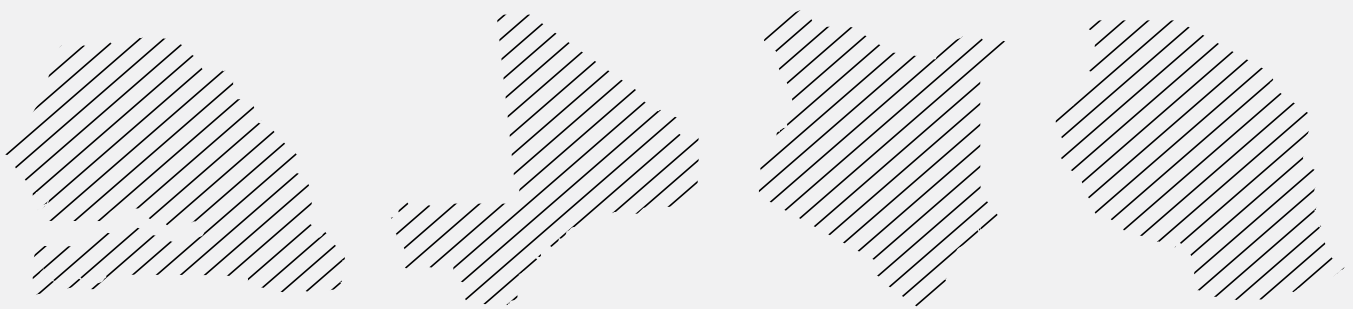


The Devolved Climate Finance mechanism:

Principles, implementation and lessons from four semi-arid countries

September 2019

DCF Alliance



Acknowledgements

The Devolved Climate Finance Alliance is a coalition of institutions working to ensure high quality implementation of devolved climate finance mechanisms, share learning and evidence, and build capabilities of practitioners.

Adaptation Consortium Secretariat

Arid Lands Development Forum

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Arusha Regional Secretariat

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Merti Integrated Development Programme

National Drought Management Authority

Near East Foundation

Tanzania Natural Resource Forum

United Nations Capital Development Fund

Womankind Kenya

Zanzibar Climate Change Alliance

The Devolved Climate Finance (DCF) mechanism is an innovative model for investing at the local level in developing countries and building sustainable and climate-resilient livelihoods. The mechanism builds on the premise that local communities have in-depth knowledge about climate variability and risks. The process involves integrating flexible, local and often customary planning with formal planning and budgeting processes, to create informed and inclusive governance processes. This paper shares the DCF mechanism as implemented under contextualised conditions in Kenya, Mali, Senegal and Tanzania as a contribution to the implementation of the Paris Agreement and the Sustainable Development Goals.

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Summary

The impacts of climate change and extreme climate shocks pose a particular threat to communities in developing countries, especially those reliant on resource-based livelihoods. Most adaptation efforts are required at the local level, but current climate finance mechanisms are not flowing at the scale and speed necessary to address the climate crisis in vulnerable regions. For the funding that is available, national centralised institutions for implementing financing and planning adaptation are rare, and are often not well positioned to incorporate the existing climate resilience strategies of communities—especially when investing at the local levels. New and integrated adaptation planning and financing systems, that can mobilise and deliver climate funds where they matter most, are needed to tackle the drivers of vulnerability in communities facing chronic poverty, resource degradation and climate change. Such systems require a combination of multiple complementary approaches — centralised and localised, public and private — to successfully enable citizens to anticipate and adapt to climate shocks, and support them in building long-term resilience.

The Devolved Climate Finance (DCF) mechanism, as presented in this paper, is a key approach for adaptation planning and finance systems targeted at delivering adaptation for all. The DCF mechanism offers an innovative model for investing in public goods at the local level, and building enabling environments for sustainable and climate-resilient livelihoods. It aims to bridge bottom-up, flexible, local and often customary planning with formal planning and budgeting processes, integrated at both national and local levels. As such, it also seeks to create informed and inclusive governance processes that rebalance the relationship between the state and its citizens, while contributing to the implementation of the Paris Agreement and the Sustainable Development Goals.

To date, the DCF mechanism has been piloted in Kenya (since 2011), followed by Tanzania (2014), and Mali and Senegal (2015), channelling over £6 million of funding to create a total of 284 community-prioritised investments across the four countries. The DCF mechanism is based on a set of five core conceptual premises about the most effective and sustainable way of responding to governance and climate challenges and risks. It focuses on i) community-led planning that is ii) anchored within and supportive of existing devolved institutions, and that promotes iii) social inclusion of climate vulnerable people. It follows a process that enables iv) flexible and adaptive management towards the creation of resilience investments, with v) an emphasis on public goods. Based on these premises, the DCF mechanism is operationalized through four interdependent “operational components”: the fund; the adaptation planning committees; the participatory planning and climate information tools; and monitoring, evaluation and learning (MEL) systems.

The nature of implementation of in-country DCF mechanisms is specific to each country’s socio-political context, albeit with the shared premises and operational components that enable local authorities to fund local climate resilience investment and integrate climate resilience into their planning. From the cross-country pilots, evidence has shown that the DCF mechanisms have had positive impacts for beneficiaries and institutions. Based on this

experience, five key lessons are highlighted in this paper, along with implications for the next steps in implementing the DCF mechanisms across the pilot countries and how they might be considered in new geographical areas.

First, DCF investments have been able to bridge the deficits in development infrastructures, often present in developing countries, that undermine the ability of people to respond productively to increased climate variability. The mechanism has shown that investment in public goods is an important strategy where the nature of local livelihoods depends on shared or common resources — such as the pastoralist-dominated regions where the DCF mechanisms have been piloted. At the same time, DCF mechanisms also need to be complemented with other approaches within coherent national strategies in order to deliver resilience for all.

Second, DCF mechanisms have been able to broaden the scope of people being engaged in adaptation and improve the methods for their engagement, placing communities at the heart of planning and showing it to be an important first step towards meaningful social inclusion. While DCF pilot processes have allowed women and youth to be and feel more engaged, mainstreaming these processes in the long run will require their incorporation into the business as usual of government or into gender-sensitive accountability systems.

Third, DCF mechanism operational components have added value to local government planning processes, creating more cost effective, accountable and locally relevant decision making that is likely to have a greater effect in improving long-term resilience. Significantly, these innovations in planning are cost-efficient and have proved to be equal to, or less expensive than, incumbent government planning approaches.

Fourth, the building up of relationships in a functioning consortium of state and non-state actors to implement DCF mechanisms has demonstrated how a networked group of stakeholders from varied institutional backgrounds can deliver a complex programme in a changing environment. This can be scaled up and replicated nationally, but embedding the DCF mechanism premise of flexible and adaptive management will require less rigidity from funders in terms of resource spending.

Last, the achievements and innovations in planning, tools, processes and relationships brought about through the DCF mechanisms piloted to date still require further development for them to be fully effective, alongside continued efforts to integrate them into governmental processes. Creating lasting institutional changes to existing planning and governance processes takes time; and to be successful and sustainable in the long term, DCF mechanisms must become an integral part of domestic institutional and financial frameworks. The route to a scaled-up and funded programme will be unique to each country, but embedding of climate finance into national budgets subsidised by public funds will be necessary in all countries to address the urgent adaptation needs of communities.

Against a background of delayed fulfilment of developed countries' climate commitments, the DCF mechanism presents a major opportunity to complement current top-down financing mechanisms. It can play a critical role in strengthening local governance and the inclusive processes necessary to adapt to a fast-changing and uncertain future climate.

