

Submission by the Local Climate Adaptive Living (LoCAL) facility of the UN Capital Development Fund (UNCDF) to the call of submission to the Transitional Committee on the operationalisation of the new funding arrangements for responding to loss and damage and the fund established in paragraph 3 of decisions 2/CP.27 and 2/CMA.4

The Local Climate Adaptive Living (LoCAL) Facility, hosted by the United Nations Capital Development Fund (UNCDF), welcomes this opportunity to share views on the call for submissions on the operationalisation of the new funding arrangements for responding to loss and damage and the fund established in paragraph 3 of decisions 2/CP.27 and 2/CMA.4

In line with the Paris Agreement, the LoCAL Facility recognising the local and sub-national dimensions of adaptation needs and implementation has supported vulnerable countries' efforts to enhance their adaptive capacity and strengthen resilience. Since its establishment in 2011, the LoCAL Facility, through the LoCAL Mechanism, has contributed to reducing vulnerability and enhancing the resilience of local communities by establishing a standard and internationally recognised country-based mechanism to channel climate finance to local government authorities for adaptation efforts.

I. LoCAL Mechanism

The LoCAL Facility supports the implementation of the LoCAL Mechanism, which enables the implementation of nationally determined contributions (NDCs) and national adaptation plans (NAPs) through decentralisation and local-level implementation strategies. The LoCAL Mechanism contributes to the local-level implementation of the Paris Agreement and the climate-related Sustainable Development Goals (SDGs).

The LoCAL Facility works in different regions and supports adaptation efforts in more than 350 local governments representing over 16 million people by mobilising over USD170 million. In addition to Bangladesh, Benin, Bhutan, Burkina Faso, Cambodia, The Gambia, Ghana, Lao PDR, Lesotho, Malawi, Mali, Mozambique, Nepal, Niger, Uganda, Tanzania, and Tuvalu, another 17 countries have officially expressed interest in joining LoCAL. They are preparing their country-based mechanisms (Côte d'Ivoire, Equatorial Guinea, Fiji, Guinea, Guinea Bissau, Jamaica, Liberia, Sao Tome and Principe, Senegal, the Solomon Islands, Rwanda, Somalia, Sudan, South Sudan, Tunisia, Vanuatu, and Zambia), bringing the total number of LoCAL countries to 34, of which 27 are LDCs, 7 are SIDS and 24 are in Africa, with a potential scale-up reach over half a billion people, as countries go to scale.



LoCAL is overseen by the LoCAL Board, which comprises representatives of governments participating in the global mechanism and development partners. The Board is co-chaired by the Chair of the LDC Group of the UNFCCC and the Chair of the Least Developed Countries Group of the United Nations. The UNFCCC and UNFCCC financial mechanisms are observers of the LoCAL Board.

II. LoCAL Mechanism supporting implementation under the UNFCCC

The Paris Agreement recognised the importance of addressing the adverse impacts of climate change at the local level and explicitly stressed the role of various levels of interventions in governments. Since its establishment, the LoCAL Facility has supported local governments and their communities to fulfil their mandates and roles in increasing local resilience to climate impacts. In April 2019, the LoCAL guidelines on Performance-Based Climate Resilience Grants were endorsed as [supplementary material to the NAP technical guidelines](#) by the LDC Expert Group of the UNFCCC. The LoCAL policies support developing countries in creating strategic linkages between Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs) processes and the sub-national level in a coordinated and standard manner – bringing a financing dimension to the vertical integration of the NDC and NAP processes.

LoCAL was also referenced by several UNFCCC bodies in official reports to the COP (on adaptation, finance, and NAP), while the LDC negotiating group at the UNFCCC recognised it as one of the LDC long term initiatives that support the transition towards a climate-resilient future.

More specifically:

- LoCAL was recognised as a tool and method for subnational adaptation and included as such on the UNFCCC [adaptation knowledge portal](#);
- The UNFCCC Standing Committee on Finance [2021 Biennial Report \(paragraph 304\)](#) refers to LoCAL as an "initiative supporting domestic national budget systems to target adaptation actions at the local level while reinforcing transparency and reporting through those systems".
- The 53rd SBI session further approved the [report of the stocktaking meeting of the Least Developed Countries Expert Group](#), which includes the work with LoCAL as a “financing mechanism for subnational and local climate action based on performance-based climate-resilient grant systems and for integrating adaptation into subnational development plans" among experience, good practices and lessons learned about the support provided by organisations to the least developed countries.
- The UNFCCC Secretariat included in its Note on [“Progress in the process to formulate and implement national adaptation plans” activities to integrate climate change adaptation into local government planning and budgeting systems under the Local Climate Adaptive Living Facility.](#)

III. LoCAL Mechanism in Addressing Loss and Damage

- LoCAL Facility contributes to the achievement of climate resilience. It supports addressing loss and damage by working directly with the people on the ground by facilitating access to climate finance for local governments.
- After the establishment of the Santiago Network on loss and damage and decision 2/CMA.2. Para 14 and decision 2/CMA, para 43, UNCDF was identified as a network member through the LoCAL Facility. The LoCAL Facility, drawing on its more than 10 years of experience, can support formulating and implementing relevant national plans, assessing future climate risk, reducing exposure and vulnerability, increasing resilience, coordinating action, and monitoring progress.
- The LoCAL Facility had different modalities for supporting local governments in reducing vulnerability and addressing adverse impacts of climate change, from assessing vulnerability early intervention to financing local-led action and monitoring results.
 - Addressing gas and challenges on risk assessment and vulnerability, the LoCAL Facility methodologies support LDCs, SIDs and African countries in assessing risks and vulnerability. It comprises three main elements: assessing needs, identifying climate risk, assessing vulnerability in a local context, and, based on the findings, prioritising resilience options and options to address adverse impacts of climate change, including loss and damage. The climate risk assessments seek to understand the nature and level of climate risks on an exposed territory by determining the probability of occurrence of climate-related events (e.g. droughts, floods, windstorms) and slow-onset events (e.g. increased temperature, changing weather patterns) and their impacts at the subnational and local levels.
 - Financing PBCRG as a delivery mechanism: the PBCRG system is an innovative method to channel climate finance and incentivise continuous improvement in responses to climate change at the subnational and grassroots levels. It combines performance-based climate resilience grants that ensure the programming and verification of climate change expenditures at the local level with capacity building and technical support, monitoring, and quality assurance functions. The ISO 14093:2022 Mechanism for financing local adaptation to climate change — Performance-based climate resilience grants — Requirements and guidelines builds on the experience of the LoCAL Facility as a methodology for a country-based mechanism to channel climate finance to subnational authorities to support climate resilience and address the adverse impact of climate change.

The LoCAL Facility has been closely working with LEG, AC, and SCF to share our experience and engaged with the Santiago Network to share views on enhancing resilience. We can share our experience of working with more than 37 countries and support the technical work on early intervention to address loss and damage through minimising and addressing loss and damage when formulating and implementing appropriate national/local adaptation plans and identifying LoCAL PBCRG as one of the delivery mechanisms for the Loss and Damage Fund.