Decentralised model gets climate finance moving

Climate change

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A side event at COP22 heard how governments in Kenya, Tanzania, Mali and Senegal are using decentralised structures to get climate finance into the hands of local government and out to climate vulnerable communities who need it most.

The construction of the CCCF Mega Dam in Makueni County, Kenya is an example of local action during a devolved climate finance pilot project (Photo: Japheth Mutuku)

The UN climate talks in Marrakesh this month called for a roadmap to put the promises of the Paris Agreement into action. For the climate vulnerable in the poorest countries this means support to adapt and build resilience to the impacts of climate change.

But although there are various pots of international and national climate finance available, money is not reaching the local level.

Few models are efficiently channelling climate finance to communities on the ground. And when finance is available, local people – despite their first-hand experience and relevant knowledge of how to manage the shocks and stresses of climate change – have little say in how the funds are spent.

But a side event co-hosted by IIED and the International Federation of Red Cross and Red Crescent Societies (IFRC) at the 22nd Conference of the Parties (COP22) heard how governments in Kenya, Tanzania, Mali and Senegal are using existing devolved government structures to access different sources of climate finance and getting it into the hands of local governments.

From here, local government works alongside communities who are brought into planning and budgeting processes to direct how the finance should be used to strengthen their resilience to climate change.

A short animation demonstrating the devolved climate finance approach kicked off the COP22 event.

Most vulnerable still overlooked

Developed countries have committed to more than US$100 billion of climate finance reaching developing countries each year by 2020. But as Gebru Jember Endalew, incoming chair of the Least Developed Countries Group, highlighted in the event's keynote address, finance is not getting to countries in greatest need.

"Only eight per cent of international climate finance has been disbursed. The largest commitments are for energy – but low-income countries have received less than five per cent," said Endalew.

Clare Shakya @clareshakya

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Internal 'plumbing' enables finance to flow

As Clare Shakya, head of IIED's Climate Change research group explains in a short video interview following the event, the devolved climate finance approach uses existing architecture of decentralisation that acts as an internal 'plumbing' system, piping money down through the national level to local governments and on to communities.

"The approach we're piloting is about working with governments to get these strong internal mechanisms in place. Getting this 'plumbing' right means climate finance can reach where it's most needed."

Where local government and community meet

Chaired by Pete Betts, director of International Climate Change at the UK's Department for Business, Energy & Industrial Strategy, the event heard how this devolved climate finance approach, funded by UK Aid, is being modified to suit different country contexts.

Lucy Ssendi, of the President of Tanzania's Office for Regional and Local Government, set out how the mechanism is benefiting climate vulnerable communities in Tanzania.

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Dr Lucy Ssendi explains how countries can use existing decentralised systems 2 enable climate finance 2 flow down & fund #localaction #COP22

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According to Ssendi, bringing together government aspirations with the needs of the community makes this approach particularly effective.

"Governments may have expectations on how to build climate change resilience. But these may not be the same as needs identified by the community. The bottom-up approach of this particular mechanism means the community decides what is important for them as far as resilience is concerned and the government supports what the community decides," she said.

Making communities integral to decisions in how the finance is spent underpins the success of this approach, Ssendi said.

"Communities are empowered to participate in planning, budgeting, implementation – and even on oversight. This means real development and real resilience because there is involvement of the community and support of the government."

In Senegal and Mali, a consortium led by the Near East Foundation and including Innovations, Environment and Development-Africa (IED-Afrique) and IIED seeks to improve the climate resilience of up to 750,000 people.

Modibo Cissé, director general of ANICT (Agence Nationale des Invesstissements des Collectivites Territoriales), explained to event participants how, as part of the Mali pilot, local committees determine where the money is channelled.

"The local authority and community work together to agree how the finance will be spent. Once agreed, the community itself is responsible for saying who will implement the work on the ground and how it will be carried out."

Agence Nationale des Invesstissements des Collectivites Territoriales director general Modibo Cissé discusses how local committees in Mali determine where money is channelled (Photo: Teresa Corcoran/IIED)

Reaching the climate vulnerable

In Kenya, the Adaptation Consortium (ADA) is providing technical assistance to the National Drought Management Authority (NDMA) of Kenya, as part of the Strengthening Adaptation and Resilience to Climate Change in Kenya Plus (StARCK+) programme.

Victor Orindi, climate change advisor at NDMA and coordinator of the Adaptation Consortium, explained how the pilot is reaching hardest-hit communities. "We are working with five county governments, supporting them to put in place structures to enable the delivery of climate finance in a more equitable and accessible way," he said.