Introduction

The impacts of climate change and extreme climate shocks pose a particular threat to communities in developing countries, especially those reliant on resource-based livelihoods.¹ While most adaptation efforts are required at the local level, current climate finance mechanisms are not flowing at the speed and scale necessary to address the climate crisis in vulnerable regions.² During the UNFCCC COP15 in Copenhagen, developed countries committed to the goal of providing US\$100 billion annually from 2020 to 2100 to address the needs of developing countries to both adapt to climate change and invest in low-carbon development.³ In 2015-2016 only 20% of climate finance addressed adaptation, and only 18% was allocated to the Least Developed Countries (LDCs).⁴ In parallel, another study estimates that less than 10% of international, regional and national climate adaptation funding reached the local level between 2003 and 2016.⁵ And yet, the Paris Agreement, signed in 2015, calls for finance flows consistent with pathways towards climate-resilient development.

The institutional capacity of local authorities to manage climate change and invest in resilient development is generally weak in developing countries. While a wave of devolution and decentralisation measures has placed responsibility for local development in the hands of sub national and local government authorities (LGAs), it has not always been accompanied by the necessary financial authority or capacity to deliver it in practice. LGAs typically have weaker technical capacity and struggle to retain staff with the most up-to-date skills and knowledge, undermining learning processes.⁶ As a result, donors do not trust the financial and technical capacity of local government actors to handle climate funds or use them effectively — a key barrier to enabling finance to flow to the local level.⁷

Innovative systems that mobilise and deliver climate finance to where it matters most are needed to tackle the drivers of vulnerability in communities facing chronic poverty, resource degradation and climate change.³ Such systems require a combination of multiple complementing mechanisms — centralised and localised, public and private — to successfully enable citizens to anticipate and adapt to climate shocks, while supporting them in building long-term resilience. Key building blocks for effective local finance include developing mechanisms that garner trust from both donors and beneficiaries and shift incentives towards socially inclusive decision making across scales, as well as building the long-term capacities of local actors.⁵

The DCF mechanism presented in this paper offers an innovative model for investing in public goods at the local level to build enabling environments for sustainable and climate-resilient livelihoods. It is based on pilots implemented in Kenya, Mali, Senegal and Tanzania since 2011. The DCF mechanism builds on the premise that local communities have accumulated in-depth knowledge about climate variability and local risks. It aims to bridge bottom-up, flexible, local and often customary planning with formal planning and budgeting processes, integrating the national and the local levels. As such, it also seeks to create informed and inclusive governance processes that rebalance the relationship between the state and citizens, while contributing to the implementation of the Paris Agreement and the Sustainable Development Goals. This document is designed to share the DCF mechanism as implemented under contextualised conditions in Kenya, Mali, Senegal and Tanzania. It expands on the climate finance challenges targeted by the DCF mechanism, the premises of the mechanism, the four operational components of the mechanism, and successes and lessons from its implementation across the four countries.

Devolved Climate Finance in practice

Existing systems for financing climate adaptation at the local level are less than optimal. In typical models for funding adaptation projects, finance from international donors, or funds such as the Green Climate Fund, trickle through a series of intermediaries such as government departments and agencies, NGOs or multilateral agencies before reaching local levels, with such financing mechanisms often operating in parallel to governmental ones. These systems are cost inefficient due to multiple layers of intermediaries, and have limited long-term positive impact on the existing systems due to short-term project cycles (Figure 1). Overall, limited large-scale finance gets channelled towards meeting local-level adaptation priorities. Additionally, donor priorities and those of their intermediaries change frequently, undermining the long-term planning necessary for climate resilience investments to be truly sustainable.³

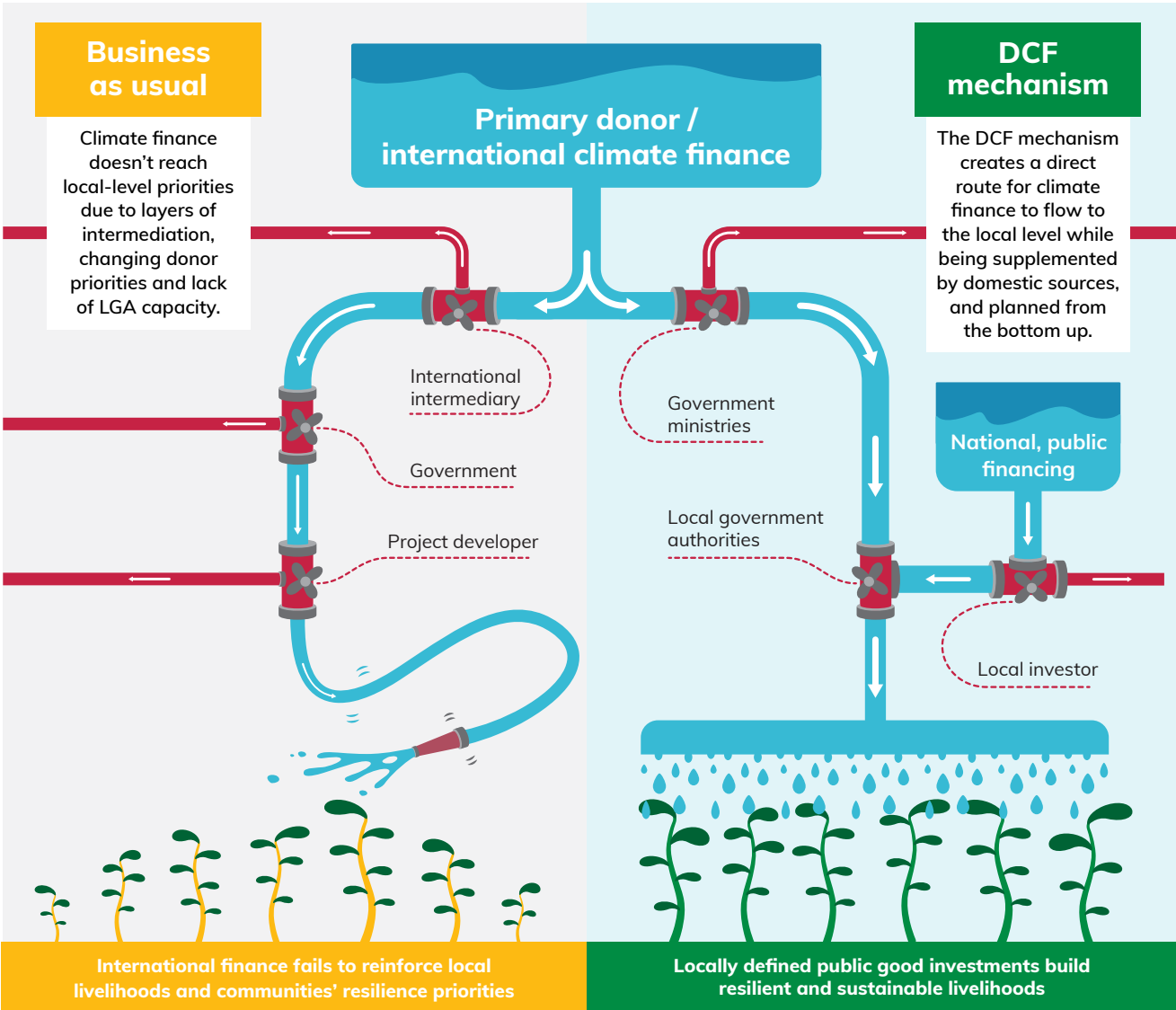
For funding that is available, national centralised institutions for financing and planning adaptation are rare and often not yet well positioned to incorporate the existing climate resilience strategies of communities, especially when investing at the local levels. At subnational levels, few formal structures for government planning exist that can incorporate local knowledge, flexible traditional planning systems or customary natural resource management regimes.⁸ As a result, they are not able to remain cognizant of local contexts and facts on the ground, risking enhancing vulnerability or committing to unsustainable development pathways. Yet incorporating such knowledge and systems could enable governments to build on a wealth of existing knowledge and experience in responding to variability and uncertainty in the search for resilient local development pathways. The problem is further compounded by the reality of decentralisation reforms in developing countries: while devolved authorities in LDCs are typically empowered to plan and make decisions regarding local development, they are often financially under-resourced as responsibility for local management is devolved without requisite human and financial resources to fulfil their mandate.⁹

The DCF mechanism works to address these challenges to enable local authorities to access climate finance to fund local climate resilience investment and formally integrate climate resilience into their planning and budgeting systems. It does this by enhancing existing government institutional capacity through trainings, using climate-responsive tools, and using integrated monitoring and evaluation systems to support the decisions and planning of local climate resilience investments that integrate local knowledge and climate risks.

