

# LoCAL final report on first period of global expansion: **2014–2018**





**LoCAL** final report  
on first period  
of global expansion  
**2014–2018**

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Ghana	Tanzania
Lao PDR	Tuvalu



# preface

Local authorities in least developed countries (LDCs) are in a unique position to identify climate change adaptation responses that best meet local needs, and typically have the mandate to undertake the small- to medium-sized adaptation investments needed to build climate resilience. Yet they frequently lack the resources to do so – particularly in a way which is aligned with established local decision-making processes and planning and budgeting cycles.

Building on its experience in working with local governments, the UN Capital Development Fund (UNCDF) designed the Local Climate Adaptive Living (LoCAL) facility in 2011. LoCAL aims to promote climate change-resilient communities and local economies by establishing a standard and internationally recognized country-based mechanism to channel climate finance to local government authorities in LDCs. LoCAL increases awareness and capacities to respond to climate change at the local level, integrates climate change adaptation into local governments' planning and budgeting systems in a participatory and gender-sensitive manner, and increases the amount of finance available to local governments for climate change adaptation.

Since its global scale-up in 2014, LoCAL has evolved considerably, and now engages 107 local governments representing over 6 million people in 14 countries: **Bangladesh, Benin, Bhutan, Cambodia, The Gambia,**

**Ghana, Lao PDR, Lesotho, Mali, Mozambique, Nepal, Niger, Tanzania and Tuvalu.** We have delivered close to \$17 million directly to countries – including through grants and technical assistance – and have mobilized almost \$60 million from donors and parallel funding from governments.

This report summarizes activities and results from the first period of LoCAL's global expansion (2014–2018) in Africa and Asia and the Pacific, drawing on a range of experiences and good practice in LoCAL design and implementation. These experiences and practices are more fully documented in the UNCDF publication [\*Financing Local Adaptation: Experience with Performance-Based Climate Resilience Grants\*](#), which was adopted as [supplementary material](#) to the United Nations Framework Convention on Climate Change's National Adaptation Plan Technical Guidelines in 2019.

LoCAL experience during its first period of global expansion sheds light on the importance of subnational adaptation and of bridging national with subnational adaptation efforts, while highlighting the contribution of the local level to national climate change goals such as national adaptation plans and nationally determined contributions.

As LoCAL enters a new phase, it will build on this learning and achievements as it continues its efforts towards becoming a standard and recognized country-based mechanism for climate finance for LDCs.

# acronyms

ACCAF	Assessing Climate Change Adaptation Framework
ACP	African, Caribbean and Pacific
ANICT	Local Authorities National Investment Agency (Agence Nationale d'Investissement des Collectivités Territoriales)
COP	Conference of the Parties
EU	European Union
FNEC	National Fund for Environment and Climate (Fonds National pour l'Environnement et le Climat)
GCCA+	Global Climate Change Alliance
GCF	Green Climate Fund
GEF	Global Environment Facility
IFAD	International Fund for Agricultural Development
IIED	International Institute for Environment and Development
LDC	Least Developed Country
LoCAL	Local Climate Adaptive Living
NAP	National Adaptation Plan
NCDD-S	National Committee for Subnational Democratic Development Secretariat
NDC	nationally determined contribution
PBCRG	Performance-Based Climate Resilience Grant
PO-RALG	President's Office Regional Administration and Local Government
PEI	United Nations Development Programme–UN Environment Poverty-Environment Initiative
SDG	Sustainable Development Goal
Sida	Swedish International Development Cooperation Agency
SIDS	Small Island Developing States
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change



Workers on the LoCAL-funded water retention project in Copargo, Benin (photo © Nasser Alqatami/LoCAL-UNCDF)



# about LoCAL

## Purpose

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


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

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

The **Local Climate Adaptive Living (LoCAL)** facility of the United Nations Capital Development Fund (UNCDF) was designed 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 LDCs. LoCAL increases local-level climate change awareness and capacities, integrates climate change adaptation into local government planning and budgeting in a participatory and gender-sensitive manner, and increases the financing available to local governments for climate change adaptation. LoCAL combines **performance-based climate resilience grants (PBCRGs)** – 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**.

In 2014, LoCAL expanded across Asia and was launched in Africa, thereby becoming a global programme. Four years later, LoCAL is supporting 14 countries across

**FIGURE 1: Obstacles to local government contributions to adaptation**



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



**Weak or lack of institutional capacities** to deal with climate change issues



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



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

three regions and working with 107 local governments which represent a population of over 6 million. This report documents the results over the first four years of LoCAL operation as a global country-based mechanism supporting LDCs.

## Approach

LoCAL has innovated a system of **PBCRGs** to channel climate finance and improve responses to climate change at the subnational and grass-roots levels. These grants include a performance element which incentivizes local governments to target adaptation measures, while increasing transparency and accountability by enabling verification of climate change expenditures at the local level. By thus building capacity and trust, the LoCAL PBCRGs improve local governments' chances of accessing and effectively using wider sources of climate funding.

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

The following summarizes the results and resource framework (Figure 2) in place during the first period of the LoCAL global programme expansion.

- **LoCAL development goal.** Promote climate change–resilient communities and economies by increasing financing for and investment in climate change adaptation at the local level in LDCs, thereby contributing to the achievement of the Sustainable Development Goals (SDGs), particularly SDG 1, ending poverty; SDG 11, sustainable cities and communities; and SDG 13, combating climate change and its impacts.

**FIGURE 2: LoCAL programme goal, outcome and outputs**





**DEVELOPMENT GOAL:**

Promote climate change–resilient communities and economies by increasing financing for and investment in climate change adaptation at the local level in LDCs

**PROGRAMME OUTCOME:**

Increased local government access to climate finance to implement climate change adaptation activities in target countries

**OUTPUTS**

 <p><b>1</b> <b>MAINSTREAMING</b></p>	 <p><b>2</b> <b>AWARENESS</b></p>
 <p><b>3</b> <b>FINANCE</b></p>	 <p><b>4</b> <b>IMPLEMENTATION</b></p>

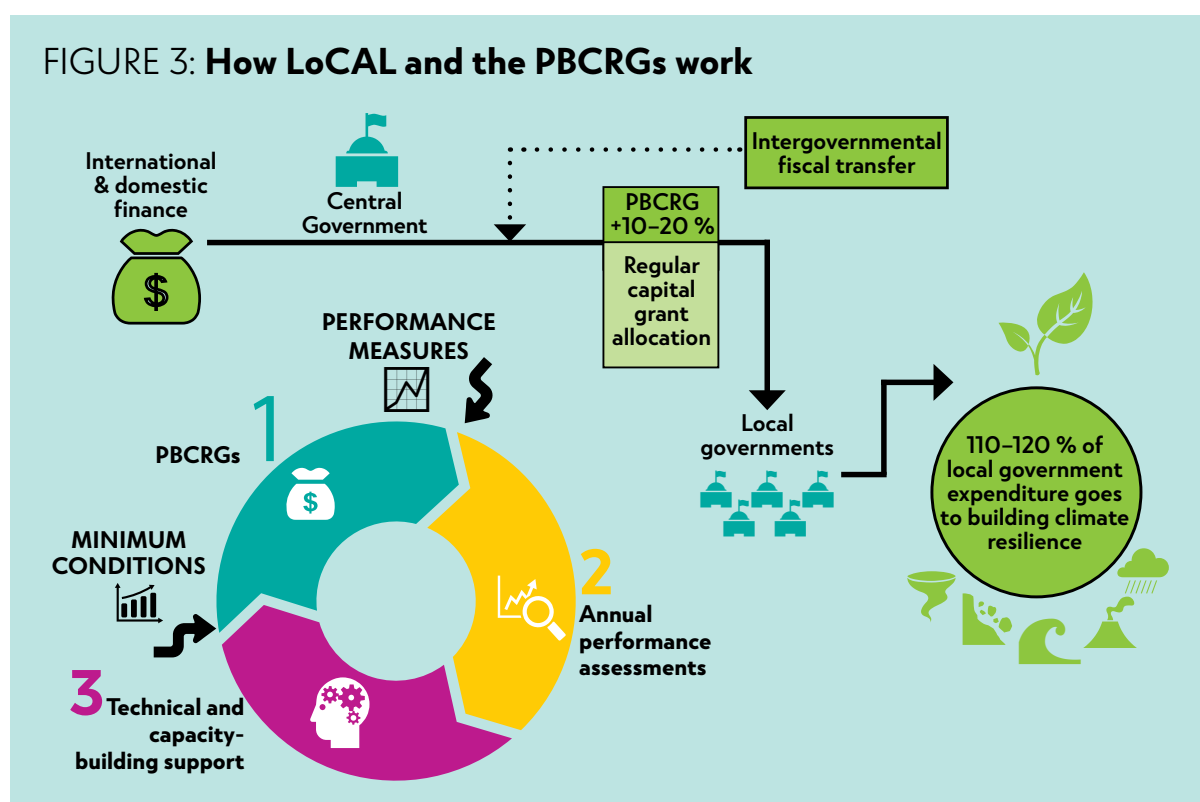
- **Programme outcome.** Increased local government access to climate finance to implement climate change adaptation activities in target countries.
- **Output 1: Mainstreaming.** Climate change adaptation is mainstreamed into government planning and budgeting systems.
- **Output 2: Awareness.** Increased awareness of and response to climate change at the local level.
- **Output 3: Finance.** Increased amount of climate change adaptation finance available to local government and local economy.
- **Output 4: Implementation.** The programme is effectively, efficiently and transparently implemented in line with UNCDF programme management regulations.

## Performance-based climate resilience grants

PBCRGs aim to cover the additional costs of making local development climate resilient. They are channelled through existing fiscal transfer mechanisms in the countries where LoCAL intervenes, thereby strengthening national appropriation and accountability. By being disbursed as part of a local government's regular budget envelope, PBCRGs can finance the adaptation element of larger projects, allowing for holistic responses to climate change, as shown in Figure 3.

PBCRGs include **minimum conditions**, **performance measures** and a **menu of eligible investments**. 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

FIGURE 3: How LoCAL and the PBCRGs work



minimum absorptive capacity is in place to handle the funds. Performance measures are applied through an annual assessment to incentivize local governments to meet climate change adaptation objectives. Measures 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. Where local governments are found not to have met the minimum conditions, capacity-building actions are undertaken to help address the identified gaps and lags.

Figure 4 summarizes the major operational components of the LoCAL programme.

1. Review/conduct local **climate risk assessments** to inform adaptation planning and mainstreaming by assessing on-the-ground needs and capacities.
2. **Integrate adaptation** in a participatory and gender-sensitive manner in local development planning and budgeting processes, cost and select adaptation measures, and develop local adaptation programmes to be financed through PBCRGs within the limits of the investment menu.

3. Disburse **grants** in the context of local authorities' annual planning and budgeting cycles, and **implement** selected adaptation measures.
4. **Appraise performance** to determine how additional resources have been used to build resilience and promote adaptation, and conduct audits as part of a regular national process. These performance results inform the next year's PBCRG allocations.
5. Undertake **capacity-building** activities when and as appropriate to identified needs, targeting the policy, institutional and individual levels – and strengthening local authorities' incentives for continuous performance improvement and focusing on the most needed adaptation interventions.

The programme operates in three distinct phases (Figure 5), each associated with specific criteria to determine the programme's degree of maturity in the respective country (Figure 6).

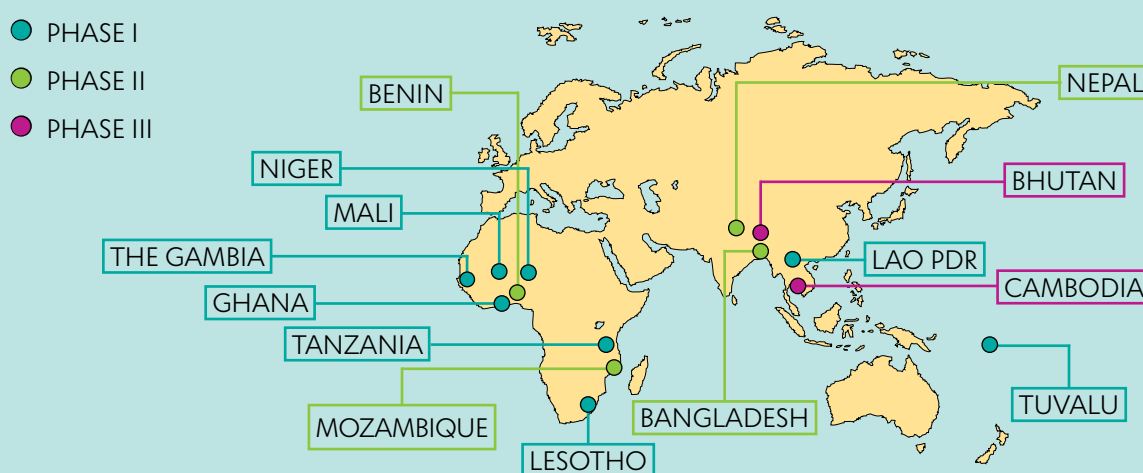
- **Phase I: Piloting**, consists of an initial scoping analysis, followed by testing in two to four local governments. Phase I countries, as of December 2018, are **The Gambia, Lesotho, Tanzania** and **Tuvalu**. Phase I countries ready to move to Phase II are **Ghana, Lao PDR, Mali** and **Niger**.
- **Phase II: Consolidating**, takes place in 5–10 local governments in a country. It involves collecting lessons and demonstrating the mechanism's effectiveness at a larger scale. As of December 2018, **Bangladesh, Benin, Mozambique** and **Nepal** were in Phase II.
- **Phase III: Scaling-up**, is full national roll-out of LoCAL based on the results of the previous phases and lessons learned. LoCAL is gradually extended to all local governments, with domestic or international climate finance, and becomes the national system for channelling adaptation finance to the local level. **Bhutan** and **Cambodia** are in Phase III, and **Benin** has begun Phase III preparations.



FIGURE 5: **LoCAL phases**



FIGURE 6: **LoCAL countries**





Cyclones pose a particular danger for Tuvalu's fragile coastline, and their frequency and intensity are expected to increase as climate change worsens (photo © Hendrik Visser/LoCAL-UNCDF)



# highlights

The LoCAL global programme achieved its output targets for the reporting period; these accomplishments are detailed on the following pages by output and in terms of the indicators established in the UNCDF LoCAL [Global Project Document](#) (see Figure 7). Notable achievements between 2014 and 2018 include the following.

- From 2014 to 2018, LoCAL observed an **increase of 39 per cent in the number of local government authorities** engaged in the mechanism, from 29 in 7 countries in 2014 to 107 in 14 countries as of December 2018, representing over 6 million people.
- Some **637 climate change adaptation interventions were financed across 11 countries** using LoCAL grants, mostly infrastructure investments (i.e. 64 per cent of total), of which 612 were successfully completed and another 25 are under implementation. The portfolio addressed a range of sectors – including water and sanitation, agriculture, disaster prevention and preparedness, transport and storage (which combined represent 79 per cent of the total) – as well as a diverse set of ecosystems, from the mountainous areas of **Bhutan** to the drylands of **Niger**.
- LoCAL **delivered close to \$17 million**, with grants and technical assistance to countries totalling \$11.9 million.
- UNCDF LoCAL has invested around \$1 million of its own resources and **mobilized \$59.7 million** from donors and parallel funding from governments.
- **Memoranda of understanding or project agreements were signed** with national governments for the deployment of Phase I or II LoCAL programmes in **Bangladesh, Benin, Bhutan, Cambodia, The Gambia, Ghana, Lao PDR, Lesotho, Mali, Mozambique, Nepal, Niger, Tanzania** and **Tuvalu**.
- The original LoCAL country, **Bhutan**, has reached Phase III and is implementing **national roll-out** with a target of scaling up the PBCRG programme to 100 local governments by 2020 with European Union (EU) budget support. **Cambodia** has also started Phase III. Its National Committee for Subnational Democratic Development Secretariat (NCDD-S) secured additional financing for scaling up PBCRGs through the International Fund for Agricultural Development's (IFAD's) Agriculture Services Programme for Innovation, Resilience and Extension (ASPIRE), which will now support climate change adaptation investments in 32 districts across the country.
- In **Benin, Bhutan, Cambodia, Mali** and **Tanzania** – and with LoCAL support – an agency involved in decentralization and/or with LoCAL was nominated as the **country's national implementing entity to pursue accreditation with the Green Climate Fund**

FIGURE 6: LoCAL outputs and indicators



(GCF), with a view to scaling up LoCAL (Phase III) through direct access to GCF funding. To this end, three of these countries have, with support from the LoCAL Secretariat, submitted concept notes to the GCF; Bhutan will do so in 2019.

Although outside the span of this report's coverage, it is worth noting that the GCF Board approved the accreditation application of **Benin's** National Fund for Environment and Climate (FNEC, Fonds National pour l'Environnement et le Climat), a LoCAL partner institution, in February 2019.



- Significant **climate risk assessment activities** took place during the referenced period. **Bhutan, Cambodia and Ghana**, with support from the Korea Environment Institute, began developing national scientific climate change reports. **Benin, Ghana, Mali and Niger** have benefited from a thorough review of their respective climate risk assessment landscape; and Benin and Niger have begun piloting a new, country-based methodology for climate risk assessments. These efforts pave the way for robust, science-based local climate assessments to inform local planning and investment.
- The LoCAL Programme Board met five times during the reference period, providing a **unique South-South platform** for LoCAL participating countries and development partners to learn and share experiences and good practices on subnational adaptation financing and implementation using the LoCAL PBCRG mechanism.
- LoCAL and its participating countries advocated for better recognition of local government's role in addressing climate change through **presentations at and participation in over 20 high-level events**.
- Important **partnerships were established to advance cooperation in strategic areas** such as adaptation monitoring with the World Resources Institute; enhanced support for nationally determined contribution (NDC) implementation in LDCs, small island developing states (SIDS) and African, Caribbean and Pacific (ACP) countries with the ACP Secretariat; climate risk assessments with the Korea Environment Institute; and improved technical capacities for water management in collaboration with the Korea Water Resources Corporation.
- LoCAL's growing visibility and proven track record led to the mechanism's being **featured in a guidance note** – *Vertical Integration in National Adaptation Plan (NAP) Processes: A Guidance Note for Linking National and Sub-national Adaptation* – published by the National Adaptation Plan (NAP) Global Network.
- **Benin** has listed **LoCAL as an adaptation measure under its NDCs**. The country highlighted the LoCAL

contribution in bridging 'the gap for financing adaptation to climate change on the level of local communities while building their institutional and technical capacity to address climate risks and challenges in the process of local development'. The alignment of LoCAL country initiatives with the NDCs has been analysed across 10 countries and documents in the publication '*LoCAL-izing' NDCs: Using LoCAL to Empower Local Governments in Contributing towards Achievement of Nationally Determined Contributions*.

