



**Unlocking Public and Private  
Finance for the Poor**



## **UNCDF Evaluation**

# Final Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

## Evaluation Report

# Key personnel for the evaluation

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UNCDF's financing models work through three channels: (1) inclusive digital economies, which connect individuals, households, and small businesses with financial ecosystems that catalyze participation in the local economy and provide tools to climb out of poverty and manage financial lives; (2) local development finance, which capacitates localities through fiscal decentralization, innovative municipal finance, and structured project finance to drive local economic expansion and sustainable development; and (3) investment finance, which provides catalytic financial structuring, de-risking, and capital deployment to drive SDG impact and domestic resource mobilization.

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Headquartered in India with international offices in Asia and Africa, the group offers a range of integrated, innovative, and high-quality consulting services across several sectors and practices such as monitoring, evaluation, and learning, public finance and governance, climate change, livelihoods, health, education and urban infrastructure and tourism.

# Program Data Sheet

Country	Global
Program Title (long)	Local Climate Adaptive Living Facility (LoCAL)
Program Atlas Code (by donor)	Multiple

## Financial Breakdown (by donor)

Source	As per ProDoc (in USD)	Actual project budget (in USD) up to December 2021
<b>European Union</b>		<b>45,483,667</b>
EU Bangladesh	4,400,000	8,519,843
EU Bhutan	7,000,000	7,000,000
EU The Gambia	6,400,000	6,400,000
EU Ghana		6,000,000
EU Mozambique	4,000,000	490,8674
EU GCCA+I	4,904,750	4,904,750
EU GCCA+II		77,50,400
<b>Sida</b>		<b>3,344,4743</b>
Sida/Bangladesh		6,172,166
Sida/Booster Fund	3,260,870	6,997,183
Sida/Cambodia	2,288,287	2,288,287
Sida/Last Mile Trust Fund		1,187,107
Sida/Mozambique	12,800,000	13,800,000
Sida/PFIS	3,000,000	3,000,000
<b>Governments' own resources</b>		<b>17,230,968</b>
Bangladesh	750,000	2,773,294
Benin	340,000	559,497
Cambodia DMK Fund Investment	646,445	9,021,184
Cambodia IFAD loan		3,960,993
Mali	656,000	916,000
<b>Other donor partners</b>		<b>23,012,249</b>
AfDB (ACCF Benin & Lesotho)		9,97,524
Belgian Cooperation	1,964,085	14,664,085
Catalan/Mozambique		300,000
Government of Andorra	8,004	22,213
Government of Liechtenstein	160,000	160,000
Italy JPO Programme (in-kind)		460,000
Italy Ministry of Foreign Affairs		150,000
Korean Ministry of Environment		1,000,000
NDC Partnership		572,080
SDC/Mozambique		4,686,347
<b>United Nations</b>		<b>5,662,888</b>
One UN/Mali		400,000
UNCDF	800,000	1,939,550
UNDP-GEF <sup>3</sup>	2,145,000	2,145,000
UNDP Niger		450,000
UNICEF Joint SDG fund (Ghana)		15,000
UNDP Pacific (Fiji)		713,338
<b>Total</b>	<b>55,523,441</b>	<b>124,834,515</b>

Source: ProDoc (2019) and Annual Report 2021

## Project Implementation

Executing Agency	UNCDF
Implementing Agency	UNCDF
Key Project Partners	LoCAL Participating Countries
Approval Date of the Project	24/02/2014
Project Duration as per the Project Document	9 years (01/01/2014 - 31/12/2022)
Project Amendment	01/03/2019
Evaluation Reference Period	2014-2021
Evaluation Date	October 2021 – November 2022

## Project Implementation

Other UNCDF Projects in-country	<a href="#">Link</a>
Previous UNCDF Projects (if relevant)	-
Previous Evaluations (if relevant)	Mid-Term Evaluation of the Local Climate Adaptive Living Facility, 2018
Dates of Audit	-

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# Acronyms & Abbreviations

ACCAF	Assessing Climate Change Adaptation Framework
ADB	Asian Development Bank
AF	Adaptation Fund
AfDB	African Development Bank
APA	Annual Performance Assessment
AR	Annual Report
CCA	Climate Change Adaptation
COP	Conference of Parties
CSO	Civil Society Organisation
DFI	Development Finance Institution
DRR	Disaster Risk Reduction
EU	European Union
FCDO	Foreign, Commonwealth Development Office
FGD	Focus Group Discussion
GCA	Global Commission on Adaptation
GCCA	Global Climate Change Alliance
GCF	Green Climate Fund
GEF	Global Environment Facility
LoGIC	Local Government Initiative on Climate Change
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HRGE	Human Rights and Gender Equity
IDI	In-Depth Interviews
IFAD	International Fund for Agricultural Development
IIED	International Institute for Environment and Development
INDC	Intended Nationally Determined Contribution
IPCC	Intergovernmental Panel on Climate Change
IRRF	Integrated Results and Resources Framework
JSF	Jobs, Skills and Finance Programme
KEI	Korean Environment Institute
KII	Key Informant Interviews
LDCs	Least Developed Countries
LG	Local Government
LLA	Locally Led Adaptation
LNOB	Leaving No One Behind
LoCAL	Local Climate Adaptive Living Facility
LTF	Local Transformative Finance
MC	Minimum Conditions
MDB	Multilateral Development Bank
MTE	Mid-Term Evaluation
NAP	National Adaptation Plan
NAPA	National Adaptation Programme of Action



NDC	Nationally Determined Contribution
OECD	Organisation for Economic Cooperation and Development
PBCRG	Performance-Based Climate Resilience Grant
PRA	Participatory Rural Appraisal
REAP	Risk-Informed Early Action Partnership
RF	Results Framework
IRRF	Integrated Results and Resources Framework
SC	Steering Committee
SDG	Sustainable Development Goal
SIDA	Swedish International Development Agency
SIDS	Small Island Developing States
SME	Small and Medium Enterprise
SPC	The Pacific Community
TA	Technical Assistance
ToR	Terms of Reference
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNITAR	United Nations Institute for Training and Research
VfM	Value for Money
WASH	Water, Sanitation and Hygiene
WRI	World Resources Institute

# Executive Summary

## PROGRAM PROFILE

The **Local Climate Adaptive Living Facility (LoCAL)** was designed in 2011 by the **United Nations Capital Development Fund (UNCDF)** to promote climate change resilient communities and local economies by establishing a standard, internationally recognized country-based mechanism to channel climate finance to local government institutions in developing countries, particularly Least Developed Countries (LDCs) and Small Island Development States (SIDS). LoCAL has been built on UNCDF's experience and program on supporting fiscal decentralisation in LDCs.

**LoCAL has its genesis in UNCDF's earlier fiscal devolution reform interventions designed to promote performance-based block grant funding for Local Governments (LGs).** LoCAL initially built on UNCDF's Local Development Finance (LDF) architecture and systems to take forward initiatives for performance-based funding for climate adaptation at the LG level. Over time, the growing interest in climate funding created a new demand for LoCAL in countries that had no prior experience in LDF. **As a result, LoCAL has pivoted from its original position of building climate into existing fiscal devolution frameworks to its current position of promoting devolved climate funding as a spearhead for emerging fiscal devolution.**

LoCAL **combines Performance-Based Climate Resilience Grants (PBCRGs) with technical and capacity-building support** and operates through government systems to facilitate mainstreaming. LoCAL has been designed as a demonstration model to influence country governments and donors to adopt mechanisms for locally led climate adaptation and follows a strategy of **'innovation – learning – scale up'**, giving countries time to test the model and learn about adaptation prior to scale up.

LoCAL has **two strategic outcomes**:

- **Outcome 1:** Increased local government access to climate finance to implement Climate Change Adaptation (CCA) investments in participating countries.
- **Outcome 2:** Establishment of a standard and internationally recognized country-based mechanism to channel climate finance and increase local resilience through PBCRGs.

LoCAL's intended **outputs** are:

- **Output 1:** Awareness and capacities to respond to CCA at the local level are increased.
- **Output 2:** CCA is mainstreamed into the government's planning and budgeting systems and investments are implemented in line with the PBCRG mechanism.
- **Output 3:** The PBCRG system is effectively and sustainably established in participating countries and leads to an increased amount of CCA finance available to local government and the local economy.
- **Output 4:** The role of local authorities and of the PBCRGs in addressing climate change are increasingly recognized at the international level, through outreach, learning, and quality assurance.

Since its global scale-up in 2014, LoCAL has been deployed in 17 countries.<sup>1</sup> As of December 2021, LoCAL has engaged with 322 local governments in 13 countries<sup>2</sup>, representing a population of over 12.5 million. Another 13<sup>3</sup> countries have expressed interest in deploying the mechanism. At the global level, the European Union (EU) and the Swedish International Development Cooperation Agency (SIDA) are its largest funders accounting for >60% of the total funds mobilised for LoCAL.

## EVALUATION OBJECTIVES, METHODS & USE

The Final Evaluation of the Local Climate Adaptive Living Facility (LoCAL) was conducted in accordance with the UNCDF Evaluation Plan 2018-2021 to provide information and recommendations that are useful and relevant to support evidence-based program management and broader strategic decision-making. The final evaluation covered the period from 2014 to Quarter 4 (December 2021).

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<sup>1</sup> Bangladesh, Benin, Bhutan, Burkina Faso, Cambodia, The Gambia, Ghana, Lao PDR, Lesotho, Malawi, Mali, Mozambique, Nepal, Niger, Tanzania, Tuvalu and Uganda.

<sup>2</sup> The Lao PDR project officially closed on 31 December 2017 with the conclusion of Phase I; partnerships are being explored to initiate a transition to Phase II in Nepal.

<sup>3</sup> Côte d'Ivoire, Fiji, Guinea, Jamaica, Liberia, São Tomé and Príncipe, Senegal, Solomon Islands, Somalia, Sudan, Tunisia, Vanuatu and Zambia

The evaluation applied the **OECD-DAC evaluation criteria** of relevance, coherence, efficiency, effectiveness, likely impact, and sustainability, based on LoCAL's strategic approach (Theory of Change) with Human Rights and Gender Equality (HRGE) aspects as cross-cutting themes. **Contribution analysis was done by adopting a mixed methods research and evaluation design.** Existing quantitative data was accessed from project documents and qualitative data was generated through Key Informant Interviews (KIIs) with a range of stakeholders at the global, national and local levels. Further, it included **four country missions** to Lesotho, Ghana, Bhutan and Niger, wherein **in-depth consultations, beneficiary focus group discussions and field observations** were done. The data was then triangulated wherever possible to enrich the findings and allow cross-validation. The **Value for Money (VfM)** has been assessed based on the economy and cost efficiency drawing on expenditure data and comparisons with prevailing benchmarks.

The target audience for this evaluation is UNCDF, LoCAL's donors and its targeted country governments, its global and country partners and the wider audience to whom this report will be disseminated.

## KEY FINDINGS

### Relevance

**The evaluation finds that LoCAL's design and its adaptation-focused interventions are strongly aligned with global climate change priorities.** This is demonstrated by strong complementarity between LoCAL and the Paris Agreement, Intergovernmental Panel on Climate Change (IPCC) Reports and mandates of various international climate change funds. The initiative's design is strongly based on the 8 Principles of Locally Led Adaptation (LLA)<sup>4</sup> and is aligned with the growing focus on adaptation planning and investments. Further, by improving Least Developed Countries' (LDCs) access to international financing, LoCAL is addressing a key systemic gap related to the inadequacy for funding for adaptation and for LDCs.

**Moreover, LoCAL is aligned with current global decentralization priorities.** It is directly aligned with Sustainable Development Goals (SDGs) 13 and 1 whilst demonstrating indirect linkages with SDGs 2, 5, 6, 7, 9 and 17.<sup>5</sup> LoCAL contributes strongly to the UNCDF's Strategic Framework 2022-2025 whilst also being highly relevant to the priorities of its international multilateral and bilateral development partners like the EU and SIDA, among others. Additionally, LoCAL's focus on LDCs, Small Island Developing States (SIDS) and African nations is particularly relevant given their highest vulnerability to climate risks and limited capacity and resources.

**LoCAL's focus on local governments is highly relevant since they are at the frontline to deal with climate issues.** In some countries, the selection of the regions and local governments was based on compelling/donor priorities and logistical reasons rather than climate vulnerability criteria alone, as seen in Ghana, Lesotho and Bhutan. This reflects LoCAL's flexibility to adjust donor or government preferences while maintaining its relevance by developing a climate narrative to addressing the prevailing vulnerabilities.

**LoCAL rightly operates at three levels – global, national and local.** This approach is well-suited for LDC context as it supports local authorities in demonstrating models of LLA along with advocacy at global and national levels to access climate adaptive finance. LoCAL facilitated interventions correspond to climate issues of partner countries and work in priority sectors identified in their respective National Adaptation Plans (NAPs), National Adaptation Programs of Action (NAPAs) and/or Nationally Determined Contributions (NDCs).

Whilst LoCAL's strategy of focusing on predominantly rural areas is appropriate, it may also be important to consider the density of populations affected by climate change which will be higher in **urban and peri-urban areas** given increasing urbanization and the scale of informality. This also highlighted during conversations with donors like EU and independent experts.

On Human Rights and Gender Equity (HRGE), **LoCAL's design considers the greater impact of climate change on women and other vulnerable groups. However, the implementation of targeted interventions addresses these with varying degrees of success across different countries.** The evaluation finds that in its choice of countries, LoCAL has not always considered the degree of vulnerability as the key deciding factor although, all countries of implementation are vulnerable to climate change rather, it has tried to build on its legacy of the earlier UNCDF program

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<sup>4</sup> <https://www.wri.org/initiatives/locally-led-adaptation/principles-locally-led-adaptation>

<sup>5</sup> Goal 1: No Poverty; Goal 2: Zero Hunger; Goal 5: Gender Equality; Goal 6: Clean Water and Sanitation; Goal 7: Affordable and Clean Energy; Goal 9: Industry, Innovation, and Infrastructure; Goal 13: Climate Action; Goal 17: Partnerships for Goals

on strengthening decentralisation which is an important criteria for scale up as it provides a strategic entry point and solid foundation.

## Coherence

**LoCAL's approach and design are coherent.** LoCAL's strategy based on four core outputs is coherent and complementary to countries' needs and approaches. LoCAL's support for devolution, climate awareness, local planning and technical capacity in the LDCs is coherent and addresses key weaknesses across these areas. Further, the evaluation finds that LoCAL's **strategy of 'innovation - learning - scale up' is appropriate and coherent since it gives the country time to test the model and learn about adaptation prior to scale-up.**

**At the global level, LoCAL's collaboration and partnerships with various agencies and institutions such as the Asian Development Bank (ADB), African Development Bank (AfDB), World Resources Institute (WRI) and the United Nations Institute for Training and Research (UNITAR) and others are found to be complementary** in terms of helping to increase climate knowledge, access to climate finance and implementation support.

The LoCAL mechanism attempts to adopt the national governments' delivery structures and processes to pilot and implement the program and is **aligned with its partner countries' national development priorities and climate change and decentralization strategies.** The evaluation observed that while LoCAL has been flexible and adaptable with its processes to integrate with country-based systems, its **reporting requirements are separate and differ from prevailing systems.** This could be because existing government reporting systems may not capture climate adaptation. Several participating countries stated that the reporting requirements are complex and challenging for local governments to comply with and require technical support from a TA team or UNCDF staff members. The evaluation has identified potential opportunities for addressing this by converging or unifying LoCAL reporting formats with national systems, wherever feasible. It must also be noted that the **'siloed' functioning of government departments,** in general, limits the scope for synergies with other sectoral initiatives implemented at the local level.

LoCAL's value addition and distinction between LoCAL and other climate adaptation programs at the country level is that LoCAL works at the lowest level of government, through existing local government systems. Additionally, it offers immense possibilities for scale-up and mainstreaming vis-à-vis programs delivered by Non-Governmental Organizations (NGOs) or through a direct project implementation mode.

Lastly, our discussions reveal that given the multi-sectoral scope of climate change adaptation, **there are opportunities for LoCAL to partner and collaborate with the other development partners in-country** to demonstrate locally led climate adaptation models and principles and mainstream within government systems.

## Efficiency

**LoCAL has made good progress against its results framework over the years.** In fact, LoCAL has surpassed a number of the targets stipulated in its results framework, such as those on the number of participating local governments. As of 2021, LoCAL has been deployed across 17 countries in Asia, Africa and Asia-Pacific, covering 322 local government authorities.

**Under Output 1 (Awareness and Capacity Building),** 11,558 national and local authorities' officials and community representatives participated in awareness and capacity-building activities between 2019 and 2021.<sup>6</sup> Trainings have been based on climate change, participatory planning, budgeting, PBCRG process and systems and monitoring and evaluation (use of the Assessing Climate Change Adaptation Framework – ACCAF). Most of the countries' respondents mentioned that LoCAL provided the first exposure and sensitization on climate change to the local communities and authorities. **While this is impressive, country discussions revealed that training and capacity building has often been insufficient and infrequent with no refresher courses being provided.** Community level training has been limited except in Bangladesh and Ghana. The limited engagement in other countries might be due to limited funding.

**Under Output 2 (Mainstreaming and Investments),** there have been efforts in mainstreaming climate adaptation into local development plans and budgeting for more resilient and sustainable development pathways. In 17 countries, 322 local governments have integrated climate change adaptation measures in selecting and prioritizing local planning and infrastructure investments. A total of 1,983 climate-resilient investments were realized at the local level. By design, LoCAL has a gender-sensitive approach and the annual report mentions that PBCRG investments benefitted men and women equally. There has been an effort, and technical support is provided, to systematically involve communities in the planning and budgeting process, as seen in Bangladesh and reported for other countries as well.

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<sup>6</sup> LoCAL systematically started reporting on this KPI in 2019, as shared by the programme team.

However, the evaluation also finds that LoCAL's planning processes are not standardized and vary across countries, as local planning guidelines also vary from country to country. In most countries visited, these processes appear to be weak and informal. The gaps in climate data, challenges of downscaling national data and capacity issues at local level in most of the LDCs has been observed. Limited availability of climate data at the subregional level has hindered LoCAL from applying a methodically sound process of climate risk vulnerability assessment to guide planning at subregional and local levels. To address this, LoCAL is supporting climate risk vulnerability assessments in some of the countries. At present, it is difficult to comment on the long-term climate resilience of infrastructure funded under LoCAL.

**Under Output 3 (Financing Mechanism),** LoCAL focused on institutionalizing the PBCRG mechanism and increasing the availability of climate change adaptation finance to local governments. Benin, Bhutan and Cambodia, of which Bhutan and Cambodia are Phase III countries, have institutionalized the PBCRG systems. Here, 295 local authorities are investing in PBCRG schemes and have disbursed around US\$25mn. LoCAL is also providing training, technical support on policy formulation and advocacy for introducing policy provision for decentralized climate finance at the local level in the national/district plans or climate finance frameworks, as observed in Ghana and Bangladesh. On progression to subsequent phases, while broad parameters have been outlined for graduation between phases, our desk review and consultation reveals that transition primarily depends on the availability of donor financing. Though LoCAL is testing various approaches to unlock domestic and private finance for climate adaptation, the success has been low. However, it should be noted that Bhutan and Cambodia have apportioned the donor-funded budget support or loan received for local climate adaptation.

**Under Output 4 (Outreach, Learning and Quality Assurance),** LoCAL has made commendable progress in bringing attention and visibility to the issue of role of local authorities and local investment through its representing in various global fora and referencing LoCAL experience and mechanism. LoCAL's proactive involvement in CoP and UNFCCC events have brought greater focus on the need for and importance of locally led adaptation, finance and the mechanism.

**Further, LoCAL has a well-established governance and management structure to support its delivery.** At the global level, the global team/Secretariat reports to the Global Board. The latter is chaired by the global coordinator of UN LDC group and chair of the LDC group to the UNFCCC and assisted by the UNCDF's Local Development Finance (LDF) Director. The Board has been set up to ensure peer review mechanism and to ensure quality standards are maintained especially in countries where UNCDF had not previously supported. The inclusion of LDCs and other developing country members is a sound strategy given that it has built ownership, contributed to LoCAL's expansion along with facilitating South-South learning and knowledge exchange. The evaluation finds that **Board and Ministerial meetings are well conducted and that resolutions are passed with broad participation and discussion.**

At the country level, a multistakeholder National Steering Committee (SC) guides LoCAL. **Although the role and mandates of the Steering Committee are similar across countries, the level of participation, guidance and functioning varies across countries.** In some countries like Lesotho, the SC has played a proactive role in providing strategic guidance whilst in some (like Bangladesh), it has merely played an operational role. On staffing, the LoCAL program team is lean vis-à-vis its geographic spread and mandate. Currently, LoCAL has a Global Secretariat led by the LoCAL Facility Manager and supported programme management specialists and programme analysts and country teams or staff. Many of the regional managers posts are vacant and some of the analyst roles are now being filled in. The lean country teams have a high reliance on the global team that also appears to be stretched. **Whilst a lean team is economical but may not be very effective where country-level capacity is generally weak.**

**On risks and mitigation, the ProDoc has a well-defined risks and mitigation matrix which clearly articulates the probable risks of the program.** The program has highlighted the mitigation measures and have attempted to address it. However, many of these risks still persist and have affected the implementation and scale-up. For instance, while UNCDF has put in efforts to mobilize resources for transition across phases in a timely manner, there has been limited success especially for transitioning to Phase III.

With respect to partnerships, the engagements with the UNITAR, WRI and the Korean Environment Institute (KEI) have been valuable for **developing knowledge and research products, assessments, and toolkits.** However, other than the WRI ACCAF Monitoring Tool, our consultations did not reflect how these knowledge products or tools are being utilized.

Further, LoCAL's Monitoring and Evaluation (M&E) strategy has evolved over the years and has been strengthened basis the recommendations from the Mid-Term Evaluation. LoCAL's results framework is aligned to the program's theory of change and the monitoring framework is adequate to capture the various outputs and outcomes. However, it mostly captures quantitative data points and does not have any suitable indicator to capture the progress/impact on the objectives of climate resilient communities and local economies.

The ACCAF tool attempts to incorporate adaptation M&E into the PBCRG system and complements the APAs. Whilst the ACCAF supports the comprehensive tracking of program results, it **does not help in assessing infrastructure's impact and quality and/or climate resilience**. Field discussions also highlight that local government staff find it difficult to apply and report on, and hence depend on LoCAL country staff for reporting. In addition, there **are challenges concerning reporting of direct and indirect beneficiaries**. The general trend is to report based on the entire locality's total population, which often distorts the actual number of people who benefitted along with the disaggregated data.

Evaluation discussions also revealed that the **resource envelope allocated for M&E is low**, with only one officer supporting monitoring across all LoCAL countries and local authorities. **Moreover, though the program design mandates conducting the Annual Performance Assessments (APAs) for PBCRG tranche disbursements, field visit discussions reflect that are gaps and there is an opportunity to strengthen this in many countries.**

**There were no major changes in the overall design and results framework / targets due to Covid-19.** However, the progress was slow in some of the countries and there were some adjustments in country programs. One of the longer-term impacts of Covid-19 has been the tightening of fiscal resources available for local governments in many countries leading to PBCRG substituting for national fiscal transfers making provision for top-up impossible. Budget constraints in the future might affect LoCAL's mainstreaming efforts in most LDCs.

### *Finances*

Given LoCAL's dependency on donor funding, the efficiency of its work in terms of accessing these funds becomes a crucial factor. LoCAL has played an efficient and effective role in influencing donors by identifying opportunities and aligning with donor priorities and programs. LoCAL has mobilized >US\$ 124 million and made an expenditure of US\$ 60 million.

**In terms of Value for Money (VfM) and Cost Efficiency**, it is seen that the per capita investment is only US\$ 4.78, which is low with respect to the benefits that have accrued to communities and individuals; the average cost per infrastructure is US\$ 16,587. This is relatively low, and these would not potentially attract any private capital or investments.

**Expenditure analysis** shows that the utilization of financial resources has been good in most years except 2018. The average utilization rate is about 87% for the evaluation reference period. This shows that LoCAL has forecasted and budgeted efficiently. Expenditure analysis of outputs shows that the expenses for mainstreaming, i.e., PBCRG investments have increased more than budgeted, whereas other expenses such as project office, M&E, learning etc, are less than budgeted. An increase in allocation and disbursement on mainstreaming and PBCRG means that more money is invested in infrastructure, which is always desirable.

### *Effectiveness*

**LoCAL through its various activities has contributed to increasing awareness and capacities of local governments' elected representatives and local officials.** The program has conducted multiple trainings for officials and elected representatives at sub-national level on planning, budgeting, and sensitization on climate change, along with the development of related manuals and tools. In many countries, **LoCAL has been the first player** to sensitize and build the capacities of local authorities to engage with communities for the planning and delivery of climate-resilient infrastructure and to scale up locally led adaptation through government systems.

However, several stakeholders shared that the **trainings were infrequent and reported the shortage of staff, limited technical positions at local level and sub-national levels coupled with frequent transfers.** These factors reduce the impact and utility of the trainings. In addition, awareness and capacity building has yet to be provided to the community members.

**Next, in various countries local-level climate data and information is unavailable.** This implies that sub-national governments have relied on national level data or local perceptions while formulating their development plans and budgets. While generating climate data per se is not within the mandate of LoCAL, it has extended support for developing local level climate risk maps/atlas, climate information systems, and climate risk vulnerability assessments. **At the same time, the absence of robust local level climate data has meant that most of LoCAL's investments have been identified on the basis of local knowledge and perceptions of past climate shocks and future risk.** The evaluation team has only been able to identify a few cases from Ghana and Bhutan of changes in the design specifications of investments to address climate specific vulnerabilities. These demonstrate a certain degree of

compromise in LoCAL's **effectiveness in delivering adaptive infrastructure as well as contributing to the development of new methodologies to assess climate risk and vulnerability.**

**LoCAL activities have attempted to contribute to mainstreaming climate adaptation issues into government's planning and budgeting process, especially in Phase II and III countries. LoCAL fiscal transfer mechanism has been integrated into the government systems in all countries.** However, the degree of mainstreaming climate change has varied across Phase-II countries. It is important to note that in all countries, LoCAL PBCRG investments were mainstreamed and implemented through the government systems following the established processes. LoCAL has also helped to integrate a more systematic analysis of climate change considerations into the local planning and budgeting process.

It should also be noted that **LoCAL is not generally used as a top-up fund to supplement existing schemes because national government allocations are generally found to be limited, uncertain and unpredictable.** Hence it is difficult for local governments to calculate the top-up requirements. In such circumstances, local governments prefer to use LoCAL funds to cover the entire cost of an asset so that they can ensure project completion and these assets tend to be based on existing design and cost parameters, which explains the limited climate specificity.

Further, the evaluation team finds that **climate considerations in planning and budgeting of programs is not universal under LoCAL and also depends on the level of devolution.** UNCDF has successfully created an appetite for the LoCAL approach and mechanism at sub-national levels. However, limited understanding and data gaps on climate change are hindrances for effective mainstreaming. Also, capacity and resource constraints adversely affect mainstreaming. The evaluation team finds that LoCAL's implementation differs across countries in terms of partners, sectors and adaptation priorities primarily because of differences in the level of decentralization and fiscal space for local government.

**Next, LoCAL has demonstrated impressive performance thus far in leveraging additional funding for climate change adaptation.** The main source of external funding to date has come from a range of donors with the EU and SIDA providing the largest share. LoCAL's agility and strategic engagement with potential funders and its strong advocacy around funding for Locally Led Adaptation (LLA) have been key to its success in leveraging additional funding. While **national governments appreciate the LoCAL funding support and believe in the mechanism,** the evaluation has found an **overall reticence among them in committing own resources for scale up and replication of the approach.** Modest funding from national governments could be partly attributed to the fiscal constraints faced by LDCs and competing development demands.

LoCAL's technical support to the LDCs in building capacity for accreditation and project preparation is commendable and in the right direction. An area that LoCAL needs to explore further is that of **helping countries track their own budgets for climate adaptation generally and for locally led adaptation specifically.** Instances of unlocking domestic/private funding are limited and one of the reasons for this could be the small scale of interventions and it may need to consider investments at a larger scale of operation to unlock this funding.

**LoCAL is also very active at international fora where it has championed the need for enhanced financing for LLA in LDCs through local authorities and has been awarded an ISO certification at COP 27 elevating it as a global standard.** Our discussions reflect that the LoCAL mechanism has earned certain degree of credibility and acceptance as intergovernmental fiscal transfer vehicle for climate finance, which is also one of the five policy elements of the Malaga Coalition on which UNCDF is engaging.