Such investments can take the form of hard infrastructures such as wells, agricultural inputs or solar panels, but are also combined with local activities such as afforestation and waste management. In doing so, they enhance citizen participation in planning and create stronger partnerships between communities and government.

FIGURE 1. THE FLOW OF CLIMATE FINANCE

The current system features high costs as finance flows through intermediaries, along with increasing compliance requirements, compared to financing climate actions/responses directly through local funds via the DCF mechanism.



Evolution of the DCF mechanism

The DCF mechanism was piloted first in 2011 in Kenya, followed by Tanzania (2014), and then Mali and Senegal (2015). To date, £6 million has been invested directly into resilience building investments, for a total of 284 community-prioritised investments across the four countries (Figure 2).ⁱ

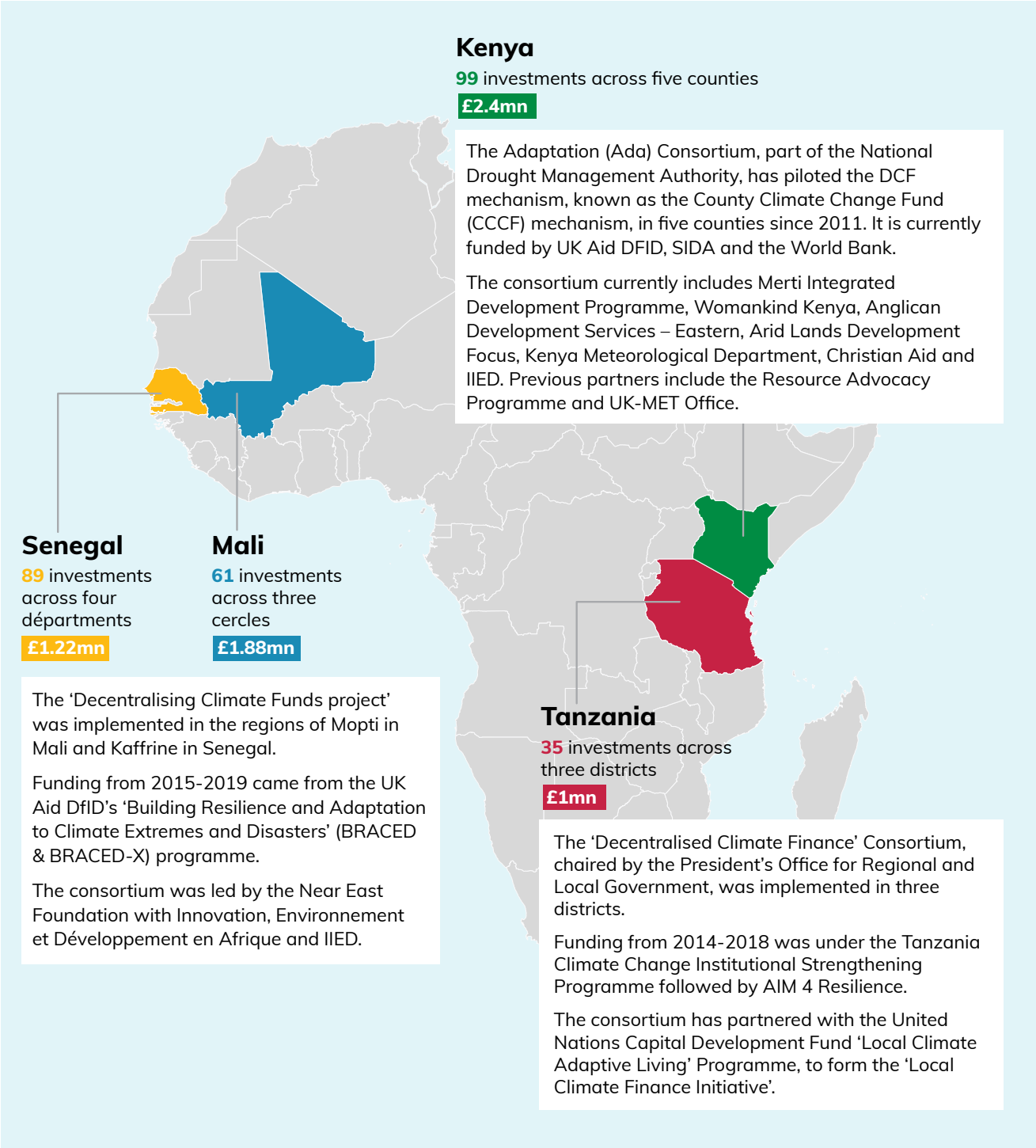
As a result of the successful pilots carried out in Kenya, Mali, Senegal and Tanzania, the now multi-stakeholder DCF consortia in each country are seeking to scale up DCF initiatives at the national level and are continuing to seek funds to finance their full establishment. In Kenya, where the DCF mechanism is most advanced, a strategy for scale-up has been agreed with national government: the Ministry of Devolution and ASALs, working through the National Drought Management Authority, is responsible for taking the mechanism to scale nationwide. Governments in all four countries are working with partner NGOs to seek opportunities for continued investment, learning and assessment of how well DCF mechanism processes are embedded in existing local government activities and planning, and how investments are building resilience in practice.

In February 2019, members of the consortia in all four countries formed the ‘DCF Alliance’, a community of practice made up of state and non-state actors who are actively engaged in supporting and delivering the DCF mechanism. The Alliance aims to promote and uphold the key premises of DCF, build capacity of partner institutions, and share emerging evidence and learning between partner countries and externally.

Improving such a complex mechanism as DCF requires shared experience, which is leveraged through peer-to-peer exchanges that are at the heart of the Alliance’s purpose. The DCF Alliance is also currently working towards synthesising evidence across countries to support the value and effectiveness of the approach with the aim of further advancing the DCF mechanism in pilot countries and informing plans of other interested countries. As ongoing UNFCCC and United Nations Secretary-General processes look towards financing local-level climate resilience activities, the DCF Alliance has a unique wealth of experience to share about what works and what does not in establishing local-level climate financing programmes.

ⁱ This figure includes sums allocated for investments and for running costs of adaptation planning committees. It does not include funds used for preparatory institutional strengthening, capacity building or administration of implementing partners.

FIGURE 2. KEY FACTS - THE DCF MECHANISM ACROSS FOUR COUNTRIES



Key premises of the DCF mechanism

The DCF mechanism is based on a set of five core conceptual premises about the most effective and sustainable ways of responding to governance and climate challenges and risks. Together, the premises seek not only to build the institutional effectiveness of governments to plan and deliver climate finance, but also to create more productive, inclusive and equitable relationships between states and their citizens in delivering long-term resilient outcomes.

1. Community-led planning

The first premise of the DCF mechanism holds that local people have the necessary experience, knowledge and institutions to enable them to manage climate variability and extremes.¹⁰ Decision making and planning for climate adaptation therefore needs to be community-led; recognising how climate risks exacerbate livelihood challenges faced at the local level, and the corresponding priorities of local populations. These priorities are also likely to incorporate customary or traditional planning systems developed in response to local environments and built on generations of accumulated experience. Investments in climate adaptation that take community priorities into account are more likely to be cost effective and relevant to climate resilience. Such investments are also more likely to generate collective ownership and management and be adapted to ensure sustainable, long-term benefits at the local level.

