

LoCAL annual report 2020

raising ambition through locally led adaptation



LoCAL annual report **2020**

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preface

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

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

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

Since its global scale-up in 2014, LoCAL has been deployed in 14 countries: **Bangladesh, Benin, Bhutan, Cambodia, The Gambia, Ghana, Lao PDR, Lesotho, Mali, Mozambique, Nepal, Niger, Tanzania** and **Tuvalu**. In 2020, LoCAL was engaged with 304 local governments in 12 countries,¹ representing a population of over 11.5 million. Another 13 countries have expressed interest in deploying the mechanism – **Burkina Faso, Côte d'Ivoire, Fiji, Jamaica, Liberia, Malawi, Pakistan, São Tomé and Príncipe, Senegal,**

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 in Nepal.

Solomon Islands, Sudan, Uganda and Vanuatu – bringing the total number of LoCAL countries to 27. Over the same period, LoCAL has mobilized \$99.07 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 promote climate-resilient development pathways to ensure societies, economies and ecosystems in developing countries, particularly LDCs, thrive.

This 2020 annual report summarizes LoCAL activities and results across Africa, Asia, the Caribbean and the Pacific, and at the global level, drawing on a range of experiences and good practices in LoCAL design and implementation since 2014. These experiences and practices are exhaustively documented in the LoCAL publication [*Financing Local Adaptation to Climate Change: Experience with Performance-Based Climate Resilience Grants*](#), which was endorsed in 2019 by the Least Developed Countries Expert Group of the United Nations Framework Convention on Climate Change as supplementary material to its [*National Adaptation Plan Technical Guidelines*](#).

acronyms

| | | | |
|--------|--|--------|---|
| ABM | Adaptation Benefits Mechanism | LEG | Least Developed Countries Expert Group |
| ACCAF | Assessing Climate Change Adaptation Framework | LISA | Local Information System for Adaptation |
| ASPIRE | Agriculture Services Programme for Innovation, Resilience and Extension | LoCAL | Local Climate Adaptive Living Facility |
| BT FEC | Bhutan Trust Fund for Environmental Conservation | LoGIC | Local Government Initiative on Climate Change |
| BOAD | West African Development Bank (Banque Ouest Africaine de Développement) | NAP | national adaptation plan |
| DAC | Development Assistance Committee | NCDD-S | National Committee for Subnational Democratic Development Secretariat |
| DMK | district/municipality/ <i>khan</i> | NDC | nationally determined contribution |
| EU | European Union | OECD | Organisation for Economic Co-operation and Development |
| FNEC | National Fund for Environment and Climate (Fonds National pour l'Environnement et le Climat) | PBCRG | performance-based climate resilience grant |
| GCCA+ | Global Climate Change Alliance Plus | SDG | Sustainable Development Goal |
| GCF | Green Climate Fund | SIDS | small island developing states |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit | Sida | Swedish International Development Cooperation Agency |
| GrEEN | Boosting Green Employment and Enterprise Opportunities in Ghana | SME | small or medium enterprise |
| IFAD | International Fund for Agricultural Development | UN | United Nations |
| IIED | International Institute for Environment and Development | UNCDF | United Nations Capital Development Fund |
| ISO | International Organization for Standardization | UNFCCC | United Nations Framework Convention on Climate Change |
| LDC | least developed country | WASH | water, sanitation and hygiene |
| | | WRI | World Resources Institute |

glossary

Intergovernmental fiscal transfer systems:

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



about LoCAL

Climate change is a global challenge, but its effects are not experienced equally. Developing countries – especially least developed countries (LDCs), small island developing states (SIDS) and African nations – 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 that are climate sensitive and of extreme importance to the success of adaptation measures – including land use, water management, natural resource management and infrastructure.

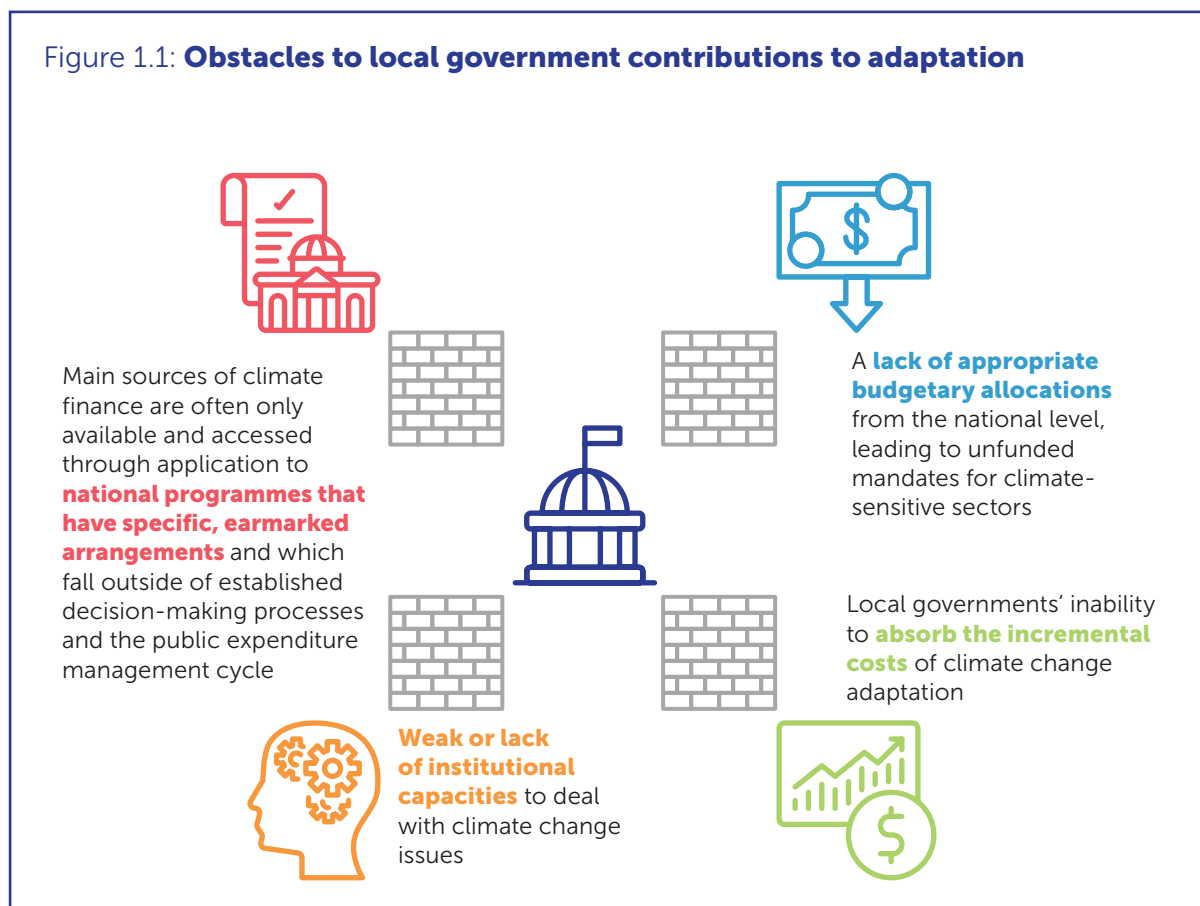
Parties to the United Nations Framework Convention on Climate Change (UNFCCC) recognize – as spelled out in the [Paris Agreement](#) – the local and subnational dimensions of adaptation in protecting people, livelihoods and ecosystems in response to climate change (Article 7); the need to foster country 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 Some observers note that less than

¹ 'Bilateral finance flows from OECD-DAC [Organisation for Economic Co-operation and Development Development Assistance Committee] providers had

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.

Capital Development Fund (UNCDF) in 2011 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 developing countries, particularly the LDCs. LoCAL:

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

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 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, 2018: 10–11).

- 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 adaptation and making local development climate resilient.

In addition to its financial component, LoCAL provides **capacity building** and **technical assistance** to local governments to help them better assess climate risks and vulnerabilities and integrate climate change adaptation into their planning and budgeting processes – thus improving preparedness for, awareness of and resilience to climate change.

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

LoCAL mechanism

LoCAL operates primarily in LDCs, working with 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 that simultaneously:

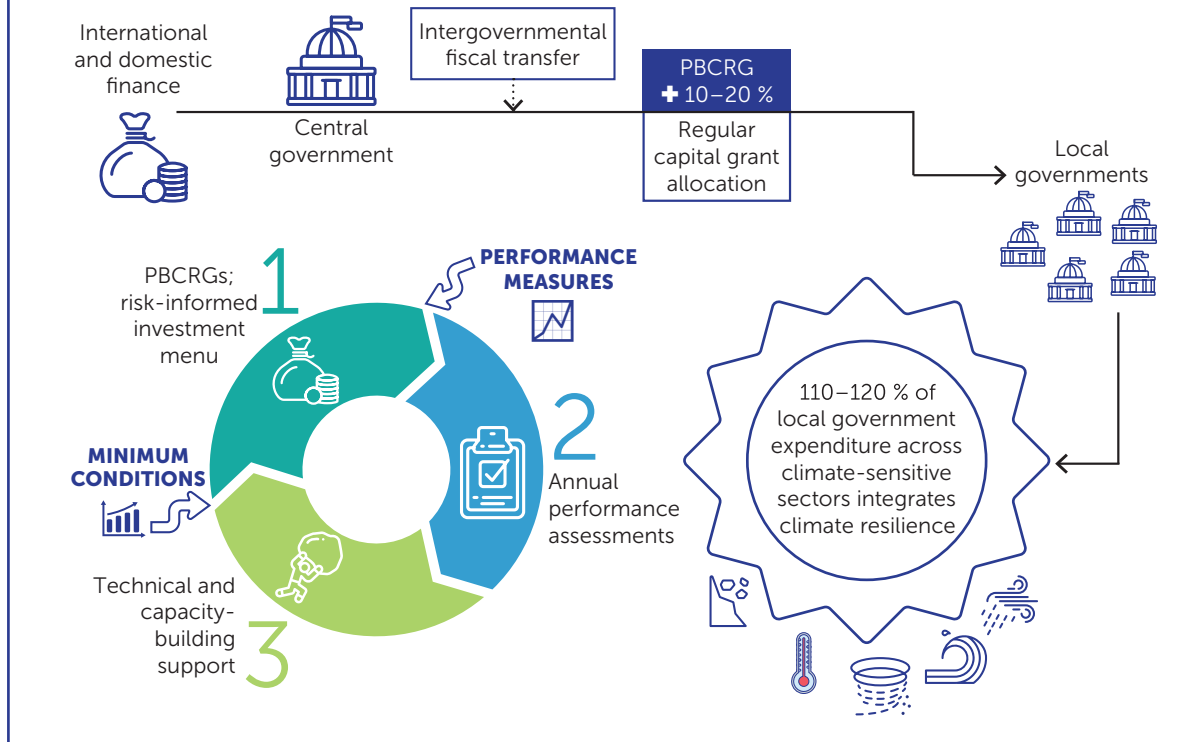
- Incentivizes local governments to integrate adaptation and implement targeted measures in a participatory and gender-sensitive manner
- Ensures traceability and increases transparency and accountability by enabling verification of climate change expenditures at the local level

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

As shown in Figure 1.2, PBCRGs are channelled through **existing fiscal transfer mechanisms** in the countries where LoCAL is involved, thereby strengthening national appropriation and accountability. By being disbursed as part of a local government's regular budget envelope, PBCRGs can finance the adaptation element of larger interventions, allowing for holistic responses to climate change and/or for climate-specific measures. In general, the grants are a 10–20 per cent 'top up' of regular capital grant allocations, although the percentage can vary greatly depending on the level 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 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 mechanism on the ground, putting all the LoCAL components in place typically involves:

Figure 1.2: **How LoCAL PBCRGs work**

- 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

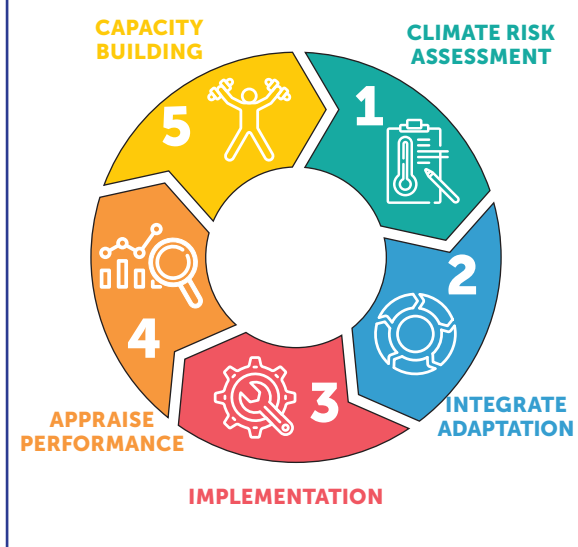
development planning and budgeting processes (Step 2)

- 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)

Figure 1.3: **LoCAL cycle**

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 locally led adaptation (through their national governments).

In 2014, LoCAL expanded across Asia and was launched in Africa, becoming a global mechanism in the process. As of December 2020, LoCAL had been deployed in 14 countries across two continents; it currently works with **304 local governments in 12 countries**, accounting for a combined **population of over 11.5 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 initial testing in two to four local governments. Phase I countries as of December 2020 are **The Gambia, Lao PDR, Lesotho, Nepal, Tanzania** and **Tuvalu**.² **Mali** is preparing to enter Phase II.
- **Phase II: Consolidating**, takes place in at least 5–10 local governments in a country. It involves collecting lessons and demonstrating the mechanism's effectiveness at a larger scale. As of December 2020, **Ghana** and **Niger** had transitioned into Phase II, joining **Bangladesh, Benin** and **Mozambique**.
- **Phase III: Scaling-up**, is national roll-out of LoCAL based on the results of the previous phases and lessons learned. LoCAL is gradually

extended to an increasing number of local governments, with domestic or international climate finance, and becomes the national system for channelling adaptation finance to the local level. **Bhutan** and **Cambodia** are in Phase III.

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:

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

Burkina Faso, Côte d'Ivoire, Fiji, Jamaica, Liberia, Malawi, Pakistan, São Tomé and Príncipe, Senegal, Solomon Islands, Sudan, Uganda and **Vanuatu** are in the scoping/design phase and are expected to begin Phase I in 2021/2022 as resources are mobilized.

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

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 in Nepal.

Figure 1.4: LoCAL phases

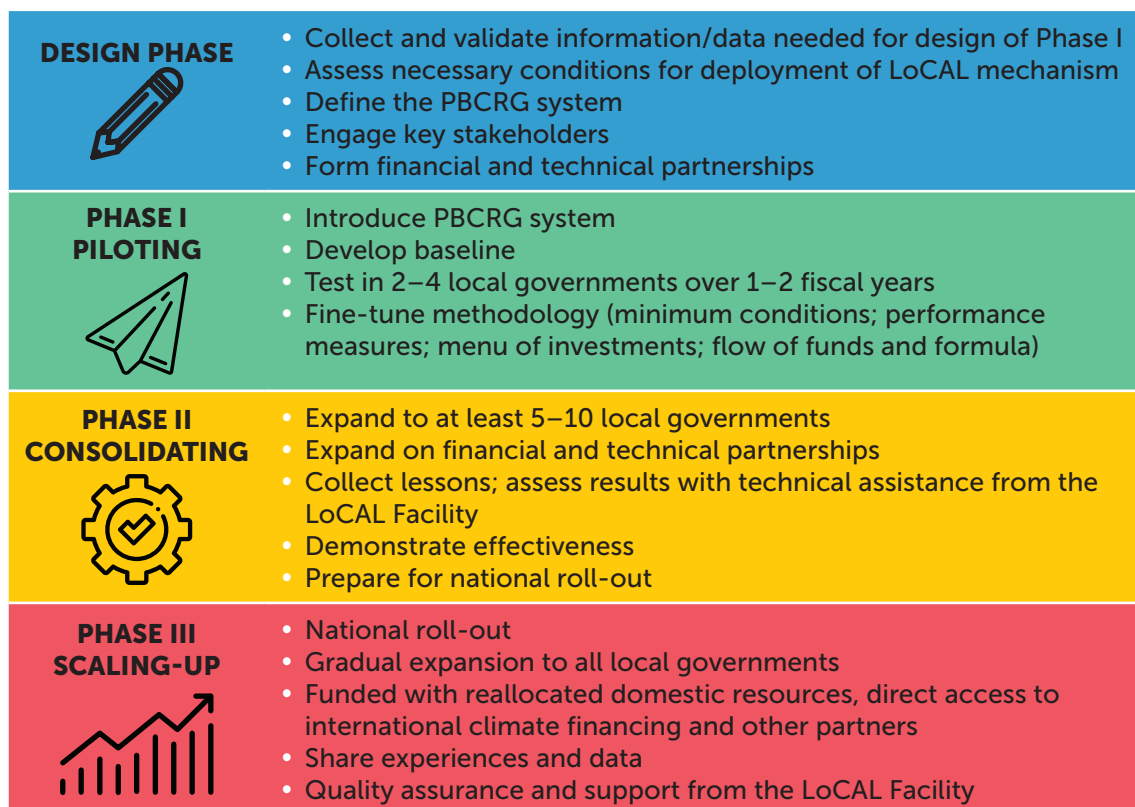
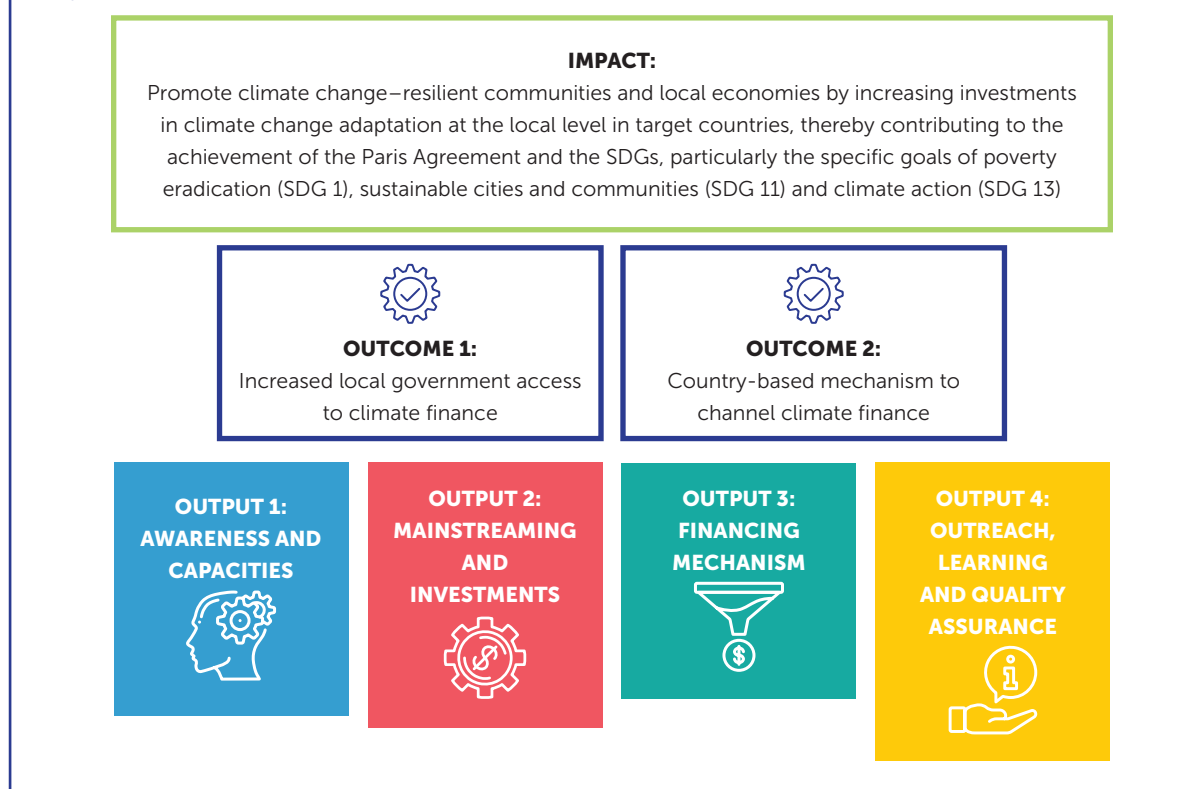


Figure 1.5: LoCAL countries as of end 2020, by phase of engagement



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



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.

