

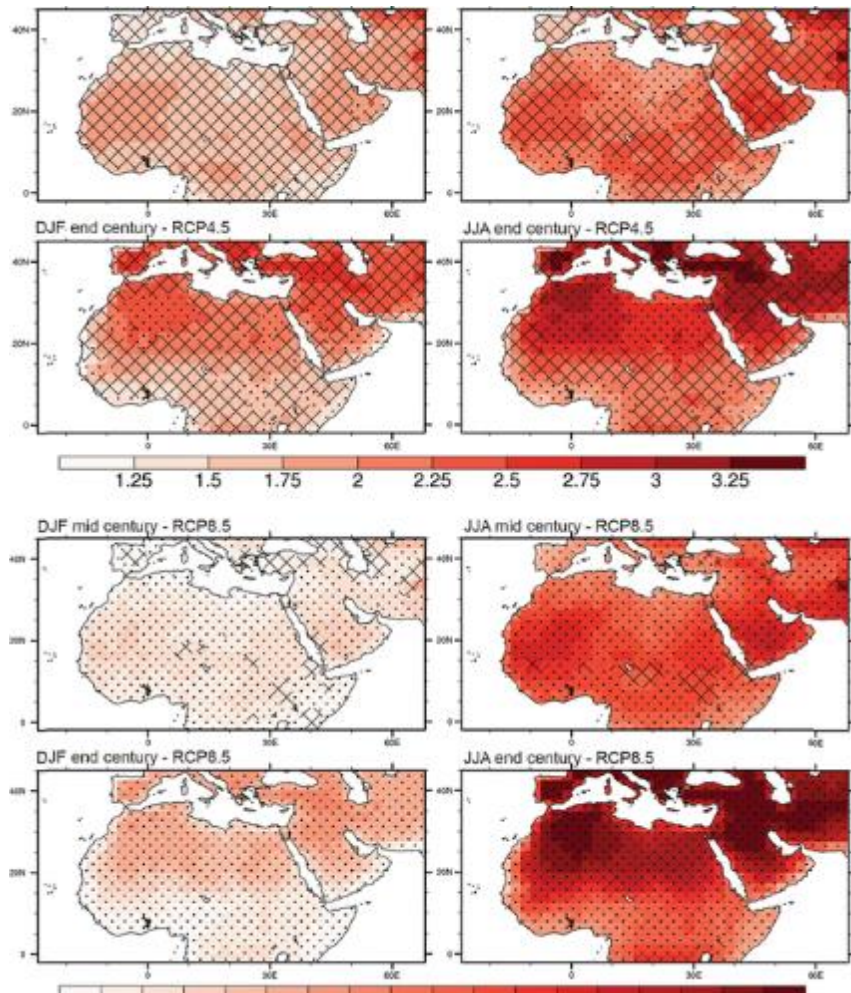


LoCAL - Mali

A mechanism for financing climate adaptation at subnational level: To enable local authorities contribute to the implementation of NAPs and SDG 13



# Why giving support at the local level?



The local authorities from ACPs, LDCs, SIDs,:

- are in a **unique position** to **identify** and implement the responses that best meet local needs.
- typically have the **mandate** to undertake small to medium sized investments required for building climate resilience.
- face a **funding gap** (regular transfers, additional costs, centralized climate financing, etc.)
- face a **capacity gap** (data, risk informed planning, MRV)

# What are the financial obstacles?

Most local authorities can not effectively contribute to climate change adaptation for different reasons:



Lack of appropriate budget allocations leading to unfunded mandates as well as poor or lack of institutional capacities locally



Inability to absorb the additional cost of climate change adaptation



Lack of funding for private and public-private income-generating adaptation projects



Climate finance sources mainly accessible by national/sectoral programs



# The answer is LoCAL = a mechanism for financing climate adaptation at the local level



LoCAL - Mali

- a global mechanism designed by UNCDF to help local authorities **access and use climate finance effectively at the local level.**
- promotes the **integration of local government planning and budgeting systems** in a participatory and gender sensitive manner.
- **Performance-Based Climate Resilience Grants (PBCRG)** that guarantee programming and verification of local adaptation expenditures.

