

Scaling up locally led adaptation dialogue series

September–October 2021

Event report

Scaling up locally led adaptation

Dialogue series report



WORLD
RESOURCES
INSTITUTE

SOUTH
SOUTH
NORTH



HUIROU COMMISSION
Women, Homes & Community

Author information

Anna Carthy is a researcher in IIED's Climate Change Group.

Clara Gallagher is a researcher in IIED's Climate Change Group.

Marek Soanes is climate justice lead at CARE Australia and a former researcher in IIED's Climate Change Group.

Several of our partners reviewed and contributed to the report: Tamara Cogger (WRI), Anindita Hridita (BRAC) and Suranjana Gupta (Huairou Commission)

About the event

For more information about this report, or the Scaling Up Locally-Led Adaptation project, visit www.iied.org/principles-for-locally-led-adaptation, or contact: Clare Shakya, clare.shakya@iied.org

IIED is a policy and action research organisation. We promote sustainable development to improve livelihoods and protect the environments on which these livelihoods are built. We specialise in linking local priorities to global challenges. IIED is based in London and works in Africa, Asia, Latin America, the Middle East and the Pacific, with some of the world's most vulnerable people. We work with them to strengthen their voice in the decision-making arenas that affect them — from village councils to international conventions.

Published by IIED, March, 2022

<http://pubs.iied.org/20816IIED>

ISBN 978-1-78431-955-7

International Institute for Environment and Development
Third Floor, 235 High Holborn, London WC1V 7DN, UK
Tel: +44 (0)20 3463 7399

www.iied.org

[@iied](https://twitter.com/iied)

www.facebook.com/theIIED

Download more publications at <http://pubs.iied.org>



IIED publications may be shared and republished in accordance with the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International Public License (CC BY-NC-ND 4.0). Under the terms

of this licence, anyone can copy, distribute and display the material, providing that they credit the original source and don't use it for commercial purposes or make derivatives. Different licences may apply to some illustrative elements, in which instance the licence will be displayed alongside. IIED is happy to discuss any aspect of further usage. Get more information via www.iied.org/Creative-Commons

IIED is a charity registered in England, Charity No.800066 and in Scotland, OSCR Reg No.SC039864 and a company limited by guarantee registered in England No.2188452.



Adaptation Action Coalition, in association with the UN High-Level Champions and Race to Resilience, present

Scaling up locally led adaptation

Dialogue series report



WORLD
RESOURCES
INSTITUTE

SOUTH
SOUTH
NORTH
PARTNERSHIP



HUIROU COMMISSION
Women, Homes & Community

Acknowledgements

We would like to thank all those that made the dialogue series on scaling-up locally led adaptation possible.

Project partners: Eileen Mairena Cunningham of Centro Para La Autonomia de los Pueblos Indigenas (**CADPI**); Ainka Granderson and Candice Ramkissoon of Caribbean Natural Resource Institute (**CANARI**); Aissatou Diouf and Emmanuel Seck of **ENDA Energie Senegal**; Suranjana Gupta and Anwasha Tewary of the **Huairou Commission**; Istiak Ahmed and Farhin Rahman Reeda of the International Centre for Climate Change and Development (**ICCCAD**); Anna Carthy, Clara Gallagher, Ebony Holland, Larissa Setaro, Clare Shakya, and Marek Soanes of the International Institute for Environment and Development (**IIED**); Ariana Karamallis and Sheela Patel of Slum Dwellers International (**SDI**); Samson Mbewe of **SouthSouthNorth**; Paul Mitchell of **Save the Children Australia**; and Tamara Coger, Ayesha Dinshaw and Cristina Rumbaitis del Rio of World Resources Institute (**WRI**).

Key note speakers: H.E. Mrs Diann Black-Layne, Ambassador for Climate Change and Director of the Department of the Environment of Antigua and Barbuda, Lead Climate Negotiator of **AOSIS**; Nicola Pollitt, **British Ambassador to Nepal**; Robert Chatterton Dickson, **British High Commissioner**, Dhaka, Bangladesh; Ineza Grace Umuhzoza, Founder, **The Green Fighter**; Mamadou Honadia, former Burkina Faso negotiator and **LDC Elder**; Crispin d’Auvergne, Programme Director, Climate Change and Disaster Risk Management, **Organization of Eastern Caribbean States**; Sheela Patel, Founding Director of **SPARC, India**; Alicia Herbert, Special Envoy for Gender Equality, **UK Foreign Commonwealth and Development Office**; Huw Davies, Deputy Director, COP26 Unit, **UK Government**; Anne-Sophie Cerisola, Director, **UN Climate Action Team**; and Sonam Wangdi, Chair of **UNFCCC Least Developed Countries Group**.

Case study speakers: Victor Orindi, **ADA Consortium**, Kenya; Ainka Granderson, **CANARI** and the Critical Ecosystem Partnership Fund’s Caribbean Programme; Anindita Hridita, Manager Operations, **Climate Bridge Fund Secretariat**; Carolina Reyes, **Fundecooperación**; Malik Aman, Treasury, **Government of Kenya**; George Masimba, **Gungano Urban Poor Fund, Zimbabwe**; Tamara Greenstone Alefaio, Conservation Programme Manager, **Micronesia Conservation Trust**; Karl Mutani Aribeb, COO, **Namibia Environment Investment Fund**; Mariana Lopez, **Pawanka Fund**; Sheela Patel, **SDI**; Mr Lambodar Khuntia (BDO of Saharpada Block) and Ranjan Mishra, **Secretary SOOVA**; Tammy Merrill, Small Grants Facility Technical Project Manager, **South South North**; and Ibu Warsilah and David Patinama, **YAKKUM Emergency Unit, Indonesia**.

Moderators: Arghya Sinha Roy, Senior Climate Change Specialist, **Asian Development Bank**; Beth Chitekwe-Biti, Acting Managing Director of **SDI**, Dr Susan Chomba, Director of Vital Landscapes, **WRI Africa**, Dr Rebekah Shirley, Director of Research, Data and Innovation, **WRI Africa**.

Translators: 6–9 September — from Eminent Solutionz — Sidi Iha, Aziz Ramndani, Claudia Lima and Carol Pinheiro; 12–14 October 2021 — from Eminent Solutionz — Sidi Iha, Claudia Lima, Marilu Miro, Sarah Wakaria, Silvina Carillo, Carol Pinheiro and Aziz Ramndani.

Technical support: Jenn Stockdale

Project collaborators: the COP26 Presidency, the Adaptation Action Coalition and the Race to Resilience

Project funder: the UK Government’s Foreign and Commonwealth Development Office

Contents

Summary	4
Round 1 of dialogues	4
Round 2 of dialogues	4
Next steps	6
Introduction	7
Round 1 of dialogues	8
Key concepts introduced: eight LLA principles and delivery mechanisms for supporting LLA	8
Eleven case studies of LLA delivery mechanisms	11
Headlines	14
Round 2 of dialogues	16
Key concepts introduced: LLA pathways and emerging delivering mechanisms	16
Headlines	18
Key areas for discussion	18
International-level challenges, changes and enablers	19
National-level challenges, changes and enablers	20
Leadership of local communities and groups that have been excluded	22
Collaboration across society	22
Key asks for COP26	23
Next steps	25
Annex 1. Locally led adaptation: COP26 messages	26
Asks on LLA	26
FAQs on LLA	27
References	29

Summary

In September and October 2021 six regional dialogues were held across Africa, Asia-Pacific, and Latin America and the Caribbean to support the scaling-up of locally led adaptation (LLA). The dialogues built upon the growing momentum of LLA, including eight principles for LLA endorsed by 57 organisations as of October 2021.

The six regional dialogues brought together government representatives with civil society and the private sector, to help identify new opportunities, learnings and challenges for replicating and scaling up LLA. They also identified key asks on LLA for COP26 and beyond.

A note on the text: This report was largely written in October 2021, just after the dialogues were held, and so looks forward to COP26 (held in Glasgow from 31 October to 13 November). It was published in March 2022, with the benefit of participant comments.

Round 1 of dialogues

The first three dialogues shared 11 case studies (Box 1) of LLA delivery mechanisms covering state and non-state examples across Africa, Asia-Pacific, and Latin America and the Caribbean. They showcased inspiring ways to deliver LLA in line with some of the LLA principles. After distinguished keynotes, LLA case studies and follow-up questions, the following headlines emerged:

- **US\$1 billion LLA fund call** from H.E. Diann Black-Layne (Antigua and Barbuda), which could be directed from US\$680 billion funding for fossil fuel subsidies.
- **Devolved decision making** should be entrenched in all governance models, as voices from the ground need to be consistently included to keep responses agile and responsive.
- **LLA funding time horizons need to be longer** as it can take several years to establish innovative local governance models and get funding to local levels. Building community resilience to rising and changing shocks also takes time.
- **Local partners' time must be acknowledged**, it should not be presumed that they can participate for free. Leading adaptation efforts requires time and resources that cannot be taken for granted.
- **The informal sector remains underfunded** despite possessing robust approaches and offering opportunities for scale-up of LLA centred around addressing the root causes of inequality.
- **Communities and local organisations should not bear the financial risk of partnerships with funders**, but are having to jump through onerous hoops designed for international organisations.
- **Local, traditional and Indigenous groups provide essential expertise, trust and networks** needed to deliver effective LLA based on understanding the local political economy, possessing established networks and understanding the surrounding natural environment.
- **The role of people who have been excluded from decision making needs to be more clearly demonstrated**, especially the roles of women, youth, people with disabilities, displaced people, Indigenous Peoples, and racial and ethnic minority groups.

Round 2 of dialogues

The second round of dialogues focused on discussing and advancing understanding of: (1) the pathways to scaling up, replicating and collaborating across different LLA delivery mechanisms; and (2) how international climate finance can better support these pathways. Discussion also evolved around what the key asks for COP26 should be.