**Overall, LoCAL has a well-structured approach to increasing access to global funds for LDCs and provides a useful platform to LDCs and other developing countries for voicing their demands.** However, the evaluation has found that there is insufficient engagement with the Environment Ministries in some countries which often lead on climate change issues and regulations at country level. Additionally, there are challenges in inter-departmental/ministerial coordination which affects the sharing of knowledge and information on global discourse and local learnings and vice versa.

### **Likely Impacts**

The evaluation finds that LoCAL has had a significant impact in creating consensus on the importance and need for international climate finance for LLA. It has also helped position LoCAL as an internationally recognized and standardized non-market approach for governments to plan and finance investments for LLA.

LoCAL has strongly emphasized increasing local governments' access to national and international climate finance. In this regard, it has played a **significant role in enabling Green Climate Fund (GCF) and Adaptation Fund (AF) accreditation for several country-level institutions** and developing their capacity to prepare concept notes and funding proposals. Examples include, Bhutan, Cambodia, Benin and Niger, to name a few. Consequently, as of 2021, these efforts have contributed to develop a funding pipeline of USD\$ 170 million to the GCF. However, GCF funding is very time consuming and are in **project mode and do not lead to sustainable long term finance for locally led adaptation. Also, generating private-sector investment in LoCAL has been challenging, and results have been limited.** Globally this has been a challenge as reports indicate that only 1.6% of the money spent on adaptation in 2017-18 came from the private sector.

UNCDF's efforts have also led LoCAL to gain **ISO certification 14093 as an internationally recognized and standardized mechanism for devolved planning and financing investments in climate adaptation for local governments in LDCs in Asia and Africa.** LoCAL's results also demonstrate the importance of ensuring that any standardized mechanism is tailored to meet the requirements of country-based financing for local climate adaptation.

At the same time, the evaluation has shown that there are variations in the way the mechanism works across countries in the selection of districts, planning processes, types of schemes and training within the broad framework of minimum conditions, APA processes and monitoring systems. While the ISO standard is a testimony to LoCAL's results, there is a **degree of concern about the ability to adhere to the ISO standard processes** in contexts where local capacities are weak and where implementers on the ground may struggle to meet audit requirements. **Whilst ISO standards are a way to promote best practice, it is not guaranteed that a standard will always translate to adaptation results on the ground. However,** the ISO certification, will facilitate in building confidence of the donor communities and leveraging funding for LoCAL.

**At the community level,** LoCAL with its portfolio of financed climate adaptive investments has had a marked impact on the life and livelihoods of millions of beneficiaries across the intervention areas. FGDs confirmed that LoCAL infrastructure investments have improved access to drinking water and water security, year-round access to markets, health facilities and schools, especially during periods of intensive rainfall and flooding. LoCAL with its menu of gender-neutral climate adaptive investments have had a marked impact on the life and livelihoods of beneficiaries across multiple intervention areas. It has succeeded in providing immediate relief to local communities, but the long-term resilience is not always clear.

## **Sustainability**

**LoCAL's PBCRG investments have increased resilience in local economies and communities. However, sustainability will remain a challenge for interventions that do not incorporate climate-resilience specific design.** At the community level, though **LoCAL has helped to address immediate concerns of local economies, these were thought to insufficient for building long-term resilience and sustainability by many stakeholders.** Discussions revealed that more community infrastructure and household skills/assets are needed for long-term resilience. This aligns well with the fact LoCAL is envisaged as a long-term mechanism whereby once they join local authorities are participating in the long run, through a sequencing of aid sources across phases.

LoCAL technical support for GCF/AF accreditation and project preparation to national implementing entities is helping countries to build access to long-term finance for climate adaptation. Despite progress and important landmarks, the process is tenuous and time-consuming, with an average time of 3-5 years to be accredited and another 3+ years to prepare projects and get approval. Further, it is delivered in project mode and may not be suitable for long-term institutionalization as one of the stakeholders opined.

The poor fiscal situation in most LDCs provides limited scope for additional fund transfers from their own source for climate adaptation. To address this, **LoCAL's policy advocacy at the global forum, along with other agencies and countries, needs to continue to keep the agenda of increased climate finance for locally led adaptation on the table in all international fora.**

**However, the current global geopolitical situation and recession are also affecting the ODA commitments and spending of several donors.** Thus, UNCDF should continue to advocate and explore opportunities to influence global communities to set up a global long term fund based on an innovative fiscal tax/instruments which can transfer funds to country governments not as an application based or project mode but as a top-up based on the climate vulnerability and adherence to the PBCRG standards and conditions for locally led adaptation. Additionally, LoCAL also needs to explore the possibility of providing technical support to national government to use innovative fiscal instruments like windfall tax or royalty/cess payments from mining or other revenues or carbon taxes for climate financing.



Given that LoCAL represents a demonstration model, institutionalization requires extensive efforts on dissemination and knowledge sharing at the country level, to generate sufficient interest, momentum, and commitment on the part of government and local authorities to adopt the mechanism. LoCAL is attempting to institutionalize the process and mechanisms through policy directives. However, **it will require a more intensive engagement and time frame. Whilst mainstreaming and institutionalization is necessary for sustained operation this requires strong policy directives from national governments and intensive investment in capacity building.**

## RECOMMENDATIONS

### *Strategic recommendations*

1. Given a significantly more challenging global environment for climate finance, it is imperative that **LoCAL further develops a multi-pronged strategy to access climate funding to maintain, build and sustain its achievements.** It is vital that LoCAL **continues to build a strong advocacy group amongst the climate-vulnerable countries to demand greater levels of global funding for (local) adaptation from diverse resources are available.** It is important that LoCAL engages with the donor community and global climate platforms to advocate and influence in setting up of a global fund through an innovative fiscal instruments/tax policies which is not an application or project based but provides top up long-term funding to countries based on the climate vulnerability and adherence to the PBCRG standards and conditions for locally led adaptation for locally led adaptation.
2. LoCAL may consider **strengthening its policy engagement** with the range of climate actors at the national level along the lines of its policy-influencing work in Ghana and, to some extent, in Bangladesh. As part of this effort, LoCAL should continue to support local climate fiscal frameworks, strengthen PFM reforms, and develop and customise green taxonomies and expenditure tagging for local government.
3. The ability to **leverage donor funding is a central element** in delivering LoCAL's objectives for scale up and mainstreaming. To reinforce this effort, it is vital to build a strong evidence base on the results and benefits of the LoCAL mechanism in terms of enhancing climate resilience at the local level.
4. The recent award of ISO certification is an important initiative for helping to increase investor confidence in the quality and integrity of LoCAL. Here, there is a clear future role for LoCAL as an agency responsible for facilitating, monitoring, auditing and certifying the maintenance of the ISO standard in a wide variety of contexts and systems to build legitimacy of the process. This would build donors or investors confidence to invest in phase III countries, as it has been done in some countries for upscaling of LDF through World Bank's IDA support.
5. The evaluation has noted interest among certain donors to support climate adaptation in urban areas. **Giving some focus to investments in the urban sector** could be another option that LoCAL could actively pursue. Opening itself to the urban sector would also enable LoCAL to utilize local government revenues, as municipalities have access to considerably more revenue than their rural counterparts.
6. Although LoCAL has been successful in demonstrating in some countries the effectiveness of a planning and financing mechanism to guide investments for local climate adaptation, it has been very challenging to mainstream. The **scope for mainstreaming** is directly linked to the degree of maturation of decentralization systems and this remains weak in most LDCs. LoCAL will need to maintain a balanced portfolio of countries to ensure that there are sufficient country examples of robust implementation and scale up. The risk of insufficient balance in the portfolio will severely limit LoCAL's ability to showcase success.
7. With respect to the program's design, it will be important for **LoCAL to clearly define the success criteria for each phase of program maturity and the parameters for transitioning from one phase to the next.** This will help stakeholders plan for transition and maturity graduation with a clearer understanding of the accompanying policy actions required to facilitate the transition. Also, given the high degree of variation in capacity and systems across countries, it may be useful for LoCAL to consider a twin-track approach to implementation. For LDCs with limited capacity, scarce resources and little external support, it may be appropriate to consider a substantially simplified version of the LoCAL mechanism. In countries with more evolved local government systems, there may be sufficient capacity to adopt and operate all aspects of the LoCAL mechanism.

## Operational recommendations

1. **LoCAL should consider increasing the value of investment per infrastructure** given that the LoCAL resources are used to fund the entirety of infrastructure assets in most cases rather than 'top up' funding given the lack of predictability and limited devolved funding flows to local government. Hence, it would be useful to include larger, upstream climate adaptation investments which would cater to a greater population segment and become more cost-effective with respect to economies of scale.
2. **LoCAL should consider increasing the size of the core and country level teams.** Given the geographical spread, number of countries and varied set of critical functions (public advocacy, building capacity, demonstration, influencing country governments, mobilizing resources, monitoring and reporting) the staff positions are low both at core team and country level and most are stretched. LoCAL would benefit from a more realistic and adequate staffing pattern both at country level and regional level to support, guide, engage with government and maintain oversight of the program at all stages to ensure impact and enable mainstreaming.
3. **There is potential for more joined-up approaches with other UN agencies at country-level.** There are some good examples of collaboration in Lesotho and Bangladesh with UNDP and also with UNEP. However, in most countries these opportunities have not been exploited. The evaluation team acknowledges the complexities of this joined-up approach that may often require larger UN institutions to recognise and appreciate the expertise of UNCDF's niche work. Also, clear agreement on the principles and mandate of engagement needs to be agreed in advance based on the expertise and niche of each organisation.
4. For better mainstreaming and greater impact at the country level, it is important that **investments are guided by climate risk and vulnerability assessments to avoid compromising the resilience outcomes.** This is of critical importance for demonstrating impact of climate resilience infrastructure and influencing the government's commitment for mainstreaming.
5. Rather than being consultant driven, much of the **capacity building** could be institutionalized within LG training institutes and training curricula in countries such as Ghana, Bangladesh, Bhutan for both elected representatives and officers. This will ensure continuity, embeddedness within country systems, and will be more cost effective.
6. It is important to **strengthen monitoring and validation of results and impacts.** This is currently dependent on the governments or LGs' own reporting which in many countries is weak. Therefore, it is important to allocate and increase country level operational costs for monitoring and other operational expenses for proper validation.
7. Given the large numbers of donors and investment in LoCAL mechanism, it is important to align and adopt a single reporting mechanism or system for all the **donors to streamline and improve the efficiency of reporting systems.** UNCDF can consider following the World Bank's Trust Fund model for receiving fund and reporting.

# 1. Evaluation Scope, Objectives & Use

## 1.1 OBJECTIVES

This evaluation of the Local Climate Adaptive Living Facility (LoCAL) was conducted in accordance with the UN Capital Development Fund's (UNCDF) Evaluation Plan 2018-2021.

The **overarching purpose** of the evaluation was to provide information and recommendations that are useful and relevant to support evidence-based program management and broader strategic decision-making.

**The evaluation purpose was four-fold as mentioned in the Terms of Reference (ToR):**

- Allow UNCDF and its development partners to meet their accountability and learning objectives;
- Support capacity development of UNCDF's partner governments in the area of climate finance and climate adaptation;
- Ensure that the evaluation can support ongoing attempts by the program and its funders to capture good practice and lessons to date in a sector that is evolving fast and is increasingly relevant to meeting the objectives of the Paris Agreement and Sustainable Development Goals;
- Inform the updating of UNCDF global strategies for Local Transformative Finance within the framework of its new 2022 – 2025 Strategic Framework.

As per the ToR, the specific **evaluation objectives** were:

- To assist UNCDF and its partners understand the relevance, efficiency, effectiveness, and likely impact and sustainability of the program in the different countries in which it is active, including LoCAL's approach to strengthening the policy and institutional environment for unlocking climate finance at the national level for local adaptation and on capacities at the national and local level;
- To provide evaluative evidence on the contribution of LoCAL's work in partner countries to increase access by local governments to (international) climate finance and to establish and institutionalize an internationally recognized and country-based financing mechanism for subnational and locally-led adaptation;
- In doing so, to consider variation in LoCAL's performance at all levels of its results chain taking into account differences in implementation modalities across phases and countries;
- To situate the program in its broader development cooperation environment and climate finance architecture, compared to similar approaches and initiatives that promote sub-national climate finance for local adaptation action, especially in the LDCs;
- To understand better how LoCAL is working with other UNCDF programs as well as with global, regional, and national partners in achieving its objectives;
- To consider the appropriateness to date of UNCDF's positioning as a UN agency in supporting access by LDCs and other developing countries to (international) climate finance for subnational and locally-led adaptation.

**The final evaluation also sought to understand:**

- To what extent does the broader international and national policy environment (Paris Agreement, Glasgow Climate Pact, NDCs, NAPs) remain conducive to the replication of the lessons learned from the program and its scale-up (in-country and globally)?
- How can LoCAL be better embedded in the international climate finance architecture? How can it be further positioned as an internationally recognized, country-based standard for financing subnational and locally led adaptation, especially in the LDCs, in line with the LoCAL Board Decision and the recent Ministerial Declaration? What are possible options/recommendations to ensure greater predictability and stability of LoCAL funding sources for its progressive scale-up?
- How can LoCAL balance the increased demand from countries and exponential growth in local governments in countries transitioning between phases and increase in both human and financial resources, funding for grant investments as well as quality assurance and technical assistance support to ensure LoCAL standards are maintained and institutionalized?
- How can LoCAL further support the lack or low capacities in both national and subnational partner institutions on the production, analysis, and use of climate information for risk-informed planning, budgeting, execution, and monitoring of adaptation interventions?

- What lessons around UNCDF and the program's management arrangement should be considered for future work? In particular, what lessons can be drawn around the appropriateness of the monitoring and reporting tools of the program, especially to capture changes in the lives of beneficiaries at the community level?

An additional important objective for the evaluation was to assess the extent to which it is already possible to see changes in peoples' lives in the communities supported due to the LoCAL intervention, and whether the program is appropriately set up to capture and understand these changes.

## 1.2 SCOPE

LoCAL embarked on its first phase of global expansion in 2014 initially for a period of 5 years (2018). This was extended for another 4 years (up to 2022) in 2019 as LoCAL entered its second phase of global expansion. **Thus, in terms of timeframe, the evaluation covers the period from 2014 to Quarter 4 (December 2021), while also relying significantly on the findings from LoCAL's Mid-Term Evaluation for the 2014-2016 period.** The evaluation considers the whole geographical spectrum where LoCAL has been operationalized across Asia, the Pacific, and Africa.

**The assessment was undertaken at 3 levels:**

- **Macro Level (Portfolio and Global Level):** LoCAL Global Program Staff, International Partners such as United Nations Framework Convention on Climate Change (UNFCCC), United Nations Institute for Training and Research (UNITAR), Green Climate Fund (GCF), Adaptation Fund (AF), World Resources Institute (WRI), donors/ development partners, and other key partner organizations.
- **Meso-Level (National Level):** Selected UNCDF country staff, national government counterparts, national implementation partners
- **Micro (Local Level *only for deep dive countries*):** Selected Local Governments (LGs) and beneficiary groups.

## 1.3 USE OF THE EVALUATION

The primary audience for this evaluation is UNCDF, the funders of LoCAL as well as LoCAL's partners in its target countries. The evaluation will also be presented to the LoCAL Board to update them on the progress of the program against overall objectives, and based on the findings, have members' inputs into the next steps of LoCAL. The evaluation will also be used to inform work with the United Nations Framework Convention on Climate Change (UNFCCC) constituting bodies and financial mechanisms as it relates to LoCAL's role in achieving the Paris Agreement and SDGs' specific objectives.

# 2. Program Profile

## 2.1 PROGRAM BACKGROUND, DESCRIPTION & STRATEGY

### *Program Background and Context*

Climate change represents one of the gravest challenges of the 21<sup>st</sup> Century that threatens achievements in sustainable development. **While climate change is a global threat, its effects are not experienced equally.** Climate vulnerability is heavily concentrated in developing countries, especially in the Least Developed Countries (LDCs), Small Island Development States (SIDS), and African nations. Multi-year droughts in various African countries and severe flooding in South Asia are just a few examples of the ever-increasing climate risks occurring today and are projected to worsen in the future.

**The unprecedented climate crisis necessitates accelerated action to adapt to climate change.** Sustainable Development Goal 13 (Climate Action) emphasizes the importance of strengthening of resilience and adaptive capacity to climate hazards and improving education, awareness-raising and human and institutional capacity to respond and integrating climate measures into policies, strategies and planning. Actions on SDG 13 can have positive spill overs for most other SDGs.

**Climate change adaptation (CCA) – with local, subnational, national, regional and global dimensions, is increasingly gaining ground.** The Paris Agreement also underscores the importance of national-level adaptation planning processes by committing all countries to report on progress made through Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs). Research shows that around 72% countries have adopted at least one national-level adaptation planning instrument (for example, a plan, strategy, policy or law), and some

countries (9%) that do not currently have such an instrument in place are in the process of developing one.<sup>7</sup> Most developing countries have begun formulating a NAP, a key mechanism to strengthen the focus on adaptation. Moreover, the 2021 Glasgow Pact reiterates the urgent need to scale up action and support for adaptation, while strongly urging countries to integrate adaptation into local level planning.<sup>8</sup>

**In this context, climate finance is critical to addressing climate change – both from a mitigation and adaptation lens.** Climate investments are required to significantly reduce emissions, notably in sectors that emit large quantities of greenhouse gases. Climate finance is equally important for adaptation, for which significant financial resources will be similarly required to allow societies and economies to adapt to the adverse effects and reduce the impacts of climate change. **The global climate finance architecture is complex and evolving.** Funds flow through multilateral channels both within and outside the UNFCCC Financial Mechanism as well as through bilateral and regional initiatives and channels. A growing number of recipient countries are also setting up national climate change funds that receive funding from multiple contributor countries in an effort to coordinate and align contributor interests with national priorities.<sup>9</sup>

**Climate Policy Initiative's (CPI) analysis highlights that even though adaptation finance has grown faster between 2011 and 2020 as against mitigation finance, it remains severely underfunded.**<sup>10</sup> The UNEP Adaptation Gap 2022 report highlights that the share of adaptation in total climate finance to developing countries was merely 34%, significantly lower than those devoted to mitigation.<sup>11</sup> CPI's research shows that the public sector continues to provide almost all adaptation financing. Despite adaptation increasingly being prioritized in development finance climate portfolios, adaptation finance represented just 14% of total public finance. **Moreover, data on adaptation finance from the private sector is still very small.** Multilateral Development Banks (MDBs) accounted for the largest share of adaptation finance (USD 16.1 billion per year) closely followed by National DFIs (USD 15.4 billion per year). **Commitments from all DFIs together accounted for 80% of total adaptation financing (USD 36.8 billion per year), with adaptation increasingly being prioritized in development finance climate portfolios. In contrast, private sector funding for adaptation was only USD 1 billion per year which is small fraction of the adaptation needs.**<sup>12</sup>

**LDCs, SIDS and African nations are on the frontlines of the climate crisis** even though they have contributed extremely little to climate change. Despite being in most need, they face challenges in accessing international climate finance due to low human resource and/or technical capacities within governments. The complexity of the climate finance landscape and the lack of harmonization among the requirements of multilateral climate funds and donors further exacerbate this challenge. Moreover, the current climate and development finance systems fail to accommodate their unique needs, realities, and vulnerabilities, resulting in fewer funding opportunities. Data limitations for adaptation projects, high transaction costs, and small project sizes make it difficult for those countries to attract investments and compete or access climate finance.

**International support for LDC adaptation has increased substantially (for example, it has more than doubled to USD 15.4 billion in 2019 up from USD 6 billion in 2016 as per OECD estimates<sup>13</sup>) but remains inadequate.** This global climate financing gap limits LDCs from implementing adaptation activities and blocs efforts to address climate-related losses and damages. **Moreover, there are various shortcomings in the quality and composition of climate finance.** This is because they have taken the form of loans rather than grants. They have prioritized mitigation over adaptation efforts. Further, many LDCs face significant obstacles in accessing climate finance from sources such as the Green Climate Fund (GCF), Adaptation Fund (AF), etc. given onerous requirements. **The challenges to access climate finance are further exacerbated due to resource-pressures stemming from the Covid-19 pandemic and global geopolitical tensions. Moreover, many LDCs have weak macro-economic fundamentals.** Many of them are heavily indebted and have weak revenue generation capacities not to mention the internal political and security issues that plague various LDCs, especially in Africa.

Similarly, SIDS' geographical conditions make them highly vulnerable to climate change. These necessitates the dire need to mobilize more domestic and foreign resources for adaptation and mitigation. However, at present, SIDS have little access to climate finance. For instance, they only had access to USD 1.5 billion out of USD 100 billion in climate finance pledged to

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<sup>7</sup> UNFCCC Assessment (2020)

<sup>8</sup> [https://unfccc.int/sites/default/files/resource/cma2021\\_10\\_add1\\_adv.pdf](https://unfccc.int/sites/default/files/resource/cma2021_10_add1_adv.pdf)

<sup>9</sup> <https://climatefundsupdate.org/about-climate-finance/global-climate-finance-architecture/>

<sup>10</sup> Climate Policy Initiative, "Global Landscape of Climate Finance", 2022, 2021

<sup>11</sup> UNEP, Climate Adaptation Gap Report, 2022

<sup>12</sup> Ibid.

<sup>13</sup> <https://unctad.org/topic/least-developed-countries/chart-november-2021>

developing countries in 2019.<sup>14</sup> A recent UN report highlights that **SIDS' public sectors inherently face major human and technical capacity constraints throughout the project cycle, from project origination to implementation.** Moreover, it reports that **the current climate and development finance systems fail to accommodate SIDS' unique needs, realities, and vulnerabilities, resulting in fewer funding opportunities for SIDS.** Further, data limitations for adaptation projects, high transaction costs, and small project sizes make it difficult for SIDS to attract investments and compete for access to climate resilient financing.

**Global evidence also points towards the localized nature of climate change.** Locally led adaptation gives local people and communities decision-making power in adapting to the effects of climate change, as well as the resources, agency and support they need to make sound investments in climate adaptation measures. Thus, **local governments (LGs) are appropriately positioned to understand the diversity and complexity of local ecosystems and community realities** and identify the needs and priorities to develop responses.

**Despite this, most local governments are not able to effectively contribute to climate adaptation.** While local governments, particularly in LDCs, and other developing countries, have CCA-related activities as a part of their mandate, they seldom have the budgets or capacities to address these. The main sources of climate finance are often only available and accessed through application to national programs that have specific, earmarked arrangements and which fall outside of established decision-making processes and the public expenditure management cycle at the subnational levels.

A recent analysis of community-centered interventions by the World Resources Institute (WRI) found that **only about 6% of the 374 projects and programs reviewed featured locally led elements**, such as local decision-making power.<sup>15</sup> The International Institute for Environment and Development (IIED)'s research highlights that despite the recent momentum in international climate finance, **less than 10% of climate finance from global climate funds was dedicated to local action.**<sup>16</sup> There is also a lack of appropriate budgetary allocations from the national level, leading to unfunded mandates for climate-sensitive sectors and/or lack of additional funding for the 'climate proofing' of local investments or undertaking of 'climate specific' measures. Even when national governments transfer responsibilities through decentralization policies, they are not always accompanied by concomitant resources. Further, LGs in developing countries and LDCs **lack institutional and technical capacities to deal with climate change issues** and often face the inability to account for and absorb the incremental costs of climate change adaptation. **Lastly, there is a challenge with respect to climate data and its use.** Research from Africa highlights that the use of climate data and information products has been very limited in Africa owing to lack of useful information or challenges of accessing existing data.<sup>17</sup> While global level data and modelling may be available, there are many challenges such as the lack of availability of reliable climate data at the local level or downscaling global climate models to the local levels, which is important given the localised nature of climate change. **Even when scientific climate data, vulnerability analysis and projections are available, experiences from the field highlight that governments, especially LGs in LDCs and other developing countries lack the understanding on using them for planning purposes.**

## **Program Description**

**In the light of the challenges identified above, the United Nation's Capital Development Fund (UNCDF), designed the Local Climate Adaptive Living Facility (LoCAL) in 2011 to promote climate change-resilient communities and local economies by establishing a standard, internationally recognized country-based mechanism to channel climate finance to LGs in developing countries, particularly the LDCs.**

**LoCAL has its genesis in UNCDF's earlier fiscal devolution reform interventions designed to promote performance-based block grant funding for local government.** LoCAL initially built on UNCDF's Local Development Finance (LDF) architecture and systems to take forward initiatives for performance-based funding for climate adaptation at local government level. Over time, the growing interest in climate funding created a new demand for LoCAL in countries that had no prior experience in LDF. **As a result, LoCAL has pivoted from its original position of building**

<sup>14</sup> <https://unctad.org/news/climate-finance-sids-shockingly-low-why-needs-change#:~:text=SIDS%20are%20increasingly%20vulnerable%20to,at%20%2412.6%20billion%20per%20year.>

<sup>15</sup> Coger, T., A. Dinshaw, N. Krishnan, M. Cook, A. Brown, E. Chu, and E. Illick-Frank. 2021. "Tracking and Reporting Finance for Locally Led Adaptation to Climate Change." Working Paper. Washington, DC: World Resources Institute. Available online at [doi.org/10.46830/wriwp.20.00100](https://doi.org/10.46830/wriwp.20.00100).

<sup>16</sup> Soanes, M, Rai, N, Steele, P, Shakya, C and Macgregor, J (2017) Delivering real change: getting international climate finance to the local level. IIED, London. <https://pubs.iied.org/pdfs/10178IIED.pdf>

<sup>17</sup> Challenges with availability and quality of climate data in Africa, Tufa Dinku. <https://doi.org/10.1016/B978-0-12-815998-9.00007-5>

climate into existing fiscal devolution frameworks to its current position of promoting devolved climate funding as a spearhead for emerging fiscal devolution.

LoCAL's overall development goal is to promote climate-change-resilient communities and local economies by increasing investments in Climate Change Adaptation (CCA) at the local level in target countries, thereby contributing to the achievement of the Paris Agreement and the Sustainable Development Goals (SDGs), particularly the specific goals of poverty eradication (SDG1) and climate action (SDG13).

LoCAL combines performance-based climate resilience grants (PBCRGs) – which aim to ensure programming and verification of climate change expenditures at the local level while offering strong incentives for performance improvements in enhanced resilience – with technical and capacity-building support. LoCAL operates through government systems rather than project or parallel approaches to facilitate mainstreaming. Whilst it is based on a tried and tested design with standardized processes and tools, monitoring, reporting, and quality assurance systems, it is also flexible in approach, tailored to national circumstances, and contextualized for local climate responses to ensure sustainability.

The LoCAL mechanism generally operates in 3 phases. These are:

1. **Phase 1 (piloting)** includes the initial testing in a small number of (2-4) local governments. It introduces the LoCAL PBCRG over one or two fiscal cycles; tests the relevance of the investment menu and fine-tunes the design of the mechanism's key features in view of Phase 2.
2. **Phase 2 (consolidating)** takes place in a minimum of 5 to 10 local governments within a country. It involves collecting lessons and demonstrating the mechanism's effectiveness at a larger scale.
3. **Phase 3 (scaling-up)** is a national rollout based on the results of the previous phases and lessons learned. Here, LoCAL is gradually extended to an increasing number of local governments with domestic or international climate finance, with the intent of becoming part of the national system for channelling climate finance for adaptation to the local level.

Phase 1 is preceded by a Design Phase aimed at assessing the necessary conditions for deployment of the LoCAL mechanism in a prospective country. This involves (i) Engaging key stakeholders, including national and subnational government institutions, and development partners (ii) Collecting and analyzing the information/data needed for the design of LoCAL Phase 1 (iii) Defining the elements of the design of the LoCAL mechanism (e.g., flow of funds, grant allocation formula, minimum conditions, performance measures and a menu of eligible investments)

Since its global scale-up in 2014, LoCAL has been deployed in 17 countries.<sup>18</sup> As of December 2021, LoCAL has engaged with 322 local governments in 13 countries<sup>19</sup>, representing a population of over 12.5 million. Another 13<sup>20</sup> countries have expressed interest in deploying the mechanism.

Figure 1. LoCAL Country Coverage (end 2021), Phase-Wise<sup>21</sup>



<sup>18</sup> Bangladesh, Benin, Bhutan, Burkina Faso, Cambodia, The Gambia, Ghana, Lao PDR, Lesotho, Malawi, Mali, Mozambique, Nepal, Niger, Tanzania, Tuvalu and Uganda.

