

Policy pointers

Funding for climate adaptation must be allocated according to the principles of equity, urgency, efficiency, effectiveness, transparency, accountability, sustainability, flexibility, human rights, and participation.

A donor requirement for justification wherever proposals choose not to use community-based approaches at each stage of the project cycle would help local-level actors play a greater role in adaptation planning.

National knowledge centres are needed to hold information on adaptation projects and bridge the gap between communities and government.

Transparency and accountability to local people needs improvement. In particular, project proposals should provide detailed budgets for local activities and name the communities that will benefit.

Ten principles to help assess funding for local climate adaptation

Escalating climate change impacts are intensifying the need for local communities to adapt. But it is not known how much adaptation finance is flowing down to local activities, and there has been little debate on what 'high-quality' funding for communities looks like. This briefing summarises a study that attempted to quantify funding for local adaptation activities, and that assessed project documentation from several major funds against ten principles intended to guide good 'quality' funding allocations. Projects performed well against the principles of effectiveness, flexibility and sustainability, but improvement is needed on transparency, accountability and urgency. Greater local participation in planning and implementing projects, and changes in donor requirements, could help address these issues.

Climate change will have drastic consequences for low-income and otherwise disadvantaged communities. Despite their vulnerability, these communities will have to make the most climate adaptations. In 2014, the Executive Secretary of the UNFCCC (UN Framework Convention on Climate Change), Christiana Figueres, called local-level adaptation funding "pathetically insufficient", and highlighted the urgent need to deliver established funds to the local level.¹ This briefing summarises a study analysing (a) how much support reaches local people and (b) the quality of this support, as measured against ten principles (see Table 1 for the principles and Box 1 for more details of the original study).

Tracking quantity

Where information was available, our study estimated how much finance should be flowing to activities generating direct benefits for local

communities. However, we were not able to empirically demonstrate this finance was received at the local level, therefore we cannot say what proportion of funding actually reaches local communities. For local stakeholders and external monitors to adequately track adaptation finance, project documentation must:

- Give exact locations of proposed activities so stakeholders can see whether an adaptation project will affect them.
- Give exact proposed budgets for each individual activity with as little consolidation as possible. This lets stakeholders see how much finance should be flowing to executing entities and for what purposes, and lets communities question and understand the proposed cost of activities, helping to guard against malpractice. If budgets change later, stakeholders should be aware that this has occurred.

Governments should create national knowledge centres storing information on adaptation projects

- Name executing entities or contracted organisations for each specific activity so stakeholders know who to contact regarding progress. This is an important issue as projects generally score poorly on the 'urgency' principle (see later).
- Give a detailed description of each individual activity, so local people can understand exactly how they should benefit and can check whether finance is being used as intended.
- List every local community that can expect benefits. This helps track finance to intended recipients, and guards against redirection of resources.

Across the projects we examined, much of this information was openly available. But it was not available consistently within documentation for each individual project. Often our study had to average out budgets for outputs across many activities, which is inadequate for tracking purposes. However, it wouldn't require a major shift to make this information routinely available across all planned adaptation initiatives. Of the projects we examined, bilaterally funded projects tended to have the least of the information

Box 1. Assessing adaptation funding

Our study countries were Barbados, Cambodia, Jamaica, Mauritius, Papua New Guinea and Sri Lanka. The funds were from the Special Climate Change Fund (SCCF), Least Developed Countries Fund (LDCF), Strategic Priority on Adaptation (SPA), Adaptation Fund, Pilot Programme for Climate Resilience (PPCR), Adaptation for Smallholder Agriculture Programme (ASAP), Japan International Cooperation Agency (JICA) and United States Agency for International Development (USAID). Within each country, two different flows of adaptation finance were selected so as to assess as many types of funds as possible.

We examined project documentation to quantify how much finance was aimed at achieving benefits for local communities. We then assessed the quality of finance aimed at the local level against ten principles (and their sub-criteria)² (Table 1). Evidence was gathered from 'grey' and academic literature, and 'key informant interviews' with individuals who have good field knowledge.

needed to track finance flows.³ This is important as most adaptation finance to date has been channelled bilaterally.

What proportion reaches local people?

The proportion of finance directly benefiting local communities varied greatly across our study, ranging from 52 to 86 per cent. Four projects out of twelve surpassed the 80 per cent threshold set by Nepal in its National Adaptation Programmes of Action, and recommended in the 2014 Kathmandu Declaration.⁴ These four were: an SCCF project in Sri Lanka that integrated climate change concerns into an existing community-led development initiative; an SPA project in Jamaica that financed community-based adaptation initiatives through the Global Environment Facility's Small Grants Programme (SGP); an Adaptation Fund project in Jamaica that used a national implementing entity (the Planning Institute of Jamaica); and a JICA technical assistance project in Mauritius.

