank of Bhutan accreditation (ongoing); concept note to GCF to be developed
Cambodia	0	0	0	690,000	690,000	0	0	3,288,287 ⁹	12,982,177	16,270,464	NCDD-S accredited (2019); concept note updated ready for submission (2020)
Benin	0	0	0	70,000	70,000	0	0	0	410,000	410,000	FNEC accredited (2019); concept note under review by GCF (2020)
Lao PDR	0	0	0	0	0	0	0	2,145,000 ¹⁰	0	2,145,000	
Nepal	0	0	0	0	0	0	0	0	0	0	
Mali	0	0	400,000 ⁴	99,000	499,000	0	0	400,000 ⁴	755,000	1,155,000	ANICT support ongoing (2019); funding proposal thru BOAD under review (2020)
Bangladesh	0	0	0	0	0	4,400,000	0	4,000,000 ¹¹	775,627	9,175,627	Request for readiness support from gov't (2020)
Ghana	0	6,000,000 ³	0	0	6,000,000	0	6,000,000 ³	0	0	6,000,000	Dialogue on going with NDA and GCF (2020)
Mozambique	4,908,674	0	13,100,000 ⁵	0	18,008,674	4,908,674	0	16,064,085 ¹²	0	20,972,759	
Niger	0	0	0	0	0	0	0	961,800 ¹³	0	961,800	Request for readiness support from gov't (2020); funding proposal thru BOAD under review (2020)
Tuvalu	0	0	0	0	0	0	0	0	0	0	Funding proposal under devel. with SPC (2020)
Tanzania	0	0	0	0	0	0	0	0	0	0	
Lesotho	0	0	0	0	0	0	0	0	0	0	
Gambia, The	0	0	0	0	0	0	6,400,000 ⁸	0	0	6,400,000	Dialogue on going with NDA and GCF (2020)
Global	7,750,400	0	880,000 ⁶	0	8,630,400	12,655,150	0	11,056,190 ¹⁴	0	23,711,340	Dialogue on going with selected candidate countries for GCF access
Burkina Faso											Funding proposal thru BOAD under review (2020)
Côte d'Ivoire											Funding proposal thru BOAD under review (2020)
São Tomé & Príncipe											
Uganda											Dialogue on going with NDA and NIE for GCF access (2020)
W. Africa Regional											
Liberia											
Senegal											
Solomon Islands											Funding proposal under devel. with SPC (2020)
Malawi											
Sudan											
Pakistan											
Palestine											
Chad											
Fiji											
Guinea											
Vanuatu											Funding proposal under development with SPC (2020); Vanuatu will be invited
GMS											
Total	12,659,074	6,000,000	14,380,000	859,000	33,898,074	21,963,824	19,400,000	37,915,363	14,922,804	94,201,990	

Note: CCA = climate change adaptation; D = design phase; n.a. = not applicable; GMS = general management support; MEL = monitoring, evaluation and learning. Cumulative data are for January 2014–May 2020. Lao PDR and Nepal are inactive.

¹ Date of MoU signature for Phase I–III countries; date of expression of interest (letter) or effective scoping/design for design phase countries.

² Including PBCRGs (for MoUs) and institutional strengthening (for letters of agreement).

³ EU Trust Fund.

⁴ UN Multi-Partner Trust Fund Office.

⁵ Sida and Catalan.

⁶ UNCDF core and Sida.

⁷ EU Country Budget Support.

⁸ European Development Fund.

⁹ Sida and Republic of Korea Ministry of Environment.

¹⁰ Global Environment Facility.

¹¹ Sida.

¹² Sida, Catalan and Belgian Cooperation.

¹³ UNDP, Italy.

¹⁴ Sida, UNCDF, Liechtenstein, Italy and Andorra.

The **United Nations Capital Development Fund (UNCDF)** makes public and private finance work for the poor in the world's 47 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF's financing models work through three channels: inclusive digital economies, connecting individuals, households, and small businesses with financial eco-systems that catalyze participation in the local economy, and provide tools to climb out of poverty and manage financial lives; local development finance, that capacitates localities through fiscal decentralization, innovative municipal finance, and structured project finance to drive local economic expansion and sustainable development; and investment finance, that provides catalytic financial structuring, de-risking, and capital deployment to drive SDG impact and domestic resource mobilization. By strengthening how finance works for poor people at the household, small enterprise, and local infrastructure levels, UNCDF contributes to Sustainable Development Goal-SDG 1 on eradicating poverty and SDG 17 on the means of implementation. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access, UNCDF contributes to a broad diversity of SDGs.

UNCDF's **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.



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