Common enabling factors for LLA that were identified from across the 11 case studies presented in the first round of dialogues included: strong local presence, local networks, supportive policy and regulation, focus on building local capabilities, creating bespoke financing mechanisms, domestic financing committed to LLA, and support from risk-taking donors. Delving deeper during Round 2, the

following challenges, changes and enablers were identified across international, national and local levels:

- **Strengthen quantity and quality of funds** from the international level. In addition to rebalancing adaptation and mitigation finance within the US\$100 billion commitment, more is needed at the local level. This funding must be flexible, patient and predictable, and focused on programmatic approaches to support the nature of adaptation as a long-term process that requires trust and stable local institutions.
- **Prioritise and simplify direct access** to climate finance, as it is almost impossible for local partners to access international climate funds. A shared application process across all funds must be developed as well as meaningful, outcome-oriented metrics for LLA. International accounting standards must be rethought to reflect the risk of not investing in LLA.
- **Formalise roles for local actors, Least Developed Countries (LDCs) and Small Island Developing States (SIDS)** within climate finance and adaptation planning. Roles should be introduced within oversight and steering committees as standard practice, and there should be requirements for local actors to have agency over programme design, not just be consulted.
- **Finance locally led preparatory design work**, recognising the time and effort it takes before funding is normally acquired, as well as the data that often needs generating and capturing — especially for developing ‘climate rationales’.
- **Establish specific funds for groups that have been excluded**, especially for social movements and grassroots organisations, including those representing women, youth, children, people with disabilities, displaced people, Indigenous Peoples and racial and ethnic minority groups.
- **Mainstream LLA into national policy and set national LLA commitments**, as national governments are the first step in country ownership. There should be strong LLA focus and inclusion within national adaptation planning processes, with support for the time and opportunity costs of this involvement, and fiscal targets for LLA should be developed.
- **Communicate relevant policies in local (sub-national) languages** to reduce barriers for local community engagement in nationally led planning processes. Technical support may also be needed to increase local community engagement, as well as dedicated support for grassroots organisations in their position as community mobilisers making adaptation planning and investment more inclusive.
- **Promote co-creation of adaptation information and knowledge**, such as citizen science, that recognises and includes local, traditional and Indigenous knowledge and solutions.
- **Develop policy that actively includes those previously excluded from decision making** especially women, youth, children, people with disabilities, displaced people, Indigenous Peoples and racial and ethnic minority groups.
- **Put in place ambitious and LLA-aligned private sector policy**, such as within emerging environmental, social and governance metrics and legislation, or environmental and social safeguard policy, to influence the practices of local banks, insurance companies and pension funds, and other financial actors.

Next steps

Join us COP26 to learn more about scaling up LLA and ask for LLA to be at the heart of responses to the climate crisis. COP26 will feature many events that are directly and indirectly supporting LLA. Many of these events are hybrid, meaning they can also be attended virtually. The partners of this project have developed a set of asks for COP26. Those who are interested to support the growing momentum behind LLA are invited to share and amplify these asks, which can be found in Annex 1.

A selection of LLA events are summarised in the table, below. A list of LLA related events mapped across some of the COP26 venues and virtually is available from IIED and WRI.

Venue	Name	Date and time
COP26 Presidency Adaptation and Loss & Damage Day events	Voices from the frontlines	8 November, 09:00–10:00
Resilience Hub	A global tour of local government authorities' experience in implementing LLA	1 November, 15:45–17:15
	Local action to global policies, gateways and gaps	3 November, 17:15–18:45
	Pathways to finance — challenges and opportunities for accessing finance for LLA	3 November, 09:15–10:45
	Getting money where it matters — new initiatives for scaling-up LLA	8 November, 16:00–17:30
LLA Hub	Interviews with LLA endorsers	Times TBC

Endorse the principles for LLA. New endorsements are coming in thick and fast. If you are interested in endorsing the principles, you can find them on [IIED](#) or [WRI's](#) websites, along with a [link to the endorsement form](#). Endorsers are asked to complete a short form explaining how their organisation intends to put the LLA principles into practice in 100 words or less. Endorsers are also asked to share what this means to them, briefly describing what changes will be made or current practices strengthened to support LLA. The single requirement of all endorsers is to join the LLA learning journey and to share your progress and learning with the LLA community of practice and at relevant milestones such as Gobeshona, the annual Community-Based Adaptation (CBA) conference, and Development and Climate Days.

Become a champion of LLA. This project's long-term goal is to facilitate more institutions and countries to champion LLA. This may include scaling and replicating some of the LLA delivery mechanisms showcased in these dialogues, putting in place some of the enabling conditions for LLA, or sharing your own exciting innovations and experiences. If you, your organisations or your government are interested in being an LLA champion, please get in touch. We are here to support you as much as we can.

Continue to share examples of LLA delivery mechanisms. We invite you to share stories and case studies of LLA delivery mechanisms. If you have examples, you can use our case study template to tell the story of how you have aligned with the LLA principles and the pathway your approach is on. Over time we hope to include many more LLA stories on our map (Figure 3).

Introduction

To date, local actors — particularly women, youth, children, people with disabilities, displaced people, Indigenous Peoples, and other marginalised ethnic groups — have been excluded from the decisions and resources that affect them most. This exclusion of local voices and ingenuity has contributed significantly to the triple climate, biodiversity and inequality crises the world finds itself in. This triple crisis is also felt most by these local actors, despite them contributing least to the problem. In many countries, households are spending the most on responding to climate disasters, many times more than international contributors and their governments.¹ Meanwhile, IIED estimates that less than 10% of global climate fund finance is dedicated to local action.² Of the small amount that does reach the local level, most of this finance is poor quality.³ It is highly intermediated, driven by top-down decisions in distant headquarters, and tends to prioritise short-term solutions, with little focus on addressing the root causes of inequality and vulnerabilities.⁴

However, political support is growing for more locally led adaptation (LLA) — where local actors have agency and access to required resources to prioritise, design, implement, monitor and evaluate climate change adaptation solutions. These local actors may include individuals, households, communities, local organisations, local government, and local enterprise.

Governments, bilateral and multilateral donors, and other institutions around the world are prioritising LLA. The Least Developed Countries (LDC) Group has committed to delivering 70% of their climate finance to the local level by 2030, within their LDC Initiative for Effective Adaptation and Resilience (LIFE-AR).⁵ In its 2019 flagship report, the Global Commission on Adaptation called for an increase in decentralisation of adaptation finance to the local level. The Commission's work on LLA, championed by Sheela Patel and Dr Muhammed Musa, led to the [eight principles for LLA](#) launched at the 2021 Climate Adaptation Summit. More than 55 organisations have endorsed these eight principles and committed to participate in a 10-year learning journey towards better and more locally led adaptation action. The COP26 Presidency stressed the importance of LLA at the March [Climate and Development Ministerial](#), and the [G7 Foreign and Development Ministers welcomed](#) the LLA principles in their Communiqué. Within the Climate and Development Ministerial, vulnerable countries explicitly called for improved direct access to funding. The [Adaptation Action Coalition](#) aims to integrate the eight LLA principles into their adaptation solutions, including LLA as one of three workstreams, and the [Race to Resilience](#) is seeking to champion LLA for non-state action.

Responding to this increasing political momentum behind LLA, between September and October 2021 a coalition of ten organisationsⁱ partnered with the UN COP26 Presidency, the Race to Resilience and the Adaptation Action Coalition to convene six regional dialogues across Africa, the Asia-Pacific region, and the Caribbean and Latin America. These six dialogues brought together government representatives as well as civil society, private sector and other non-state actors to identify opportunities, learnings and challenges for replicating and scaling-up LLA. It is hoped that these dialogues will help facilitate partnerships to take forward state and non-state LLA approaches. This report summarises the key outcomes and asks that emerged from the six dialogues. These will be fed into COP26 via the various LLA events taking place, and aim to inform action and support for LLA moving forward.

ⁱ The ten organisations include representatives from across these three regions: the International Centre for Climate Change and Development (ICCCAD), Slum and Shack Dwellers International (SDI), the Huairou Commission, South South North (SSN), Save the Children, Centro Para La Autonomia de los Pueblos Indigenas (CADPI), Caribbean Natural Resource Institute (CANARI), ENDA Energie Senegal, International Institute for Environment and Development (IIED) and the World Resources Institute (WRI).

Round 1 of dialogues

The first round of dialogues on scaling LLA took place on 6–9 September 2021. The aim of this first set of regional dialogues was to share inspiring case studies of where the [principles for LLA](#) were being implemented, with the ultimate goal being to replicate and scale up state and non-state LLA initiatives like those identified in the case studies. Recordings of all three regional dialogues are available: [Africa](#), [Asia-Pacific](#), [Latin America and Caribbean](#).

Key concepts introduced: eight LLA principles and delivery mechanisms for supporting LLA

The eight principles for LLA were launched at the 2021 Climate Adaptation Summit, and there are presently over 55 endorsements to them, covering government, UN agencies, multilateral climate funds, academia, non-governmental organisations, and grassroots organisations. A recap of the principles was provided during the dialogues. The concept of LLA ‘delivery mechanisms’ was also introduced. A range of mechanisms are available to deliver LLA at scale across the whole of society, in ways fully aligning with the principles of country ownership and climate justice.

The eight principles for LLA (Figure 1) help guide more robust and more inclusive adaptation, where more resources and power are placed with local actors — especially women, youth, children, people with disabilities, displaced people, Indigenous Peoples, and other marginalised ethnic groups.

LLA delivery mechanisms (Figure 2) are institutional approaches to overcome the challenges of scaling up LLA. They include mechanisms such as funding channels, policies and institutions that support LLA by directing international and/or national finance to the local levels, helping aggregate local funds and adaptation solutions, and facilitating equitable LLA. In many cases they already exist, across the ‘whole of society’, including government-led systems of decentralisation and devolution, social protection schemes, local development finance institutions, civil society and partnership-based organisations such as grassroots networks, and private organisations such as local NGOs, microfinance and local commercial banks, to name a few. They can help embed LLA in sustainable national or local institutions, providing a platform for continued learning, delivery of climate-informed advice, and space for inclusive LLA planning and decision making. They work within a wider LLA enabling environment.

Principles for locally led adaptation

to help ensure that local communities are empowered to lead sustainable and effective adaptation to climate change at the local level.