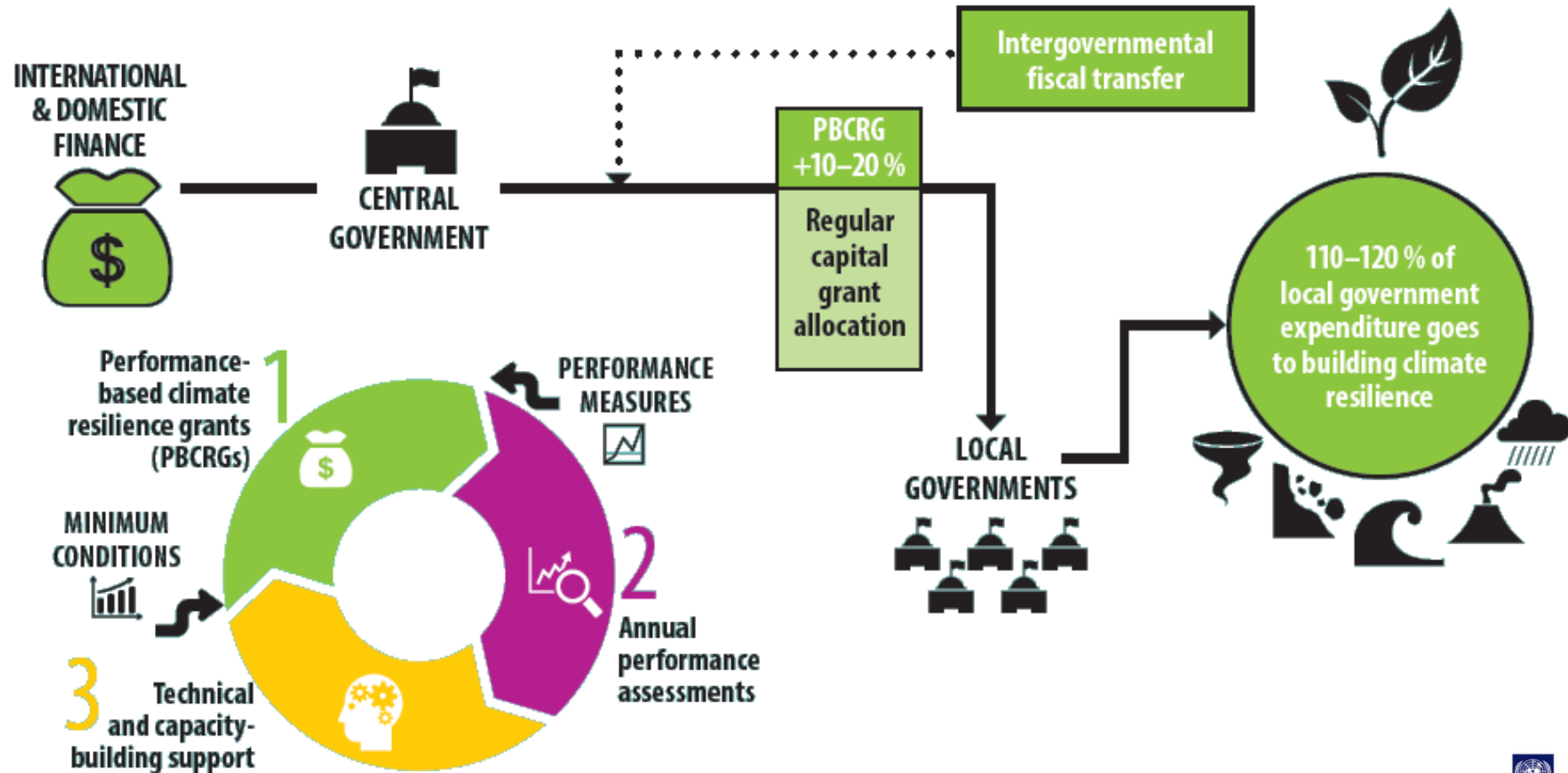
# Performance-Based Climate Resilience Grant System (PBCRG)



LoCAL - Bénin

- Grants **complement** a regular financial **top-up** and other local revenues.
- Are channeled to strengthen **national fiscal transfer systems** (not parallel or ad hoc structures).
- Includes **minimum conditions, performance measures** and an eligible **investment menu**.

# Performance-Based Climate Resilience Grant System (PBCRG) and LoCAL components





# An investment menu aligned with NDCs

**Agroforestry**



**Agro-processing**



**Climate-smart  
agriculture**



**Water, sanitation  
and health**



**Climate-proofing  
infrastructural development  
and bio-climatic construction**



**Energy efficiency  
and security  
with adaptation benefits**



## 'LoCAL-izing' NDCs



Using LoCAL to empower local governments in contributing towards achievement of nationally determined contributions