- **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 in 2020.



Bangladesh; photo by LoGIC Project (Bangladesh)

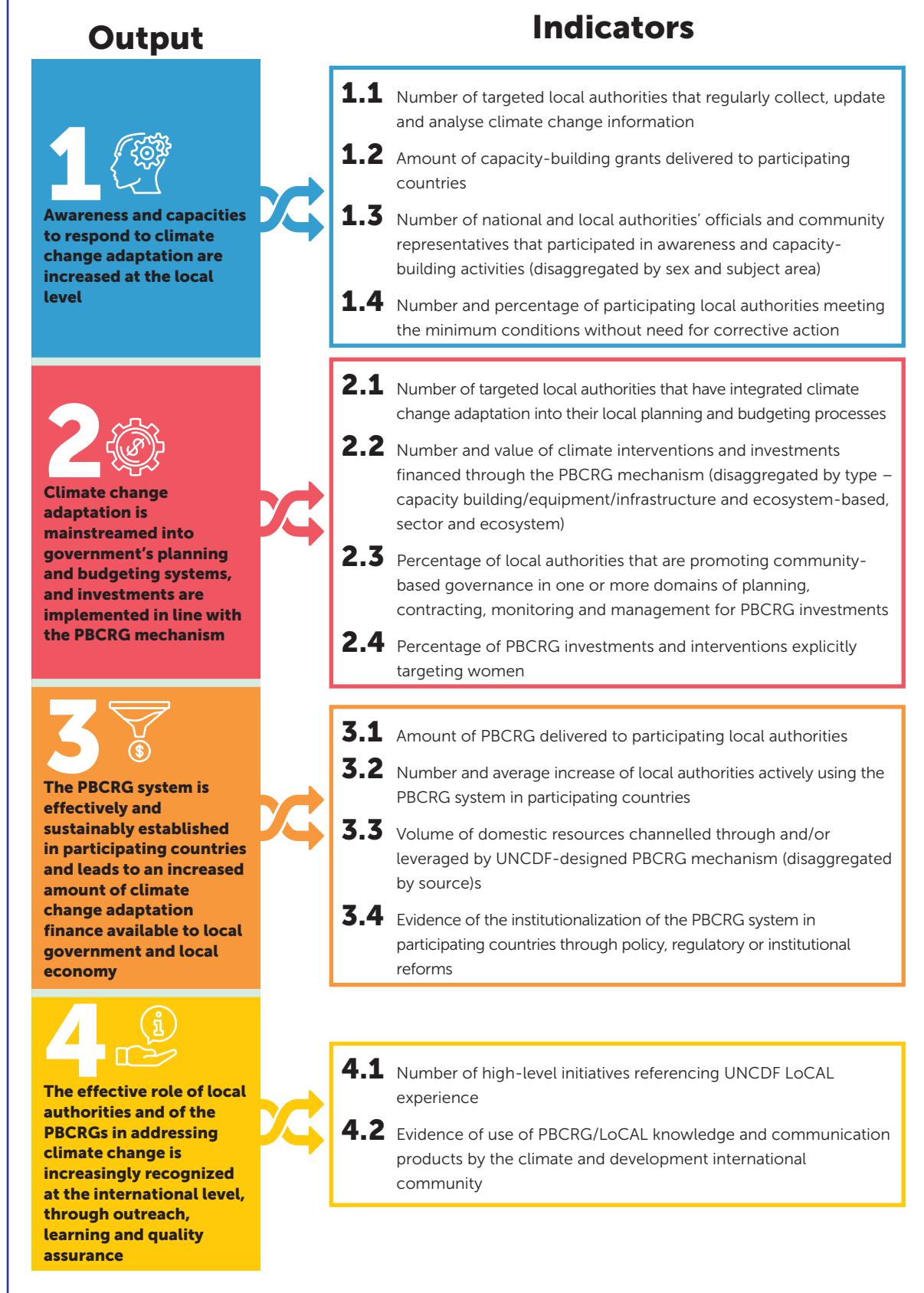
2020 achievements

As it entered its second phase of global expansion, LoCAL succeeded in moving forward with a series of actions at the global 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 section details LoCAL accomplishments by output and indicator (Figure 2.1). [Table 2.5](#), at the end of this section, presents an at-a-glance status of progress to December 2020 against targets. Highlights of the year's achievements follow.

- As of December 2020, LoCAL was **deployed** in 14 countries across Africa, Asia and the Pacific. Another 13 countries – **Burkina Faso, Côte d'Ivoire, Fiji, Jamaica, Liberia, Malawi, Pakistan, São Tomé and Príncipe, Senegal, Solomon Islands, Sudan, Uganda and Vanuatu** – submitted official requests to deploy LoCAL and are undergoing scoping and/or design exercises, which will inform resource mobilization to launch Phase I.
- In 2020, LoCAL **engaged with** 304 local governments in 12 countries, reaching an indirect beneficiary population of over 11.5 million. With respect to last year, 24 new local governments are benefiting from LoCAL assistance. This represents a 9 per cent increase over 2019 and an almost 11-fold increase over 2014, when LoCAL was active in 29 local governments in seven countries.
- LoCAL **mobilized** \$14.36 million in direct and parallel funding. Almost half of the resources mobilized this year, \$6.37 million, came from parallel funding, demonstrating the catalytic effect of the LoCAL mechanism in leveraging climate finance from different sources through PBCRGs. LoCAL **delivered** \$14.27 million of its mobilized funds to participating countries and local governments in the form of grants, capacity building and operational support at the national and subnational levels in 2020. Since its inception, LoCAL has mobilized a total of \$99.07 million, including \$26 million (approximately 26 per cent) in parallel funding.
- Countries continued to **successfully transition** through the LoCAL phased approach. In 2020, **Ghana** and **Niger** secured financial support to transition from Phase I to Phase II. **Mali** and **Mozambique** added new local governments in climate-vulnerable

Figure 2.1: LoCAL outputs and indicators



regions/provinces, setting the groundwork for intra-regional learning and wider deployment of the LoCAL mechanism across diverse climatic zones.

- In 2020, 595 climate change adaptation interventions were financed across six countries – **Bangladesh, Bhutan, Cambodia, Lesotho, Mozambique** and **Niger** – using the PBCRGs. This brings the number of climate change adaptation interventions delivered by LoCAL since 2014 to 1,686. Approximately 1.01 million direct beneficiaries – including some 512,000 women – benefited from LoCAL investments implemented during 2020. The LoCAL portfolio has reached more than 2.7 million direct beneficiaries and more than 11.5 million indirect beneficiaries since 2014.
- In the wake of a key LoCAL [publication](#) being endorsed by the UNFCCC as supplementary NAP development guidance, LoCAL participated in the 37th and 38th Least Developed Countries Expert Group (LEG) meetings; the objective here was to further position LoCAL as a mechanism to **advance vertical integration as part of LDC's NAP process** and to contribute to the LDC Vision 2050. LoCAL also participated in meetings of the UNFCCC Adaptation Committee and the UNFCCC Standing Committee on Finance, contributing as well to calls for submissions on adaptation needs and gaps, highlighting LoCAL help in addressing such issues. As a result of its engagement with the Adaptation Committee, LoCAL was recognized as tool and method for adaptation and included on the UNFCCC [Adaptation Knowledge Portal](#).
- LoCAL and its member countries have advocated for better recognition of the role of local governments in addressing climate change through **participation in several high-level events** and dissemination of relevant publications. Examples include the UNFCCC Climate Dialogues 2020, at

which UNCDF hosted a side event on the Role of Subnational Governments and Their Communities in Accelerating Locally Led Adaptation: Experience with Country-Based Financing Mechanisms under the NDCs and the NAP Process. And, at the Climate Dialogues' opening event, LoCAL was promoted as a mechanism to support LDCs in scaling up implementation of the UNFCCC and the Paris Agreement by The Gambian Minister for Environment, Climate Change and Natural Resources in a presentation on the LDC 2050 Vision and Initiatives: Synergy with Support Mechanisms for the LDCs under the UNFCCC.

- LoCAL was asked to share inputs and insights in the Development Assistance Committee's (DAC's) preparation of the Organisation for Economic Co-operation and Development (OECD) report, [Strengthening Climate Resilience: Guidance for Governments and Development Co-operation](#). LoCAL shared experiences and recommendations on how to engage development partners and governments seeking to address the subnational and local levels in building climate-resilient communities, and how to pursue the principle of subsidiarity in designing and implementing climate change strategies and programmes. LoCAL's experience in **Ghana** was incorporated into the publication.
- LoCAL is pursuing International Organization for Standardization (**ISO**) **certification** to ensure consistent, standardized and quality assured use and application of the mechanism. A working group has been set up under the ISO technical committee overseeing standards on greenhouse gas management and related activities to support the development of LoCAL into an international standard, ISO 14093. The working group met in October 2020 to analyse and discuss improvements to the ISO proposal. To support this work, UNCDF has established a LoCAL ISO Experts Committee,

composed largely of representatives and experts from national and local governments in **Benin, Bhutan, Cambodia, The Gambia** and **Niger** experienced with LoCAL.

- A new government agency engaged in LoCAL was **accredited with the Green Climate Fund** (GCF) in 2020 with LoCAL support, the **Bhutan** Trust Fund for Environmental Conservation (BT FEC). BT FEC accreditation brings the number of LoCAL-supported institutions gaining direct access to the GCF to three, along with entities in **Benin** and **Cambodia**. LoCAL is extending assistance in this area to four other such entities in **Bhutan, Mali, Niger** and **Tanzania**.
- LoCAL efforts in **supporting countries' direct access to vertical climate funds** extended to a pipeline of approximately \$120 million with concept notes and funding proposals in the development stage with both regional and national direct accredited entities. LoCAL has partnered with the West African Development Bank (BOAD, Banque Ouest Africaine de Développement) and the Pacific Community in the co-development of regional GCF proposals for West Africa and the Pacific, respectively. Other efforts are being undertaken with the National Fund for Environment and Climate (FNEC, Fonds National pour l'Environnement et le Climat) in **Benin** to scale up LoCAL in 30 communes, and with the National Committee for Subnational Democratic Development Secretariat (NCDD-S) in **Cambodia** and the BT FEC in **Bhutan** to consolidate LoCAL Phase III.

LoCAL impact

Participating countries and beneficiaries

LoCAL global expansion 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 304 in 12 countries to date – a 11-fold increase over five years in the number of local government authorities engaged. As of December 2020, LoCAL had an indirect beneficiary population reach of over 11.5 million. Table 2.1 gives the total populations of local governments supported by LoCAL.

During the reporting period, 13 additional countries expressed an interest in participating in LoCAL: **Burkina Faso, Côte d'Ivoire, Fiji, Jamaica, Liberia, Malawi, Pakistan, São Tomé and Príncipe, Senegal, Solomon Islands, Sudan, Uganda** and **Vanuatu**. As of end 2020, LoCAL had engaged with these countries in undertaking scoping/design exercises. Efforts with the respective governments are ongoing to explore patterns of collaboration and financing opportunities. The total number of LoCAL countries as of December 2020 is 27.

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

| Country | Population |
|--------------|-------------------|
| Bangladesh | 1,864,412 |
| Benin | 860,586 |
| Bhutan | 206,288 |
| Cambodia | 3,598,558 |
| Gambia, The | 176,620 |
| Ghana | 1,202,573 |
| Lesotho | 165,590 |
| Mali | 107,541 |
| Mozambique | 1,993,950 |
| Niger | 514,057 |
| Tanzania | 846,281 |
| Tuvalu | 1,642 |
| Total | 11,538,098 |

Note: Lao PDR and Nepal are not included as they are transitioning to Phase II.

The LoCAL projects in these countries are, as noted in [Section 1](#), at different phases of maturity. In 2020, LoCAL supported pilots (Phase I) in seven countries, consolidation (Phase II) in five countries, and scale-up (Phase III) in two countries. The Facility also supported two countries as they transitioned between phases:

- In **Ghana**, UNCDF, in partnership with SNV, a Netherlands NGO, secured funding from the European Union (EU) Emergency Trust Fund for Africa for the Boosting Green Employment and Enterprise Opportunities in Ghana (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 enterprises (SMEs), 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 enable the transition of local economies to green and climate-resilient development. The initiative thereby embeds LoCAL-Ghana Phase II.
- In **Niger**, LoCAL secured funding from the NDC Partnership and the Italian Fund for Migration to implement its Phase II. Through its Climate Action Enhancement Package, the NDC Partnership aims to support countries in fast-tracking NDC implementation; the Italian Fund for Migration seeks to tackle the root causes of irregular migration in countries of origin by building more resilient communities. Using this support, LoCAL brings the total number of target communes to nine in three climate-vulnerable regions of Niger.

Resource mobilization and delivery

Since its inception in 2014, LoCAL has **mobilized** \$99.07 million in direct and parallel funding, with \$14.36 million mobilized in 2020 alone. Parallel

funding over 2014–2020 stands at \$26.06 million, or 26.35 per cent. In 2020, almost half of the resources mobilized (\$6.37 million) were from parallel funding.

Cumulative total **delivery** by LoCAL is \$42.14 million (Table 2.2). In 2020 alone, LoCAL delivered \$14.27 million, of which \$12.99 million (91 per cent) went to participating countries and local governments in the form of grants, capacity building and operational support at the national and subnational levels. About 52 per cent of the 2020 delivery (\$7.35 million) was delivered as direct transfers to LoCAL countries, in the form of PBCRGs and capacity-building and institutional-strengthening grants.

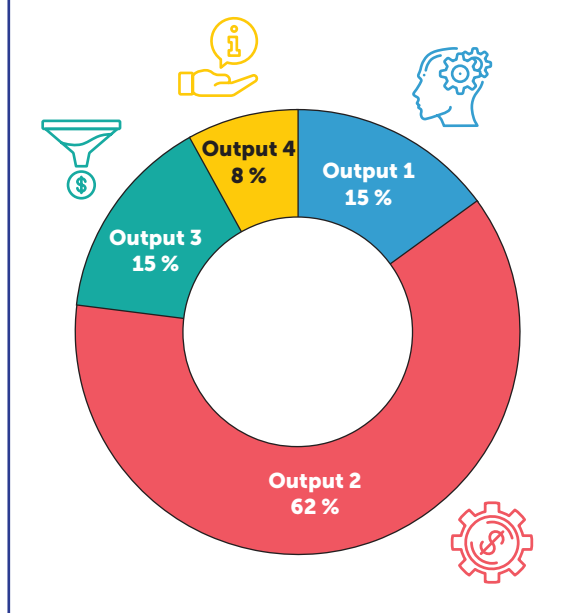
In terms of **delivery by output** in 2020 (Figure 2.2), 62 per cent, or \$8.6 million, was disbursed for Output 2 (mainstreaming and investments); this was primarily for local climate change adaptation investments and climate change adaptation mainstreaming into local public plans. Fifteen per cent, or \$2.1 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 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 \$1.08 million, was disbursed to Output 4 (outreach, learning and quality assurance).

Table 2.3 provides **cumulative totals for LoCAL from all funding sources**. Over the years, the EU has provided support totalling \$41.3 million to global expansion of the LoCAL portfolio and to selected country initiatives through different funding envelopes, including the Global Climate Change Alliance Plus (GCCA+), the EU Trust Fund, the Development Cooperation Instrument

Table 2.2: **LoCAL cumulative delivery 2014–2020**

| Country | 2014–2019 | 2020 | Total |
|-----------------------|-------------------|-------------------|-------------------|
| Bangladesh | 5,054,901 | 2,869,538 | 7,924,440 |
| Benin | 943,483 | 76,725 | 1,020,207 |
| Bhutan | 796,235 | 56,197 | 852,432 |
| Burkina Faso | 0 | 27,422 | 27,422 |
| Cambodia | 2,901,073 | 540,144 | 3,441,218 |
| Chad | 18,200 | 0 | 18,200 |
| Côte d'Ivoire | 20,339 | 20,800 | 41,139 |
| Fiji | 10,398 | 0 | 10,398 |
| The Gambia | 1,960,154 | 2,339,794 | 4,299,947 |
| Ghana | 577,499 | 1,157,065 | 1,734,564 |
| Guinea | 2,456 | 0 | 2,456 |
| Jamaica | 0 | 15,700 | 15,700 |
| Lao PRD | 2,031,931 | 27,475 | 2,059,406 |
| Lesotho | 85,226 | 102,082 | 187,308 |
| Liberia | 0 | 26,119 | 26,119 |
| Mali | 887,546 | 389,044 | 1,276,589 |
| Malawi | 0 | 16,150 | 16,150 |
| Mozambique | 4,179,725 | 3,810,243 | 7,989,968 |
| Nepal | 411,034 | 0 | 411,034 |
| Niger | 783,571 | 908,555 | 1,692,126 |
| Pakistan | 0 | 18,100 | 18,100 |
| Palestine | 0 | 14,450 | 14,450 |
| Peru | 0 | 10,443 | 10,443 |
| Rwanda | 0 | 14,850 | 14,850 |
| São Tomé and Príncipe | 1,422 | 17,920 | 19,343 |
| Senegal | 0 | 15,400 | 15,400 |
| Solomon Islands | 13,739 | 10,200 | 23,939 |
| Tanzania | 177,317 | 45,135 | 222,453 |
| Tuvalu | 564,944 | 170,400 | 735,344 |
| Uganda | 48,231 | 0 | 48,231 |
| Vanuatu | 4,950 | 0 | 4,950 |
| West Africa | 30,948 | 120,348 | 151,296 |
| Pacific | 0 | 28,808 | 28,808 |
| Global Secretariat | 4,871,201 | 540,205 | 5,411,406 |
| GMS (indirect cost) | 1,490,099 | 884,510 | 2,374,609 |
| Total | 27,866,621 | 14,273,822 | 42,140,442 |

Figure 2.2: LoCAL delivery by output, 2020



and the European Development Fund. Swedish International Development Cooperation Agency (Sida) support of LoCAL over the years amounts to over \$31.4 million. The next largest funder over time has been the Government of **Cambodia** with \$12.9 million, including a concessional loan from the International Fund for Agricultural Development (IFAD) under the Agriculture Services Programme for Innovation, Resilience and Extension (ASPIRE). Other large funders are the Government of **Bangladesh**, the United Nations Development Programme–Global Environment Facility, Belgian Cooperation, UNCDF’s own resources and the Korean Ministry of Environment. The remaining funding was provided by various United Nations (UN) entities; LoCAL country governments (**Benin**, **Bhutan** and **Mali**); and the Governments of Andorra, Catalan, Italy and Liechtenstein.