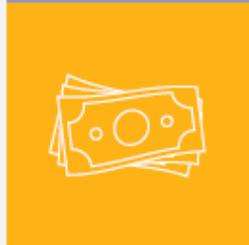
1. Devolving decision making to the lowest appropriate level

Giving local institutions and communities more direct access to finance and decision-making power over how adaptation actions are defined, prioritised, designed and implemented; how progress is monitored; and how success is evaluated.



3. Providing patient and predictable funding that can be accessed more easily

Supporting long-term development of local governance processes, capacity, and institutions through simpler access modalities and longer term and more predictable funding horizons, to ensure that communities can effectively implement adaptation actions.



5. Building a robust understanding of climate risk and uncertainty

Informing adaptation decisions through a combination of local, Indigenous and scientific knowledge that can enable resilience under a range of future climate scenarios.



7. Ensuring transparency and accountability

Making processes of financing, designing and delivering programmes more transparent and accountable downward to local stakeholders.



2. Addressing structural inequalities faced by women, youth, children, people with disabilities and displaced people, Indigenous Peoples and marginalised ethnic groups

Integrating gender-based, economic and political inequalities that are root causes of vulnerability into the core of adaptation action and encouraging vulnerable and marginalised individuals to meaningfully participate in and lead adaptation decisions.



4. Investing in local capabilities to leave an institutional legacy

Improving the capabilities of local institutions to ensure they can understand climate risks and uncertainties, generate solutions and facilitate and manage adaptation initiatives over the long term without being dependent on project-based donor funding.



6. Flexible programming and learning

Enabling adaptive management to address the inherent uncertainty in adaptation, especially through robust monitoring and learning systems, flexible finance and flexible programming.



8. Collaborative action and investment

Collaboration across sectors, initiatives and levels to ensure that different initiatives and different sources of funding (humanitarian assistance, development, disaster risk reduction, green recovery funds and so on) support one another, and their activities avoid duplication, to enhance efficiencies and good practice.

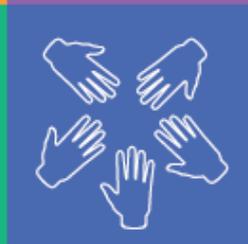


Figure 1. The eight principles for locally led adaptation (LLA)

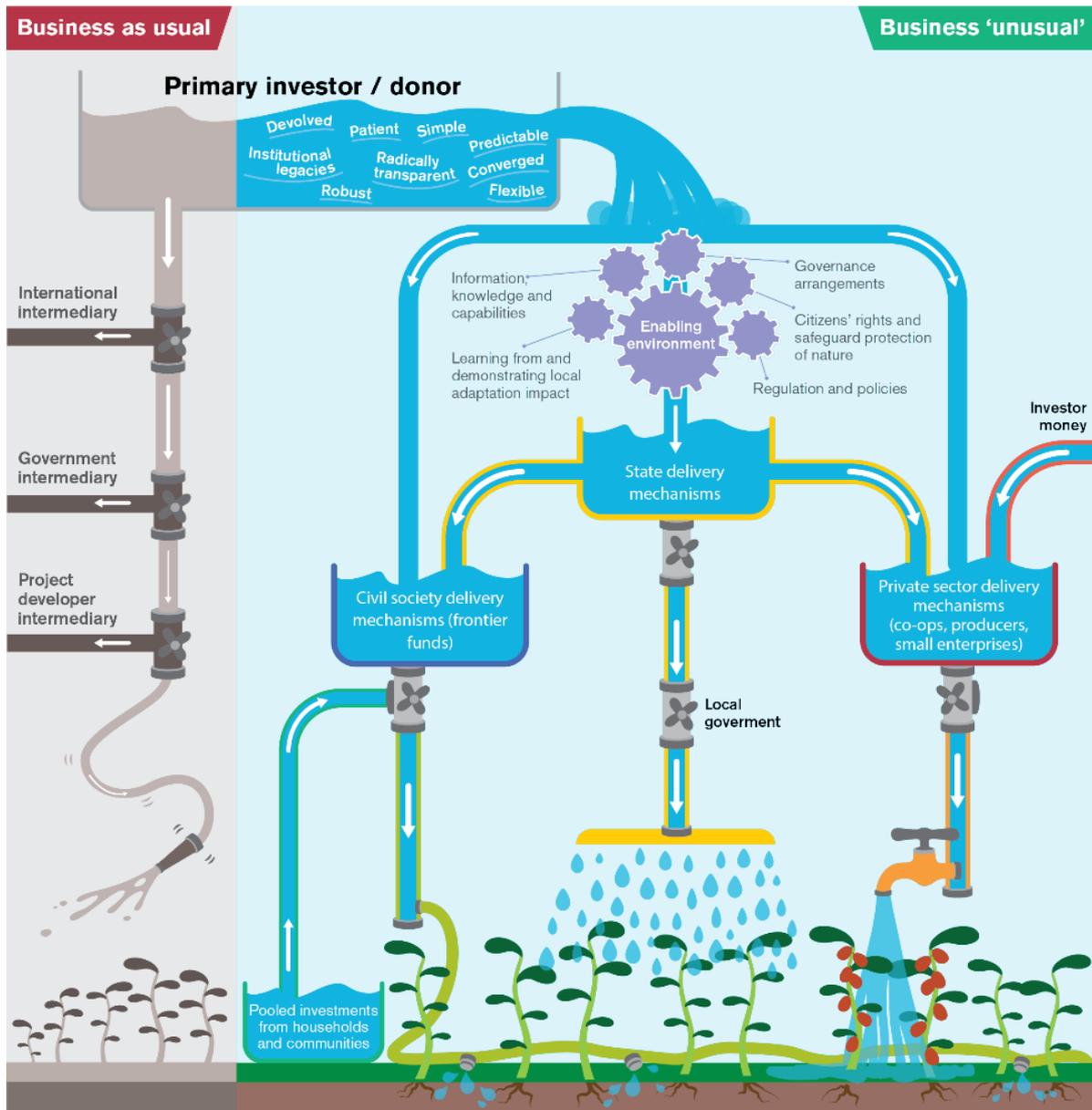


Figure 2. Shifting from 'business as usual' climate finance to 'business unusual' climate finance, delivering it through a range of 'whole-of-society' delivery mechanisms that better represent the needs of local people and their communities. Adapted from Soanes et al. (2021).

Eleven case studies of LLA delivery mechanisms

During the first round of dialogues, 11 case studies were presented (Figure 3), covering examples from across Africa, the Asia-Pacific region, and Latin America and Caribbean. They showcased inspiring examples of LLA, and provided a clear message to climate finance contributors, donors and national governments that there are many ways to facilitate LLA across different contexts. It is no longer good enough to argue it is too hard to support LLA. Listed below are the 11 case studies, including examples of the LLA principles they embody:

- 1. Community on-granting via the Community Adaptation Small Grants Facility (SGF), South Africa — South African National Biodiversity Institute (SANBI) and South South North.** Supported by the Adaptation Fund, the SGF supports LLA in livelihoods, agriculture and human settlements. The SGF provides an example of the successes and challenges of LLA principle 3 — providing patient, predictable funding that can be more easily accessed. SGF worked with ‘facilitating agents’ to help translate international investment criteria from the Adaptation Fund to local actors, and help mobilise local actors. One challenge the SGF faced was that the Adaptation Fund funding was too short-term. It took several years to put in place the innovative governance structures of the SGF, leaving little time for implementation. Watch the case study at: <https://youtu.be/z2LPo3bH5HE?t=2858>
- 2. County Climate Change Funds (CCCF) using devolution, Kenya — Treasury and ADA Consortium.** The CCCF in Kenya is currently active across seven counties and is being scaled up to 45 counties with World Bank funding. It supports LLA via local government institutions in poor rural areas dominated by pastoralism and agriculture. The CCCF in Kenya provides a strong example of LLA principle 1 — devolving decision making to the lowest possible level — by devolving 70% of funds to the lowest government administration, without any veto rights for higher government levels. Watch the case study at: <https://youtu.be/z2LPo3bH5HE?t=3855>
- 3. Urban Poor Funds with Slum Dwellers International using revolving local savings, with the example of the Gungano Urban Poor Fund, Zimbabwe.** Urban Poor Funds support urban poor priorities through capital grants and by aggregating slum dwellers’ own savings using revolving funds for sustainable slum upgrading. It is increasingly moving into addressing climate adaptation, helping people living in poverty in urban areas to build resilience to climate change, leveraging modest resources. The Gungano Fund provides a strong example of LLA principle 2 — addressing structural inequalities. The fund aggregated 500 savings groups, providing bespoke funding to upgrade their slums and to secure land rights, addressing inequities in access to tenure, which can further exacerbate vulnerability. Over time, Urban Poor Funds help address structural inequalities faced by the poorest urban people, allowing a gradual shift over time towards more strategic longer-term investments. Watch the Urban Poor Fund case study at: <https://youtu.be/z2LPo3bH5HE?t=4930>; and the Gungano Urban Poor Fund at: <https://youtu.be/z2LPo3bH5HE?t=5241>
- 4. Local on-granting and on-lending in Namibia via the Environment Investment Fund (EIF).** EIF provides grants and loans to NGOs, small and medium-sized enterprises, and local government via endowment funds, international climate finance and environmental levies for natural resource management and climate change adaptation and mitigation. EIF has been one of the most successful national institutions in accessing international climate finance, in particular from the Green Climate Fund (GCF), and channelling it to the local level. They provide a host of experiences that follow the eight LLA principles, including LLA principle 6 on flexible programming and learning, having helped develop an innovative local monitoring system, and helped community-based organisations (CBOs) collect and collate local environmental and climate information. Watch the case study at: <https://youtu.be/z2LPo3bH5HE?t=6354>
- 5. Supporting the climate migrants in Bangladesh via the Climate Bridge Fund (CBF).** The CBF, established by BRAC with support from the German government through the German development bank, KfW, supports Bangladeshi NGOs to implement adaptation and resilience strengthening projects in five urban cities. It is an innovative mechanism providing local NGOs with direct access to climate financing. CBF supports a wide range of adaptation measures related to water, sanitation and hygiene, livelihoods, health, housing, drainage, food security, and energy efficiency measures,

particularly in the context of climate-induced migration. CBF requires community and the local government authorities to be involved from the project development stage to ensure that the proposals address the actual need and include the most effective context-specific solutions. Watch the case study at: <https://youtu.be/58dDVIHEgvE?t=3058>