# Implementation of LoCAL

## - a 3 phased approach



TESTING



LEARNING



SCALE-UP

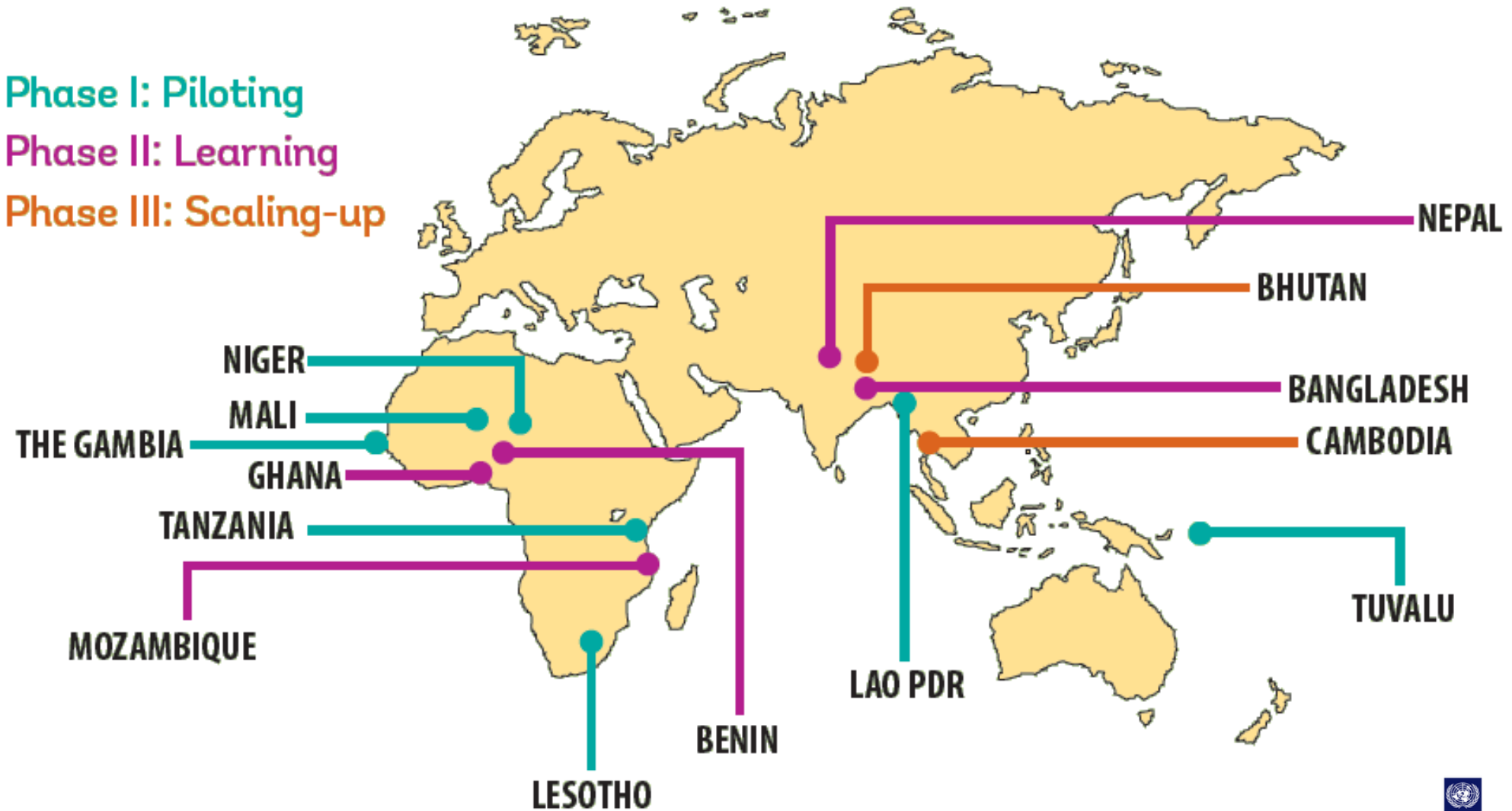


# LoCAL around the world

● Phase I: Piloting

● Phase II: Learning

● Phase III: Scaling-up



# Outlook - Promoting (direct) access to climate finance



LoCAL - Niger

- The 14 member countries of LoCAL's Board have set a goal for LoCAL to become a **national standard and an internationally recognized mechanism**.
- Support direct access to the **Green Climate Fund** to transfer resources to local authorities through **national institutions and systems**.
- **Support the accreditation** of National Implementing Entities (NIEs) underway in **Benin, Mali, Bhutan, Cambodia and Tanzania**, to scale up LoCAL (Phase II / III).
- Support governments to submit **concept notes and proposals to the GCF (Benin, Mali, Bhutan, etc)**.
- Support access to **private financing** at the **local level**



# Outlook - Promoting Access to Private (Domestic) Financing



- Use "project" finance to strengthen the sources of **municipal finance** in response to **climate change**.
- Identify **financially viable investments** in local development plans informed by localized climate risk analysis.
- Support **public-private projects** to become "**bankable**" through technical assistance, "seed capital", loans and/or guarantees.
- Approach tested in **Bangladesh, Benin, Tanzania** and **Uganda** for local economic development and soon to be deployed in The **Gambia** for **climate resilient local investments**.



# Thank you!

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