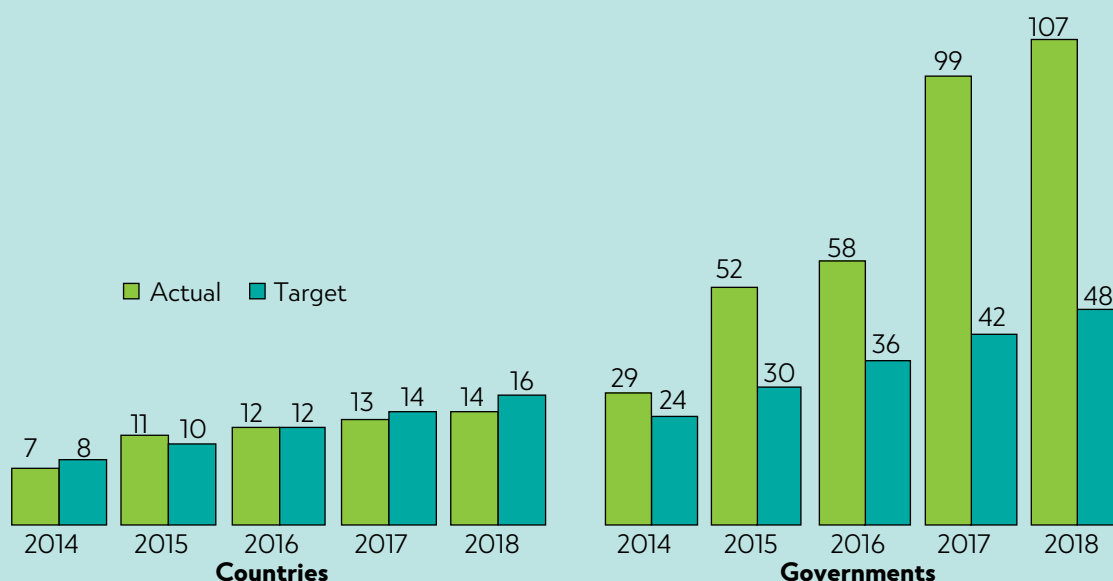
- **LoCAL continued to share information** via country news, stories and videos on its [website](#), in English and French. The [LoCAL YouTube page](#) has reached over 146,562 viewers to date.
- The LoCAL publication *Financing Local Adaptation to Climate Change: Experiences with Performance-Based Climate Resilience Grants* documents LoCAL experience over 2014–2018 and serves as supplementary material to the [NAP Guidelines](#) developed by the LDC Expert Group of the United Nations Framework Convention on Climate Change (UNFCCC).
- As a **partner of the Global Centre of Excellence for Climate Adaptation**, LoCAL was invited to share lessons and experiences in financing adaptation through local government globally.

## OUTPUT 1: Mainstreaming

### Participating countries and local governments

**LoCAL roll-out from a regional to a global programme has been successful overall**, 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 107 in 14 countries in 2018, an average annual increase of 39 per cent (Figure 8). With the financing agreement signed between the EU and the Government of **The Gambia** in 2018 for

**FIGURE 8: Number of participating countries and local governments, 2014–2018**



implementation of the Jobs, Skills and Finance for Women and Youth programme, the number of LoCAL participating countries reached 14.

During the period, **additional countries have expressed interest** in participating in LoCAL, including **Burkina Faso, Côte d'Ivoire, Fiji, Guinea, Kiribati, Uganda** and **Vanuatu**. LoCAL will engage with these countries to explore patterns of collaboration and financing opportunities.

In **Bhutan** – with support from the EU, the Governments of Denmark and Switzerland, UNCDF, the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UN Environment) – the Local Government Sustainable Development Programme aims to **scale up** the PBCRGs to 100 gewogs by the end of 2021.

In **Cambodia**, the NCDD-S secured additional financing for scaling up PBCRGs through IFAD's Agriculture Services Programme for Innovation, Resilience and Extension (ASPIRE), which will now support climate adaptation investments in 32 districts. The **long-**

**term path to scaling up and institutionalizing** LoCAL is expected to be done through financing from the GCF as well as from other domestic and international funding sources as NCDD-S gains accreditation.

### PBCRG integration

By the end of 2018, **107 local governments were engaged with LoCAL** (Table 1); this exceeds the 2018 target of 48 local governments. Of these, 58 benefited from grants; 37 local governments, or 64 per cent of those using PBCRGs, integrated the grants into their public expenditure management/intergovernmental fiscal transfers – 8 in **Cambodia**; 6 each in **Benin** and **Bhutan**; 4 in **Mozambique**; 3 each in **Bangladesh, Ghana** and **Tuvalu**; and 2 each in **Mali** and **Niger**. The target for such integration in 2018 was 80 per cent of participating local governments.

### Adaptation and resilience interventions and measures

Over the 2014–2018 period, 11 LoCAL countries (**Bangladesh, Benin, Bhutan, Cambodia, Ghana, Lao PDR, Mali, Mozambique, Nepal, Niger** and

TABLE 1: **Engagement of local governments in LoCAL as of end 2018**

Country	Level	Number participating	Number using PBCRG	Number which have integrated PBCRG
Bangladesh	<i>Upazila/parishad</i>	19	3	3
Benin	Commune	9	9	6
Bhutan	<i>Dzongkhag/gewog</i>	8	6	6
Cambodia	District/municipality	8	8	8
The Gambia	Ward development committees	8	n.a.	n.a.
Ghana	MMDA	3	3	3
Lao PDR	District	12	12	0
Lesotho	Community council	4	n.a.	n.a.
Mali	Commune	2	2	2
Mozambique	District	4	4	4
Nepal	District	22	6	0
Niger	Commune	2	2	2
Tanzania	District	3	n.a.	n.a.
Tuvalu	<i>Kaupule</i>	3	3	3
<b>Total</b>		<b>107</b>	<b>58</b>	<b>37</b>

NOTE: n.a. = not applicable; MMDA = metropolitan, municipal and district assembly.

**Tuvalu**) identified **637 small-scale climate-resilient interventions**, of which 407, or 64 per cent, are small-scale infrastructure projects, followed by capacity building (18 per cent), equipment (11 per cent) and awareness raising (8 per cent).

Across all LoCAL countries, **almost 80 per cent of the interventions have focused on agriculture, water and sanitation, transport and storage, and disaster prevention and preparedness**, followed by interventions entailing government and civil society. These last primarily involved the mainstreaming of climate change adaptation activities, energy, health and other sectors (Figure 9).

In terms of ecosystems, the **majority of LoCAL investments are undertaken in cultivated areas** (**Bangladesh, Benin, Ghana, Lao PDR, Mali** and

**Mozambique**) and mountains (**Bhutan, Lao PDR** and **Nepal**), followed by drylands (**Mali** and **Niger**) and inland water areas (**Nepal**) (Figure 10).

## OUTPUT 2: Awareness

### Plans and budgets with climate change adaptation activities

As of the end of 2018, local government plans and budgets with climate change adaptation activities were approved in all 58 participating local governments using PBCRGs; this is an increase over past years (Figure 11). Over the 2014–2018 period, there was a steadily **increasing integration of both climate change**

FIGURE 9: LoCAL investments by sector, 2014–2018

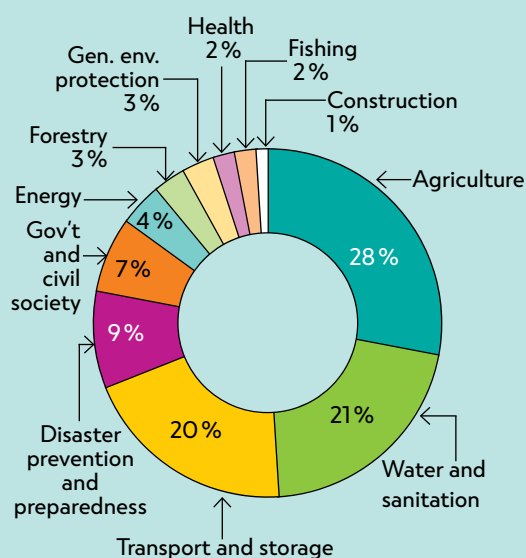
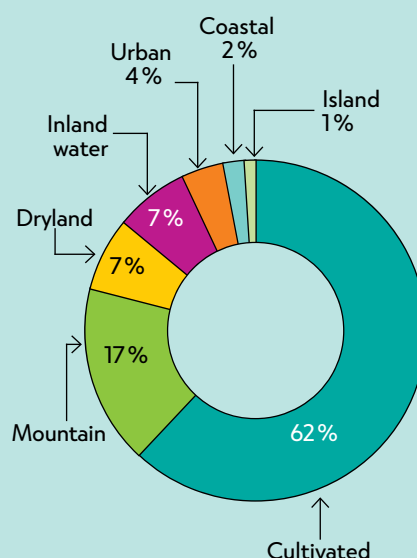
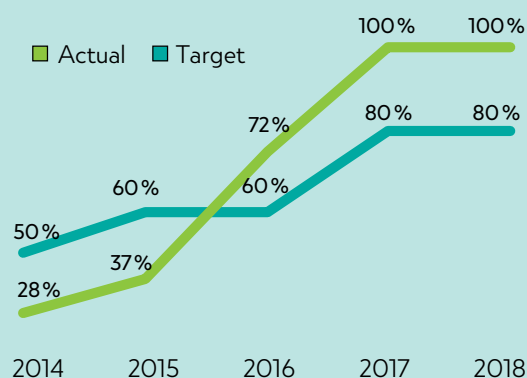


FIGURE 10: LoCAL investments by ecosystem, 2014–2018



**adaptation activities and of the LoCAL PBCRG system** into local government plans, budgets and systems of financial management and intergovernmental fiscal transfer. Numerous initiatives to inform and integrate climate change in plans and budgets have been undertaken, as the following examples show.

FIGURE 11: Local government plans/budgets with climate change adaptation activities



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

- In **Niger** and **Benin**, LoCAL piloted **localized climate risk assessments** and the establishment of a system that will enable local governments to collect, archive and analyse meteorological, climate and socioeconomic data and undertake local climate projections to inform their planning. In the Dogonokiria commune in Niger's Dosso region, for instance, the assessments highlighted an increased risk of malaria, together with agriculture-related risks most often noted by communities. Overall, the effort has broadened the range of climate issues being considered by local governments and communities. The same methodology is now being applied in **The Gambia, Ghana** and **Mali**.
- **Sensitization and awareness-raising campaigns on climate change issues and its mainstreaming into planning processes** were undertaken at least twice a year since LoCAL-**Niger** inception, including via local radio broadcasts. Other countries, such as **Mali**, are using radio as a means to raise awareness among vulnerable groups. **Benin** produced a video to be broadcast on three national channels to sensitize communities on the effects of climate change.

- In **Mali**, together with the UNDP–UN Environment Poverty–Environment Initiative (PEI), LoCAL conducted **joint workshops to support the integration of climate change** into local governments’ social, economic and cultural development plans.
- In **Nepal**, LoCAL carried out **stakeholder mappings**, while implementation guidelines and capacity development plans were prepared through district- and village-level consultations. These guidelines were then disseminated, with a total of 142 local government officials and staff trained. Several capacity development activities – on sustainable utilization of natural resources, developing financing mechanisms for climate resilience and climate change adaptation mainstreaming into public planning and budgeting procedures – were also delivered to Nepal’s 22 LoCAL municipalities.
- In **Benin**, several **information and awareness workshops** were held, including one on lessons learned in which local governments exchanged experiences regarding climate change adaptation. At another, technical staff in participating local governments were trained in improving their understanding of existing tools to integrate climate change adaptation into local planning and budgeting processes. Local government staff in Benin have also benefited from training on data collection and archiving; this has improved local capacity in monitoring climate change adaptation-related interventions.
- In **Mozambique**, LoCAL has worked closely with provincial- and district-level technical teams to **integrate climate change adaptation into district development plans**, thereby improving local capacities with regard to climate change-sensitive planning. Ten districts are now integrating climate change adaptation into their development plans. Also, 175 national and local-level officials have been trained on integration of climate change adaptation into local planning processes and on how to develop local adaptation plans. Periodic planning and sensitization workshops (at least one per district each year and two workshops involving all provinces participating in LoCAL) are carried out with programme support.
- In **Cambodia**, about 200 **district and municipal technical staff have been trained** since the beginning of the programme. Of these, 67 participants in eight target districts have been trained on the PBCRG mechanism and have received instruction on how to conduct PBCRG assessments. An additional 30 target districts and 25 Capital and Provincial Planning and Investment Division personnel have received training on climate change and gender mainstreaming into subnational planning.
- Similar **workshops** have been conducted in other LoCAL countries. In **Bangladesh’s** Boga Union Parishad, 20 participants attended such a workshop. In **Lao PDR**, 333 officials (38 of whom were women) were trained. In **The Gambia, Lesotho, Tanzania’s** Arusha region and three *kaupules* in **Tuvalu** (Namumea, Nukulaelae and Nukufetau), participants learned about **climate risk integration in planning and budgeting** and were sensitized on climate change issues. They also learned about performance criteria and how to apply these in an annual performance assessment.

## Implementation of climate change activities

The target for 2014–2018 was to reach 80 per cent of **budget dispersal** in the majority (80 per cent) of participating local governments; this target was met.

Between 2014 and 2018, between 80 and 100 per cent of the yearly grants were executed in 73 of the 92 local governments that had received grants since inception in 10 countries benefiting from PBCRGs: **Benin** (9), **Bhutan** (6), **Cambodia** (8), **Ghana** (3), **Lao PDR** (12), **Mali** (2), **Mozambique** (4), **Nepal** (6), **Niger** (2) and **Tuvalu** (3). **Bangladesh** (3) was at 32 per cent in terms of PBCRG execution. Participating governments that have not yet received grants were excluded from this calculation; this applies to **The Gambia, Lesotho** and **Tanzania** (Table 2).

TABLE 2: Execution rate of PBCRGs across local governments

	2014	2015	2016	2017	2018	2014–2018
Actual	Not applicable	80 % of 2015 budget of participating local gov'ts in Benin, Bhutan and Cambodia	94%–100 % of 2015/2016 budget for climate change activities spent in 49 local gov'ts (84 %)	90%–100 % of 2016/2017 budget for climate change activities spent in 47 local gov'ts (85 %)	90%–100 % of 2016/2017 budget for climate change activities spent in 19 local gov'ts (32 %)	80 %–100 % of 2014–2018 budget for climate change activities spent in 73 local gov'ts (80 %)
Target	60 % of budget dispersal in 70 % of participating local gov'ts	70 % of budget dispersal in 75 % of participating local gov'ts	80 % of budget dispersal in 80 % of participating local gov'ts	90 % of budget dispersal in 85 % of participating local gov'ts	90 % of budget dispersal in 85 % of participating local gov'ts	80 % of budget dispersal in 80 % of participating local gov'ts

## Sustainable awareness and advocacy tools

Numerous and varied **high-level initiatives** were undertaken between 2014 and 2018 by LoCAL and its participating countries to raise awareness and advocate for the role of local governments in climate change adaptation at the global level. These have included LoCAL events and participation in key policy and technical events, climate conferences and events, NAP Expos and the UNFCCC Conference of the Parties (COP).

## Selected LoCAL and Global Climate Change Alliance events

- The **LoCAL Forum**, launched in 2014, together with the **LoCAL Board**, facilitates exchanges between LoCAL participating countries and other stakeholders on the role and function of local governments in addressing climate change adaptation. The Forum is held each year in conjunction with the annual LoCAL Board meeting.
- In November 2015, 10 LoCAL participating countries and 4 candidate countries attended the LoCAL **Global Lessons Learned Workshop** in **Cambodia**, held to share lessons from LoCAL implementation and improve the mechanism and

the PBCRG. Representatives of the World Resources Institute, the Korea Environment Institute and the GCF also attended the workshop, providing a useful international perspective on, and knowledge of, climate change and global funds. The workshop led to a flagship LoCAL publication, [Financing Local Adaptation to Climate Change: Experiences with Performance-Based Climate Resilience Grants](#), available in English and French.

- In 2016, the **LoCAL Board established the objective for LoCAL** 'to become a standard and recognized country-based mechanism' for LDCs that supports 'direct access to the GCF' and transfers 'resources to local governments through national institutions and systems for building verifiable climate change adaptation and resilience'.
- In March 2016, the **Special Post-COP21 Meeting: Helping ACP States Implement the Paris Agreement** was held in Brussels, and LoCAL was presented as a proven country-based mechanism to support subnational governments in LDCs access climate finance. LoCAL was highlighted as a feasible and recommended mechanism available to ACP countries to support implementation of the Paris Agreement – especially with regard to increasing the role of subnational governments in climate change. Follow-up meetings were held



with the African Development Bank and with the University of South Pacific, which provides technical support to the Pacific region.

- In September 2016, LoCAL was presented and discussed at the **EU Global Climate Change Alliance (GCCA+) Global Learning Event**, Innovative and Effective Approaches to Climate Change Adaptation and Other Post-COP21 Agreement Priorities in Brussels. LoCAL was acknowledged as an example of GCCA+ support of local governments in implementing nationally determined contributions. At the end of the event, the EU confirmed that LoCAL is a key programme for strengthening local government capacity to increase resilience.
- In 2017, during the **Technical Expert Meeting hosted by the UNFCCC Adaptation Committee Unit**, LoCAL presented its experiences and lessons learned in supporting subnational governments in LDCs to access climate finance and increase capacities in resilience planning, implementation and monitoring.
- In 2018, the LoCAL Board approved 'the extension of the LoCAL mechanism for the next period (2019–2023) and the strategic changes to the results and resource framework that will support LoCAL to become a standard and recognized country-based mechanism'.

## GCF and UNFCCC events

- LoCAL participated in **UNFCCC COP20** in Lima in December 2014, supporting participating countries in furthering their exchange on and joint advocacy work for the benefit of LDCs and local governments.
- LoCAL was introduced to the **GCF Board Meeting** in March 2015 as a proven country-based source of support to LDCs in increasing resilience to climate change at the local level. It was pointed out that LoCAL had become an acknowledged mechanism in supporting direct LDC access to GCF resources. The GCF Secretariat is invited each year to the LoCAL Board.

- In preparation for UNFCCC COP21, LoCAL attended the **Summit of African Regions and Cities for Climate** in Yamoussoukro, Côte d'Ivoire, in June 2015; the **World Summit Climate & Territories** in Lyon, France, in July 2015; and the **Ad Hoc Working Group on the Durban Platform for Enhanced Action** (ADP) in Bonn, Germany, in September 2015. As follow-up to these events, LoCAL contributed to the LDC negotiation text drafted at the Bonn event, addressing the role of subnational government in implementing climate change adaptation in LDCs, and the need for capacity building for national and subnational governments to support implementation of climate change adaptation. In addition, LoCAL co-organized and participated in the following side events:

- *Shared Efforts for Adapting to Climate Change*, where Korea, Germany and LoCAL presented methodologies and experiences in ensuring climate science is available to local government authorities, particularly in LDCs
- *Adaptation Best Practice and Scale Up*, organized by the World Resources Institute
- *Decentralization of Climate Finance*, organized by the African Union

- After participating in the UNFCCC NAP Expo 2016 in Bonn in July 2016, the LoCAL Secretariat met with the Chair of the **LDC Expert Group to the UNFCCC**. It was agreed that LoCAL would be featured as a key mechanism for implementation of the UNFCCC LDC Group Three-Year Strategic Plan and that the LoCAL Strategic Plan would be aligned with that of the LDC Group from 2017 onwards.
- LoCAL and its participating countries were well represented at COP22 and parallel and joint side events in November 2016 in Marrakesh. Notably, LoCAL experiences from **Benin, Bhutan, Cambodia and Mali** were presented by officials from each country at the COP22 parallel event, **Climate Summit of Local and Regional Leaders**. Other showcases at which LoCAL shared lessons and experiences include the following.