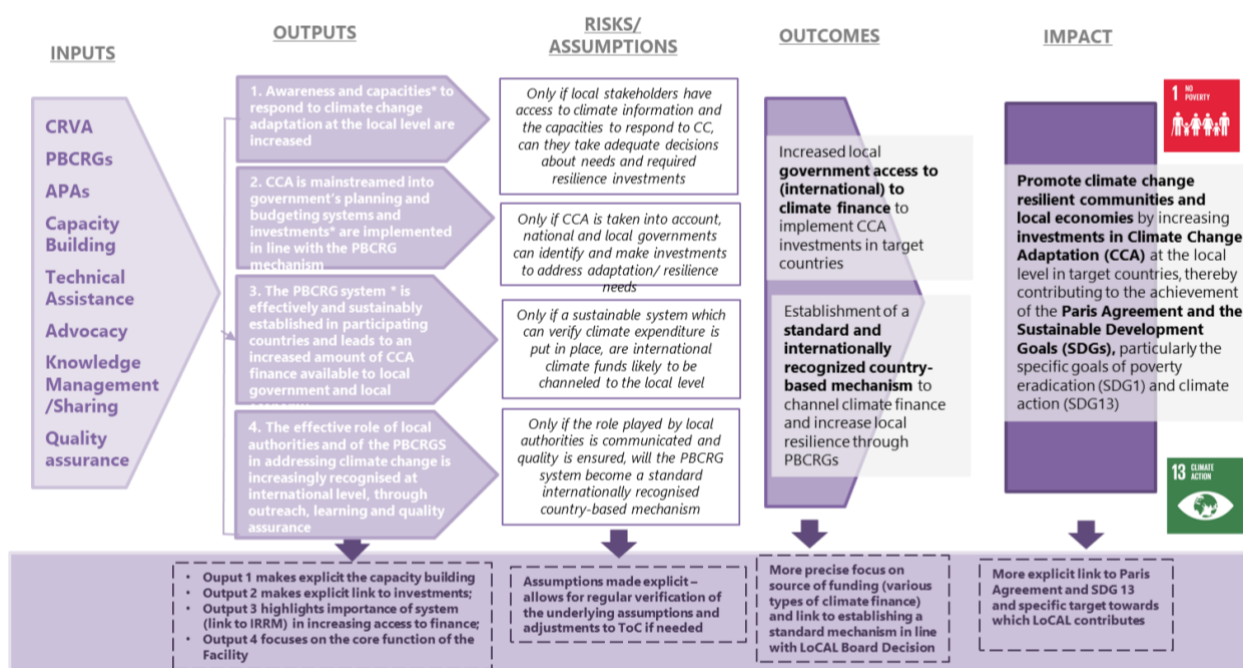
<sup>19</sup> The Lao PDR project officially closed on 31 December 2017 with the conclusion of Phase I; partnerships are being explored to initiate a transition to Phase II in Nepal.

<sup>20</sup> Côte d'Ivoire, Fiji, Guinea, Jamaica, Liberia, São Tomé and Príncipe, Senegal, Solomon Islands, Somalia, Sudan, Tunisia, Vanuatu and Zambia

<sup>21</sup> LoCAL Annual Report 2021

## Program Strategy

Figure 2. LoCAL Global Theory of Change (2019-2022)



The LoCAL Theory of Change (2019-2022) is shown in the figure above. In the light of the challenges related to locally led climate adaptation highlighted in Section 1.1, LoCAL's overall development goal (intended impact) is to promote climate change resilient communities and local economies by increasing investments in CCA at the local level in target countries, thereby contributing to the achievement of the Paris Agreement and the SDGs, particularly the specific goals of poverty eradication (SDG 1) and climate action (SDG 13).

### LoCAL has 2 expected strategic outcomes. These are:

- **Outcome 1:** Increased local government access to climate finance to implement climate change adaptation investments in participating countries.
- **Outcome 2:** Establishment of a standard and internationally recognized country-based mechanism to channel climate finance and increase local resilience through PBCRGs.

### The intended outputs are as follows:

- **Output 1:** Awareness and capacities to respond to climate change adaptation at the local level are increased.
- **Output 2:** CCA is mainstreamed into the government's planning and budgeting systems and investments are implemented in line with the PBCRG mechanism.
- **Output 3:** The PBCRG system is effectively and sustainably established in participating countries and leads to an increased amount of CCA finance available to local government and the local economy.
- **Output 4:** The role of local authorities and of the PBCRGs in addressing climate change are increasingly recognized at the international level, through outreach, learning, and quality assurance.

LoCAL applies the principles of fiscal decentralization, local investments, and effective public financial management to climate change. LoCAL intends to achieve its objectives by piloting a country-based system to channel climate finance to the local level, while ensuring the verification of CCA expenditure at the local level and offering strong incentives for performance improvements in enhanced resilience, hence using the demonstration of its effectiveness to trigger further flows for locally-led adaptation, including national fiscal transfers and access to global climate finance (through central governments, but earmarked for the local level) and the private sector, where appropriate. LoCAL applied UNCDF's core approach to local development finance: mobilize, allocate, invest, and make accountable increased resource flows to the local level for sustainable, inclusive, and equitable local development – in this case, characterized by resilience to climate change.

LoCAL has instituted PBCRGs to channel climate finance and improve CCA responses at the local level. These grants include a performance element that intends to:

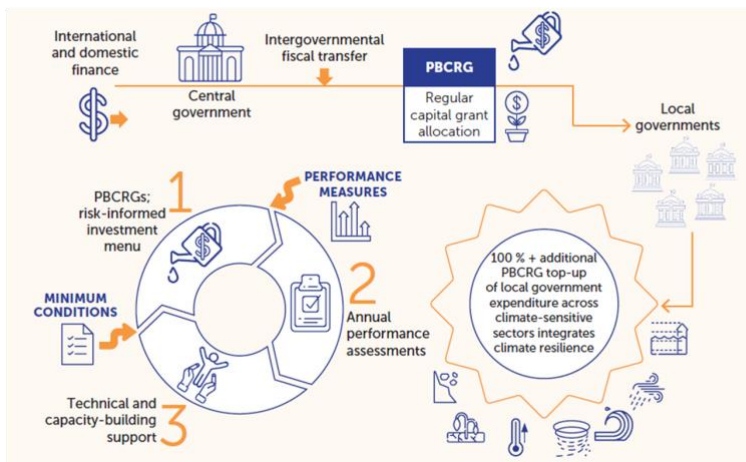
- Incentivize local governments to integrate adaptation and implement targeted measures in a participatory and gender-sensitive manner.



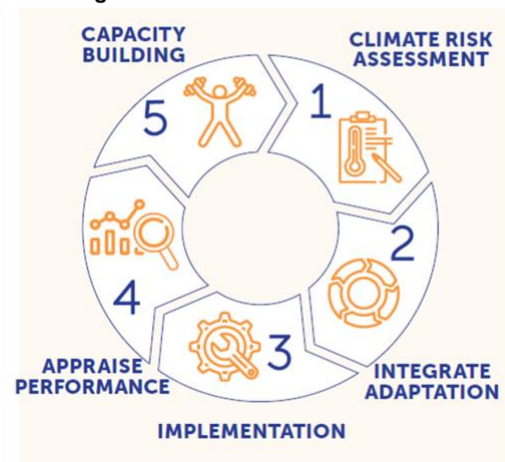
- Ensure traceability and increase accountability by enabling verification of climate change expenditures.
- Foster learning-by-doing in the use of climate finance for local adaptation effectively.

**Figure 3.**

**Exhibit A. Working Mechanism of LoCAL's PBCRGs**



**Exhibit B. Operational Components of LoCAL on the ground**



As shown in Exhibit A in Figure 3 above PBCRGs in LoCAL countries are channeled through existing inter-governmental fiscal transfer systems/mechanisms with the objective to strengthen national appropriation and accountability as well as for ensuring their sustainability and scalability. The grants are aimed as a ‘top up’ of regular capital grant allocations (although the percentage may vary greatly depending on the level of regular capital grant allocations), specifically earmarked for adaptation-related expenditures, hence reflecting the additionality of climate finance.

For accountability and relevance, PBCRGs include minimum conditions, performance measures, and a menu of eligible investments aligned with countries’ National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs).

For local governments to be eligible for and access the grants, they must meet and comply with a set of **minimum conditions** which ensure that a minimum level of capacity is available to handle and adequately use the funds year on year. Local governments are incentivized through **performance measures** applied through an annual assessment to progress towards climate change adaptation and related target objectives. PBCRG-financed investments and interventions are informed by **localized climate risk assessments and a menu of eligible investments** (these are, in turn, informed by national climate change policies and frameworks, such as NDCs and NAPs). An allocation formula accounting for performance measures’ annual scores helps adjust funding made available to the local governments year on year. The annual assessments help inform the required technical and capacity-building support. **Local governments that do not meet the minimum conditions are not eligible for PBCRGs until they meet the conditions and are helped to address the identified gaps.**

Exhibit B in Figure 3 summarizes the major operational components of the LoCAL mechanism.

- Undertaking climate risk assessments to inform local adaptation planning and mainstreaming (Step 1- Exhibit B)
- Integrating adaptation in a participatory and gender-sensitive manner in local development planning and budgeting processes (Step 2- Exhibit B)
- Disbursing grants in the context of local governments’ annual planning and budgeting cycles (see Exhibit A)
- Developing, selecting, and implementing adaptation measures (Step 3- Exhibit B)
- Appraising performance to determine how additional resources have been used and conducting audits as part of a regular national process; these performance results inform the next year’s PBCRG allocations and capacity-building support (Step 4- Exhibit B)
- Providing capacity-building and technical support activities to identify needs at the policy, institutional and individual levels (Step 5- Exhibit B)

**LoCAL’s current ToC rests on four critical assumptions:**

- Only if local stakeholders have access to climate information and the capacities to respond to CC, can they take adequate decisions about needs and required resilience investments.

- Only if CCA is taken into account, national and local governments can identify and make investments to address adaptation/ resilience needs.
- Only if a sustainable system that can verify climate expenditure is put in place, are international climate funds likely to be channeled to the local level.
- Only if the role played by local authorities is communicated and quality is ensured, will the PBCRG system become a standard internationally recognized country-based mechanism.

With respect to its rollout, the LoCAL mechanism operates in three phases, Piloting, Consolidating, and Scaling-Up as described in Section 1 with each phase associated with criteria to determine its degree of maturity in the respective context.

Through its work, LoCAL aims to ensure that the PBCRG system is effectively and sustainably established and facilitates an increased amount of CCA finance to local governments, communities, and economies, from multiple sources (international, national). Furthermore, LoCAL also aims to engage in advocacy, outreach, learning, and quality assurance to bolster the role of local governments in local adaptation action and ensure the recognition of the LoCAL mechanism as a standard and internationally recognized country-based mechanism to channel climate finance to local government authorities in LDCs and other vulnerable developing countries.

**LoCAL has also articulated a gender strategy** which notes the disproportionate impact of climate change on women, the elderly and other vulnerable groups. The ProDoc highlights that LoCAL is, by design, a gender-sensitive approach to climate change adaptation as it brings the planning and budgeting process for CCA closer to those who need it, and to those who are directly able to respond to those needs. LoCAL also aims at working closely with local governments to collect information on the gender-sensitivity of the planning, budgeting, and monitoring processes, as well as the implementation of CCA activities, and developing a monitoring mechanism to ensure that participatory data collection approaches are used which facilitate and promote the participation of women and vulnerable groups.

## 2.2 PROGRAM IMPLEMENTATION STATUS

The table below summarizes LoCAL’s progress against its outputs<sup>22</sup>

**Table 1. LoCAL's progress against outputs**

<p><b>Output 1: Awareness and Capacities</b></p> <p>Capacity-building and support for institutional strengthening cover various aspects encompassing effective local decision-making processes for risk-informed planning, budgeting, and implementation of adaptation options that respond to locally identified needs.</p>	<p>Till December 2021, 186 local authorities (63% of the local governments actively using the PBCRG system) met the minimum conditions (MCs) without the need for corrective measures. 11,558 national and local authorities’ officials and community representatives participated in awareness and capacity-building activities between 2019 and 2021.<sup>23</sup> Trainings have been based on climate change, participatory planning, budgeting, PBCRG process and systems and monitoring and evaluation (use of the Assessing Climate Change Adaptation Framework – ACCAF).</p> <p>Secondly, cumulative grants between 2014 and 2021 for capacity building and awareness totalled USD 6.27 million.</p> <p>Given the near absence of science-based evidence on climate change risks at the local level especially in LDCs, supporting risk-informed planning and access to climate information is generally challenging. In this regard, LoCAL has established technical partnerships that aim to design and develop tailor-made, country-based methodologies, and systems to support the collection and analysis of climate data for local-level decision-making. As of 2021, 309 local governments that are engaged with LoCAL reported that they regularly collect, update, and analyze climate change information.</p>
<p><b>Output 2: Mainstreaming and Investments</b></p>	<p>As of 2021, 300 local governments have succeeded in integrating climate change considerations into their local planning and budgeting processes. As per the program data, 1,983 climate change adaptation interventions were delivered through the PBCRG since 2014 having an approximate value of US\$ 33 million. Cumulatively, the LoCAL portfolio has reached almost 3.8 million direct beneficiaries and more than</p>

<sup>22</sup> LoCAL Annual Reports

<sup>23</sup> LoCAL systematically started reporting on this KPI in 2019, as shared by the programme team.

<p>Under this, LoCAL provides technical and financial support for mainstreaming climate change adaptation into local development plans, aimed at enhancing sub-national programming and execution (investments) of resources toward more resilient and sustainable development pathways and strategies</p>	<p>12.5 million indirect beneficiaries. Overall, PBCRG investments are reported to benefit women and men equally, as approximately 50% of both direct and indirect beneficiaries are women.</p>
<p><b>Output 3: Financial Mechanism</b></p> <p>Here, LoCAL provides technical and financial support to central and local governments to set up and progressively institutionalize the mechanism, including supporting countries in ensuring greater predictability and stability in funding sources for subnational adaptation through the PBCRG</p>	<p>Since its global scale-up in 2014, LoCAL has been deployed in 17 countries. As of December 2021, LoCAL was engaged with 322 local governments in 13 countries, reaching an indirect beneficiary population of over 12.5 million. Another 13 countries have expressed interest in deploying the mechanism. The largest number of LGs were engaged in Bhutan, Cambodia, and Bangladesh as these countries have graduated to Phase II (Bangladesh) and Phase III (Cambodia and Bhutan). 3 countries, Benin, Bhutan, and Cambodia have taken steps to institutionalise the PBCRG system through policy, regulatory and institutional reforms.</p> <p>LoCAL has also been testing approaches to unlock (domestic) private climate finance, matching the PBCRG system with other financing instruments that may contribute to investments in adaptation at the local level. In The Gambia, LoCAL identified climate-resilient SME-sponsored projects that yield socioeconomic opportunities in the green economy and climate-sensitive sectors and UNCDF supported them in de-risking their investments to access additional funding from commercial banks. Other efforts involve the partnership established with the African Development Bank to pilot and operationalize the Adaptation Benefits Mechanism (ABM) and the collaboration with BOAD for the co-development of a multi-country GCF funding proposal seeking to deploy innovative financing instruments to provide access to climate finance to a wide range of local actors, especially local governments, SMEs and cooperatives in Burkina Faso, Côte d'Ivoire, Mali, and Niger.</p>
<p><b>Output 4: Outreach, Learning, and Quality Assurance</b></p> <p>This focuses on timely technical assistance, monitoring and reporting, quality assurance and oversight, resource mobilization, and evaluation and audits.</p>	<p>The LoCAL Facility team plays a critical role in LoCAL's effective deployment across countries and regions, in raising awareness and mobilizing political support from ministries and institutions at the national government level, and in providing technical assistance to participating countries.</p> <p>In terms of outreach, through the years UNCDF has undertaken several high-level initiatives to raise awareness and advocate for the role of local governments in climate change adaptation at the local level, such as close engagement with the COP26, UNFCCC through the participation in the 37th and 38th LEG Meetings, or participation in UNFCCC Adaptation Committee and the UNFCCC Standing Committee on Finance. LoCAL joined the DAC Network on Environment and Development Co-operation (ENVIRONET) and participated in several dialogues, events, and consultations, including UNFCCC 2020 Climate Dialogues, GCF-led consultations on enhancing direct access (EDA) guidelines, EU-UNCDF brainstorming session on budget support and performance-based (climate resilience) grants, ICLEI-led LoCS4Africa Congress, amongst others. LoCAL's experience has also been featured in some key publications, including IIED's "Good climate finance guide: lessons for strengthening devolved climate finance" and OECD's "Strengthening Climate Resilience: Guidance for Governments and Development Co-operation".</p> <p>Based on LoCAL Board decisions, UNCDF has also initiated the process of developing it into an international standard. The ISO certification is expected to provide further recognition of LoCAL as an international tool for vertical integration and support for NAPs and NDCs while ensuring consistency across the countries that are adopting the standard. Finally, LoCAL engaged in partnerships for learning and knowledge sharing both among its participants and in broader development/climate change communities. At the global level, LoCAL entered a strategic partnership with the UN</p>

	Institute for Training and Research (UNITAR) to develop a course module/curriculum on LoCAL guidelines. Additionally, one of LoCAL's key partnerships has been with the World Resources Institute (WRI). WRI and UNCDF have collaborated on the development and refinement of the ACCAF tools. Collaborations with the WRI were also pursued to undertake research evaluations in LoCAL mature and semi-mature countries to assess the likely impact of the mechanism on local adaptation benefits and on shaping the ecosystems for improved climate finance leverage potential. Also, building on an existing collaboration with the Korean Environment Institute, LoCAL has expanded its network of specialized experts and institutions for undertaking robust climate risk assessments in line with Intergovernmental Panel on Climate Change (IPCC) guidelines through climate downscaling modelling and climate risk mapping to support local decision-making on adaptation investments.
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### 2.3 CURRENT PROGRAM FINANCIAL STATUS<sup>24</sup>

The data reflected in this section has been sourced from the financial documents (excel sheets) provided and the Annual Report 2021.

The table below shows the project budget by donor (both as per ProDoc and the actual).

**Table 2. LoCAL Funding Sources & Budget (As per ProDoc and Actual)**

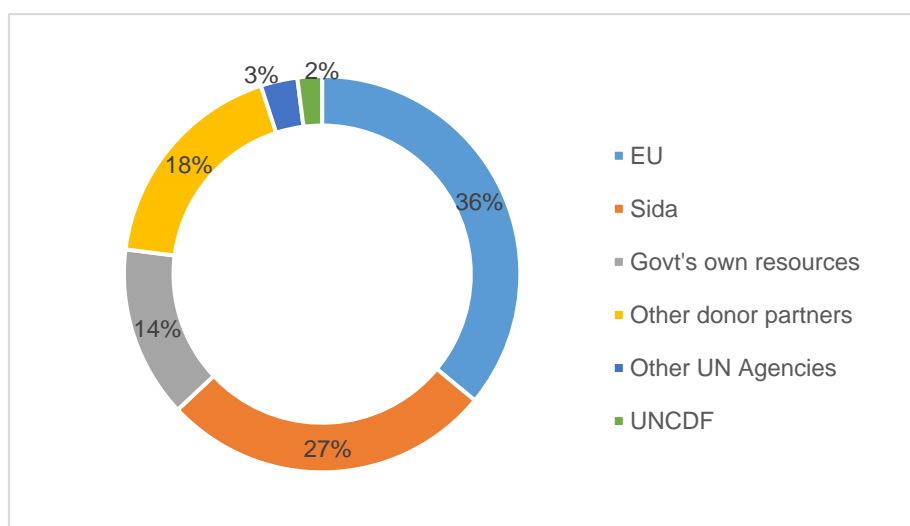
Source	As per ProDoc (in USD)	Actual project budget (in USD) up to December 2021
<b>European Union</b>		<b>45,483,667</b>
EU Bangladesh	4,400,000	8,519,843
EU Bhutan	7,000,000	7,000,000
EU The Gambia	6,400,000	6,400,000
EU Ghana		6,000,000
EU Mozambique	4,000,000	490,8674
EU GCCA+I	4,904,750	4,904,750
EU GCCA+II		77,50,400
<b>Sida</b>		<b>3,344,4743</b>
Sida/Bangladesh		6,172,166
Sida/Booster Fund	3,260,870	6,997,183
Sida/Cambodia	2,288,287	2,288,287
Sida/Last Mile Trust Fund		1,187,107
Sida/Mozambique	12,800,000	13,800,000
Sida/PFIS	3,000,000	3,000,000
<b>Governments' own resources</b>		<b>17,230,968</b>
Bangladesh	750,000	2,773,294
Benin	340,000	559,497
Cambodia DMK Fund Investment	646,445	9,021,184
Cambodia IFAD loan		3,960,993
Mali	656,000	916,000
<b>Other donor partners</b>		<b>23,012,249</b>
AfDB (ACCF Benin & Lesotho)		9,97,524
Belgian Cooperation	1,964,085	14,664,085
Catalan/Mozambique		300,000
Government of Andorra	8,004	22,213
Government of Liechtenstein	160,000	160,000

<sup>24</sup> LoCAL Annual Report 2021, LoCAL Master Finance Sheet (Provided Programme Documents)

Italy JPO Programme (in-kind)		460,000
Italy Ministry of Foreign Affairs		150,000
Korean Ministry of Environment		1,000,000
NDC Partnership		572,080
SDC/Mozambique		4,686,347
<b>United Nations</b>		<b>5,662,888</b>
One UN/Mali		400,000
UNCDF	800,000	1,939,550
UNDP-GEF <sup>3</sup>	2,145,000	2,145,000
UNDP Niger		450,000
UNICEF Joint SDG fund (Ghana)		15,000
UNDP Pacific (Fiji)		713,338
<b>Total</b>	<b>55,523,441</b>	<b>124,834,515</b>

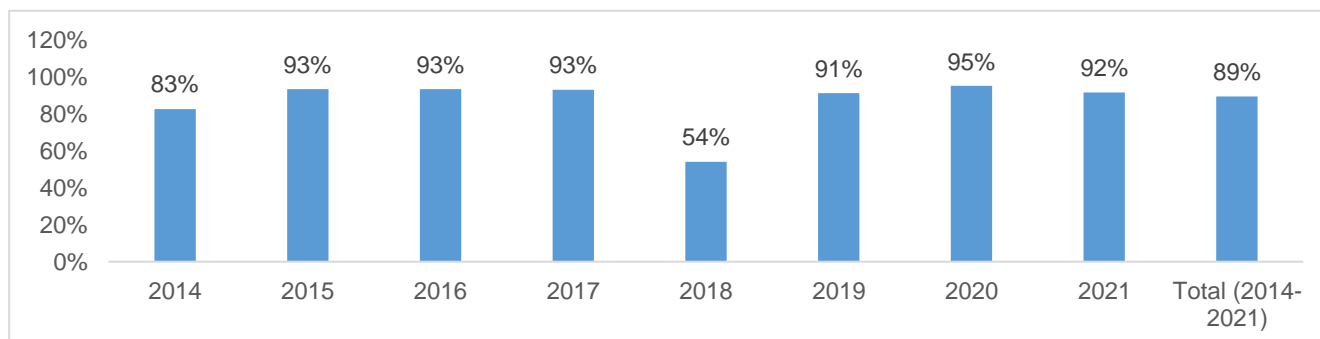
The pie chart below shows LoCAL Delivery by Donor/Source from 2014-2021.

**Figure 4. LoCAL Delivery by Donor/Source (%), 2014-2021**



The bar chart below shows LoCAL's budget utilisation by year and the total utilisation during the 2014-2021 period.

**Figure 5. Delivery or Budget Utilization (By Year and Total)**



The table below shows LoCAL's financial summary (total budget, actual spend and percentage delivery) by its two phases (Phase I 2014 to 2018 and Phase II 2019 to 2021).

**Table 3. LoCAL Financial Summary per Output (in USD)-Phase-Wise**

Output	Cumulative 2014 to 2018 (Phase-I)			Cumulative 2019 to 2021 Year End (Phase-II)		
	Total Budget	Actual Spend	% Delivery	Total Budget	Actual Spend	% Delivery
<b>Output 1:</b> Awareness and Capacities	16,321,681	10,646,923	65%	7,266,895	7,288,057	100%
<b>Output 2:</b> Mainstreaming and investments	1,552,970	1,365,954	88%	24,381,052	25,109,038	103%
<b>Output 3:</b> Financial Mechanism	745,493	506,157	68%	8,530,538	6,595,270	77%
<b>Output 4:</b> Outreach, learning and quality assurance	2,151,243	1,844,472	86%	1,946,384	1,117,337	57%
<b>Project Office, M&amp;E, Learning, Communication</b>	-	-	-	4,516,719	3,096,320	69%

The table below shows LoCAL's financial summary per output cumulative for the period from 2014 to 2021.

**Table 4. LoCAL Financial Summary per Output (in USD) Cumulative (2014-2021)**

Output	Cumulative 2014 to 2021 Year End		
	Total Budget	Actual Spend	% Delivery
<b>Output 1:</b> Awareness and Capacities	23,588,576	20,341,132	86%
<b>Output 2:</b> Mainstreaming and investments	25,934,021	26,699,607	103%
<b>Output 3:</b> Financial Mechanism	9,276,031	7,171,079	77%
<b>Output 4:</b> Outreach, learning and quality assurance	4,097,627	3,001,225	73%
<b>Project Office, M&amp;E, Learning, Communication</b>	4,516,719	3,096,320	69%

## 2.5. KEY RECOMMENDATIONS FROM PREVIOUS EVALUATIONS

A mid-term evaluation (MTE) of LoCAL was conducted between 2017-2018. This evaluation covered the period 2014-2016. The key recommendations emerging from this evaluation are summarized below:

- Strengthen efforts to explore the possibility of expanding the LoCAL portfolio in urban and coastal areas, given their increasing priorities for LDCs with respect to CCA.
- Bolster efforts to engage international and national partners and the private sector proactively.
- Address management bottlenecks identified, increasing human capacity at the global level (for instance, with an M&E officer, a gender officer and additional (sub)regional officers); advocating for more national staff in some countries as part of the scaling up efforts; increasing and regularizing UNCDF technical support, establishing more formal communication channels; opening the consultant roster, especially for tasks that require independence, such as evaluations; increasing funds for monitoring in the field; and exploring the possibility of engaging more with UNVs (this is not a substitute for all the former). The response to majority of these bottlenecks should be provided through future programmatic efforts around capacity development rather than considered as management costs.
- Significantly increase efforts in M&E and improve M&E, data management and reporting systems. The priority should be to ensure that the new approach (ACCAF, done jointly with WRI) and tools are fully used at the global and country levels.
- Increase efforts to significantly strengthen the climate change dimension of the program.

- Promote integrated, comprehensive approaches that address multiple building blocks and dimensions of resilience, working more on the basis of complementarities and synergies with other programs.
- Strengthen the lesson learning efforts throughout the program.

## 3. Evaluation Approach & Methodology

### 3.1 APPROACH & METHODOLOGY

The evaluation has been conducted in a **consultative and participatory** manner with a wide range of stakeholder discussions. A **theory-based evaluation approach with contribution analysis** was used to assess the progress and the pathways to achieve the results and outcomes, both intended and unintended. We used the theory of change (ToC) prepared during the MTE to draw conclusions on whether and how LoCAL interventions have contributed to the results. We also mapped the findings and recommendations that emerged from the MTE against the ToC and evaluated the changes emerging from the adoption of the learnings and its result.

The theory-based evaluation helped to validate LoCAL's relevance to the global, country and local contexts and bolstered the understanding of the 'how and why' of the initiative as well as the assumptions, success factors, challenges, and risks (including the impact of the COVID-19 pandemic) that have influenced the delivery, outputs, and outcomes.

The evaluation has applied a **contribution analysis**, wherein it attempted to assess the impact or influence of the set of LoCAL activities (around capacity building and awareness generation, PBCRG mechanism, investments, financial and technical support for CCA-mainstreaming, advocacy and outreach, quality assurance) at the various levels (macro, meso and micro) and the changes it has brought along the theory of change pathways.

### 3.2 EVALUATION CRITERIA

The backbone of the evaluation is a set of key evaluation questions that have been categorized into the OECD-DAC criteria of **relevance, coherence, efficiency, effectiveness, (likely) impact and sustainability with human rights and gender equity (HRGE) as a cross-cutting dimension covering all these criteria.**

These criteria provided an analytical framework for the operationalization of different levels of the theory of change and intervention logic into measurable evaluation questions in line with accepted international standards of good quality international development evaluation. The evaluation matrix was prepared based on the review of documents and has guided the development of tools, which were deployed to bring out primary findings. The matrix includes judgment criteria of what would constitute good performance for each of the indicators, as well as the sources and means of verification. These were informed by the LoCAL ProDoc (Phase I and II), and the various progress reports. An abridged version of the Evaluation Matrix is presented below (the lines of evidence are elucidated in the subsequent paragraphs).