Highlights of resource mobilization and partnership in 2020 include the following:

- In **Bangladesh**, Sida extended its commitment to LoCAL / Local Government Initiative on Climate Change (LoGIC) with a new grant of

Table 2.3: LoCAL global programme funding sources, 2014–2020 (\$)

| Source | Funding |
|--|-------------------|
| Belgian Cooperation ¹ | 1,964,085 |
| Cambodia DMK Fund Investment ³ | 9,021,184 |
| Cambodia Gov’t Investment (IFAD loan) ³ | 3,960,993 |
| Catalan/Mozambique ¹ | 300,000 |
| EU Bangladesh ¹ | 4,400,000 |
| EU Bhutan ³ | 7,000,000 |
| EU The Gambia ¹ | 6,400,000 |
| EU Ghana ¹ | 6,000,000 |
| EU Mozambique ¹ | 4,908,674 |
| EU GCCA+I ² | 4,904,750 |
| EU GCCA+II | 7,750,400 |
| Government of Andorra | 22,213 |
| Government of Bangladesh ³ | 2,773,294 |
| Government of Benin ³ | 410,000 |
| Government of Mali ³ | 755,000 |
| Government of Liechtenstein | 160,000 |
| Italy JPO Programme (in-kind) | 460,000 |
| Italy Ministry of Foreign Affairs | 150,000 |
| Korean Ministry of Environment | 1,000,000 |
| NDC Partnership | 572,080 |
| One UN/Mali | 400,000 |
| Sida/Bangladesh ¹ | 6,172,166 |
| Sida/Booster Fund | 5,260,870 |
| Sida/Cambodia ¹ | 2,288,287 |
| Sida/Last Mile Trust Fund | 937,107 |
| Sida/Mozambique ¹ | 13,800,000 |
| Sida/PFIS ¹ | 3,000,000 |
| UNCDF | 1,689,550 |
| UN Development Programme–GEF ³ | 2,145,000 |
| UN Development Programme Niger | 450,000 |
| UNICEF Joint SDG fund (Ghana) | 15,000 |
| Total | 99,070,654 |

Note: DMK = district/municipality/*khan*; GEF = Global Environment Facility; IFAD = International Fund for Agricultural Development; JPO = Junior Professional Officer; PFIS = Partnerships Framework on Inclusive Growth and Sustainable Development.

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.

approximately \$2 million.¹ This funding will allow the mechanism to continue to operate in 72 districts, providing PBCRGs and dedicated technical assistance and capacity building to national and subnational authorities.

- With EU budget support, the Government of **Bhutan** committed \$7 million to support LoCAL national scale-up, allowing the country to replicate the PBCRG system in 100 of its 205 *gewogs*. For fiscal year 2020/2021, approximately \$1.9 million was allocated as PBCRGs to the 100 *gewogs*.
- In **Cambodia**, LoCAL Phase III was supported through the government's District/Municipality/Khan (DMK) Fund and IFAD, via a concessional loan to the government. This parallel funding allowed Cambodia to continue deploying the PBCRG in 32 districts in 8 provinces. A \$1 million grant from Korea's Ministry of the Environment and K-Water was used to initiate a project on innovative decentralized water solutions to provide safety and resilience for residential water systems. The intervention pilots a small-scale water supply infrastructure and seeks to test sustainable business models to address water resource management and service delivery in rural areas.
- 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 delivered \$450,000 as PBCRGs to nine communes and to co-finance mainstreaming and support activities to the benefit of climate vulnerable and migration prone communities.
- In **São Tomé and Príncipe**, the NDC Partnership provided \$51,563 to finance a nation-wide climate risk assessment that will provide information on the most pressing

climate risks in terms of hazard, exposure and vulnerabilities, while complementing LoCAL design and guiding its potential deployment upon resource mobilization.

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 GCF, budget support and other sources of finance. Highlights of LoCAL efforts in this regard include the following:

- In **Benin**, the FNEC was the first national implementing entity directly engaged in LoCAL accredited by the GCF. Following its accreditation, the FNEC submitted a concept note to the GCF to expand LoCAL to 30 communes over the next five years and is expected to begin work on the full funding proposal in 2021. Similarly, **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. A concept note was submitted to the GCF in late 2020 to this end.
- In **Bhutan**, the BTFEC was nominated as the country's candidate GCF national implementing entity in 2019; it was accredited in early 2020 with UNCDF support. Shortly thereafter, the BTFEC reached out to LoCAL for assistance in leveraging GCF direct access to scale up LoCAL. A concept note will be prepared in 2021. The Bhutan National Bank is also pursuing accreditation to the GCF, and conversations are ongoing to extend support through LoCAL.

¹ LoCAL has been incorporated into Bangladesh's LoGIC, an effort funded largely by Sida and the EU.

- UNCDF is supporting the accreditation efforts of national implementing entities in **Mali** (Agence Nationale d'Investissement des Collectivités Territoriales, ANICT), **Niger** (Agence Nationale de Financement des Collectivités Territoriales, ANFICT) and **Tanzania** (President's Office Regional Administration and Local Government, PO-RALG). All these institutions have long-term relationships with UNCDF and view LoCAL and the PBCRG system as a recognized standard to help them succeed in their accreditation process.
- Regional efforts were pursued in West Africa as **Burkina Faso**, **Côte d'Ivoire**, **Mali** and **Niger** continued to work with LoCAL and BOAD. In April 2020, a regional GCF funding proposal was submitted to mobilize climate finance for the deployment and consolidation of the LoCAL PBCRG system in these countries. Several rounds of review with the GCF took place during 2020, which allowed for fine-tuning of the funding proposal to ensure it meets GCF requirements and standards. The proposal is expected to be brought to the GCF Board before the end of 2021. Similarly, LoCAL is partnering with the Pacific Community to submit a concept note for a multi-country programme benefiting four SIDS – **Fiji**, **Solomon Islands**, **Tuvalu** and **Vanuatu**.

LoCAL is supporting national implementing entities and regional accredited entities in Africa, Asia and the Pacific to directly access GCF funding, for a pipeline of approximately \$120 million. Candidate countries have been exploring how to leverage the GCF Readiness Programme to deploy LoCAL Phase I and prove the concept in view of a subsequent LoCAL scale-up through GCF direct access or other funding sources. This is the case for **Jamaica**, the first LoCAL Caribbean country, which expressed its willingness to undertake LoCAL preparatory work in its readiness envelope for 2021.

Specifically, the Climate Change Division of the Ministry of Housing, Urban Renewal, Environment and Climate Change, Jamaica's GCF national designated authority, in partnership with the Ministry of Local Government and Rural Development and UNCDF, will develop and submit a GCF readiness proposal to activate the LoCAL mechanism in the country, aligned with the NAP process and its NDCs. UNCDF will be the delivery partner for this readiness proposal.

Output 1: Awareness and capacities

Sensitization and capacity building for effective local climate governance

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

In 2020, 1,563 national and local authority officials and community representatives participated in awareness and capacity-building activities on climate change adaptation data usage, planning and budgeting, and investment management with LoCAL support. Of these participants, 516 were women. Highlights include the following:

- In **Bhutan**, a workshop with 27 local government officials was held in January

2020 on Participatory Rural Appraisal for Climate Change Vulnerability Assessment and Adaptation Planning. The workshop was part of a series of trainings conducted since 2015 with public officials, primarily targeting gewog administrative officers and extension agents as well as gewog heads and deputy heads and *dzongkhag* planning officers. To date, more than 350 local government officials have been trained in the use of participatory rural appraisal for localized vulnerability assessments and local adaptation planning.

- In **The Gambia**, 40 multidisciplinary facilitation teams from the Lower River, North Bank and Central River regions were trained in participatory climate risk and vulnerability assessment approaches. The main outcome of this training was the identification of climatic hazards affecting the communities served by LoCAL and the most appropriate adaptation strategies. This paves the way for selection and prioritization of adaptation interventions for annual investment plans.
- In **Ghana**, LoCAL tested community contracting schemes in implementing adaptation investments to involve communities proactively in climate resilience-building activities. To this end, a training workshop was conducted for 53 district assembly representatives on a newly designed cash-for-work scheme under the PBCRGs in December 2020. The training served to sensitize local officials on how communities – particularly vulnerable groups – can be empowered to become change agents on local climate action through their involvement in the realization and management of locally led adaptation investments.
- In **Mozambique**, capacity-building activities included demand-led capacity development interventions to strengthen local officials' ownership over decentralized participatory approaches to planning and budgeting, as well as monitoring and evaluation, procurement and audit of local (climate) expenditures. Officials were also trained on climate change adaptation strategies to support mainstreaming of climate adaptive thinking into their local planning and budgeting cycles. In response to previously assessed needs, capacities were also enhanced on conducting environmental impact assessments of PBCRG-financed investments and gender equality issues. Overall, 815 people benefited from capacity-building support across 17 local governments in 2020.
- In **Niger**, 39 representatives from deconcentrated services and local government officials of nine communes were trained on the Assessing Climate Change Adaptation Framework (ACCAF). The training aimed to explain how to effectively use the ACCAF methodology and tools to guide mainstreaming of adaptation considerations along the PBCRG deployment cycle and to support local governments in tracking and monitoring adaptation benefits within their communities.

In 2020, LoCAL delivered \$2.6 million in capacity-building and institutional-strengthening grants to nine countries: **Bangladesh, Cambodia, The Gambia, Ghana, Lesotho, Mali, Mozambique, Niger** and **Tuvalu**. Cumulative grants for this purpose awarded between 2014 and 2020 total \$4.03 million. Capacity-building support has covered public financial management, adaptation budgeting and planning, adaptation monitoring and evaluation, and gender mainstreaming and has been pivotal in helping local governments meet minimum conditions and improve their performance under the PBCRG system. To date, 252 local authorities (87 per cent of the local governments actively using the PBCRG system) have met the minimum conditions without the need of corrective measures.

Delivering climate data and services

Especially at the local level and in LDCs, science-based evidence of climate change risks to support risk-informed planning is often lacking, and access to climate information can be a challenge. In response, LoCAL has established technical partnerships to design and develop tailor-made, country-based methodologies and systems to support the collection and analysis of climate data for local-level decision-making.

- With financial support from the NDC Partnership, a country climate risk assessment was undertaken in **Niger**, building on a methodology developed by LoCAL with the Korean Environment Institute that produced the first report of this kind in **Ghana** last year. The Niger climate risk assessment consists of (i) a climate downscaling of past and future climate projections at a lower resolution than data available from most climate models; and (ii) a risk and vulnerability analysis exploring climate stressors and the vulnerability causality chain, trends and main drivers, specifically focusing on food security as this is a priority concern in Niger. The study provides a useful starting point for climate risk-informed local development planning. It identifies and maps climate risk, exposure and vulnerability hotspots at the commune level and helps in prioritizing climate change adaptation actions and investments based on quantified and scientifically based analysis. Similar exercises are currently ongoing in **Mali, São Tomé and Príncipe** and **Uganda**.
- To further equip local governments to account for climate change risks and plan adequate responses, while making climate data more accessible, LoCAL-**Ghana** has launched an initiative to set up and roll out a Local Information System for Adaptation (LISA). The LISA will be deployed through a web-based application to provide climate

information services to local governments and their communities so as to help them better anticipate, assess and adapt to climate change. The LISA's key components are (i) a mechanism to collect climate, weather, socioeconomic and environmental data on a daily basis, (ii) a storage, control and processing facility for collected data; and (iii) a data exploitation, analysis and information dissemination interface, leveraging various channels for dissemination. Similar work is ongoing in **The Gambia** in partnership with the Centre de Suivi Ecologique.

The LoCAL-supported combination of tailored technical assistance to produce and make quality science-based climate data and information readily available, together with the scale-up of more qualitative approaches to vulnerability analysis (such as those deployed in **Bhutan** and **Cambodia** through vulnerability reduction assessments) is bridging the data gap issue at the local level. Capacity-building support and learning-by-doing in managing these tools and using them for local adaptation planning are further progressively bridging the capacity gap. In 2020, 282 local governments engaged with LoCAL were found to regularly collect, update and analyse climate change information. LoCAL is continually seeking to improve the quality and effectiveness of that work.

Output 2: Mainstreaming and investments

Integration of climate change adaptation into local planning and budgeting processes

Climate change adaptation mainstreaming into local development plans is aimed at enhancing subnational programming of resources towards more resilient and sustainable development

pathways and strategies. During the reporting period, 293 local governments succeeded in integrating climate change considerations into their local planning and budgeting processes. In **Bangladesh**, 72 union *parishads* mainstreamed climate change adaptation in their annual and five-year plans; as did 9 local governments in **Benin**; 100 in **Bhutan**; 50 districts in **Cambodia**; 20 wards in four regions in **The Gambia**; 9 metropolitan, municipal and district assemblies in **Ghana**; 4 communes in **Mali**'s Mopti and Kayes regions; 17 districts in 4 provinces in **Mozambique**; 9 communes in **Niger**; and 3 *kaupules* in **Tuvalu** (Table 2.4).

Adaptation and resilience interventions and measures

In 2020, LoCAL financed 595 climate change adaptation interventions across six countries – **Bangladesh**, **Bhutan**, **Cambodia**, **Lesotho**, **Mozambique** and **Niger** – for a total value of approximately \$11.25 million – including \$6.72 million in co-financing from either national and/or local governments' own resources or parallel programmes. This brought the cumulative total of small-scale climate-resilient interventions financed by LoCAL since 2014 to 1,686.

In 2020, approximately 1.01 million people were reported as directly benefiting from PBCRG-financed investments in target local governments.² Expected adaptation benefits primarily fall under four categories of likely impact:

- Some 237,500 people are expected to have increased access to climate-resilient water, sanitation and hygiene (WASH) infrastructure

and services, mostly due to the construction/rehabilitation of water supply, distribution and storage facilities.

- Some 100,460 people are expected to benefit from the adoption of diversified, climate-resilient livelihood options, especially in terms of climate-adapted agricultural practices – including smart irrigation technologies – and valorization of alternative income-generating activities.
- Climate proofing was undertaken for 230 local infrastructure items, mostly transport infrastructure such as rural roads and bridges, but also social infrastructure such as schools, hospitals and shelters.
- Some 38,500 people have increased their awareness on appropriate responses to relevant climate risks and impacts.

In 2020, 70 per cent of PBCRG-financed interventions were infrastructure investments. Provision of equipment made up 20 per cent of the LoCAL portfolio, and the remaining 10 per cent was dedicated to capacity-building and awareness-raising activities. By sector, almost 60 per cent of 2020 interventions focused on agriculture and WASH interventions, followed by investments in transport infrastructure (16 per cent) and disaster prevention and preparedness (10 per cent). The majority of LoCAL investments are undertaken in mountainous and coastal areas (**Bhutan** and **Bangladesh**), followed by cultivated land (**Cambodia**), inland water (**Bangladesh**) and drylands areas (**Mozambique** and **Niger**).

More than 50 per cent of the 595 interventions financed in 2020 were classified as climate smart, as defined by the ACCAF methodology. These are interventions aimed at development goals, but whose actions need to be modified, changed or adjusted to account for climate change – e.g. climate proofing of critical infrastructure. Another 30 per cent of interventions were classified as

² As reported by local governments implementing PBCRG investments in 2020; this excludes Cambodia as figures were provided in terms of households rather than individuals. Note that these numbers are estimates based on local governments' own assessment of the numbers of individuals directly benefiting from financed interventions based on the scope, location and type of the investment.

Table 2.4: **Engagement of local governments in LoCAL as of end 2020**

| Country | Implementing partner | Level | Number participating | Number using PBCRG |
|--------------|---|-----------------------------|----------------------|--------------------|
| Bangladesh | Local Government Division, Ministry of Local Government, Rural Development and Cooperatives | Upazila/parishad | 72 | 72 |
| Benin | Ministry of Environment and Climate Change | Commune | 9 | 9 |
| Bhutan | Gross National Happiness Commission and Department of Local Governance | Dzongkhag/gewog | 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 | 20 |
| Ghana | Ministry of Local Government and Rural Development/District Development Facility | MMDA | 13 | 9 |
| Lesotho | Ministry of Finance | Community council | 4 | 4 |
| Mali | ANICT Environment and Sustainable Development Agency (AEDD) | Commune | 4 | 4 |
| Mozambique | Ministry of Economy and Finance, Ministry of Land, Environment and Rural Development | District | 17 | 17 |
| 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 | 9 |
| Tanzania | President's Office Regional Administration and Local Government (PO-RALG) | District | 3 | 0 |
| Tuvalu | Ministry of Home Affairs and Rural Development; Ministry of Local Government and Agriculture | Kaupule | 3 | 3 |
| Total | | | 304 | 297 |

Note: MMDA = metropolitan, municipal and district assembly. Lao PDR and Nepal are not included, as they are transitioning to Phase II. The number of local governments using PBCRGs is calculated based on the Memorandums of Understanding signed with member LoCAL countries between 2019 and 2020 for deployment of the PBCRG. Local governments included in this indicator were at different stages of deployment in their PBCRG cycles (planning, implementation or closure) as of December 2020. Local governments deploying the PBCRG through parallel resources are also retained.

climate strategic – actions or interventions that are not particularly distinct from development business as usual, but that may be of greater priority because of climate change – and 6 per cent are classified as climate specific – interventions focused specifically and almost exclusively on addressing impacts of climate change and that would be largely irrelevant or unnecessary without climate change.

Snapshots of PBCRG portfolios in member countries for 2020 follow.

- In **Bangladesh**, 261 interventions were financed for \$2.02 million. More than half of the 72 *upazilas* and parishads deploying PBCRGs are in coastal areas, and interventions focused on supporting climate-resilient livelihood options – especially related to fisheries and climate-adapted agriculture, such as demonstration plots for saline-resistant crops/seeds – and on providing access to drinkable water through climate-resilient water infrastructure able to withstand salinity intrusion.

- In **Bhutan**, approximately 87 per cent of investments targeted infrastructure projects in the water and sanitation, transport and storage, and agriculture sectors. The climate proofing of critical infrastructure mostly entailed stabilization structures and proper drainage systems for rural roads to withstand erosion and landslide risks, rehabilitation/conservation of water points and water supply, distribution and storage facilities to prevent their drying up and deterioration, and improvement of local (earthen) irrigation systems. Investments were financed through EU budget support to the Government of Bhutan in an amount equivalent to \$1.9 million and directly benefiting approximately 60,000 people.
- In **Cambodia**, PBCRG scale-up is being implemented in partnership with IFAD's ASPIRE, which financed 105 small-scale climate-resilient water-related infrastructure projects for a total value of approximately \$4.3 million. Of this, almost \$3 million was co-financed by the government's own resources.
- In **Lesotho**, the first PBCRG cycle financed the climate proofing of 10 water-related infrastructure projects in four pilot local governments. These provided access to clean water, especially in periods of prolonged drought and to address the drying up of water springs, to more than 1,800 people.
- In **Mozambique**, PBCRGs were mostly devoted to social infrastructure, specifically schools and hospitals, by rehabilitating/ climate proofing existing ones and building new facilities to improve access to basic social services for climate-vulnerable groups (i.e. women and children) in the midst of the COVID-19 pandemic. To preserve public health despite climate change and pandemic threats, most of the districts identified realization of multifunctional water supply systems as a priority intervention to ensure reliable access to potable water and promote

personal hygiene. In 2020, 39 investments were undertaken in 17 districts for a portfolio amount of \$2.47 million.

- Approximately 40 per cent of **Niger's** portfolio was devoted to land restoration initiatives to combat desertification and erosion through cash-for-work schemes. Some 380 hectares of degraded land were restored and some 8,000 short-term jobs created. Climate resilience of rural livelihoods was addressed through support to diversified income-generating opportunities for women, including market gardening and provision of livestock, as well as food supply to communal cereal banks for the most vulnerable communes. Overall, 23 interventions were undertaken in nine communes for approximately \$430,000.

Gender and the participation of vulnerable groups

LoCAL is by design a gender-sensitive and inclusive approach to climate change adaptation, as it brings the planning and budgeting process for climate change adaptation closer to the communities – especially those who are disproportionately affected by climate change effects. While the specific criteria for the PBCRG system vary from one country to another, most designs include specific **gender-sensitive performance measures** to hold local governments accountable for the inclusiveness of their local decision-making processes. Overall, PBCRG investments are reported to benefit women and men equally, as approximately 50 per cent of both direct and indirect beneficiaries are women. In 2020, roughly 9 per cent of investments were reported to specifically target women, for which women accounted for more than two-thirds of the direct beneficiaries. Examples of how LoCAL promotes inclusiveness across the PBCRG cycle follow.