- *EU GCCA+: Experiences and Innovative Approaches to Accessing and/or Mobilizing Climate Change Finance for Adaptation.*
- *Sahara and Sahel Observatory, GermanWatch and Adaptation Fund: What Next? Past Experiences and Future Prospects for the Adaptation Fund.*
- *African Development Bank: Supporting African Countries in Directly Accessing International Climate Funds for Climate-Resilient, Low-Carbon Development.* LoCAL was subsequently invited to join the Bank's Direct Access to Climate Finance Working Group.
- *Korea Environment Institute: International Cooperation on Building Capacity for Climate Change Adaptation in LDCs.* Following on from this, Korea's Ministry of Environment expressed interest in continuing to support the Korea Environment Institute and LoCAL.
- *International Institute for Environment and Development (IIED): Devolving Climate Finance to Reach the Most Vulnerable.* This event featured a presentation by the Government of **Tanzania** on LoCAL and IIED support of its Decentralization Climate Finance initiative.
- *UNFCCC High Level Event on the Sustainable Development Benefits of Adaptation in Africa.* This event was chaired by Luc Gnacadja, Special Representative of the LoCAL Board.
- At **UNFCCC COP23** in Bonn in November 2017, LoCAL continued its advocacy work to promote the role of local governments in increasing resilience at the local level. To support future such efforts, LoCAL was invited to become a partner of the **Global Centre of Excellence for Climate Adaptation**, an initiative launched at the high-level segment of COP23. During the conference, LoCAL visibility was enhanced or its experiences shared at various side events, including the following.
  - *Fund of the African Development Bank: Financing Adaptation at the Local Level: Experiences and Insights from Africa.* LoCAL experience in **empowering local governments in selected countries in Africa** was highlighted and discussed.
  - *LoCAL and African Development Bank: National and Subnational Access to Climate Finance Direct Access.* LoCAL experiences in **promoting direct access to climate finance** were shared at this side event, which has opened an ongoing dialogue in the context of the Bank's Adaptation Benefit Mechanism and on linking public and private investments for adaptation.
  - *Secretariat of the Convention on Biological Diversity: One Action, Five Outcomes: Aligning National Actions to Amplify Achievement of Global Goals.* This **high-level roundtable** was moderated by the Special Representative of the LoCAL Board, Luc Gnacadja, and attended by heads of state, ministers and heads of delegations.
- Following on from COP23 in Bonn in November 2017, the **UNFCCC LDC Expert Group** explored the idea of including LoCAL's comprehensive publication, [Financing Local Adaptation to Climate Change: Experiences with Performance-Based Climate Resilience Grants](#), as supporting material for its NAP technical guidelines. The **launch of the LoCAL-NAP supplementary material** will take place during NAP Expo 2019 in April in Songdo, Korea.
- At **UNFCCC COP24** in Katowice in December 2018, LoCAL was invited by the ACP Secretariat to share its experiences on subnational adaptation financing and implementation using the LoCAL mechanism, as well as to discuss its commitment to support NDC implementation, particularly in LDCs. LoCAL also participated in the following side events.
  - *GCCA+ 10th anniversary.* This event, organized by the EU GCCA+, focused on GCCA+ impact after



10 years of promoting and implementing long-term adaptation strategies in LDCs and SIDS.

- *Intra ACP GCCA+ side event*, co-organized with the Governments of **Benin** and **Côte d'Ivoire**.
- *Climate Finance Day – Maximizing Adaptation Finance: Building National and Local Adaptive Capacity*, organized by the African Development Bank, with the IIED and World Resources Institute.
- *Scaling up Finance for Adaptation and the Role of the Private Sector*, with the Stockholm Environment Institute, co-organized by UNCDF and the African Development Bank.
- LoCAL participated in a joint side event with IFAD on **community access to financial support for strengthening resilience**. LoCAL was a participant in a side meeting organized by the Korea Environment Institute and the World Meteorological Organization on **assessing future climate risks at the local level**. A meeting was also held with the GCF, **Bhutan** and **Tanzania** on **direct access**. This last resulted in Bhutan's stepping up its application efforts to the GCF Enhanced Direct Access programme, and in the LoCAL Global Secretariat being invited to share LoCAL experiences with LDCs with the GCF Technical Expert Group on Climate Adaptation Finance at the GCF Secretariat in Songdo, Korea.

### Other climate conferences and trainings

- The **Cambodian** local governments, represented by the NCDD-S, presented their experiences and lessons learned from LoCAL implementation at the **Eighth International Conference on Community-Based Adaptation** in **Nepal** in April 2014.
- During the **SIDS conference** in **Samoa** in September 2014, the LoCAL Secretariat and the Ministry of Environment of **Solomon Islands** presented the LoCAL mechanism as a partnership model to support local governments in performing their role in increasing community resilience to climate change effects. An immediate result was an

invitation from the prime minister of **Tuvalu** to LoCAL and the subsequent launch of the pilot in Tuvalu – making it the first LoCAL country in the Pacific.

- At the **Climate Change Summit** in New York in September 2014, the LoCAL participating countries – led by the Government of **Benin**, as chair of the LDC Group at the United Nations (UN) – raised the issue of local governments in implementing climate change adaptation activities to increase resilience in LDCs.
- In May 2016, the LoCAL programme was presented at two side events at the **4th International Climate Change Adaptation Conference, Adaptation Future 2016 Practice and Solutions** in Rotterdam. The first side event, *New Ideas for Tracking Adaptation Success in Cities, Forests, Water, Finance and National Planning*, resulted in a follow-up meeting with the UNFCCC Adaptation Unit, and an invitation to participate in NAP Expo 2016 in Bonn (discussed above). LoCAL experiences in **Bhutan** were presented by that country's delegation in a second side event, *Tackling Adaptation, Alleviating Poverty and Inequalities*.
- In June 2018, the LoCAL programme was highlighted at a side event at **Adaptation Future 2018** on Financing Adaptation and Climate Resilient Development in Least Developed Countries: Role of Private Sector Actors in Scaling Up Adaptation Investment. The LoCAL publication, [\*Financing Local Adaptation to Climate Change: Experiences with Performance-Based Climate Resilience Grants\*](#), was discussed as supplementary material to the UNFCCC's [\*NAP Technical Guidelines\*](#) with the LDC Expert Group.

### Trainings and capacity-building events

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

- In **Cambodia**, the NCDD-S conducted capacity development activities based on needs identified by the districts. Trainings were implemented, and course materials developed, in cooperation with other Secretariat projects – sponsored by IFAD and the UNDP–Global Environment Facility (GEF) – supporting subnational climate change adaptation. Training topics included mainstreaming climate change in local development planning and technical design of climate-resilient infrastructure. A training course was presented in April 2017 for 49 participants from 18 districts and 8 provinces, and several capacity-building workshops were conducted with local governments over 2018.
- In **Niger**, following two cycles of investment and annual performance assessment, LoCAL organized a stocktaking exercise and national workshop which brought together all stakeholders engaged in LoCAL, including mayors, deconcentrated services and central-level ministries and agencies. The workshop was held in Niamey in November 2017.

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

- In **Bangladesh**, LoCAL has provided capacity building to climate-induced internally displaced and vulnerable people, providing them with training on climate-adaptive farming, fish culture, vegetable gardening and organic fertilizer production. Over 35 capacity-building activities were carried out between 2014 and 2017 benefiting more than 4,000 people in two *upazilas* and one *parishad*.
- In **Niger**, 50 local residents were trained in phytosanitation, which is expected to benefit local farmers by helping them combat common pests. In addition, in 2016, LoCAL provided support to train personnel from 10 community early alert and disaster response systems.
- In **Ghana**, 50 people were trained on climate change awareness in 13 communities where bush

fires are prevalent. Urban, town and area council members also benefited from training on early warning systems; this will help improve local-level preparedness in the face of climate risks. Additionally, in Ada East in 2016, about 1,000 people were reached by sensitization messages on the causes and effects of climate change.

- In **Benin**, 50 farmers have been trained on climate-resistant rice varieties and on low-cost resilient production systems to counteract the adverse effects of climate change. A video for broadcast on three national channels was produced in 2017 to further sensitize communities on the effects of climate change.
- In **Mali**, more than 250 women were involved in a market gardening initiative in 2016 which provided them with skills in good and resilient agricultural practices and farm management.
- In **Tuvalu**, several training activities on planning, accounting systems, budgeting, filing, minutes taking, project proposals, etc., took place in the participating *kaupules*. Also, two national workshops, jointly organized with the UNDP–Tuvalu Coastal Adaptation Project and the Ministry of Home Affairs and Rural Development, aimed to familiarize participants and stakeholders with procurement procedures, minimum condition and performance measures, as well as *kaupule* annual development planning and budgeting, adaptation planning and climate risk assessments.
- In **Nepal**, 22 local governments received capacity development training on sustainable natural resource use and management, developing financing mechanisms for climate resilience, and good practices for local government planning and budgeting. Four workshops with 160 participants, including 20 women, were conducted in 2018 and covered topics such as mainstreaming environment and climate change issues into municipal-level strategic climate-resilient plans, as well integration of disaster risk management into local public planning. A follow-up workshop was conducted orienting local governments on blended finance,

the GCF and the accreditation status of national implementing entities.

- In **Cambodia** during 2017, about 10,500 poor households were reached by capacity-building and awareness-raising activities on various climate change-related topics, including resilient agricultural practices and systems, health and sanitation, environmental management, and disaster prevention and preparedness.

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

### Increasing and sharing knowledge

Between 2014 and 2018, LoCAL completed communication and knowledge management initiatives aimed at **developing and sharing knowledge and experiences** – both among its participants and to broader development/climate change communities. These included the following.

- Thirteen **country webpages** and over 50 **articles and stories from the field** were developed and shared through the LoCAL [website](#) and various social media, including the European Commission's knowledge-sharing platform [Capacity4Dev](#), in several languages.
- The **LoCAL Twitter account** (@UNCDFLoCAL) was launched in 2016 and today has over 1,000 followers. The LoCAL **YouTube** channel was also launched in 2016. It features a global video – which has accrued over 135,000 views as of this writing – as well as videos for **Bangladesh, Bhutan, Cambodia, Mali, Nepal** and **Niger**. LoCAL's social media presence on Twitter, LinkedIn, Facebook,

Instagram and YouTube shows steady growth and consistent updates.

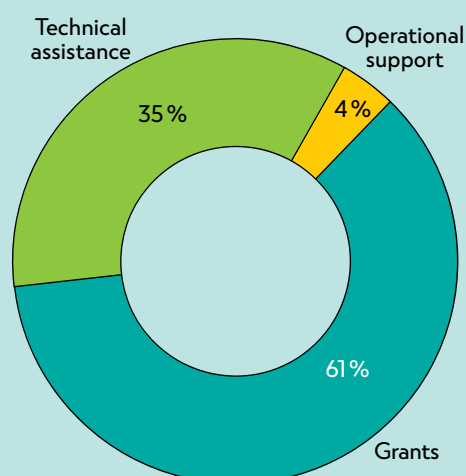
- A number of **assessment reports** were developed and launched; these included reports on **Bangladesh, Bhutan** and **Cambodia** as well as Phase II design assessments for **Ghana, Mali** and **Niger**.
- The [LoCAL brochure](#) was updated annually and published in English and French.

## OUTPUT 3: Finance

### Grant delivery

PBCRGs, operational support and technical assistance totalling \$11.9 million were delivered to governments across 14 countries over the 2014–2018 period. About two-thirds of this support (\$7.2 million) was delivered through PBCRGs and national operational support (memoranda of understanding and letters of agreement with country governments; see Figure 12). Details on PBCRGs are provided in Table 3; details of support by country and source of funds are provided in Table 4.

FIGURE 12: LoCAL support by type, 2014–2018



**TABLE 3: Total LoCAL support by country, 2014–2018**

Country	Budget, 2014–2018 (\$)	Expenditures, 2014–2018 (\$)	Delivery against budget, 2014–2018 (%)
Bangladesh	3,197,788	1,030,558	32
Benin	746,000	750,862	101
Bhutan	796,200	749,014	94
Cambodia	2,768,737	2,725,490	98
The Gambia	96,000	85,898	89
Ghana	329,500	352,142	107
Lao PDR	2,000,000	2,031,931	102
Lesotho	107,000	65,543	61
Mali	638,000	691,426	108
Mozambique	1,690,000	1,619,174	96
Nepal	398,500	379,408	95
Niger	633,704	684,622	108
Tanzania	151,800	151,604	100
Tuvalu	650,500	551,780	85
Uganda	75,000	42,594	57
Fiji, Solomon, Vanuatu	30,000	29,086	97
<b>Total</b>	<b>14,308,729</b>	<b>11,941,133</b>	<b>83</b>

**TABLE 4: Delivery of PBCRGs and operational support by country and source of funds, 2014–2018 (\$)**

Country	EU GCCA+	SIDA PFIS	SIDA Booster Fund	SIDA Cambodia	Gov't of Belgium	UNDP-GEF	Gov't of Liechtenstein	Total
Bangladesh	150,000	0	114,000	0	0	0	0	264,000
Benin	132,224	89,411	181,367	0	0	0	0	403,002
Bhutan	500,000	0	0	0	0	0	0	500,000
Cambodia	100,000	0	0	1,801,330	0	0	0	1,901,330
Ghana	30,000	110,000	0	0	0	0	0	140,000
Lao PDR	0	0	0	0	0	1,845,948	0	1,845,948
Mali	245,743	0	100,000	0	0	0	50,934	396,677
Mozambique	100,000	0	0	0	800,000	0	0	900,000
Nepal	100,000	30,000	130,000	0	0	0	0	260,000
Niger	410,000	0	0	0	0	0	0	410,000
Tuvalu	100,000	0	104,000	0	0	0	46,000	250,000
<b>Total</b>	<b>1,867,967</b>	<b>229,411</b>	<b>629,367</b>	<b>1,801,330</b>	<b>800,000</b>	<b>1,845,948</b>	<b>96,934</b>	<b>7,270,957</b>

NOTE: PFIS = Partnerships Framework on Inclusive Growth and Sustainable Development.

The PBCRGs were allocated as described in the memorandum of understanding between UNCDF and the respective governments of the LoCAL participating countries. Eligibility for **PBCRG financing** is predicated on local government conformance with a set of minimum conditions verified by the participating national governments before funds are transferred to the local level. For countries in their second or later year of LoCAL implementation, the size of the grants received by local governments was adjusted in accordance with overall performance measures. Once conditions were met, PBCRG funds were transferred through the national fiscal transfer system and were subject to the same financial management, procurement and accounting rules as other government funds.

## International/national funds earmarked for local government use

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

- Under LoCAL **Bangladesh**, two agreements were signed – one for \$4.4 million with the EU GCCA+ and one for \$4 million with the Government of Sweden – to scale up LoCAL as part of a joint programme with UNDP. LoCAL will be embedded in a new programme, the Local Government Initiative on Climate Change (LoGICC), which will provide 75 local governments with access to climate-resilient grants. Programme funds total \$20 million, including \$750,000 in funding from the Government of Bangladesh.
- In **Benin**, the mechanism benefited from an allocation of \$120,000 from the FNEC in 2016; this was complemented by an additional \$240,000 in 2017 and around \$34,000 in 2018, allowing the programme to gradually expand to a total of nine local governments.
- With EU budget support, the Government of **Bhutan** committed to providing \$7 million in support of LoCAL national scale-up, allowing the country to replicate the PBCRG system in 100 gewogs.
- The Swedish International Development Cooperation Agency (Sida) agreed in 2016 to fund a two-year bridging phase during which **Cambodia** would achieve the conditions needed for LoCAL national scale-up. Also, as noted above, during 2018 the NCDD-S secured additional financing for scaling up PBCRGs to 32 districts. The NCDD-S is seeking accreditation by the GCF as a national implementing entity. With LoCAL/LGCC support, it has now reached Stage II of the process for accreditation as a National Implementing Entity of GCF and it is expected that its application request will be forwarded for GCF Board approval in 2019.
- In **The Gambia**, LoCAL is embedded under the Jobs, Skills, and Finance for Women and Youth programme, funded by the 11th European Development Fund. The budget for LoCAL is \$6.7 million. The financing agreement between the EU and the Government of The Gambia was signed in early 2018 and the delegation agreement with UNCDF in May 2018.
- In **Lao PDR**, LoCAL is implemented in partnership with UNDP in the context of a GEF-funded project. An additional \$2 million is provided through the LoCAL mechanism integrated within the existing UNCDF District Development Fund block grant system.
- In **Mali**, the Environment and Sustainable Development Agency provided \$164,000 in parallel financing over the 2014–2018 period and announced another \$492,000 for the following three years.
- In **Mozambique**, LoCAL developed a partnership with the Belgian Development Cooperation to support an expanded Phase I, with an estimated investment of \$1.9 million. In July 2018, Sida agreed to support LoCAL-Mozambique with an additional \$12.8 million and the EU GCCA+ with \$4.9 million for a four-year LoCAL Phase II (2018–2023) to be scaled up to four additional districts in Gaza and five in Inhambane.

## Green Climate Fund

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

- In **Benin**, the FNEC has become a national implementing entity after the GCF Board approved its accreditation request in early 2019. Benin is the first LoCAL country to have a national implementing entity directly engaged in LoCAL accredited by the GCF.
- With support from the LoCAL Secretariat, **Benin**, **Cambodia** and **Mali** initiated a joint effort to prepare and submit concept notes to the GCF under its Enhanced Direct Access (EDA) programme to scale up the LoCAL approach through direct access to GCF financing. These proposals were submitted in January 2017.
- The Bhutan Trust Fund for Environment Conservation was nominated by **Bhutan** as its candidate for GCF national implementing entity with a view to scaling up LoCAL.
- In 2017, **Cambodia**'s NCDD-S formally applied for accreditation to GCF as a national implementing entity based on its nomination by a GCF national designated authority. A number of gaps in NCDD-S policies and procedures relative to GCF requirements have been identified; these are being addressed in parallel with the application process and the roll-out of LoCAL Phase III.
- In **Mali**, the Local Authorities National Investment Agency (ANICT, Agence Nationale d'Investissement des Collectivités Territoriales) was nominated as the country's national implementing entity for accreditation by the GCF; it submitted its application at COP24. Following its nomination, LoCAL supported ANICT in organizing a national workshop in which 179 participants learned about international climate finance – specifically, how

the GCF works and what kinds of interventions can be financed through it. Subsequently, LoCAL and 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. Late in 2018, ANICT requested UNCDF develop a letter of agreement to advance support to the institution in its effort to become a GCF national implementing entity.

- In **Tanzania**, the President's Office Regional Administration and Local Government (PO-RALG) was nominated as the country's national implementing entity for the GCF; it has officially submitted its application to the GCF.
- In West Africa, **Benin**, **Burkina Faso**, **Mali** and **Niger** have been working with LoCAL and the West African Development Bank (BOAD) to mobilize international climate finance for their start-up and/or scale-up.

## OUTPUT 4: Implementation

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

### Monitoring and reporting

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



The Secretariat has worked closely with the World Resources Institute to develop an **Assessing Climate Change Adaptation Framework (ACCAF)**. The objective is for each LoCAL participating country to have an adaptation monitoring and evaluation framework for gauging the extent to which the results of the LoCAL mechanism have contributed to increased resilience. Piloting of the framework began in 2018 in **Bhutan, Cambodia and Lesotho**, with the objective of a progressive roll-out in the participating countries from mid-2019.