Control over how finance was spent differed across these four locally focused projects. The JICA project had top-down planning, and community influence over how resources were used was not demonstrated. This raises the important question of whether it is sufficient for local people to be merely beneficiaries, or whether they should they also have a voice in how adaptation finance is spent. Projects implemented through community-based processes can give local people greater control of resources,⁵ and tend to embody many of the principles defining 'quality' within this study. From this perspective, it is the SPA project in Jamaica, delivered through the SGP, which performs best.⁶ But, while many lessons on supporting local-level adaptation can be gained from the SGP, its drawback is that it is not implemented via government structures directly accountable to local people. At times, projects are less integrated into wider-scale programmes.⁹

Only three projects provided mechanisms through which local people could access finance⁷ for community-based adaptation. The PPCR project in Papua New Guinea and the SPA project in Jamaica both showed a middle ground between 'top-down' and 'bottom-up' adaptation planning processes. The PPCR accepts applications from local organisations provided projects comply with pre-determined adaptation planning. The SPA project in Jamaica enabled local groups to apply directly for project grants through a National Steering Committee. The third example was an LDCF project in Cambodia that created community-level social funds.⁸

Assessing quality

Most projects we examined scored highly for 'effectiveness' because their consistent use of logical frameworks or theories of change implies projects are adequately considering context, partners' roles, and how logically-linked events will lead to change. Additionally, most use monitoring and evaluation (M&E) systems that include some measurement of vulnerability and its reduction. Finally, projects met the standard donor requirement of being consistent with national and sub-national sustainable development strategies, and actively trying not to duplicate existing development activities.

Most projects also scored well for 'flexibility' because they used activities that are presumably effective both now and under a range of future climate scenarios, and do not involve significant trade-offs with other policy objectives. Infrastructure related initiatives were also designed to be applicable across a range of climate scenarios.

Similarly, all projects had positive implications for some aspect of 'human rights'. This is not surprising since donors' endorsement processes are already well-attuned to human rights issues.

Other principles were reasonably well addressed in project documentation. In terms of 'equity', projects consistently selected vulnerable geographical locations, although more use of combined climate and socio-economic data could be made. Vulnerable groups such as the elderly, disabled people, and children were not identified or discussed, but indigenous groups and women were frequently discussed. As with human rights, this is probably due to donors' safeguards. However, action plans that make gender issues a mainstream part of project implementation, and programmes tailored to women's needs, remain best rather than standard practice.

Projects also generally score well for 'participation', with those adopting community-based processes deemed to perform better. However, it is difficult to determine how involved local people actually are. For instance, exploratory studies frequently use participatory methods, but whether these are genuinely empowering remains unclear. Communities are rarely involved with M&E.

In terms of 'efficiency', the proportion of adaptation finance reaching local communities varied greatly, as discussed previously.

In terms of 'sustainability', all projects considered 'scaling-up' issues. Some were particularly good: the Adaptation Fund project in Papua New Guinea had a community-led replication strategy,

Table 1. Definitions of principles^{2,4}

Equity	Funding should target the most vulnerable geographical areas and groups.
Urgency	Disbursement should meet urgent needs.
Efficiency	Adaptation finance should be spent on local people.
Effectiveness	Interventions should reduce and not increase vulnerability.
Transparency	Stakeholders must have information on what funding is available, how it is deployed, and how it is used.
Accountability	Actions, measures and processes are dispersed to as local a level as is practical, and are channelled through a country's own institutions and systems.
Sustainability	Actions must be environmentally, socially and economically sustainable, with longer-term and scaling-up implications considered.
Flexibility	Results should be robust under a range of climate scenarios.
Human rights	Programmes should further the principles in the Universal Declaration of Human Rights.
Participation	Planning should involve stakeholders across appropriate levels of governance and across civil society.

and the JICA project in Mauritius explored future budget needs. Environmental impact assessments and strategic environmental assessments were conducted when necessary, with some projects updating them to incorporate climate change concerns. However, there was a general lack of evidence to show long-term impacts were being assessed in the post-project monitoring phase. The project which had best addressed this issue was the ASAP project in Cambodia which integrated randomised controlled trials to provide the Royal Government of Cambodia with evidence-based policy recommendations once the initial project had ended and before project expansion.

But other principles were far less well applied. On 'accountability', projects lacked clear complaint and arbitration procedures for local people, which are especially important if communities have limited control over adaptation and development planning processes. Only three projects enabled direct access to funds, which can foster greater accountability.⁹ The SPA project in Jamaica, implemented through UNDP and delivered through the Global Environment Facility's SGP, accepted project proposals directly from local groups. The PPCR in Papua New Guinea has reserved a US\$5 million fund within the national climate budget for project proposals from local groups. The Adaptation Fund project in Jamaica, was implemented via the Adaptation Fund's 'direct access modality' which enables designated domestic entities to access climate finance directly rather than applying through an intermediary.