This premise also follows the principle of subsidiarity, which states that decisions about local development should be made at the lowest possible level, unless it is more efficient for a decision to be made at a higher scale. Governing in this way allows those with most knowledge and experience to take the lead in making decisions, and respects the rights of communities to shape their own futures through inclusive planning processes.

2. Anchored within and supportive of devolution

A second premise holds that addressing climate challenges is most effective when built on and adding to the value of existing government structures. Effective local authorities working alongside established customary or traditional institutions have a key role to play in ensuring climate-resilient, sustainable development.¹¹ This is especially the case in countries with devolved government

structures in which the responsibility for identifying, implementing and evaluating local investment and resource management rests with subnational or local government authorities. In practice, because of the significant overlaps of *development* and *climate adaptation* investments, factoring climate challenges into local development policies and strategies is an essential aspect of the local authorities' responsibilities.¹² Such systems can also provide a route for finance to flow from central to local government to finance climate resilience investments, using existing government public financial management systems.

The objective behind this second premise is to avoid creating parallel systems. The strategy has also been to build recognition within national governments of the problems of managing climate risks in contexts of increasing variability and unpredictability, before enabling government actors to decide and test how to introduce potentially transformative innovations. In some cases this has meant working closely with government to pilot 'project-ised' or 'agent-based' forms of the approach to demonstrate its value.ⁱⁱ Governments have then decided to seek to integrate the mechanism, based on the emerging evidence of its potential, to improve planning and outcomes for communities.

3. Social inclusion of climate vulnerable people

The DCF mechanism follows a principle that effective, equitable climate planning must go beyond participation towards inclusion of all social groups. Various sub-groups will have different priorities in response to climate change and livelihood development based on their gender, age, household composition or other factors that affect their socially defined roles.¹³ To this end, DCF seeks to promote a space where all people, regardless of their backgrounds and social conditions, can have meaningful representation. Social inclusion aims to address the power balance and dynamics of decision making between stakeholders at every level of the planning system — within households and communities, between people and authorities, and between local and national government. Effective processes for building resilience across the whole community must identify these roles and respond accordingly, ensuring broad-based social inclusion that recognises a plurality of perspectives.

Planning for adaptation is more effective, and its benefits more widespread, if it is based on the social inclusion of different parts of local communities. This social inclusion must go beyond 'presence' and 'participation'.¹⁴ DCF mechanism pilots have sought to do this by actively engaging women, young people and other vulnerable groups, and attempting to provide a forum for them to have a meaningful voice in framing problems and solutions, developing responses and successfully improving social relations.

ii In 'agent-based' models of the approach, a local NGO has been responsible for receiving and channeling funds for climate investments on behalf of the local government authority. Decision making on how the funds are allocated remains with the local government authority and adaptation planning committees.

4. Flexible and adaptive management

Integrating new ways of working into the day-to-day business of government can be a challenging process. Success is more likely if approaches for integrating change are flexible, built on continuous negotiation between stakeholders, and are supported by a coalition of actors with the same objective. Change is more likely if a range of actors can articulate a shared vision and leverage their own knowledge and resources to deliver it.¹⁵ Working this way recognises that long-term change is inherently political and dependent on local relationships and leadership.¹⁶

DCF mechanism pilot countries have worked on the principle that there is no 'one-size-fits-all' way of integrating complex and potentially transformative innovation into government systems. Each country has different histories, ecological contexts and political systems. Engagement therefore must be responsive to local realities and changing conditions while remaining politically astute. While the basic operational components are the same, countries have been free to adapt them to suit local realities. Partners have therefore worked on principles of flexible and adaptive management.

A multi-stakeholder consortium of state and non-state actors working together to make strategic and technical decisions was established in each country at the start of the DCF pilots. Members met regularly to review progress, agree how resources are allocated, discuss learning as it emerged, and to change course or approach in response to challenges or changing circumstances. Establishing consortiums of predominantly in-country actors, with strong government engagement, conferred legitimacy on the approach. It also meant that a wide range of perspectives and broad depth of knowledge of those involved in the project were taken into account in what was normally consensual decision making.

5. Emphasis on public goods investments

The DCF mechanism primarily focuses on investments in public goods in order to amplify the effects on resilience for all segments of the society. A public good is a good that each individual in the community can consume. In other words, a good is said to be public when it meets two criteria: non-rivalry and non-exclusion. Focusing on public goods is also consistent with the principle of working with existing structures and institutional arrangements for decentralisation. Indeed, local authorities take responsibility for planning and management of public funds in the interest of local development for all citizens.

According to this principle, public investments that build on the current production and adaptation systems can account better for community dependency on common resources (forests, water, grazing, etc), and thus can enable as many citizens as possible to reap the benefits. As such, the public good principle reinforces the need to anchor community priorities into existing, higher government-level planning.

The four operational components

Based on the five core premises above, the DCF mechanism is operationalised through four interdependent operational components: (1) the fund; (2) the adaptation planning committees; (3) the participatory planning and climate information tools; and (4) monitoring, evaluation and learning (MEL). Figure 3 highlights the four components and key elements of implementation. Further details about the implementation in each country can be found in the 'List of key country documentation' at the end of this paper.

The same premises and operational components apply across the four DCF pilot countries, however the implementation of in-country DCF mechanisms is specific to each country's socio-political context. For example, devolution and decentralisation are implemented in different forms across the four countries, with various levels of responsibility and finance available to local government authorities.

FIGURE 3. OPERATIONAL COMPONENTS OF THE DCF MECHANISM

The fund

The DCF mechanism creates a fund used by local authorities to invest in public goods. Most (90%) of the fund is devoted to investments, with the remaining 10% funding the other three components of the mechanism. The fund is:

- Held at the discretion of the LGAs
- Allocated to investments according to a set of agreed strategic criteria (see below), with the majority of funding allocated on the direction of community-level adaptation planning committees.

Overview

General strategic criteria for investment selection

- Must benefit **many people** or contribute to livelihoods or services on which people depend
- Must build **resilience** to climate change
- Must contribute to **peace and security**
- Must have a **clear plan** for sustainability, monitoring and evaluation
- Emphasis on **public good provision**

Adaptation planning committees

Adaptation planning committees are established at different levels of local government, with more local levels prioritising the majority of available funding. The committees are elected from local administration, elected representatives, community members and local actors, and must include women's representatives. Committees:

- **Participate** in prioritisation, decision making, procurement, monitoring and evaluation of the investments
- Hold their own budget to function **independently** (see 'The fund')
- Are **supported** through training and capacity building in the process of establishing the fund.

Overview

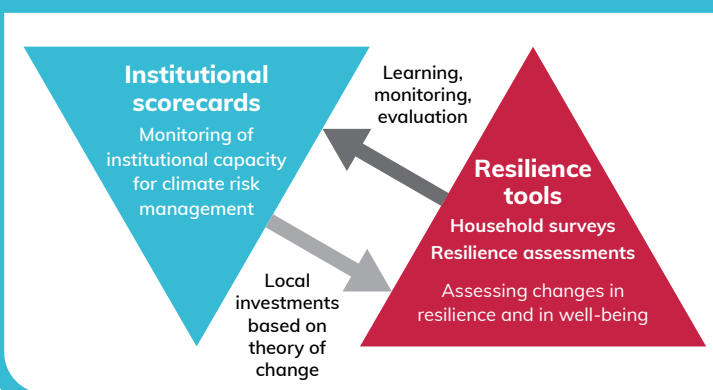
Key facts from committees across countries

- In **Kenya**, local (ward) planning committees act as independent legal entities that have been integrated into planning systems through acts of county legislation.
- In **Tanzania**, adaptation planning committees consulted over 10,000 people during their planning and prioritisation process, at a lower cost than existing government planning processes.
- In **Mali** and **Senegal**, committees at the local, communal and regional levels ensure decisions and follow-up on the investments are highly socially inclusive at all steps.