**The detailed evaluation matrix with evaluation questions, judgment criteria/sub-evaluation questions, lines of evidence/data sources, and stakeholders is presented in [Annex 2](#).**

OECD-DAC Criteria and Evaluation Question
<b>EQ1: RELEVANCE</b>
1.1 How well aligned is LoCAL with the international priorities on climate change adaptation?
1.2 How relevant and well-designed are LoCAL's approach and instruments to the priorities of the countries in which it has intervened and the stakeholders it has engaged with?
1.3 How relevant/well designed is the support provided by LoCAL, in each of the phases of the LoCAL intervention (Design, Phase I – Piloting, Phase II – Consolidating, Phase III – Scaling-up) to increase Local Governments' access to climate finance and to establish and institutionalize LoCAL's PBCRGs?
1.4 How well are program objectives supported by the LDCs (partner countries and not) at the global, national, and local level as well as by the international development/ climate finance community?
1.5 To what extent does the LoCAL design incorporate gender equality (GE), human rights (HR), and other crosscutting issues? Are the needs and interests of all stakeholder groups considered? Is the design informed by good quality information on the underlying causes of inequality and discrimination?
<b>EQ 2: Coherence</b>

## OECD-DAC Criteria and Evaluation Question

2.1 As presently designed, how coherent is the program design given its objectives i) at the local and national levels in partner countries and ii) internationally as a global initiative? To what extent does the program support later expansion and replication in line with UNCDF's maturity model?

2.2 How distinct/complementary is LoCAL to the international climate finance architecture as well as other initiatives implemented by governments and/or key development partners?

2.3 How well does LoCAL align with national structures and strategies?

### EQ 3: Efficiency

3.1 How well and with what quality has LoCAL delivered its expected results to date, including in terms of budget allocation and cost-effectiveness of activities including the integration of Human Rights and Gender Equality considerations in resource allocation and utilization

3.2 How well is the program being managed and governed, through the involvement and contribution of key partners such as the key donors and government counterparts, both at global, national, and subnational levels?

3.3 How appropriate is the program's monitoring system to track direct program results and its broader contribution to the overall objectives?

3.4 How have program managers adapted to the impact of COVID-19 in the design and management of the program, and with what likely results? Has there been a change in program delivery mechanisms as a fallout of COVID-19 and does the situation warrant any modifications in program targets and overall outcomes?

### EQ 4: Effectiveness

4.1 To what extent have LoCAL activities contributed to increasing awareness and capacities on CCA at the local level?

4.2 To what extent have LoCAL activities contributed to mainstreaming climate change adaptation into the government's planning and budgeting systems and investments, including the extent to which these are implemented in line with the LoCAL standard?

4.3 To what extent are LoCAL activities contributing to increased levels of climate change adaptation finance being available to the participating local governments and communities through the PBCRG system?

4.4 To what extent are LoCAL activities contributing to an increased recognition at the international level of the role of local authorities and of the PBCRGs in addressing climate change impacts at the local level?

### EQ 5: Likely Impacts

5.1 As currently designed and implemented, to what extent are LoCAL's results contributed/ likely to contribute to increased local government access to (international) climate finance for locally led adaptation in target countries?

5.2 As currently designed and implemented, to what extent are LoCAL's results contributed/ likely to contribute to the establishment of a standard and internationally recognized country-based mechanism to channel climate finance and increase local resilience?

5.3 Changes in the living conditions of beneficiaries targeted by the investments in terms of resilience to climate variability and change, taking gender into account

### EQ 6: Sustainability

6.1 To what extent are any changes in the resilience of local economies and communities through increased investments in climate change adaptation at the local level sustainable over time?

6.2 To what extent are any changes in increased local government access to (international) climate finance through the program sustainable over time?

6.3 To what extent are changes at the policy and institutional level, globally, nationally, and locally, induced by LoCAL likely to continue over time?

## 3.3 METHODS & TOOLS

**Contribution Analysis along with mixed-methods approach, combing qualitative and quantitative techniques, as well as primary and desk-based reviews were deployed for this evaluation.** This section outlines the key methods and tools as well as how they were deployed.

Various '**lines of evidence**' (or **evaluation techniques**) contributed to the evaluation findings. These include:

- Desk review of LoCAL documents and other literature (See [Annex 5](#) for documents consulted)
- Secondary (program) data analysis such as the ACCAF, data reported on the results framework indicators, budgetary data and the LoCAL investment database
- Key Informant Interviews (KIIs) with various stakeholders at all levels (Global, National and Local) - (See [Annex 3](#) for list of stakeholders consulted)



- (Global Level: LoCAL Board Members, LoCAL Partners, LoCAL Global Staff – *chiefly online*; National: Select UNCDF LoCAL Country Staff – in-person for deep dive countries; online for a few others; National Government partners and other in-country partners – in-person for deep dive countries)
- 2 Focus Group Discussions (FGDs) in each of the 4 deep dive countries (8)
- Site visits: Direct observation visits to LoCAL/PBCRG facilitated investments in each deep dive country (See [Annex 4](#) for the sites visited in the deep dive countries)

The evaluation was conducted over a period of 12 months (November 2021- November 2022) by a 5-person core team. It was initiated by the preparation of the inception report and the tools/guides/questionnaires. 5-day field visits to each of the 4 deep-dive countries – Lesotho, Ghana, Bhutan and Niger were undertaken by 4 team members<sup>25</sup> who developed the country case-studies (provided as an annexure to the main report). Global data collection activities were carried out virtually and supplemented by extensive consultations with the UNCDF teams and review of program documents.

### 3.4 SAMPLING STRATEGY

At the global or portfolio level, the evaluation relied on qualitative interviews or consultations. **Thus, at the global level, we followed a purposive sampling strategy.** The sample of global level stakeholders was informed by the objectives and scope of the evaluation and was derived in consultation with UNCDF. Efforts were made to ensure appropriate representation to all stakeholder groups associated with LoCAL – LoCAL Board, UNCDF LoCAL Global Team (including regional focal points), donors, international partners. We also conducted online consultations with a few UNCDF country level staff (those that were not shortlisted for deep dives – example, Mozambique, The Gambia and Cambodia)

For the 4 deep-dive in-country studies, the evaluation team attempted to largely respect the criteria defined in the Terms of Reference. These were:

- One from each of the four geographical regions in which LoCAL is active: Asia Landlocked; East Africa Coastal; West Africa Landlocked; Pacific Small Island Developing States (SIDS)
- At least one from each of the three phases of the LoCAL: I, II, and III
- At least one country to be the same as one of the countries visited in the Mid-Term Evaluation of LoCAL

It must be noted that Tuvalu is the only country in the Pacific SIDS where LoCAL is active. However, it could not be considered due to the pandemic-induced travel restrictions to the region at the time of the evaluation. Additionally, the evaluation team in consultation with UNCDF staff, also considered the implementation status within the countries to ensure that sufficient progress has been made to conduct an evaluation.

Therefore, the final set of countries selected for the deep-dive studies were:

Country Name	BHUTAN	LESOTHO	NIGER	GHANA
<b>Region</b>	Asia Landlocked	Southern Africa Landlocked	West Africa Landlocked	West Africa Coastal
<b>Phase</b>	Phase III	Phase I	Phase II	Phase II
<b>Coverage during MTE</b>	Covered during Mid-Term Evaluation	-	Covered during Mid-Term Evaluation	-

Within each country, we purposively selected the stakeholders for KIIs. These included consultations with the key nodal government agency/implementation partners responsible for LoCAL. In addition, we spoke with other key relevant government ministries (examples include, Finance, Planning, Environment, and Climate Change, etc.), country level consultants, local partners and independent country experts. We also conducted extensive consultations with UNCDF staff in these countries, concerned donor delegations (if applicable) and development partners implementing programmes with similar objectives.

The selection of local government units (at least 2 in each country) for interviews with local government officials, site observations and FGDs with beneficiaries ensured that the evaluation captures different geographies, LoCAL Phases and types of investments. At the same time, logistical factors (travel time, safety and security) were also factored. The FGD participants were selected randomly (8-15) and a gender balance was ensured.

### 3.5 HUMAN RIGHTS & GENDER EQUALITY (HRGE) RESPONSIVENESS OF THE EVALUATION

As is required in all United Nations-commissioned evaluations, Human Rights and Gender Equality (HRGE) with a strong focus on vulnerable and marginalized groups was a key underlying theme of this evaluation. **In line with this, we**

<sup>25</sup> The Niger Field Mission was undertaken by a member of the core evaluation team supported by an international and national consultant

**abided by the *Leave No One Behind (LNOB)* objectives of the SDGs and included HRGE-focused questions throughout our evaluation matrix and tools. These indicators covered aspects such as:**

- Overall gender and social inclusion strategy of LoCAL
- The extent to which LoCAL has led to more inclusive interventions/investments and their focus on the needs of the vulnerable and marginalized populations
- Social empowerment of women and vulnerable groups (voice, participation, awareness and knowledge, skills and capacity to deal with climate change)

Further, the evaluation team ensured that the FGDs conducted during the country-level deep dives had at least 50% participation of women beneficiaries. The FGD guides included specific questions and probes to disaggregate nuances and insights by gender to feed into LoCAL HRGE assessment.

### **3.6 ETHICAL CONSIDERATIONS**

The key ethical considerations followed during the evaluation were:

- **Informed consent:** We ensured a free and fair execution of the respondents' right to know the purpose and scope of the project. The interviewers informed the respondents about the nature and purpose of the research clearly, and prior consent of the participants was taken before initiating the interview/activity.
- **Freedom to terminate the interview and not to respond to questions:** Respondents were given complete freedom to not respond to specific questions or to terminate the interview at any point during the interview/activity. Participation in the survey was voluntary and all respondents will be presented with an opportunity for non-participation if they did not feel comfortable.
- **Respect and dignity of the respondent:** The respondents were treated as being engaged in a process, rather than being mere information providers. The teams were respectful of the rights and dignity of all the participants.
- **Privacy and confidentiality:** We understood that data pertaining to UNCDF, LoCAL, its partners and other respondents may be sensitive and thus took steps to protect not just identity, but all financial account-related data. As such, we stored data in secure servers and allowed access only to the team involved in the evaluation. We have protected the privacy of clients and respondents during the analysis and reporting of data.
- **Socio-cultural sensitivity of respondents:** Given the socio-cultural realities that the evaluation team was sensitive about, and respected while approaching and conducting research activities.
- **UNEG Code and Conduct:** Each team member has reviewed and signed the United Nations Evaluation Group Code of Conduct for Evaluation.

### **3.8 LIMITATIONS & CHALLENGES OF THE EVALUATION**

Whilst the team developed a robust evaluation methodology in response to the requirements of the ToR, there were a few practical limitations as described below:

- a. **Attribution challenges:** The evaluation has not entailed a primary survey of a representative sample of beneficiaries, making attribution difficult. A contribution analysis methodology was selected as appropriate to address some of these challenges.
- b. **Respondents Availability and Information:** This exercise required extensive stakeholder consultations at the global, national and local levels. While the study has successfully managed to hold fruitful discussions, there were certain cases of non-response or non-availability of critical respondents, especially at the global level (for example, Green Climate Fund, Adaptation Fund, Global Centre for Adaptation, UN Environment Programme, etc.). In addition to this, the team encountered a few cases where the respondents (global level) had little knowledge about LoCAL because they had recently associated or had smaller engagements with UNCDF and the initiative. To mitigate this challenge, we consulted UNCDF colleagues and used programme documents to supplement available information.

- c. **Timeline-Related Issues:** The evaluation timeline underwent a few changes due to certain factors. The sample selection of the deep-dive countries was slightly delayed during the inception phase. This was due to the evolving Covid-19 situation and travel restrictions in the larger set of LoCAL countries being considered for visits. Additionally, cumbersome visa formalities for certain countries caused a lag between the different country missions. Lastly, there were some delays in setting up the online interviews due to late/non-responses from the respondents.

## 4. Evaluation Findings

### 4.1 RELEVANCE / QUALITY OF DESIGN

*The relevance section assesses the extent to which LoCAL's objectives and design respond to beneficiaries', global, country, and partner/institution needs, policies, and priorities and continue to do so if circumstances change.*

**LoCAL's design and its adaptation-focused interventions are strongly aligned with global climate change priorities.** This is demonstrated by strong complementarity between LoCAL and the Paris Agreement, IPCC Reports and mandates of various international climate change funds. The initiative's design is strongly based on the 8 Principles of LLA. Further, by improving LDCs' access to international financing, LoCAL is addressing a key systemic gap related to the inadequacy for funding for climate adaptation for LDCs.

**Moreover, LoCAL is aligned with current global decentralization priorities.** It is directly aligned with SDGs 13 and 17 whilst demonstrating indirect linkages with SDGs 2, 5, 6, 7, 9 and 17.<sup>26</sup> LoCAL contributes strongly to the UNCDF's Strategic Framework 2022-2025 and is also highly relevant to the priorities of its international multilateral and bilateral development partners like the EU and SIDA, among others. Additionally, LoCAL's focus on LDCs, SIDS and African nations is particularly relevant given their highest vulnerability to climate risks and limited capacity and resources.

**LoCAL's focus on local governments is highly relevant** since they are at the frontline in dealing with climate issues. LoCAL operates at three levels – global, national and local. LoCAL facilitated interventions correspond to climate issues of partner countries and work in priority sectors identified in their respective National Adaptation Plans (NAPs), National Adaptation Program of Actions (NAPAs) and/or Nationally Determined Contributions (NDCs).

Whilst LoCAL's strategy of focusing on predominantly rural areas is appropriate, it may also be important to consider the density of populations affected by climate change which will be higher in **urban and peri-urban areas** given the rapid increase in urbanisation and the scale of informality as highlighted by donors and independent experts.

On Human Rights and Gender Equity (HRGE), **LoCAL's design considers the greater impact of climate change on women and other vulnerable groups. However, the implementation of targeted interventions addresses these with varying degrees of success across different countries.**

#### How well aligned is LoCAL with the international priorities on climate change adaptation?

**LoCAL's design and its interventions are strongly aligned with international priorities on climate change.** The increasing intensity of climate change and associated adverse impacts felt globally have focused attention on the urgent need for action to address climate risks. Adaptation has gained increasing prominence as a global issue with local, subnational, national, regional and global dimensions. The Paris Agreement spells out the necessity of local and subnational dimensions of adaptation in protecting people, livelihoods and ecosystems in response to climate change (Article 7). It also highlights the need to foster country ownership in climate action response capacity building, including at the subnational and local levels especially for the climate vulnerable developing countries. Adaptation is now a core topic on domestic and international political and development agendas and part of the LDC 2050 Vision where it is recognised globally as of equal importance to mitigation, and more significant in climate vulnerable countries which face immediate and severe climate risks.

LoCAL's priorities complement current global climate change priorities as reflected in the Paris Agreement, the Intergovernmental Panel on Climate Change (IPCC) reports and international climate change funds such as the Green Climate Fund (GCF), Adaptation Fund (AF) and the Global Environment Facility (GEF). The Paris Agreement requires governments to engage in adaptation planning and implementation through appropriate means such as national

<sup>26</sup>Goal 1: No Poverty; Goal 2: Zero Hunger; Goal 5: Gender Equality; Goal 6: Clean Water and Sanitation; Goal 7: Affordable and Clean Energy; Goal 9: Industry, Innovation, and Infrastructure; Goal 13: Climate Action; Goal 17: Partnerships for Goals

adaptation plans, vulnerability assessments, monitoring and evaluation and economic diversification. **LoCAL interventions are all aligned to these objectives.**

International literature and reports affirm the importance of sound planning, financing, capacity building, monitoring and evaluation as key components of Locally Led Adaptation (LLA). LoCAL aligns with the 8 principles for Locally Led Adaptation from the Global Commission on Adaptation (GCA).<sup>27</sup> LLA is a growing priority for donors, governments and intermediary organisations. LoCAL's advocacy and engagement in various international fora, including in COP 26, helped to provide an impetus to local adaptation in the Glasgow-Sharm-el-Sheik (GlaSS) work program on the global goal on adaptation. At the international fora, LoCAL is advocating and contributing to advancing National Adaptation Plans (NAP) processes and the localization of Nationally Determined Contributions (NDCs) in LDCs and other developing countries. It is also helping to develop methodologies for assessing adaptation finance needs and tracking financial flows at sub-national level. All these efforts are of critical importance to the LDCs and developing countries and part of the global agenda.

One of the main challenges in addressing adaptation relates to the adequacy of finance, especially for LDCs. There is a significant gap between pledges and commitments. The OECD reported \$78 billion of climate finance to developing countries, but many analysts believe these estimates are highly inflated. Oxfam reported that public climate finance was only \$19-\$22.5 billion in 2017-18.<sup>28</sup> The lack of funding is more pronounced for subnational governments in LDCs and other developing countries. Improved access to finance for local level adaptation is a key objective of the LoCAL initiative. LoCAL has been continuously advocating the need for predictable and adequate funding for climate adaptation. With LoCAL already positioned as an established mechanism to channel funding for local adaptation, it makes it extremely relevant to donors and global funders seeking investment pathways to achieve LDC 2050 Vision and the Paris Agreement. Moreover, its work on advocacy, cooperation and support to LDCs to access climate finance for mainstreaming LLA models through national government systems is closely aligned the policy agenda of the LDC Group on Climate Change. Whilst LoCAL has been firmly rooted in promoting climate finance for LLA, the strategic importance of its positioning at global level has been further reinforced in recent years through initiatives such as the creation of the Global Centre Adaptation (GCA) and LLA agenda.

LoCAL is also **aligned with current global decentralization priorities**, as identified by the Development Partners Network on Decentralization and Local Governance, in terms of building on existing institutional arrangements, developing fiscal transfer systems and local governments' capacities to channel development finance at the local level, whilst seeking to involve national and local governments, communities and the private sector.

The evaluation shows direct alignment with the relevant **Sustainable Development Goals such as SDG 13** (Climate Action) and with SDGs 1 (No Poverty), 2 (Zero Hunger), 5 (Gender Equality), 6 (Clean Water and Sanitation), 7 (Affordable and Clean energy), 9 (Industry, Innovation, and Infrastructure), and 17 (Partnerships for the Goals) – all of these demonstrating indirect linkages. Discussions highlighted that LoCAL is contributing to the achievement of SDGs in target countries.

**Further, LoCAL is strongly embedded with the UNCDF Strategic Framework 2022-2025** which emphasizes working with marginalized populations, making finance work for the poor, technical capacity-building and investments for local development. These resonate with LoCAL's overall goal of promoting climate change resilient communities and economies by increasing financing for and investment in climate change adaptation at the local level in LDCs, with a particular focus on women and marginalized communities. Aligning with the UNCDF strategy, LoCAL commits to providing capital investments in combination with policy advice and technical assistance, to support countries to catalyze greater -flows of private and public capital towards inclusive and green economic transformation. LoCAL is also an important intervention feeding into UNCDF's global strategy and is well placed to generate a body of evidence around the effectiveness and efficacy of financing mechanisms for climate adaptive investments and livelihoods at the local level.

**LoCAL is well-aligned with the priorities of international development partners.** Both EU and SIDA's global development priorities and country strategies emphasize the importance of climate change and green growth, sustainable consumption and production, human rights, and gender equality. Integrating ecological and climate change considerations into growth strategies and strengthening institutional capacity and governance is a high priority for the EU, and LoCAL commits to addressing these. Similarly, Sweden's development cooperation prioritizes climate and environment as well as democracy, human rights, and gender equality. LoCAL's positioning on devolved planning and

<sup>27</sup> <https://gca.org/programs/locally-led-adaptation/>

<sup>28</sup> [www.nature.com/articles/d41586-021-02846-3](http://www.nature.com/articles/d41586-021-02846-3)

finance for climate adaptation at the local government and community levels means it is further aligned with both development partners' priorities. Close alignment is also seen with other funding partners priorities on promoting planning and investment on climate adaptation infrastructure and services as well as adaptive livelihoods such as the African Development Bank (AfDB), Belgian Cooperation, NDC Partnership and the Foreign Commonwealth Development Office (FCDO).

### How relevant and well-designed are LoCAL's approach and instruments to the priorities of the countries of intervention and the stakeholders it has engaged with?

LoCAL has a varied geographic spread addressing multiple climate change challenges. Through its participating countries, LoCAL demonstrates climate change adaptation in mountainous, landlocked nations and SIDS, all facing unique challenges in climatic and physical terms. **The relevance of LoCAL to the climate priorities of its partner countries is evidenced by the fact that LoCAL interventions are designed to address critical climate issues such as drought and water scarcity, soil degradation, flooding, loss of green cover whilst also addressing a range of indirect outcomes of climate change related to loss of livelihoods.**

The evaluation team finds that LoCAL's approach focusing on LDCs, SIDS and African nations is particularly relevant since they are among the most vulnerable to climate risks and have limited capacity and access to resources. In several countries, such as in West Africa, LoCAL also helps to address climate-induced migration and security challenges, further reinforcing its relevance at the regional and global level.

In the first phase of expansion (2014-2018), LoCAL had developed criteria for the selection of countries based on vulnerability to climate change, although the degree of vulnerability had not always been the determining factor. This is because LoCAL also aimed to build on earlier UNCDF country programs on strengthening decentralization. This is an important criterion since it provides a strategic entry point and solid foundation for future scale-up. Since 2019, LoCAL has rather worked on demand as countries expressed interest in benefitting from support to establish PBCRGs.

**In some countries, the selection of the regions and local governments was based on compelling priorities rather than climate vulnerability criteria alone, as seen in the selection of districts in Ghana (Phase II under the GrEEn project), Lesotho and Bhutan (Phase II gewogs under the EU budget support).** In Ghana, the districts have been selected to also account for hotspots of depart, transit and return as donor's priorities included addressing root causes of irregular migration; in Bhutan, economically poor or underdeveloped gewogs were selected rather than the most climate vulnerable. This reflects LoCAL's flexibility to adjust donor or government preferences while maintaining its relevance by developing a climate narrative in addressing the prevailing climate change vulnerabilities. This has also been observed during our country visits.

Discussions with multiple stakeholders and desk review confirmed that at country level, LoCAL is well aligned with national development and climate change frameworks in the respective countries. For instance, the government counterpart from Bhutan, the Local Governance Division (LGD) highlighted, *"LoCAL supports the four pillars of our development planning philosophy in which climate action and local governments are very important."*

The evaluation shows that most focused countries have already drafted NAPs<sup>29</sup> and that LoCAL's interventions address the priorities identified in the respective NAPs and/or NDCs. In most countries, the main focus of NAPs and NDCs includes infrastructure, natural resource management, agriculture and food security, all of which are priorities under LoCAL, as reflected in its investment menu. For example, LoCAL's funding in Niger aligns to country's NDC and NAP in areas of interventions addressing water shortage and/or groundwater depletion, loss of land or degradation, and livelihoods diversification. The evaluation team finds that LoCAL-funded interventions are generally aligned with prevailing climate vulnerability in a region and adaptation priorities mentioned in NAP or country climate and development strategies. Countries' adaptation priorities are becoming strongly aligned with national development, thereby enhancing their viability and investment potential, which are key to ensuring implementability. This is consistent with the explicit UNFCCC objective to formulate and implement NAPs that integrate adaptation into national development planning processes.

<sup>29</sup> National Adaptation Plans have been drafted in Ghana, Lesotho, Bhutan, Niger, Bangladesh and are being updated.

**LoCAL's focus on local governments is highly relevant since they are at the frontline of dealing with climate emergencies on the ground but lack the capacity and resources to respond to climate risks and vulnerabilities in an effective manner. This is especially acute in many LDCs** where climate shocks have a disproportionate impact on poorer households at community level. LoCAL attempts to support national governments and local authorities to access more predictable funding by establishing systems and processes for planning and delivering adaptive investments at community level. This is important and relevant since the voices and participation of local actors who are at the forefront of climate impacts were, in many cases, not included in the decision-making process. LoCAL project design addresses this gap through demonstrated interventions in support of participatory and inclusive local development planning processes. National governments are also gradually recognizing and acknowledging the criticality of involving local authorities and communities in adaptation processes, as observed in our country visits.

Field visits and discussions reveal that LoCAL's interventions are predominantly in rural areas that are most often affected by climate events with the least resources. **While this is a relevant approach, it may be also important to consider the density of populations affected by climate change which will be higher in urban and peri-urban areas given increasing urbanisation and the scale of informality.** Since some of the slowest progress in adaptation is seen in low-income communities in urban informal settlements and considering the increasing number of climate migrants moving to cities and towns, LoCAL will need to have a balanced approach between rural and urban interventions which could provide further opportunities for LoCAL to demonstrate its model to produce synergies that increase regional adaptive capacity.

LoCAL's financing and capacity building components are highly relevant in the LDC and developing country contexts and fit the countries' need for building capacity in planning, budgeting and execution; and for the strengthening the decentralised model of LLA. Given the impact of climate change on local communities, LoCAL is relevant and helpful in shifting focus from sector-led interventions to local government/community-led interventions with a focus on active participation, voice, transparency, and accountability.

LoCAL's deployment cycle aligns with local development planning ones so that subnational authorities can integrate climate change adaptation into existing planning and budgeting frameworks. This ensures that LoCAL is relevant to the prevailing local planning systems allowing for more a more integrated approach to planning and budgeting.

#### **How relevant is the support provided by LoCAL in each of the phases of the LoCAL intervention to increase Local Governments' access to climate finance and to establish and institutionalize LoCAL's PBCRGs?**

LoCAL's design is incremental in nature: it is based on a phase-wise approach to piloting, establishing and scaling up a standard performance-based grant mechanism for planning and financing investments in climate adaptation at local government level. **This is relevant in the context of a demonstration model where the first objective is to gain an entry point by piloting an innovative mechanism prior to a phased scaling of coverage to institutionalize and finally mainstream the initiative.**

At the global level, LoCAL focuses on outreach for global climate finance for adaptation in line with UNFCCC objectives and recent debates on global climate finance at recent UNFCCC COP. This is an extremely relevant task in the context of the lack of global funding for climate change generally and for adaptation funding in LDCs specifically. While most of LoCAL's effort has been towards generating external financing in the context of weak fiscal resources in most LDCs, in some of the more mature countries such as Ghana and Bangladesh, there is an opportunity and likely to influence national policy for adding climate considerations into existing fiscal transfer formula<sup>30</sup> or to levy a carbon tax (as in Malawi, Benin) to support mainstreaming of locally led adaptation.

At the country level there are differences in each phase depending on the countries' context and funding availability. The Pilot Phase begins by working with a small number of local government units and demonstrating the elements of the LoCAL mechanism through awareness generation, support for planning and budgeting as well as PBCRG investments. This phase helps to test the model in the specific country and local government context. Phase II entails more substantial funding to cover the planning and financing mechanism based on PBCRG in a larger number of local governments. This phase helps to fine tune the model and lay the foundation for institutionalising the model. It also generates stronger evidence for scale-up combined with policy advocacy at national and international levels. **This phase-wise approach is relevant in the context of the LDCs and other developing countries as it helps them to**

<sup>30</sup> Ghana has a base with some basic environment compliances being included in the 'self-assessment' done by MMDAs and in Bangladesh, there is a plan to develop a Vulnerability Index that could potentially be used in the transfer formula.

**pilot and test the model in a small number of local authorities and then expand to a larger number of local governments in a graduated and incremental manner.** This approach is well suited to country contexts where capacities and systems for adaptation activities are weak. This approach also ensures that the funding does not get locked up.

Phase II helps to build capacity and set up a fiscal transfer mechanism for local climate-resilient interventions and to institutionalize the PBCRG mechanism. Phases II and III provide technical support to country governments to help unlock climate finance and access international climate finance from the Green Climate Fund (GCF) and Adaptation Fund (AF), as seen in Cambodia and Bhutan. This is important because many LDCs require more fiscal headroom for climate adaptation, and the capacity for accrediting national institutions and drafting project documents to access climate finance from global financing institutions is weak.

Locally led adaptation also ensures that local communities and organisations have agency over investments in their communities. It is a systemic shift from 'business-as-usual' finance and decision-making practices prevalent in most LDCs and other developing countries. LoCAL supports the national governments in building climate leadership and public participation, re-balance power in decision-making, redress social inequities, and increasing quality, quantity, and access to adaptation finance. In some countries, LoCAL is now establishing systems for collecting data and analysis of climate data for local level decision making, which is critical and relevant since climate risk informed planning and decision making is primarily absent in the LDC context.