6. **Local on-granting in Micronesia via the Micronesia Conservation Trust (MCT).** MCT is a non-governmental, non-profit corporation providing long-term, sustained and small grants for partner-led conservation activities in the context of local climate change across the Federated States of Micronesia, connecting local projects with international funds (UN, bilaterals, the Adaptation Fund, and the GCF). MCT provides an example of LLA principle 4 — investing in local capabilities to leave an institutional legacy. MCT has been supporting community groups for over 18 years and has gradually built institutional capacity to work with international funders, including strengthening its internal investigations procedures, anti-money laundering and anti-terrorist financing procedures, increasing grant-making transparency, and improving grievance mechanisms for affected communities. MCT showcases how a small and nimble organisation can retain its competitive advantage while maturing to access global climate funds. Watch the case study at: <https://youtu.be/58dDVIHEgvE?t=3884>
7. **Community resilience funds make decentralisation work for grassroots women, YAKKUM Emergency Unit (YEU), Indonesia.** YEU is an Indonesian NGO invested in building grassroots women's leadership and resilience practices with resources from the Huairou Commission's Community Resilience Funds (CRF). The CRF is a mechanism that invests in empowering grassroots women to lead community resilience activities by strengthening their collective leadership and ability to engage with public decision makers. YEU supports women's groups to connect and engage in the Indonesian decentralisation structure and planning process at local government level especially in disaster risk reduction efforts. YEU provides an example of delivering LLA principle 2, addressing structural inequalities, and principle 8, collaborative action and investment, by providing grants directly to women-led organisations, helping them build capabilities to participate in political processes. Watch the case study at: <https://youtu.be/58dDVIHEgvE?t=4963>, and other Huairou Commission examples at: [Community Resilience Fund: driving climate action from the ground up - YouTube](#), [Repositioning grassroots women as resilience experts and shifting institutional perspectives \(Kenya\) - YouTube](#), and [Empowering grassroots women's networks to build resilient communities in India using the CRF - YouTube](#).
8. **Adaptive social protection via the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), India — Government of Odisha.** In Odisha, climate risk management approaches are being integrated into the planning of MGNREGS, which is one of the world's largest public works-based social protection programmes. The programme guarantees 100 days assured wage employment to every rural household and supports development of natural resource management assets. Integration of climate information and climate risk management approaches helps in delivering shock-responsive wages and assets. The MGNREGS in Odisha provides an example of combining climate information with traditional and Indigenous knowledge, using a card game called Climate Kunji, which helps local households better understand climate change and the different climate shocks that may occur. Across other Indian states, MGNREGS is also strengthening the use of climate information services in village level planning and implementation institutions such as Gram Panchayats. Watch the case study at: <https://youtu.be/58dDVIHEgvE?t=5814>
9. **Grants to Indigenous Peoples' organisations, Latin America and global —the Pawanka Fund.** The Pawanka Fund is a global fund to finance initiatives that advance priorities of Indigenous communities, providing grants directly to Indigenous Peoples' organisations. It is an example of LLA principle 3 — providing patient and predictable funding that can be accessed more easily — as it tailors due diligence criteria especially for Indigenous Peoples' organisations, and uses cultural due diligence criteria. Funding comes with flexible requirements for reporting, and has been able to be reprogrammed to support a COVID-19 response for wider resilience-building. Watch the case study at: <https://youtu.be/YYpqTwF7Mgl?t=2957>

10. **Civil society on-granting in the Caribbean via the Critical Ecosystem Partnership Fund (CEPF) — the Caribbean Natural Resources Institute (CANARI).** CEPF in the Caribbean utilises the local experience of CANARI, a regional intermediary with a local footprint. CEPF provides grants to civil society organisations (CSOs) for protection of critical ecosystems and to build climate resilience in the Caribbean, including CSOs led by women, youth and Indigenous Peoples. CANARI’s role as an intermediary has allowed for a leading example in developing the CEPF’s investment strategy and priorities in a highly transparent manner. Over the course of CEPF CANARI is aiming to support CBO’s to co-manage and eventually lead funding. Watch the case study at: <https://youtu.be/YYpqTwF7Mgl?t=4248>

11. **Microfinance for resilience via Fundecooperación, Costa Rica.** Fundecooperación is a private foundation that collaborates with public and private sector entities and seeks to support financial inclusion and sustainability in tourism and agriculture. It funds micro, small and medium-sized enterprises and community-based organisations with tailored credit and advisory services. Like MCT and CANARI, Fundecooperación has a long history of working with local partners in Costa Rica and the Caribbean region, building trust and strong networks to support LLA. It also provides an example of strengthening institutionally to be able to meet the requirements of international climate funds like the Adaptation Fund, while retaining their agility and flexibility as a small organisation able to provide tailored finance to local actors. Watch the case study at: <https://youtu.be/YYpqTwF7Mgl?t=5427>



Figure 3. Map shows the 11 case studies (green) presented during Round 1 of the dialogues, and the other 10 case studies under development.

Headlines

At the Caribbean and Latin America regional dialogue, H.E. Diann Black-Layne (Ambassador for Climate Change and Director of the Department of the Environment, Antigua and Barbuda; Lead Climate Negotiator, AOSIS) made a powerful case for LLA. Noting the excessive US\$680 billion of funding for fossil fuel subsidies, she called on participants to consider how much benefit even US\$1 billion of these subsidies would bring if invested in locally led actions through NGOs and civil society groups.

“There is no way that we can change what is happening now, and shift, without locally led action”

H E Diann Black Layne

At the Africa regional dialogue, Mamadou Honadia (advisor to the chair of the UNFCCC LDC Group and senior climate negotiator for Burkina Faso) highlighted that adaptation in Africa is critical, not optional. Climate shocks interplay with other ongoing crises, like the COVID-19 pandemic, which set back sustainable development efforts. To adapt, much greater finance must flow to the continent, and then to the local level. He noted in particular the needs of forested countries. The LDC Group has laid out the LDC 2050 Vision and initiatives such as LIFE-AR are beginning to deliver this vision.

At the Asia-Pacific regional dialogue, Sonam Wangdi (chair of the UNFCCC LDC Group) pointed to the specific needs of the LDC Group and said that adaptation is a critical priority for the group. Scaling up adaptation

“There is a need to scale up adaptation finance for developing countries to meet the needs of the most vulnerable”

Sonam Wangdi

finance must also meet the needs of local people, drawing on their local knowledge and practices to increase resilience to climate change. He explained how the principles for LLA are a serious and meaningful response to the ask from the LDC Group of the international community, and hopes they are used to improve practices in organisations to enable local action led by the most vulnerable communities.

“Business as usual approaches to deal with the climate crisis are not working in our countries already even at just 1°C warming”

Sonam Wangdi

Here are additional messages that came through in the first round of regional dialogues:

- **Devolved decision-making power should be entrenched in governance models.** In addition, mechanisms would ideally incorporate feedback iteratively, ensuring perspectives on the ground are incorporated into decision-making processes, keeping governance systems and financial support agile and responsive. Working together over time builds the social cohesion needed for local-level groups to generate consensus on the priorities for a given fund.
- **Long-time horizons are essential for the long-term, dynamic nature of adaptation.** While a five-year programme may seem substantial, it may take at least one to two of those years to establish governance protocols, leaving only a portion of the full term for implementation. Adaptation takes time and ongoing support is needed to see results. There is a need for patient, predictable and higher scales of funding, as these problems won't be solved overnight.
- **Capacity building is not a one-direction activity.** Organisations that have managed to secure funding through direct access mechanisms also need to learn what are the best ways to work with local communities, national governments and CSOs. **Investing time in building partnerships** is also important in developing an array of regional or national organisations that can become home-grown implementing or intermediary partners themselves. In the Caribbean Community (CARICOM) region there are a number of local organisations that have the financial management capacity to serve as local intermediaries between funding sources and other local partners.
- **Acknowledging the costs of people's time is crucial.** To contribute to adaptation efforts, communities provide resources in-kind in the form of time and energy that would otherwise be spent on business, family or other priorities. Funders cannot expect local organisations to absorb costs for activities such as planning meetings in advance of a programme or reporting after the programme has ended and the funding has stopped.

- **The informal sector is underserved by funds.** Urban Poor Funds have shown that people living in poverty in informal urban settlements have developed effective systems for strengthening community resilience. Mechanisms like Urban Poor Funds can be scaled up and adapted to different contexts to support other informal workers, but only if more resources are put into these funds.
- **Communities shouldn't carry the weight of financial risk.** It is unfair for local communities to bear the brunt of the onerous requirements and administration to receive grants. Through new approaches like Enhanced Direct Access, funds, once accessed, can be on-granted in smaller manageable amounts to communities through their own tailor-made programmes. Smaller funds should have fewer hoops to jump through to get access.
- **Indigenous Peoples groups, women, youth, children, people with disabilities and displaced people must be included and supported by building relationships based on trust.** Building direct relationships with excluded people and their communities and organisations can help prioritise and centre their knowledge. Intermediary organisations may have experts on a given subject matter, but they may not understand local climate challenges or potential solutions as well as members of local and Indigenous community. Prioritising local and Indigenous knowledge also begins to shift the power dynamic between those with funds and those receiving funds. For example, the Pawanka Fund works with a rich diversity of Indigenous Peoples groups across the world and has collectively developed eight cultural indicators to guide decisions on inviting new members to the group. As a first step, the Guiding Committee of Indigenous Leaders from different regions make a collective decision on whether a proposed new partner aligns with the eight identified qualities. They then consider whether or not the proposed partner has the legal and administrative status to receive funds. This is business unusual. Pawanka would then work with the partner to strengthen their organisation (through, for example, translation, certification, or support to legally establish the organisation etc.).