Monitoring, evaluation and learning (MEL)

The DCF mechanism draws on innovations from the Tracking Adaptation and Measuring Development (TAMD) framework to support flexible and adaptive management across local to national levels. It is intended to strengthen government's existing monitoring, reporting and verification processes. MEL systems continue to be a work in progress. Examples of specific innovations include the following:

- **Institutional scorecards** assess the scope and quality of climate risk management processes and activities at the institutional level.
- **Household surveys** seek to better understand changes in individual and community resilience.
- **Community-developed theories of change (ToCs)** at the investment level explicitly link the investments to expected resilience outcomes.



Resilience planning tools

Participatory resilience planning tools coupled with dissemination of climate information ground planning in local realities. The tools enable communities to articulate the rationale behind the investment selection in relation to climate change. Tools include:

- **Participatory resilience and risk assessments** — participatory qualitative evaluations designed to take stock of climate change and vulnerability issues
- **Climate information services (CIS) dissemination** to enable local planning against short-term forecasts and longer-term seasonal trends
- **Participatory resource mapping** — LGA-facilitated mapping of the use and management of resources to identify sustainable investment and resource management plans. Maps were digitised in Kenya and Tanzania.



Successes and lessons

The DCF mechanism is structured around four operational components, framed by five conceptual premises, and anchored within existing institutions in Kenya, Mali, Senegal and Tanzania. The originality of the DCF mechanism lies in its approach: enabling formal government planning to make local investments that enhance the effectiveness of community-led adaptation strategies based on local knowledge, experience and established customary institutions for managing climate variability. The mechanism also creates systems that enhance planning at spatial scales more relevant to natural resource use and the nature of climate impacts. By introducing changes that enhance the management of the risks associated with climate change, the DCF mechanism also has positive impacts for beneficiaries and institutions (see Box 1). The key areas of success, emerging lessons and implications for next steps in fully implementing the DCF mechanism across the four countries are presented below.

Box 1: Effects of the DCF pilot mechanisms across countries

The DCF pilot mechanisms have brought positive changes to both end beneficiaries and institutions. Between 2015 and 2019 in Mali and Senegal, over 1 million direct beneficiaries, of which 50.4% were women and 60% were young people, were reached by 150 financial investments that are currently still in operation. Despite the short timeframes in which DCF operated, results have already been observed that support the likelihood and relevance of the mechanisms in building foundations for long-term resilience and well being.^{17,18} Because resilience and social change take time to unfold, it is expected that the full resilience outcomes and impacts will continue to evolve beyond the scope of pilot programme MEL exercises.

Short-term benefits are observable in all four countries and across different types of investments. At the institutional level, evidence demonstrates that LGAs have drastically improved their awareness of climate adaptation, integrating the concept into development planning and placing more emphasis on disseminating climate information services. At the household level, investments improving access to clean water have improved human health, resilience to disease and the capacity to withstand stress; while better placement choices have reduced time fetching water and led to livelihood diversification, hygiene improvement, greater school attendance and increases in economic activities.^{19,20} For example, in Kenya, all households reported improved water access, while women reported an average two hour reduction in journey times for water, with an estimated consequential benefit to each household valued at KES 14,170 (£100).²¹ In Senegal, 97% of the households in villages with DCF investments providing access to drinking water additions mentioned they could already feel the effects of the DCF investments, against only 10% in 2017.

Beyond water access for households, the DCF investments have been shown to be strategic in reinforcing and enabling more resilient livelihood systems that are relevant to communities' contexts. For example, strategically located water sources have allowed pastoralist livestock herders to access previously remote grazing areas that then facilitate greater planned mobility in response to the variability inherent to dryland ecosystems, while reducing overcrowding and the risk of disease spreading at other water sources.²⁰ The majority of investments address immediate livelihood systems deficits — such as water structures, livestock health facilities and agricultural activities. Yet based on community priorities, investments have also been realised that include community waste management systems, community radio stations, strengthening of customary natural resource management institutions, flood prevention facilities for schools, reforestation of degraded land and electrification of health centres.

Lessons	Implications in practice
<p>Community managed funds for public good investments are valuable in areas with high reliance on shared or common resources.</p>	<ul style="list-style-type: none"> • Communities can address immediate development and resource needs, such as water sources, livestock health, and flood prevention. • While communities focus on short-term development deficits, higher level committees must consider long-term climate risks.
<p>Devolving decision making responsibility to APCs widens and enhances participation in decision making and builds understanding of climate challenges. It can also bridge community knowledge and planning with formal local government systems.</p>	<ul style="list-style-type: none"> • Trust has been developed between new actors to make decisions with positive outcomes for men and women. • More work is needed to guarantee that perspectives of marginalised groups are acted upon. This includes challenging traditional social norms and seeking to ensure that people from marginalised groups maintain positions in decision making spaces.
<p>New tools and devolved institutions reduce the cost of government planning while improving accountability and efficiency.</p>	<ul style="list-style-type: none"> • Integrating new tools and institutions can save costs, but training and quality assurance mechanisms take time to lead to changes in existing norms and ways of working. • Working with in-country training institutions can help integrate new skills into government training programmes and build knowledge of new approaches in-country.
<p>Working through consortia improves problem solving, conflict resolution and builds cross-sectoral relationships.</p>	<ul style="list-style-type: none"> • Consortia take time to build trust and reduce hierarchies that may exist between different types of actors. • Regular consortium meetings where all partners can share perspectives and responsibility for decision making help address these challenges. • Maintaining availability of funding that is flexible enough to support a range of government and civil society partners is essential.

1. Investments focusing on public goods are valuable in areas with high reliance on shared or common resources

Investment in public goods is important where the nature of local livelihoods depends on shared or common resources, such as the many pastoralist-dominated regions where DCF has been piloted.²¹ Long-term, historic marginalisation of pastoralist-dominated areas has often created a development deficit, which is itself a significant cause of greater vulnerability to climate change. A lack of basic infrastructure such as water, markets or roads, as well as the funds or skills to maintain them, undermines the ability of people to respond productively to increased variability. Communities — given the opportunity to make their own decisions — have sought to address immediate development challenges, or unlock greater productivity, through strategic, publicly available water, market or animal health investments. In these contexts, implementers need to support these as valuable climate-resilient development investments, addressing concerns of increasing variability and change while offering technical advice to ensure investments are built to last.

A key learning of devolving decision making to communities is that it is a challenge for them to focus on long-term decisions if their perceived immediate threats to livelihoods are not prioritised first. The DCF mechanism offers a route to address this through the establishment of planning committees at higher and lower levels of government. While lower-level committees are dominated by community members, higher-level committees (at district, county, cercle or department level) include more government staff that can be responsible for looking at longer time scales and broader spatial scales. For example, such committees could use funds to commission in-depth climate risk assessments and participatory climate scenario planning processes, or consider impacts across river basins or across administrative borders. One LGA in Tanzania sought to do this in partnership with the Tanzania Meteorological Agency, establishing a weather station to better understand local variability and inform longer-term planning.²⁰

It is important to recognise that the DCF mechanism needs to be complemented with other approaches within coherent national strategies if it is to deliver resilience for all. While DCF pilot mechanisms have demonstrated success in widening participation in LGA planning and budgeting, a focus on local-level public goods alone through this approach will struggle to ensure improved resilience across entire communities. For example, pastoralist-dominated committees might invest in strategically located livestock troughs and animal health facilities, which farmers or poor pastoralists who have lost or sold cattle will not benefit from to the same extent. In Tanzania, over 70% of the 35 investments focused on investments prioritising those with livestock.²⁰ While use of these investments is not intended to be exclusive, they have emphasised the core priorities of pastoralist livelihood practitioners rather than those of minority farming, youth or other groups. Senegal and Mali managed to address this issue by enabling particular groups to make their own investment decisions, with positive,

community-wide knock-on effects. For example, some local women's groups were able to invest in irrigation specifically for women's community gardens, while youth groups invested in latrines in community primary schools — each respectively addressing resilience building concerns specific to women and young people.²²

DCF mechanism investment decisions do not implicitly give equal weight to the priorities of underprivileged groups or address fundamental differences in accessing public services. To do so, local investment mechanisms such as DCF need to be part of a 'whole-of-government' and 'whole-of-society' approach that includes complementary mechanisms that target the most vulnerable, or actively support the priorities of specific interest groups — such as young people, women's associations, cooperatives or small and medium-sized enterprises (SMEs).²³ Such mechanisms could include social protection schemes, accessible finance for SMEs or micro-insurance programmes. In the future, a DCF mechanism could also extend beyond the investments in local-level infrastructure seen to date into the development of a conducive technical or policy environment that could enable households and businesses to more productively take advantage of their context and reduce their vulnerability. Examples include building systems for disseminating market prices, or enhancing the technical capacity of local government staff to provide support. Communities and government could also use DCF funds to drive forward peace-building initiatives that sustain safe environments in which livelihoods can function.



