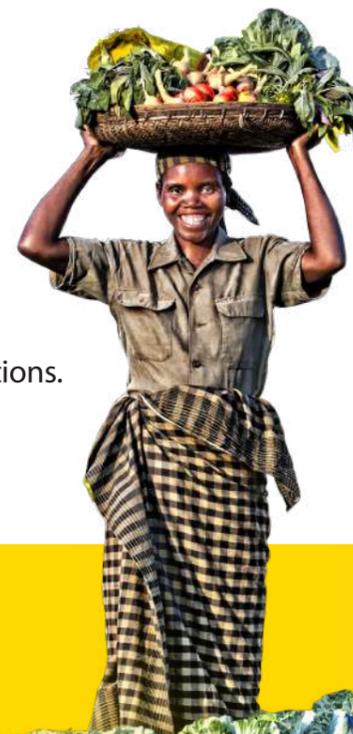


Financing local solutions as a means to climate justice that leaves no one behind

Side event at COP26 held on the 4th of November 2021 in Glasgow

Local communities, particularly in the Global South, are already facing the impacts of climate change. International climate finance is a key strategic instrument to support the development and scaling up of locally-led climate solutions. However, today only a fraction of climate finance reaches local communities or is invested as per their needs. Many experiences and success stories point to the need for affirmative public policy actions and enhanced collaboration among stakeholders to accelerate adaptation for the most climate-vulnerable people living in fragile ecosystems.



The state of local climate financing



Between 2003 and 2016 only around **10% (USD1.5 billion)** of international, regional and national climate funds had been directed to the local level (IIED, 2017)



Only about **6% of the 374** projects and programs reviewed featured locally led elements, such as local decision-making power (WRI, 2021)



Estimates of finance needed for adaptation by 2030 are **USD140–300 billion**. This contrasts sharply with the current deployment of USD 30 billion (CPI, 2019)



Adaptation finance is around **5% of mitigation** finance, which reached **USD537 billion** in 2020 (UNEP, 2020)



The impacts of climate change affect the most vulnerable communities and are expected to push **132 million people** into **poverty** (World Bank, 2021)



Keys to creating solutions for communities

and other local stakeholders and enabling their access to international climate finance include:

1



Recognizing the financing gap at the local level, specially for adaptation, as a barrier to a just transition that leaves no one behind.

2



Committing at the highest level of organizations to address this gap by setting goals for financing local-level actions and by adjusting policies and procedures.

5



Enabling local civil society organizations to access climate finance and to participate in decision making on how resources are spent.

4



Implementing innovative mechanisms and enhancing the risk appetite of funders to ensure climate finance reaches local communities.

3



Learning from current experiences on how to make climate finance work for the most vulnerable, such as a set of principles for strengthening devolved climate finance (IIED, 2017)



1. IIED, 2017: <https://pubs.iied.org/sites/default/files/pdfs/migrate/10178IIED.pdf>
 2. WRI, 2020: <https://www.wri.org/insights/climate-finance-frontline-communities>
 3. CPI, 2019: <https://www.climatepolicyinitiative.org/wp-content/uploads/2019/11/2019-Global-Landscape-of-Climate-Finance.pdf>
 4. UNEP, 2020: <https://www.unep.org/resources/adaptation-gap-report-2020>
 5. WORLD BANK, 2021: <https://www.worldbank.org/en/topic/climatechange/overview#1>
 6. IIED, 2021: <https://pubs.iied.org/sites/default/files/pdfs/2021-01/10207IIED.pdf>