

An aerial photograph of a city, showing a dense urban area with many high-rise buildings in the upper half and a large informal settlement with many small, blue-roofed structures in the lower half. A yellow semi-transparent banner is overlaid across the middle of the image.

Tracking Finance for Locally Led Adaptation

Tamara Coger
World Resources Institute
Third GlaSS Workshop on the GGA
October 18, 2022

What is Locally Led Adaptation (LLA)

- Recognizes the value of local knowledge and expertise to address climate risk
- Ensures local actors on the frontlines of climate change have equitable access to power and resources to build resilience
- About agency, not just participation or inclusion
- Not just local, about vertical coordination and subsidiarity

8 Principles of Locally Led Adaptation



Devolving decision making to the lowest appropriate level



Building a **robust understanding of climate risk & uncertainty**



Addressing structural inequalities faced by women, youth, children, displaced peoples, Indigenous Peoples, people with disabilities & marginalized ethnic groups



Flexible programming & learning



Providing **patient & predictable funding** that can be accessed more easily



Ensuring **transparency & accountability**



Investing in local capabilities to leave an institutional legacy



Collaborative action & investment

80+ Organizations Endorse the Principles for Locally Led Adaptation



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GGA and Tracking LLA Finance

- Opportunity to encourage action and accountability for locally led adaptation
- Supports goals of:
 - Scaling up of finance for adaptation
 - Reviewing and enhancing adequacy and effectiveness
 - Enhancing adaptation planning, implementation and MEL

Subsidiarity

Objective	Metrics options
Degree of meaningful involvement of local actors in decision-making related to the financial transactions	<p><u>P</u>: Proportion or frequency of planning and decision-making forums where local actors were given a say in decisions</p>
	<p><u>I</u>: Decisions about financial transactions informed by local actors</p> <p><u>I</u>: Proportion of local representatives among decision-makers involved in decisions about financial transactions</p>
	<p><u>P/I</u>: Number, proportion, or frequency of engagement of active agents representing local level in decision-making meetings</p> <p><u>P/I</u>: Level of government or where purpose of funding was decided</p>
Ability of local actors to make decisions about finance for adaptation	<p><u>P/I</u>: Proportion of budget for learning and adaptive management (vs. physical outputs)</p>
	<p><u>P/I</u>: Number of accessible and publicized avenues for local actors to express demand for adaptation expenditures</p>
	<p><u>P/I</u>: Policy incentives in place for government decision-makers to seek out and account for local demand for adaptation expenditure (yes/no)</p>

Flexibility

Objective	Metrics options
Level of external restrictions imposed on use of funds	<p><u>P</u>: Presence (yes/no) or number of external restrictions that could undermine agency of local actors in adaptation spending decisions</p> <p><u>I</u>: Funding is tied to external restrictions that would flow down to and undermine agency of local actors (yes/no)</p>
	<p><u>P/I</u>: Presence or number of intermediaries with decision-making authority overuse of funding</p>
Ability of local actors to adjust to unforeseen changes	<p><u>P/I</u>: Number or frequency of opportunities to review and adjust programming</p>
	<p><u>P/I</u>: Proportion of budget for learning and adaptive management (vs. physical outputs)</p>

Patience and Predictability

Objective	Metrics options
Duration of funding	P/I: Duration of support provided to local actors (number of years)
	<u>P</u> : Proportion of funding for projects with execution timelines > 5 years
Patience in achieving desired outcomes	<u>P/I</u> : Proportion of funding linked to strict time-bound outcome targets
Predictability	<u>P/I</u> : Proportion/Number/Total amount of finance linked to transparent allocation formulas
	<u>P/I</u> : Proportion/Number/Total amount of finance linked to multicontract/grant funding sources

Cross-cutting

Objective	Metrics options
Tracking how much finance for adaptation flows to subnational levels	P/I: Amount or percentage of finance for adaptation allocated to relevant subnational levels. Options for disaggregation are, as follows: by project or program; by source (e.g., domestic budget, MDB, bilateral donor); by subnational level (e.g., state, province, county); and/or by sector (e.g., agriculture, water, forestry, land & soil, tourism)

Challenges

- Data availability and data management
 - Requires more nuanced questions/ways of collecting information
- Definitional challenges
- Requires (extensive) tracking systems
 - However, can also be integrated into range of different existing systems such as budget tagging, expenditure review, and M&E
- Limitations of tracking finance (an input) compared with outcomes and impact
 - However, finance relatively straightforward to track and necessary

Opportunities of tracking finance for LLA

- Understand whether adaptation investments are adequate (quantity), can address local priorities (quality), are supportive of learning/adaptive management
- Monitoring investments in protection of local physical assets, natural resources, local economies, community health and safety
- Transparency and accountability
- Tracking LLA finance can support other policy goals, i.e. climate strategies, SDGs, other international commitments
- Resource mobilization

Recommendations

- Set targets and integrate metrics and mechanisms for tracking finance for LLA
- Use the Principles for Locally Led Adaptation to inform any conceptual framework devised to inform methodologies and metrics
- Define “local” and “locally led adaptation”

For more info:

- Read the full paper: <https://www.wri.org/research/tracking-reporting-finance-locally-led-adaptation-climate-change>
- Contact: tamara.coger@wri.org



Thank you