**How well are program objectives supported by the LDCs at the global, national, and local levels as well as by the international development/climate finance community?**

**LoCAL rightly operates at three levels—global, national, and local since climate change is a global issue with transboundary implications, but effective adaptation begins at the local level.**

### **Local level**

Local governments are appropriately positioned to understand the diversity and complexity of local ecosystems and community realities and, therefore, are appropriate to identify the needs and priorities of local communities to develop responses. CCA responses differ from place to place and are highly context-sensitive, therefore, LoCAL's approach on climate data, planning, local governance and decision-making helps building climate-resilient communities and economies. A recent WRI analysis<sup>31</sup> of community-centred interventions found that only about 6% of the 374 projects and programs reviewed featured locally-led elements, such as local decision-making power. LoCAL directly addresses this problem. Our field visits discussions revealed that the PBCRG interventions were relevant and addressed the need of the local communities.

### **National level**

As all local authorities operate within the national government's framework and are dependent on federal authorities for policy direction, planning approvals and financing, LoCAL's support to national government including ministries of local government, finance and environment is extremely relevant. These Ministries are responsible for approval of local plans and budgets and funds transfer and reporting. LoCAL's engagement at this level is critical for building capacities and systems to operate and sustain the LoCAL mechanism as an integral part of the government system. The engagement with the wider national ministries is also important for advocacy, convincing for devolved fundings and supports horizontal and vertical integration in climate adaptation and complementarity across other sectoral plans. In many countries, LoCAL has been cited in the countries NDCs, climate strategies and implementation plans. Examples include Bhutan, Benin, Tanzania and Mozambique.

### **Global level**

Given the limited fiscal space in LDCs, access to international finance is necessary for climate resilient interventions. The engagement and advocacy at the global level have built a foundation. However, governments, funders, and large multi-

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<sup>31</sup> Tracking and Reporting Finance for Locally-led Adaptation to Climate Change, WRI Working Paper July 2021

lateral and international intermediaries still need to act on their commitments and make changes in their financing and decision-making processes to support the LDCs on locally led adaptation. Therefore, the three-tiered approach – local, national and global - is well suited and relevant in the LDC context as it supports local authorities in demonstrating models of locally-led climate adaptation along with advocacy at global and national levels for more climate adaptive finance.

**To what extent does LoCAL design incorporate gender equality (GE), human rights (HR), and other cross-cutting issues? Are the interests and needs of all stakeholder groups considered? Is the design informed by good-quality information on the underlying causes of inequality and discrimination?**

**The ProDoc entails a gender strategy and argues for a bottom-up approach to ensure that women and the most marginalised have a voice in decision-making.** Global evidence shows that women are the most affected due to climate vulnerabilities; therefore, a focus on women in program design is relevant and necessary. LoCAL's ProDoc has taken into cognizance the disproportionate impact of climate change on women, the elderly and vulnerable groups and aimed the interventions to address the need of women and vulnerable groups along with gender-sensitive budgeting.

The ProDoc states that *'LoCAL in particular, and UNCDF more generally, will be working closely with local counterparts to routinely and pro-actively collect information on the gender-sensitivity of the planning, budgeting and monitoring processes, as well as the implementation of CCA activities, and developing a monitoring mechanism which will ensure that participatory data collection approaches are used which will facilitate and promote the participation of women and vulnerable groups.'* LoCAL program design also aligns with the UNCDF Gender strategy, which focuses on gender equality and women's empowerment. However, our review reflects that disability and human rights are not explicitly covered in the LoCAL design.

A review of some of the LoCAL country-level program documents reflects that gender, vulnerable and poor populations and other cross-cutting themes are being considered in the design and focused on during implementation. We have observed these in the Bangladesh LoGIC initiative and The Gambia Jobs, Skills and Finance (JSF) for Women and Youth Programme, where the program design, interventions and results framework have a gender-disaggregated approach and targeting.

The program design is explicitly aimed at targeting the climate-vulnerable population. Evidence from the country visits shows that many pilots were mainly in the most remote/isolated areas, covering the marginalized and poor population, but not necessarily the most climate vulnerable areas or communities in all countries. In Bangladesh, there has been an explicit attempt to identify and intervene in the most climate-vulnerable regions in the country and the selection of women beneficiaries for climate adaptive livelihood support. The program team also reported that Benin also follows a classification.

## 4.2 COHERENCE

*The coherence section assesses the compatibility and/or complementarity of LoCAL with other interventions globally and in country and globally that are implemented by other actors and by UNCDF itself.*

**LoCAL's approach and design is coherent.** LoCAL's strategy based on four core outputs is coherent and complementary to countries' needs and approaches. LoCAL's support for devolution, climate awareness, local planning and technical capacity in the LDCs, African Nations and SIDS is coherent and addresses key weaknesses across these areas. Further, the evaluation finds that LoCAL's **strategy of 'innovation – learning – scale up' is appropriate and coherent since it gives the country time to test the model and learn about adaptation prior to scale-up.**

The LoCAL mechanism aims to adopt the national government's delivery structure and processes to pilot and implement the program and is **aligned with its partner countries' national development priorities and climate change and decentralization strategies.** However, **'siloes' functioning of government ministries and departments** often limits the scope for synergies with other sectoral initiatives implemented at the local level. The evaluation has also observed that while LoCAL has been flexible and adaptable with its processes to integrate with country-based systems, its **reporting requirements are separate and differ from prevailing systems.** This could be because existing government reporting systems may not capture climate adaptation.

LoCAL's value addition and distinction between LoCAL and other climate adaptation programs at the country level is that LoCAL works at the lowest level of government, through existing local government systems. Additionally, it offers



immense possibilities for scale-up and mainstreaming vis-à-vis programs delivered through a direct project implementation mode.

**Lastly, at the global level, LoCAL's collaboration and partnerships with various agencies and institutions such as the ADB, AfDB, WRI, UNITAR and others are found to be complementary** in terms of helping to increase climate knowledge, access to climate finance and implementation support. However, at the country level **there are opportunities for LoCAL to partner and collaborate with the other development partners** to demonstrate locally led climate adaptation models and principles and mainstream within government systems.

**As presently designed, how coherent is the program design given its objectives (i) at the local and national levels in partner countries and (ii) internationally as a global initiative? To what extent does the program support/facilitate expansion and replication in line with UNCDF's maturity model?**

**LoCAL's approach and design are coherent.** Desk review and country-level discussion revealed that LoCAL's strategy based on four core outputs is coherent and complementary to countries' needs and approaches. In many LDCs and other developing countries, devolution (especially fiscal devolution), climate awareness, local planning and technical capacity are all relatively weak, and LoCAL's technical support focuses specifically on these areas. In all target countries, constraints around finance and capacity are most acute at the local government level, and LoCAL appropriately focuses on this level by working with and supporting local governments to implement and mainstream LLA Principles. The support complements the country governments' efforts on NAP and aligns with countries' climate adaptation priorities. While the 'siloed' functioning of government departments and ministries, in general, limits the scope for synergies with other sectoral initiatives implemented at the local level, broadly, it is clear that LoCAL's design contributes to addressing many adaptation challenges at the sub-national and community levels.

LoCAL activities are designed to incrementally lead to channelling funds to local governments from national governments through a standard performance-based finance transfer system that aims for greater accountability, transparency and traceability on local level adaptation action. The 4 outputs are coherent and interlinked and the sum of outputs at various stages of implementation is intended to strengthen country systems and processes for integrating climate change adaptation considerations into planning and public financial management at the local level. LoCAL aligns and uses the country systems for transferring adaptation earmarked funds to local authorities.

LoCAL has been designed as a demonstration model to influence country governments and donors to adopt the mechanism for locally led climate adaptation. Therefore, **LoCAL's maturity model and its strategy of 'innovation – learning – scale up' is appropriate and coherent since it gives the country time to test the model and learn about adaptation prior to scale-up.** The phased approach is useful to test the interest and ownership of the country governments and helps fine-tune the program intervention and guidelines, as is seen in Bhutan. During KIs, a few stakeholders mentioned that this phased learning-by-doing approach also gives prospective donors and the country's government confidence to allocate and commit resources. This phased approach also helps the national government and local authorities to fine-tune the systems and processes. For example, in Ghana, one of the national officials shared *"LoCAL is planning to do a local level climate assessment. This prompted us also to undertake a similar exercise in other MMDAs."*

Given the complexities and challenges related to adaptation and especially locally led adaptation, **the overall approach is coherent as it works at the macro (global), meso (national) and micro (local authorities).** Locally led climate adaptation and mainstreaming within government systems is complex and requires support and intervention at both global and national levels on advocacy and policy influence, capacity building and access to finance. Along with direct support to local authorities, the initiative also supports the national government in setting or adopting the fiscal transfer mechanism and accessing climate finance.

At the global level, the LoCAL Secretariat and the Board are instrumental in providing strong advocacy for increased allocation and access to additional climate finance for local adaptation needs. Likewise, support for accreditation and project preparation for GCF, along with sensitization and capacity building at the local level, is found to be *"pragmatic and useful"* in the LDC and other developing country contexts. Many experts interviewed praised LoCAL's strategy of creating a platform and voice for LDCs on climate adaptation finance. They also appreciated the value of **LoCAL's demonstration model at the local level as coherent and complementary to the needs of LDC countries.** LoCAL's advocacy and engagement around enhancing climate finance for adaptation are in line with the needs and demands of the LDC group of countries and other similar agencies, UNEP and UN-HABITAT. **LoCAL's collaboration and partnerships with various agencies and institutions such as the ADB, AfDB, WRI, UNITAR and others are found**

**to be complementary** in terms of helping to increase climate knowledge, access to climate finance and implementation support.

Although LoCAL's outputs and phased approaches are coherent and aligned, one major external factor that affects its objectives of mainstreaming and access to climate finance for local government is **the need for more inter-ministerial coordination and joined-up approaches of working across key ministries and departments in most of the countries**. Against this backdrop, an inherent challenge in the design and implementation of LoCAL arises from the fact that at the strategic (e.g. NDC, NAP) and global level (e.g. UNFCCC), LoCAL aligns with the Environment Ministries (in most countries) while the channelling of the funds takes place through Ministries of Finance a (e.g. Mozambique, Uganda), Decentralization (e.g. Ghana, Bangladesh) or agencies in charge of financing local authorities (e.g. Niger, Mali) and the implementation of the investments is undertaken by local governments. **Yet, Finance and Decentralization Ministries or Departments may only have limited leverage in intra-government dialogue related to climate change (e.g., NDC) and access to climate finance**. As climate change impacts cut across ministerial and/or departmental responsibilities, especially when it comes to the LoCAL approach, **LoCAL needs to engage strongly yet in a differentiated manner with ministries in charge of environment/climate, finance and local government to ensure the successful roll out of the phased approach**. In particular, a strong engagement with Ministries of Finance is required when it comes accessing climate funds when they act as NDA to climate funds or when it comes to allocating domestic resources to the PBCRGs and related work.

Whilst the program design is coherent, outcomes vary depending on each country's unique institutional and regulatory frameworks and varying political ownerships. These have been discussed in the subsequent sections.

#### **How distinct/complementary is LoCAL to the international climate finance architecture as well as other initiatives implemented by governments and/or key development partners?**

As mentioned earlier, climate change adaptation finance is limited, and the existing financial systems fail to accommodate the unique needs, realities, and vulnerabilities of LDCs, African Nations and SIDS, resulting in fewer funding opportunities for them. The literature review shows that the current climate finance architecture is exceedingly complex and fragmented. The harmonization across multinational funds is still nascent. This makes access to different sources of climate finance particularly onerous for these countries. LoCAL's approach and instruments complements the international climate finance architecture by acting as a bridge between donors' countries, climate funds and initiatives, and the LDCs and other developing countries by setting up mechanisms, processes, and capacities to access, channel and effectively utilize climate finance. LoCAL advocates and mobilizes additional funding, partnerships and support for subnational adaptation with bilateral or multilateral donors and initiatives, along with providing technical assistance for strengthening countries capacities to directly access international climate funds, primarily GCF and AF.

**Given the complexities and challenges of the climate finance architecture, LoCAL's engagement and technical support are complementary and useful in helping LDCs access additional climate finance**. Through outreach and advocacy support, LoCAL is contributing to raising awareness on the importance of supporting local climate change adaptation in LDCs, African Nations and SIDS. LoCAL has supported 14 countries thus far with direct access to international finance from the Green Climate Fund and Adaptation Fund. Accreditation and pipeline development are challenging processes; therefore, the support provided by LoCAL is critical for LDCs.

The distinction between LoCAL and other climate adaptation programs at the country level is that LoCAL works through **existing local government systems and offers immense possibilities for scale-up and mainstreaming vis-à-vis programs delivered through a direct project implementation mode**. Our country-level discussions reveal that given the multi-sectoral scope of climate change adaptation, there are opportunities for LoCAL to partner and collaborate with the other development partners in-country to demonstrate locally led climate adaptation models and principles and mainstream within government systems. For example, in Lesotho LoCAL's PBCRG system is selected by GIZ to address climate vulnerability in water catchment infrastructure rehabilitation and construction, as mainstreaming climate considerations are of increasing importance for donors and partners.

#### **How well does LoCAL align with national structures and strategies?**

LoCAL attempts to adopt the national government's delivery structure and processes to deliver on its outcomes. The uniqueness of LoCAL, unlike other climate adaptation programs, is that LoCAL works with the lowest tier of local government (such as Metropolitan, Municipal and District Assemblies (MMDAs) in Ghana, Gewogs in Bhutan, and Union

Parishads in Bangladesh). Field visits and desk reviews show that LoCAL is well aligned with its partner countries' national plan priorities and climate change and decentralization strategies. This is consistent with the explicit UNFCCC objective to formulate and implement NAPs that integrate adaptation into national development planning processes.

LoCAL works towards using and integrating existing government systems for fiscal transfers, planning and budgeting processes, control and reporting systems, etc. Although this helps to provide a solid foundation for mainstreaming, weak overall capacity and weak devolution processes create challenges for the delivery of quality processes as in many LDCs and other developing countries, the lowest tiers of government lack authority, staff and resources for decision making and local governments have little or no effective power as seen in Lesotho and Niger.

The evaluation team observed that LoCAL has been flexible and adaptable with its approach to integrate with country-based systems. For example, LoCAL has adjusted the Minimum Conditions (MCs) in Ghana to align with the country's own performance assessment parameters. LoCAL also aligns well with the National Adaptation Plans of most countries under review. Discussions in Ghana and Mozambique revealed that LoCAL interventions and PBCRG schemes have contributed to both the country's NDCs and towards achieving their SDGs.

**It is important to note that whilst LoCAL works within the government's systems, its reporting requirements are separate and different from the prevailing government system.** This could be because existing government reporting systems may not capture climate adaptation. Field discussions revealed that LoCAL's reporting requirements are more complex and challenging for local authorities to comply with and require technical support from a TA team or UNCDF staff members, as observed in Bangladesh and Lesotho. The evaluation found potential opportunities for addressing this by converging or unifying LoCAL reporting formats with national systems, as initiated in Ghana for example, although this may depend on the maturity of such systems. Likewise, to the extent possible, LoCAL should further attempt to merge the APA process with the existing government assessment systems, when these exists (e.g., DPAT in Ghana).

### 4.3 EFFICIENCY

*The efficiency section assesses the extent to which LoCAL has/or is likely to deliver results in an economic and timely way. It also discusses the extent to which the program has delivered quality outputs that are appropriately managed and overseen.*

**LoCAL has made good progress against its results framework over the years and has achieved most of the result framework targets.** While the progress has been impressive, there is ample scope to **strengthen various aspects of the program in areas such as quality, timeliness and sequencing of delivery in some of the activities.** These relate to capacity constraints, resource availability and prevailing structure of government and form of decentralisation.

**Under Output 1 (Awareness and Capacity Building),** 11,558 national and local authorities' officials and community representatives participated in a range of awareness and capacity-building activities between 2019 and 2021.<sup>32</sup> Most of the countries' respondents mentioned that LoCAL provided the first exposure and sensitization on climate change to the local communities and authorities. While this is impressive, training and capacity building efforts have often been insufficient and infrequent with no refresher courses being provided.

**Under Output 2 (Mainstreaming and Investments),** 322 local governments in 17 countries have integrated CCA measures in selecting and prioritizing local planning and investments. A total of 1,983 climate-resilient investments were realized. There has been an effort, and technical support is provided, to systematically involve communities in the planning and budgeting process, as seen in Bangladesh and reported for other countries. However, the community level planning and budgeting process efforts are not standardized and varies across countries with these processes being weak and informal in most countries. The evaluation has observed the challenges in availability of climate data, downscaling of national data and capacity issues in LDCs. This has hindered LoCAL from applying a methodically sound (scientific) process of climate risk vulnerability assessments to guide investments at sub regional and local level. To address this gap, LoCAL is supporting climate risk vulnerability assessments in some of the countries.

**Under Output 3 (Financing Mechanism),** Benin, Bhutan and Cambodia, of which Bhutan and Cambodia are Phase III countries, have institutionalized the PBCRG systems. Here, 295 local authorities are investing in PBCRG schemes and

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<sup>32</sup> LoCAL systematically started reporting on this KPI in 2019, as shared by the programme team.

have disbursed around US\$25mn. On progression to subsequent phases, the transition primarily depends on the availability of donor financing.

**Under Output 4 (Outreach, Learning and Quality Assurance)**, LoCAL has made commendable progress in bringing attention and visibility to the issue of role of local authorities and local investments through its representing in various global fora and referencing LoCAL experience and mechanism.

**LoCAL has a well-established governance and management structure to support its delivery.** The inclusion of LDCs and other developing country members at the Global Board is a sound strategy. It has helped built ownership, contributed to LoCAL's expansion along with facilitating South-South learning and knowledge exchange. At the country level, a multistakeholder National Steering Committee (SC) guides LoCAL. Although the role and mandates of the SC are similar across countries, the level of participation, guidance and functioning varies across countries. **On staffing, the LoCAL program team is lean vis-à-vis its geographic spread and mandate.** The lean country teams have a high reliance on the global team that also appears to be stretched. Whilst a lean team is economical it may not be optimally effective where country-level capacity is generally weak.

**LoCAL's Monitoring and Evaluation (M&E) strategy has evolved and has been strengthened** since the Mid-Term Evaluation. However, LoCAL's results framework mostly captures quantitative data points and does not have any suitable indicator to capture progress/impact on the objectives of climate resilient communities and local economies.

The ACCAF tool attempts to incorporate adaptation M&E into the PBCRG system and complements the APAs. Whilst the ACCAF is comprehensive, it does not help in assessing investments' impact and quality and/or climate resilience. Local government staff often find it difficult to apply, increasing dependence on LoCAL country staff for reporting. Also, there are challenges concerning the reporting of direct and indirect beneficiaries. Overall, the resource envelope allocated for M&E is low, with only one officer supporting monitoring across all LoCAL countries and local authorities. Moreover, field visit discussions and observations reflect that gaps in the conduct of the APA process and there are opportunities to strengthen this in many countries.

### **How well and with what quality has LoCAL delivered its expected results to date, including budget allocation and cost effectiveness of activities including the integration of human rights and gender equity considerations in resource allocation and utilization?**

**LoCAL has made good progress against its results framework over the years.** Based on the review of the program document, it can be observed that it has achieved most of the result framework targets. As of 2021, LoCAL has been deployed across 17 countries in Asia, Africa and Asia-Pacific, covering 322 local government authorities. Desk review and field visits show that LoCAL has surpassed a number of its targets such as those on local government participation and, in certain countries, it has successfully institutionalized a standard fiscal transfer mechanism for PBCRG at the local level. The analysis of the annual progress reports suggests that it has surpassed its targets on volume of incremental climate finance channelled, number of countries in phase I, total number of investments and value of investments, etc. and slightly short of the number of countries graduated to phase II and III. The detailed result matrix with targets and achievements is in [Annex 1](#).

As mentioned in the Program Implementation Status section, LoCAL has 4 interlinked outputs: i) Awareness and Capacity Building; ii) CCA Mainstreaming in planning and budgeting and PBCRG investments; iii) establishing a country-based, standard and internationally recognized financing mechanism; iv) Outreach for learning and quality assurance leading to an increase in climate finance.

**Whilst evaluation field visits and semi-structured discussions with key stakeholders reveal impressive results achieved in some areas, there is further scope to strengthen aspects of the program in other areas, such as quality, timeliness, sequencing of delivery in some of the activities. The latter relates primarily to issues around capacity constraints, resource availability and prevailing structure of government and form of decentralization.**

**Under output 1**, 11,558 national and local authorities' officials and community representatives participated in a range of awareness and capacity-building activities between 2019 and 2021.<sup>33</sup> Most of the countries' respondents mentioned that LoCAL provided the first exposure and sensitization on climate change to the local communities and authorities.

<sup>33</sup> LoCAL systematically started reporting on this KPI in 2019, as shared by the programme team.

One of the LG counterparts from Lesotho mentioned, *“Our appreciation of the need to be more climate conscious has increased with LoCAL.”*

**However, country-level discussion revealed that training and capacity building has often been insufficient and infrequent.** Many of the country representatives mentioned that training has been undertaken **without refresher courses, and training has not covered the full range of activities in some countries.** Although Bhutan is in Phase III, Gewogs and district officials reported that while training covered Participatory Risk Appraisals it did not cover the PBCRG or ACCAF. The program team reported that this was due to the fact that the scale-up was under the budget support did not include technical assistance for PBCRGs. Meanwhile, in Lesotho, it was reported that training was only undertaken after completing the first tranche of disbursement and activities. Sensitization of communities to issues of climate change has varied across countries, and field interviews reflect the absence or low recollection of awareness and understanding of climate change.

One of the key principles for local led adaptation programs is to build communities' understanding of climate change for active participation and engagement in planning, decision making and social accountability. However, apart from a few countries like Bangladesh, Ghana and The Gambia, the extent of community sensitization and training on climate change and PBCRGs has been limited. The limited engagement in other countries might be due to limited funding.

**Under output 2,** there has been a great effort in mainstreaming climate adaptation into local development plans and budgeting for more resilient and sustainable development pathways. In 17 countries, 322 local governments have integrated climate change adaptative measures in selecting and prioritising local planning and infrastructure investments. A total of 1,983 climate-resilient investments was realized at the local level. By design, LoCAL has a gender-sensitive and inclusive approach and the annual report mentioned that PBCRG investments benefited men and women equally.

There has been an effort, and technical support is provided, to systematically involve communities in the planning and budgeting process, as seen in Bangladesh and reported for other countries. Country visits and discussions revealed that LoCAL's planning process is not standardized and varies across countries, as local planning guidelines also vary from country to country. In most of the countries visited including Lesotho, Ghana, the community-level planning process is weak and informal. This is due to low decentralization and the absence of a formal culture of planning in many LDCs and other developing countries. In Bhutan, whilst there is a formal mandate for conducting bottom-up planning for the 5-year plans, the annual plans generally involve informal consultations at community level. In Ghana, although community planning is mandated, discussions at community level revealed that this is not based on a structured or regular process and appears to be more of informal consultations mediated through village elders representing community needs. Similarly, in Lesotho, though there is an interest and aspiration for a decentralized community-led bottom-up planning process and prioritisation, the low level of devolution and continued influence of the local chiefs in decision-making makes the reality rather elusive. However, it should be noted that even where the participation and planning process appears weak, PBCRG investments were found to be generally aligned with the needs of local communities. Given the weak decentralization and existing baseline of weak planning culture and processes it is important for LoCAL to invest and support more on strengthening the planning processes in most of these countries.

**A key observation noted during the country visits is that there is a gap in climate data, challenges in downscaling of national data and capacity issues at local level in most LDCs.** Limited availability of climate data at the subnational level combined with limited resources has hindered LoCAL from applying a methodically sound process of climate risk and vulnerability assessment to guide planning at local level. Some of the countries like Niger, Mali, Uganda, Sao Tome, etc. have developed sub-regional Climate Risk Assessments (CRAs) as reported by program team and in many LDCs this is yet to take place or is in the process of being developed. It is important to note that the country governments are also now conscious of the need for it. Bhutan is a phase 3 country, the Climate-Risk Vulnerability Assessments (CRVA) is still yet to be used for PBCRG investments. We understand that UNDP has recently completed district-level CRVA; however, this is not used systematically in planning and prioritising LoCAL investments yet. In Ghana, a phase II country with investments from 2016, a CRVA for subnational adaptation was developed with KEI and a methodology for localizing further the CRVA is currently being developed in coordination with the EPA at national level so that the methodology will be tested in a larger number of MMDAs. Similarly, in The Gambia and, Bangladesh, a phase II country with investment from 2019, recently developed the climate risk atlas based on CRVA to inform planning processes at Upazila level. Our review and discussions reflect that although LoCAL is working towards developing tools

such as the Local climate Information System for Adaptation (LISA) in Ghana and the climate vulnerability index in Bangladesh, so far the use of climate science and climate data has been weak.

**Under output 3**, LoCAL focused on institutionalizing the PBCRG mechanism and increasing availability of climate change adaptation finance to local government. The Annual Report 2021 mentions that 3 countries – Benin, Bhutan and Cambodia, of which Bhutan and Cambodia are Phase III countries have institutionalized the PBCRG systems. It also reports that 295 local authorities have invested in PBCRG schemes amounting a disbursement of around US \$25 mn.<sup>34</sup> LoCAL is providing training, technical and policy support, as well as advocacy for introducing policy provision for decentralised climate finance in the national and district plans or in climate finance frameworks, as observed in Ghana and Bangladesh. Though LoCAL is testing various approaches to unlock domestic and private finance for climate adaptation, the success has been low. However, it should be noted that Bhutan and Cambodia have apportioned the donor-funded budget support or loan received for local climate adaptation.

**The LoCAL program design spells out the eligibility criteria for selecting countries, which the evaluation team feels are adequate and justifies the country selection. In the initial period, the program was focusing on supporting countries where UNCDF had previously worked on strengthening decentralization. However, since 2019, LoCAL deployment has shifted to be demand based as reported by the program team to support broader set of countries on local climate adaptation and deepening decentralisation.** Desk review reflects that the implementation process follows the program design although the number of years in each phase and cycles of funding is primarily dependent on resource availability. For example, Phase I is primarily based on piloting LoCAL in 2 - 4 areas with grants for 1- 2 financial cycles. Phase II is a national pilot with minimum of 5 - 10 local authorities and is mainly funded donor partners through UNCDF. Phase III is a country-wide roll-out of the program in a phased manner and to be financed by the national government through readjustment of the architecture of existing fiscal resources or financed by multilateral or bilateral agencies and including climate funds. **Although broad parameters have been outlined for graduation between phases, review and discussion reveals that the maturity model of transition primarily depends on the availability of donor financing.**

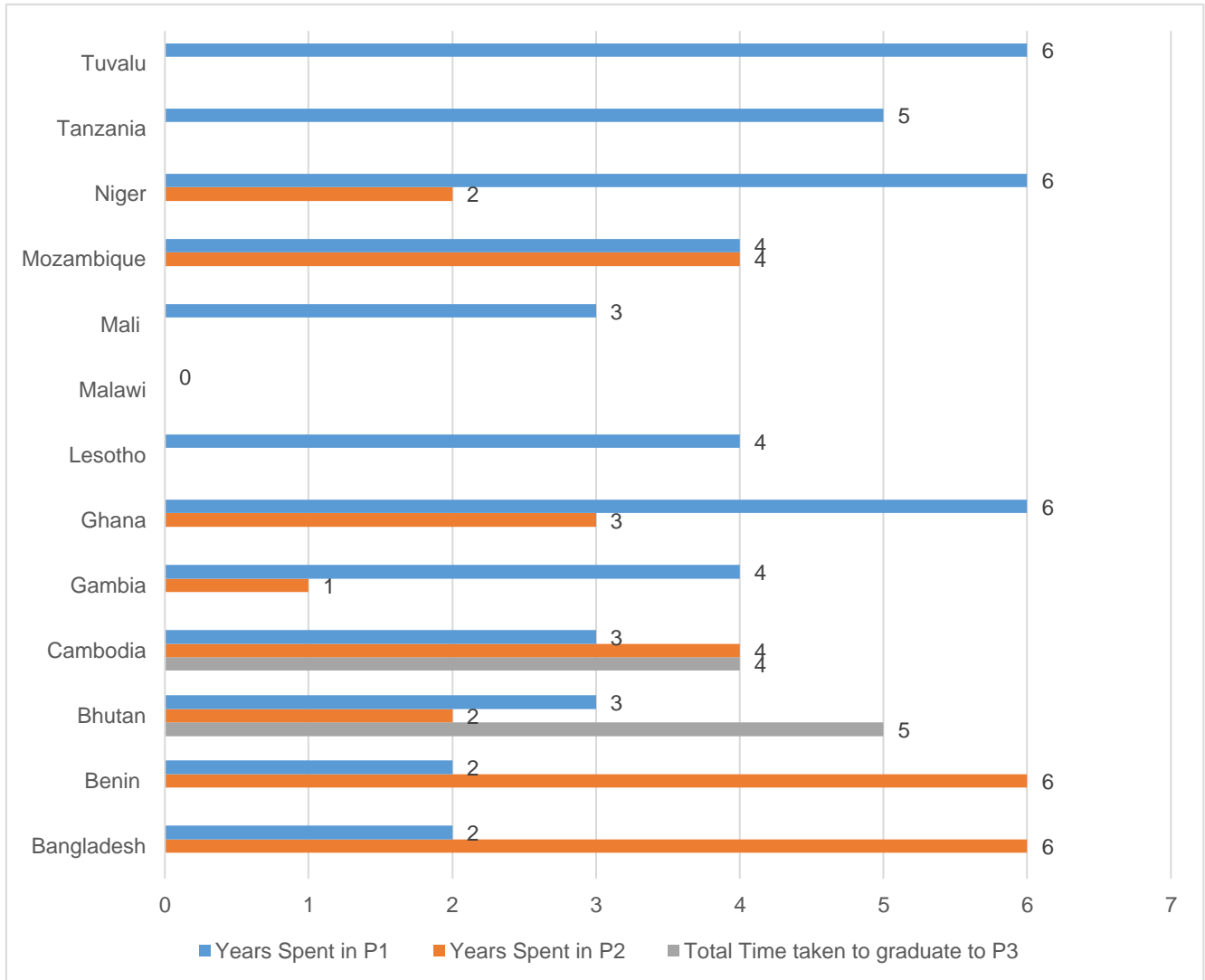
A quick analysis reflects that there is a variation in how long each country remains under each phase, as illustrated in the chart below.<sup>35</sup> The amount of donor funding available to LoCAL also determines the scale of the Phase 2 program, which varies across countries from Bangladesh, where it covers 72 out of more than 1,000 UPs, to Ghana, where it covers 13 out of 261 MMDAs. Since inception, only 2 countries, Bhutan and Cambodia, have matured to phase III, while others, such as Ghana, aspire to do so. The Bhutan and Cambodia transition is mainly attributable to the ready availability of donor funding as opposed to the national government's funding commitment. However, in case of budget support, the country government is free to allocate funds for other purpose unless local climate adaptation is specified as a milestone by the donor.