Round 2 of dialogues

The second round of scaling-up LLA dialogues took place on 12–14 October 2021. The aim of the second regional dialogues was to discuss and advance understanding on two primary areas: (1) the pathways to scaling up, replicating and collaborating across different LLA delivery mechanisms; and (2) how international climate finance can better support these pathways. Discussion also evolved around what key asks for COP26 should be. Recordings of all three second-round regional dialogues are available: [Africa](#), [Asia-Pacific](#), [Latin America and Caribbean](#).

Key concepts introduced: LLA pathways and emerging delivering mechanisms

Emerging LLA delivery mechanisms: In Round 1 it was asked **why do we need intermediaries?** During Round 2, it was suggested that there is a role for intermediaries, but better intermediaries than those who currently dominate the delivery of climate and development finance. Climate finance should be supporting national and local intermediaries who can better channel international and national finance to local levels, help aggregate local funds, and facilitate inclusive LLA because they are more accountable to local actors and able to give local and excluded actors a leading role in adaptation. This is the concept of **delivery mechanisms** (Figure 2), of which 11 examples were presented during Round 1 (Figure 3). During Round 2 emerging types of LLA delivery mechanisms were presented (Figure 4), including national climate funds, local government funds using decentralisation and devolution, social protection schemes, urban poor funds, civil society grant making, community resilience funds, local commercial banks, cooperatives and microfinance institutions, although it was recognised that knowledge on private sector approaches is still low. It was also noted that many approaches involve collaboration across two, or all three, types — public, private and civil society.

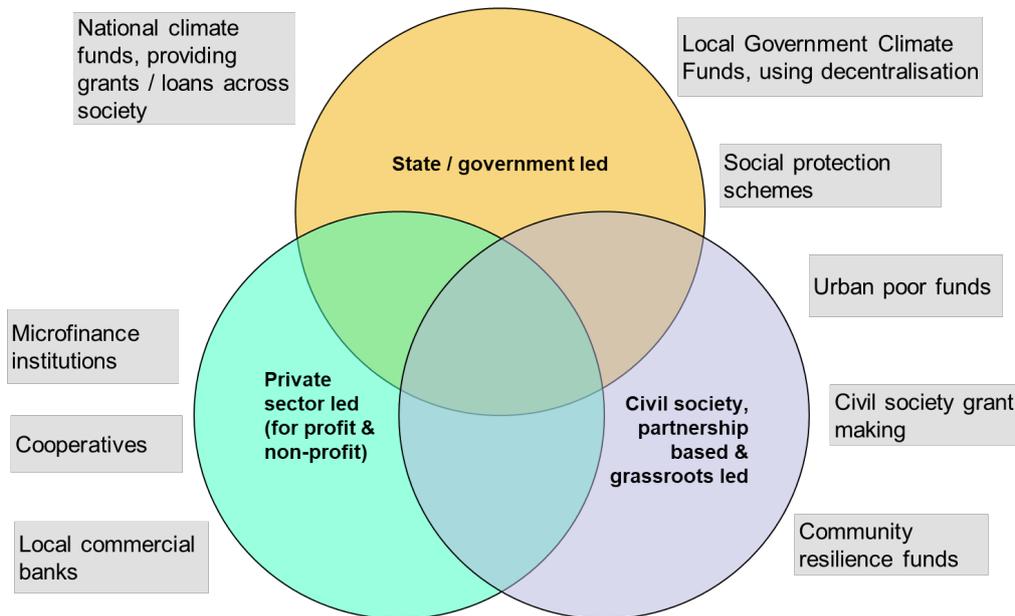


Figure 4. Different delivery mechanisms for LLA

LLA pathways: the first new concept introduced was that of pathways to scale up LLA. The 11 delivery mechanisms presented during the first round of dialogues have all been on different journeys (pathways) and are at different stages of these journeys (Figure 5). They all exist within contexts (regulation and policies, norms, citizens’ rights, governance arrangements, information, knowledge and capabilities) that either hinder or create an enabling environment for their journeys and impact. This especially includes decentralisation structures and commitments to localise climate finance. They have

each benefited from a range of different donors including communities' own savings, philanthropy and small grants during their early stages, and some have been supported to scale-up with major climate fund, bilateral donor and multilateral development bank (MDB) funding.

During these second dialogues we sought to unpack what enabled these journeys. We asked the following three questions:

- What are the **enablers** to scale-up these different locally led adaptation delivery mechanisms (approaches)?
- How can **international climate finance** better support these LLA delivery mechanisms (approaches)?
- What would be your **key ask at COP26** to better support locally led adaptation?

Examples of enablers included strong local presence, local networks, supporting policy and regulation, focus on building local capabilities, creation of bespoke financing mechanisms, domestic financing committed to LLA, and support from risk-taking donors.

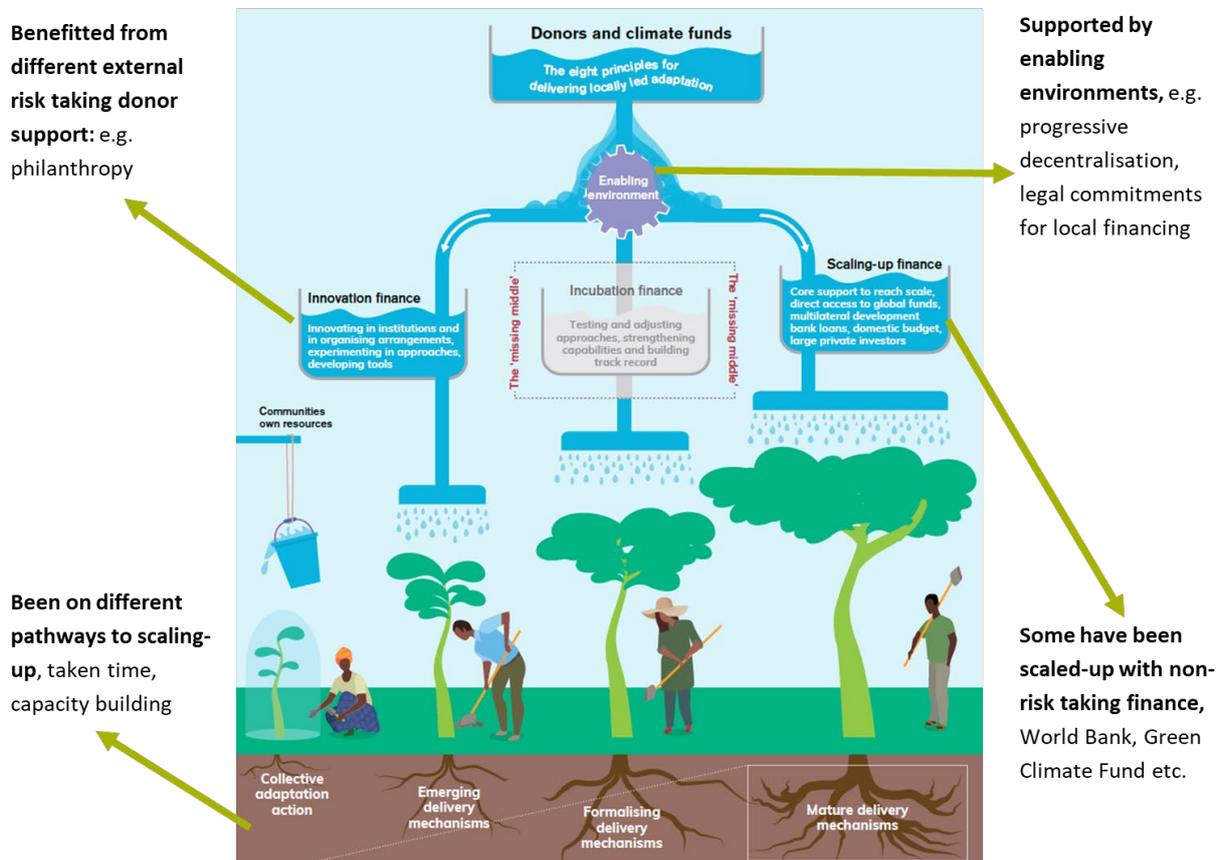


Figure 5. Pathways (journey) towards delivering LLA at scale. Adapted from Soanes et al. (2021).⁶

Headlines

At the Asia-Pacific regional dialogue, Sheela Patel (founding director of SPARC India) powerfully expressed the importance of pushing forward LLA within the climate change agenda. She described the need to develop the ‘asks’ for actors at all levels, including participants, recognising the roles for different entities across the whole of society to advance LLA. She explained that a key challenge in the LLA space is exploring partnerships with actors who have operated in ways that are exclusionary to local actors to facilitate a change in mindset. She called for us all to deeply embed the LLA principles

“Community organisations, youth groups, local leaders at the frontline of climate change... have both the first-hand information and knowledge of how to cope. But we are not part of the decision-making process”

Ineza Grace Umuhoza

and practice into our activities, actions, asks and financing models. This applies also to global climate funds, which must take up the role of triggering change that is socially just. Finally, she mentioned the importance of accountability and bridging the gap between different stakeholders to create long-term action.

“Adaptation is clearly a local business, it’s a local ask and it’s something that has to be done locally”

Sheela Patel

At the African regional dialogue, Ineza Grace Umuhoza (founder and CEO of The Green Fighter and co-director of Loss and Damage Youth Coalition) highlighted the importance of including marginalised groups in adaptation decision making and action, especially women and youth from the Global South. She explained that frontline communities understand the full scope of their own contexts and are thus best placed to generate creative solutions to climate risks. She

highlighted the challenge of access to finance and described how the gap in LLA finance leads to loss and damage, or what she called, the biggest climate injustice of a generation.

At the Caribbean and Latin America regional dialogue, Anne-Sophie Cerisola (director of the Climate Action Team at the United Nations) spoke of the efforts of the UN Secretary-General climate team to mobilise leaders around global actions to ensure that work at the local level can be undertaken effectively. She emphasised the adaptation finance gap, in terms of both quantity and quality, and also highlighted the significant barriers to accessing adaptation finance under the current system.

“You can count on us, we stand committed to working with you to protect the billions of people at risk.”