Photo Credit: Lodrick Mika, Tanzania Natural Resource Forum

2. Decision making is improved by fostering greater inclusion of people and knowledge

Despite the varying levels of decentralisation across the DCF pilot countries, many government administrations have struggled to turn their political or constitutional commitments into concrete practice of devolved and participatory decision making at local levels.²⁴ The DCF mechanism focuses on actively promoting bottom-up, local planning to address the priority needs of local communities; and by placing communities at the heart of planning, the DCF mechanism consolidates the principle of subsidiarity — a cornerstone of decentralisation policies. As a first step towards meaningful social inclusion, it widens the scope in terms of people being engaged and improves the methods for their engagement.

DCF mechanism pilots have both strengthened trust between actors and provided the means and incentive for more inclusive, locally based decision making and planning.^{17,20,25} The main driver was the establishment of adaptation planning committees (APCs), at lower and higher levels of the devolved systems, with the authority and financial autonomy to establish community-level priorities.ⁱⁱⁱ Lower-level committees, for example at the ward, communal or department levels, consist of community representatives responsible for the widespread consultation to identify local climate priorities and allocate funds towards them. Committees have been able to plan against budgets known in advance and given the autonomy to prioritise as they felt necessary. Higher-level committees were restricted to improving their recommendations rather than undermining or vetoing them. This has enabled decision making to take place at the lowest possible level, drawing directly on lived experience and local knowledge, and facilitating subsidiarity.

Devolving responsibility for consultation to the committees enables them to build on their widespread networks to access both formal and customary meeting and discussion forums. They can facilitate dialogue between different actors in the community, including between communities and LGAs, and build greater mutual understanding. In doing so, they are able to demonstrate, particularly to government, the value of the knowledge of elders and customary leaders who oversee customary systems for sustainable resource management.²⁶

iii The spatial scale of planning of APCs have varied according to country context and the nature of decentralisation. In Kenya, communities have planned at the level of the ward, rather than the county. In Tanzania, they have worked at the level of the division, rather than the district. Mali has worked with multiple levels of committee (region, cercle and commune), while Senegal has engaged at the region and département level. Across countries, village-level committees are established to manage the investments.

The higher level of APCs, for example at the regional level, bring together a wider range of stakeholders which differ in each country, but typically consist of LGA officials, CSOs and community members. They also include senior local government officials who can assimilate knowledge emerging from the community committees and allocate technical resources to support the design and development of investments made by community APCs. Regular engagements between stakeholders build trust and a shared understanding of the challenges. These committees have succeeded in providing oversight to investment decision making: ensuring they contribute to existing development policy, that they have sufficient sustainability plans, and focus on resilience building.

“In this project, the community is involved all the way through, including supervision of the investments. They [community members] had time to prioritise properly, make decisions against the budget. They had time to input into decisions over construction”

- Adaptation Planning Committee Member, Longido, Tanzania



Photo Credit: Lodrick Mika, Tanzania Natural Resource Forum

Even though participation has been widened, ensuring that the priorities of voices from groups with less power or those of minorities are heard remains challenging. Unequal power dynamics within and between community groups and across scales will not change in short time periods.^{27,17} For example, creating a space where local women's priorities can be voiced with a guarantee that they will be acted upon is difficult in contexts where local norms do not value or encourage the role of women in decision making. That said, women have reported greater recognition in the community (see Box 2). To address these known challenges of social inclusion, the DCF mechanism must include due diligence processes carried out by implementing partners to review project proposals and suggest local consultations to ensure women's priorities are considered. In the long term, these due diligence processes will need to be incorporated into the business of government or integrated into gender-sensitive accountability systems to ensure they are fully integrated.

Box 2: Inclusivity in DCF pilot mechanisms

Central to the DCF mechanism is placing beneficiaries and local authorities at the core of learning and decision-making processes. This is done first by ensuring wide community consultations and reaching out to those social groups often marginalised in decision making. For example, in the contexts where DCF has been piloted, male-dominated societies propagate assumptions that minimise the role of women in public and in private, as well as formal and customary decision-making forums.

Adaptation planning committees include women in key roles and use village assemblies to inform project prioritisation. While gender-balanced APCs have not always been achieved due to cultural norms, women's broader engagement has seen their capacities strengthened, giving them more power in society and reducing their dependence on men.¹⁷ Young people have also benefited from the process, gaining knowledge and motivation for agricultural entrepreneurship. A survey examining social inclusion concluded that the DCF pilot mechanisms implemented in Senegal and Mali are very inclusive. For example, in Senegal partners established community forums as a prerequisite for the selection of projects and the granting of DCF funds. All the actors consulted unanimously recognised and appreciated the process of implementation of the project, which gives pride of place to the local communities.¹⁷

In Kenya and Tanzania, where elected community representatives drove the consultation process, focus group and interview respondents widely recognised the greater depth of participation, with women noting an ability to share their priorities during meetings in a way that was equal to male counterparts.^{20,28} Some women members of APCs have since taken additional leadership roles as local administrators.^{21,30}

3. Improving climate resilience does not need to be expensive

The DCF pilot mechanisms have demonstrated that consolidating local actors and communities' capacity for inclusive, resilient governance does not need to come at high cost. DCF operational components have added value to local government planning processes, creating more cost-effective, accountable and locally relevant decision making likely to have a greater effect in improving long-term resilience.^{29,21,19} Significantly, these innovations to planning have proven to be equal to or less expensive than incumbent government planning approaches.^{30,21,19}

The DCF mechanism's cost effectiveness has been achieved through innovations to the government planning process. First, the devolution of authority for local investment decision making to the lowest level has reduced the transaction costs associated with higher levels of government (government allowances, fuel costs, etc). Second, the application of practicable participatory climate planning (see Box 3) and MEL tools has enabled communities to provide evidence to support decision making. The set of tools used varies to fit each country's context and includes resilience assessments, local theories of change, institutional capability assessments and household surveys, amongst others (see Figure 3).³¹

Learning from the application of the tools used during the DCF pilot mechanisms confirmed that LGAs' capabilities improved beyond the scope of the work and across their governmental processes. For example, training LGA staff (who can be disconnected from village realities) to facilitate and carry out assessments themselves has brought them to a deeper awareness of how climate change affects and challenges local livelihoods in practice. Their facilitation of direct engagement with community members has also presented insights into the knowledge and rationale that underpin community institutions managing climate variability and risk. This in turn has contributed to more climate-responsive decision making in broader LGA planning.^{21,33} Institutional scorecards — self-assessed institutional assessments carried out by LGA staff — have proven to be a simple, easily operable framework for producing relatively rapid monitoring and assessments of the institutional capacity of LGAs to manage climate-related issues. This helps LGAs identify weaknesses that need to be addressed and potential strengths that could act as levers to improve climate governance.³²