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

## Programme management and oversight

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

Through its 2016 decision, the LoCAL Board set a vision for LoCAL to become **a standard, recognized country-based mechanism for developing countries,**

**particularly LDCs**, that supports direct access to the GCF and other climate finance with the aim of transferring resources to local governments through national institutions and systems for building verifiable climate change adaptation and resilience.

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

In 2018, the Board approved **extension of the LoCAL mechanism for the four-year period 2019–2022**, along with strategic changes to its results and resource framework that will support LoCAL in becoming the standard, recognized country-based mechanism envisaged by the 2016 Board decision.

## Midterm review

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

## Resource mobilization

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

Over the 2014–2018 period, LoCAL has mobilized \$49 million in direct funding and \$11.5 million in parallel funding for a total of \$60.5 million (Table 5 and Figure 13).

**TABLE 5: LoCAL global programme funding sources, 2014–2018 (\$)**

Source	Funding
UNCDF	800,000
EU GCCA+ <sup>1</sup>	4,904,750
Sida/PFIS	3,000,000
Sida/Booster Fund	3,260,870
Government of Liechtenstein	160,000
Government of Andorra	8,004
EU The Gambia	6,400,000
EU Bangladesh <sup>2</sup>	4,400,000
EU Mozambique	4,908,674
Sida/Bangladesh	4,000,000
Sida/Cambodia <sup>2</sup>	2,288,287
Belgian Cooperation <sup>2</sup>	1,964,085
Sida/Mozambique <sup>2</sup>	12,835,800
UNDP-GEF <sup>3</sup>	2,145,000
EU Bhutan <sup>3</sup>	7,000,000
Cambodia DMK Fund Investment <sup>3</sup>	646,445
Government of Bangladesh <sup>3</sup>	750,000
Government of Benin <sup>3</sup>	340,000
Government of Mali <sup>3</sup>	656,000
<b>Total</b>	<b>60,467,915</b>

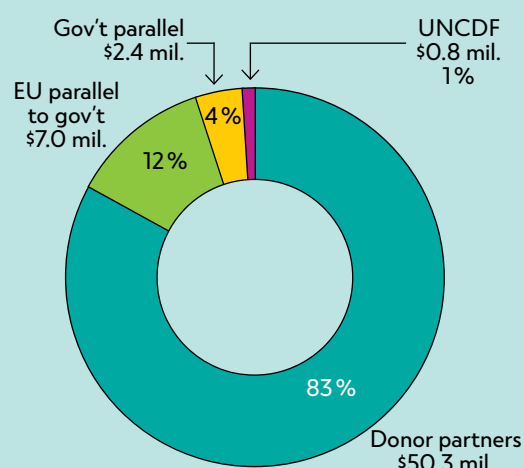
NOTE: DMK = district/municipality/*khan*; PFIS = Partnerships Framework on Inclusive Growth and Sustainable Development.

<sup>1</sup> Amount of contribution adjusted to match actual income received in U.S. dollars and expected to receive from final reimbursement.

<sup>2</sup> Provided as direct funding at the country project level under the LoCAL framework document.

<sup>3</sup> Funded through parallel budget.

**FIGURE 13: Funding by resource type, 2014–2018**



LoCAL donors over 2014–2018 included the **EU** through the **GCCA+** and the **European Development Fund**; **Sida**; the Governments of **Andorra**, **Bangladesh**, **Belgium**, **Benin**, **Bhutan**, **Italy**, **Liechtenstein** and **Mali**; the **UNDP-GEF**; and **UNCDF**.

## Cross-cutting issues

### Partnerships and synergies

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

- LoCAL has worked closely with **PEI** in countries where both programmes are under implementation – **Bangladesh**, **Bhutan**, **Mali** and **Nepal**. As an example of their collaboration, the two programmes organized joint training workshops in **Mali** aimed at supporting two pilot communes in better incorporating climate change in their planning, budgeting, implementation and monitoring tools. LoCAL and PEI regularly share experiences and learning at the regional level. LoCAL attended the Africa Regional Meeting in Rwanda in October



2015 and the West Africa Regional meeting in May 2016. At these meetings, it was demonstrated how PEI policy and capacity-building activities in mainstreaming climate change adaptation into the government planning process has been translated into action on the ground by local government through the LoCAL PBCRG mechanism. This in turn resulted in a request from new countries to join LoCAL.

- An agreement was made with the **World Resources Institute** to develop a **monitoring and evaluation framework** that supports the LoCAL Secretariat, country program staff and government partners. By utilizing the ACCAF, LoCAL participating countries and the Secretariat will understand how LoCAL is contributing to climate change adaptation through its PBCRG mechanism. The ACCAF is comprised of five building blocks and is accompanied by a spreadsheet, the ACCAF Data Tracker, which will enable country program staff to collect all the information suggested in the framework in one place. The draft framework has been piloted in **Bhutan, Cambodia** and **Lesotho**. The final ACCAF manual and a related working paper are expected to be finalized over the course of 2019.
- LoCAL signed an agreement in 2015 with the **Korea Environment Institute** to support LoCAL countries in developing **climate change country reports** to inform the development and refinement of menus of eligible investments. The first such reports were developed in **Bhutan** and **Cambodia**. As part of the Bhutan exercise, the Department of Local Governance – with support from the LoCAL programme – organized an **experts' group consultation workshop**. During this workshop, the Korea Environment Institute team introduced the purpose of, approach to and process for carrying out assessments of climate change risks and vulnerabilities, and presented information on selecting the main sectors and sub-sectors for assessment. The Institute is supporting refinement of the report approach, starting in **Ghana**.
- To support LoCAL implementation, dissemination and scale-up in the Pacific, the programme

has been working with the **Commonwealth Local Government Forum** and key stakeholders and entities such as the Pacific Risk Resilience Programme and the **UNDP National Adaptation Programme of Action (NAPA) II**. Based on their strong commonalities, LoCAL-**Tuvalu** and UNDP NAPA II have agreed to collaborate in support of local planning processes and investment plans, institutional strengthening of central ministries for *kaupule* sector coordination and national scale-up of PBCRGs to all *kaupules*.

- In **Tanzania**, building on the Devolved Climate Finance Programme implemented by PO-RALG, with support from the IIED and UKAid, from 2016-2018 in the Arusha Region, and on LoCAL, the Local Climate Finance Initiative was launched. The initiative aims to promote climate-resilient communities and local economies by enabling climate finance to reach the most vulnerable while complementing existing development finance in line with the SDGs and national policies, particularly Vision 2025 and the country's NDCs. The IIED and UNCDF also work together closely in **Mali** where they jointly support ANICT efforts for accreditation as a national implementing entity for the GCF.
- LoCAL hosts an annual climate finance training in collaboration with **The Hague Academy for Local Governance**, a leading training and education institution on local governance innovation. The training aims to develop the knowledge and skills of civil servants, local practitioners and professionals at donor and development organizations to improve local governance and decentralization in developing and post-conflict societies.

## Gender and the participation of vulnerable groups

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

ecosystem products for their livelihoods, they are disproportionately affected by climate change impacts. LoCAL is by design a gender-sensitive approach to climate change adaptation, as it brings the planning and budgeting process for climate change adaptation closer to those who need it – and to those who are directly able to respond to those needs. While the specific criteria for the PBCRG system vary from one country to another, most designs include specific **gender-sensitive performance measures**, and over half of both direct and indirect beneficiaries of such investments are women.

- In **Cambodia**, the LoCAL/Local Governments and Climate Change Project (LGCC) continues to strengthen gender mainstreaming in the subnational climate change adaptation programme. The recruitment of a gender adviser and development of specific gender and climate change mainstreaming methodologies under Cambodia's UNDP-GEF Sustainable Rural Livelihoods project creates further opportunities for strengthening gender in LoCAL/LGCC and/or for a follow-on PBCRG scale-up programme. As part of GCF accreditation preparation, an overarching NCDD-S Gender Policy document was developed.
- Building on the experience of Phase I, LoCAL Phase II in **Mali** has been designed with a specific focus on gender equality. To this end, it foresees an inclusive, participatory and gender-sensitive approach which contributes to giving a voice to women and girls, combined with a dedicated work stream on women's economic empowerment in the context of climate change.
- In **Mozambique**, a minimum quota is set for the inclusion of women in the District Consultative Council, which makes decisions about investments to be made within the context of the LoCAL grant. An additional performance criterion requires a minimum of 50 per cent of identified and financed projects to specifically target women's development.
- Concrete investments have been made that target women in particular. In **Niger**, women are the main

beneficiaries of a number of investments made during the pilot phase. One project – rehabilitation of degraded land – provided 200 women with temporary jobs in rehabilitating the land and planting new trees. The project simultaneously reduced the risk of flooding and provided additional income to women and their families. Many of the water projects in Niger also specifically benefit women, as they spend a disproportionate amount of their time each day fetching water. The rehabilitation of a number of wells through LoCAL has greatly improved access to water and thus reduced the amount of time women need to spend walking to the nearest wells.

- In **The Gambia**, the LoCAL mechanism – deployed under the Jobs, Skills and Finance for Youth and Women in The Gambia programme – has integrated gender in its design. Consequently, it has set objectives for women and girls in terms of the number of temporary jobs created, the percentage of investments financed by the PBCRGs which are pro-women and the number of female beneficiaries of the investments.

## Lessons learned

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

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

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

- **The LoCAL mechanism should be designed with great care.** In particular, attention should be paid in selecting minimum access conditions and performance measures, so as to provide **adequate incentives** for local government to continuously improve performance. Minimum conditions generally involve public financial management and good governance. In **Mali**, these conditions include the establishment of an agreement between the municipality and the central ministry, the functioning of the local bodies, past audit results, the funds' execution rate and reporting to the LoCAL committee. Performance measures are more qualitative; typically, they address the details of each functional area, such as quality of planning, quality of climate change management, etc. These measures are used to adjust the level of funds made available to local governments as and when they have complied with the minimum conditions. In **Niger**, the performance measures relate to the use of climate information; local adaptation plans; integration of adaptation into local development plans, investment plans and budgets; citizen participation; implementation of adaptation measures; and reporting.
- **The size of the PBCRG must be gauged correctly.** There is no one-size-fits-all approach to grant size. The size of the grant must take into account issues

of fiscal sustainability and scalability, as well as the absorption capacity of the local governments. These factors in turn depend on local government capacities as well as the national allocation mechanisms, which are thus important criteria to assess in determining the optimal size of the grant. For example, the PBCRG in **Ghana** will constitute an average top-up of around 10–15 per cent of the District Development Fund for the enrolled metropolitan, municipal and district assemblies. The PBCRG in **Mozambique** constitutes an average top-up of around 15 per cent.

- **Changing people's attitudes, behaviour and practices is complex.** It is particularly complex when dealing with climate change, given the unpredictability of climate, the lack of data, and the uncertainty of success with new technologies and practices. Infrastructure projects such as retrofitting a bridge or elevating a road are thus generally more appealing to subnational governments and local communities than 'soft' adaptation measures such as awareness raising or vocational training. For this reason, infrastructural efforts comprise the majority of adaptation measures selected in LoCAL countries in the earlier phase, while soft adaptation measures such as **awareness raising, training and climate information services** account for a minority of interventions. Yet such measures are crucial in ensuring that climate change considerations are adequately mainstreamed into local planning processes. In **Niger**, for instance, training local early alert and resilience committees helped boost the local population's knowledge and understanding of climate change adaptation.
- **Without a standard adaptation metric to serve as a 'bottom line', there is no quick and easy way to measure impact on climate change adaptation.** There might also be challenges in differentiating development and climate interventions. LoCAL mainstreaming efforts and funded interventions should therefore be informed by a **local climate risk assessment** that integrates both climate data and local knowledge. Implementation should further be informed by feasibility studies and technical

designs that take climate change into account. Last, investment menus should make climate change explicit and include provisions that the measures are eligible provided their selection is informed by the climate risk assessment.

- **The participation of local communities and vulnerable groups is integral to successfully planning and implementing adaptation at the local level.** To this end, **Cambodia** has used participatory climate risk assessment as part of its local development planning process and as a basis for responding to local adaptation needs. Similarly, increasing local governments' capacity in public financial management is essential to ensuring they can meet the minimum conditions of the performance-based grant mechanism. In **Tuvalu**, after a series of interventions on capacity building, the *kaupules* were able to meet the PBCRG minimum conditions, allowing them to access LoCAL grants within the next few months.
- **Local delivery systems can be extremely effective.** When combined with appropriate support and technical assistance, local infrastructure delivery systems can provide more appropriate and cost-effective solutions than those managed centrally. There are incentives for local governments and contracting agents to get the best value from local contractors. However, durable, robust and transparent systems must be in place if these advantages are to be realized. LoCAL builds on UNCDF experience in designing these systems for scale-up across a range of countries, in particular **Bangladesh, Cambodia, Mozambique and Nepal**.
- **A concept as innovative and ambitious as the PBCRG system needs long-term policy support.** As demonstrated in **Bhutan** and **Cambodia**, both policy support and knowledge management are needed so that the new mechanism is institutionalized and policymaking is informed by field experience. Strong national and local government commitment to communicating Phase I results to the climate change community increases the chances of a given country's ability to scale up its initiative. Knowledge sharing and learning as promoted via the **LoCAL**

**Board** and its members are crucial in highlighting the results and impact of the LoCAL mechanism and can help national institutions access a wider pool of climate financing in the long term through demonstrated programme success. Further, programme implementation efficiency is improved by pointing out what does and does not work in specific circumstances.

- **Over the years, UNCDF has found that effective involvement of communities can create short-term job opportunities.** For example, jobs were created in **Nepal** and **Niger** to construct local infrastructure and rehabilitate ecosystems through cash-for-work initiatives which prioritized investments in youth, women and other vulnerable groups for sustainable land management, infrastructure building and other public works. Combined with skills development support and access to finance, LoCAL can be a vehicle to stimulate green local economies and job creation, as envisaged in **The Gambia** and other countries to follow.

## Financial implementation

Cumulative expenditures from all funding sources from 2014 to 2018 totalled \$16,986,765 – or 84 per cent of the delivery target of \$20 million. As shown in Table 6, most delivery figures are close to 100 per cent, and average above 80 per cent.

Between 2014 and 2018, most of the LoCAL budget was allocated to Output 1 (mainstreaming) activities; these accounted for 77 per cent of the budget allocation (Table 7). Delivery against budget for mainstreaming over this period was 80 per cent.

In the same period, about 11 per cent of the total budget was allocated to Outputs 2 and 3. This funding largely covered work in the field of knowledge management and communication, awareness raising and country-level support, as well as participation in global or regional events contributing to international

**TABLE 6: LoCAL global programme budget and expenditures by source of funds, 2014–2018**

Funding source	Budget (\$)	Expenditures (\$)	Delivery against budget (%)
EU GCCA+ <sup>1</sup>	4,904,750	4,904,750	100
Sida/PFIS	1,705,721	1,659,911	97
Sida Booster Fund	3,305,345	3,018,228	91
Sida/Cambodia	2,544,884	2,349,479	92
Gov't of Belgium	1,417,398	1,405,473	99
UNDP-GEF	2,000,000	1,977,453	99
Gov't of Liechtenstein	225,795	150,700	67
UNCDF	1,205,730	863,093	72
EU Bangladesh	1,112,459	272,657	25
EU The Gambia	75,000	74,076	99
Sida Bangladesh	1,716,341	303,111	18
Gov't of Andorra	8,004	7,833	98
<b>Total</b>	<b>20,221,427</b>	<b>16,986,765</b>	<b>84</b>

NOTE: PFIS = Partnerships Framework on Inclusive Growth and Sustainable Development.

<sup>1</sup> The budget figure presented reflects the prevailing exchange rate at the time of proposal submission. Due to loss from the exchange rate, the project can only spend \$4.9 million.

**TABLE 7: LoCAL global programme budget and expenditures by output, 2014–2018**

Output	Budget (\$)	Budget allocation (%)	Expenditures (\$)	Delivery against budget (%)
1: Mainstreaming	16,321,681 <sup>1</sup>	77	13,053,075 <sup>2</sup>	80
2: Awareness	1,552,970	8	1,428,349	92
3: Finance	745,493	3	575,808	77
4: Implementation	2,151,243	11	1,929,534	90
<b>Total</b>	<b>20,771,387</b>	<b>100</b>	<b>16,986,765</b>	<b>82</b>

<sup>1</sup> Includes \$2,071,309 in parallel funding.

<sup>2</sup> Includes \$1,977,452 in parallel funding.

dialogue on the role of local governments in addressing climate change and climate finance.

Cumulative expenditures for programme implementation (Output 4) totalled \$1,929,534 for

the 2014–2018 period, or about 90 per cent of the output's budget. This distribution reflects a strong emphasis on the provision of technical assistance rather than administrative support to countries.





LoCAL  
supported  
pond re-  
excavation for  
tribal community  
climate resilience in  
the Rajshahi district of  
Mohonpur Upazila, Bangladesh  
(photo © Cedric Jancloes/LoCAL-  
UNCDF)

# what's next

## Implementing the phased approach

LoCAL has expanded rapidly since the launch of the global programme in 2014, growing from two pilot efforts in **Bhutan** and **Cambodia** to 14 participating countries, engaging 107 local governments representing some 6 million people. LoCAL experience during its first period of global expansion shed light on the importance of subnational adaptation and of bridging national with subnational adaptation efforts, while highlighting the contribution of the local level to national climate change goals such as the NDCs and NAPs. Also during this period, LoCAL has demonstrated evidence of strengthened local government capacity to identify, prioritize and co-finance investments for climate change adaptation and the growing interest and attention of national governments in scaling up subnational adaptation financing. In **Bhutan** and **Cambodia**, for instance, government satisfaction with LoCAL programme results resulted in roll-out to additional local governments with additional funding. Pilot results dissemination has also resulted in rolling out the LoCAL mechanism in new countries – **Bangladesh, Benin, The Gambia, Ghana, Lao PDR, Lesotho, Mali, Mozambique, Nepal, Niger, Tanzania** and **Tuvalu** – during the course of 2014 to 2018, and interest being expressed in implementing the programme by several other countries in Africa and Asia and the Pacific.

LoCAL extension for an additional four-year period is a significant recognition of its increased relevance and reputation among partners and member countries. It also represents an important step towards achieving the vision set for LoCAL to

become a standard and recognized country-based mechanism for Developing Countries, in particular the Least Developed Countries, that supports direct access to the Green Climate Fund and other climate finance with the objective to transfer resources to local governments through national institutions and systems for building verifiable climate change adaptation and resilience.

As part of this endeavour, the LoCAL NAP [supplementary material](#) will be officially launched during NAP Expo 2019 in Korea. The LoCAL training offer will be upgraded for full alignment with LoCAL NAP guidelines; this will be done in collaboration with The Hague Academy on Local Governance, the Korea Environment Institute and the United Nations Institute for Training and Research (UNITAR), with a view to certifying UNCDF staff and independent experts on the LoCAL mechanism. LoCAL will also undergo International Organization for Standardization (ISO) certification to ensure quality in PBCRG design and deployment, as new countries join and as LoCAL is scaled up in participating countries.