Anne-Sophie Cerisola

“Notwithstanding the local focus, there remains a role for actors — local, national, regional and international; government, civil society, private sector and intergovernmental”

Crispin d’Auvergne

Crispin d’Auvergne (program director of climate risk management at the Organisation of Eastern Caribbean States Commission) gave a strong account of the need for LLA that is accompanied by national, regional and global action. He also cited the importance of ensuring gender equality, social inclusion and valuing ecosystem-based adaptation.

Key areas for discussion

When sharing the changes and enablers they would like to see to scale up LLA, participants at the dialogues emphasised several key priorities:

- Scaling up direct access to international climate finance for local communities with long-term financial commitments
- The importance of political will, and governments committing to LLA and delivering on commitments
- Engaging and empowering local communities and marginalised groups, with particular mention of grassroots women leaders, women farmers, youth and Indigenous communities, and

- Collective action between stakeholders with decision-making processes that ensure agency for local institutions and local intermediaries such as CSOs, cooperatives and credit unions.

The second set of dialogues helped to unpack what changes are required to advance LLA at the international and national levels, to support local communities and to support collaboration across the whole of society.

International-level challenges, changes and enablers

Many actions are required at the level of international climate financiers. There are well-established calls for international climate funds to increase the quantity and quality of funds and to streamline and simplify their access processes and criteria.

“The changes that are needed are not just at our level [civil society] but at their level too [global climate funds]”

Dialogue participant

Strengthening quantity and quality of funds. Simply not enough funding is going towards adaptation. There is a need to rebalance funding towards adaptation and to reach, and go beyond, the US\$100 billion goal. Climate finance must also be flexible, patient and long-term, to support programmatic approaches that take place over sustained periods of time and alongside local institutions. Financing processes that will capacitate local governments and communities to then implement projects themselves is crucial. Because adaptation is a continuous and long-term process, international climate financiers need to shift from funding short-term, isolated projects towards strategic funding that builds capacities of local institutions in the long-term. This requires rethinking the model of how capacity building is done, how trust is built, and the assumption that international ‘experts’ hold the right knowledge to build local capacities.

Prioritising and simplifying ‘direct’ access. Much available adaptation finance is difficult to access for large well-funded actors and national government partners, so it can be almost impossible for communities and local governments to access. The administrative and monitoring requirements represent a major obstacle for smaller actors. There are strong calls to simplify access and to have one shared application system across funds. Those that need the funds the most — those on the frontline of climate impacts — often have the least time and resources to spend on onerous application, granting and contracting processes, so criteria need to be tailored to their needs. This is vital to increase the climate finance that reaches local governments, communities and interventions. Some tangible examples of simplification included:

- **Meaningful metrics and indicators for LLA.** Climate financiers are called to develop more meaningful metrics and indicators to evaluate proposals, for example, including cultural indicators as well as environmental and social safeguards. This also applies to monitoring and evaluation (M&E) of project impacts. M&E approaches are considered rigid and onerous because of their over-emphasis on tracking outputs. Shifting towards outcome-oriented tracking might provide more flexibility and room for local organisations to comply with standards, especially as they operate in dynamic operational environments. Measures of success should also incorporate not only finance disbursed, but also the quality of change on the ground, such as whether structural inequalities are being addressed and whether local resilience is being built. There was also discussion around the importance of upward and downward accountability of actors at all levels.
- **Rethinking accounting standards.** Fundamentally, the accounting standards used by international climate finance institutions were considered not fit for purpose to support LLA as they lead to high risk aversion and focus on fiduciary management, rather than considering the risks of not investing. They should aim to share and reduce risks rather than transferring risk to communities and civil society. This approach and these standards require reform if donors are to let go of the tight control they maintain and truly support effective finance getting to the local level.

Formalising mechanisms for local level, LDC and SIDS involvement. There is a lack of local input into climate finance decisions, and when it does occur, there is no accountability mechanism to ensure the input is taken into account and informs decisions. This could be remedied by having formal mechanisms, such as oversight or steering committees that would bring representatives from local

partners. There could also be a [requirement that local actors are involved in proposal design](#), enabling them to feed in their priorities, guaranteeing their involvement during implementation, and ensuring there is capacity for follow through once the project period ends. This relates to issues raised around long-term institution building, adaptation being a long-term process, and the need for steady investment in local institutions over time. In addition, involving local actors in the design stage of project and programme proposals can help create opportunities for different types of knowledge to be included in the design and planning of adaptation interventions.

There was also an ask to [position representatives of LDCs and SIDS within climate finance institutions](#), to build understanding within these institutions of the limits and challenges that are faced by these very capable, but small, governments. Countries have differing abilities to jump through the hoops created by climate funds, and a nation with only a few staff in a department has a different ability to respond to onerous requirements than another nation's department staffed by many tens of people. Having those who understand the difficulties of accessing finance 'on the inside' as part of the delivery of finance could improve how they operate. Climate financiers facilitating this could be a catalyst for improving access mechanisms that support LLA.

Finance locally led preparatory design work. It was suggested that climate finance providers should [fund locally led preparatory design work](#) and then commit to funding the priorities that come out of these locally led processes. There should be recognition that data requirements are challenging and so that must form part of what needs to be funded during this design phase, especially for 'climate rationales'.ⁱⁱ

Specific funds for LLA and excluded groups. Given the difficulties of existing access mechanisms, [sub-funds or windows that specifically aim to support and scale up LLA could be established](#) within climate funds to fast-track finance for LLA. These could be transitional or permanent, and provide a way to improve direct access to climate finance for local actors. The Global Environment Facility (GEF) small grants programme is an interesting example and could be complemented with mechanisms that sit between that very small level and the much larger-scale finance that's impossible for local actors to access.

National-level challenges, changes and enablers

Action is not only required at the international level, however. Central government and state-level institutions are important for implementing LLA.

Mainstreaming LLA into national policy and setting LLA

commitments. It is not enough to have projectised funding from international sources, LLA must be mainstreamed and incubated in national systems. Governments can set national directives to develop ownership, ambition and action to mainstream LLA, supported by policy frameworks linking LLA to annual development planning. The Africa regional dialogue in particular emphasised that international climate finance should act as a catalyst to leverage domestic resources in the long term. It was also recommended that actions should be taken not only to create enabling policies for LLA but also to actively remove policies that stand in the way of LLA and that prevent local communities from being involved in decision making around climate finance. Actions to mainstream LLA could therefore include:

- **Include local actors as partners in designing and implementing national adaptation plans (NAPs).** Government or state actors must engage firstly with the climate community at the national level to ensure that climate policies and plans (including NAPs) are formally recognising LLA solutions. Government actors can link national strategies directly to local actors, putting local people at their centre and ensuring their inclusion in designing and implementing adaptation plans. They will need to reduce the transaction costs to communities and lower the barriers to their involvement in these processes. National governments can [develop comprehensive nationwide plans for LLA](#), supported by international donors who would be required to back those plans financially and build

“It’s not about governments stepping aside, but about falling in place to support LLA”

Dialogue participant

ⁱⁱ Climate rationales are a requirement of accessing climate funds and they explain how/why the proposed project relates to climate change: the climate impacts or risks that the proposed activities address, or how the project reduces emissions and shifts to a low emissions pathway.

capabilities around them. These national-level plans could have an impact across all vulnerable communities and engage civil society actors who can bring together local actors and incorporate community, local and Indigenous understandings of risks. An example of comprehensive planning from the Caribbean and Latin America regional dialogue was around green affordable housing plans in St Lucia where people living in low-lying areas moved to higher ground. However, because building on hilly high ground can have serious negative consequences in terms of flooding, centralised planning of such initiatives is useful, as long as it is informed by local perspectives and preferences.

- **Develop fiscal targets for LLA.** Inclusion of LLA into NAPs should preferably be associated with fiscal targets for LLA. In addition, actions must work with the broader development community. The Africa regional dialogue highlighted the need for governments to have financial allocations for LLA in national budgets to encourage ownership at the national level. An example that was cited in the Asia-Pacific regional dialogue was the government of [Nepal's target that 80% of climate finance be allocated to the local level](#).
- **Put in place or empower decentralisation and devolution.** Active and progressive decentralisation and devolution — where there are opportunities for local involvement in development and adaptation planning and implementation — was noted as a common enabler for LLA. It was seen clearly in the case studies of CCCF Kenya, MGNREGS India and Odisha, and YEU from Indonesia, cutting across different collaborative approaches to LLA. To ensure that existing decentralisation processes are fit to deliver LLA, especially in a context of rapid climate change, [flexible systems of decentralisation that allow learnings to be captured and built upon](#) are required. It was noted that effective decentralisation and LLA also often require a strong state.

Communicating relevant policies in local (sub-national) languages. It is common that international climate policy and requirements are communicated only in English, in a few cases in official UN languages. This creates barriers for national and local access to international finance. However, it was found that this was not only a challenge present at the international level. It was also raised that it is key to make national policy information accessible to local communities and groups that have been marginalised, for example by translating into local languages, and providing capacity building to strengthen local institutions and support them to understand relevant issues and effectively address them through LLA.

Promoting co-creation of adaptation information and knowledge. A critical part of engaging local actors is incorporating different types of knowledge into decision making and using the best science and local Indigenous knowledge and solutions that exist. Co-creation of knowledge between different stakeholders — for example, communities and academic researchers — is important to achieve that. Citizen-led science can allow citizens to be at the heart of identifying risks, needs and priorities, as well as determining what is counted as scientific information to begin with. Peer-to-peer learning and support (for governments, communities or CSOs) is a powerful tool to support some of that knowledge co-creation and to build upon what others have been doing effectively.

Developing policy that actively includes those previously excluded from decision making. Another important step is to develop policy that recognises and [includes those who have been previously excluded from decision making](#), and to see them not simply as 'vulnerable groups' but as solution holders with vital experience and knowledge. This is especially relevant to those represented by LLA principle 2 — women, youth, children, people with disabilities, displaced people, Indigenous Peoples, and other marginalised ethnic groups.