- In **The Gambia**, community-based governance is strengthened and supported through

assistance to village and ward development committees. Both of these sets of committees are composed of community members who provide oversight of ward planning, implementation and monitoring functions. The community is also systematically involved in the realization of PBCRG-funded adaptation and resilience-building interventions through cash-for-work schemes, which set quotas for the participation of vulnerable groups, especially women and youth.

- In **Mali**, LoCAL partners with the United Nations Industrial Development Organization in a UN-funded peacebuilding initiative aimed at mitigating the risks of inter-communal conflicts over the use and management of scarce natural resources. LoCAL has been leveraging its experience in working with local governments to support formalization of community-based governance and concertation mechanisms to deal with issues related to natural resource management, while promoting participatory local planning processes for the realization of locally led investments that factor in climate change and environmental risks.
- Similarly, in **Mozambique**, the decentralized technical assistance provided by local-level economy, finance and environmental authorities in four provinces have ensured the participation of local communities through local consultative councils. These councils are dedicated platforms where men and women from the communities can interact with local government officials in processes related to planning and budgeting. The country's annual performance assessments confirmed that these platforms included the requisite ratio of female members.



Output 3: Financing mechanism

PBCRG institutionalization

As of December 2020, 304 local governments were engaged with LoCAL ([Table 2.4](#)), with the largest numbers in **Bhutan**, **Bangladesh** and **Cambodia** as these countries graduated to Phase II (Bangladesh) and Phase III (Cambodia and Bhutan). Of these local authorities, 289, or 95 per cent, have been deploying the PBCRG system over the past two years (2019–2020).³ Evidence of progressive institutionalization of the mechanism from member countries in 2020 follows.

- In **Bangladesh**, experience with LoCAL is serving to advance the country's commitment to decentralized climate finance, as discussions are ongoing to include climate vulnerability considerations in the inter-governmental transfer allocation formula for local governments. LoCAL/LoGIC is supporting the development of a climate vulnerability index that will include all union parishads in the country and that will guide the Local Government Division of the Ministry of Local Government, Rural Development and Co-operatives to revise the criteria for the allocation formula to account for climate change impacts at the local level.
- In **Bhutan**, the PBCRG system has been extended to 100 gewogs (out of 205) in 16 dzongkhags (out of 20) in the country

³ The number of local governments using PBCRGs is calculated based on the Memorandums of Understanding signed with member LoCAL countries between 2019 and 2020 for deployment of the PBCRG. Local governments included in this indicator were at different stages of deployment in their PBCRG cycles (planning, implementation or closure) as of December 2020. Local governments deploying the PBCRG through parallel resources are also retained.

through budgetary support from the EU, as part of the Local Governance Sustainable Development Programme, which strategically aligns to Bhutan's 11th and 12th Five-Year National Development Plans. In **Cambodia**, both government (through the DMK Fund) and IFAD resources (through a concessional loan) are channelled through the PBCRGs to incentivize and ensure programming and verification of local spending on climate-resilient infrastructure. Overall, almost \$20 million in parallel funding was leveraged in these two countries in LoCAL scale-up since 2014.

- In **Ghana**, LoCAL's in-country experience and advocacy for subnational adaptation was attested to by the establishment of a Climate Change Desk at the Ministry of Local Government and Rural Development to further support the mainstreaming of climate change adaptation in district assemblies' mandates. Furthermore, as LoCAL consolidated in Phase II, stronger alignment was sought to integrate the PBCRG performance assessment system with the national District Assemblies' Performance Assessment Tool (DPAT); this paves the way for more systematic institutionalization of the LoCAL mechanism into the District Assemblies Common Fund Responsiveness Factor Grant. This approach led to the inclusion of climate-related indicators in the country's performance-based grant system of the decentralization sector as well as of climate change considerations in the forthcoming National Decentralization Policy and National Decentralization Strategy (2020–2024).
- In **The Gambia**, high-ranking representatives from the Ministry of Environment, Climate Change and Natural Resources and the Ministry of Lands and Regional Governments played a leading role in promoting LoCAL and the PBCRG system with policymakers, leaders and donors. They highlighted it as a successful

instrument for decentralized climate finance and resilience building at the local level on relevant international platforms (e.g. the UNFCCC Climate Dialogues) and bilaterally with LDC leaders. Moreover, the Minister for Environment, Climate Change and Natural Resources volunteered to join a network of highly engaged LoCAL Ambassadors to support global advocacy efforts.

In 2020, \$4.36 million for PBCRG deployment was delivered by LoCAL through Memorandums of Understanding to participating local governments in eight countries to support LoCAL scale-up – **Bangladesh, Mozambique, Ghana, The Gambia, Lesotho, Mali, Niger** and **Tuvalu**.

Unlocking domestic private finance for local climate resilience

LoCAL has been testing approaches to unlock private climate finance, matching the PBCRG system with other financing instruments that may contribute to capital formation for investments in adaptation at the local level.

In **The Gambia**, LoCAL identified climate-resilient SME-sponsored projects that yield socioeconomic opportunities in the green economy and climate-sensitive sectors. Projects were assessed against a Climate Resilience Impact Key, ensuring evidence-based investment decisions that account for climate change risks and opportunities. The first two SMEs selected were subsequently supported in de-risking their investments in order to access additional funding from commercial banks. Both projects supported agro-processing companies that were seeking working capital to expand their operations – and, in doing so, create job opportunities in their communities, especially for women and youth.

In **Cambodia**, UNCDF partnered with K-Water and, through a \$1 million grant from Korea's Ministry of the Environment, initiated a pilot

project to address the issue of water scarcity in rural areas. The project is piloting the realization of a small-scale water supply infrastructure in Battambang Province through a public-private partnership that will provide for a sustainable business model to ensure water service delivery in rural districts. The pilot project is expected to prove the concept for a potential scale-up of similar initiatives country-wide, while informing LoCAL on how the PBCRG could be used to leverage public-private partnerships and/or private finance for local adaptation projects with the potential to generate revenues.

In **Peru**, the NDC Partnership provided \$40,000 for LoCAL to develop innovative financial schemes and flexible platforms for crowding in investors and donors. The funding will be used to design a guarantee fund scheme that encourages the private sector to become involved in adaptation and mitigation measures in the country.

In the framework of the partnership established with the African Development Bank to pilot and operationalize the [Adaptation Benefits Mechanism \(ABM\)](#), seed capital, including PBCRGs, will be deployed to set up demonstration projects to prove the concept for transformative impact financing approaches at the local level, led by SMEs, local governments and other local stakeholders. The initiative promotes locally born pipelines of investable projects and public investments with an impact on local climate resilience as well as job creation, women's economic empowerment and food security. The ABM envisages the realization of at least 10 replicable small-scale, high-impact adaptation demonstration projects in vulnerable communities in at least six African LDCs; these would likely be catalytic in attracting private capital for replication at a larger scale. LoCAL will leverage the PBCRG system, combined with other de-risking financing instruments, for 8 of the 10 ABM demonstration projects in five of the

six host countries: **Benin, Mozambique, Rwanda, Senegal** and **Uganda**.

As LoCAL and BOAD are partnering for the co-development of a multi-country GCF funding proposal, the initiative seeks to deploy innovative financing instruments in West Africa to build more resilient local economies and communities by providing access to climate finance to a wide range of local actors, especially local governments, SMEs and cooperatives. The PBCRGs are expected to be jointly deployed with SME finance funds in **Burkina Faso, Côte d'Ivoire, Mali** and **Niger** to scale up local impacts on climate resilience and explore approaches to empower local stakeholders to act for effective adaptation.

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 technical assistance provision, monitoring and reporting, quality assurance and oversight, resource mobilization, and evaluation and audits.

Outreach

In 2020, several high-level initiatives were undertaken 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.

- In 2020, LoCAL pursued its close engagement with the UNFCCC and its constituted bodies. As an active member of the **LEG/**

NAP Thematic Working Group, LoCAL participated in the 37th LEG Stocktaking Meeting held in Antananarivo, Madagascar in February 2020. The meeting sought to identify experiences, good practices and lessons learned from the LEG's work; to discuss opportunities, challenges and gaps related to this work; and to identify good practices in LEG delivery of support. In August 2020, LoCAL attended the 38th LEG Meeting, where it was further positioned as a mechanism to advance vertical integration as part of LDCs' NAP process and to contribute to the [LDC 2050 Vision](#).

- LoCAL participated in meetings of the **UNFCCC Adaptation Committee and the UNFCCC Standing Committee on Finance**, contributing as well to calls for submissions on adaptation needs and gaps, highlighting how LoCAL can help in addressing such issues. Specifically, LoCAL shared views on the following agenda items/sub-items of the 17th session of the Adaptation Committee: (i) methodologies for assessing adaptation needs; (ii) guidance to the parties on means of implementation: engagement with the private sector and capacity gaps in accessing adaptation funding; and (iii) data for short-, medium- and long-term adaptation planning at the national and subnational levels, including data, financial flows and others.

LoCAL also responded to the **call for submissions** by the Adaptation Committee and LEG on Methodologies for Reviewing the Adequacy and Effectiveness of Adaptation and Support. This submission was endorsed by the UNFCCC as a tool for multi-sectoral adaptation planning and financing and was made available on its [Adaptation Knowledge Portal](#). LoCAL welcomed the opportunity to provide its inputs to the committee's call for evidence on information and data for the preparation of the 2020 Biennial Assessment and Overview of Climate Finance Flows and

the call for evidence for information and data for the preparation of the 2020 report on the determination of the needs of developing country parties related to implementing the UNFCCC and the Paris Agreement. LoCAL also shared its inputs for the next Standing Committee on Finance Forum to be held in 2021, where the PBCRG system was proposed as a financial instrument to implement nature-based solutions – which will constitute the forum's main theme.

- The mechanism was featured and promoted as a best practice on subnational adaptation finance and locally led adaptation in several international forums. LoCAL actively engaged in the **UNFCCC Climate Dialogues 2020** held in December 2020. Specifically, UNCDF hosted a side event on the Role of Subnational Governments and Their Communities in Accelerating Locally Led Adaptation: Experience with Country-Based Financing Mechanisms under the NDCs and the NAP Process. At the Climate Dialogues' opening event, LoCAL was featured in a presentation made by **The Gambian Minister for Environment, Climate Change and Natural Resources** on the LDC 2050 Vision and Initiatives: Synergy with Support Mechanisms for the LDCs under the UNFCCC.
- UNCDF participated in the **East African Community / UNFCCC Inception Workshop of the Needs-Based Finance Project for East Africa**, which took place in February 2020 in Zanzibar. The workshop provided an opportunity 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, a pipeline of priority investment needs and how to mobilize support for these.
- Between October and November 2020, LoCAL joined a series of **virtual webinars hosted by ICLEI Africa**, as the Facility looks at

opportunities to expand to urban contexts. On the occasion of the ICLEI – Local Governments for Sustainability [ICLEI's Africa's LoCS4Africa 2020 Virtual Congress](#), LoCAL facilitated the session All Together Now: Mobilizing Public Finance for Integrated Infrastructure Solutions. The session advocated for financing mechanisms that drive a shift from project-based, champion-led approaches towards more programmatic, long-term processes, slowly adding and reinforcing cross-sectoral integration. As part of the same webinar series, LoCAL sat on a high-level panel with city leaders and climate finance experts on [Adaptation Finance: A Core Component of Post-COVID-19 Economic Recovery](#), offering perspectives on subnational climate finance opportunities for African cities in the post-pandemic era. In November 2020, LoCAL joined a jury of climate finance experts at the [Test Your Pitch](#) event during the Daring Cities Conference. At the event, funders and project developers met, discussed and tested ideas on municipal bankable climate-related projects.

- In October 2020, LoCAL was invited by the **Global Covenant of Mayors for Climate and Energy** to participate in 'deep dive' sessions aimed at receiving recommendations, input and regional perspectives from practitioners and experts on the climate data ecosystem for cities. This is part of the Global Covenant of Mayors' efforts to better understand the city climate action planning journey, while accelerating their planning process and eliminating barriers to climate-related data collection, planning and monitoring. These sessions informed the development of a new data access tool – the [Data Portal for Cities](#) – co-developed by the Global Covenant of Mayors and the World Resources Institute (WRI).
- As part of its global advocacy efforts and standard setting, LoCAL participated in stakeholder consultations led by the International Institute for Environment and Development (IIED). The effort aimed at the endorsement by 40 governments and leading institutions of the [Principles of Locally Led Adaptation](#) – eight principles to help ensure that local communities are empowered to lead sustainable and effective adaptation to climate change at the local level in line with the ambitions of LDC Vision 2050. UNCDF and partners will formally endorse the principles at the [Climate Adaptation Summit](#) in January 2021.
- LoCAL is featured as one of eight global climate financiers in the IIED's working paper [Good Climate Finance Guide: Lessons for Strengthening Devolved Climate Finance](#), published in November 2020. IIED looks at funds and financing approaches delivering devolved climate finance across six good climate finance principles – subsidiarity, robust to climate risk, patient and predictable, flexible, risk taking, and converged. The paper highlights LoCAL's work in Bhutan as a case study in institutionalising standard country-based mechanisms.
- LoCAL joined the DAC Network on Environment and Development Co-operation (ENVIRONET), and was approached early in 2020 to share inputs and insights in preparation of the report [Strengthening Climate Resilience: Guidance for Governments and Development Co-operation](#). LoCAL shared experiences and recommendations on how to engage development partners and governments looking to address the subnational and local levels in building climate-resilient communities, and how to pursue the principle of subsidiarity in designing and implementing climate change strategies and programmes.
- UNCDF shared inputs and insights from its extensive experience in subnational adaptation finance and action with partner

institutions from the climate and development finance space, including:

- The African Development Bank, with regard to its publication of [Guidelines on the Development of an Adaptation Benefits Mechanism Methodology](#)
- The Covenant of Mayors in Sub-Saharan Africa, which featured LoCAL experience in its [Finance Roadmaps for Climate Projects](#) study
- Public Expenditure and Financial Accountability (PEFA), as UNCDF offered its expertise on performance-based grant systems for climate-resilience building for the publication [Climate Responsive Public Financial Management Framework](#)
- LoCAL participated in GCF-led consultations on [enhancing direct access \(EDA\) guidelines](#). LoCAL served as a panellist in two WRI-GCF-organized webinars, which resulted in the inclusion of local governments in the new EDA guidelines. As part of its engagement with climate vertical funds to facilitate direct access for member countries through the LoCAL mechanism, UNCDF – through the Facility – was granted observer status on the Adaptation Fund Board.
- As part of its ongoing dialogue with the EU and building on the **Bhutan** experience, LoCAL organized a brainstorming session with EU counterparts on [Localising the SDGs and the Paris Agreement](#). The session brought together EU and UNCDF staff from a range of geographies and expertises, spanning specializations in climate change, local authorities and budget support.
- LoCAL engaged with EU Member State and partner initiatives including the 5th and 6th Agence Française de Développement [Adapt'Action](#) committee; 8th Union for the Mediterranean Climate Change Expert Group meeting on climate finance, and the

EU Clima-Med Steering Committee meeting, among others.

ISO certification

The ISO is an internationally recognized authority that publishes globally recognized guidelines and frameworks based on international collaboration. These standards are built around consensus and are essential tools for helping governments, industry and consumers contribute to the achievement of the SDGs. Based on a Board decision, UNCDF initiated the process for developing LoCAL into an international standard. This not only supports LoCAL's institutionalization as a global country-based mechanism for local climate finance but will increase donor confidence – and thereby further increase the amount of finance available to local governments. ISO certification will further recognition of LoCAL as an international tool for vertical integration and support for NAPs and NDCs, while ensuring consistency across the countries that are adopting the standard.

Following the UNCDF application, ballot ISO 14093, which builds on LoCAL, was approved by the ISO Technical Committee on Environmental Management. A working group (WG 16) has been set up within this ISO technical committee. The working group is comprised of experts from national standards bodies with experience with local climate change adaptation. At the group's first meeting in October 2020, members analysed and discussed improvements to the ISO proposal. Another round of working group consultations and review meetings are planned during the course of 2021 to further discuss the ISO proposal, and will include the participation of the UNFCCC and vertical fund representatives.

To support this work, UNCDF has established the LoCAL ISO Experts Committee, which will participate in the standards development process through UNCDF and be part of the working group. The committee is composed mostly of representatives and experts from national and

local governments familiar with LoCAL, currently drawn from **Bhutan, Benin, Cambodia, The Gambia** and **Niger**.

Figure 2.4 shows the steps needed for a new standard proposal to be developed into an ISO. The development speed depends on the number of working group meetings, the level of participation within the working group, etc. and may take up to 48 months. The LoCAL ISO 14093 proposal is currently at step 4.

LoCAL Board

Due to the COVID-19 pandemic, the 7th annual LoCAL Global Programme Board Meeting was held virtually in May 2020. The meeting registered 153 participants, including ministers and representatives from 24 member and candidate member countries of the LoCAL mechanism – **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, Tuvalu, Tanzania** and **Uganda**. Also in attendance were high-ranking representatives of LoCAL institutional partners, including the Director for Planet and Prosperity of the European Commission's Directorate-General for International Cooperation and Development, the Head of the Unit for Global Cooperation on Environment at Sida, the Director of the GCF's

Country Programming Division, as well as colleagues from the UNFCCC.

Observers included representatives from the Agence Française de Développement, Cities Alliance, Enabel, ICLEI, LuxDevelopment, the African Development Bank, the Asian Development Bank, the Belgian Diplomatic Office in Maputo, the Catalanian Cooperation, the Covenant of Mayors for Latin America, the Global Covenant of Mayors Secretariat, the Government of Austria, the Government of Italy, the Government of Switzerland, IFAD, the Korean 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 WRI and the Munich Climate Insurance Initiative of the UN University Institute for Environment and Human Security. LoCAL welcomed their participation and invites them to the next Board meeting.

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

Figure 2.4: **Steps in the ISO Standard development process**



In alignment 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. It was suggested to explore options with the GCF to fast track concept notes and project proposals that would meet the LoCAL standard and facilitate direct access to the GCF across the three LoCAL phases, including modalities of formal recognition of the LoCAL mechanism. Partner countries are encouraged to adhere to the LoCAL standard as much as possible when moving to country-wide roll-out through parallel sources of funding.

Finally, the Board established a group of LoCAL Ambassadors, comprised of ministers from LoCAL member countries, to take on a lead role in supporting implementation of the 2020 Board decision and advocate for the LoCAL mechanism. Ministers from **Benin, The Gambia, Mozambique** and **Niger** expressed their willingness to serve as 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. Highlights include the following:

- Fourteen country webpages with LoCAL highlights in member countries have been shared through the [LoCAL website](#). Online communication and knowledge materials are made available and easily accessible to appreciate LoCAL outreach and impacts, including the new LoCAL brochure, LoCAL promotional video and Facility infographics. The LoCAL website recorded 2,966 hits in 2020, a 210 per cent increase with respect to previous years.

- In 2020, over 25 **knowledge products**, including articles and success stories from the field, brochures and promotional videos, have been produced and disseminated through the LoCAL and UNCDF websites as well as via country platforms. For example, **Mali's** Environment and Sustainable Development Agency September 2020 magazine *Notre Environnement* featured LoCAL, as did periodic articles on EU's [capacity4dev.eu](#) platform. LoCAL experience was also referenced on partners' websites – for instance, best practices from LoCAL-**Bangladesh** were highlighted in an article published on the NDC Partnership [website](#), while resources on the Facility are shared on the [UN LDC Portal](#) and the GCCA+ [website](#).