The approach gets funds to communities most heavily impacted by climate change and, through more robust planning and budgeting, helps them build their own resilience over the longer term.

"We are working in arid and semi-arid areas of Kenya, areas affected by drought year in, year out. These areas don't enjoy the same level of infrastructure development as other parts of the country. So as well as the climate-related impacts there are also development deficits to contend with," added Orindi.

"When drought strikes, people lose sources of livelihood such as livestock or crops. But even when they have a bumper harvest they may have difficulty accessing the markets. Strengthened planning means these communities are better able to respond to climate-related challenges and build community resilience more broadly," said Orindi.

Stronger institutions for long-term change

Bara Guèye, director of IED Afrique, explained how using climate finance to build systems and strengthen institutions brings sustainability to the decentralised approach.

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In Senegal we're using existing systems so that devolved #climatefinance model is sustainable: @IEDAfrique's Gueye @NearEastFdn #LocalAction

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"The focus on institutions, rather than on physical projects, is key," he said. "The decentralised climate finance concept is based on building institutions and setting up mechanisms that others can use."

This point was echoed by IIED's Shakya: "We are working with local government to develop their institutions and bring communities into local government planning. By building the institutions and strengthening processes, local governments will have an approach that they can continue to use, even after the project finance is finished."

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Challenges

The event heard many practical ways the approach is building community resilience to climate change, such as sand dams that enhance water access during periods of drought, livestock injections that are responsive to climate-related diseases, or radio stations that broadcast weather information in hard to reach places.

But in the early stages of roll-out the approach invariably meets a number of challenges.

"This is a relatively new phenomenon for both the community and local government authority. So, adoption and acceptance can be a little slow," said Ssendi. "We are seeing real change on the ground and there are some groups that have adopted it, understand it and are practicing it.

"But there are others, particularly on the side of the community, who think this is just another project, and one which may not work. It is not always easy getting communities to have a say in what they want implemented," she continued.

The pilot in Kenya is also navigating its way through this relatively new approach, as Orindi explained: "The county governments we are working with came into being in mid-2013. They are still settling in and getting the structures in place, so there's the challenge of working with the county governments and local communities to strengthen available capacity. But we're taking this in our stride – this is simply because these are new structures that are evolving."

Skills retention

The moving around of skilled-up people also proves a challenge.

"People are transferred, retire or even die, which means starting afresh and re-training," said Ssendi. "Furthermore, those who have been involved in the community adaptation committees become recognised as outstanding members of the community, making them qualified to stand for other positions – for example in local elections. This takes us back to square one in having to retrain committee members."

The pilot in Kenya is meeting with similar problems. Orindi added: "As with any area within the public sector, key staff who have been leading the process can be moved, which means spending time bringing new people up to speed. Also, at this time, we are going into an election and it's never guaranteed that good leaders you have been working with are going to come back.

"But at the same time you might of course get better leaders: so elections can be both a challenge and opportunity."

Government buy-in sends positive signals

Existing decentralised climate finance programmes require more capital to enable governments to scale-out this model in different parts of their countries.

The event heard how governments, having seeing the benefits of the devolved climate finance approach, are starting to use their own development finance.

Camels take on more water a rehabilitated borehole in Isiolo County, Kenya (Photo: Jane Kiiru)

"The county governments we are working with in Kenya have come with specific funds, ready to dedicate a certain percentage of their development budget to support some of these community-prioritised investments. Committing some of their own resource is a very positive sign for the sustainability of the project," said Orindi.

"This is a really exciting development," added Shakya. "Small amounts of climate finance at the local level are now beginning to leverage domestic public finance for development. Seeing these investments in climate-positive development from the governments themselves is very encouraging."

Looking ahead

The devolved climate finance approach can harness the direct access mechanisms, such as the Adaptation Fund and the Green Climate Fund, that are key for accessing major climate finance mechanisms.

As well as scaling out this model, supporting countries to be able to draw on these sources of finance will be a continuing focus of IIED's work.

"We're still improving the approach, but at the same time working with these governments on applying to funds such as the Green Climate Fund," said Shakya. "The aim of this event was to share this approach with other countries and encourage them to start looking at using these types of mechanisms. There are a few governments showing interest and we are hoping to be able to find donors to support pilots in further counties and further districts."

The side event was screened by the UNFCCC, and can be viewed on its YouTube channel.

Teresa Corcoran (teresa.corcoran@iied.org) is content officer in IIED's Communications Group.