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<sup>34</sup> Annual report 2021-LoCAL report and results framework

<sup>35</sup> The calculations are based on reporting of Phases in the LoCAL country reports. Until before 2019 – there the design phase nomenclature was not being used.

**Figure 6. Time Spent by Country in Different Phases**



**Under output 4**, LoCAL has made commendable progress in bringing attention to the role of local authorities and local adaptation by presenting at various global forums. The LoCAL experience has also been cited in various international publications (for example, OECD, UNFCCC reports, etc.). The activities at COP and UNFCCC events brought greater focus on the need for and importance of locally led adaptation, finance and country-based delivery systems, as LoCAL. The activities related to global outreach have helped in sharing of knowledge and best practices on local resilience.

Given LoCAL’s dependency on donor funding, the efficiency of LoCAL’s work in terms of accessing these funds becomes a crucial factor. Here, the evaluation team found that LoCAL has played an efficient and effective role in influencing donors by identifying opportunities to align with donor country priorities and programs. For example, Ghana has successfully accessed EU support by including a climate adaptive local development component in the EU GrEEN program on addressing the root causes of irregular migration and similarly in The Gambia with the JSF program on creating opportunities for jobs and skills creation. These alignments have helped in scaling the local initiative in Ghana and The Gambia and supported transitioning to a phase-II country. However, a number of climate experts have pointed out that this sort of alignment involves some compromise with the risk of diluting the focus of LoCAL away from its core objective. However, our discussions with the government in Ghana and the review of the Gambia mid-term evaluation reveal that both national and local governments appreciate LoCAL’s flexibility to work with different funders and as embedded in larger programs.

**Finances**

Desk review of the finances shows that till 2021, LoCAL has mobilized \$124 million and made an expenditure of \$60 million.<sup>36</sup> **Analysis of the amount of grant disbursement reflects that Bangladesh and Mozambique have the major share of the expenditure totalling 71% of the PBCRG grant money as these two countries have specific country donor funded projects (in total 5 countries have specific donor funded programs) and rest of the countries have a limited investment due to engagement in limited number of local authorities.**<sup>37</sup>

Analysis of the country-level data shows that in Bangladesh and Mozambique, the soft investment (planning, capacity building etc.) component is around 20% of the total expenditure, whereas in other countries, the percentage of soft expenditure is significantly higher with respect to the total country-level investment. This reflects the importance and advantages of economies of scale as the country programs scale up, the soft investments, although equally critical, will gradually reduce in share with respect to capital investments. This is important to address the concerns of most LDCs and other developing countries as they expect a higher ratio of infrastructure investments rather than soft or technical assistance. However, discussion with experts and our experience of design and implementation of similar programs reflects that it is critical to invest most in planning and capacity building at the Phase-I and II and at the initial stages of scale-up to improve the program's effectiveness.

**For the Value for Money (VfM) and cost efficiency analysis, we have attempted to calculate the following ratios based on the available financial data at program level:**

Per capita investment - The per capita investment is only US\$ 4.78, which is low with respect to the benefits that have accrued to the communities and individuals. Our field visits and discussions reflect that the investments have reduced the loss and damage of assets and income, strengthened their livelihoods and access to basic services.

Per capita training and capacity building costs is US\$ 738<sup>38</sup>, which appears to be very high. In the absence of suitable aggregated data for the years, we have used the data from the Annual Report 2021 on the number of people being trained and the amount spent on capacity building to arrive at the per capita costs. The high costs might also possibly be because of incorporating the costs of institutional strengthening within training and capacity building.

The average cost per investment is US\$ 16,587, which is relatively low and has been highlighted by national and local stakeholders. Some experts mentioned that these low levels of investment would not potentially attract any private capital or investments. From our field-level interviews, we understand that the PBCRG investments are similar to the local governments' own investments although justified from an adaptation perspective. One respondent mentioned that the low level of allocation to local authorities, especially in Phase-I countries can only generate modest outputs and limited impact hence this often escapes the attention of national policy makers. Our discussions at the country level show that whilst governments appreciate the investments made, they complain about the low level of investment.

On leveraging resources, our review of the financial statements reflects that LoCAL has leveraged around 13% of its resources from country governments.

Expenditure analysis shows that the utilization of financial resources has been good in most years except 2018. The average utilization rate is about 87% for the evaluation reference period. This shows that LoCAL has forecasted and budgeted efficiently.

Expenditure analysis of outputs shows that the expenses for mainstreaming, i.e., PBCRG investments, have increased more than budgeted, whereas other expenses such as project office, M&E, learning etc, are less than budgeted. An increase in allocation and disbursement on mainstreaming and PBCRG means that more money is invested in investments, which is always desirable.

It is important to note that parallel funding is US\$ 26mn and covers only 5 countries, as reported in the financial documents. The primary parallel funding is from donor-supported programs in Cambodia and Bhutan, which is useful and reflects national government's commitment to locally led adaptation. While the Bangladesh commitment is made, disbursement is yet to happen. The leveraging of private sector finance is nil, and the government's allocation is very low.

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<sup>36</sup> Annual report 2021

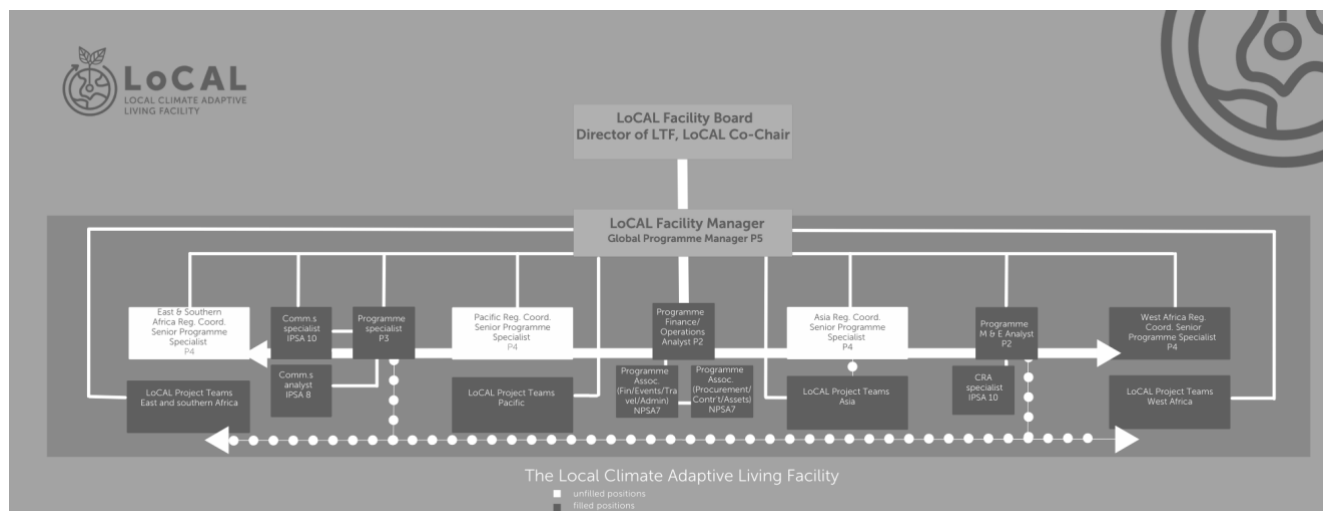
<sup>37</sup> This refers to direct funding through UNCDF, otherwise Bhutan should also be mentioned, but this was driven by parallel funding (EU Budget Support)

<sup>38</sup> Derived from AR 2021- Total trained by the budget for training



**How well is the program being managed and governed, through the involvement and contribution of key partners such as the key donors and government counterparts both at global, national and local levels?**

The program has a well-established governance and management structure for the delivery of its objectives (shown in the figure below). The program is implemented by the LoCAL Facility Manager program management specialists and program analysts and country teams or staff. The Secretariat reports to the Global Board, which is chaired by the global coordinator of UN LDC group and chair of the LDC group to the UNFCCC and assisted by the UNCDF's Local Transformative Finance (LTF) Director.



The Board comprises representatives of countries that have signed an MoU. This is the overarching project body responsible for realizing the vision and implementing the program at the global level. The Board has been set up to ensure peer review mechanism and to ensure quality standards are maintained especially in countries where UNCDF had not previously supported. Direct observations of the Board meeting reflect that the Board takes greater ownership and scrutiny of the process and programs. Also, the Board plays an instrumental role in providing strategic guidance. The Board assists mobilizing countries and advocating for greater long-term local climate adaptation finance. **The inclusion of LDC and other developing country members along with the Co-Chair modality has been a good strategy as it has built ownership, contributed to the program's expansion and led to south-south exchange and knowledge transfers.** From 2021, LoCAL also introduced a ministerial meeting to advocate for locally led adaptive finance and adherence to LoCAL standards. Direct observations reflect that the **Board and Ministerial meetings are well conducted and that resolutions are passed with broad participation and discussion.** However, the engagement and discussions looked very similar, and it is important to differentiate the two. The Board and Ministerial meetings are a good platform for the countries to exchange country-level information and knowledge and discuss strategies to engage collectively, through various negotiating groups, at the respective COP.

Desk reviews and field visits reflect that the **National Steering Committee guides the program at country level.** Senior government officials from government and relevant parastatal agencies, along with the representative of the donor country team, are part of the Steering Committee. One of the reasons for the broad-based Steering Committee is to build coordination among relevant Ministries or agencies and embed the program in the country system. **Although the role and mandates of the Steering Committee are similar across countries, the level of participation, guidance and functioning varies across countries.** In Lesotho, the evaluation team found that the Steering Committee members were very knowledgeable about the program's progress and took an active interest in guiding and supporting the program, whereas in Bangladesh, the Steering Committee plays more of an approval function rather than providing strategic guidance. Discussions in Ghana reflect that whilst the Steering Committee meetings happen regularly, they focus primarily on operational rather than strategic issues. Experience from Lesotho reflects that **Steering Committee, which is the National Climate Change Coordination Committee of Government of Lesotho is helpful to the sharing of program information and learning with other key government Ministries. It also provides an opportunity to ensure complementarity in approach and create greater ownership within overall government systems.**

Desk review and observations at the field level reflect that the **LoCAL program team is lean compared to the geographic spread and mandate of the program.** Currently, the program has a Global Secretariat led by the LoCAL

Facility Manager and supported programme management specialists and programme analysts and country teams or staff. Many of the regional managers posts are vacant and some of the analyst roles are now being filled in. Many **team members mentioned that they are “stretched” and that additional technical staff members are necessary to improve the program's efficiency and effectiveness.** The existence of low technical capacity of national or local authorities and limited technical support given the need also adversely affects the country's program to achieve its objectives. Program management specialists and analysts from the global team cover a wide range of country portfolios, and some of the staff members play a dual role; for example, M&E staff also oversee the West Africa portfolio. **A lean team is economical but may not be very effective where the country-level capacity is generally weak.**

In country visits and discussions, the evaluation found that the team composition and staffing of LoCAL varies across countries and project size. For example, in Phase II countries Bangladesh has a large team, a mix of UNCDF staff and core project staff along with field level staff; Mozambique has a small UNCDF team with a technical assistance team embedded within the program by the government; Ghana has 6 staff members and Niger has 1 UNCDF staff member.

During field visits to Lesotho, the evaluation team found a single staff member responsible for engaging with the government, overseeing the program, and resolving day-to-day administrative issues and reporting. During discussions, the evaluation team found that even though Phase-I-countries operate in a very limited number of pilot areas and few local governments they can require intensive engagement and technical support to align and embed the LoCAL process, mechanism and guidelines within existing government systems. As many of LoCAL's countries have relatively low technical capacity, it is important to invest more in additional staff and technical expertise at the country level to influence and embed the program. More intensive technical support will ensure standardization and adherence to any future ISO certification.

The evaluation has found that **country teams appreciate the support they receive from the Global Team.** The Global Team, however, appears to be stretched with program management specialists and analysts covering many countries to support program design or Phase-I or II roll out which requires deep engagement with the government and donors or country teams. With a growing number of countries expressing their interest in joining LoCAL, UNCDF must consider increasing the staff strength at regional and country levels to improve the effectiveness of delivery, quality assurance, policy advocacy for sustainability and for timely transition between different phases. It is important to fill up the existing vacancies like Asia Program Manager, East and southern Africa Manager and also strengthen the country teams. Discussions with **UNCDF and stakeholders confirm a heavy reliance on external partners and consultants for delivery in many countries because of limited staff at country or regional level.** However, dependencies on consultants have certain limitations as it does not lead to regular and formal channels of communication and information flow between the country government and UNCDF.

The ongoing **engagement with UNITAR, WRI and KEI is valuable and essential for developing knowledge and research products, assessments, and toolkits.** However, country-level discussions did not reflect how these research products and toolkits are used apart from the WRI developed ACCAF tool for monitoring and reporting.

Although the program document mentions that Outputs 2 and 3 on policy advocacy, capacity development, and institutionalization will be delivered in **partnership with UNEP and UNDP,** country discussions revealed that this **partnership approach has not yet been fully realized.** In Ghana and Bhutan, UNDP has been working on similar/complementary climate adaptive programs independent of LoCAL although there are clear synergies and opportunities for a joined-up approach. We understand that there are complexities in realizing a joined-up approach across agencies. However, such an approach would generate efficiencies and create greater impact. In Lesotho, LoCAL purposely identified local councils which UNDP had previously supported in order to take advantage of built capacities at the local level. In Bangladesh, LoGIC is delivered as a joint program with UNDP, and this has demonstrated considerable value-add with excellent impacts at the household level.

**On risks and mitigation, the ProDoc has a well-defined risks and mitigation matrix which clearly articulates the probable risks of the program.** Examples include, change of government personnel, misuse of funds, challenges due to implementation delays and lack of government co-financing and delays in getting access to international climate finance, to name a few. The program has highlighted the mitigation measures and have attempted to address it. However, these many of these risks persist and have affected the implementation and scale-up. For instance, UNCDF has put in efforts to mobilize resource for transition across phases in a timely manner, but these have got delayed.

Further, local governments (in the countries visited during the deep dives) in have not provisioned funds for Operation and Maintenance (O&M), which adversely impacts the sustainability of the investments.

### How appropriate is the program's monitoring system to track direct program results and its broader contribution to the overall program objectives?

**The M&E strategy has evolved over the years.** Based on the Mid-Term Evaluation recommendations, LoCAL, with technical support from WRI, has strengthened and introduced the ACCAF framework for monitoring. ACCAF attempts to incorporate adaptation M&E into the performance-based climate resilience grant system which is challenging. ACCAF complements the Annual Performance Assessment (APA) and ensures that written adaptation rationale is distilled into an adaptation outcome and outcome indicators. **The program monitoring systems (ACCAF) support comprehensive tracking of the program results.** The systems support both country-level tracking of results and consolidated global results.

**The results framework is aligned to the program's theory of change and the monitoring framework is adequate to capture the various outputs and outcomes.** LoCAL's impact statement (as stated in its RF and ProDoc) mentions SDGs 1 and 13. The corresponding LoCAL indicators match/align with those under SDG 13 but the linkages to SDG 1 are not explicit. The results framework captures the number of direct and indirect beneficiaries of CCA investments however, there is no suitable indicator to capture the progress/impact on the objectives of climate-resilient communities and local economies.

The other challenge of the results framework is that it **mostly captures quantitative data points rather than the qualitative aspects of the intervention.** For example, output indicators capture the number of trainings done, and the number of local authorities integrated or mainstreamed climate adaptation in planning and budgeting but miss out on capturing the increase in capacity and actual level and quality of mainstreaming, the key program objectives. Capturing qualitative aspects is equally important for program adaptation and decision-making. One of the country informant suggested, *"we report only on the number of training or meetings conducted, but the present monitoring format does not provide any idea whether such meetings have been run efficiently or effectively since qualitative data is not being captured nor reported"*. The informant mentioned that in an LDC context, it is equally critical to assess the input and interventions' quality and adherence to required standards. We also observed that **some phase-II countries have their own ToCs and result frameworks aligning with country-specific programs, however they also feed into the overall global results framework.**

**ACCAF is a single platform for consolidating resources and activities with climate rationale. It supports the tracking of progress and project reporting, but it does not help in assessing infrastructure's impact and quality and/or climate resilience.** The ACCAF mainly focuses on measuring the scale and scope of LoCAL's global interventions rather than the effectiveness of the interventions. Without the latter, a higher-level analysis may be constrained. It is important to note that ACCAF suggests a series of periodic (three years) adaptation-centric evaluations of the country programs to complement the local-level Annual Performance Assessments to assess how effectively LoCAL country programs are contributing to climate adaptation.

Although the ACCAF framework is comprehensive, **field level discussions in-country reveal that local government staff find it difficult to apply and report on, and hence depend on LoCAL country staff for reporting.** Also, discussions revealed that many local authorities find it difficult to provide climate categorizations and justification and therefore use the same standard rationale in most cases to justify the investments. Discussions with government and country partners reflect that the data collected are used primarily for reporting purposes rather than taking program-level decisions by local authorities and institutions, which to a certain extent, defeats the purpose of the M&E system.

Also, there **are challenges concerning reporting of direct and indirect beneficiaries.** The general trend is to report based on the entire locality's population, which sometimes distorts the actual number of people who benefitted. The evaluation team acknowledges the difficulty in quantifying the exact number of beneficiaries in the case of a public good, but it does require to be somewhat nuanced to generate a more accurate picture.

One of the main challenges of the ACCAF is that if it is used or applied inconsistently, it may not efficiently or effectively assess or demonstrate the LoCAL mechanism's contributions to local level climate adaptation. Given the complexity of the ACCAF combined with the reporting needs and capacity gaps at local level, for the ACCAF to be functional and useful, it will require more intensive training, time, and resources as well as consistent management support to ensure it is implemented efficiently and effectively.

Evaluation discussions revealed that the **resource envelope allocated for M&E is low**, with only one officer supporting monitoring across all LoCAL countries and local authorities. Whilst we understand that the national government and local authorities are responsible for monitoring and evaluation, field discussions reflect that this is often not undertaken due to a lack of resources, time and commitment. In Lesotho and in Niger, officials are not able to travel to project sites due to a lack of budget for transport. In Bhutan, although national and Dzongkhags level committees are responsible for monitoring, this takes place infrequently in many of the Dzongkhags. In Bangladesh, due to the large field team and active involvement of Upazila officials, monitoring of adaptation interventions is undertaken regularly. **Discussions with donors revealed that they are satisfied with the reporting but wish for more disaggregated and impact-driven data.** As one of the respondents said, *“we received report on coverage, activities and financial investments and schemes but the reports do not give us an idea of transformation and increased resilience of communities and households.”*

**Although the program design mandates conducting APAs for PBCRG tranche disbursements, field visit discussions reflect that there are gaps and there is an opportunity to strengthen this in countries.** In Lesotho, the APA is undertaken by UNCDF LTA firms, and the assessment found some compliance issues on fulfilling the minimum conditions suggesting full disbursement with recommendations for strengthening the systems and processes. In Bhutan, a phase III country where the system is run by Government, whilst a meeting of all the Gewogs is conducted, LoCAL-supported Gewogs present their performance for approval without any validation exercise.

#### **How did the program managers adapt to the impact of Covid-19 in the designed management of the program and likely results? Has there been any change in program delivery mechanisms as a fall out of Covid 19?**

**The Covid-19 pandemic adversely affected the pace of delivery as most countries were in a lockdown state in 2020 and 2021.** The lockdowns halted most of the field level activities – training, planning, implementation, and monitoring. Program teams faced challenges in communication and engagement with national and local officials. In most countries, like in Bangladesh and Ghana, teams moved to an online mode for training, capacity building and information sharing but these were not very effective, as there were challenges on internet connectivity. At the global level many of the discussions and outreach events were conducted online in 2020 and 2021. The 7<sup>th</sup> and 8<sup>th</sup> annual LoCAL Global Program Board Meetings were held virtually in May 2020 and 2021.

There were no major changes in the overall design and in results framework / targets due to Covid-19. However, the progress was slow in some of the countries, and there were some adjustments in country programs. The 2020 Annual Report highlights that for addressing local communities' need during the pandemic, LoCAL facilitated climate-resilient investments in critical sectors, such as WASH and agriculture, which have helped communities withstand impacts on their lives and livelihoods, whilst contributing to sustainable recovery. This was also confirmed at the country level discussions in Bangladesh and Mozambique. Based on our discussions, we understand that some of the PBCRG investments were focused more on addressing the Covid-19 response in the locality. For example, in Mozambique, to preserve public health despite climate change and pandemic threats, most of the districts identified realization of multifunctional water supply systems as a priority intervention to ensure reliable access to potable water and promote personal hygiene. In Bangladesh, LoGIC funding for livelihood strengthening were disbursed for safety net programs in few Union Parishads. In Ghana, US\$ 90,000 was reallocated to support to local government for their pandemic response plans.

One of the longer-term impacts of Covid-19 has been **in reduction of fiscal resources available for local governments in many countries.** The pandemic created macro-economic imbalances in most LDCs with sharp fall in revenues because of slowing down economy and increase in health and social safety expenditures. Discussions in Lesotho and Mozambique suggested a reduction in the national government's fiscal transfer to local authorities during the pandemic and continues to be the case today. This has led to PBCRG substituting for national fiscal transfers making provision for top-up impossible. This reinforces the challenges of the PBCRG as a top-up fund in resource-constrained countries. The fiscal constraint is expected to continue with the impending global recession and food and fuel price inflation due to the Ukraine war. Although provisioned as a top-up, in many local authorities, LoCAL is mostly used as a

substitute source of funding for local investments rather than as a top-up fund for climate adaptation. Budget constraints in the future might affect LoCAL's mainstreaming efforts in most LDCs.

#### 4.4 EFFECTIVENESS

*The effectiveness section assesses the extent to which partner local governments and communities are starting to make use of LoCAL support to change their approaches to designing and implementing community-based climate change adaptation solutions.*

**LoCAL through its various activities has contributed to increasing awareness and capacities of local governments' elected representatives and local officials.** In many countries, LoCAL has been the first player to sensitize and build the capacities of local authorities to engage with communities for the planning and delivery of climate-resilient infrastructure and to scale up locally led adaptation through government systems. However, several stakeholders shared that the **trainings were infrequent and reported the shortage of staff, limited technical positions at local level and sub-national levels coupled with frequent transfers. This reduces the impact and utility of the trainings provided.**

Since local-level climate data and information is unavailable in most countries, **LoCAL has extended support for developing local level climate risk maps/atlas, climate information systems, and climate risk vulnerability assessments.** At the same time, the absence of robust local level climate data has meant that most of LoCAL's investments have been identified on the basis of local knowledge and perceptions of past climate shocks and risk.

**LoCAL activities have attempted to contribute to mainstreaming climate adaptation issues into government's planning and budgeting process, especially in Phase II and III countries. LoCAL fiscal transfer mechanism has been integrated into the government systems in all countries.** However, the degree of mainstreaming climate change has varied across Phase-II countries. LoCAL has successfully created an appetite for the LoCAL approach and mechanism at sub-national levels. However, limited understanding, climate data gaps and capacity and resource constraints are hindrances for effective mainstreaming.

The main source of external funding to date has come from a range of donors with the EU and SIDA, providing the largest share of funding. **Modest funding from national governments** could be partly attributed to the fiscal constraints faced by especially LDCs and competing development demands.

LoCAL technical support to the LDCs and other developing countries in building capacity for accreditation and project preparation is commendable and in the right direction. An area that LoCAL needs to explore further is that of **helping countries track their own budgets for climate adaptation, generally and for locally led adaptation, specifically.**

Overall, **LoCAL has a well-structured approach to increasing access to global funds for LDCs and other developing countries and provides a useful platform to LDCs for voicing their demands.**

#### To what extent have LoCAL activities contributed to increasing awareness and capacities for CCA at the local level?

**LoCAL through its various activities has contributed to increasing awareness and capacities of local governments' elected representatives and local officials.** The program has conducted multiple trainings for officials and elected representatives at sub-national level on planning, budgeting and sensitization on climate change, along with the development of related manuals and tools. The evaluation team observed that these **trainings have been useful** in building capacities on reporting requirements and **laying the foundation for identifying and prioritizing interventions that are more likely to deliver strong climate resilience outcomes in the future.** The program reporting highlights that 11,558 national and local authorities' officials and community representatives participated in awareness and capacity-building activities between 2019 and 2021.<sup>39</sup> During field-level discussions, **local government officials reported that their understanding of climate change impacts has improved**, and they got a sense of what needs to be done for adaptation and not necessarily only focus on relief and disaster management.

<sup>39</sup> LoCAL systematically started reporting on this KPI in 2019, as shared by the programme team.

**Awareness and capacity building through 'learning by doing' is one of the key dimensions of LoCAL and follows from the incremental approach of its overall design and implementation strategy.** The twin track strategy of supporting and working with communities to identify and prioritize their adaptation needs and integration of these into development plans at the sub-national level and advocating with national governments to strengthen climate change considerations in programming and budgeting has helped to build horizontal and vertical linkages. LoCAL has provided structured training to various stakeholders including local government officials and elected representatives which is often the only exposure they have had on local climate adaptation issues and processes. Moreover, these awareness and capacity-building sessions help towards standardization, implementation, and scaling up of climate change adaptation in participating countries.

In most countries, climate adaptation is a sector-led approach entailing minimal engagement with and involvement of local governments and communities, who are the most at risk of climate change but have limited voice in decisions on climate change interventions. **LoCAL, for the first time in many countries, has helped to sensitize and build the capacities of local authorities to engage with communities for the planning and delivery of climate-resilient infrastructure and to scale up locally led adaptation through government systems.**

Country-level discussions reflect that **whilst participants appreciated the training, they also requested more training and refresher courses to help embed the approach.** This is especially relevant in cases where elected representatives play an active role in the program and given turnover issues in each election cycle. The evaluation team has observed that training has not always been uniform. For example, in some cases, officials or representatives did not receive training in all aspects of the mechanism. In Bhutan, a country in Phase III, where government is leading the scale up, elected representatives and officials claimed although they have been trained only in PRA process and not received training on the PBCRG mechanism and, the trainings were of short duration without any refresher courses.