- The LoCAL Twitter account, [@UNCDFLoCAL](#), grew to 1,413 followers by the end of 2020 – a 19.9 per cent rise in followers over 2019. In 2020, LoCAL published 331 tweets, an increase of 185 per cent on the previous year. The [LoCAL-UNCDF YouTube channel](#) recorded 350 subscribers as of this writing, and the LoCAL promotional video registered more than 50,000 views. 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 entered into a strategic partnership with the **UN Institute for Training and Research** to develop a course module/curriculum on 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 elements, and the steps to take to be able to effectively participate in

the mechanism. As part of this partnership, an e-tutorial was released late in 2020 to provide an online learning platform for LoCAL practitioners, facilitating the consolidation and scaling up of LoCAL in country and globally. The [e-tutorial](#) is live on the UNCC e-Learn platform.

- Important partnerships were enhanced to advance cooperation in strategic areas such as adaptation monitoring and impact evaluation with the **WRI**. In 2020, LoCAL started the gradual roll-out of the ACCAF methodology in member countries. Virtual capacity-building sessions were held with UNCDF country staff to ensure ownership of the tools and enable them to train local government staff on LoCAL use along the local planning and project management cycle process as PBCRGs are deployed. WRI and UNCDF continued to collaborate on the refinement of the ACCAF tools and to ensure overall alignment of LoCAL country designs with ACCAF building blocks. Collaborations with the WRI were also pursued to undertake research evaluations in LoCAL mature and semi-mature countries to assess the likely impact of the mechanism on local adaptation benefits and on shaping the ecosystems for improved climate finance leverage potential. **Bhutan** was the first country to start this exercise in 2020.
- Building on an existing collaboration with the **Korean Environment Institute**, LoCAL has expanded its network of specialized experts and institutions for undertaking robust climate risk assessments in line with Intergovernmental Panel on Climate Change (IPCC) guidelines through climate downscaling modelling and climate risk mapping to support local decision-making on adaptation investments. Climate risk assessments are ongoing in **Mali, Niger, São Tomé and Príncipe** and **Uganda**, with others to follow. LoCAL has also engaged in conversations with other technical partners (e.g. AGRHYMET and the Deutsche Gesellschaft für Internationale Zusammenarbeit – GIZ) to maximize efforts in producing and making accessible high-quality, science-based climate evidence at the local level. LoCAL also entered into a collaboration with the **Centre de Suivi Ecologique** to pursue these efforts in **The Gambia**.
- At the end of 2020, LoCAL was engaged in discussions to collaborate with the **Nairobi work programme under the UNFCCC**. A possible collaboration was identified with the **UN Climate Change and Universities Partnership Programme** to explore opportunities to bridge adaptation knowledge gaps to implement activities in SIDS and LDCs in line with LoCAL. This may entail graduate students and universities working with LoCAL to undertake climate risk and vulnerability assessments for subnational adaptation, producing knowledge products about specific thematic areas that could be useful to the participating local governments and communities in LoCAL countries (e.g. ecosystem-based adaptation / nature-based solutions, water resource management, climate-smart agriculture); or through deployment as UN Volunteers to accompany local governments and communities in strengthening capacities for collecting, analysing and contextualizing climate data, mainstreaming, participatory adaptation planning and programming.
- UNCDF established a partnership with the **African Development Bank** to pilot and operationalize the ABM and make it available for broader use. The ABM is an innovative cooperative non-market approach for mobilizing public and private sector finance for enhanced results-based adaptation action by introducing a new asset – certified adaptation benefits. ABM is expected to de-risk loans and incentivize

investments in adaptation, while engaging new actors in adaptation action and finance. It is intended to assist developing countries in implementing their NDCs, in particular the adaptation component requiring international support. It has the potential of helping speed up the transformation of the host countries to low-emission, climate-resilient and sustainable development. With GCF funding, the ABM initiative envisages realizing at least 10 replicable small-scale high-impact adaptation demonstration projects in vulnerable communities in six African LDCs. UNCDF will serve as leading executing entity responsible for implementation of 8 of the 10 ABM demonstration projects and programme activities in five of the six host countries: **Benin, Mozambique, Senegal, Rwanda and Uganda.**

- Since LoCAL partnered with the NDC Partnership and the UNFCCC, the Facility has been supporting countries in enhancing their NDC ambitions and implementation through the subnational level. In 2020, LoCAL extended support to **Côte d'Ivoire** on the revision process of its NDC, specifically on the issue of decentralization and vertical integration. The LoCAL Secretariat has been working closely with the NDC Partnership and member countries to ensure that LoCAL fruitfully contributes to NDC Partnership plans for the realization of targets set in NDCs. In **Niger**, for instance, a LoCAL country-wide climate risk assessment is included as a key deliverable to support the country's NDC revision process and advance the development of subnational adaptation plans, including mapping communities at risk and vulnerability.

Table 2.5: **Progress in 2020 on the LoCAL Results and Resource Framework**

| Indicator | 2014–2020 | 2020 |
|---|-----------------------------------|------------|
| Impact: To promote climate-resilient communities and local economies by increasing investments in climate change adaptation at the local level in target countries, thereby contributing to the achievement of SDG 1 and SDG 13 and country-specific SDG and climate change adaptation (CCA) targets | | |
| I.1 Number of beneficiaries of CCA investments and interventions financed through LoCAL/PBCRG mechanism (disaggregated by sex) | 11,538,098 | |
| I.2 Number of LDCs, small island developing states and developing countries that are receiving specialized support, and amount of support, including finance, technology and capacity building, for mechanisms for raising capacities for effective climate change-related planning and management, including focusing on women, youth and local and marginalized communities, through LoCAL | | |
| Number of countries engaged in LoCAL (Phases I/II/III) | 27 | |
| Number of candidate countries (design phase) | | |
| Volume of support (\$)* | 42,140,442 | |
| I.3 Evidence of CCA impact of proposed CCA investments and interventions in targeted communities through case studies, focusing particularly on the most vulnerable population groups and applying a gender-sensitive approach | 0 | |
| Outcomes | | |
| O.1 Increase local authorities' access to (international) climate finance to implement climate change adaptation investments in target countries | | |
| O.2 Establish a standard and internationally recognized country-based mechanism to channel climate finance and increase local resilience through PBCRGs | | |
| O.1.1 Volume of international climate finance channelled through and/or leveraged by UNCDF-designed PBCRG mechanism (disaggregated by source) (\$) | 99,070,654 | 14,544,639 |
| Volume public – total (\$) | | |
| Volume private – total (\$) | | |
| Direct funding (\$) | 73,005,184 | 8,165,226 |
| Parallel funding (\$) | 26,065,471 | 6,379,413 |
| O.1.2 Number of participating countries which have been accredited from international climate funds and/or mechanisms to access international climate finance as result of LoCAL/UNCDF support | 3 | |
| O.2.1 Number and percentage of participating countries moving from the pilot phase (Phase I) to consolidation (Phase II) and from consolidation to roll-out of the PBCRG mechanism (Phase III) | 2 countries (Phase I--> Phase II) | |
| Number of countries in design/scoping | 13 | |
| Number of countries in Phase I | 7 | |
| Number of countries in Phase II | 5 | |
| Number of countries in Phase III | 2 | |
| Outputs | | |
| R.1 Awareness and capacities to respond to climate change adaptation are increased at the local level | | |
| R.1.1 Number of targeted local authorities that regularly collect, update and analyse climate change information | | 282 |
| R.1.2 Amount of capacity-building grants delivered to participating countries (\$) | 4,033,881 | 2,602,547 |
| R.1.3 Number of national and local authorities' officials and community representatives who participated in awareness- and capacity-building activities (disaggregated by sex and subject area) | | 1,563 |

| Indicator | 2014–2020 | 2020 |
|---|------------|------------|
| Number trained male | | 1,047 |
| Number trained female | | 516 |
| Number trained on CC data usage (including early warning systems) | | 27 |
| Number trained on CCA planning and budgeting | | 621 |
| Number trained on CCA investment management and maintenance | | 766 |
| Number trained on CCA monitoring and evaluation | | 39 |
| Other | | 110 |
| R.1.4 Number and percentage of participating local authorities meeting the minimum conditions without need for corrective action | | |
| Absolute number | | 252 |
| Percentage over the target R.3.2 | | 87 |
| R.2 CCA is mainstreamed into government's planning and budgeting systems, and investments are implemented in line with the PBCRG mechanism | | |
| R.2.1 Number of targeted local authorities that have integrated CCA into their local planning and budgeting processes | | 297 |
| R.2.2 Number and value of climate interventions and investments financed through the PBCRG mechanism (disaggregated by type: capacity building/equipment/infrastructure and ecosystem-based, sector and ecosystem) | | |
| Number of investments | 1,686 | 595 |
| Value of the investments (\$) | 25,992,114 | 11,244,502 |
| R.2.3 Percentage of local authorities that are promoting community-based governance in one or more domains of planning, contracting, monitoring and management for PBCRG investments | | 124 |
| R.2.4 Percentage of PBCRG investments and interventions explicitly targeting women | | |
| R.3 The PBCRG system is effectively and sustainably established in participating countries and leads to an increased amount of CCA finance available to local government and local economy | | |
| R.3.1 Amount of PBCRG delivered to participating local authorities (\$) | 17,053,000 | 4,364,924 |
| R.3.2 Number and average increase of local authorities actively using the PBCRG system in participating countries | | |
| Absolute number | | 289 |
| Percentage increase over Year 1 | | 11 |
| R.3.3 Volume of domestic resources channelled through and/or leveraged by UNCDF-designed PBCRG mechanism (disaggregated by source) (\$) | | |
| Volume domestic public (\$) | 16,920,471 | 6,379,413 |
| Volume domestic private (\$) | | |
| R.3.4 Evidence of the institutionalization of the PBCRG system in participating countries through policy, regulatory or institutional reforms | 3 | 3* |
| R.4 The role of local authorities and of the PBCRGs in addressing climate change are increasingly recognized at international level, through outreach and quality assurance | | |
| R.4.1 Number of high-level initiatives referencing UNCDF LoCAL experience | 45 | 10 |
| R.4.2 Evidence of use of PBCRG/LoCAL knowledge and communication products by the climate and development international community (Number) | 2 | 1 |

Note: — = not available; n.a. = not applicable. * Cambodia and Bhutan and Benin.

3



lessons and next steps

As LoCAL progresses through 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 section 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 and financial resources. As countries progress through

phases, funding for grant investments must be balanced with quality assurance and technical assistance support to ensure LoCAL standards are maintained and institutionalized.

- LoCAL **standards must be applied consistently** across all countries implementing the mechanism. The ISO certification LoCAL is presently pursuing and the training programme developed in partnership with the UN Institute for Training and Research will go a long way towards ensuring consistency.
- Availability and 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 and designing climate information services to facilitate access and dissemination of climate data.
- 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. Maintaining a balance between the funds dedicated to capacity-building support and technical assistance and

grants for investments is critical, especially in Phase I and II, but challenging to implement in a context of limited resources where hard investments are generally emphasized over soft programmatic components.

- **Insufficient field presence** may hamper the efficacy and effectiveness of PBCRG deployment. Quality assurance through proximity is a major success factor in the operationalization of the LoCAL mechanism. As LoCAL expands to remote rural areas to meet the needs of the most vulnerable, its field presence must be increased. UNCDF is partnering with the United Nations Volunteers programme to secure prepared field officers to work with local governments in appropriating the PBCRG system.

Lessons learned

The following presents lessons learned since LoCAL entered its second period of global expansion.

- **Effective involvement of communities can create short-term job opportunities.**

This lesson was gleaned from experience in **Nepal** and **Niger**, where local governments have been pursuing community contracting schemes to construct local infrastructure and rehabilitate ecosystems and thereby provide short-term job opportunities especially for 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. This is being done in **The Gambia** and **Ghana**, where cash-for-work interventions have been included in annual investment plans of participating local governments. In The Gambia, about 410 jobs have been created in two regions. Participants are acquiring skills while becoming increasingly

involved in intra-household and community decision-making processes.

- **LoCAL can help countries bridge the climate-security nexus and help address underlying issues of instability in fragile contexts.**

By contributing to building climate-resilient communities and economies in some of the world's most fragile contexts, LoCAL offers a viable approach to address the climate-security nexus in conflict-sensitive environments affected by the negative impacts of climate change. In **Mali**, through the support of the UN Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) Peacebuilding Fund, LoCAL is contributing to mitigating the risks of inter-communal conflicts over natural resources, and supporting community-based participatory planning of locally led investments that take climate change and environmental risks into account. In **Niger**, LoCAL has partnered with the United Nations Development Programme and the Italian Fund for Migration to channel resources to subnational authorities in conflict-sensitive and migration-prone areas to invest in climate-sensitive sectors and create better livelihoods options for local communities.

- **To increase country ownership and government support, LoCAL needs strong political anchorage.**

Since its inception, LoCAL has worked closely with ministries and agencies dealing with climate change, decentralization and finance to ensure effective coordination and buy-in from key central-level stakeholders. As a de facto public programme, LoCAL devolves strategic guidance and supervision responsibilities to a LoCAL technical committee, which brings together other sectoral ministries and directorates to ensure a shared trajectory on local resilience building through LoCAL as well as full local ownership. At the regional and global levels, LoCAL is developing

political and technical anchorage across ministries dealing with local governments, finance and climate change/environment – including countries' GCF national designated authorities and UNFCCC national focal points – through in-country dialogue and practical collaboration on the ground with a network of highly committed LoCAL Ambassadors.

- **Climate risk and vulnerability assessments should incorporate local-level indicators.**

Such assessments are an important component in ensuring effective subnational adaptation via climate risk-informed planning and budgeting at the local level, as gaps exist in terms of production, use and dissemination of climate data at the subnational level. LoCAL's ongoing work on localized climate risk assessments and the development and establishment of a tailor-made LISA are useful resources to advance awareness and understanding of climate trends and properly factor climate and environmental risks into local decision-making. These resources may also help central governments in accounting for subnational climate risks and impacts and feed into national climate agendas (including NAPs and NDCs) with evidence from local realities.

- **The design phase is crucial in ensuring the sustainability of the LoCAL phased approach.**

Countries transitioning between phases often face difficulties in accessing regular and predictable climate finance. The design stage thus provides an important opportunity to plan at the outset for phase transitions from piloting to scale-up – particularly to ensure that funding is secured so the LoCAL mechanism can move smoothly and uninterruptedly from pilot to consolidation to national roll-out. This approach is especially relevant for candidate countries, as demand exceeds LoCAL's current global financing capacity. Beginning at the design phase, the LoCAL Facility works

closely with government counterparts to advance PBCRG take-up as a country-owned mechanism for subnational climate finance and mobilize resources through national and international climate funds as well as bilateral funders.

COVID-19 response through the PBCRG system

The global pandemic and its repercussions have required increased efforts and enhanced ambition to support developing countries and LDCs to achieve their climate targets and accelerate sustainable development – with a special focus on the local level, where responses are most needed. Amid the pandemic, the PBCRG proved to be an invaluable instrument for channelling resources for COVID-19 response to local governments. Concurrently, LoCAL climate-resilient investments in critical sectors, such as like WASH and agriculture, have helped communities withstand impacts on livelihoods and contribute to a sustainable recovery. A few examples follow:

- In **Ghana**, LoCAL under the GrEEEn project, channelled \$90,000 to support local governments in implementing their COVID-19 response plans. Resources were mostly used for the purchase and distribution of personal protective equipment and small investments in water and sanitation facilities in the 10 GrEEEn local governments.
- In **Mozambique**, 13 of the most vulnerable districts covered by LoCAL benefited from \$1 million from Sida to construct climate-adaptive infrastructure during the COVID-19 emergency and recovery. Investments were mostly devoted to social infrastructure, specifically schools and hospitals, by rehabilitating/climate proofing existing ones and building new facilities to improve access to basic social services for climate-vulnerable groups (women and children). To

preserve public health despite climate change and pandemic threats, most of the districts identified realization of multifunctional water supply systems as a priority intervention to ensure reliable access to potable water and promote personal hygiene.

What's next

Implementing the phased approach

LoCAL's experience during its 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 NDCs and NAPs. Since its inception, LoCAL has demonstrably strengthened local government capacity to identify, prioritize and co-finance investments for climate change adaptation and the growing interest and attention of national governments across line ministries in scaling up subnational adaptation financing.

Going forward, LoCAL will continue supporting:

- **Bhutan** and **Cambodia** in accessing GCF funding to expand PBCRGs as they progress through LoCAL Phase III
- **Benin** in pursuing direct access to international climate 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
- **Tanzania** in successfully implementing its first PBCRG cycle

- **Tuvalu** and **Lesotho** 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 continue to support candidate countries that have officially expressed interest in deploying the mechanism: **Burkina Faso, Côte d'Ivoire, Fiji, Jamaica, Liberia, Malawi, Pakistan, São Tomé and Príncipe, Senegal, Solomon Islands, Sudan, Uganda** and **Vanuatu**. These countries have undergone or are undergoing scoping/design exercises, and joint efforts with national counterparts will be pursued to secure funds from various sources.

Global advocacy for institutionalization of the LoCAL/PBCRG mechanism

As described in Section 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 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. It will highlight LoCAL's potential role as an innovative delivery mechanism to strengthen the climate finance architecture and ensure support reaches the local level. Activities to this end include the following:

- Supporting implementation of the LDC 2050 Vision and working with other LDC long-term initiatives – notably, the LDC Initiative for Effective Adaptation and Resilience, which aims for all LDCs to deliver climate-resilient development pathways by 2030 and net zero

emissions by 2050 to ensure that societies, economies and ecosystems thrive.

- 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 and the Adaptation Fund, 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 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 six LoCAL countries – **Benin, Bhutan, Cambodia, Mali, Niger** and **Tanzania** – a national body in charge of, or involved in, decentralization was nominated by its government as the country's first national implementing entity to be accredited for access to GCF resources. Benin, Bhutan and Cambodia have succeeded in getting these institutions accredited.

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. LoCAL currently has an active GCF pipeline of approximately \$120 million with 12 countries and will focus on materializing efforts undertaken so far.

LoCAL expansion

Burkina Faso, Côte d'Ivoire, Fiji, Jamaica, Liberia, Malawi, Pakistan, São Tomé and Príncipe, Senegal, Solomon Islands, Sudan, Uganda and **Vanuatu** have officially expressed interest in deploying the LoCAL mechanism. Their interest indicates that LoCAL is viewed 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; engaging key stakeholders, including national and subnational government institutions, and development partners; and collecting and validating the information and data needed to design LoCAL programmes. 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 of the methodology. To this end, LoCAL is currently involved in becoming certified as an ISO standard. ISO certification will also promote greater 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 – for example, 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 SDG 13, 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 effectiveness 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 expanding the PBCRG system to urban areas.

Leveraging domestic private finance through the PBCRG

Because a huge amount of financing is needed to enable the transition towards low-carbon and climate-resilient development in LDCs, new and additional financial support must be mobilized from multiple sources. While most of the financing needed is expected to be met through public finance, the private sector can play a role in reducing this funding gap.

LoCAL will explore options to leverage the PBCRG to crowd in private sector finance. UNCDF offers a wide range of de-risking financing instruments that could effectively be matched with the LoCAL mechanism to leverage local private capital to the benefit of climate-vulnerable communities. Examples of UNCDF/LoCAL efforts in this regard include [The Gambia](#) and the upcoming ABM initiative with the African Development Bank. As LoCAL expands to urban contexts and lower-middle-income countries (e.g. [Ghana](#)) with more mature financial sectors and regulations on municipal finance, innovative business models may be explored to leverage the PBCRG for enabling private-public partnership projects for climate-resilient infrastructure and service delivery at the local level, as is being piloted in [Cambodia](#).