Putting in place ambitious and LLA-aligned private sector policy. Discussion on the role of the private sector in delivering LLA is still nascent, but important suggestions were raised. One suggestion was to develop and strengthen policy that influences national private investors — for example, commercial banks and non-banking financial institutions such as insurance companies and pension funds. Areas of policy and regulation that could be strengthened include the emerging environmental, social and governance (ESG) frameworks and metrics, which presently are weak on adaptation and LLA, and policies and regulation on environmental and social risk management, which could have stronger requirements for consultation with communities to ensure communities have a role in leading development and adaptation decisions in an inclusive way.

Leadership of local communities and groups that have been excluded

A fundamental element of discussions was around the agency of local communities and groups that have been excluded, as recognised in LLA principle 2. This related to the importance of finance reaching communities that have been excluded and are disproportionately affected by climate change. Having representation of such groups in decision making at all levels, ensuring agency of these groups throughout design and implementation of adaptation action, and recognising their capabilities, leadership and innovations was also deemed significant. Mentioned in particular were grassroots groups, women and Indigenous Peoples. Enablers for this included:

- **Adequate funding to ensure meaningful representation and engagement.** Donors must invest in ensuring the agency of local communities, which itself can help them to understand local partners, build trust and begin to take greater risks in funding disbursements.
- Establishing **LLA champions** that are known to local communities.
- **Co-producing research** that resources local people to participate. Such co-production should centre local, traditional and Indigenous knowledge.
- **Determining formal mechanisms to intentionally bring in traditional knowledge** by updating or revising planning and decision-making processes so that they're not just informed by scientific knowledge. It is crucial to recognise and embed Indigenous knowledge, and this could be integrated into planning tools such as nationally determined contributions (NDCs), NAPs, or the comprehensive nationwide plans for LLA explained above.

“Local voices are critical to bring alternative solutions to the forefront at national, regional, and international level – that process of representation needs funding”

Dialogue participant

Collaboration across society

International, national and local actors must work together and in collaboration with civil society organisations and the private sector to scale up LLA. Such collaborative relationships should be structured as equitable partnerships, with balanced decision-making power among partners.

“It’s not just about delivering money – it’s about convening collaborators”

Dialogue participant

International climate finance must shift its role beyond simply delivering finance towards **convening collaborators**. To deliver democratised climate finance, funds cannot go solely to governments, they must reach other sectors of society to support innovation and more grassroots-led approaches. Financiers must shift not only how they design and channel finance but also how they engage, build relationships and collaborate with communities. Radical collaboration among different stakeholders, such as grassroots networks and financial institutions, can work to co-create and design new accounting principles, financial mechanisms, and incentive structures that promote LLA. Multistakeholder collaboration is needed when scaling up and sustaining LLA to ensure that local delivery mechanisms work in various contexts.

“International funds must change] how they function in relation to communities - build relationships and collaborative initiatives rather than projects and check boxes”

Dialogue participant

Civil society

Civil society is a key player to include at the decision-making table, but support is needed for this to happen. For example, a GEF small grants programme in Jamaica funded people from CSOs to attend meetings and conferences to ensure their voices were brought to those forums. Civil society can also play a role (alongside governments, as explained above) in documenting existing LLA efforts and practices. There is a lack of awareness of what is working and where the challenges lie, so sharing these experiences is helpful to scale up and replicate LLA activities.

Private sector

The role of the private sector and particularly local banks was mentioned quite frequently during the dialogues. Understanding what terminology and messaging will resonate with the private sector can help governments and other actors to engage private sector actors in conversations around LLA, and determine the appropriate ways they can be part of the solution. Local banks can potentially play a role in facilitating LLA if they are supported to lend in more concessional ways, shifting away from a focus purely on profit to incorporate social impact. They can support risk sharing and deploy various financial products and instruments for sustainable financing, such as guarantee schemes.

One potential enabler for the private sector moving to support and integrate adaptation is regulation. There was discussion on the importance of setting progressive regulatory environments — including environmental, social and governance metrics — that align with LLA.

Key asks for COP26

The final discussion was on how these challenges, changes and enablers could be addressed at COP26. Some of the asks that emerged are summarised below.

(1) Financial commitments and action

There was strong agreement around the need for increased finance for LLA and commitments to longer-term funding. Such funding should be available and accessible to local communities and should be based on the polluter pays principle. It should be the responsibility of developed countries to finance LLA. It was suggested that there should be a separate fund for LLA, either in the form of a new fund under the UNFCCC financing mechanism or as funding windows within existing climate finance institutions.

This led to lengthy discussion of whether there should be a call for a specific amount of finance dedicated to LLA and what that amount should/could be. During the first round of dialogues, H.E. Diann Black-Layne called for US\$1 billion to be dedicated to LLA annually. In the second Africa regional dialogue, there was agreement that this figure was not enough, and it was increased to US\$5 billion annually. However, there was also hesitation to focus on a specific figure, based on the past experience of the US\$100 billion commitment, which was not a sufficient goal and still has not been reached. With this in mind, several participants suggested that we should understand the finance gap for LLA before choosing what figure to call on climate financiers to aim for.

“Real, ambitious commitments tied to concrete action”

Dialogue participant

There were also demands for funding commitments to be honoured, for “promises to be kept”, to “move beyond pledges”, “to see more action and less talk” and to make “solid decisions, stop the talk shop”.

Finally, there were strong calls for increased quality of finance (as well as quantity), with a focus on supporting local intermediaries, and providing patient, flexible and programmatic funding for local actors in the long-term.

(2) Funding for specific groups

In recognition of the diversity of actors and communities at the local level, there were calls for dedicated finance for specific groups, with particular mention of social movements, women-led organisation leaders, women farmers, youth, and Indigenous communities. Based on the LLA principles, this should also include specific funding for organisations led by or representing people with disabilities, children, displaced people, and other marginalised ethnic groups. There were also calls for increased LLA finance to reach local partners in the SIDS and LDCs and for a certain percentage of LLA finance to be committed to Indigenous Peoples’ priorities.

This could be facilitated or accompanied by a change in funding mechanisms so they have more bottom-up strategies that place local people into decision-making roles and include those groups that are traditionally excluded.

(3) Climate finance system reform

“Less red tape and more \$\$\$”

Dialogue participant

The agreement around the need for increased finance for LLA included reforming the international climate finance system and facilitating access to finance.

Demands were not simply for a higher amount of money. There were three other key elements:

- **How finance flows**, and how existing channels can be modified. Donors need to be more innovative in how they disburse funding and who they bring into the process of developing proposals. Access processes and reporting must be simplified and there needs to be more patient and flexible funding over the long-term.
- **What is being funded**, and how initial phases of work can be funded to build partner track records, as well as investing in building long-term capacities.
- **Revisiting accounting standards**, in order to challenge and change assumptions, particularly around risk appetite.

Innovations must include revising planning processes to ensure representatives of local groups are included, integrating Indigenous and traditional knowledge into decisions, and reforming accounting principles and standards to be fit for purpose for LLA. Another important ask is to position representatives of LDCs and SIDS in climate finance institutions, so that those who understand the challenges become part of the team delivering finance to these locations.

(4) An LLA ‘movement’

“This COP can be the LLA COP”

Dialogue participant

There were calls to use this moment and the momentum around LLA as a platform to form a ‘movement for LLA’ or establish a ‘Global Coalition for LLA’, going beyond a series of groups or dialogues. This could involve developing synergies of language, and asks and approaches, and engaging in ongoing series of conversations and actions between COPs.

There was a desire for this COP to be a pivotal moment, “that history labels it as the COP where LLA came of age”, with a shared aim of implementing or scaling actions on the ground to report back on in 2022. This could be accompanied by an advocacy push for governments to acknowledge LLA initiatives, appreciate their value and commit funding. In concrete terms this could also be via commitments from governments and donors to the principles of LLA.

(5) Integration of local and traditional knowledge

There was consensus around the importance of valuing and applying local traditional knowledge and expertise. Determining formal mechanisms to bring in traditional knowledge and Indigenous knowledge to planning/decision-making processes and to the co-production of research was considered highly important. How traditional practices at the grassroots level are recognised and validated by local and national governments and by civil society actors is significant in the efforts to achieve LLA.

(6) Accountability not accounting

Accountability is a key priority. Firstly, signatories of the LLA principles must be held to account so that everyone who has committed to the principles is embodying them in their work. Secondly, accountability for financial institutions is critical. Their responsibilities should go beyond accounting, to broader considerations such as partnership building. Funding should not function in a business-as-usual, tickbox way. There should be a different kind of relationship where financial institutions are accountable to those receiving funding.

Next steps

Join us COP26 to learn more on scaling up LLA and asking for LLA to be at the heart of responses to the climate crisis. Join us at COP26, participating in the many events that are directly and indirectly supporting LLA. Many of these events are hybrid, meaning they can also be attended virtually. If attending COP physically or virtually, the partners of this project have developed a set of asks that are free to be used by participants of the dialogues interested to support the growing momentum behind LLA. These asks can be found in Annex 1.

A selection of LLA focused events are summarised in the table, below. A list of LLA related events mapped across some of the COP26 venues and virtually is available from IIED and WRI.

Venue	Name	Date and time
COP26 Presidency Adaptation and Loss & Damage Day events	Voices from the frontlines	8 November, 09:00–10:00
Resilience Hub	A global tour of local government authorities' experience in implementing LLA	1 November, 15:45–17:15
	Local action to global policies, gateways and gaps	3 November, 17:15–18:45
	Pathways to finance – challenges and opportunities for accessing finance for LLA	3 November, 09:15–10:45
	Getting money where it matters – new initiatives for scaling-up LLA	8 November, 16:00–17:30
LLA Hub	Hard Talks with LLA endorsers	Times TBC

Continue to share examples of LLA delivery mechanisms. We are still on the lookout for stories and case studies of LLA delivery mechanisms. If you have examples, you can use our case study template to tell the story of how you have aligned with the LLA principles and the pathway your approach is on. Over time we hope to include many more LLA stories on our map (Figure 3).

Endorse the principles for LLA. New endorsements are coming in thick and fast. If you are interested in endorsing the principles you can find them on [IIED](#) or [WRI's](#) websites, along with a [link to the endorsement form](#). Endorsers are asked to complete a short form explaining how their organisation intends to put the LLA principles into practice in 100 words or less. Endorsers are also asked to share what this means to them, briefly describing what changes will be made or current practices strengthened to support LLA. All endorsers are required to join the LLA learning journey, and share progress and learning with the LLA community of practice at relevant milestones such as Gobeshona, the CBA conference, and Development and Climate Days.