Going forward:

- **Bhutan** will implement Phase III in more than 100 local governments with EU budget support
- **Cambodia** will expand PBCRGs to 32 districts as of 2019
- **Bangladesh, Benin, Ghana** and **Mozambique** will expand through Phase II
- **Mali, Nepal, Niger** and **Tuvalu** will take stock of and consolidate their work while mobilizing partners for Phase II
- **The Gambia, Lesotho** and **Tanzania** will implement their respective first PBCRG

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

## Addressing the midterm review recommendations

LoCAL will act on several recommendations from the midterm review, notably the following:

- The LoCAL Board and programme management should seriously explore the possibility of expanding the portfolio in urban and coastal areas, given their increasing priorities for LDCs with respect to climate change adaptation. **In Benin, Cambodia, Ghana and Mozambique, coastal areas will be considered in the expansion.**
- The LoCAL Board and programme management teams at the global and country levels should make more effort to engage international and national partners and the private sector. LoCAL should continue to establish partnerships and explore work with financial service providers in selected

countries. **LoCAL will start working with the private sector in The Gambia.**

- Programme management should address existing management bottlenecks identified in the evaluation report with respect to human resources, technical support, communication channels, resources for monitoring, and transfer and procurement process delays, while keeping an eye on management costs. **The LoCAL team will be strengthened for the next period.**
- Programme management at the global and country levels should significantly increase monitoring and evaluation efforts, and improve monitoring and evaluation, data management and reporting systems. Programme management at the global level should strengthen lesson learning efforts throughout the programme. A priority should be to complete the World Resources Institute's framework for assessing climate change adaptation and ensure that the resulting new approach and tools are fully used at the global and country levels. **Piloting of the framework has begun and will be continued in 2019.**
- The LoCAL Board and programme management at the global and local levels should increase efforts to significantly strengthen the programme's climate change dimension. Partnerships should be sought to strengthen and systematize deployment of local climate risk assessments that combine quantitative and qualitative approaches including local climate projections. **The partnership with the Korea Environment Institute that was initiated in Bhutan and Cambodia will next support a combined approach of climate modelling and local climate risk assessments, beginning in Ghana. Partnership with universities will also be developed.**
- Programme management at the global and national levels should favour integrated, holistic approaches, working more on the basis of complementarities and synergies with other programmes, deploying a multi-dimensional package in targeted localities which allows critical mass and reinforces resilience impacts. **Building on LoCAL learning, a new**



**generation of programmes in The Gambia and Ghana employs integrated approaches addressing both short-term challenges faced by local populations – such as unemployment, migration and women’s economic empowerment – and longer-term climate risks.**

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

## Supporting direct access

LoCAL is working hard with countries to develop a **standard and internationally recognized country-based mechanism** to channel climate adaptation finance and increase resilience at the local level. Local government achievements in implementing climate change adaptation activities through

the PBCRG mechanism have increased national government trust in both local governments and the decentralization process. In **Bhutan, Cambodia, Mali** and **Tanzania**, a national body in charge of, or involved in, decentralization was nominated by its government as that country’s first national implementing entity to be accredited for access to GCF resources. In **Benin**, the FNEC was accredited by the GCF in early 2019. Going forward, LoCAL will continue to support these countries in their accreditation efforts and submission of proposals to the GCF’s Enhanced Direct Access programme. LoCAL will continue to work closely with the **UNFCCC LDC Group** to support LDCs in implementing the Paris Agreement, especially in building the capacity of – and advocacy for the role of – subnational governments in increasing resilience.

A resident of the Lower River Region uses a community water point for her household needs; her region is one of four in The Gambia that will benefit from LoCAL/PBCRGs (photo © Rafael Moser/ LoCAL-UNCDF)



# annex: country profiles

**T**his annex consists of 14 country profiles which provide detailed information on the status of the LoCAL initiative in each participating country, including background information, major achievements and milestones, implemented and planned adaptation interventions, lessons learned and next steps. The 14 countries are as follows:

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

# Bangladesh

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

# Bangladesh

<b>adaptation measures and investments</b>	<p>Since inception, PBCRGs have contributed to the implementation of 35 small-scale interventions under the identified climate change adaptation schemes, benefiting more than 68,000 people in the three target local governments. The most common type of schemes implemented – particularly in Godagari – were integrated interventions based around rehabilitation of ponds serving poor, marginalized and landless communities. Other schemes included model resilient drought-tolerant high-value cropping and household and community development, as well as organic fertilizer production. Some interventions focused on promoting more climate-resilient livelihoods, as demonstrations and/or capacity building on various climate- and water-efficient agricultural techniques (inter-cropping and green sheds for seedling) and renewable energy interventions.</p> <p>The schemes paid particular attention to extremely vulnerable groups, such as communities displaced due to climate change, ethnic minorities and women.</p>
<b>lessons learned</b>	<ul style="list-style-type: none"> <li>• Initial engagements revealed strong demand and willingness on the part of local governments to improve communities' resilience to climate change. This facilitated LoCAL buy-in at the local level and cooperation.</li> <li>• LoCAL mainly targeted second-tier local governments (<i>upazilas</i>), which represented an advantage in terms of availability of technical expertise and higher-level strategic capacity. Nonetheless, this approach highlighted some limits on the amount of the PBCRGs disbursed – they were too small to use in more impactful infrastructure projects and compared to other sources of funding reaching the <i>upazilas</i>.</li> <li>• Implementation of LoCAL Phase I suffered from frequent changes in government officials, which disrupted the continuity of activities. This problem needs to be taken into account during LoCAL scale-up when UNCDF support will progressively withdraw.</li> <li>• Intergovernmental coordination may sometimes be time-consuming and cumbersome in planning, fiscal transfer and execution of schemes. Clearer procedures and protocols may ease these processes.</li> <li>• A greater availability of data on local-level climate trends and climate change impact on local communities may help in better planning and prioritizing the most effective interventions.</li> </ul>
<b>way forward</b>	<p>Following its maturity model of piloting, consolidating and scaling up, UNCDF is kicking off LoCAL Phase II, jointly with the United Nations Development Programme, to be implemented by the Local Government Division of the Ministry of Local Government, Rural Development and Co-operatives. LoCAL will be earmarked in a new project, Local Governments Initiative on Climate Change – LoGICC. The project's objective is to enhance the capacity of local stakeholders (vulnerable communities, local government institutions and civil society organizations) for planning and financing climate change adaptation solutions in selected climate-vulnerable areas. UNCDF will be responsible for managing \$9 million of a total of \$20 million allocated to the project by the EU GCCA+ and Sida. The project will be implemented in the lowest tier (<i>union parishads</i>) of local government in climate change-vulnerable areas. The number of expected beneficiaries is around 200,000 of the most vulnerable households in 72 <i>union parishads</i> in 19 <i>upazilas</i> and 7 districts.</p>
<b>more information</b>	<p><a href="https://www.local-uncdf.org/bangladesh.html">https://www.local-uncdf.org/bangladesh.html</a></p>

# Benin

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



# Benin

<b>achievements</b>	<ul style="list-style-type: none"> <li>• FNEC was nominated as Benin's national implementing entity to pursue accreditation with the Green Climate Fund (GCF), with a view to scaling up LoCAL. The LoCAL Secretariat helped draft a concept note to the GCF to this end.</li> <li>• LoCAL piloted localized climate risk assessments and established a system that will enable local governments to collect, archive and analyse meteorological, climate and socioeconomic data and undertake local climate projections to inform their planning.</li> <li>• Several information and awareness workshops have been held, including one on lessons learned in which local governments exchanged their experiences regarding climate change adaptation. At another, technical staff in participating local governments were trained in improving their understanding of existing tools to integrate climate change adaptation into local planning and budgeting processes. Local government staff in Benin have also benefited from training on data collection and archiving; this has improved local capacity in monitoring climate change adaptation-related interventions.</li> </ul>
<b>adaptation measures and investments</b>	<p>So far, 29 adaptation measures in nine communes have been identified and are under implementation. Approximately 68,000 people are expected to benefit from those investments, 55 per cent of whom are women.</p> <p>The first round of planning and budgeting for LoCAL PBCRGs focused on the construction of bridging structures to facilitate circulation of goods and people during the rainy season.</p> <p>Adaptation measures planned during 2018 mainly focused on the following:</p> <ul style="list-style-type: none"> <li>• Rehabilitation/improvements of community ponds for multiple purposes, including revitalizing the local aquaculture sector and providing water for agricultural activities throughout the year (cattle and irrigation)</li> <li>• Irrigation projects and yield maintenance interventions for vegetable gardens</li> <li>• Capacity-building activities on climate-resilient crop varieties (rice)</li> <li>• Pumping systems for potable water distribution in nine rural and remote community villages, which are expected to serve more than 3,500 people</li> </ul>
<b>lessons learned</b>	<ul style="list-style-type: none"> <li>• By providing PBCRGs in addition to regular transfers, LoCAL has helped make the Beninese public funding system more robust and transparent. Special attention was paid to the design of the mechanism – in particular, in the choice of minimum access conditions and performance criteria for local governments.</li> <li>• A great asset for LoCAL-Benin is the fact that the PBCRG model is fully aligned with the country's national investment fund transfer system for local authorities. This will improve and broaden confidence in the system over the long term, thus helping local governments obtain access to international adaptation finance.</li> </ul>
<b>way forward</b>	<ul style="list-style-type: none"> <li>• The bridging phase for moving into consolidation (Phase II) will continue to be undertaken throughout 2019 with government co-financing, and a total of nine local governments will form part of the programme and will receive second- or third-cycle PBCRGs in 2019.</li> <li>• Climate risk assessments for the three new local governments of Banikoara, Karimana and Malanville will inform the planning, selection and integration of new adaptation measures in commune development and investment plans and budgets. A system will be put in place so that these assessments can be updated by local governments in the future and replicated in other communes.</li> <li>• Periodic assessments, reviews and results-based management will drive continuous revisions and improvements in order to happen to lay the groundwork for further programme expansion.</li> <li>• LoCAL will provide technical assistance and capacity development support of the accredited national implementing entity to the GCF, as well as to subnational governments.</li> </ul>
<b>more information</b>	<a href="https://www.local-uncdf.org/benin.html">https://www.local-uncdf.org/benin.html</a>



# Bhutan

<b>context</b>	<p>As a least developed, mountainous and landlocked country, Bhutan – and its population and ecosystems – are extremely vulnerable to climate change. Changing weather patterns affect communities in different ways. More intense rains, reduced soil moisture in high altitudes, flash floods and landslides put decades of development efforts at risk, with effects ranging from losses in agricultural production and food insecurity, to water stress and insecurity, climate-related disasters, changes to ecosystems and losses of biodiversity, and impacts on human health. The Government of Bhutan has a strong focus on the environment, climate change and poverty reduction in all operations from planning to implementation; this priority was most recently announced in the guidelines to central and local government agencies for the 11th Five-Year Plan.</p> <p>The Government of Bhutan has undergone a history of decentralization reforms. In 1981 and 1991, respectively, 20 <i>dzongkhags</i> (districts) and 205 <i>gewogs</i> (blocks) were instituted by royal decree. The role, mandate and capacities of local governments in Bhutan have been significantly strengthened in recent years. Initiated in 2008, the Joint Local Governance Support Programme aims to make finance systems effective and transparent for local government service delivery, while strengthening the central government's policy, regulatory, supportive and supervisory functions. Its strategy includes assisting local governments in implementing block grants allocated for improving local-level infrastructure and in providing public services, while offering training and capacity development for local personnel and officials. LoCAL is embedded in the Joint Local Governance Support Programme.</p>
<b>objectives</b>	<p>The overall goal of the LoCAL-Bhutan initiative is to improve the resilience of local governments to climate change by increased access to climate change adaptation financing through performance-based climate resilience grants (PBCRGs). The programme's core objectives are to ensure that <i>dzongkhags</i> and <i>gewogs</i> can accomplish the following:</p> <ul style="list-style-type: none"> <li>• Respond to the increasing impact of climate change in Bhutan in accordance with local prioritized needs and vulnerabilities in a sustainable manner, with sufficient consideration to operation and maintenance of the structures supported</li> <li>• Promote robust, transparent and accountable public financial management/public expenditure management systems by providing funds to make the local planning and budgeting process meaningful, efficient, effective and participatory as well as strengthening incentives for climate change adaptation activities</li> </ul> <p>Five outputs contribute to achievement of these objectives: (i) an effective and transparent climate change financing mechanism for local governments (<i>dzongkhags</i> and <i>gewogs</i>) through the establishment, further development and testing of a PBCRG system, based on experiences from Phase I; (ii) an inclusive, effective and accountable climate change adaptation planning process designed and integrated in the local development planning process of <i>dzongkhags</i> and <i>gewogs</i>; (iii) development and establishment of an effective and transparent municipal PBCRGs and a climate change adaptation planning process; (iv) an effective capacity development mechanism established to strengthen local government capacities for climate change adaptation; and (v) efficient, effective and transparent implementation of climate change adaptation activities by participating local governments through the PBCRG system.</p>
<b>achievements</b>	<ul style="list-style-type: none"> <li>• LoCAL-Bhutan was initiated in July 2011 in two village groups – Gangtey and Nangkor – in the districts of Wangdue and Zhemgang, respectively, and in the Phobjica Valley. Overall, Phase I successfully covered and was implemented in 6 <i>dzongkhags</i> and 15 <i>gewogs</i>. Bhutan (together with Cambodia) was selected as a first pilot test for LoCAL and served to validate the approach which is now being replicated across 14 countries.</li> <li>• LoCAL was successfully integrated in the five-year Local Governance Support Programme, together with other initiatives. This has been instrumental in supporting local governments in developing and rolling out guidelines, supporting climate risk assessments and local planning, and raising awareness – particularly within the six <i>dzongkhags</i> which have received PBCRGs for mainstreaming since 2012.</li> <li>• 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).</li> <li>• The Bhutan Trust Fund for Environmental Conservation (BT FEC) has been nominated by the government as the national implementing entity for accreditation by the Green Climate Fund (GCF) and is processing its registration; in tandem, a proposal for support to cover all <i>gewogs</i> is being prepared.</li> </ul>

# Bhutan

<b>achievements</b>	<ul style="list-style-type: none"> <li>• With support from UNCDF and the Korea Environment Institute, Bhutan began developing national scientific climate change reports that will inform and strengthen public adaptation planning.</li> <li>• LoCAL-Bhutan was selected by UNCDF and the World Resources Institute as one of three pilot countries to test the framework for assessing climate change adaptation to monitor the extent to which LoCAL country programmes contribute to increased resilience and capacity building for adaptation; a workshop on the framework was held in the second quarter of 2018 to train government staff.</li> </ul>
<b>adaptation measures and investments</b>	<p>Since 2012, 104 small-scale investments have been realized in the six <i>dzongkhags</i> targeted with PBCRGs. Among the core adaptation priorities financed are the following:</p> <ul style="list-style-type: none"> <li>• Infrastructure works aimed at the improvement of farm roads for enhanced climate resilience – this involved slope stabilization of landslide-vulnerable areas, rectification/improvement of the drainage system and construction of a causeway</li> <li>• Construction of elevated bridges to overcome risks posed by swollen rivers and streams during heavy rain events</li> <li>• Improvement of rural water supply schemes – this involved tapping new/ additional water sources, protecting water sources and their enhancement through planting water-conserving species, upgrading water tanks to increase storage capacity, or replacement of water supply lines with climate-resilient materials</li> <li>• Improvement of irrigation systems by rehabilitating irrigation channels and installing climate-resilient pipes to distribute irrigation water</li> <li>• Soil conservation and landslide risk mitigation works, such as planting bamboo plants and constructing drains in landslide-prone areas or farms</li> <li>• Equipment provisions for renewable energy use through installation of bio-gas producing plants and bio-digesters or solar lamps/panels</li> </ul>
<b>lessons learned</b>	<ul style="list-style-type: none"> <li>• The PBCRGs have proven to be effective in transferring adaptation finance directly to <i>dzongkhags</i> and <i>gewogs</i> and in providing an incentive for local governments to think about and plan for climate change adaptation actions. Using existing government systems and procedures with limited additional requirements has improved efficiency in spending and allowed for low transaction costs, while creating strong ownership.</li> <li>• Baseline and monitoring assessments of performance have provided useful information about local government capacity in terms of areas to be strengthened and performance trends in climate change and public financial management. Climate risk assessments at the local level have been useful in supporting planning and prioritization for using grants in climate change initiatives.</li> </ul>
<b>way forward</b>	<ul style="list-style-type: none"> <li>• Thirty <i>gewogs</i> (including the six already targeted) have been identified and will conduct climate risk assessments for implementation with support from the European Union (EU) as of 2018.</li> <li>• LoCAL is expected to be rolled out to 100 local governments through the Local Government Sustainable Development Programme, accounting for 48.7 per cent of the local governments to be included as part of national scale-up, with EU budget support and in partnership the United Nations Development Programme–UN Environment Poverty-Environment Initiative (PEI) by the end of 2021. The remaining 105 local governments are envisaged to be covered through support from the GCF, once the BTFEC is accredited.</li> <li>• LoCAL will provide readiness and capacity development support to BTFEC and other national and subnational stakeholders as they prepare for direct access to the GCF.</li> <li>• Together with the World Resources Institute, Bhutan will follow up on the progress of its pilot in implementing the framework for assessing climate change adaptation.</li> </ul>
<b>more information</b>	<a href="https://www.local-uncdf.org/bhutan.html">https://www.local-uncdf.org/bhutan.html</a>

# Cambodia

<b>context</b>	<p>With a high poverty rate and a predominantly agrarian economy influenced by the hydrological behaviour of the Tonle Sap and Mekong River systems, Cambodia is ranked one of the most climate-vulnerable countries in the world. While the exact trend and nature of climate change is hard to predict, Cambodia is expected to experience increased variation in, and intensity of, precipitation. Over 2 million farming households, or over 8 million people, rely heavily on the climate for their livelihoods. Coastal communities and ecosystems will be affected by sea level rise. Low-lying areas will be increasingly prone to floods, while the higher areas are likely to experience more incidences of drought. Increases in temperature and humidity may create conditions of increased health risk to humans and an exacerbation of diseases in crops and livestock. These changes will amplify and compound already existing development challenges.</p> <p>In the last few years, the Government of Cambodia has developed a responsive policy framework, with over 21 state agencies under the helm of a National Climate Change Committee, administered by the Climate Change Department of the Ministry of Environment. Within this framework, the latest National Strategic Development Plan streamlines sectoral climate change strategies and action plans to guide the country's climate change response over the next decade, including at the local level. The increasing relevance of local governments emerged in 2008, when the National Committee for Subnational Democratic Development (NCDD) was established as the interministerial mechanism for promoting democratic development through decentralization and deconcentration reforms throughout Cambodia.</p>
<b>objectives</b>	<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"> <li>• Increased awareness of climate change and potential adaptation and resilience-building responses among subnational governments and local communities</li> <li>• Integration of cross-sectoral, analysis-based strategies for building climate change resilience in subnational plans and investment programmes</li> <li>• 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</li> <li>• 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/sangkat councils and administrations</li> </ul>
<b>achievements</b>	<ul style="list-style-type: none"> <li>• LGCC Phase I was launched in three local administrations in the Takeo province: Doun Keo municipality and the Bati and Borei Chulsar districts.</li> <li>• Cambodia successfully moved to the bridging Phase II (2016–2018) aimed at strengthening systems and building capacity for a full roll-out of subnational climate change adaptation finance. During Phase II, the programme expanded to five districts in Battambang – Bavel, Mong Ruessei, Rukhak Kiri, Sampov Lun and Thma Koul – with a total population of 1.8 million. Three of these districts (Bavel, Mong Ruessei and Thma Koul) have been selected for inclusion during the bridging phase as part of the International Fund for Agricultural Development's Agriculture Services Programme for Innovation, Resilience and Extension (ASPIRE), which will support climate-adaptive productive infrastructure in 32 districts.</li> <li>• In 2018, the second and final year of the bridging phase came to an end, with all outstanding sub-projects from 2017 successfully completed. Performance-based climate resilience grants (PBCRGs) totalling \$381,691 were allocated to eight districts and used to finance 36 subprojects. These benefited some 125,000 people (51 per cent of whom were women); about 30 per cent of the beneficiaries were members of households with ID-Poor cards.</li> </ul>