Annex



Cambodia; photo by Cédric Jancloes © UNCDF-LoCAL

country profiles




This annex consists of 12 country profiles which provide detailed information on the status of the LoCAL initiative in each participating country where the Facility is active. The 12 countries are as follows:

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


Bangladesh

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|  <p>context</p> | <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 river systems (the Ganges and the Brahmaputra) in the Indian subcontinent. One of the most densely populated countries in the world, the impact of extreme climatic events such as floods and cyclones threatens the lives of many of its population, whose number exceeds 160 million.</p> <p>Bangladesh's national adaptation programme of action was submitted to the the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat in 2005 and revised in 2009; the government is now in the process of formulating its national adaptation plan which will be the main strategic document under the UNFCCC process future to implement adaptation actions.</p> <p>The 2009 Bangladesh Climate Change Strategy and Action Plan (BCCSAP) prioritizes six thematic areas for climate change response: (i) food security, social protection and health; (ii) comprehensive disaster management; (iii) infrastructure; (iv) research and knowledge management; (v) mitigation and low-carbon development; and (vi) capacity building and institutional strengthening; may of these call for action by local government institutions. An innovative fund is available to support climate change adaptation activities across key policies and sectors: the government-funded Bangladesh Climate Change Trust Fund. The country's intended nationally determined contributions (INDCs) submitted to the UNFCCC 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, in line with BCCSAP priorities.</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> (the lowest tier of government) levels receive fiscal transfers which are used to strengthen local infrastructure and deliver services. LoCAL works with these local governments as well as with district and central-level authorities to mainstream climate change resilience into planning and investment systems and support localization of the NDCs and national climate change adaptation goals.</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 projects identified locally based on local-level adaptation needs.</p> |
|  <p>objectives</p> | <p>The overall objective of LoCAL-Bangladesh is to demonstrate the comparative advantage of local governments in managing climate change finance for improving climate change resilience at the local community level. The specific objectives of the programme are to ensure that local governments can perform the following:</p> <ul style="list-style-type: none"> ■ 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 |
|  <p>achievements</p> | <p>LoCAL-Bangladesh began in 2014 with the roll-out of PBCRGs in three local governments and was rapidly expanded to 72. Since Phase II was kicked off in 2016, key achievements 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 72 union parishads, 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 72 union parishad secretaries in the accounting and information system software; field-level project staff have had hands-on training on entering and updating field-level data in the adaptation tracking app. |




Bangladesh

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|  <p>achievements</p> | <ul style="list-style-type: none"> ■ The PBCRG model has been successfully integrated into the Bangladeshi intergovernmental fiscal transfer system, with UNCDF funds transferred through the treasury and the Local Government Division of the Ministry of Local Government, Rural Development and Co-operatives to the union parishads. ■ LoCAL experience is serving as a standard to advance the country's commitment to decentralized climate finance. Discussions are ongoing to include climate vulnerability considerations into inter-governmental transfer allocation formulas for local governments. LoCAL is supporting the development of a climate vulnerability index that will include all union parishads in the country and guide the Local Government Division of the Ministry of Local Government, Rural Development and Co-operatives to revise the criteria of the current allocation formula in use to take climate change impacts into account at the local level. ■ Positive financial audit of 72 union parishads qualified them for a second cycle of PBCRGs. In 2020, 261 investments were financed for a portfolio value of approximately \$2 million. |
|  <p>adaptation measures and investments</p> | <p>As of December 2020, 509 small-scale climate resilience schemes had been finalized under LoCAL. The investments delivered direct results for approximately 590,000 people.</p> <ul style="list-style-type: none"> ■ Priority investments included construction, reconstruction and repair of climate-adaptive infrastructure (drainage systems, culverts, embankments, etc.) to protect human settlements and other critical facilities, such as markets and roads. ■ Investments to ensure the availability of drinking water were also prioritized. Climate proofing of water supply systems and installation of filtering and desalinization technologies (especially in coastal areas) are a few examples of adaptation options implemented. Similarly, rainwater harvesting systems have been constructed at the community and household levels. Climate proofing of sanitation facilities has been included as well, and flood-proof sanitary latrines constructed in flood-prone areas. ■ Many interventions focused on promoting more climate-resilient livelihoods, which in the areas of intervention are mostly based on agriculture and fishery. Investments include demonstration plots and capacity building on various Climate adaptive and environment friendly agricultural techniques (inter-cropping, hydroponics, and green sheds for seedling) and crop varieties. Finally, nearly 63,000 plant saplings were planted along roadsides to reduce soil erosion as part of nature-based solutions explored. ■ Capacity building, awareness raising, and equipment were also delivered to fishing communities to ensure safe and risk-informed practices taking more frequent climate-extreme events into account. ■ Schemes undertaken also considered extremely vulnerable groups, such as communities displaced by climate-induced hazards, ethnic minorities and women. For instance, LoCAL is supporting destitute rural women in climate-vulnerable areas with capacity building on access to market and income-generating activities, helping improve their adaptive and absorptive capacity. |
|  <p>lessons learned</p> | <ul style="list-style-type: none"> ■ Initial engagements revealed strong demand and willingness on the part of local governments to improve communities' resilience to climate change. This facilitated LoCAL buy-in at the local level and cooperation. ■ LoCAL Phase I mainly targeted upazilas. While this enabled access to a high level of technical expertise and strategic capacity, the PBCRG amounts were too small for meaningful impact. For this reason, LoCAL Phase II targeted the union parishads, which engaged communities at the grassroots level to address their vulnerabilities. ■ The lack of consistent co-financing capacity at the subnational level and the small size of PBCRG allocations can sometimes hamper local governments from investing in the larger infrastructure projects needed to withstand large-scale climate-induced disasters. ■ Government procedures greatly delayed implementation of Phase II activities – an issue that 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. ■ 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. Participatory community risk and vulnerability assessments were carried out in 2018, with a focus on women's empowerment to ensure that union parishad schemes are gender responsive. |





Bangladesh

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|  <p>way forward</p> | <ul style="list-style-type: none"> ■ Undertake the mid-term evaluation and apply learning elements emerging from the exercise within LoCAL/LoGIC design and implementation for the way forward. ■ Ensure timely implementation of two additional cycles of PBCRGs, while advancing on the institutionalization of the mechanism in view of the integration of LoCAL performance indicators into the government's local government monitoring indicators, the inclusion of climate vulnerability indicators into the allocation formula of the country's inter-governmental transfer systems, and the provision for climate change additionality in subnational budgeting. ■ Reassess adaptation options and explore non-traditional investments to further increase the effectiveness of adaptation responses at the local level, in light of emerging literature, e.g. on nature-based solutions with important mitigation co-benefits. |
| <p>more information</p> | <p>https://www.uncdf.org/local/bangladesh</p> |

Benin

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|  <p>context</p> | <p>A 2008 evaluation of Benin's national vulnerabilities identified three major climate risks: drought; late, heavy rains; and flooding. The resources with the highest exposure to these risks are drainage basins, subsistence agriculture and water resources. The most exposed social groups are small farmers, market gardeners and emerging farmers, and fishermen. A vulnerability and adaptation to climate change study identified four vulnerable sectors: the coast, water resources, forestry and agriculture.</p> <p>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> |
|  <p>objectives</p> | <p>The aim of LoCAL-Benin is to demonstrate and highlight the role communes could play in promoting local climate change adaptation/resilience measures, through integrating climate funding in budget transfer mechanisms and planning/allocation of local resources. Expected results of LoCAL-Benin are as follows:</p> <ul style="list-style-type: none"> ■ 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 |
|  <p>achievements</p> | <ul style="list-style-type: none"> ■ Benin was the first African country to deploy LoCAL in 2013. ■ LoCAL-Benin has initially been implemented in the northern communes of Boukountché, 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 approximately 7 and 8 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 – Cobly, 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. ■ 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. Ownership is also confirmed, as government officials 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. ■ 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. FNEC submitted a GCF concept note for LoCAL scale-up to 30 communes, and a LoCAL Phase II framework has been designed. |




Benin

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|  <p>achievements</p> | <ul style="list-style-type: none"> ■ 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. |
|  <p>adaptation measures and investments</p> | <p>To date, 24 adaptation measures in nine communes received financing through PBCRGs; of these, 4 are new investments identified in 2019 in Materi, Ouaké, Banikoara, Cobly and Toukountouna and were implemented or are under implementation in 2020. Overall, 71,000 people are reported to have benefited (or will benefit) from PBCRG-financed investments; 55 per cent of these are women. These measures mainly focus on the following:</p> <ul style="list-style-type: none"> ■ Rehabilitation/improvement of community ponds in an effort to revitalize the local aquaculture sector as an alternative livelihood option for local communities as well as water retention infrastructure for supporting agropastoralism ■ Construction/rehabilitation of wells and irrigation facilities to ensure water availability for irrigated fields throughout the year and maintenance of market garden yields, as a key income-generating activity especially for women ■ Capacity-building activities on climate-resilient crop varieties, i.e. climate-resilient rice varieties and cost-efficient agricultural practices in two communes. ■ Water-related infrastructure (e.g. boreholes) to ensure a supply of potable water in rural villages affected by water scarcity |
|  <p>lessons learned</p> | <ul style="list-style-type: none"> ■ By providing PBCRGs in addition to regular transfers, LoCAL has helped make the Beninese public funding system more robust and transparent. Special attention was paid to the mechanism's design – in particular, 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. |
|  <p>way forward</p> | <ul style="list-style-type: none"> ■ Bridging activities for Phase II will continue throughout 2021 with government and African Development Bank co-financing; nine local governments will be involved and will implement another PBCRG cycle during the year. ■ LoCAL will continue to support FNEC in developing and submitting a full proposal to the GCF to scale up LoCAL in 30 communes. ■ As part of the Phase II agenda, LoCAL will provide technical assistance and capacity development support to the Permanent Secretariat of National Commission on Local Finance and to the Training Center for Local Government (Centre de Formation pour l'Administration Locale – CeFAL). |
| <p>more information</p> | <p>https://www.uncdf.org/local/benin</p> |

Bhutan

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|  <p>context</p> | <p>As a least developed, mountainous and landlocked country situated in the geologically fragile Himalayas, Bhutan is extremely vulnerable to climate change. Environmental conservation has been at the centre of the Government of Bhutan's development policies and plans since the inception of the 1st Five-Year Plan; recent five-year plans have emphasized mainstreaming climate change, the environment, disaster risk management, gender and poverty reduction as cross-sectoral concerns. Guidelines in this regard were set for formulation of the 11th Five-Year Plan (2013–2018) and carried onward in the ongoing 12th Five-Year Plan (2018–2023).</p> <p>Decentralization reforms in Bhutan were initiated in 1981 by royal decree to institute a <i>dzongkhag</i> development committee in all dzongkhags; this was followed by institution of a <i>gewog</i> development committee in all gewogs in 1991. The role, mandate and capacities of local governments – particularly with regard to sustainable development – have been significantly strengthened through recent legislation, regulations and programmes. Notably, the Local Governance Sustainable Development Programme initiated in 2013 assists local governments in implementing block grants allocated for sustainable local community development, while developing their capacity for good governance and improved public service delivery. LoCAL support is embedded in this programme. A draft decentralization policy has also been developed aimed at enabling local governments to provide democratic and accountable governance to local communities, deliver public services in a sustainable manner, and mobilize local community participation in matters of local community development.</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, which is envisaged to be completed by 2023.</p> |
|  <p>objectives</p> | <p>The overall goal of the LoCAL-Bhutan initiative is to improve the adaptive capacity and resilience of local communities to climate change with increased access to climate change adaptation financing through performance-based climate resilience grants (PBCRGs). The programme's core objectives are to ensure that dzongkhags and gewogs can accomplish the following:</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 with particular emphasis on strengthening incentives for integrating climate change adaptation needs in local investments ■ Train participating local governments to develop their knowledge and skills for planning and integration of climate change adaptation in local development investments |
|  <p>achievements</p> | <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 gewogs in two dzongkhags. It has since been extended to 100 gewogs across 16 of the country's 20 dzongkhags with budgetary support from the European Union (EU) and technical support from LoCAL. ■ LoCAL's successful integration in the Local Governance Sustainable Development Programme has been instrumental in supporting local governments in developing and rolling out guidelines, supporting participatory climate vulnerability assessments and integration of adaptation in local development planning, and raising awareness. ■ LoCAL grants effectively apply existing national capital grant rules and regulations for allocating, channelling and reporting on funds while strengthening the overall intergovernmental fiscal transfer system and piloting innovative features (e.g. for performance measurement). ■ The Assessing Climate Change Adaptation Framework (ACCAF) was successfully piloted in Bhutan and is now being rolled out to other LoCAL countries. ■ The Bhutan Trust Fund for Environmental 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 was accredited in early 2020. LoCAL and the BT FEC are collaborating to submit a concept note to the GCF to support Phase III. |




Bhutan

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|  <p>adaptation measures and investments</p> | <p>Since 2012, more than 300 small-scale investments have been realized through PBCRGs in 100 gewogs, 165 of which in 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 |
|  <p>lessons learned</p> | <ul style="list-style-type: none"> ■ The introduction of LoCAL PBCRGs has promoted robust, transparent and accountable public financial management/public expenditure management systems while addressing local climate adaptation priorities. Bhutan is implementing LoCAL Phase III, using EU budget support to finance PBCRGs. ■ The PBCRGs have been effective in transferring adaptation finance directly to dzongkhags and gewogs and in providing an incentive for local governments to think about and plan for climate change adaptation actions. Using existing government systems and procedures with limited additional requirements has improved efficiency in spending and allowed for low transaction costs, while creating strong ownership. ■ Baseline and monitoring assessments have provided useful information about local government capacity in terms of areas to be strengthened and performance trends in climate change and public financial management. Participatory climate risk assessments at the local level have supported planning and prioritization for using grants in climate change initiatives. |
|  <p>way forward</p> | <ul style="list-style-type: none"> ■ Integrate PBCRGs as a mechanism of climate change adaptation governance in an Adaptation Fund project proposal being developed by the BTFEC. ■ Develop a GCF funding proposal for a nation-wide roll-out of PBCRGs covering all 205 gewogs in the country and develop complementary capacity of local governments to mainstream climate adaptation and implement grants effectively and efficiently. This plan will be pursued in parallel with LoCAL support of the BTFEC in securing accreditation as a GCF national implementing agency. ■ 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. ■ 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. |
| <p>more information</p> | <p>https://www.uncdf.org/local/bhutan</p> |



Cambodia

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|  <p>context</p> | <p>With a high poverty rate and a predominantly agrarian economy influenced by the hydrological behaviour of the Tonle Sap and Mekong River systems, Cambodia is ranked one of the most climate-vulnerable countries in the world and is expected to experience increased variation in, and intensity of, precipitation. Over 2 million farming households, or over 8 million people, rely 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> |
|  <p>objectives</p> | <p>The objective of the LoCAL-Cambodia initiative, the Local Governments and Climate Change Project (LGCC), is to demonstrate the role of local governments in fostering climate change resilience and identify practical ways to mainstream climate change resilience into subnational planning and finance systems. The project's major outcomes and related outputs are as follows:</p> <ul style="list-style-type: none"> ■ Increased awareness of climate change and potential adaptation and resilience-building responses among subnational governments and local communities ■ Integration of cross-sectoral, analysis-based strategies for building climate change resilience in subnational plans and investment programmes ■ Systems and procedures for mainstreaming climate change resilience within subnational government public expenditure management systems in a fiscally sustainable manner proven and available for scale-up ■ National guidelines for subnational public expenditure management (e.g. subnational and annual budget planning, investment programming, medium-term expenditure framework) facilitate mainstreaming of climate change resilience, particularly through cooperative actions between district/municipal and commune/<i>sangkat</i> councils and administrations |
|  <p>achievements</p> | <ul style="list-style-type: none"> ■ Cambodia and Bhutan were the first countries selected by LoCAL to pilot performance-based climate resilience grants (PBCRGs); their efforts served to validate the approach. LGCC Phase I was launched in three local administrations in the Takeo province: Doun Keo municipality and the Bati and Borei Chulsar districts. ■ Cambodia successfully moved to Phase II (2016–2019), a bridging period aimed at strengthening systems and building capacity for full roll-out of subnational climate change adaptation finance. The scale-up 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 2020, the scaling-up programme benefited 32 districts in 8 provinces under ASPIRE. |




Cambodia

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|  <p>achievements</p> | <ul style="list-style-type: none"> ■ The NCDD Secretariat (NCDD-S) was nominated in 2015 as a national implementing entity for the Green Climate Fund (GCF). With support from UNCDF, NCDD-S accreditation was approved by the GCF Board in 2019 and became the world's first GCF national implementing entity dealing with local governments. The lessons learned from Cambodia and the NCDD-S during the GCF accreditation process serve as good practice for other least developed countries engaging with LoCAL. LoCAL is supporting NCDD-S in preparing a concept note to the GCF to continue scale-up of the mechanism under Phase III. ■ 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. 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. |
|  <p>adaptation measures and investments</p> | <p>Overall, 538 adaptation measures have been financed through PBCRGs. The largest share of investments are aimed at improving transport systems, especially during the rainy season, for people and goods; followed by those aimed at strengthening the resilience of agricultural systems and improving the availability of potable and safe water and disaster prevention and preparedness.</p> <p>Of the 538 projects financed, 450 are small-scale infrastructure projects mainly entailing construction of elevated roads/bridges and renovation/construction of rural/farm roads; restoration/protection of irrigation canals; and rehabilitation/construction of water gates, sewage systems and community ponds. Several capacity-building and awareness-raising activities were also supported – e.g. on climate change causes and effects (both for local authorities and communities), agricultural climate-resilient practices (improved varieties of rice, good agricultural practices, cattle farming, etc.), health and sanitation (prevention of climate change-borne diseases, personal hygiene, etc.) and general environmental protection.</p> |
|  <p>lessons learned</p> | <ul style="list-style-type: none"> ■ Local governments have adequate capacity for simple climate change response actions, but further capacity development is needed: e.g. public expenditure management systems need further strengthening, and monitoring and evaluation of local climate change adaptation is a work in progress. ■ Smarter systems are needed to facilitate scale-up, and more partnerships are needed to ensure sustained change at the local level. ■ Changing people's 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

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|  <p>lessons learned</p> | <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. |
|  <p>way forward</p> | <ul style="list-style-type: none"> ■ Cambodia will expand implementation of LoCAL Phase III. In line with the concept note submitted to the GCF, up to 20 districts may receive GCF-funded PBCRGs through the existing fiscal transfer system. In combination with other funding sources, this may allow full scale-up of LoCAL nationwide. UNCDF will continue to provide support Cambodia in mobilizing additional resources for scale-up of PBCRGs in 2021 and beyond. ■ 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. |
| <p>more information</p> | <p>https://www.uncdf.org/local/cambodia</p> |

The Gambia

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|  <p>context</p> | <p>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.</p> <p>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.</p> <p>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.</p> |
|  <p>objectives</p> | <p>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:</p> <ul style="list-style-type: none"> ■ Job creation for youth, women and local communities and equal access to employable skills development ■ Improved access to finance <p>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.</p> |
|  <p>achievements</p> | <ul style="list-style-type: none"> ■ Following technical missions and a consultative meeting to draft and validate LoCAL design in 2017, the JSF Programme was officially launched in October 2018. During the launch event, LoCAL Steering and Technical Committees were constituted, and beneficiary wards for Years 1 and 2 were identified in the Lower River and North Bank regions. 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. ■ 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 Gambia



achievements

- 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. The first cycle of PBCRGs, totalling \$180,000, was completed in May 2020. An audit assessment was conducted for the first cycle beneficiary wards covering their Year 1 performance. The audit results have been used as a benchmark for future ward audits and are helpful in structuring training plans for financial management and procurement tailored for WDCs. Following the audit assessment and development of an annual performance assessment manual, the Year 1 wards undertook an annual performance assessment. An assessment report has been submitted for review and approval by the LoCAL Technical Committee to inform allocations for FY2020/2021.
- In 2020, the JSF Programme/LoCAL expanded to 12 more wards across four regions – the North Bank, Lower River, Central River North and Central River South regions – for a total of 20 wards; this represents 100 per cent of the target regions and 63 per cent of the target wards to be covered by the end of the programme.
- The 20 WDCs have signed an agreement with the Department of Community Development (DCD) confirming their commitment to participate in the JSF Programme/LoCAL to receive financial support in the form of PBCRGs. The WDCs have been supported in identifying and developing – in a participatory manner – their investment plans for Year 2 through a climate risk assessment. The adaptation priorities/investment plans identified include access to water, infrastructure, agro-forestry, agro-processing and renewable energy. A total allocation of \$450,000 has been committed for financing the second cycle of PBCRGs.
- In partnership with the DCD, the JSF Programme undertook a series of activities to sensitize the 20 wards and their communities on the programme, the functioning of the LoCAL mechanism, details of the LoCAL investment menu and employment opportunities to be generated via CfW activities. Almost 1,000 participants – including WDC members in the 20 wards, TAC members of the four participating local government regions and MDFT members of the 12 districts – were sensitized on mechanism operations over 2019/2020.
- UNCDF, in partnership with the Centre de Suivi Ecologique, continued to provide technical support for climate risk assessment and LISA design. A training workshop was held for the target WDCs on the local climate risk assessment methodology. A total of 100 government extension workers and 400 WDC members have been trained in participatory climate change data collection tools (CriSTAL). The data generated through the assessment process will provide information on climate risks, vulnerabilities and adaptation strategies that will be used to guide prioritization of community investments.
- The LoCAL Technical Committee has continued to support implementation of climate investments by the WDCs across the four regions through provision of technical support, coordination and oversight. At its meetings, progress was reviewed in line with LoCAL criteria, and the annual workplans, annual reports and budget for 2020 were approved. UNCDF noted increased commitment and participation of Technical Committee members over time, signalling buy-in and ownership of the LoCAL mechanism.
- A high-level delegation led by the ministers of environment, agriculture and energy visited LoCAL project sites in the Lower River Region in December 2020 to understand how LoCAL is promoting integrated approaches to adaptation. The minister of environment, who is a LoCAL Ambassador, has been on the forefront advocating for the LoCAL mechanism as a successful solution to decentralized climate finance and resilience building at the local level.





adaptation measures and investments




The first cycle of grants disbursed to eight WDCs in the Lower River and North Bank regions resulted in 10 small-scale climate-resilient investments. These ranged from providing clean drinking water for humans and livestock through solar-powered boreholes; horticulture gardens; construction of culverts to improve accessibility to markets, schools and hospitals; and integrated poultry horticulture farms as priority interventions to improve community resilience to climate change.