Seeking out champions on LLA. This project's long-term goal is to facilitate more champion institutions and countries on LLA. If you, your organisation or your government is interested to be an LLA champion, to scale-out and replicate some of the LLA delivery mechanisms showcased in these dialogues, to put in place some of the enabling conditions for LLA, or to share your own exciting innovations and experiences, please get in touch. We are here to support you as much as we can.

Annex 1. Locally led adaptation: COP26 messages

COP26 is a pivotal milestone for the growing 'global movement' for locally led adaptation (LLA). This document summarises the top asks for COP26 that have emerged from the Dialogues on Scaling-up Locally Led Adaptation (LLA), and provides responses to frequently asked questions (FAQs) on LLA.

Asks on LLA

1. Enhance quality and quantity of climate finance for LLA

Commit 26% of climate finance to be locally led and grant-based to improve the quantity of finance reaching the frontline. This commitment should increase year on year, striving to match the Least Developed Countries Group's commitment of 70% of their climate finance to reach the local levels by 2030.

Align all adaptation finance commitments with the eight principles for LLA to improve the quality of climate finance, including by improving direct access, appropriate devolution, supporting local intermediaries, and providing patient, flexible, programmatic and predictable support over longer funding terms (at least seven years). Simplifying funding access includes reforming international accounting standards so they are appropriate for local actors.

2. Climate finance dedicated to groups that have been excluded

Dedicated climate finance to those groups that have been excluded from decision making and control over resources, to address the drivers of vulnerability that mean they are disproportionately affected by the climate crisis. These groups include:

- a) Grassroots organisations and social movements
- b) Organisations led by and representing women, youth, children, people with disabilities, displaced people, Indigenous Peoples, and other marginalised ethnic groups
- c) Least Developed Countries (LDCs) and Small Island Developing States (SIDS) national and local governments and their local organisations.

Co-create rules and procedures of new LLA funds and programmes with local and excluded actors. LLA funding providers commit to co-creating the rules and procedures for delivery, access and management with local actors they are designed to benefit to address the fundamental challenges causing their exclusion.

3. Place LLA at the heart of national policies and mechanisms

Governments endorse the LLA principles for domestic adaptation action. We call on **all** countries to endorse the LLA principles and subsequently set out how these will be integrated into domestic policy.

Governments set commitments for how much adaptation spend will be locally led. We call on **all** countries to set ambitious commitments for how much of their domestic adaptation finance will be spent at the local level via LLA.

4. Integrating local, traditional and Indigenous knowledge into adaptation

Recognise and value local, traditional and Indigenous knowledge. Providers of LLA funds commit to integrate generational knowledge systems (local, traditional and Indigenous) with technical and scientific insights to improve the robustness of adaptation planning, investment and learning processes. These processes are needed at international, national and local levels.

5. Focus on accountability not accounting

Enhance accountability to local partners for commitments made to support LLA. The growing number of institutions recognising the importance of LLA and endorsing the LLA principles is encouraging. It is critical, however, that we hold ourselves accountable for existing and future commitments to LLA. International and national endorsers must ensure LLA messages and commitments are backed up by meaningful actions, including building different kinds of partnerships and shifting accountability downwards to local actors. We must collectively call out where we see LLA being used as a ‘tick box’ and as ‘local washing’. This is *not* simply an accounting exercise of how much funding goes to LLA but about real change, a power shift, in who decides how best to adapt to climate change.

FAQs on LLA

What is local? Actors below the sub-national level, including local government authorities, local enterprise (small and medium-sized enterprises), community-based and grassroots organisations, households and individuals.

What is LLA? LLA requires devolving authority and control over resources to local actors as well as strengthening these local institutions so they are inclusive, agile and responsive given the uncertainties of climate change. LLA is therefore characterised by local actors — especially women, youth, children, people with disabilities, displaced people, Indigenous Peoples and marginalised castes or ethnic groups — leading the design, prioritisation and/or delivery of adaptation. LLA is not simply when adaptation benefits are targeted at local actors.

Why LLA? While local communities are at the frontlines of climate change impacts, they rarely have an effective voice in prioritising, decision-making and implementing the actions that most affect them. The world faces a triple poverty, nature and climate crisis due to our unequal and extractive socioeconomic system. Local and excluded people must be at the heart of triple crisis solutions. IIED estimates that less than 10% of global climate fund finance was dedicated to the local levels between 2006 and 2016, and it is estimated that less than 2.5% of humanitarian aid went to local actors in 2019. The small amount of funding that does target local levels is poor quality dominated by external and top-down decisions. The LLA principles outline what is required to help address this imbalance of power and inequitable distribution of funding for adaptation.

What are the LLA principles? The eight principles for LLA are designed to guide more effective and more equitable adaptation, where local actors have agency over adaptation design, processes and outcomes. Aligning adaptation programming and financing with the principles requires tackling power imbalances and providing politically astute and patient support. It is not easy. We will all have to learn collectively how to do this well. Those currently holding power have a critical role in ensuring adaptation finance and decision-making processes align with the principles.

How were the LLA principles developed? Launched at the 2021 Climate Adaptation Summit and built from years of research, the principles were co-developed between 2018 and 2021 under the Global Commission on Adaptation and the leadership of Commissioners Sheela Patel and Muhammed Musa with IIED, WRI, ICCCAD and more than 50 other stakeholders from across the landscape of climate action.

Why 26% of climate finance for LLA? 26% is symbolic of COP26. It is a call for a balance of finance for adaptation with mitigation (currently at 25% not the 50% agreed) and for much greater attention to getting money to where it matters, the frontline of climate action. We propose an increase of at least 1% each year until 2050, at which point a minimum of 50% of climate finance reaches the local level. Achieving 28% of climate finance being locally led by COP28 in 2023 when the US\$100 billion is reached will give confidence to local actors that the tide is turning. The scale-up over time allows investment in growing local institutional capabilities and improving direct access to climate finance.

Ideally, the pace would respond to the LDC Group's ask for 70% of climate finance to be delivered to the local level by 2030.

Why is there an emphasis on grant-based finance? It is now widely acknowledged that the US\$100 billion is insufficient to support low-carbon climate-resilient development on its own. Public climate finance must influence other larger flows of finance, especially the US\$ trillions in private finance. Grants are required — especially for investment in public goods needed for adaptation, which have little opportunity for revenue — to help the poorest countries, communities and small enterprises develop enough resilience to attract large investors who can move the US\$ trillions into adaptation and resilience.

Are there examples of national government commitments to LLA finance? Nepal has set an 80% commitment for local-level climate finance spending, and Kenya has set a 70% commitment to be spent at ward level and 20% at county level. The LDC Group has committed to deliver 70% of their climate finance to the local level.

How many organisations have endorsed the LLA principles? As of 28 October 2021, 57 institutions have endorsed the principles, including multilateral climate funds, bilateral donors, private sector organisations, philanthropy, international NGOs, national NGOs and grassroots organisations.

How does someone endorse the LLA principles? Endorsers are asked to complete a short form explaining how their organisation intends to put the LLA principles into practice in 100 words or less. Endorsers are also asked to share what this means to them, briefly describing what changes will be made or current practices strengthened to support LLA. The single requirement of all endorsers is to join the LLA learning journey and share your progress and learning with the LLA community of practice through gathering at relevant milestones such as Gobeshona, the CBA conference, and Development and Climate Days. You can find the LLA principles on [IIED](#) or [WRI's](#) websites, along with a [link to the endorsement form](#).

References

- 1 Eskander, S and Steele, P (2019) Bearing the climate burden: how households in Bangladesh are spending too much. IIED, London. See <http://pubs.iied.org/16643IIED>
- 2 Soanes, M, Rai, N, Steele, P, Shakya, C and Macgregor, J (2017) Delivering real change: getting international climate finance to the local level. Working paper. IIED, London. See <http://pubs.iied.org/10178IIED>
- 3 Soanes, M., Shakya, C., Barrett, S., Steinbach, D., Nisi, N., Smith, B., Murdoch, J. (2021). Follow the money: tracking Least Developed Countries' adaptation finance to the local level. IIED, London <https://pubs.iied.org/20326iied>
- 4 Shakya, C., Smith, B., Soanes, M., Bharadwaj, R., Holland, E. (2021). Access to climate finance - Workshop Report - 23 February 2021. IIED, London <https://pubs.iied.org/10213iied>
- 5 LIFE-AR (2019) LDC climate change 2050 vision. LDC Initiative for Effective Adaptation and Resilience. See www.ldc-climate.org/wp-content/uploads/2019/09/2050-Vision.pdf
- 6 Soanes, M, Bahadur, A, Shakya, C, Smith, B, Patel, S, Rumbaitis del Rio, C, Coger, T, Dinshaw, A, Patel, S, Huq, S and Musa M, Rahman, F, Gupta, S, Dolcemascolo, G and Mann, T (2021) Principles for locally led adaptation: A call to action. IIED, London. <http://pubs.iied.org/10211IIED>

In September and October 2021 six regional dialogues were held across Africa, Asia-Pacific, and Latin America and the Caribbean to support the scaling-up of locally led adaptation (LLA). The dialogues built upon the growing momentum of LLA, including eight principles for LLA endorsed by 57 organisations as of October 2021.

The six regional dialogues brought together government representatives with civil society and the private sector, to help identify new opportunities, learnings and challenges for replicating and scaling up LLA. They also identified key asks on LLA for COP26 and beyond.

This report, largely written in October 2021, captures the content and conclusion of the dialogues, and plans to take messaging forward to COP26.



Event Materials

Climate change

Keywords:

Climate change adaptation, climate finance, dialogue, locally led adaptation, local communities



International Institute for Environment and Development
Third Floor, 235 High Holborn, London WC1V 7DN, UK
Tel: +44 (0)20 3463 7399
Fax: +44 (0)20 3514 9055
email: info@iied.org
www.iied.org