

# Backgrounder

Climate change, governance

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Photo: James Pattison/IIED

## Climate adaptation funds

*Using decentralised government structures to channel climate finance and support community priorities in achieving resilience*

International funding for climate change adaptation and mitigation is increasing rapidly. In April 2015, 33 governments pledged US\$10 billion to the UNFCCC's Green Climate Fund alone, and the UN's proposed Sustainable Development Goals (SDGs) include urgent action to combat climate change and its impacts, while acknowledging that the UNFCCC is the primary forum for negotiating the global response (goal 13).

The question is, how will this funding reach the communities, the farmers and herders at the front line of climate change? Funds are currently concentrated at national level. Centralised agencies are not yet disbursing them locally, let alone involving local communities in investment planning. For climate adaptation and mitigation measures to deliver resilience, local knowledge and perspectives need to be given due priority.

Both formal planning systems and implementation need to become more inclusive. One way to achieve this is to establish mechanisms allowing local communities to participate in the planning of development-related funding through their elected representatives at local government level.

### Decentralising climate finance

Kenya, Tanzania, Mali and Senegal are piloting local adaptation funds under the discretionary authority of elected local authorities with technical support from IIED and partners. The approach is designed to establish mechanisms not just to give local governments access to climate finance but also to allow poor and vulnerable households to prioritise investments that will provide resilient pathways out of poverty and climate vulnerability. It will enable local government to institutionalise a decision-making process

### KEY TERMS

**Climate finance:** International, national and local sources of funding — both public and private — for mitigation of, and adaptation to, climate change.

**Climate adaptation funds:** Also known as County Adaptation Funds in Kenya, these are pilot funds which are managed at a local level by decentralised government structures using participatory planning processes to ensure community-prioritised investments for climate resilience.

**UNFCCC:** United Nations Framework Convention on Climate Change

### WHY IT IS IMPORTANT

To be effective, climate finance must reach and be prioritised by the communities that need it most and be used to fund solutions that work on the ground. To achieve this, mechanisms need to be put in place to channel the money from national level to local communities in a way that is transparent, participatory and efficient. The institutional architecture of existing decentralised government structures provides a ready-made framework which offers good value for money and will be sustainable as finance flows increase in the future.

that puts communities in control of their adaptation priorities, and it will help to ensure that vulnerable communities can oversee the flow of climate finance from national to local level, reducing the risk of elite capture for political or personal gain. The work in each country is being implemented within a national framework of devolution and decentralisation that emphasises citizen-led and rights-based approaches to planning and prioritisation of public funding for sustainable development and poverty reduction.

The local adaptation funds being piloted vary slightly due to national legislative and administrative differences. However, they share four common components:

1. The fund itself
2. Local adaptation committees (made up of elected representatives from local and regional governments) responsible for allocating fund expenditure
3. Resilience planning tools, including information on climate variability and extremes now and in the future, and
4. Monitoring and evaluation tools based on the Tracking Adaptation and Measuring Development (TAMD) framework to enable county governments and communities to assess the outcomes.

Establishing inclusive planning processes within and between local communities is a key feature of the approach. This is being addressed in different ways in different countries, but a central requirement is that women need to play an active role in deciding what investments to prioritise.

## Putting the decentralised approach into practice

**Kenya and Tanzania.** In 2013 Kenya's National Drought Management Authority (NDMA) established the Adaptation Consortium to support the mainstreaming of climate adaptation into national and county level planning, building on lessons and processes established through a functioning County Adaptation Fund (CAF) in Isiolo County. With UK Aid funding, the

NDMA gave the Consortium a mandate to continue to support the work in Isiolo and to establish similar funds in a further four arid and semi-arid counties — Kitui, Makeni, Wajir and Garissa.

In northern Tanzania three districts, Longido, Monduli and Ngorongoro, are building their readiness to access and disburse climate finance in support of community-prioritised adaptation, also funded by UK Aid and supported by local government planning processes. All three districts have established divisional adaptation planning committees (DAPCs) and financial audits have confirmed the districts' ability to manage climate funds. The Prime Minister's Office — Regional Administration and Local Government (PMO-RALG) is now seeking technical and financial assistance to scale out the same approach to a further 12 districts across six regions, and build their capacity to seek accreditation as a National Implementing Entity of the Green Climate Fund.

**Mali and Senegal.** Based on the East Africa experiences, two new projects were launched in 2015 in Mali and Senegal as part of the UK Aid funded programme, BRACED (Building Resilience and Adaptation to Climate Extremes and Disasters). In Senegal, local adaptation funds will be established in four *Départements* in the Kaffrine region: Koungheul, Kaffrine, Malem Hodar and Birkelane. In Mali, the funds will be set up in three *Cercles* in the Mopti region: Douentza, Koro and Mopti. Studies have been carried out in these areas to assess local patterns of resilience to climate change, and local governments are designing the decision-making and financial structures to manage the funds.

## Looking ahead

The local climate adaptation funds being piloted in Kenya, Tanzania, Mali and Senegal will provide practical examples of how decentralised government structures can be used both to deliver climate finance efficiently and to improve local capacity for effective responses to climate change. These examples should build international confidence that such funds can be replicated in many other countries, not only in the global South but also in the developed world.

## PARTNERS

A variety of partners are working together in developing these decentralised funds:

**Kenya:** National Drought Management Authority, Kenya Meteorological Department, Christian Aid, Arid Lands Development Focus, Womankind Kenya, Resources Advocacy Programme, Anglican Development Services Eastern, UK Met Office (all are members of the ADA Consortium)

**Tanzania:** Prime Minister's Office – Regional Administration and Local Government, Hakikazi Catalyst, Tanzania Meteorological Department, Institute of Rural Development Planning, First Vice President's Office in Zanzibar

**UK:** Geodata Institute

**Mali and Senegal:** Near East Foundation, IED Afrique



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## Knowledge Products

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## FIND OUT MORE

IIED's work on decentralised climate adaptation funds is undertaken by our climate change group and partners. For more information see: [www.iied.org/local-climate-finance-funding](http://www.iied.org/local-climate-finance-funding), [www.adaconsortium.org](http://www.adaconsortium.org) and [www.neareast.org/braced](http://www.neareast.org/braced).