

Metrics for tracking finance flows to local level: Ensuring Climate Finance Accountability

SCF 37 Technical expert session on information and data, sources and approaches to monitor the new collective quantified goal on climate finance



Why track climate finance to local level?

- Locally led approaches -ensuring that financial resources are directed towards needs that are most relevant and effective for local contexts
- But, how much and how money is for climate action is directed to local level?
- Qualitative aspects such as accessibility, predictability of such funds for local level remains a big challenge!

Update estimates of climate finance

Quantity (Macro analysis)

- Macro level analysis of OECD DAC data, pub Apr 2025
- By financial instrument used
- By keyword frequency
- By channel of delivery

Quantity and Quality (Deep Dive)

- Small subset of projects
- Providing confidence estimate for the macro figure
- Metrics for Locally Led Adaptation Principles - alignment with LLA, qualitative aspects

Challenges and Gaps

- Commitments, not disbursements: most funders report on their commitments
- Granularity: relying on keywords
- Difficulty in getting data from donors for deep dives

Current Accountability Systems are broken



Top-down system of reporting



Unreflective of Divergent perspectives on effectiveness



Opacity



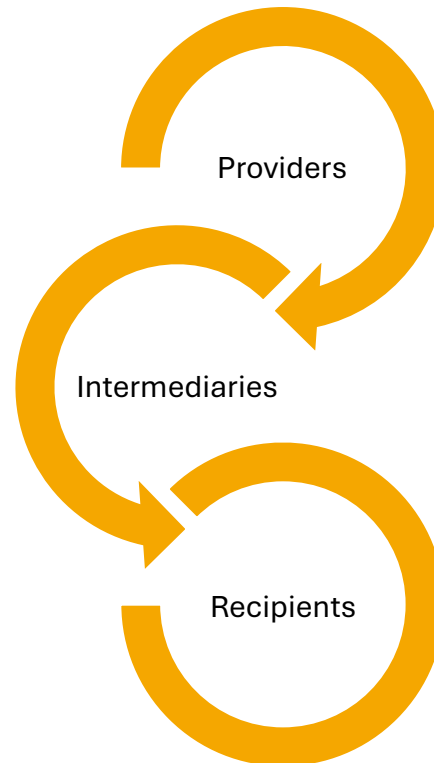
Lack of trust

360-degree accountability scorecards approach

Understanding LLA using scorecards

- Who is accountable?
 - Varied perspectives within 'chain of delivery'

Simplified 'Chain' of Finance Delivery



Towards Mutual Accountability

- Use indicators to understand perspectives LLA across FDC
- Transparency can be used to improve LLA alignment and operationalise LLA
- Gradually build trust between actors

Principle 3: **Providing patient and predictable funding that can be accessed more easily**

Marker 3.1: Donors and intermediaries invest in long-term partnership over short-term project-based support to local partners

- *Indicator (a): Support provided to local actors to develop organisational strategies to access alternate funding.*
- *Indicator (b): Donors provide predictable and patient funding for 10 years at the least to ensure flexibility.*

Marker 3.2: Donors provide flexible finance to local organisations including core funding or overhead costs

- *Indicator (a): Where possible, local partners are supported with 'bridge' or contingency funding to cover funding gaps between projects*

Marker 3.3: Donors and intermediaries share fiduciary, operational and security risks in ways that are equitable and proportionate to capacities.

- *Indicator (a): Donors have tiered/customized due diligence process proportionate to the size of the grant and the capability of the grantee*

Further reading

Chapter 5, an introduction to the markers and indicators work

[2024 Stories of Resilience compressed 1 .pdf](#)

The [360-degree approach](#) helps to track the reach and purpose of adaptation finance, enabling stakeholders to jointly explore the relative effectiveness of adaptation initiatives and, through dialogue, improve climate finance quality.

Scorecard pilots in Bangladesh, El Salvador, Ecuador, Indonesia and Costa Rica

1. Interview: New scorecards expose what's going wrong in the climate finance delivery chain - and pilot how to fix it | International Institute for Environment and Development (iied.org)

2. Consultations with IP community organisations in El Salvador on understandings of the LLA principles: [El CADPI realiza taller sobre adaptación liderada localmente a miembros del CCNIS coordinadora nacional indígena de El Salvador, 27 de junio 2024](#)

3. Learnings from pilots in Ecuador: [Findings, lessons, recommendations scorecard.pdf](#) and [A Peek into Locally Led Adaptation in Practice in Ecuador \(adobe.com\)](#)

4. Learnings from pilots in Indonesia and Costa Rica by Avina Foundation : [Implementing-IIED-Accountability-in-BASE.pdf \(baseinitiative.net\)](#)



Thank you!

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