# Cambodia

<b>achievements</b>	<ul style="list-style-type: none"> <li>• 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. In addition, LoCAL contributed to the development of NCDD Secretariat (NCDD-S) policies on environmental and social safeguards and gender; preparation of a Performance-Based Grants Manual which will be finalized and approved in 2019; and identification of a partnership project for climate-adaptive water supplies in a Battambang district with Korean-Water and the Korean Ministry of Land and Transport.</li> <li>• The long-term path to scaling up and institutionalizing PBCRGs is through financing from the Green Climate Fund (GCF) and other sources. To this end, in 2015, the Ministry of Environment, as national designated agency for the GCF, nominated the NCDD-S as a national implementing entity under the GCF's Enhanced Direct Access modality. This nomination is a major achievement for the LGCC, as it is expected to make climate change adaptation finance accessible to the most vulnerable local administrations nationwide. With LGCC support, NCDD-S has now reached Stage II of GCF accreditation process; this has helped influence other least developed countries within LoCAL to initiate their own process of GCF accreditation for subnational climate change finance.</li> <li>• With support from UNCDF and the Korea Environment Institute, Cambodia began developing national scientific climate change reports to inform and strengthen public adaptation planning.</li> <li>• Cambodia was selected by UNCDF and the World Resources Institute as one of three pilot countries to test the framework for assessing climate change adaptation to monitor the extent to which LoCAL country programmes contribute to increased resilience and capacity building for adaptation. A workshop on the framework was held in the second quarter of 2018 to train government staff.</li> </ul>
<b>adaptation measures and investments</b>	<p>Overall, 276 adaptation measures have been financed through PBCRGs. The largest share (approximately 31 per cent) 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 (18 per cent each), disaster prevention and preparedness (16 per cent), health (4 per cent), environmental protection (2 per cent) and forestry (1 per cent).</p> <p>Of the 276 projects financed, 229 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>
<b>lessons learned</b>	<ul style="list-style-type: none"> <li>• Local governments have adequate capacity for simple climate change response actions, but further capacity development is needed.</li> <li>• Public expenditure management systems need further strengthening.</li> <li>• Monitoring and evaluation of local climate change adaptation is a work in progress.</li> <li>• Smarter systems are needed to facilitate scale-up, and more partnerships are needed to ensure sustained change.</li> <li>• Changing people's attitude, behaviour and practices is generally complex; this is especially true for climate change because of its unpredictability, lack of accurate data, and the uncertainty of success of innovative technologies and practices. The involvement of subnational governments and local communities is key to ensure adaptation results at the local level.</li> </ul>

# Cambodia

<b>lessons learned</b>	<ul style="list-style-type: none"> <li>• Infrastructure sub-projects 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.</li> <li>• An innovative and ambitious concept and approach such as PBCRGs requires long-term policy support. To facilitate this, advocacy and knowledge sharing is needed to inform policy-makers with evidence from the field.</li> </ul>
<b>way forward</b>	<ul style="list-style-type: none"> <li>• Cambodia is progressing through the bridging phase (Phase II) and will focus on meeting the targets set to prepare systems and capacity for scale-up with GCF support, once accreditation is confirmed (up to two years). This work includes (i) more formally integrating the PBCRG into the budget and financial management framework of the subnational administrations; and (ii) improving the efficiency of implementation so that the task of administering a large number of grants does not become overwhelming for the NCDD-S.</li> <li>• LGCC is in an agreed no-cost extension phase during which the remaining sub-projects will be completed, an annual performance evaluation conducted and a pilot methodology for cost-benefit analysis of adaptation sub-projects tested. An end-of-project workshop will be conducted in June 2019. PBCRGs will continue in Phase II to eight districts; an additional 34 districts are expected to benefit with PBCRGs (or a similar financing arrangement) under ASPIRE and the Reducing the Vulnerability of Cambodian Rural Livelihoods through Enhanced Subnational Climate Change Planning and Execution of Priority Actions Project.</li> <li>• In line with the concept note submitted to the GCF, up to 60 districts may receive GCF-funded PBCRGs. In combination with other funding sources, this would allow full scale-up. UNCDF will continue to provide support to GCF accreditation and scale-up of PBCRGs in 2019 and beyond. To make this renewed support official, UNCDF and the Government of Cambodia, represented by the NCDD-S, will sign a letter of agreement to support the government in its quest for GCF accreditation and to work jointly towards a LoCAL Phase III scale-up.</li> <li>• Together with the World Resources Institute, Cambodia will follow up on the progress of its pilot in implementing the framework for assessing climate change adaptation.</li> </ul>
<b>more information</b>	<a href="https://www.local-uncdf.org/bhutan.html">https://www.local-uncdf.org/bhutan.html</a>

# The Gambia

<b>context</b>	<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. The country is poor, with about half of its population of approximately 1.9 million living below the poverty line, and an average per capita gross domestic product of approximately \$467. Rural dwellers in The Gambia are twice as likely to be poor as those living 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 – which affected agriculture – and the Ebola scare – which decimated a tourism industry only just recovering from the 2008 global financial crisis – led to rising food insecurity rates and increasing migration to urban areas or overseas, particularly Europe. 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>
<b>objectives</b>	<p>LoCAL-The Gambia is one of three components of the Jobs, Skills and Finance for Women and Youth in The Gambia 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"> <li>• Job creation for youth, women and local communities and equal access to employable skills development</li> <li>• Improved access to finance</li> </ul> <p>Activities undertaken as part of the first component, featuring the LoCAL performance-based climate resilience grant (PBCRG) approach, will aim at creating jobs, particularly in the green economy. Local authorities and communities will be supported in identifying needs in priority sectors and in planning investments accordingly. Particular emphasis will be placed on ensuring investments contribute to climate resilience. Prioritized investments will be delivered through cash-for-work programmes for youth and women and through procurement to local micro, small and medium-sized enterprises (MSMEs) so that jobs are created in the short to medium term. Workers benefiting from employment will be supported in parallel with access to financial and non-financial services, with a view to broadening their medium- to long-term economic perspectives.</p> <p>A second set of activities will start with a gender-sensitive skills gap analysis in the priority sectors. Based on the assessment, the project will provide support to increase the number, quality and accessibility of vocational training schemes offered to youth and women. The training will be accompanied by on-the-job training wherever possible. Technical assistance and capacity building for MSMEs and technical service providers will also be offered. The International Trade Centre will support implementation of these activities.</p> <p>A third set of activities will facilitate MSME access to financial services. The project will particularly focus on youth and women. It will use a market systems-based approach (micro, meso and macro) and ensure improved financial services provider products respond to market needs, so that available credit is used in a way that actually benefits the real economy.</p>
<b>achievements</b>	<p>In June 2017, a UNCDF mission visited the country and met with stakeholders to present the overall objectives and elements of the mechanism and, more broadly, of the LoCAL programme; this was followed up by a technical mission in October 2017 to collect data and information for actual programme design. In early July 2018, another mission took place to discuss and validate the design of the JSF Programme with stakeholders. The mission team met with representatives of various government agencies and ministries, the private sector, financial providers, civil society organizations, development partners and non-governmental organizations to build awareness of the programme and validate key information to help ensure successful implementation of the various components.</p>



# The Gambia

<b>achievements</b>	<ul style="list-style-type: none"> <li>• In October 2018, the JSF Programme was officially launched during a ceremony that included representatives from various sectors in The Gambia. On the same day, the first LoCAL-The Gambia Technical Committee meeting took place, with the committee endorsing the LoCAL/JSF design, appointing members and identifying beneficiary wards for years 1 and 2 (Lower River Region: Gikoko, Julafarr, Kaif, Bureng, Jaduma, Kiang Banta, Masemba and Pakaliba; North Bank Region: Saaba, Dasilameh, Kachang, Prince, Kerewan, Kerr Jarga, No-Kunda and Pakau).</li> <li>• In November and December 2018, UNCDF undertook a series of activities with ward representatives, technical advisory committees (TACs), multi-disciplinary facilitation teams (MDFTs) and communities. The aim was to sensitize the selected wards and their communities on the JSF Programme and on details of the LoCAL investment mechanism, as well as train MDFT and TAC members on LoCAL design. Around 329 people attended the workshops, 50 per cent of whom were women.</li> <li>• 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 also 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.</li> <li>• A LoCAL account has been opened at the Central Bank of The Gambia to ensure easy traceability of PBCRGs transactions. The wards have opened bank accounts at a local financial institution as a precondition to receiving the PBCRGs, and have signed consent agreements with the MoLRG to acknowledge their participation in the LoCAL mechanism.</li> </ul>
<b>adaptation measures and investments</b>	<p>Supported by UNCDF, the ward development committees have identified investment plans to be financed with PBCRGs. The investments range from sectors such as water, sanitation and health, to climate-smart agriculture, agro-processing and climate proofing of infrastructure; these will benefit around 5,000 people and create about 600 temporary jobs, mainly for women and youth.</p>
<b>lessons learned</b>	<p>The programme builds on lessons learned in the implementation of a national system to increase employment, the Gambia Priority Employment Programme (GAMJOBS). This centralized programme had the overall objective of developing a skilled, versatile, dynamic and efficient workforce. It was expected to create 10,000 jobs annually and to train 20,000 young women and men in vocational skills and entrepreneurship. Three years into the GAMJOBS initiative, only 68 youth and women of the 20,000 targeted had been helped and barely 10 per cent of the pledged funds had been received.</p> <p>The programme also builds on lessons learned from the World Bank's \$25 million Community Driven Development Project, which supported rural communities in planning, implementing and maintaining social and economic investments in partnership with local government authorities. One of the biggest lessons learned from this project was the need for capacity building at all levels: local governments, villagers and line agencies.</p>
<b>way forward</b>	<p>A letter of agreement will be signed with the Office of the Auditor General to provide guidance and supervision to the wards on good governance and financial management. The agreement will also provide necessary support to the Office of the Auditor General in developing guidelines; training councils and ward committees; and undertaking annual audits of the wards on budget execution and minimum conditions including financial statements, use of funds and compliance with national public finance management rules and standards.</p>
<b>more information</b>	<p><a href="https://www.local-uncdf.org/thegambia">https://www.local-uncdf.org/thegambia</a></p>



# Ghana

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

# Ghana

<b>achievements</b>	<p>A technical assistance mission commissioned by UNCDF was organized in June 2016 to review climate information (risks, vulnerability and adaptation assessments) to inform adaptation planning and mainstreaming into local development planning and make recommendations to strengthen local capacities. Additionally, LoCAL supported the efforts of the Fiscal Decentralization Unit of the Ministry of Finance in fine-tuning its District Functional Organizational Assessment Tool (FOAT) of the DDF; this has been renamed the District Performance Assessment Tool and is being mainstreamed into national monitoring and evaluation systems.</p> <p>UNCDF commissioned two technical assistance missions in 2017 and one in 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.</p> <p>This approach led to the inclusion of climate indicators in the country's performance-based grant system of the decentralization sector and to inclusion of climate change considerations in the forthcoming National Decentralization Policy and National Decentralization Strategy (2020-2024).</p>
<b>adaptation measures and investments</b>	<p>Since inception, 16 climate change adaptation investments, benefiting approximately 32,000 people, particularly women, were realized during the first PBCRG cycle. These interventions included the following:</p> <ul style="list-style-type: none"> <li>• Reforestation/afforestation, such as reforestation of degraded reserve forest land along the Akum and Osubin Rivers and planting of different tree species along streams</li> <li>• Roads or schools and public gardens as a mean of protecting against soil erosion and flooding in the Fanteakwa District</li> </ul> <p>In Ada East, PBCRGs financed the construction of a mechanized borehole water storage facility, which improved access to water for approximately 1,050 people, and the construction of a wooden bridge. Sensitization activities on climate change and specific trainings on bush fire prevention and early warning systems were held in two of the three MMDAs, reaching approximately 2,200 people.</p>
<b>lessons learned</b>	<ul style="list-style-type: none"> <li>• It is critical to design the flow of funds and the PBCRG operational mechanism to fully align with the existing system of intergovernmental transfers and to follow the regular public expenditure management cycle. In this way, funds are fully fungible with other resources available locally. In Ghana, PBCRGs are fully aligned and linked with the former DDF and its FOAT. Because the PBCRG is now to be integrated into the District Assemblies Common Fund, it is critical to ensure that LoCAL is aligned and mainstreamed with the new fund and with the Performance Assessment Framework for the Decentralization Sector Wide Approach.</li> <li>• The development of minimum conditions and performance measures should take into account MMDA mandates and obligations within the legal and regulatory framework. The annual performance assessment revealed a need to review LoCAL minimum conditions, performance measures and indicators to better address adaptation and participation in the MMDAs and to align with the National Development Planning Commission's guidelines. This was done in the design of Phase II.</li> <li>• The annual performance assessment also revealed that a robust climate risk assessment is critical to support MMDA participatory planning of adaptation responses to climate change impacts. It should therefore be included under Phase II performance measures. Work is ongoing with the Korea Environment Institute to strengthen climate risk assessments.</li> <li>• Effective involvement of communities – for example, in the construction of local infrastructure or rehabilitation of ecosystems – can create short-term job opportunities. Cash-for-work opportunities arise through the prioritization of investments in youth, women and other vulnerable groups for sustainable natural resource management, infrastructure building and other public works.</li> </ul>

# Ghana

<p><b>way forward</b></p>	<ul style="list-style-type: none"> <li>• The Korea Environment Institute is supporting Ghana in undertaking climate risk assessments, through a combined approach of climate modelling and local climate risk assessment. The assessments are expected to support participating local government authorities in strengthening their adaptation planning with a view towards prioritizing interventions yielding greater impacts in terms of climate change adaptation and increased resilience of target communities.</li> <li>• Transfer of funds to the districts will take place in the third quarter of 2019 so investments of the second cycle of Phase I can commence.</li> <li>• Based on mobilization of further funding, the objective of LoCAL Phase II is to expand the pilot phase and expand the PBCRG mechanism to a larger sample of MMDAs from other parts of the country, particularly those in the north. The design of LoCAL Phase II is aligned with support that MMDAs will receive under the District Performance Assessment Tool transfer system. Phase II will rely on the minimum conditions that are already in the District Assemblies Common Fund Responsiveness Factor Grant. In addition, LoCAL will make use of existing performance measures and complement them with three targeted climate-related performance measures. The intention is to scale up to a total of 15 local governments over 2020–2022 (Phase II) to be ready for a national roll-out from 2023 onwards (Phase III). Preparing for Phase III is an integral part of Phase II. Policy advice, readiness support, support for accreditation and adjustments to the design if needed are all foreseen under Output 3 so the country can transition to Phase III and initiate a national roll-out after the three-year period.</li> </ul>
<p><b>more information</b></p>	<p><a href="https://www.local-uncdf.org/ghana.html">https://www.local-uncdf.org/ghana.html</a></p>

# Lao PDR

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

# Lao PDR

<b>adaptation measures and investments</b>	<ul style="list-style-type: none"> <li>• A total of 29 small-scale rural water infrastructure (water supply, irrigation and wetlands management, and bridges and culverts) were developed and successfully implemented over the three fiscal years between 2014/2015 and 2016/2017. The district administrations led the infrastructure development process, using a participatory and bottom-up approach and following public expenditure management procedures in accordance with DDF-CRG guidelines, instructions and manuals.</li> <li>• The total number of local beneficiaries in the 12 districts is 6,311 households and approximately 47,400 people, of whom approximately 22,100 are women.</li> </ul>
<b>lessons learned</b>	<ul style="list-style-type: none"> <li>• Policy actions, governance and institutional coordination               <ul style="list-style-type: none"> <li>◁ Further mainstream adaptation into development plans, particularly at the local level</li> <li>◁ Ensure that a local government grants system to address climate-resilient infrastructure investments is fully funded</li> <li>◁ Promote strong engagement with and coordination between line ministries and agencies</li> <li>◁ Obtain government co-financing to top-up climate-resilient infrastructure development and ensure adequate operational and maintenance costs</li> </ul> </li> <li>• Access to and availability of technical compliance with climate-proof (re)design of infrastructure               <ul style="list-style-type: none"> <li>◁ Estimate adaptation costs for the design of local climate-resilient infrastructure</li> <li>◁ Need to address major capacity gaps at the local level in conducting climate-resilient technical specifications and costing</li> </ul> </li> <li>• PBCRGs and performance assessment mechanism of local climate financing               <ul style="list-style-type: none"> <li>◁ Rationalize the allocation formula of the DDF-CRG</li> <li>◁ Employ a performance assessment mechanism for local climate-resilient investments</li> <li>◁ Carefully design the performance assessment in terms of team composition and methods to integrate it into government internal audit systems to promote and ensure credibility, integrity, quality assurance and maintenance</li> <li>◁ Publish and share performance assessment results widely to ensure full transparency, public awareness, positive competition, learning and targeted capacity-building support</li> </ul> </li> </ul>
<b>way forward</b>	<p>The project closed on 31 December 2017. A new phase of the NGPAR (Governance for Inclusive Development Programme) is expected to be launched soon. The DDF mechanism has not yet been adopted as a government mechanism for local planning and funding, but it is still seen as a project delivery system. The new phase of the NGPAR is expected to better integrate a revised DDF system into national planning frameworks such as the Sam Sang policy; this offers an opportunity to integrate project outcomes and lessons learned from the present experience, thereby ensuring integration of climate resilience criteria into national and local planning mechanisms.</p>
<b>more information</b>	<p><a href="https://www.local-uncdf.org/lao-pdr.html">https://www.local-uncdf.org/lao-pdr.html</a></p>