Projects generally scored poorly on the 'urgency' principle, with many experiencing substantial delays.¹⁰

'Transparency' was the most difficult principle to find information on. Project documentation should do more to indicate: how stakeholders can access local project/programme information; who is implementing specific activities; whether local people can have representatives at meetings; and finally whether they can get meeting documentation such as minutes and a register. Projects frequently do allow local stakeholders to attend meetings, but their influence remains unknown. Most of the projects lacked participatory budgeting and participatory M&E.

Recommendations

Funding for climate adaptation urgently needs to reach disadvantaged and vulnerable communities. To achieve this, funding should be allocated according to (and judged against) the principles of equity, urgency, efficiency, effectiveness, transparency, accountability, sustainability, flexibility, human rights, and participatory processes.

However, no project documentation reviewed for this study provided sufficient information to adequately track the flow and use of adaptation finance. Documentation provided by donors and implementing entities is clearly orientated towards donors' requirements. Of course donors need this information, but documentation should also meet recipients' information needs.

Adaptation projects should prioritise local action by the most vulnerable. But accountability and transparency to (and by) local stakeholders receives surprisingly little focus in project documentation. These issues need greater attention.

Participatory M&E can help address this, and should be routinely included in implementation plans. Local communities need a strong role in adaptation planning because 1) they bear the brunt of climate impacts, 2) community-based processes bring proven benefits⁵ boosting local

collaboration, and 3) local people are better placed to determine local needs than external 'experts'.⁵ Local involvement in M&E is particularly useful in providing a solid foundation from which to track adaptation finance. To achieve strong local involvement, donors should request that wherever the project cycle chooses not to use community-based processes, these choices should be explicitly justified.

Donors (and the organisations they use to implement projects) should also provide precise details on which local communities will benefit, and should provide detailed budgets for every proposed activity (not just for more general 'outputs'). This information is crucial for tracking adaptation finance. Some project proposals we assessed did provide costs at the individual activity level, and others identified local intended beneficiaries — implying that such reporting is feasible. Given that projects can be costly to design, this seems a reasonable expectation.

Finally, governments should create national knowledge centres storing information on adaptation projects to help track adaptation finance. Some such centres already exist, for example the Office of Climate Change and Development in Papua New Guinea, and the Climate Finance Skills Hub in Mauritius, however, they are in their infancy. Such centres can let local stakeholders both access and contribute information that helps track adaptation finance. Civil society platforms such as the SGP National Steering Committees and/or the SGP's platform for dialogue between government and civil society organisations could also fulfil this role, bridging the gap between society and formal government institutions.

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Knowledge Products

The International Institute for Environment and Development (IIED) promotes sustainable development, linking local priorities to global challenges. We support some of the world's most vulnerable people to strengthen their voice in decision making.

The Small Grants Programme (SGP) is a global corporate programme of the Global Environment Facility (GEF) implemented by the United Nations Development Programme (UNDP) since 1992. SGP grant making in 126 countries promotes community-based innovation, capacity development, and empowerment through sustainable development projects of communities and local civil society organizations with special consideration for key stakeholders such as indigenous peoples, women, and youth.

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Notes

¹ Figueres, C (2014) Plenary speech. 8th International Conference on Community Based Adaptation. Kathmandu, Nepal. See: <http://pubs.iied.org/pdfs/G03809.pdf> / ² This builds upon: Wright, H (2015) Effective Finance for Food Security under Climate Change. PhD Thesis. Imperial College London, UK / ³ This may be due to a number of reasons, such as lack of an information platform, lack of a mandate to provide this information, or difficulty of obtaining permission to disseminate details to third parties. / ⁴ The Kathmandu Declaration emerged from 8th International Conference on Community Based Adaptation to Climate Change held in 2014 www.iied.org/kathmandu-declaration-recommendations-for-financing-communities-most-vulnerable-climate-change / ⁵ Reid, H et al. (eds) (2009) Community-based adaptation to climate change Participatory Learning and Action 60:11–33. <http://pubs.iied.org/pdfs/14573IIED.pdf> / ⁶ Other projects to substantially adopt community-based adaptation approaches were the SPA project in Sri Lanka, as well as the Adaptation Fund project and PPCR programme in Papua New Guinea. / ⁷ The SCCF project in Sri Lanka is discounted as it was a pre-existing community-led development programme. / ⁸ Approximately US\$5,000 was channelled to these social funds, which is an insignificant proportion of total project finance. / ⁹ See Fenton, A et al. (2014) Up-scaling finance for community-based adaptation. *Climate and Development* 6, 388–397. <http://dx.doi.org/10.1080/17565529.2014.953902> / ¹⁰ Reasons for delay were varied but included change of government, complaints over chosen adaptation technology, late awarding of contracts and onset of rainy seasons. In other instances the cause of delay remains unknown.