



# Delivering Climate Action to the Local Level in Water and Ocean Systems

Submission to the Standing Committee on Finance 2026 Forum

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## 1. Introduction

This submission by SouthSouthNorth (SSN) responds to the Call for Inputs issued by the Standing Committee on Finance (SCF) for the 2026 Forum concerning the financing of climate action within water systems and the ocean. It provides the following contributions:

- **Evidence and analysis** relevant to multiple indicative sub-themes identified by the SCF;
- **Concrete case studies and delivery models** demonstrating how climate finance can be channelled more effectively to local actors responsible for implementation; and
- **Practical recommendations** to strengthen delivery, inclusiveness, and institutional coherence.

The submission draws on practitioner evidence generated through a collaborative process involving 12 Global South intermediary organisations working across water, coastal, and marine systems in Africa, Asia and Latin America. Collectively, these organisations have decades of experience financing and accompanying locally led adaptation (LLA) and resilience initiatives. Their insights directly address structural bottlenecks that prevent the flow of finance to frontline implementers.

Within the SCF Forum’s focus on water systems and the ocean, this submission emphasises the importance of safe and reliable water for frontline communities, including drinking water, sanitation and hygiene services. For many local actors, climate risk is experienced not only through ecosystem degradation or infrastructure damage, but through the disruption of water quality, availability, affordability and safety at household and community level.

## 2. Alignment with Indicative Sub-Themes

No.	Sub-theme	Contribution
1	Key enablers and opportunities	We identify institutional, relational, and financial enablers that improve the delivery of climate finance to local actors, including fiscal sponsorship models, peer-panel grantmaking, devolved finance mechanisms, and patient capital approaches.
2	Role of different finance actors to enhance scale and impact	We examine the critical role of Global South intermediaries, devolved county-led funds, movement-based funds, and community-led facilities in bridging the “missing middle” between international finance and local implementation.
4	Inclusive financing	Women-led, Indigenous, and community-based actors are often structurally excluded by compliance-heavy systems. The submission highlights proven mechanisms that enable equitable participation and benefit-sharing.
5	Country-driven and locally tailored approaches	The case studies provide evidence of country-owned and territorially grounded financing systems that align with local ecological and governance realities.

No.	Sub-theme	Contribution
8	Simplifying access to finance	A central focus of this submission is identifying and addressing the structural barriers (small-grant aversion, compliance bureaucracy, and prioritisation of fiduciary risk) that prevent finance from reaching frontline water and ocean managers.
11	Capacity-building	We emphasise accompaniment support, mentorship, and long-term institutional strengthening as essential complements to financial flows.

### **Session 7: Delivery and access: reaching local actors and communities**

“Assess how climate finance for water systems and the ocean is delivered to, or constrained from reaching, local actors responsible for implementation, including cities, subnational governments, and frontline communities. The session will consider practical experiences and emerging models that improve the delivery, accessibility, inclusiveness, and effectiveness of climate finance, at the local level.”

## **3. Submission**

### **The localisation gap in water and ocean systems**

Effective climate adaptation within water and ocean systems is inherently localised, as impacts are mediated by specific biophysical, socio-economic, and ecological contexts. Despite high-level rhetorical commitments to localisation, a significant implementation gap remains: research indicates that between 2003 and 2016, less than 10% of global climate finance reached the local level (Soanes et al., 2021). In the humanitarian sector, while there is a commitment to direct 25% of funding to local organisations, only 2.1% is currently realised (Treichel et al., 2025). This “missing middle” in climate finance reflects a scarcity of resources available to incubate the local and national delivery mechanisms required to move local actors from being passive beneficiaries to proactive leaders and implementers.

## **II. Practical models for improved access, delivery and inclusiveness**

<b>Fund / Mechanism</b>	<b>Focus</b>	<b>Key Innovations</b>	<b>Outcomes / Takeaways</b>
Water Justice Fund (WJF)	Women-led safe water, WASH and equitable water access in Asia and Africa	Peer-panel grant decisions, localised decision-making	Leveraged €0.67 per €1 invested; supported borehole desilting, solar water systems, raised drinking platforms
SDI Next Level Grants Facility / Urban Poor Fund International	Informal-settlement water, sanitation and drainage	Localized small grants, community-driven infrastructure	Upgraded drainage, installed communal water points, dry toilets
Fundo Casa Socio-Environmental Fund	Community-led water security potable water access	Movement-based fund, territorial protection	Supported community brigades safeguarding local water resources
Social Change Assistance Trust (SCAT)	Rural water conservation, storage and local service resilience	Micro-grants, greywater systems, ferro-cement tanks	Addressed municipal water service gaps
Samdhana Institute	Frontline ecosystem managers; community water systems for excluded Indigenous and local communities	Fiscal sponsorship, 72-hour rapid-response, chain of trust	Enabled informal communities to access finance without legal registration or audits

**Water Justice Fund (WJF):** Operating in Asia and Africa, this fund focuses exclusively on women-led solutions addressing the water crisis. It supports the construction of climate-resilient water, sanitation, and hygiene (WASH) services, including borehole desilting, raised drinking-water platforms in flood-prone areas, and solar-powered water systems. Localised decision-making: The fund uses "peer panels" composed of local actors (teachers, community members, local journalists) to select grantees. Leveraging capital: For every euro invested as a grant, the fund successfully leveraged €0.67 in additional co-financing from women-led groups and local governments. Supported projects include handpump installation, pipeline maintenance, and desilting rivers to augment water sources.