UNCDF has supported the 20 Year 2 WDCs in identifying and developing – in a participatory manner – their investment plans for Year 2. These plans have been prioritized based on climate adaptation priorities in the wards as identified through a climate risk assessment. The 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

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|  <p>lessons learned</p> | <ul style="list-style-type: none"> ■ At the beginning of the programme, some stakeholders at the local level were not fully aware of their roles and responsibilities in relation to the LoCAL mechanism. Awareness raising and capacity enhancement have been key to ensuring full buy-in and allowing effective launch of LoCAL activities. ■ The LoCAL mechanism enables projects to be implemented simultaneously in different localities and visibly builds the capacity of decentralized structures of local government through the transfer of ownership and decentralized implementation. ■ To increase country ownership and government support, LoCAL needs strong political anchorage. This includes enhanced coordination at the national level between Green Climate Fund national designated authorities; United Nations Framework Convention on Climate Change focal points; and ministries dealing with finance, planning, local governments and climate change issues. |
|  <p>way forward</p> | <ul style="list-style-type: none"> ■ A climate risk assessment report and the LISA platform for selected wards, recently undertaken in The Gambia with CSE support, are expected to help participating WDCs strengthen their adaptation planning and selection of climate investment plans. ■ The JSF Programme/LoCAL will share the results of the recently conducted annual performance assessment with participating wards and seek approval from the LoCAL Technical Committee to inform the subsequent PBCRG allocation for Year 1 wards. ■ Based on results of the assessment and the audit, the JSF Programme/LoCAL will continue to build the capacity of WDCs in procurement and financial management processes, as well as in understanding the LoCAL mechanism. ■ 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 20 wards to 32 wards (8 in each of four regions) in 2021/2022. |
| <p>more information</p> | <p>https://www.uncdf.org/local/gambia</p> |



Ghana

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|  <p>context</p> | <p>Because of climate change, Ghana is facing increased pressure on water, reduced yields leading to more poverty and food insecurity, and the loss of national revenue from cash crops such as cocoa. Other vulnerabilities include migration which puts pressure on urban services; deteriorating health due to increased disease; severe impacts on land use leading to loss of biodiversity and soil fertility, land degradation and increased deforestation; and exposure of fragile groups such as women and youth to climate change impacts. In 2013, Ghana launched its National Climate Change Policy, 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, Decentralization and Rural Development, which aims to ensure good governance and equitable development of MMDAs, plays an important role in ensuring 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> |
|  <p>objectives</p> | <p>The overall outcome of LoCAL-Ghana is to improve the resilience of MMDAs to climate change as a result of increased access to climate change adaptation financing through performance-based climate resilience grants (PBCRGs). The objectives 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 <p>Four outputs will contribute to 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); (ii) inclusive, effective and accountable climate change adaptation planning process designed and integrated in the MMDA local development planning process; (iii) effective capacity development mechanism promoted to strengthen MMDA capacities for climate change adaptation; and (iv) climate change adaptation activities efficiently, effectively and transparently implemented and reported by participating MMDAs through the PBCRG system.</p> |
|  <p>achievements</p> | <ul style="list-style-type: none"> ■ Since its 2015 launch, the PBCRG system has been fully aligned with the DACF RFG introduced in 2008 to support enhancement of MMDA capacity through 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 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. ■ A technical assistance mission commissioned by UNCDF and 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. This work is the basis for development of the Local Information System for Adaptation (LISA) to provide local governments and communities with a user-friendly platform to access relevant climate information. This exercise was launched in 2020 and is expected to be finalized in 2021. |

Ghana

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|  <p>achievements</p> | <ul style="list-style-type: none"> ■ 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). ■ The Government of Ghana has expressed a strong desire to further mainstream adaptation activities in all procedures at the MMDA level, focusing 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. ■ UNCDF, in partnership with the SNV Netherlands Development Agency, has consequently secured funding from the European Union, through the European Union Trust Fund for Africa, to implement the Boosting Green Employment and Enterprise Opportunities in Ghana (GrEEEn) project, which commenced at the start of 2020. The GrEEEn initiative has expanded PBCRGs to 10 MMDAs, moving Ghana to Phase II of the LoCAL implementation cycle. ■ The GrEEEn project embeds LoCAL Phase II design, building on the experiences of LoCAL-Ghana Phase I. The PBCRGs under the GrEEEn project are being deployed to deliver green and resilient local infrastructure through a cash-for-work component and procurement to local small and medium-sized enterprises. |
|  <p>adaptation measures and investments</p> | <p>Since inception, 24 climate change adaptation investments, benefiting approximately 60,000 people, were realized in the three pilot MMDAs. These interventions include the following:</p> <ul style="list-style-type: none"> ■ Reforestation/afforestation, such as reforestation of degraded reserve forest land along the Akrum and Osubin Rivers and planting of different tree species along streams in Effutu and Fanteakwa North Districts, respectively, ■ Bridges were constructed and roads through a culvert rehabilitated. A dugout to support all-season vegetable farming was another intervention undertaken. Public infrastructure such as schools have been made more resilient through tree planting to withstand storms and strong winds. ■ Mechanized boreholes and water storage facilities were constructed; these improved access to water for more than 1,200 people in Ada East and Fanteakwa North. ■ Sensitization activities on climate change and specific trainings on bush fire prevention, coastal erosion prevention and early warning systems were held in all three MMDAs. |
|  <p>lessons learned</p> | <ul style="list-style-type: none"> ■ It is critical to design the flow of funds and the PBCRG operational mechanism to fully align with the existing system of intergovernmental transfers and to follow the regular public expenditure management cycle. In this way, funds are fully fungible with other resources available locally. In Ghana, PBCRGs are fully aligned and linked with the DACF RFG. This has been demonstrated to be effective on two fronts: (i) in advancing the institutionalization of the PBCRG system as the country's own standard for subnational adaptation finance and (ii) for mainstreaming climate change adaptation considerations into decentralization policies and tools. In the early years of LoCAL Phase I, it was established that 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 these with the National Development Planning Commission's guidelines. This was done in the design of Phase II (i.e. within the GrEEEn project). |





Ghana

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|  <p>lessons learned</p> | <ul style="list-style-type: none"> ■ The Phase I annual performance assessment revealed that a robust climate risk assessment is critical to supporting MMDAs' participatory planning of adaptation responses to climate change impacts. Lack of or challenges in accessing localized data for adaptation planning has been an issue for the MMDAs. The partnership established with the Korea Environment Institute has, to an extent, bridged the gap in terms of specialized technical assistance and capacity-building support to MMDAs on the availability of climate data for selecting localized interventions that respond to their individual climate risks. ■ Effective involvement of communities – for example, in the construction of local infrastructure or rehabilitation of ecosystems – creates short-term job opportunities. Cash-for-work opportunities arise through the prioritization of investments for youth, women and other vulnerable groups in sustainable natural resource management, infrastructure building and other public works. |
|  <p>way forward</p> | <ul style="list-style-type: none"> ■ The climate risk assessment undertaken in Ghana with the Korea Environment Institute, to be complemented with the LISA, is expected to further 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. Efforts will be devoted to the appropriation of these tools by the MMDAs. ■ The mechanism will be gradually rolled out in 13 MMDAs by 2023 under the GrEn project. In close collaboration with the MMDAs, GrEn will assist local governments in developing and implementing green and climate-resilient local investments that foster employability for returnees, youth and women through cash for work and procurement to local MSMEs, which will stimulate the local economies. ■ LoCAL will be further integrated into decentralization systems in all its features. As the Assessing Climate Change Adaptation Framework (ACCAF) is rolled out in the country, LoCAL will work with the National Planning Commission to include the methodology as a tool to support MMDAs in formulating their mid-term development plans. ■ 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 GrEn project ends. |
| <p>more information</p> | <p>https://www.uncdf.org/local/ghana</p> |




Lesotho

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|  <p>context</p> | <p>Climate change is affecting Lesotho in several ways: a delayed rainy season, provoking severe droughts and drinking water shortages; heat waves; dry spells during the growing season, reducing food production; and heavy and erratic frost – all resulting in high vulnerability for households. Sectors reported as vulnerable to the projected impacts of climate change include agriculture, forestry, health, culture and historical heritage.</p> <p>Lesotho recognizes climate change as a serious threat to its development plan and to the future of both its livelihoods and one of its main sources of revenue: water. The Lesotho 2013 Second National Communication to the Conference of Parties notes that projected scenarios suggest that reduced precipitation for the southern parts of the country, coupled with increased temperatures, will adversely affect water resources and agriculture, in particular. The projected reduction in the growing season due to delayed onset of rains will also adversely affect rangelands and livestock production – with a corresponding negative impact on livelihoods reliant on wool and mohair.</p> <p>The Lesotho Meteorological Service, the country's national designated authority, cited weak financing for climate change initiatives in the country. Most of the ongoing climate change interventions are donor funded. The Meteorological Service highlighted the need to put in place mechanisms to facilitate direct access to international climate funds to promote resilience across all sectors, particularly at the community level.</p> <p>The demand for decentralization and resources to act on vulnerability at the community level has led the government to publish a devolution policy to empower both district and community councils to plan and manage their development.</p> <p>Climate change adaptation falls within the core mandate of community councils, along with land use planning, natural resource management and infrastructure development. Climate change adaptation requires effective coordination of various stakeholders. As a gateway for development facilitation at the local level as well as custodians of all development, community councils are strategically positioned to fulfil this coordination role. However, community councils seldom have sufficient resources to execute these functions.</p> |
|  <p>objectives</p> | <p>The overall outcome of LoCAL-Lesotho is to improve the climate change resilience of the communities in the selected councils as a result of climate change adaptation activities funded through the performance-based climate resilience grant (PBCRG) and capacity development support.</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 (i) increased transfer of climate finance to local governments through national institutions and systems for building verifiable climate change adaptation and resilience, and (ii) a standard and recognized country-based mechanism which supports direct access to international climate finance</p> <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> |
|  <p>achievements</p> | <ul style="list-style-type: none"> ■ The PBCRG system has been successfully designed and is fully aligned with the previous Deepening Decentralization Programme (DDP), which had established a performance-based capital grants system combined with capacity development support. ■ The Government of Lesotho and UNCDF have defined modalities for LoCAL-Lesotho, including funding arrangements, eligibility and minimum conditions of access, allocation criteria, and funding flow and reporting. The institutional framework and roles of the parties have been defined. The modalities are described in the memorandum of understanding signed October 2017, which provides the framework for LoCAL-Lesotho and establishes the financing and management of the LoCAL facility. ■ Four community councils within the district of Molepolole's Hoek were selected to pilot the approach in Lesotho: Khoelenya, Lithipeng, Qhoasing and Senqunyane. ■ 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). |




Lesotho

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|  <p>achievements</p> | <ul style="list-style-type: none"> ■ The first PBCRG cycle was delivered to the four pilot community councils in 2020; implementation is ongoing. In view of PBCRG deployment, e-training was conducted for local government staff and other national officials in December 2020 to ensure that participants are able to use LoCAL guidance; have acquired a basic understanding of the framework; and have full understanding of the LoCAL-Lesotho design elements, particularly the performance assessment indicators (i.e. minimum conditions and performance measures). ■ The African Development Bank, through the Africa Climate Change Fund, approved funding contributing to implementation of the LoCAL-Lesotho pilot phase; this will enable the four pilot local governments to continue using the mechanism in 2021 and implement adaptation investments through PBCRGs. |
|  <p>adaptation measures and investments</p> | <p>Community councils, in close consultation with communities, have identified adaptation investment plans to be financed with PBCRGs, covering areas such as improved water-related infrastructure.</p> <p>Indeed, 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.</p> <p>The first PBCRG cycle financed climate proofing of 10 water-related infrastructure in the four pilot community councils, providing access to clean water – especially in periods of prolonged drought and the drying up of water springs – to more than 1,800 people.</p> |
|  <p>lessons learned</p> | <ul style="list-style-type: none"> ■ 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. |
|  <p>way forward</p> | <ul style="list-style-type: none"> ■ Pilot community councils will be further 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. ■ A second cycle of PBCRGs will be implemented in 2021, within the framework of collaboration with the Africa Climate Change Fund. |
| <p>more information</p> | <p>https://www.uncdf.org/lesotho</p> |



Mali

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|  <p>context</p> | <p>Mali, like many other countries in West Africa, has been hit hard by the effects of climate change. Climate change in Mali is evidenced by, among other effects, (i) an average reduction in annual rainfall of 20 per cent, combined with limited geographic and temporal distribution when it does occur; (ii) increasingly high temperatures; (iii) more frequent periods of drought and flooding; (iv) decreased water levels in the major rivers; (v) marked deterioration in soil quality; and (vi) greater ecosystem fragility. Projected climate scenarios indicate that by 2100, the average temperature in Mali could increase by about 0.2°C per decade and rainfall decrease by 10 per cent. A predominantly arid country, less than a quarter of Mali's land is suitable for cultivation. Land degradation, and the dependence of the country's farms on rainfall, make Mali extremely vulnerable to random climatic events.</p> <p>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> |
|  <p>objectives</p> | <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. |
|  <p>achievements</p> | <p>LoCAL was launched in Mali in 2014, when a memorandum of understanding was signed between UNCDF and the government. LoCAL was initially deployed in two communes in the Kayes region, Sandaré and Simby. 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 and chaired by the AEDD, 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 to assist with performance-based climate resilience grant (PBCRG) deployment and ensure LoCAL is applied consistently in line with national decentralization systems.</p> <ul style="list-style-type: none"> ■ The first two PBCRG cycles were completed and successfully evaluated in 2016 and in 2017. The communes also continued in planning and implementation of adaptation activities slated for a third year (2018) with the grants channelled in the first phase. ■ The Government of Mali has granted financing through the AEDD to LoCAL since 2016 and pledged further support over the next years. Phase II design was developed during 2016 and 2017, and peer reviewed and validated by the government to set the groundwork for LoCAL expansion. The Phase II design aimed at stronger alignment of the LoCAL PBCRG system with the Fonds National d'Appui aux Collectivités Territoriales (FNACT) managed by ANICT. ■ 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. |

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|  <p>achievements</p> | <ul style="list-style-type: none"> ■ 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 expanded beyond the two pilot communes in Kayes to two communes in the Mopti region. ■ Under the MINUSMA PBF initiative, new partnerships were forged with subnational partners – including the Regional Development Agency of Mopti, supporting the two new LoCAL communes in adaptation planning, budgeting and implementation of PBCRG-financed investments – and a local NGO, supporting all four communes in establishing community-based solutions to prevent conflicts over natural resources and promote social cohesion, e.g. through concertation mechanisms and cash-for-work schemes for resilience building interventions. ■ As local climate data production and access have proved to be a challenge, LoCAL began a nation-wide climate risk assessment in 2020. The exercise is expected to provide critical science-based data to drive adaptation planning at the local level. The downscaling model highlights climate change trends to 2060, and serves as a basis for conclusions regarding current and projected climate risks in light of exposure and localized vulnerabilities across priority sectors. ■ Mali is one of the West African countries (along with Burkina Faso, Côte d'Ivoire and Niger) included in the joint UNCDF-LoCAL–West African Development Bank (BOAD) funding proposal submitted to the GCF in early 2020. The joint proposal aims to scale up LoCAL in 25 additional communes in Mali and includes a component on private finance mobilization to test a blended finance model adapted for local adaptation finance. |
|  <p>adaptation measures and investments</p> | <ul style="list-style-type: none"> ■ Since inception in 2015, LoCAL-Mali has invested in 36 local adaptation initiatives, accounting for about \$250,000 and directly benefiting more than 70,000 people, mostly women. ■ Interventions financed included setting up market gardening plots for women's groups in three localities in Sandaré and Simby (approximately 11 hectares in all), equipped with supplementary pools, hedges and wire fencing, and solar panels to provide energy to an automated water pump; as well as resilient seeds provision. Grants were also used to build women's capacities, with trainings in agricultural techniques, and procurement of agricultural inputs and seeds. ■ Sandaré also 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 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. ■ The fourth PBCRG cycle, to benefit the two pilot communes in Kayes and two in Mopti, was released in 2020. The communes have been working to develop their annual investment plans for 2021. Interventions identified a focus on building the climate resilience of local agricultural practices as a key livelihood option for these rural communes, especially for women. |
|  <p>lessons learned</p> | <ul style="list-style-type: none"> ■ The communes 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. Field presence and establishing partnerships with local stakeholders may further contribute to inclusiveness along the PBCRG cycle. ■ The majority of stakeholders and national policies are fully supportive and aligned with adaptation objectives and the need to build population resilience in climate-vulnerable areas. This synergy helped drive communication and build capacities; 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

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|  <p>lessons learned</p> | <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. |
|  <p>way forward</p> | <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 Technical 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 the Poverty-Environment Initiative of the United Nations Development Programme–United Nations Environment Programme, 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 MINUSMA Peacebuilding Fund serves as a LoCAL-Mali bridging phase, expanded to an additional two communes, as the country mobilizes additional finance to implement Phase II. LoCAL-Mali seeks to scale up the mechanism to a larger number of communes, ultimately aiming for national scale-up. To this end, LoCAL, under the leadership of the Government of Mali, will engage partners for resource mobilization, including advancing the BOAD-UNCDF GCF proposal to seek final approval by the Board. ■ LoCAL will continue to provide technical and financial support to ANICT's GCF accreditation and for operationalization of Phases II and III, continuing to build capacities and expertise on subnational climate finance. National and subnational authorities will be further supported in understanding current and projected climate risks by finalizing the ongoing climate risk assessment. |
| <p>more information</p> | <p>https://www.uncdf.org/local/mali</p> |

Mozambique



context

Mozambique's location in the Inter-tropical Convergence Zone makes it particularly susceptible to extreme climate phenomena such as El Niño and La Niña, which bring droughts, floods and cyclones on a regular basis. Its coast forms the western border of the world's most active tropical cyclone basin, the Southwest Indian Ocean, which produces about 10 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 unprecedented, consecutive, tropical cyclones Idai, Kenneth and Desmond, displacing tens of thousands of people and destroying infrastructure and livelihoods. Cyclones have affected almost a third of the country, especially the coastal provinces and those close to them. The adverse effects of climate change in Mozambique undermine government efforts to reduce poverty, improve food and nutritional security, expand infrastructure and services and reach the targets set out in the Sustainable Development Goals.