The new tools have allowed communities to unpack their priorities and track the progress of activities. They have also offered the potential for greater adaptive management in responding to change or targeting improvements. For example, the local theories of change devised by the communities support the prioritisation of investments by linking them clearly and measurably to processes building resilience as defined by communities themselves. The ToCs also provide the template for communities to plan beyond the project timescale and develop an



Photo Credit: James Murray, Near East Foundation

investment management plan for local investment committees.³³ Similarly, when household surveys have been used, they have allowed partners to draw robust inferences on how the DCF pilot mechanisms contribute to resilience amidst other large drivers of change.¹⁴

Placing lower-level APCs at the centre of prioritising, designing and monitoring implementation of local investments has offered additional resilience-building benefits at low cost. For example, some APCs were able to specify design features that respond to particularities of local livelihoods, such as the length of drinking troughs or the location of water sources that could reduce potential conflict between user groups. Their local relevance increases community ownership and their ability to support resilient outcomes. In many cases, community ownership was actively demonstrated over and above typical government requirements through the contribution of labour to construction, as well as provision of security or extra funds for materials if necessary.^{19,21}

APCs also scrutinised the construction of investments on a regular basis, checking service providers were using materials that were contractually agreed and working to schedule, and insisting on quality construction. These social accountability mechanisms demonstrate a potential route towards genuine downward accountability, in which community members offer a level of scrutiny for projects which they feel are relevant and necessary.

The costs of facilitating this APC engagement have been relatively small — often little more than 10% of the total funds allocated for investments themselves. The engagement of community representatives in local government planning and budgeting supports the decentralisation processes in place and builds legitimacy by acting on the principle of subsidiarity, creating downward accountability at the same time.

4. Integration of planning innovations into existing systems takes time and continued engagement

Innovations in planning, MEL tools and delivery of climate information services will require further development so as to be fully effective and to ensure continuation of efforts to fully integrate them into LGA processes. Achieving lasting institutional changes, while relatively inexpensive, takes time to integrate into existing processes. Upstream investment in LGAs' and communities' capabilities for recognising the risks presented by climate change, and the limitations with the existing planning system, have been a prerequisite for the innovations to take place. As DCF mechanism programmes continue to move forward, it is becoming clear that integrating the operational features into LGA systems and processes will require further support, and quality assurance from consortia partners. For example, while disseminated CIS better inform day-to-day decision making, they have not informed the design of all investments to make them 'climate-smart' or responsive to climate projections.³⁸ Indeed, reception of CIS can vary according to households' assets and location.³⁵ More advanced tools require technical expertise and nominated resources to be implemented, taking LGAs beyond their usual activities. Similarly, while LGAs recognise the need to develop MEL systems, implementing the Tracking Adaptation Monitoring Development framework in full has proved difficult to integrate.

For exercises such as household surveys, financial and human resources are limited in most sub-national governments in LDCs, making the tools (as they have been developed) difficult to internalise as business-as-usual planning processes in LGAs. In order to embed the resilience and MEL tools that support the evidence base upon which the DCF mechanism's success rests, they need to be further simplified and to remain cost effective for actors to deploy and analyse them as part of their national development data and statistics systems. Similarly, the frequent movement of staff across government sectors and geographies poses a problem in maintaining levels of capacity within the LGAs involved. As trained and diligent officials are often promoted outside of local contexts, it is difficult without ongoing training to institutionally embed the newly acquired knowledge and skills over the long term, despite the enthusiasm for the tools and premises of the DCF mechanism.

DCF consortia are addressing these challenges by working more closely with local government or engaging with civil service training institutions who have been tasked with developing training manuals on the conceptual and practical aspects of the DCF mechanism, and integrating key concepts into existing curricula such as climate, gender balance and MEL. The development of new modules in the curricula will integrate learning directly into the teaching of current and future government staff, with these modules taught on an annual or *ad hoc* basis by a range of training and education institutions. In the Kenyan case, the consortium is exploring how to ensure the MEL of Kenya's County Climate Change Funds link to national government monitoring, reporting and verification frameworks.

Box 3: Resilience planning tools in practice

The introduction of participatory planning tools, including resilience assessments and participatory digital resource maps, have enabled community representatives to systematically articulate the rationale behind livelihood strategies, and the nature of local resources and how they are used, to explain the logic underpinning desired public investment choices to government. Doing so has helped government planning processes to get beyond the overly ambitious 'shopping list' of potential investments that often emerges through inadequate consultation, and to bridge the knowledge held in customary natural resource management approaches to formal planning processes. The process has also enabled more participatory, climate-responsive planning tools to inform broader development strategies.

In Tanzania and Kenya, resource mapping processes led to the development of 'resource atlases'—digital planning tools that can inform land use planning, strategic water point placement and investment planning.⁴¹ The Tanzanian maps have begun to inform land use planning at district level, as well as enabling some community members to protect land from sale to investors.³³

In Isiolo, Kenya, resource maps have served as evidence for a customary natural resource management bill,³⁶ while recommendations from resilience assessments have made their way into County Integrated Development Plans (key county planning documents).²¹ The planning tools have also found ways to incorporate informal planning systems into formal budgeting processes, increasing the likelihood of resilient outcomes.

In Mali and Senegal, the resilience assessments used to identify appropriate investments strategies were tied to exercises defining local meanings of wellbeing, which vary according to culture and context.³⁴ The descriptions of wellbeing given during the resilience assessments helped build a picture of the current situation, while also identifying wellbeing indicators to later track the impact that investments have on local people's resilience.

Note: For more detailed explanation of resilience planning tools, see the Ada Consortium's Resilience Assessment Toolkit - (<https://tinyurl.com/yyevaxju>) and Resource Atlas of Isiolo County (<https://tinyurl.com/y3oe7d93>).

5. Empowered to make flexible decisions, consortia of state and non-state actors can deliver complex programmes successfully

Building the relationships in the functioning consortia has rested on principles of openness, transparency and equity — particularly during budgeting and decision making. Aside from regular communication, the consortia met regularly, often for two-day meetings, to ensure that enough time was available to discuss current issues and share emerging learning. Implementing consortia have brought together actors with different perspectives to collaborate on an equal footing. The scope and type of actors involved in the DCF consortia varied across the four countries, but included government ministries, meteorological agencies, national NGOs, technical services agencies and community-based organisations, among others. The breadth in the consortia built stronger working relationships and the informal ties between actors that can be essential for problem solving and conflict resolution.



Photo Credit: Lodrick Mika, Tanzania Natural Resource Forum

The consortia's way of working has demonstrated how a networked group of stakeholders from varied institutional backgrounds can deliver a complex programme in a changing environment that can be scaled and replicated nationally. Dominated by in-country expertise, including local governments as well as the convening power that the engagement of national government ministries brings, the consortia have had legitimacy to advise how the DCF mechanism can be integrated into the existing systems of government, rather than creating parallel structures. Engaging ministries and agencies in the consortia — such as the National Drought Management Authority in Kenya, the National Programme for Local Development in Senegal, the National Local Authority Investment Agency (ANICT) in Mali, and the President's Office – Regional Administration and Local Government in Tanzania — has also enabled them to lead engagement with donors on how they should support adaptation and resilience in each country, thus enhancing ownership. The range of voices meeting regularly contributed to more effective processes that can respond to the complex challenge of delivering transformative climate adaptation.³⁷

International and national funders investing in the DCF mechanism will need to recognise the need for preparatory phases in which institutional strengthening is used to create the conditions for consortia to have the greatest possible impact.³³ Preparatory phases, built primarily around collective learning and shared recognition of the challenges in creating a climate-resilient planning system, help to build trust and relationships between partnerships, and begin to reduce the hierarchies between different kinds of actors that can often stifle appropriate decision making. It has been common for the DCF consortia to uncover new and unexpected challenges with implementation mid-project, requiring plans to change, deadlines to move and extra meetings or trainings to take place. This has required personal commitment, teamwork and flexibility from consortia individuals — requirements that would have been less likely without preparatory engagement.