**SDI Next Level Grants Facility (NLGF) / Urban Poor Fund International (UPFI):** These mechanisms target informal settlements where climate stress manifests as water insecurity and flooding. Projects include upgrading drainage systems, installing communal water points, and implementing dry toilets in flood-prone areas.

**Fundo Casa Socio-Environmental Fund:** A movement-based fund that identifies water security as a core strategic priority. It supports community brigades and territorial protection

initiatives that safeguard local water resources from climate-induced droughts and fires.

**Social Change Assistance Trust (SCAT):** SCAT responds to water insecurity and overstretched municipal systems in rural South Africa. They fund micro-grants for ferro-cement water storage tanks and greywater systems. SCAT’s Rural Action for Climate Resilience funded concrete water-security measures such as solar panels to power borehole pumps, training to build ferro-cement tanks, and Jojo tanks and related inputs for local resilience.

**Samdhana Institute:** Implements an effective model for reaching “unfundable” front-line managers of critical ecosystems by absorbing institutional risks and compliance burdens that grassroots groups cannot afford to bear. Through innovative “fiscal sponsorship” and relationship-based “chains of trust,” they enable informal coastal and forest communities to bypass traditional banking barriers and access finance without requiring formal legal registration or audited financial statements. By maintaining a 72-hour rapid-response facility for environmental crises and acting as an administrative shield for donors, Samdhana demonstrates how local intermediaries can effectively bridge the last-mile structural gap that currently constrains climate finance from reaching implementation actors.

### III. Relevance to “Delivery and Access” session discussions

The experiences of these funds and mechanisms offer critical evidence on how to overcome the barriers that typically constrain finance from reaching frontline communities.

1. Addressing small grant aversion and compliance: Traditional climate finance is often governed by a “compliance bureaucracy” requiring formal registration and complex audits, which effectively labels many frontline water managers as “unfundable”. Global South Intermediaries (GSIs) can act as “administrative shields,” absorbing fiduciary risks so communities can focus on action.
2. Emerging models for effectiveness: the “chain of trust”: Instead of open, competitive calls that favour well-resourced international NGOs, funds like the Samdhana Institute and SCAT use referral systems where trusted advisors vouch for a group’s integrity. This is complemented by Fiscal Sponsorship, allowing informal community groups without bank accounts to receive funds via a legally registered partner.
3. Localised decision-making: peer panels and subjective resilience: Funds like the WJF and Environmental Justice Fund (EJF) utilize peer panels and activist-driven grant committees. Decisions are made by local actors (teachers, journalists, community leaders) with deep local knowledge, ensuring projects are ecologically and culturally appropriate. They also use subjective resilience as a core success metric.
4. Enhancing sustainability: patient capital and institutional legacy: Climate resilience in water systems is a decadal process, yet most funds operate on 1–3 year cycles. Successful models advocate patient capital and commitments of 7 years or longer, paired with accompaniment support (mentorship and side-by-side coaching), ensuring sustainability beyond project grants.

## IV. Recommendations for policy and practice

1. Shift performance metrics: Donor staff should be incentivised by the number of successful community partnerships built rather than the dollar volume disbursed.
2. Resource the support layer: Facilitation and mentoring by local intermediaries should be viewed as a crucial investment in social infrastructure, not a management cost to be minimised.
3. Institutionalise local knowledge: Ontological pluralism - valuing traditional knowledge alongside scientific models - is essential for a nuanced understanding of climate risk in water systems.
4. Adopt patient capital: Financing for water catchments and coastal restoration must move beyond 1-3 year project cycles to 7+ year Partnership Agreements to match the decadal nature of ecological processes.
5. Track delivery: not only by volume of finance disbursed, but by whether funding improves safe and reliable water outcomes for frontline communities, including drinking water access, sanitation, hygiene, local water infrastructure and protection of water sources.

A key message for policymakers and donors is that the infrastructure to reach the last mile of water and ocean management already exists within proximate Global South funds. Reaching local actors effectively requires shifting the risk focus and financing local intermediaries who have a track record of delivering finance to the local level for implementation.

**SSN would be pleased to contribute to SCF Forum 2026 through a session, presentation, or as a participant.**

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