The evaluation team has observed during the field visits, that in some of the countries visited (i.e., Lesotho), **awareness and capacity building has yet to be provided to the community members.** Also, the Ghana ACCAF reporting mentions that most of the trainings were for officials and not the elected representatives. It is also essential that community members are also made aware of climate change adaptation options, as the level of awareness at community level is low. **Training and sensitization of the community on climate change and the PBCRG mechanism will help in better planning and prioritization, which would lead to improved coping mechanism and social accountability.**

While planning and rolling out training, it is important to understand 'who' is being trained, their absorption capacities and use of the training. As one of the respondents highlighted, *'the LoCAL instrument is complex with many moving parts - who is being trained and how well training is conducted is critical for effectiveness and sustainability'*. **The shortage of government staff limited technical positions at local level and sub-national levels coupled with frequent transfers all reduces the effectiveness and utility of training.** Elected representatives are mostly replaced with each election cycle (as observed in Bangladesh, Bhutan) and officials are transferred at regular intervals impacting sustainability of the program. **One possible way of addressing this issue is for LoCAL to consider embedding training modules within national/local government training organisations and institutions** for continuity, as initiated in e.g., Tanzania. For example, in Niger, LoCAL could explore the possibility of establishing stronger links with the Ministry of Community Development that has set up an institute for training and prepares various manuals to ensure that all staff (even when transferred) are aware of the basics. Here, LoCAL's role would be to focus on Training of Trainers at different levels of government which would also strengthen the sustainability of critical aspects of the program. LoCAL may also consider preparing short videos and using social media to cascade training to elected representatives, community leaders, officials, and other stakeholders to enhance the effectiveness of training.

In the evaluation field visits, the team observed that local government institutions have attempted to use whatever climate or meteorological information is readily available to help inform the LoCAL planning process. An important point emerging from field discussions is that LoCAL most often is the first and only program attempting to assemble and use available climate data and maps as well as to commission technical work on developing methodologies for downscaling regional data to formulate local climate risk maps as a part of its Climate Risk and Vulnerability Assessment (CRVA) process to inform and guide investment planning. This process has been reinforced in some countries such as Ghana, where the Ministry of Environment, Science, and Innovation (MESTI) and the National Development Planning Commission have issued mandates for the inclusion of climate considerations into all local development plans in order

to obtain plan approval and funds release. One of the key stakeholders in Ghana commented, *“the country has no mechanism to focus on climate adaptation at the sub-national level other than LoCAL, which is currently operational. The awareness creation that LoCAL undertakes will contribute to ensuring that local plans reflect climate issues and environmental considerations as an inherent part aspect of level planning in future”*.

It should be noted that **in many countries, local-level climate data and information is unavailable and therefore local governments must rely on national level data or local perceptions when formulating their development plans and budgets**. While generating climate data per se is not within the mandate of LoCAL, **it has extended support for developing local level climate risk maps/atlas, climate information systems, and climate risk vulnerability assessments** (Ghana, Bangladesh, Niger, Mali etc.). In Ghana, the Institute of Green Growth Solutions (IGGS) has been contracted by LoCAL to develop a methodology for localising the CRVA for 13 MMDAs in coordination with the Environmental Protection Agency (EPA) and this information will contribute to improved decision-making. In Lesotho, LoCAL works with the Lesotho Meteorological Society (LMS) and uses their national data for programming. Staff from LMS have trained District and Community Council officials on climate change adaptation. This support contributes to improvements in the design of LoCAL supported investments and can potentially help in its advocacy. However, the evaluation team has only been able to identify a few cases from Ghana and Bhutan of changes in the design specifications of investments to address climate specific risks. These include changes to the design of a culvert to withstand higher intensities and volumes of water and modifications to borewells to cater to depleting ground water and increasing salinity; taking into account impacts on marine ecology and customized the concrete used in construction to deliver higher resilience. All these demonstrate the effectiveness of the LoCAL mechanism in delivering adaptive infrastructure as well as contributing to the development of new methodologies to assess climate risk and vulnerability.

However, **given that robust climate data is generally not available at the local level, most of LoCAL’s investments have been identified on the basis of local knowledge and perceptions of past climate shocks and future risk**. In the absence of robust climate analysis and projections most investments have been developed based on a climate narrative that links to the main climate risks observed in the area. In Lesotho, the main pilot interventions in the Moleleke district relate to water scarcity as experienced by the local community. Here, LoCAL has funded the repair of a long defunct electric pump in Khoelenya. Whilst the long-term climate ‘adaptation’ aspect of this scheme is tenuous, the climate narrative justifies the intervention as having contributed to addressing water issues in the area. Bhutan as a Phase 3 country has not used any local level climate risk maps to inform local planning to date but rather PRAs. As a result, discussions with local leaders revealed that there is little difference in LoCAL scheme type and design as compared to routine district development schemes. However, **LoCAL’s interventions are seen as useful and have, nevertheless provided relief from climate-induced stresses**. In addition to these observations, the evaluation team has not observed the use of climate risk vulnerability assessments to help determine the additional costs of ensuring infrastructure is sufficiently climate proofed to withstand current and future local climate shocks.

**The climate additionality aspect of LoCAL interventions is somewhat tenuous in the absence of local level climate data and therefore absence of robust climate science-based decisions on interventions**. However, with the increased support to national governments and focus on vulnerability assessments and climate modelling based on more granular data, it is highly likely that current investments in awareness creation and planning capacity will, in the future, contribute to the identification, prioritisation, design and funding of projects that deliver strong climate resilience outcomes. The evaluation team observes that, Ghana, Bangladesh, and Bhutan are some of the countries that are starting to demonstrate greater rigour in reviewing and approving investments with respect to climate additionality customised to specific contexts.

The LDCs where LoCAL operates are at various levels of decentralisation and local annual planning is not always systemised and integrated into the budgeting process. **Field visits and observations revealed that the planning process in many countries are weak and, in many cases, informal with limited participation and voice of women**. Hence, LoCAL’s focus on building capacities for planning, financing, and monitoring is appropriate and effective.

While LoCAL aims to promote community involvement in planning and choice of interventions, the evaluation team did not find much evidence of the use of indigenous knowledge and technologies in the countries visited. In most cases, the local government applies LoCAL’s investment menu (which is itself very comprehensive) and then builds the climate narrative around the option chosen from the menu. Some local stakeholders and experts saw this as potentially undermining a bottom-up process which could limit the scope for promoting indigenous solutions. However, given the

weak planning capacity in many of the LDCs, **the evaluation team found LoCAL's approach to be pragmatic, although it must consciously include sufficient flexibility to accommodate local innovation.** On scheme selection, however, the evaluation team found that the process often lacked rigour in terms of ranking or rating possible projects from the perspective of resilience<sup>40</sup>, an observation also noted in the Mid-Term Evaluation.

**To what extent have LoCAL activities contributed to mainstreaming climate change adaptation into the governments' planning and budgeting systems and investments, including the extent to which these are implemented in line with the LoCAL standard?**

LoCAL activities have aimed to contribute to mainstreaming climate adaptation issues into governments' planning and budgeting process especially in Phase II and III countries. Meanwhile, **the LoCAL fiscal transfer mechanism has been integrated into the government systems in all countries.** However, the degree of mainstreaming climate change has varied across Phase-II countries. It is important to note that in all countries, LoCAL PBCRG investments were mainstreamed and implemented through the government systems following the established processes. LoCAL has also helped to integrate a more systematic analysis of climate change considerations into the local planning and budgeting process with varying degree of success. However, such an approach has been largely confined to LoCAL funds and schemes barring few exceptions.

**In Bhutan, the LoCAL mechanism has influenced national planning processes and has resulted in widespread interest in performance-based disbursements.** Discussions with officials highlighted that LoCAL projects have helped Gewogs understand the impacts of climate change and to a certain extent influenced their thinking and planning around other development interventions at Gewog level. At the same time LoCAL's performance-based grants are appreciated at national level where government plans to apply LoCAL's performance criteria to other government programs. This level of influence is possible in Phase-II and Phase-III countries where the demonstration model is based on a larger number of participating local authorities.

**On the whole, the evaluation team finds that climate considerations in planning and budgeting of programs are not systematic under LoCAL and to a greater extent depend on the level of devolution, as evidenced in Ghana where there are encouraging examples of mainstreaming climate issues.** The evaluation team finds that while the design focus is on bottom-up planning with local communities to define and prioritize their adaptation needs, the implementation and quality are not uniform. During interactions with the community in Khoelenya, Lesotho, the evaluation team found that formal community meetings for planning did not take place. Instead, community needs are shared with the village chief who will then prioritize which options to communicate to the next higher level. This limits the extent of voice and inclusion and local decision making. In Ghana, both MESTI and the National Development Planning Commission (NDPC), for example have introduced basic climate and environmental criteria to be included while assessing performance of local governments for release of the incentive funds. Also, while the Ministry of Finance does not determine or guide on climate orientation of works, it encourages climate mainstreaming across departments. Similarly, the NDPC 'plans with' and not 'for' other departments where there is an established coordination mechanism.

Field visit discussions confirmed that **UNCDF has successfully created an interest for the LoCAL approach and mechanism at sub-national levels.** However, limited understanding and data gaps on climate change are hindrances for effective mainstreaming. Also, challenges with resources and capacities adversely affect mainstreaming since LoCAL is a complex process that requires high levels of competency to operate the mechanism at all levels of government. Other important considerations for mainstreaming include improved coordination between relevant agencies, communication between local, district and national authorities and sectoral departments engaged in climate action. This appears to be weak in most countries (except Ghana) as ministries in most countries work in a siloed fashion with little incentives for joined-up working. This was voiced by many experts including WRI's Bhutan Assessment Report. One of the country officials highlighted that *"climate change discussions generally happen at national and international forums and local authorities are generally left on their own to deal with adaptation issue and this affects mainstreaming."* Similar sentiments have been expressed by officials or local authorities' representatives of other countries.

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<sup>40</sup> Mid-Term Evaluation of the Local Climate Adaptive Living Facility, (LoCAL), March 2018



One of the **main challenges of mainstreaming climate change adaptation as a top up to development funding is a general lack of resources for development investments at local level.** In Bhutan, for example, LoCAL infrastructure investments appear to be similar to other development works undertaken at local level. This is partly because LoCAL is not generally used as a top-up fund to supplement existing schemes because national government allocations are generally found to be limited, uncertain and unpredictable. Hence it is difficult for local governments to calculate the top-up requirements. In such circumstances, local governments prefer to use LoCAL funds to cover the entire cost of an asset so that they can ensure project completion and these assets tend to be based on existing design and cost parameters, which explains the limited climate specificity. In this context, LoCAL at the sub-national level is perceived as a project with its own funding stream rather than a mechanism to blend with existing fiscal transfers and own source revenues since the latter is often negligible. LoCAL is aware of this constraint and in Tanzania and Burkina Faso where pilots were launched in 2021, local governments are/will review their mid-term local development plans through an adaptation lens<sup>41</sup>. In Ghana there has been a conscious attempt for LoCAL investments to include climate additionality in terms of resilience, although it is recognized that in so doing the number of investments will decrease as the value of an investment increases. Since LoCAL represents a new way of working on conditional grants for local climate adaptation, its capacity to learn and adapt is critical for optimizing effectiveness in different contexts.

**LoCAL implementation is very different across countries in terms of partners, sectors, and adaptation priorities primarily because of differences in the level of decentralisation and fiscal space for local government.** One of the LoCAL consultants mentioned that *"for LoCAL to get off to a good start and sustain itself, there needs to be strong fiscal decentralization in place and a good working relationship with the government."* The adherence to standards is to a large extent dependent on the level of existing capacity and maturity of the decentralization system. The latter directly impacts the future of LoCAL and in countries where this is absent/weak, such as in Lesotho unless it is also being supported on strengthening the decentralisation process.

**To what extent are LoCAL activities contributing to increased levels of climate change adaptation finance being available to the participating local governments and communities through the PBCRG system?**

**LoCAL has demonstrated impressive performance thus far in leveraging additional funding for climate change adaptation,** with more than USD 124 million being mobilized across 322 local governments and 1,983 climate change adaptation investments. Quick analysis of the UNCDF's direct PBCRG investment portfolio to date shows that 71% of the PBCRG investments have been received by Bangladesh and Mozambique only.

The main source of direct funding to date has come from a range of donors with the EU and SIDA providing the largest share of funding. This has been possible due to LoCAL's agile and strategic engagement with the various bilateral agencies and due to its strong advocacy for resources for locally led adaptation. Access to other sources of funding, including private finance and national governments' own contributions have been very limited although, there are examples in Benin, Mali, Cambodia and Bangladesh, where a government funding stream for adaptation has been identified. The LoCAL budget document reports that there is parallel funding of USD 12 million from Cambodia; Bhutan, and Bangladesh also received some parallel funding. However, Bhutan funding is donor money (Bhutan EU Budget support) which is reflected as parallel funding. Although promised in the Steering Committee Meeting, Bangladesh has not disbursed the funds. Limited funding from national governments could be partly attributed to the fiscal constraints faced by LDCs and African countries and competing development demands. Also, most of the LoCAL LGs are in poorer regions and have limited capacity and little tax base to generate own source revenues. Discussions reflect that aligning LoCAL with specific development and political priorities and agendas might be beneficial in terms of nudging country governments to commit funding for mainstreaming climate considerations into those. Such an approach could help to offset the funding constraints which partly arise because LoCAL is perceived by national government as a donor funded project and other competing priorities or commitments, hence national governments do not see the need to allocate their own funds. An expert interviewed by the evaluation team said that *"climate financing is always going to be very small to meet adaptation needs and government funds will always need to be more especially in a context where adaptation is a process which requires sustained funding rather than a project which has single time bound funding"*.

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<sup>41</sup> LoCAL Annual Report 2021

As stated earlier, globally, less than 20 percent of climate funds are allocated for adaptation compared to mitigation thus automatically restricting the available basket. Literature review suggests that the imbalance between mitigation and adaptation finance in climate finance is increasingly provided as loans rather than grants and *“adaptation projects generally lack revenue streams to service loans”*. This creates a challenge for LoCAL to mobilize additional resources for climate adaptation. However, LoCAL’s advocacy efforts are geared towards and to a large extent effective for bringing the attention and acknowledgement of donor communities on the need for grant financing for locally led adaptation in LDCs.

Discussions with country governments reflect that investment in local climate adaptation requires funding support from donor agencies and/ or global climate funds and that the latter is a complex and lengthy process. The time taken by the Global Environment Facility (GEF) Implementing Agencies (IAs) and Multilateral Implementing Entities (MIEs) to prepare projects, get endorsed and disburse funding to field level activities is quite significant. Also, in many cases like GEF, there are requirements for co-financing that makes it very difficult (especially for LDCs, who have limited capacity) to draw the line between what constitutes the 'additional' adaptation component of the development project and its cost, and what is just 'business-as-usual' development. Also, many of the LDCs failed to access funds from GCF and others due to the fund’s complexity and technicalities.

LoCAL technical support to the LDCs in building capacity for accreditation and project preparation is commendable and in the right direction. LoCAL is also providing technical support to 14 countries towards receiving support for direct access to international finance from GCF and Adaptation Fund. UNCDF’s approach of positioning itself as an established ‘non-market’ funding platform under Article 6.8 of the Paris Agreement is also appropriate as it may enable access to additional support. This is further reinforced with the recent publication of ISO 14093:2022. Ongoing advocacy at various international platforms under the leadership of Ministers from LDCs is an important strategy for helping to generate increased flows of adaptation funding to these countries. The results of the advocacy will, however, take time to manifest but this move is critical for LDCs and even more so with current fiscal constraints and looming recession in developed countries.

An area that LoCAL needs to explore further is that of helping countries track their own budgets for climate adaptation generally and for locally led adaptation specifically. Many of the countries do not have climate budget codes and fund tracking mechanisms and are unable to commit on co-financing. The absence of a climate financing framework for long term planning and funding commitments is another constraint. LoCAL in partnership with UNDP is supporting the development of a ‘Local Climate Financing Framework’ in Bangladesh that is under consideration by the national government. This framework focuses on policy provisions for decentralized climate finance and if approved, will enable local governments to scale up the PBCRG system – similar interventions could be promoted in more countries.

In the scenario of climate adaptation funds being available at country level as a grant, decisions need to be taken on their strategic use. Some of the funding could be used to address issues of O&M rather than construction or for improving wider planning, design and procurement processes. For example, the World Bank is helping Cambodia to draw up contracts for the construction and maintenance of rural roads to include stipulations on flood proofing. Infrastructure funds could be broadened to include blue or green investments around water retention, restoration, provision, purification as well as green infrastructure such as nature-based solutions to flooding and drought. In Ghana, domestic resources/funds have been effectively deployed to demonstrate alternate methods of construction such as ‘blue-green’ infrastructure (as is being addressed in Bangladesh) and innovations in schemes design. These types of interventions using limited adaptation funds could serve as demonstrations with their long-term resilience outcomes unlocking more funds from national governments.

**Instances of unlocking domestic/private funding are limited as stated in the Annual Report 2021 and also highlighted by program staff.** The small scale of interventions under LoCAL has been cited as one of the reasons for not easily attracting funds from domestic sources. Blending adaptation into more conventional investments can help to mobilise private capital. Another issue related to unlocking funds relates to the scale of intervention. If LoCAL wishes to unlock funding, it may need to consider investments at a larger scale of operation such as water shed level (being initiated in Lesotho) or at regional/cluster level as such investments could potentially attract government or private funding especially if the results allow for suitable risk adjusted returns or political mileage.

As already mentioned above, PBCRG funding has tended to be used for standalone schemes rather than as top up funding to schemes financed under other programs or budgets and this has become more widespread as national funding has been reduced to local authorities due to deteriorating fiscal conditions. In many local authorities as observed in Lesotho and Bangladesh, PBCRG investments have substituted national funding (gap) and therefore reduced the scope for additionality. Also, the siloed approach of project funding and reporting in many LDCs creates difficulty for local authorities to use different sources of funds for a single scheme, all of which limits the scope for unlocking alternative funding.

Limited funding opportunities poses a challenge for LoCAL to demonstrate the graduation of countries across different maturity phases. The funding crunch might increase in the near future because of ongoing Ukraine war and impending recession or slowing of growth in most of the donor countries. Furthermore, when countries graduate to middle income as in the case of Ghana which is already a middle-income country and Bangladesh which is soon to be one, there is a risk that donor funding will shrink. Many of the SIDS also face the same challenges as they are not eligible for grants. Unless advocacy is stepped up and national governments are engaged well throughout, there is a possibility that LoCAL maturity model will be at risk.

### **To what extent are LoCAL activities contributing to an increased recognition at the international level of the role of local authorities and of the PBCRGs in addressing climate change impacts at the local level?**

**LoCAL is very active at international fora where it has championed the need for enhanced financing for local climate adaptation in LDCs through local authorities as well as raising awareness on climate adaptation generally.** One of the LoCAL member Country Ministers stated that the *“The mechanism has been embraced by LDCs and LoCAL has increased its visibility and voice since the COP 26 in Glasgow as the champion of locally led adaptation in LDCs”*. UNCDF has a well-defined strategy to pressure for more global funding for climate adaptation and advocacy around locally led adaptation through government systems, as agreed and restated at Board Meeting in Brussels in May 2022. The Board asked for a ‘whole of government and society approach’ with increased cooperation within countries and internationally. One key stakeholder mentioned that *“LoCAL is more than a sum of individual country programs since it helps LDCs as a group to negotiate at international fora.”* This has also been corroborated by other LDC officials who highlighted that LoCAL’s engagement with the LDCs *“is a way for the wider community to push for a locally led adaptation agenda rather than just donors”*.

The Annual Report 2021 lists a series of events at the international platform where LoCAL has been recognized and the mechanism quoted. Many external stakeholders at the global level also appreciated LoCAL’s proactive advocacy at international engagements. LoCAL is progressively gaining greater recognition by UNFCCC and its constituted bodies as a mechanism to finance and advance sub-national adaptation. LoCAL has been invited to join the UNFCCC led UN 4 NAP initiatives that aim at scaling up technical support initially to LDCs and SIDS to formulate and implement their NAPs. The evaluation team has noted that the countries it visited are already revising/or planning to revise the existing NAPs.

LoCAL along with its member countries played an active role at COP 26 in Glasgow to *“politically elevate the LoCAL mechanism as a long-term initiative”* that supports implementation and achievement of the LDC 2050 Vision and the Paris Agreement. The recent announcement at COP 27 of ISO 14903, elevates the LoCAL mechanism as a global standard for financing local adaptation to climate change reflecting the recognition and contribution at the international level.

LoCAL has facilitated the creation of a Group of Ministers from LDCs and other developing countries as designated Ambassadors to highlight their adaptation funding needs. The Board has recognized and reiterated the need to establish the means of securing long-term and stable financing for LoCAL, including applying to GCF for accreditation to support LDCs, SIDS and African nations that do not yet have direct access to GCF. The 8<sup>th</sup> Annual LoCAL Global Board Meeting in May 2021 also encouraged LoCAL partner countries to adhere to the LoCAL standard as much as possible while rolling out in-country and scaling-up using parallel funding sources. LoCAL has also conducted outreach events which have facilitated South-South learning. These are also contributing to a growing recognition of the LoCAL mechanism. Our discussions reflect that the LoCAL mechanism has earned certain degree of credibility and acceptance as intergovernmental fiscal transfer vehicle for climate finance, which is also one of the five policy elements of the Malaga Coalition on which UNCDF is engaging.

One of the challenges identified relate to coordination between different ministries at the national level which affects the sharing of knowledge and information on global discourse and local learnings and vice versa. Whilst LoCAL is well

recognized at international fora it could usefully enhance country level engagement through evidence-based advocacy drawing from LoCAL's global operations. Overall, LoCAL has a well-structured approach to increasing access to global funds for LDCs and other developing countries and provides a useful platform to LDCs for voicing their demands.

#### 4.5 LIKELY IMPACT

*This section assesses LoCAL's contribution to creating an enabling environment for climate change adaptation through planning and financing mechanisms at the local government level as well as wider policy influencing.*

**LoCAL has had a significant impact on creating consensus on the importance and need for international climate finance for locally led adaptation.** It has also helped position LoCAL as an internationally recognized and standardized non-market mechanism for governments to plan and finance investments for locally led adaptation. LoCAL has played an important role in enabling GCF accreditation for several country-level institutions and developing their capacity to prepare concept notes and funding proposals. The publication of ISO 14093 further reinforces the likelihood of improved access to climate funding. However, LoCAL has had limited success in generating private sector investments.

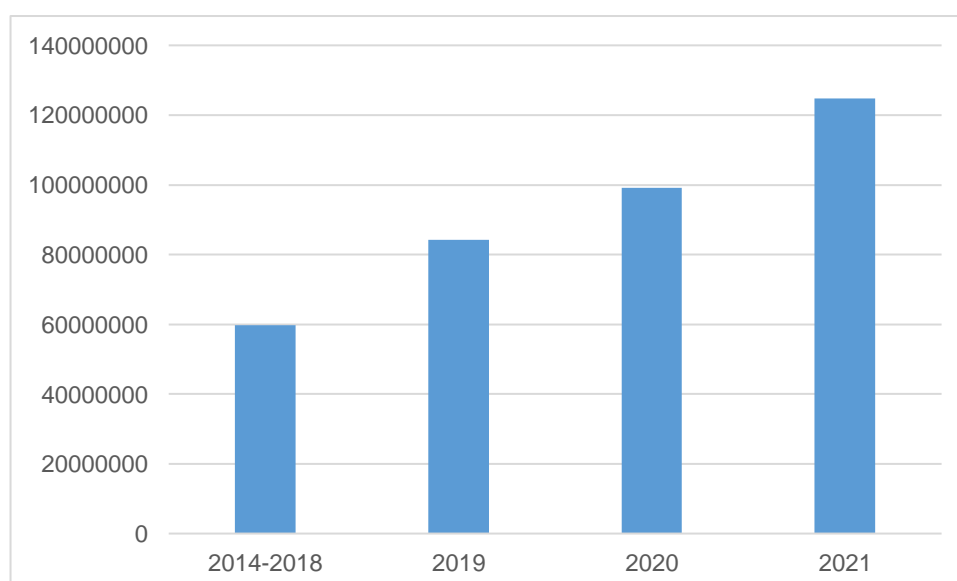
While the ISO standard is a testimony to LoCAL's results, **there is a degree of concern about the ability to adhere to the ISO standard processes in contexts where local capacities are weak.** Whilst ISO standards are a way to promote best practice, it is not guaranteed that a standard will always translate to adaptation results on the ground. ISO certification, however, should facilitate the leveraging of funding for LoCAL.

**At the community level,** LoCAL with its portfolio of financed climate adaptive investments has had a marked impact on the life and livelihoods of millions of beneficiaries across the intervention areas. The impact has been manifested in several ways such as improved access to drinking water security, improving year-round access to markets, health facilities and schools, especially during periods of intensive rainfall and flooding. However, while LoCAL has succeeded in providing immediate relief to local communities, the long-term resilience is not always clear.

**As currently designed and implemented, to what extent are LoCAL's results contributed/ likely to contribute to increased local government access to (international) climate finance for locally led adaptation in target countries?**

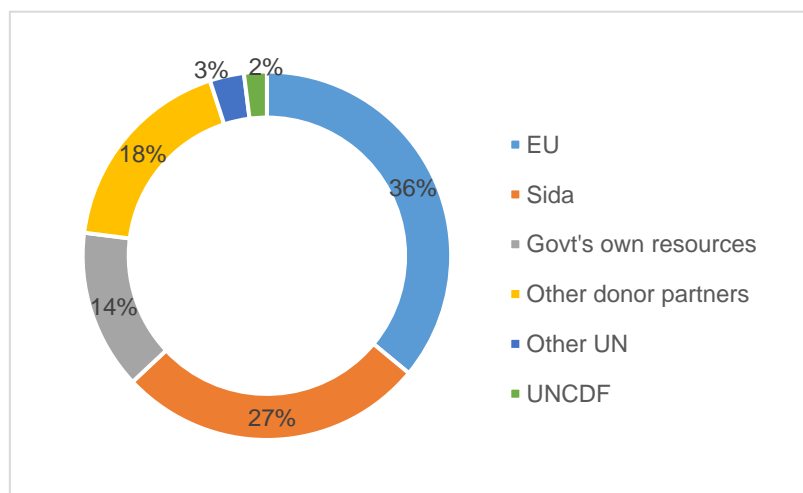
**Based on desk reviews, multistakeholder interactions and field visits, the evaluation team concludes that LoCAL has had a significant impact in creating consensus on the importance and need for international climate finance for locally led adaptation.** It has also helped position LoCAL as an internationally recognized and standardized non-market approach for governments to plan and finance investments for locally led adaptation. The LoCAL activities across the four outputs have laid a critical foundation for increasing local government access to national and international climate finance. LoCAL's design is based on a phased approach and technical support at local, national and global levels. This has helped to increase governments' access to climate finance, as is evident from the rising trend in the mobilization and disbursement of LoCAL/PBCRG funds each year.

**Figure 7. Funding Mobilized by LoCAL**



The initial 'Design' and 'Phase-I' of LoCAL in countries are mostly supported by funds raised globally by UNCDF. In most instances, subsequent funding for Phase II is based on additional bilateral donor funding. For Phase-I countries, LoCAL is the first intervention to provide direct funding to local governments through government systems for locally led climate adaptation as additional funding earmarked for climate-resilient investments. **LoCAL's technical support, demonstration effect and access to additional financing have helped 5 phase-I countries to graduate to phase-II with increased funding and scale of operations.**

**Figure 8. LoCAL Delivery by Donor/Source (2014-2021)**



The LoCAL support has helped Bhutan and Cambodia to institutionalize the processes and access more substantial funding for Phase III to roll out nationally. In Bhutan, EU budget support under the Local Government Sustainable Development Program is strategically aligned to the country's 11<sup>th</sup> and 12<sup>th</sup> Five-Year Plans and uses the LoCAL approach across the country (100 gewogs). In Cambodia, the IFAD loan under the ASPIRE (Agriculture Services Program for Extension, Innovation and Resilience) and the Cambodia DMK Fund have jointly committed USD 12,982,177 to scale up climate adaptation investments following the LoCAL approach.