# Lesotho

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

# Lesotho

<b>achievements</b>	<ul style="list-style-type: none"> <li>• Four community councils within the district of Molele's Hoek were selected to pilot the approach in Lesotho: Khoelenya, Lithipeng, Qhoasing and Senqunyane.</li> <li>• The Government of Lesotho, specifically the Ministry of Finance, completed the process of opening a special account for LoCAL at the Central Bank, which will allow PBCRGs to flow from UNCDF to the LoCAL account and then to community councils. Bank accounts have also been opened for the community councils with commercial banks.</li> <li>• Lesotho has been selected by UNCDF and the World Resources Institute as one of three pilot countries to test a framework for assessing climate change adaptation to monitor the extent to which LoCAL country programmes contribute to increased resilience and capacity building for adaptation. A workshop on the framework was held in May 2018 to train government staff.</li> <li>• UNCDF conducted a technical mission in March 2018 to set performance measurement baselines, fine-tune baseline indicators, train key district and community council staff on LoCAL, and elaborate workplans with pilot district and associated community councils for the first round of investments. Local councillors and staff and district staff participated in the training on the LoCAL mechanism and related climate change topics (e.g. adaptation planning) in Khoelenya (24 participants), Lithipeng (21), Senqunyane (28) and Qhoasing (17).</li> </ul>
<b>adaptation measures and investments</b>	<p>Community councils, in close consultation with their communities, have identified adaptation investment plans to be financed with PBCRGs, covering such areas as improved water-related infrastructure and sustainable land management.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Most of the communities in Senqunyane rely on subsistence agriculture for their livelihood. Increased frequency and intensity of rainfalls has caused high rates of soil erosion – which, combined with unsustainable farming practices such as tillage, has been wearing away topsoil. The reduction of arable land available directly affects crop production, and thus the livelihood of smallholder farmers; this situation is expected to deteriorate with climate change. To protect the soil and rehabilitate the eroded areas, the community council has decided to plant grass and trees and to remove invasive shrub species detrimental to the environment and agricultural production. Besides mitigating soil erosion and loss, this intervention will support communities by guaranteeing their income-generating activity, eventually increasing crop production and ultimately securing their livelihood.</li> </ul> <p>The first cycle of planning, budgeting and funds transfer will take place over the course of 2019. Implementation of identified investments captured in the community councils' approved annual workplans is expected to commence in the first half of 2019.</p>



# Lesotho

<b>lessons learned</b>	<ul style="list-style-type: none"> <li>• As LoCAL-Lesotho has been launched, it has taken stock of lessons from relevant programmes and efforts in the country. LoCAL lessons learned will be added as the programme is deployed.</li> <li>• 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.</li> <li>• Adaptation support programmes focused on capacity development have been conducted in a limited number of councils where adaptation plans had been developed with support from with support from the United Nations Development Programme, the World Food Programme and/or the Food and Agriculture Organization of the United Nations.</li> <li>• The EU has found it essential in achieving change for the relevant populations to focus on the community and sub-catchment levels for outreach. Relatedly, GIZ has found that the Participatory Initiative for Social Accountability (PISA) has helped increase dialogue between the people and their local governments in order to address their needs.</li> </ul>
<b>way forward</b>	<ul style="list-style-type: none"> <li>• The first cycle of fund transfers and implementation of identified investments captured in the community councils' approved annual workplans are expected to commence in the first half of 2019.</li> <li>• Pilot community councils will be supported regarding climate risk assessments for identification of sound adaptation measures and investments. LoCAL will provide technical support for implementation of local diagnostics and mapping of climate risks, vulnerability and climate change adaptation options.</li> <li>• LoCAL will rely on the PISA as a dialogue broker to ensure participation by both the public in general and vulnerable populations in needs assessment, planning of adaptation activities and monitoring of their implementation.</li> </ul>
<b>more information</b>	<a href="https://www.local-uncdf.org/lesotho.html">https://www.local-uncdf.org/lesotho.html</a>

# Mali

<b>context</b>	<p>Mali, like many other countries in West Africa, has been hit hard by the effects of climate change. Climate change in Mali is evidenced by, among other effects, (i) an average reduction in annual rainfall of 20 per cent, combined with limited geographic and temporal distribution when it does occur; (ii) increasingly high temperatures; (iii) more frequent periods of drought and flooding; (iv) decreased water levels in the major rivers; (v) marked deterioration in soil quality; and (vi) greater ecosystem fragility. Projected climate scenarios indicate that by 2100, the average temperature in Mali could increase by about 0.2°C per decade and rainfall decrease by 10 per cent. A predominantly arid country, less than a quarter of Mali's land is suitable for cultivation. Land degradation, and the dependence of the country's farms on rainfall, make Mali extremely vulnerable to random climatic events.</p> <p>The main objectives of Mali's 2011 National Climate Change Policy are to facilitate better integration of climate challenges in planning processes at the national and local levels; and to build the population's capacity to increase the resilience of ecological, economic and social systems to the effects of climate change by incorporating adaptation measures – primarily in the most vulnerable sectors.</p>
<b>objectives</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
<b>achievements</b>	<ul style="list-style-type: none"> <li>• A memorandum of understanding was signed in June 2014 between UNCDF and the Government of Mali, and between the AEDD and the Simby and Sandaré communes in the Nioro du Sahel district, as the grant beneficiaries.</li> <li>• The mechanism is being implemented and aligned with national systems for local governance (budget allocations, decentralization) in both communes.</li> <li>• Oversight and monitoring mechanisms – including a UNCDF National Coordination Team, a LoCAL-Mali Technical Committee under the authority of the Ministry of the Environment, Sanitation and Sustainable Development, a Local Support and Orientation Committee established at the circle level and presided over by the circle's prefect, and a Commune Committee for Technical Support and Orientation – have been established and are fully operational.</li> <li>• The first two PBCRG cycles have been completed and were successfully evaluated in 2016 and in 2017. The communes are now preparing for implementation of adaptation activities slated for the third year of the LoCAL mechanism with the grants selected in the first phase.</li> <li>• The Government of Mali has granted financing through the AEDD to LoCAL over 2016–2018 and has pledged further support over the next years. The design of Phase II was developed during 2016 and 2017, and has been peer reviewed and validated by the Government of Mali.</li> <li>• 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 international climate finance – specifically, 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. 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.</li> </ul>

# Mali

<p><b>adaptation measures and investments</b></p>	<ul style="list-style-type: none"> <li>• Mali's first adaptation measures and investments were implemented in 2015–2016, 2016–2017, and 2017–2018, resulting in 36 local adaptation investments, at an estimated cost of CFA 183,703,500, directly benefiting more than 6,000 people, the majority of whom were women.</li> <li>• Interventions financed included 6.5- and 2.5-hectare market gardening plots for women's groups, equipped with supplementary pools, hedges and wire fencing and solar panels to provide energy to an automated water pump. This garden plot project benefited over 200 people, mostly women. The grant was also used to build women's capacities, with trainings in agricultural techniques, and procurement of agricultural inputs and seeds.</li> <li>• Following the first cycle of investments, Sandaré financed a fish farm project, complementing the garden plot effort, with two ponds and a well to ensure a steady supply of water to the ponds. The irrigation system is made of PVC piping, and the well is equipped with an automatic solar pump system. The integrated garden/fish farm project is maintained by the Jama Jigui women's group comprising 53 members, of whom 50 are women.</li> <li>• Additional interventions included Neem wood forest rehabilitation in Simby and two irrigation systems and a solar-based well-water pump in Sandaré. All the stakeholders involved in the LoCAL mechanism – elected leaders, beneficiaries, officers of decentralized state services – have been sensitized and trained to better understand the issues and challenges related to climate change.</li> <li>• For its third year of operation (2017–2018), LoCAL allocated an estimated CFA 53,703,500 to the two target local authorities. These funds were used to finance construction of 1.5 hectares of vegetable gardens for the women's cooperative in the village of Wassamangaté and improvements of the Madina Malinké women's vegetable garden. Market gardeners also benefited from capacity-building sessions in innovative and sustainable farming techniques on improved cooking stoves. They have been equipped with small farm inputs and improved and adapted seeds. A half-hectare village forestry project of Gum acacia was also implemented.</li> </ul>
<p><b>lessons learned</b></p>	<ul style="list-style-type: none"> <li>• The communes involved demonstrated strong civic engagement and a responsive attitude. All of the key stakeholders – including the mostly female beneficiaries – are actively engaged in project identification; project implementation is handled collaboratively with the commune councils which spearhead the local development efforts.</li> <li>• The majority of stakeholders and national policies are fully supportive and aligned with adaptation objectives and the need to build population resilience in climate-vulnerable areas. This synergy helped drive communication and build capacities; this in turn had a transformative effect on the strategic planning documents of both the supported communes and bordering communes. Nevertheless, the communes remain highly dependent on technical support and assistance from the state and service providers and – due to the low level of transfers from the central government to the decentralized administrations – on external funding.</li> <li>• Sustainability and prospects for scale-up rely on several factors including close follow-up and coordination between LoCAL and its national counterpart; technical and operational support provided by LoCAL at the regional and central levels; clear allocation of resources to the communes to address and implement climate adaptation activities, and allowing for modification; strong ownership by commune councils and beneficiaries; and positive synergy between the actors as a result of the immediate outcomes (economic/social) of the activities implemented.</li> <li>• Other positive developments include the strategic role played by the mechanism at the national level, reinforced by coordination and partnership building (government, development partners, civil society, others); a competitive spirit between the communes engaged in the LoCAL mechanism; a strengthened level of technical support provided by the decentralized state services and their related structures; improved capacities of local service providers and contractors; the emergence of new synergies between other actors, projects and programmes in the targeted areas and at national levels; political support from the government and alignment of the mechanism to ongoing reforms and the increasing level of transfer of capacities and resources from the central to the decentralized governments; and strengthening of audits and inspections of public funds.</li> </ul>

# Mali

<p><b>way forward</b></p>	<ul style="list-style-type: none"> <li>• LoCAL is expected to increase the support provided to the two pilot communes from both national and international partners. This support will include technical assistance from the Treasury, and the Inspection and Controls Department of the Ministry of Interior, in collaboration with the Steering Committee and the AEDD; climate risk and vulnerability assessment via the establishment of local information and data collection systems; cost-benefit evaluations, self-assessments and annual performance assessments; and advocacy and visibility actions.</li> <li>• LoCAL will build on existing synergies with other local and national partners – including the United Nations Development Programme–UN Environment Poverty-Environment Initiative (PEI), 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.</li> <li>• Following validation of the Phase II design by the Technical Committee, LoCAL-Mali seeks to scale up the mechanism to a larger number of communes, ultimately aiming for national scale-up.</li> <li>• The design of LoCAL-Mali Phase II has been approved by ANICT as part of the country's decentralization efforts; the country is ready to move to Phase II.</li> <li>• Through the letter of agreement signed with ANICT, LoCAL will continue to provide technical and financial support to ANICT's GCF accreditation for operationalization of Phases II and III.</li> <li>• Resource mobilization and synergy strategies will continue to support scaling-up objectives.</li> <li>• The LoCAL directives are aligned with the objectives and priorities of CREDD 2019–2023 (Strategic Axis 4) and UNDAF 2020–2024 (Axis 4, Effect 5).</li> </ul>
<p><b>more information</b></p>	<p><a href="https://www.local-uncdf.org/mali.html">https://www.local-uncdf.org/mali.html</a></p>

# Mozambique

<b>context</b>	<p>Mozambique's geographical location in the Intertropical Convergence Zone makes it particularly susceptible to extreme climate phenomena such as El Niño and La Niña, which bring droughts, floods and cyclones on a regular basis. Available data and climatic models indicate a steady increase in the severity and frequency of these events over the last 30 years with a similar forecast for the future. Data from the Institute for Disaster Relief show that, between 1985 and 2008, over 16 million people were affected by droughts and over 100,000 people died as a result. The adverse effects of climate change in Mozambique undermine government efforts to reduce poverty, improve food and nutritional security, expand infrastructure and services and reach the targets set out in the Sustainable Development Goals.</p> <p>The decentralization process in Mozambique has been a combination of decentralization and deconcentration with a gradual transfer of responsibilities, powers, staff and funding to the municipal tier as well as to the more deconcentrated levels of provincial and district governments. The Government of Mozambique initiated the process of deconcentration as part of its public sector reform in 2003, culminating in the approval of a new institutional framework for subnational state organs under Law 8/2003, which establishes new principles and norms of organization, competencies and functioning for provinces, districts, administrative posts and localities.</p> <p>In addition to general executive and administrative functions, the law assigns detailed competencies to the district level in a large number of functional areas – notably, emergency services; preservation of the environment; commerce and industry; water supply; education; health; natural resource management; energy resources; transportation and public transit, participatory local development; public services; public works; and recreation, culture and tourism. Many of these sectors figure prominently in climate change adaptation.</p>
<b>objectives</b>	<p>The overall outcome of LoCAL-Mozambique is to improve the resilience of districts to climate change as a result of increased access to climate change adaptation financing through PBCRGs. Five specific outputs contribute to the achievement of this overall outcome:</p> <ul style="list-style-type: none"> <li>• An effective performance-based climate resilience grant (PBCRG) system established as a finance mechanism in Mozambique and operational for additional funding</li> <li>• Inclusive, effective and accountable climate change planning and budgeting processes at the district level</li> <li>• Climate change adaptation activities managed efficiently, effectively and transparently and implemented by participating districts through the PBCRG system</li> <li>• A monitoring and evaluation system and lessons learned to inform national policies about experiences from the LoCAL launch and integration of climate change in all stages of public financial management processes and improvement of public financial management</li> <li>• Completed roll-out plans and capacity-building support for new districts in new province(s) established by the end of the programme</li> </ul>
<b>achievements</b>	<ul style="list-style-type: none"> <li>• Since its launch in 2015, LoCAL has been reinforcing the government-led planning, budgeting and investment cycles to finance local adaptation plans and, more broadly, implementation of district development plans.</li> <li>• Ten districts have integrated climate change adaptation into their development plans. Also, 175 national and local-level officials have been specifically trained on integration of climate change adaptation into local planning processes and on how to develop local adaptation plans. Periodic planning and sensitization workshops (at least one per district each year and two workshops involving all provinces participating in LoCAL) have been carried out with programme support.</li> <li>• The integration of the PBCRG system into the intergovernmental fiscal transfer system further facilitated delivery to the public financial management system of at least \$800,000 over the coming years to finance resilient interventions in the four selected districts under LoCAL.</li> <li>• LoCAL's implementing partners – the Ministry of Land, Rural Development and Environment, through its National Directorate of Environment, and the Ministry of Economy and Finances, through the National Directorate of Economy and Finances – have supported policy dialogue among the development partners and donors to consolidate LoCAL-driven experience in the Gaza and Inhambane provinces for the 2018–2022 period.</li> </ul>

# Mozambique

<b>achievements</b>	<ul style="list-style-type: none"> <li>• The development impact achieved within the Environmental Sector Support Programme (PASA II) financed by Danida, the European Union and the Irish Development Aid, combined with the programmatic lessons emerging up from implementation of the LoCAL mechanism in Gaza, has guided the programmatic design of resilient development interventions in the Nampula and Zambezia provinces for the 2018–2022 period.</li> <li>• The LoCAL initiative, with its local government–led development interventions in Gaza Province, has been reinforced with financial support from the Swedish Embassy in Mozambique; ultimately, this should enhance government fiscal capabilities in financing local adaptation plans in Gaza and Inhambane for the period 2018–2023. Discussions between the Swedish Embassy and UNCDF, with the support of the Ministry of Economy and Finances and the Ministry of Land, Rural Development and Environment, began in the second quarter of 2106; these were finalized with a financing agreement signed in June 2018 by the Swedish Embassy and UNCDF aimed at reinforcing locally based development finance within the LoCAL programme (Phase II). This crucial step will ensure follow-up financing after the initial pilot phase, which was financed and supported by the Belgian Development Cooperation in Gaza with a budget of \$2 million.</li> <li>• Overall, Belgian and Swedish development support will cover a five-year period starting from August 2018 for Gaza and Inhambane. In addition, UNCDF will manage – in consultation with the government – financial resources for localized technical assistance to further operationalize the local adaptation plans in both provinces. LoCAL programmatic development interventions – which were launched in Gaza with Belgian Development Cooperation financial support and UNCDF technical assistance in July 2015 – support and build on existing government-led and -managed climate change adaptation experiences in four selected Gaza districts. The current programme’s up-scaling phase expands on this to include five new districts in Inhambane to be supported within the Swedish budgetary framework. The initial country-based tailored LoCAL strategic development methodology and programmatic design was funded globally with European Union Headquarters funds, Sweden’s Headquarters funds and UNCDF core financial resources.</li> </ul>
<b>adaptation measures and investments</b>	<p>LoCAL-Mozambique, in a first round of investments, implemented three infrastructure projects which consisted of the drilling of a borehole to provide Chibutane villagers have access to clean water. A pumping infrastructure, which connects the borehole to the village school attended by 122 pupils and to irrigated fields, was also built.</p> <p>The second investment cycle is ongoing and covers eight adaptation measures. These measures include irrigation and dam systems to improve the availability of water for agricultural purposes year round, rehabilitation and climate-proofing of a local research centre and the launch of a fish production system in Massinger.</p> <p>In 2018, 25 LoCAL projects were prioritized by communities in Gaza Province; of these, eight are completed, nine are planned and eight are ongoing.</p> <p>Overall, the investments are expected to benefit more than 25,000 people, improving their resilience to climate change and their food security.</p>
<b>lessons learned</b>	<ul style="list-style-type: none"> <li>• Through a dialogue among district technical teams and central government staff, the procurement process was highlighted as an element in the local development process which should receive special attention. The majority of capacity development interventions in the coming months should be aimed at supporting local governments in implementing and complying with the 2016 National Decree on Procurement of Goods and Services. LoCAL will increase its technical support in procurement through the National Directorate of Planning and Budgeting’s human resource structure.</li> <li>• LoCAL trainings in public financial management should build district technical staff capacities in matters related to budgetary programming, execution and accountability. LoCAL directly supports the state–district budget transfer system, channelling climate finance through e-SISTAFE. PBCRGs should be accompanied with continuous support and capacity development trainings of the relevant ministries to ensure a suitable tracking system at all levels.</li> </ul>

# Mozambique

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



# Nepal

<b>context</b>	<p>Despite its relatively small size, Nepal has very diverse climatic conditions. Over 80 per cent of the country's population depend on agriculture and forest resources for their livelihoods, which makes the Nepali people highly vulnerable to climate change. Climate change impacts projected for the country include significant warming, particularly in the middle hills and at higher elevations, leading to reductions in snow and ice coverage; increases in climatic variability and the frequency and intensity of extreme weather events, including floods and droughts, and in areas with no past history of such events; and changing precipitation patterns (increase in regional precipitation during the wet season, decrease in precipitation in the middle hills, shortened monsoon, longer dry spells). Like other Himalayan populations, the Nepalese live in areas with a high risk of floods, soil erosion and landslides. Increased snow melting rates will further exacerbate the risk of glacial lake outbursts and their related flash floods.</p> <p>As part of its National Adaptation Programme of Action, Nepal established a Climate Change Knowledge Management Centre and a Multi-Stakeholder Climate Change Initiative Coordination Committee. It has also initiated local adaptation plans of action, appointing district and village development committees to act on these plans. This has provided an important entry point for LoCAL to support local governments and communities in climate change adaptation.</p>
<b>objectives</b>	<p>The aim of LoCAL-Nepal is to demonstrate the role and ability of local government in promoting climate change resilience investment through mainstreaming climate finance into the intergovernmental fiscal transfer system and local planning and budgeting process. This is expected to result in:</p> <ul style="list-style-type: none"> <li>• Increased awareness of climate change and potential adaptation/resilience-building responses among local government and communities</li> <li>• Modalities for mainstreaming climate resilience investment in local public expenditure management systems tested and available for scale-up</li> <li>• Strengthened local government capacity for climate change resilience/adaptation through improving the planning and budgeting, financing and implementation, considering gender equity and social inclusion</li> <li>• Designed and tested arrangements for tracking and reporting on climate change adaptation expenditures at the local level</li> </ul>
<b>achievements</b>	<ul style="list-style-type: none"> <li>• LoCAL grants were aligned with the former District Development Fund flow and reporting modalities during their initial piloting, thus helping to strengthen the country's fiscal transfer system, albeit through parallel systems. A menu of eligible resilience investments was designed and approved, comprising two categories of intervention. At the district level, the menu has a strategic and cross-sectoral focus; at the local level, it focuses on improving the climate resilience of community livelihoods and existing small infrastructure.</li> <li>• The initial LoCAL pilot focused on three former village development committees in each district – Kiranchowk, Mahadevsthan and Salang in Dhading; and Gonaha, Hattibangain and Kamhriya in Rupandehi during the beginning of 2014, when the memorandum of understanding was signed with the Environment and Disaster Management Section of the Ministry of Federal Affairs and General Administration (MoFAGA).</li> <li>• LoCAL stakeholder mapping, implementation guidelines and capacity development plans were prepared through district- and village-level stakeholder consultations and transferred to local authorities through workshops and trainings benefiting 142 officials and staff. LoCAL was implemented in these two districts until June 2017.</li> <li>• LoCAL Phase I ended in July 2017. However, UNCDF, under the umbrella framework of MoFAGA's Environmental Friendly Local Governance (EFLG), designed an EFLG Transition Support Plan to continue LoCAL jointly with the Poverty-Environment Initiative (PEI) of the United Nations Development Programme–United Nations Environment Programme. The transition plan took into account the changed political context of the country as it moved from a unitary to a federal structure.</li> </ul>