The decentralization process in Mozambique has been a combination of decentralization and deconcentration with a gradual transfer of responsibilities, personnel and funding to the municipal level as well as to the more deconcentrated levels of provincial and district governments. 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.



objectives

The overall outcome of LoCAL-Mozambique is to improve the resilience of districts to climate change as a result of increased access to climate change adaptation financing through performance-based climate resilience grants (PBCRGs). Five specific outputs contribute to the achievement of this overall outcome. Adding to this are rural livelihood development interventions, specifically focused on responding to the current COVID-19 pandemic:

- An effective PBCRG system established as a finance mechanism in Mozambique and operational for additional funding
- Inclusive, effective and accountable climate change planning and budgeting processes at the district level
- Climate change adaptation activities managed efficiently, effectively and transparently and implemented by participating districts through the PBCRG system
- A monitoring and evaluation system and lessons learned to inform national policies about experiences from the LoCAL launch and integration of climate change in all stages of public financial management processes and improvement of public financial management
- Completed roll-out plans and capacity-building support for new districts in new province(s) established by the end of the programme
- Effective and inclusive support to rural livelihoods affected by the COVID-19 pandemic in the climate-affected districts

Mozambique



achievements

- Since its launch in 2015, LoCAL has been reinforcing the government-led planning, budgeting and investment cycles to finance local adaptation plans and, more broadly, implementation of district development plans.
- As of 2018, Mozambique successfully transitioned into Phase II, extending its reach to four provinces – Gaza, Inhambane, Nampula, Zambezia – covering 17 climate-affected districts. Donorship has grown beyond the initial support of the Belgian Development Cooperation to include the Governments of Sweden (Gaza and Inhambane) and Catalonia and the European Union (both for Nampula and Zambezia) for the 2018–2023 period. Negotiations are underway with donors to add a littoral dimension and funding to existing LoCAL programmes.
- Seventeen 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.
- The integration of the PBCRG system into the intergovernmental fiscal transfer system further facilitated delivery to the public financial management system of \$8 million over the coming years to finance resilient interventions in the four selected districts under LoCAL.
- LoCAL's implementing partners – the Ministry of Land and Environment, 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 five provinces for the 2018–2023 period. The development impact achieved within the Environmental Sector Support Programme (PASA II) financed by Danida, the European Union and Irish Development Aid, combined with the programmatic lessons emerging from implementation of the LoCAL mechanism in Gaza and Inhambane, has guided design of the new programme in the Niassa province (2020–2023) to begin implementation in 2021 and the start of implementation of resilient development interventions in the Nampula and Zambezia provinces (2019–2022).
- The LoCAL initiative, with its initial local government-led development interventions in Gaza Province, has been reinforced with financial support from the Governments of Sweden (2018) and Catalonia (2019) as well as the European Union (2019), with Switzerland ready to pledge support as of 2021. Ultimately, the enhanced government capabilities for financing local adaptation plans in Gaza were extended to include additional provinces. This crucial step has guaranteed follow-up financing after the initial pilot phase (2015–2018), which was financed and supported by the Belgian Development Cooperation and UNCDF in the Gaza Province with a combined budget of \$8 million.
- For the current five-year period (2018–2023), a total of \$25 million has been committed to the LoCAL programme (Phase II) to reinforce locally based climate-resilience development finance in Mozambique.
- UNCDF manages – in consultation with government partners – the financial resources, localized capacity building and technical assistance to further operationalize local adaptation plans and climate-adaptive investments in the focal provinces. LoCAL programmatic development interventions support and build on existing government-led and -managed climate change adaptation experiences in the selected districts. As of 2020, 17 districts – Gaza (up-scaled to 8), Inhambane (5), Nampula (2), Zambezia (2) – are supported, and Niassa (3) will join in 2021.
- The make-up of Mozambique's LoCAL programme allows for it to adapt and be tailored to the country's changing environment and local needs. Examples include responding to the COVID-19 pandemic by increasing access to basic necessities such as water/soap; extending a focus to the climate-sensitive coastal/littoral zones; exploring nature-based solutions; strengthening social inclusion, civic rights and government accountability in providing public services – all in the context of local climate adaptation and resilience development. This demonstrates the LoCAL programme's comprehensiveness and ambition.



adaptation measures and investments

Since LoCAL's inception, a total of 62 projects have been prioritized and financed through the PBCRG, 39 of which were under implementation in 2020.

- Most of the investments concern the rehabilitation and construction of climate-adaptive infrastructure, and provision of equipment and goods. In 2020, PBCRGs were mostly devoted to social infrastructure, specifically schools and hospitals, by rehabilitating / climate proofing existing ones and building new facilities to improve access to basic social services for climate-vulnerable groups (i.e. women and children), amid the COVID-19 emergency. To further preserve public health in the face of climate change threats, most districts identified realization of multifunctional water supply systems as a priority intervention to ensure reliable access to drinking water. In 2020, 39 investments were undergoing in 17 districts for a portfolio amount of \$2.47 million.

Mozambique

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|  <p>adaptation measures and investments</p> | <ul style="list-style-type: none"> ■ Through participatory activities, local consultative councils, community representatives – women, men and youth, including the most vulnerable – identify, prioritize and select the climate-adaptive investments that best correspond to their needs. This enhances community awareness and engagement in local governance, planning and budgetary processes; and also allows local governments to be held accountable in providing adequate public and climate-smart goods and services. The decentralized participatory approach strengthens feelings of inclusiveness and ownership, building a strong base for the success of the interventions in the districts, trust in local governance and the sustainability of the LoCAL programme. |
|  <p>lessons learned</p> | <ul style="list-style-type: none"> ■ Through a dialogue among district technical teams and central government staff, the procurement process was highlighted as an element in the local development process that 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 budgetary programming, execution and accountability. LoCAL directly supports the state-district budget transfer system, channelling climate finance through e-SISTAFE. PBCRGs should be accompanied with continuous support and capacity development trainings of the relevant ministries to ensure a suitable tracking system at all levels. ■ Integration of a gender perspective in local development, governance and budgetary activities needs attention. Progress has been made, and gender-related activities and trainings are planned for local actors; but it remains important to ensure the equitable inclusion of women and girls in the selection, implementation and maintenance of climate-resilient investment projects. Local governments need to strengthen their institutional capacity and accountability taking gender into consideration. ■ In the context of the pandemic and government response measures, the movement and gathering of people as well as supplies of goods and services have been severely restricted. Fortunately, this has not directly affected the objective and outputs of the LoCAL programme, but it has had an impact on implementation with regard to timing, expenditure and logistics. The pandemic has also exposed the vulnerabilities of communities – high dependence on informal income, gender-based violence, and lack of access to basic necessities such as soap and water. The LoCAL programme in Mozambique has adapted to this reality and has included COVID-19 responses to its locally led development interventions. |
|  <p>way forward</p> | <ul style="list-style-type: none"> ■ The LoCAL Niassa programme will be operationalized with local partnerships and technical assistance established to begin implementation. A novel and close collaboration with a civil society actor will support implementation in enhancing the effective, accountable, efficient and inclusive provision of public services to women, men and youth in the selected district and municipalities. Awareness will be raised among citizens of their civic rights and duties, thus building greater local government accountability and dialogue on locally identified needs and performance issues. ■ Annual performance assessments have been carried out in Gaza, Inhambane, Nampula and Zambezia. Districts will be informed of their allocations for the next financial cycle based on performance as well as compliance with minimum conditions. ■ Programmatic implementation will take advantage of PASA development experiences as well as of existing government-based human resources, processes and local government systems. ■ 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. ■ The Assessing Climate Change Adaptation Framework (ACCAF) will be rolled out with UNCDF support. ■ LoCAL Mozambique continues to explore further opportunities, partnerships and local development and climate adaptation needs to enhance its reach, impact and sustainability. |
| <p>more information</p> | <p>https://www.uncdf.org/local/mozambique</p> |

Niger

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|  <p>context</p> | <p>Niger, like other countries in West Africa, has been hard hit by the effects of climate change, and addressing these is a central plank of UNCDF's commitment in the country. Climate change in Niger is evidenced by, among other factors, a reduction in average annual rainfall, combined with limited temporal and geographic distribution when it does occur; increasingly high temperatures; more frequent periods of drought; marked deterioration in soil quality; and greater ecosystem fragility. The degradation of land potentially suitable for cultivation and the dependence of the country's farms on rainfall make Niger extremely vulnerable to random climatic events.</p> <p>Drafted in 2013, the National Policy on Climate Change aims to contribute to sustainable development by reducing the negative impacts of climate change. Specifically, it seeks to strengthen the population's capacity for adaptation and the resilience of ecological, economic and social systems in relation to climate change; and to incorporate climate change into planning tools for socioeconomic development actions at the national, regional and local levels.</p> <p>Decentralization in Niger provides for two levels of local authority – the commune and the region – which are administered by elected councils. Both are legal entities and have financial autonomy, with their own budget, staff and estates. Communes have general powers to provide public services that meet the needs of the population and that do not fall under the jurisdiction of the state or region. Further, the state has the authority to transfer, through devolution decrees made by the Cabinet, a wide range of specific powers – covering, among others, the environment and management of natural resources. Budget transfers from the state are handled through three mechanisms: the Decentralization Support Fund, the Cross-Subsidization Fund of the National Agency for Local Authority Funding (ANFICT) and taxes reassigned by the state.</p> |
|  <p>objectives</p> | <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 |
|  <p>achievements</p> | <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 mechanism. ■ 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 complemented and expanded this effort in 2020 by developing a country report on climate risk and vulnerability assessment which incorporates the local dimension and indicators. |

Niger



achievements

- To capitalize on the pilot, LoCAL organized a stocktaking exercise and national workshop that brought together all stakeholders engaged in LoCAL, including mayors, deconcentrated services and central-level ministries and agencies. The workshop provided strategic direction for Phase II, whose design was completed over the next year. 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.
- Through the NDC Partnership and the Italian Fund for Migration, LoCAL-Niger secured funding for implementation of Phase II in 9 communes in 3 regions. Thanks to these grants, in 2020, \$450,000 was disbursed as PBCRGs to LoCAL communes; more than 23 adaptation investments were selected and are under implementation. LoCAL communes practice community contracting schemes to create short-term income-generating opportunities and involve the community in implementation of resilience-building interventions. Additionally, under the Italian Fund for Migration project, three communes in the Tahoua and Zinder regions have matched the provision of financial and non-financial services with cash-for-work activities to help vulnerable individuals build their credit history.
- In 2020, ANFICT officially requested LoCAL to assist it in pursuing accreditation to the Green Climate Fund (GCF). LoCAL is providing specialized technical assistance and is working closely with partners to achieve this goal. The accreditation would grant Niger direct access to international climate finance and provide an opportunity to scale up LoCAL country-wide, in line with the government's priorities.
- Niger is one of the West African countries (along with Burkina Faso, Côte d'Ivoire and Mali) included in the joint UNCDF-LoCAL-West African Development Bank (BOAD) funding proposal submitted to the GCF in early 2020. The 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 64 adaptation investments in nine communes. The initial pilot in two communes in the Dosso region yielded the following results:

- 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.

The last PBCRG cycle is currently under implementation and has been extended to the seven additional communes. Approximately 40 per cent of the portfolio was devoted to land restoration initiatives to combat desertification and erosion through cash-for-work schemes. Some 380 hectares of degraded land were restored and some 8,000 short-term jobs created. Climate resilience of rural livelihoods was addressed through support to diversified income-generating opportunities for women, including market gardening and provision of livestock, as well as food supply to communal cereal banks for the most vulnerable communes. Overall, 23 interventions were undertaken in 9 communes for approximately \$430,000.





Niger

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|  <p>lessons learned</p> | <ul style="list-style-type: none"> ■ As the impact of climate change is local and affects multiple sectors, it is important to allow local authorities to choose the priority activities to be funded by LoCAL grants on a consultative basis. A local adaptation action programme, informed by climate risk assessment, must therefore follow on from the list of indicative investments developed when the programme was first established. ■ It is essential to design a funding channel for LoCAL grants 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. |
|  <p>way forward</p> | <ul style="list-style-type: none"> ■ In collaboration with the NDC Partnership, LoCAL will finalize 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 report is one of the deliverables commissioned under the NDC revision process begun in 2020 and to be finalized in 2021. ■ In 2021, the nine communes will undergo annual performance assessment. The exercise is expected to provide evidence for the appropriateness of the mechanism in the two pilot communes, and highlight capacity-building needs for the seven new LoCAL communes. ■ LoCAL will continue strengthening its relationship with national counterparts and secure strong political buy-in to progress in the consolidation of Phase II and towards the scale-up of the LoCAL mechanism. Resource mobilization efforts to secure funding (i.e. the BOAD-UNCDF GCF proposal) will continue. The support extended to ANFICT to pursue GCF accreditation so as to obtain direct access to international climate finance for Niger will also continue. |
| <p>more information</p> | <p>https://www.uncdf.org/local/niger</p> |




Tanzania

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|  <p>context</p> | <p>Tanzania's economic growth depends heavily on its environmental and natural resources, with more than 80 per cent of the population dependent on them for income generation. Critical challenges threaten these resources, including their unsustainable harvesting and use, unchecked cultivation practices, degradation of and encroachment on water sources, and the impacts of climate change and extreme weather events. Climate change – evident in 60 per cent of the country – is manifested in droughts, floods, sea level rise and increased water-borne diseases.</p> <p>Given these threats, the government sees an urgent need to protect and manage the environment and its natural resources. In 2012, Tanzania launched its National Climate Change Strategy. The strategy covers adaptation, mitigation and cross-cutting interventions; and outlines the importance of establishing institutions and policies at the national level for climate change planning – including a climate change finance mechanism.</p> <p>With UNCDF support, Tanzania has both an efficiently functioning system of local governments and a well-developed intergovernmental fiscal transfer system, which has introduced performance-based elements over the past decade. A policy of decentralization by devolution gives local governments significant roles and responsibilities in implementing government policies and programmes. This includes supporting efforts to achieve national development goals (e.g. Vision 2025), as well as international goals such as the Sustainable Development Goals and other regional and international protocols and development frameworks. As to its intergovernmental fiscal transfer system, Tanzania has been reforming and strengthening it to include considerations on the impact of climate change and opportunities for climate change funding.</p> |
|  <p>objectives</p> | <p>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:</p> <ul style="list-style-type: none"> ■ 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 |
|  <p>achievements</p> | <ul style="list-style-type: none"> ■ 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, the 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

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|  <p>achievements</p> | <ul style="list-style-type: none"> ■ 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, Mpwapwa 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. |
|  <p>adaptation measures and investments</p> | <p>LoCAL-Tanzania will support the Chamwino, Mpwapwa 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.</p> |
|  <p>lessons learned</p> | <ul style="list-style-type: none"> ■ 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. |
|  <p>way forward</p> | <ul style="list-style-type: none"> ■ 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. ■ 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. |
| <p>more information</p> | <p>https://www.uncdf.org/local/tanzania</p> |

Tuvalu

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|  <p>context</p> | <p>Tuvalu is the fourth smallest country in the world with a population of around 11,000 and a land area of 25.9 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> |
|  <p>objectives</p> | <p>The aim of LoCAL-Tuvalu is to improve the capacities of local governments to address climate change by increasing access to climate change adaptation financing through 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: Monitoring and evaluation system, and lessons learned to inform national policies, informed through experiences with the launch of LoCAL and the integration of climate change in all steps of the local public financial management process and improvements of public financial management ■ Output 5: Completed roll-out plans and capacity-building support for new <i>kaupules</i> by end of programme |
|  <p>achievements</p> | <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 Facility and subsequently approved by the <i>Kaupule Development Coordinating Committee</i>, 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. ■ The third APA 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. Following compliance with minimum conditions, a third cycle of PBCRG was channelled to the pilot <i>kaupules</i> in 2020. |

Tuvalu

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|  <p>achievements</p> | <ul style="list-style-type: none"> ■ 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. Parallel resource mobilization efforts were also undertaken in 2020 with the drafting of a multi-country GCF Concept Note in partnership with the Pacific Community, with Tuvalu one of four small island developing states pursuing access to international climate finance to consolidate/ scale up LoCAL. |
|  <p>adaptation measures and investments</p> | <ul style="list-style-type: none"> ■ 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. ■ The key vulnerabilities and risks related to water are increased variability and decreased predictability of rainfall and safe water availability. To this end, six water catchment and harvesting systems were completed in the three kaupules. ■ Tuvalu is also dangerously exposed to extreme climate events such as storms and cyclones. Two cyclone shelters were constructed in two kaupules which will provide protection for more than 800 inhabitants. ■ The third PBCRG cycle is currently under implementation. |
|  <p>lessons learned</p> | <ul style="list-style-type: none"> ■ To undertake climate change adaptation activities effectively and efficiently, an incentive-based performance system could be considered to promote service delivery within other institutions. Meaningful participation of vulnerable and marginalized communities through bottom-up planning needs to be ensured. Such participation helps integrate climate change risk management activities into community development and planning processes. At programme outset, a number of stakeholders at the village level were not fully aware of their role and responsibilities. ■ Capacity at both the kaupule and government levels has been identified as a major constraint to successful provision of services to communities, and as such has been accorded high priority. Awareness raising and capacity enhancement are very important at programme start and throughout the life of a project. As part of the overall capacity development strategy planned for Phase II, institutional and organizational reform at the kaupule as well as at the central government level will be needed. Capacity development support in the country will be coordinated with a number of core initiatives such as the National Adaptation Programme of Action II and the Public Sector Reform Programme. It is also envisaged that collaboration with the newly implemented Tuvalu Coastal Adaptation Project would be supported and reinforced. |
|  <p>way forward</p> | <ul style="list-style-type: none"> ■ LoCAL will assist kaupules in the implementation of the third cycle of PBCRGs and of the recommendations arising from the third annual performance assessment that was completed in June 2018. ■ LoCAL will support efforts for Phase II deployment with planning and preparation of interventions for up-scaling with expected coverage of all local governments, or at least an additional two or three authorities. ■ 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. |
| <p>more information</p> | <p>https://www.uncdf.org/local/tuvalu</p> |

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

The **United Nations Capital Development Fund (UNCDF)** makes public and private finance work for the poor in the world's 46 least developed countries (LDCs). 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 pursues innovative financing solutions through: (1) financial inclusion, which expands the opportunities for individuals, households, and small and medium-sized enterprises to participate in the local economy, while also providing differentiated products for women and men so they can climb out of poverty and manage their financial lives; (2) local development finance, which shows how fiscal decentralization, innovative municipal finance, and structured project finance can drive public and private funding that underpins local economic expansion, women's economic empowerment, climate adaptation, and sustainable development; and (3) a least developed countries investment platform that deploys a tailored set of financial instruments to a growing pipeline of impactful projects in the “missing middle.”



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