Mid-programme course changes, and the ability to be responsive to changing contexts in general, depend on project budgets with a level of flexibility for reallocating funds when necessary. As such, embedding the DCF mechanism premise of flexible and adaptive management requires funders to have less rigidity in terms of resource spending. It is important not to lock in rigid structures for budgeting when iterative, evidence-based learning is key to DCF success.³⁸ Project timelines that go beyond the typical project approach can enable local actors to consolidate their capacity, and ensure inclusive, resilient governance in line with realities on the ground.



Photo Credit: Jane Kiiru, Adaptation Consortium Secretariat

Next steps: getting to scale

To be successful and sustainable in the long term, the DCF mechanism must become an integral part of domestic institutional and financial frameworks. Transitioning from projects established in a number of LGAs to a scaled-up, nationally institutionalised adaptation planning and financing mechanism requires an appropriate institutional framework for doing so, as well as the national and international mobilisation of funding. The route to a scaled-up and funded programme will be unique to each country, but there are a number of areas of focus.

High-level policy commitment from an institution with convening power is an important milestone for triggering key actors to consider the institutional reforms for facilitating the DCF mechanism. A further step is the need to identify the ‘institutional home’. Ministries or agencies for local government are one option, as demonstrated by Mali and Tanzania, given their innovations in LGA decision making and focus on devolved decision making.

Building capacity and understanding across government agencies is a further key step. Openness to accepting adaptive management, and introducing innovations to the existing planning and budgeting systems, will depend on recognition of the nature of climate risks, which is typically low in LDCs. As discussed, going from ‘business as usual’ project-driven approaches to introducing comprehensive changes in the governance and practice of planning can be challenging, and takes time and commitment to follow through. Part of the process is developing the training materials and investing in ensuring government staff are given time to be trained.

As the DCF mechanism expands into new geographic areas, for example urban or coastal environments, consultation will be necessary to apply the five key principles to new administrative and cultural contexts. The core operational components, for example the resource maps or resilience assessments, will also need to be adapted to recognise the particularities of these environments.

Sustainable sources of investment funding will also remain an essential element for the DCF mechanism. One avenue for scaled-up funding is the Green Climate Fund’s Direct Access facility, through which countries can access GCF finance by getting national institutions accredited as direct access entities (DAEs). The National Local Authority Investment Agency (*Agence Nationale d’Investissement des Collectivités Locales/ ANICT*) in Mali has recently submitted its application as a DAE, supported by the DCF mechanism process.³³ The President’s Office for Regional and Local Government, which chairs Tanzania’s consortium, has also

submitted applications to do so, although in LDCs it can take several years to build the necessary capabilities and experience to achieve accreditation.

Faced by the gap in global finance streams, funding from domestic sources is critical for maintaining the capacities and innovations fostered by the DCF pilot mechanisms to date and to support scaling up.³⁹ This domestic funding can be given greater security through legislation, where circumstances allow. For example, Kenya's counties have legislated 'County Climate Change Funds', guaranteeing 1-2% of development budgets to adaptation projects while seeking additional resources from a national climate fund (see Box 4). The CCCFs are also referenced in Kenya's National Climate Change Action Plan. In turn, greater national and county reserves have opened up an opportunity for the creation of a future National Climate Fund.

The remaining three DCF pilot countries have not yet developed climate finance institutions or reliable streams of international finance. Nonetheless the Senegal consortium has established, through a scaling-up process, a multi-stakeholder platform that links with climate and sustainable development planning policies.³³ Without embedding climate finance into national budgets, subsidised by public funds like other essential services such as education, health, development and resource management, countries will not be able to address the urgent adaptation needs of their communities through mechanisms such as DCF.

Box 4: Building resilience at scale: the County Climate Change Funds

The National Drought Management Authority (NDMA) in Kenya, working through the Ada Consortium, has demonstrated how the DCF mechanism can move from a pilot to being integrated within government processes/the political system, and scaled out nationally.

The pilot, funded by DFID, adopted a participatory action research approach to co-generate information with local government on the limitations to planning and the opportunities to use devolution to integrate climate into planning.⁴⁰ This facilitated greater government ownership of challenges, learning and outcomes. The pilot demonstrated that local institutions could oversee relevant public good investments when they are financially and technically empowered, while reinforcing local adaptation strategies.

The second phase, funded by DFID and later SIDA, extended the pilot to a further four counties, institutionalising the DCF mechanism into county budgeting procedures. Co-generated research and advocacy saw counties develop county CIS plans, test new tools and legislate to commit 1-2% of their development budgets to County Climate Change Funds. A total of 99 investments across the counties had been made by 2018. The approach is recognised in Kenya's National Adaptation Plan and is a priority within the National Climate Change Action Plan 2018-2022.⁴¹

The scale-out will be steered by the Ministry of Devolution and ASALs, working through the National Drought Management Authority, in close collaboration with other parts of the national government, the Council of Governors, and technical partners. The scale-out is being supported by the World Bank, SIDA, DFID and IFAD. It is taking a phased approach, asking counties to 'opt-in' through three stages — readiness, implementation and accreditation — and using a set of clearly defined guidelines.

Conclusion

Against a background of delayed fulfilment of developed countries' climate commitments, the DCF mechanism presents a major opportunity to complement current top-down financing mechanisms. While long-term resilience benefits from the DCF mechanism are yet to unfold fully, the process of implementing the mechanism is already bringing a range of positive outcomes across the four pilot countries. These include greater social inclusion and enhanced voices of marginalised groups, more efficient and targeted planning and budgeting systems, and the creation of coalitions of actors working together to make decisions based on evidence and experience. The immediate development outcomes identified by communities also suggest that local investments made through the DCF mechanism are putting people on a pathway towards resilience and, ultimately, long-term well being — achievements which further MEL will continue to assess. As such, the DCF mechanism represents an essential instrument for delivering the goals outlined in the Paris Agreement, which stress the need to 'leave no one behind', as well as the Sustainable Development Goals. The DCF mechanism also has the potential to deepen local government devolution in all four pilot countries. The experience of providing funding to LGAs and enhancing planning systems has demonstrated the potential of LGAs carrying out resilience planning, while also empowering communities to hold government accountable and take ownership of investments.

At this stage, a critical challenge in establishing a sustainable DCF mechanism is to ensure that locally driven innovations and principles remain in place as they grow in scale. Aspects of the approach, including comprehensive social inclusion, resilience assessments, participatory digital resource maps and MEL frameworks, are key to ensuring inclusion and integration of agendas occur across scales. These innovations take LGAs and national planning systems beyond their usual remit and activities, requiring commitment, capacities and resources that are currently unaccounted for. Embedded training that incorporates the latest learning from the approach will be key to demonstrating benefits to other prospective local governments interested in applying it, and to ensuring the right skills are available. To achieve this, it is key that further financing will commit to quality assurance, and the five core principles, as it takes the current projects from pilot to mainstreamed climate policy. The DCF mechanism has the potential to transform local governance into the resilience-focused, inclusive processes that will be needed if countries are to adapt to a fast-changing and uncertain future climate.

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Decentralising climate adaptation funds in Mali.
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https://www.neareast.org/download/materials_center/EV_Senegal_Working_Paper_En.pdf

Assessing resilience: reconciling community knowledge with government planning.
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Acronyms

APC	Adaptation Planning Committees
ASAL	Arid and Semi Arid Lands
CIS	Climate Information Systems
CSO	Civil Society Organisation
DAE	Direct Access Entities
DCF	Devolved Climate Finance
LDC	Least Developed Countries
LGA	Local Government Authority
MEL	Monitoring, Evaluation and Learning
NDMA	National Drought Management Authority
SME	Small and Medium-sized Enterprise
ToC	Theory of Change

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