# Nepal

<b>achievements</b>	<ul style="list-style-type: none"> <li>Following a series of consultations, two new districts – Kavre and Sindhuli – were selected based on the high vulnerability to climate change within the Sunkoshi River Basin. All 22 municipalities within these two districts have been covered. Given the limited investment grants available, LoCAL provided capacity development support to the 22 local governments so as to enhance their capacity for better planning and utilization of their own resources for climate change adaptation/resilience projects.</li> <li>The capacity development, policy improvement and advocacy has supported increased government grants for climate resilience projects in these two districts. For FY 2017/18, the Government of Nepal provided about \$500,000 as an additional grant for climate resilience activities in the 22 LoCAL districts.</li> <li>About 500 people were trained in these two districts on the planning and budgeting process and financing for climate resilience investment projects. Training beneficiaries included Mayors, Deputy Mayors, municipal officials and representatives of community-based organizations and non-governmental organizations. In addition, in partnership with Tribhuvan University, LoCAL financed the development of EFLG baseline data in these two districts covering all 22 local governments.</li> </ul>
<b>adaptation measures and investments</b>	<p>Two PBCRG cycles have been fully implemented, with 60 small-scale adaptation measures financed in the two pilot districts, which together have a population of almost 50,000 people.</p> <p>During Phase I, the majority of investments focused on climate-related disaster prevention, with 27 projects addressing bioengineering, drainage and damming works on roads, river streams and canals to prevent flooding and landslides for downstream and neighbouring communities. Another 23 interventions aimed at improving rainwater harvesting and availability through the construction/restoration of community ponds, to be used for irrigation, watering cattle, etc. Some measures included alternative income-generating activities, such as eco-tourism in Siddalake, and a bee-keeping initiative in Gajuri.</p> <p>Overall, PBCRGs have benefited 10,099 people in the six municipalities; of these, 4,419 are male, 4,340 are female and 1,340 are children.</p>
<b>lessons learned</b>	<ul style="list-style-type: none"> <li>Training, mentoring and provision of on-site technical support for the planning and budgeting process for climate resilience projects was found to be very effective. Building knowledge and awareness complemented by technical assistance for identifying climate resilience investment and climate adaptation was found to be effective for local governments to allocate more resources to climate change finance.</li> <li>Extending the technical assistance support to cover all local governments within a district has had a very positive spillover effect. During Phase I, LoCAL had covered three local governments each in two districts, providing \$30,000–\$40,000 each year as a climate investment grant per district. Training and capacity development support was confined to the six municipalities. However, during the transition phase, LoCAL covered 22 local governments, providing training and awareness building to all local governments on climate resilience investment projects financed through government grants. In some cases, the local governments have added their own resources for climate resilience investments. For example, in FY 2017/18, the 22 local governments received a total of about \$500,000 as an EFLG grant. They supplemented this with funding from other sources, allocating a total of about \$1.7 million for climate resilience investments. This budget was allocated for 391 projects combining climate resilience and environmentally friendly investments.</li> <li>Continued training and awareness building provided jointly to all local governments resulted in positive spillover effects. Local governments officials are sharing knowledge and information with each other, which has helped them to better plan and budget climate resilience investment projects.</li> <li>Local governments can be stronger and have more discretionary power once they enhance their own revenues. Through this approach, local governments have become more receptive to LoCAL and are prepared for higher budget allocations for LoCAL investments.</li> </ul>

# Nepal

<b>lessons learned</b>	<ul style="list-style-type: none"> <li>• Small block grants, if managed properly, can effectively leverage additional resources. This was evident from the additional funds local governments mobilized with the initial grants funded through LoCAL. For example, LoCAL provided an initial contribution of \$14,000 to fund a reservoir irrigation project in the Panchkhal municipality (Dumkate Ward 6); the municipality provided an additional \$55,000 for the investment following a participatory budget consultation and design process. The municipality thus mobilized significant additional resources and demonstrated a high level of government ownership.</li> <li>• At the beginning of the programme, some stakeholders at the local level were not fully aware of their roles and responsibilities in relation to incorporating climate change adaptation into local planning processes. Awareness raising and capacity enhancement are very important at programme start to ensure full buy-in and allow for effective launch of LoCAL activities.</li> </ul>
<b>way forward</b>	<ul style="list-style-type: none"> <li>• LoCAL will continue supporting efforts through the provision of more resilient and quality infrastructure and strengthening of community institutions.</li> <li>• LoCAL will continue its partnership with the Environment and Disaster Management Section of MoFAGA and will support climate change awareness and climate resilience activities in the Kavre and Sindhuli districts. With lessons learned anchoring local government authorities, structures and processes, UNCDF will scope and design the LoCAL Phase II.</li> <li>• The PBCRG is the core component of LoCAL. Therefore, UNCDF will continue to advocate and closely partner with MoFAGA, the Ministry of Finance and the National Natural Resource and Finance Commission to design a PBCRG in the changed federal context and will continue piloting in the 22 local governments to build on lessons learned and best practices.</li> <li>• Following completion of LoCAL Phase I, UNCDF will extend its partnerships beyond that with PEI to other agencies such as the Town Development Fund, the Green Climate Fund, the private sector and other development partners.</li> </ul>
<b>more information</b>	<a href="https://www.local-uncdf.org/nepal.html">https://www.local-uncdf.org/nepal.html</a>

# Niger

<b>context</b>	<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>
<b>objectives</b>	<ul style="list-style-type: none"> <li>• The aim of LoCAL-Niger is to demonstrate and highlight the role of communes in promoting local climate change adaptation/resilience measures through integrating climate funding in budget transfer mechanisms and the planning and allocation of local resources. More specifically, it aims to:</li> <li>• Strengthen technical and institutional capacities in the pilot communes to ensure better local governance of adaptation to climate change</li> <li>• Enable communes to create infrastructure and local services which are resilient to climate change through targeted funding</li> <li>• Promote increased awareness among commune councillors and local communities about the impact of climate change phenomena and the relevance of a territorial approach to adaptation/resilience</li> </ul>
<b>achievements</b>	<ul style="list-style-type: none"> <li>• Two communes in the Dosso region, Sokorbé (Department of Loga) and Dogon Kyria (Department of Dogondoutchi), have been selected for the LoCAL-Niger pilot phase; these have a combined population of 101,569.</li> <li>• Since the memorandum of understanding was signed in 2015, the performance-based climate resilience grant (PBCRG) mechanism has been developed. It includes minimum conditions for access, performance criteria and an indicative investment menu to inform the process of integrating adaptation into local planning and budgeting.</li> <li>• The LoCAL-Niger Technical Committee has been set up under the authority of the Ministry of the Environment, Urban Sanitation and Sustainable Development; the Ministry of the Interior, Public Safety and Decentralization and Customary and Religious Affairs; and the National Environmental Council for Sustainable Development. The committee coordinates and monitors implementation of the LoCAL pilot phase.</li> <li>• The two communes implemented and completed two PBCRG cycles and were evaluated in 2016 and 2017 by a government team together with independent national and international assessors and UNCDF. Both local governments complied with the LoCAL minimum conditions, allowing them to maintain access to the grants. In 2016, Sokorbé achieved a global performance score of 75 per cent and Dogon Kiria 70 per cent; in 2017, both local governments scored 77 per cent, showing that improvements are ongoing, due to LoCAL's continued efforts in capacity building of relevant local authorities.</li> </ul>

# Niger

<b>achievements</b>	<ul style="list-style-type: none"> <li>Niger started piloting localized climate risk assessments. It also established systems to enable local governments to collect, archive and analyse meteorological, climate and socioeconomic data and undertake local climate projections to inform their planning.</li> <li>Following two cycles of investment and annual performance assessment, LoCAL organized a stocktaking exercise and a national workshop that brought together all stakeholders engaged in LoCAL, including mayors, deconcentrated services and central-level ministries and agencies. The workshop was held in Niamey in November 2017 and provided strategic direction for Phase II. The design note for Phase II is ready.</li> <li>The two-year pilot phase paved the way for LoCAL Phase II to fully integrate the PBCRG model into the Treasury's fiscal transfer system; this has only been partially implemented thus far.</li> </ul>
<b>adaptation measures and investments</b>	<ul style="list-style-type: none"> <li>Over the three-year pilot phase, LoCAL-Niger financed 41 adaptation investments, directly benefiting more than 42,000 people in the two communes.</li> <li>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. 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 has been established in each village.</li> <li>In Dogon Kiria, 60 hectares of degraded land was rehabilitated and replanted by local communities using a work-for-pay system. Four wells were excavated and four were 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.</li> <li>Several 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.</li> </ul>
<b>lessons learned</b>	<ul style="list-style-type: none"> <li>As the impact of climate change is local and affects multiple sectors, it is important to allow local authorities to choose the priority activities to be funded by LoCAL grants on a consultative basis. A local adaptation action programme, informed by climate risk assessment, must therefore follow on from the list of indicative investments developed when the programme was first established.</li> <li>It is essential to design a funding channel for LoCAL grants which is fully aligned with the existing system of intergovernmental transfers. Funds must be fully integrated with other resources available locally. An intermediate funding channel has been established in Niger for the first two years. LoCAL will use the National Treasury System for its second phase.</li> </ul>
<b>way forward</b>	<ul style="list-style-type: none"> <li>A third cycle of investments has started in the two communes and will be completed during 2019.</li> <li>Work on climate risk assessment will be further developed in 2018–2019 to ensure adequate inclusion of climate change considerations in local government operations.</li> <li>The design of Phase II was developed over 2017–2018 and is ready to be launched. It will be able to build on the newly acquired capacities and recent practical experiences of the two pilot local governments.</li> </ul>
<b>more information</b>	<a href="https://www.local-uncdf.org/niger.html">https://www.local-uncdf.org/niger.html</a>

# Tanzania

<b>context</b>	<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>
<b>objectives</b>	<p>The over-arching purpose of the five-year (2016–2021) Decentralised Climate Finance in Tanzania (DCF) project, of which LoCAL is a part, is to establish a robust and effective mechanism to enable local government authorities (LGAs) in Tanzania to access climate finance on a regular and sustained basis to fund investments that build climate-resilient development at LGA and community levels. To achieve this, the project has two specific objectives:</p> <ul style="list-style-type: none"> <li>• Strengthen the capacities of the President's Office – Regional Administration and Local Government (PO-RALG) to become an accredited national implementing entity of the Green Climate Fund (GCF) and channel climate finance initially to 15 LGAs, and then nation-wide</li> <li>• Build PO-RALG and LGA capacities to mainstream climate change and community-driven adaptation into LGA development planning and financial systems in support of climate-resilient development and low-carbon growth</li> </ul> <p>The project will deliver five outputs in the achievement of these objectives: (i) an effective performance-based climate resilience grant (PBCRG) system is established in Tanzania and operational for additional funding; (ii) functional devolved district climate finance and planning mechanisms in 15 district councils in mainland Tanzania to finance community-prioritized investments in public goods that build climate resilience; (iii) investments that build climate resilience are effectively and efficiently implemented and managed by the districts and their performance transparently assessed as part of the mechanism; (iv) the PO-RALG develops the institutional and financial competencies to become an accredited national implementing entity of the GCF to scale up devolved climate finance in support of community-driven adaptation across Tanzania; (v) evidence and learning on the effectiveness of devolved climate finance investments to improve community resilience, differentiated by gender, is generated and used to inform policy.</p>
<b>achievements</b>	<ul style="list-style-type: none"> <li>• In 2016, the PO-RALG signed a project implementation agreement with the International Institute for Environment and Development (IIED) and UNCDF to guide DCF implementation.</li> <li>• The first phase of the project (2016–2018), financed by UKAid, has invested more than \$1 million in 35 climate-resilient and adaptation projects in the districts of Monduli, Longido and Ngorongoro, engaging women and traditional leaders in planning. Manuals for resource mapping and resilience assessments were developed as planning tools for LGAs, and institutions such as Institute for Rural Development Planning and the Local Government Training Institute incorporated climate change issues into their curricula.</li> <li>• In preparation for the project's second phase, a planning workshop was organized in early December 2017 with a view towards sharing lessons learned from Phase I, validating the approach and key components of Phase II, and identifying key policy and institutional opportunities and challenges to scale up the DCF nation-wide.</li> </ul>

# Tanzania

<b>achievements</b>	<ul style="list-style-type: none"> <li>A field mission aimed at elaborating and validating the Annual Performance Assessment Manual for the LoCAL PBCRG under the DCF was held in mid-December 2017; the final draft of the manual was completed in mid-January 2018 and shared with key stakeholders.</li> <li>In 2019, a memorandum of understanding and letter of agreement was signed between the Government of Tanzania and UNCDF for the LoCAL pilot.</li> <li>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 late January 2018, aimed to help the PO-RALG identify its strengths and weaknesses, as well strengthen needs with regard to the GCF's six relevant accreditation standards. Based on the assessment, the PO-RALG submitted its official application to become a GCF national implementing entity.</li> </ul>
<b>adaptation measures and investments</b>	<ul style="list-style-type: none"> <li>Despite renewed commitment towards implementation of the DCF by all stakeholders, a lack of funding was identified as a major hindrance to project scale-up. The size of the grants to ensure fiscal sustainability is therefore a key element of the design of the LoCAL PBCRG in Tanzania.</li> <li>Concerns raised over the de facto participation of women and marginalized groups in the LGA planning process; the use of divisions as a planning forum, as opposed to districts (which are part of the public planning and budgeting system); and potential political bias in the planning process need to be addressed in future phases of the DCF.</li> </ul>
<b>lessons learned</b>	<ul style="list-style-type: none"> <li>Despite renewed commitment towards implementation of the DCF by all stakeholders, a lack of funding was identified as a major hindrance to project scale-up. The size of the grants to ensure fiscal sustainability is therefore a key element of the design of the LoCAL PBCRG in Tanzania.</li> <li>Concerns raised over the de facto participation of women and marginalized groups in the LGA planning process; the use of divisions as a planning forum, as opposed to districts (which are part of the public planning and budgeting system); and potential political bias in the planning process need to be addressed in future phases of the DCF.</li> </ul>
<b>way forward</b>	<ul style="list-style-type: none"> <li>In February 2019, PO-RALG, IIED and UNCDF announced the Local Climate Finance Initiative (LCFI) to support government efforts to increase awareness and capacity to respond to climate change at the local level, integrate climate change adaptation into local government planning and budgeting systems in a participatory and gender-sensitive 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 and the country's nationally determined contributions.</li> <li>The PBCRG mechanism, with support from the European Union (GCCA+), will be piloted in the second half of 2019 in three districts of the Dodoma region (Chamwino, Kondoa and Mpwapa). The LCFI mechanism will then be scaled up to other districts from 2020 onwards, with support from development partners.</li> <li>An annual performance assessment will be conducted in 2020 to provide a baseline for performance measures; its findings will be applied in three new districts in the Dodoma region.</li> <li>The project is exploring partnerships to allow scale-up of LoCAL grants and capacity building to additional districts.</li> <li>LoCAL will provide follow-up and technical assistance and support PO-RALG throughout the GCF accreditation process.</li> </ul>
<b>more information</b>	<a href="https://www.local-uncdf.org/tanzania.html">https://www.local-uncdf.org/tanzania.html</a>



# Tuvalu

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

# Tuvalu

<b>achievements</b>	<ul style="list-style-type: none"> <li>The third APA, conducted in 2018, verified that all three participating <i>kaupules</i> – Nukulaelae, Nukufetau and Namumea – have met the minimum conditions, and are thus qualified to receive the PBCRG grant for 2019. 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.</li> </ul>
<b>adaptation measures and investments</b>	<p>The viability of subsistence-based livelihoods in Tuvalu is likely to be undermined significantly due to climate change. Consequently, the first and second cycles of PBCRG investments focused on two critical axes: water and sanitation, and disaster prevention and preparedness.</p> <ul style="list-style-type: none"> <li><b>Water:</b> The key vulnerabilities and risks related to water are the increased variability and decreased predictability of rainfall and safe water availability. To this end, six water catchment and harvesting systems were completed/planned in the three <i>kaupules</i>.</li> <li><b>Disaster prevention and preparedness:</b> Tuvalu is dangerously exposed to extreme climate events such as storms and cyclones. Two cyclone shelters are under construction in two <i>kaupules</i> which will provide protection for more than 800 inhabitants.</li> </ul>
<b>lessons learned</b>	<ul style="list-style-type: none"> <li>To undertake climate change adaptation activities effectively and efficiently, an incentive-based performance system could be considered to promote service delivery within other institutions. Meaningful participation of vulnerable and marginalized communities through bottom-up planning needs to be ensured. Such participation helps integrate climate change risk management activities into community development and planning processes. At programme outset, a number of stakeholders at the village level were not fully aware of their role and responsibilities.</li> <li>Capacity at both the <i>kaupule</i> and government levels has been identified as a major constraint to successful provision of services to communities, and as such has been accorded high priority. Awareness raising and capacity enhancement are very important at programme start and throughout the life of a project. As part of the overall capacity development strategy planned for Phase II, institutional and organizational reform at the <i>kaupule</i> as well as at the central government level will be needed. Capacity development support in the country will be coordinated with a number of core initiatives such as the National Adaptation Programme of Action II and the Public Sector Reform Program. It is also envisaged that collaboration with the newly implemented Tuvalu Coastal Adaptation Project would be supported and reinforced.</li> </ul>
<b>way forward</b>	<ul style="list-style-type: none"> <li>Follow-up on implementation of the third cycle of PBCRGs (2019/2020) and of the recommendations arising from the third annual performance assessment was completed in June 2018.</li> <li>The LoCAL programme was initially piloted in three highly vulnerable <i>falekaupules/kaupules</i> representing the various geographical areas of Tuvalu (north, central and south). Phase II is expected to commence in 2020–2021 with planning and preparation of interventions for up-scaling, with expected coverage of all local governments, or at least an additional two or three authorities. In the latter case, full scale-up for the national system is envisaged for 2021 onwards (Phase III).</li> </ul>
<b>more information</b>	<a href="https://www.local-uncdf.org/tuvalu.html">https://www.local-uncdf.org/tuvalu.html</a>





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

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



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