Globally, LoCAL remains primarily funded by donor partners as evident from the figure above. The UN and UNCDF contributed 5% and 2%, respectively. This demonstrates a significant impact in leveraging additional donor funding for locally led adaptation. Given the competition for scarce resources across ministries and budget lines in LDCs, developing countries and SIDs often coupled with the lack of a constitutional or legal mandate for fiscal devolution and independent finance commissions to oversee fiscal transfers, it is perhaps not surprising to find that most governments have been unable to commit own funding for scale-up and mainstreaming. This could change if climate-vulnerable countries gain more access to global climate funds for locally led investments to address adaptation or loss and damage issues. As mentioned earlier, LoCAL, through its outreach and advocacy components, knowledge products, and bilateral discussions, has successfully mobilized funding commitments for climate adaptation for LDCs in its partner countries in addition to lobbying for more climate adaptation funding commitments for LDCs and other developing countries globally.

Besides mobilizing financial support from bilateral agencies, LoCAL has also provided technical support to countries to access funding from GCF and other climate funds. LoCAL's support has been critical in assisting countries to navigate this process to be better positioned to access global climate finance. Overall, LoCAL has mobilized US\$ 124.83 million in direct and parallel funding as of December 2021. Parallel funding over the 2014-2021 period stands at US\$ 26.37 million or 21%.<sup>42</sup>

LoCAL has also played a significant role in enabling GCF accreditation for several country-level institutions and developing their capacity to prepare concept notes and funding proposals. As of December 2021, LoCAL had supported three national implementing entities to receive GCF accreditation, namely: (i) Benin's National Fund for Environment and Climate (FNEC), (ii) Cambodia's National Committee for Subnational Democratic Development Secretariat, and (iii) The Bhutan Trust Fund for Environmental Conservation. In Bhutan, LoCAL is also supporting the Bhutan National Bank for accreditation to the GCF. In addition, to the accreditation work in Bhutan, Cambodia and Benin, LoCAL is also helping other countries to gain accreditation status, upgrade proposals and prepare concept notes for multi-country program funding, as shown in the table below.

**Table 5. LoCAL's assistance to countries in accessing international climate finance**

Country	National Implementing Entity	Comments
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<sup>42</sup> Annual Report 2021

Bhutan	Bhutan Trust Fund for Environmental Conservation (BTEFC) in May 2020	Submitted a US\$ 10 million application to the Adaptation Fund with LoCAL support, which would be Bhutan's first project under direct access. BTEFC is also preparing a GCF Concept Note with the Department of Local Governance for the LoCAL scale-up.
Benin	National Fund for Environment and Climate (FNEC)	Concept note submitted to expand LoCAL to 25 communes over the next 5 years.
Cambodia	National Committee for Subnational Democratic Development Secretariat	Concept note submitted to channel adaptation finance to local governments using the country's consolidated PBCRG system.
Mali	Local Authorities National Investment Agency, ANICT	Support for accreditation is ongoing.
Niger	National Agency for Local Authority Funding, ANFICT	
Tanzania	President's Office - Regional Administration and Local Government, PO-RALG	
Burkina Faso	Regional efforts ongoing to work with the West African Development Bank (BOAD)	Upgraded regional GCF funding proposal submitted in 2021 to mobilize climate finance to deploy and consolidate the LoCAL PBCRG system in these countries.
Cote d'Ivoire		
Mali		
Niger		
Fiji	Regional efforts ongoing to work with the Secretariat of the Pacific Community (SPC).	Concept note for a multi-country program submitted in 2021.
Solomon Islands		
Tuvalu		
Vanuatu		

Source: LoCAL Annual Report 2021

As of 2021, these results had directly contributed to assisting countries and local governments in enhancing their access to global climate funding by helping to develop a funding pipeline of USD 170 million to GCF. This is a creditable effort given the complexities of accreditation and proposal formulation. LoCAL's strategic interventions at the global level are likely to improve access to climate funding for local governments for locally led adaptation in future through further efforts to position LoCAL as an internationally recognized and standardized 'non-market' approach for funding local climate adaptation under the framework of Article 6, paragraph 8, of the Paris Agreement. The publication of ISO 14093 further reinforces the likelihood of improved access to climate funding. Significantly, the UNFCCC has recognized LoCAL as supporting countries in the achievement of their nationally determined contributions<sup>43</sup>, and the momentum is likely to be reinforced at COP 27.

LoCAL's impacts in this context are attributable to its concerted efforts at the global level in linking up with the LDC Group and the Africa Group under the UNFCCC negotiation process and its efforts in country-level outreach, highlighting the benefits of devolved planning and financing for local adaptation. The latter includes enhancing awareness of line ministries such as finance and planning on the benefits of locally led adaptation at the local government level.

To date, generating private-sector investment in LoCAL has been challenging, and results have been limited. Globally this has been a challenge as reports indicate that only 1.6% of the money spent on adaptation in 2017-18 came from the private sector. This is primarily due to the nature of investments which are mainly focused on small-scale public investments in vulnerable communities and predominantly in rural areas across a limited number of local governments with limited revenue streams. Hence, the scale and returns are less attractive to private-sector investors. For example, in Tanzania, adaptation investments are being implemented in 4 of 180 local governments and in Ghana in 13 of 261 MMDAs.

In some cases, as in the Gambia, LoCAL has successfully built synergies with the Local Finance Initiative (LFI) approach. This helps to generate an enabling environment for private investments by deploying risk reduction instruments and/or credit enhancement options to identify and take forward catalytic projects designed to enhance local economic development. This approach has been embedded as a joint component of a jobs, skills and inclusive finance program

<sup>43</sup> Subsidiary Body for Scientific and Technological Advice, UNFCCC, October 2022

(JSF) funded by the EU in the Gambia to facilitate the socio-economic inclusion and employment of youth and women, with a special emphasis on promoting gender equality and addressing climate change.

**As currently designed and implemented, to what extent have LoCAL's results contributed/are likely to contribute to the establishment of a standard and internationally recognized country-based mechanism to channel climate finance and increase local resilience?**

**LoCAL's activities have directly contributed to enabling LoCAL to develop an ISO standard 14093 as an internationally recognized and standardized mechanism for financing local adaptation to climate change-the PBCRG.** It establishes an approach and methodology for a country-based mechanism to channel climate finance to subnational authorities to support climate change adaptation and to increase local resilience. The recent publication of ISO 14093 represents the culmination of substantial work by LoCAL to develop a standard building on the combined experience and results of its program portfolio of work across 30 countries in Africa and Asia. Hence, ISO 14093 endorses the LoCAL mechanism as an internationally recognized and standardized approach to country-based financing for local adaptation through performance grants to local government as a means of ensuring climate finance is applied efficiently and appropriately to maximize results at the local level.

**LoCAL's results also demonstrate the importance of ensuring that any standard mechanism is tailored to meet the requirements of country-based financing for local climate adaptation.** Given that the LoCAL mechanism is designed to align with and eventually form part of the prevailing fiscal transfer system for local governments within the wider framework of the public finance system, ISO verification and certification of a part of the public finance system represents a novel concept. Since public finances are by nature subject to political direction and intervention, there may be resistance to use of standards in some cases if this limits the degree of political autonomy and control. However, the adoption of an ISO-standard mechanism for a specific climate-related aspect of devolved funding based on performance grants for local climate adaptation may help to resist political pressure to dilute the integrity of the process.

At the same time, the evaluation has shown that there are variations in the way the mechanism works across countries in the selection of districts, planning processes, types of schemes and trainings within the broad framework of minimum conditions, APA processes and monitoring systems. Here, it will be important for ISO 14093 to accommodate certain variations in approach in line with different country contexts. The success of LoCAL to date has been to establish a devolved planning and financing process that can accommodate a degree of variation in the application, which will need to be reflected in the implementation of the mechanism adhering to ISO standard.

Since the LoCAL mechanism is meant to be 'customized to suit country contexts', the variability of capacity and commitment strongly impacts the implementation of the mechanism. Some stakeholders have expressed a degree of concern about the ability to adhere to ISO standard processes in contexts where local capacities are weak and where implementers on the ground may struggle to meet requirements. Such concerns will have to be addressed as they may stem out of a limited understanding of the newly published ISO14093. Stakeholders also expressed some concern over whether or not an ISO would entail demonstrating continuous operational improvements, which be difficult to achieve in instances of limited support for capacity development. Here it is important to note that the performance improvements are already at the heart of the PBCRGs and the ISO ensure these remain when countries scale up, for e.g., in Phase III. Training and planning components, for example, have been strong in countries such as Bangladesh, where there is a dedicated country budget and therefore field-level team to support implementation on the ground, whereas in other contexts such as Lesotho or Niger (which rely on global programme funds), these components of the mechanism have been somewhat weaker. Bhutan, a Phase III country also has scope for strengthening some of these processes, especially those related to local-level awareness, planning and the APAs.

Since LoCAL's scale-up in most cases has been highly dependent on the interest and resources of multilateral or bilateral donor partners at the country level, with IFAD in Cambodia or EU in Bhutan, the standard mechanism needs to be sufficiently adaptive and flexible to accommodate prospective donor criteria, systems and processes. For example, discussions with KfW and ADB reflect that KfW or ADB might use their own set of guidelines, conditions and fiduciary risk assessment tools for disbursement.<sup>44</sup> In this context, the main contribution of LoCAL would be to design and pilot PBCRGs and enhance existing systems by incorporating LoCAL processes and criteria as far as possible, paving the way for MDBs to follow through. LoCAL has started to do so by building capacity, investment menus and processes for

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<sup>44</sup> [Development Projects : Financing Locally-Led Climate Action Program - P173065 \(worldbank.org\)](#)

planning and the APAs at the national level and mobilizing support and consensus for the standard mechanism at the global level.

In order to address the need for flexibility and adaptability in implementation, some stakeholders felt it may also be helpful to consider ISO certification of discrete products under the LoCAL mechanism, which could be applied in line with the capacity to operationalize these individually rather than the system as a whole. This would enable the application of an ISO process or product within the prevailing system that may not have sufficient capacity to meet ISO standard for the system as a whole. Here, process and product-level certification could help incrementally ensure their adoption and integration into existing systems. Some examples of this form of accreditation are as follows:

- CRVA process
- Investment planning and prioritization processes
- Fund dispersal mechanisms
- Model engineering designs for climate adaptive infrastructure
- O&M and M&E processes

Finally, the desk review and discussions with stakeholders revealed that the principles<sup>45</sup> of locally led adaptation are not unique to LoCAL. Many CSOs and multilateral agencies have signed up to the principles and are implementing them in various countries following the same principles. The main difference is that LoCAL uses government systems to promote locally led adaptation, which presents a possibility of faster mainstreaming and scale-up. Whilst ISO standard and certification of this process endorses the mechanism, it cannot guarantee results as one of the global experts interviewed by the evaluation team commented, *“whilst ISO standards are a way to promote best practice and serve as a guide/benchmark, it is not guaranteed that a standard approach will always translate to adaptation results on the ground”*.

**Thus, in summary, the ISO certification is an important initiative for helping to increase investor confidence in the quality and integrity of LoCAL. At the same time, it provides a benchmark for maintaining standards and helping to resist pressures to dilute quality as the program enters, expands or is mainstreamed across countries with varying degrees of devolution and capacities.** Here, there is a clear future role for LoCAL as an agency responsible for facilitating, monitoring, auditing and certifying the maintenance of the ISO standard in a wide variety of contexts and systems to build legitimacy of the process. This would build donors or investors confidence to invest in phase III countries, as it has been done in some countries for upscaling of LDF through World Bank’s IDA support.

### **Changes in the living conditions of the beneficiaries targeted by the investments in terms of resilience to climate variability and change, taking gender into account.**

**LoCAL with its portfolio of financed climate adaptive investments has had a marked impact on the life and livelihoods of millions of beneficiaries across the intervention areas.** The LoCAL design is inclusive and the implementation process at the community level ensures that benefits accrue to all. Cumulatively, the LoCAL portfolio has reached almost 3.8 million direct beneficiaries and more than 12.5 million cumulative beneficiaries. Gender disaggregated data on beneficiaries has been recorded since 2019 and overall, PBCRG investments are reported to benefit men and women equally, as approximately 50% of both direct and indirect beneficiaries are women. Beneficiary feedback from FGDs confirms that LoCAL infrastructure investments have improved access to drinking water and water security, improving year-round access to markets, health facilities and schools, especially during periods of intensive rainfall and flooding. Government officials mentioned that the LoCAL interventions also help in improve security and reduce the risk of conflict through improved basic services and livelihood opportunities in West African countries.

Discussions with the national government and field-level observations reflect that the LoCAL schemes or interventions have provided immediate relief to the local communities, but the long-term resilience of the infrastructure and coping mechanism is not always so clear due to the time bound nature of impact measurement for climate change adaptation. In the absence of specific guidelines, engineering designs and specifications on climate-proofing infrastructure it is difficult to determine the level of enhanced climate resilience of the hard infrastructure in the medium to long term. However, there are a few instances where climate-proofed infrastructure has been built using innovative techniques as

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<sup>45</sup> The principles of locally-led adaptation according to the WRI are – (i) devolving decision making to the lowest appropriate level, (ii) addressing structural inequalities faced by women, youth, children, people with disabilities, people who are displaced, Indigenous people and marginalized ethnic groups, (iii) providing patient and predictable funding that can be accessed more easily, (iv) investing in local capabilities to leave an institutional legacy, (v) building a robust understanding of climate risk and uncertainty, (vi) flexible programming and learning, (vii) ensuring transparency and accountability, (viii) collaborative action and investment



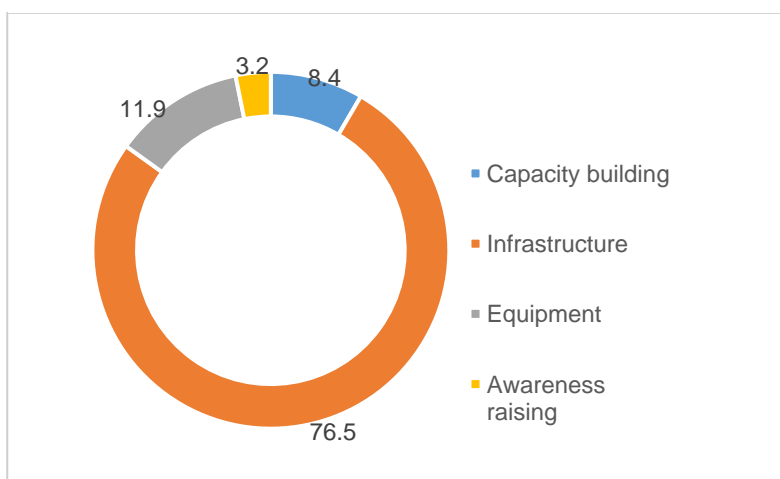
in the case of a culver in Ada East in Ghana which has incorporated new designs and materials. In Mozambique, some schools have been constructed to resist extreme events such as cyclones and these structures remained stable during the March 2022 cyclone.

The success has varied with respect to the objectives of promoting climate-resilient communities and local economies. Field visits and FGDs revealed that there are examples of sound interventions with climate benefits such as bridges or irrigation channels in Bhutan, land rehabilitation in Niger, climate resilient culverts and deeper tube wells in Ghana along with skills training. In Niger, drainage channels for cultivable lands have helped in boosting local economies with access to markets, short-term coping strategy in case of droughts, support in increased farm productivity and market linkages. Beneficiary communities were appreciative of the infrastructure created and narrated how it had benefited them with respect to access to schools, medical centres, markets and increased production and livelihood opportunities. However, the discussions also revealed that in many areas that these have not led to a significant reduction in out-migration due to climate stresses and other factors nor built long-term resilience at a broader community/ area level.

The Ghana GrEEen program and the Gambia Jobs, Skills and Finance for Women and Youth (JSF) program have dedicated components on livelihoods and local economic development, which have generated impacts around short-term job creation through cash for work linked to the PBCRG components. These were appreciated by beneficiaries, many of whom are undergoing training on longer-term skills and entrepreneurship training led by other organizations such as ITC in The Gambia and SOS and SNV in Ghana. However, key stakeholders suggested there has been a high dropout rate as reported by GrEEen and hence have had less impact on improving access to sustainable jobs and livelihood opportunities.

This is mainly because the program designs have focused on ‘supply side factors of the labour markets’ and not on factors affecting the economic growth and job creation opportunities. One of the key issues highlighted by an expert is that the jobs and skills training in LDCs needs to be more future-looking as opposed to a traditional ‘band-aid’ approach in order to ensure communities and households are equipped with future coping capacities and enhanced livelihood resilience, which could be used even if they have to migrate to cities due to adverse climate shocks like drought, sea level rise or heavy flooding. Considering challenges linked to job creation, LoCAL could consider other models for strengthening livelihoods – for example, the JESAC initiative in Niger operated by an NGO. This initiative provides regular income to families for afforestation and maintenance of the trees using technology to calculate the amounts due as a long-term solution. The Gambia results framework reports that the JSF has supported two agro-based SMEs since 2019 – Aspuna Limited and Tropingo – both of which are using LoCAL and other UNCDF support to expand their units and thus contribute to strengthening local livelihoods and economies.

**Figure 9. LoCAL Investments by Investment Type (%) 2014-2021 (N=1,983)**



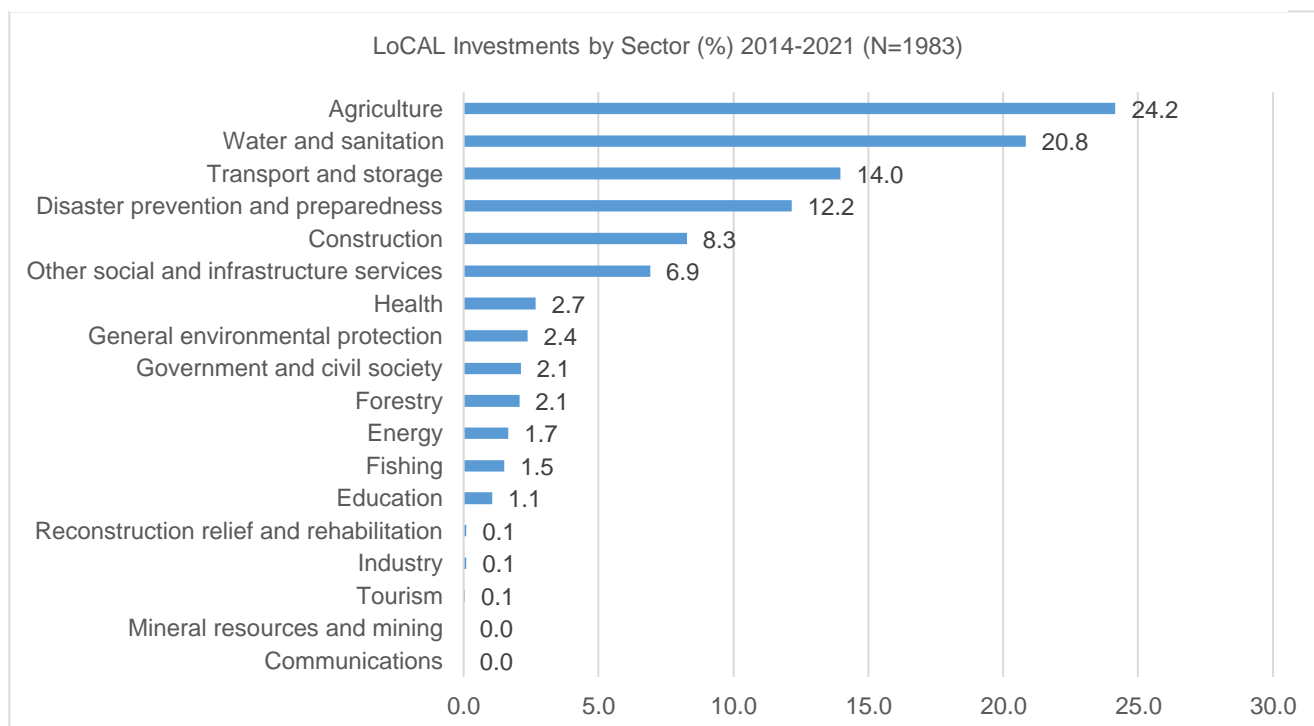
**The program design explicitly mentioned focusing on women and marginalized communities.** The ACCAF monitoring tool captures the number of women beneficiaries, however, it is not easy to do so in the case of public goods. Country-level discussions revealed that the local authorities were unable to estimate the actual number of beneficiaries for each investment and have used the total population under the village or section to report on the total number of beneficiaries, including women beneficiaries.

The evaluation team has not found clear evidence of gender equality in LoCAL investments since the PBCRG menu is relatively gender-neutral although gender-sensitive. However, it can be said that

investments in water infrastructure have a stronger impact on women than on men. Apart from the water schemes, Local authorities found it difficult to suggest other projects which were more gender sensitive. Around 20% of all investments between 2014-2021 were for water and sanitation assets which generally benefit women more than men, given that women assume the responsibility for water collection. During FGDs in Niger (Dosso) the evaluation team was told by women that the *“well rehabilitation work has benefitted us. Previously we had to walk 6-7 km to fetch water and the well has helped us save time and effort in fetching water”*. Similarly, in Mframa Faw village in the Ashanti region

of Ghana, the community appreciated the benefits of the mechanized well (electric) that had been installed under LoCAL and said that it saved time and money for them as previously they had to spend up to 1 hour to fetch water and had to buy drinking water.

**Figure 10. LoCAL Investments by Sector (%) 2014-2021 (N=1,983)**



LoCAL facilitates the formation of 'water minder's committees' in the villages where they fund works. For example, in Gbanavie village in the Ada East local government area in Ghana, an electric well with a reverse osmosis unit has been installed. This benefits an adjoining village and enables the population to access safe water since the area has high salinity. In Khoelenya, Mhales' Hoek, Lesotho, water minder's committee has been set up for an electric pump that has been repaired under LoCAL.

Likewise, a good portion of the investments related to the agriculture sector might have equally benefitted women, but no disaggregated data was available. In Niger, for instance, LoCAL has distributed 'goat kits' to some women beneficiaries. Interactions with them revealed that household income and nutrition levels are showing an increase and some funds are available for spend on education and health.

The evaluation team found that Bangladesh has an overt gender focused approach worth emulating in other countries. The program, in partnership with UNDP, is focusing on the most marginalized poor women and supporting them in developing climate resilient livelihood opportunities. These have contributed both tangible and intangible benefits like increased in income and women empowerment and strengthened their coping mechanism.

Our field-level discussions show that the sphere of influence of LoCAL interventions is generally limited to the local area within which the intervention has been implemented. From discussions, the evaluation team found it difficult to ascertain the wider impacts of the interventions at regional or sectoral levels. The evaluation team also found that there has been limited engagement and coordination with other departments, such as water, agriculture or livelihoods at the district and subdistrict level, and there is potential for greater coordination and complementarity for a better impact of the LoCAL investments. Surprisingly, the country visits showed minimal demonstration effect of the investment even in areas immediately adjoining a LoCAL-funded community. In most countries, none of the adjacent local authorities have adopted the best practices of LoCAL and it could possible because of absence of specific funding.

As many of the interventions benefit small number of households, LoCAL could consider revising the scale of its interventions in pursuit of its intended transformational impact and economies of scale to attract more domestic and international funding. Interventions at the cluster and watershed levels may deliver more long-term resilience outcomes and can reach a large section of the population with lower transaction costs. As it has been discussed in the report, a stronger incorporation of down-scaled climate impacts in an area in the design of interventions and perhaps a stronger diversification of support for livelihoods and climate-critical responses have the potential to create more local-level

impact. Such down-scaled climate impacts also help to differentiate between routine development works and those that may address long-term risks.

## 4.6 SUSTAINABILITY OF PROGRAM RESULTS

*This section discusses the extent to which the net benefits of LoCAL are likely to continue beyond the life of the intervention.*

LoCAL's PBCRG investments have increased resilience in local economies and communities. However, sustainability will remain a challenge for infrastructure interventions that do not incorporate climate-resilience specific design. The poor fiscal situation in most LDCs leaves limited scope for additional fund transfers from their own source for climate adaptation. To address this concern, LoCAL's policy advocacy at the global forum, along with other agencies and countries, needs to continue to keep the agenda of increased climate finance for locally led adaptation burning.

Overall, LoCAL is attempting to institutionalize the process and mechanisms through policy directives. However, it will require more intensive engagement and time frames. Whilst mainstreaming and institutionalization is necessary for sustained operation this requires strong policy directives from national governments and intensive investment in capacity building.

### **To what extent are any changes in the resilience of local economies and communities through increased investments in climate change adaptation at the local level sustainable over time?**

The changes in the resilience of local economies and communities depend *inter alia* on the quality of infrastructure or investment undertaken, its linkages with markets and livelihoods and integration with other sector plans to boost local economies and long-term transformation. Field-level discussions revealed that the assets or infrastructure created have given them "immediate relief" from a number of pressing climate related issues such as depletion of water sources, increased salinity of water, flooding and inundation all of which has helped local communities adapt to climate shocks. These investments have helped to address immediate concerns to the resilience of local economies, but many observed these were insufficient for building long-term resilience and sustainability. Discussions revealed that more community infrastructure and household skills/assets are needed for long-term resilience. This aligns well with the fact LoCAL is envisaged as a long-term mechanism whereby once they join local authorities are participating in the long run, through a sequencing of aid sources across phases.

The evaluation team observed that LoCAL PBCRG investments have increased resilience in local economies and communities, as discussed in the impact section. However, the degree of resilience depends on the alignment of the interventions funded by the PBCRGs with the long-term risks and in the case of infrastructure also of the quality, design and nature of the infrastructure created, which varies across the countries. Sustainability will remain a challenge for interventions that do not incorporate climate resilience-specific design, as observed in some country field visits. However, some infrastructure investments in Ghana and Bhutan, for example, which factored climate resilience design into assets such as culverts roads and borewells. These are expected to be sustainable over time and will continue to benefit the local communities and economies in the foreseeable future.

The sustainability of the investments will also depend on the provision of operation and maintenance (O&M) budgets and their utilisation. In most countries, no separate budgets have been allocated for O&M, which puts the assets at risk from a long-term sustainability perspective. However, country-level discussions reflect a growing realization of the need for providing an O&M budget and creating community groups for the operation and maintenance of the assets as seen in Ghana and Bangladesh. Provisioning of a separate budget for O&M and forming community groups for maintenance is important for sustained resilience as practiced, for example, in Mozambique, Niger and Bhutan.

Enhanced resilience of local economies and communities will be more sustainable if the assets and infrastructure created are properly integrated with local development plans and are themselves synchronized with sectoral plans for livelihoods (and safety net) programs. Field-level discussions in various countries reflect the potential for increased coordination at the local level with other line departments/ministries like agriculture/livestock. Increased integration and developing a complementary approach with other livelihood programs at the local level will help to further sustain the resilience of local economies. Field-level discussions in many places revealed that many local authorities conceived the program as a climate-resilient infrastructure project rather than a project to build local economies and communities.

Supporting local authorities to make best use of local development planning and budgeting processes might help to the extent PBCRGs are to support these processes addressing climate change while they are to remain core to support local economic development and address the needs of local communities. In addition, linking LoCAL with strengthening livelihood options and skills provides solid platform climate-resilient economies and communities.

## To what extent are any changes in increased local government access to international climate finance through the program sustainable over time?

As mentioned in the earlier sections, LoCAL has helped to generate positive change with respect to the availability and access to finance for locally led adaptation. The LoCAL Secretariat and LoCAL countries have mobilized \$124 million from various donors for locally led adaptation. The increased corpus of funds has helped LoCAL extend its geographic footprint across countries and local authorities. However, more funding is required to meet the gap in adaptation finance, globally.

Various literature reviews and country-level discussions reflect that whilst there is an increasing trend in climate funding overall, the funds for adaptation are still very low. Most LDCs will continue to depend on donor grants rather than government or private sector finance for local adaptation needs. However, there is growing concern that although higher commitments or agreements have been announced at COP 27, actual disbursement might remain low in the near future because of high inflation rates, recession and the ongoing Ukraine war. There is also a concern that even if higher allocations and disbursements are made, credible mechanisms in place to track local climate spending are necessary to increase the flow of climate finance to the subnational level. This tracking is more difficult in the LDC context as most countries do not have separate budget codes and/or sophisticated PFM systems to track climate finance.

Further, LoCAL's technical support for GCF/AF accreditation and project preparation to national implementing entities, in Niger and Bhutan for instance, is helping countries to build access to long-term finance for climate adaptation. Despite progress and important landmarks, the process is tenuous and time-consuming, with an average time of 3-5 years to be accredited and another 3+ years to prepare projects and get approval. Further, it is delivered in project mode and may not be suitable for long-term institutionalization as one of the stakeholders opined.

The opportunities for local authorities to access domestic or private funding is limited and expected to remain so in the near future. The poor fiscal situation in most LDCs provides limited scope for additional fund transfers from their own source for climate adaptation. As mentioned earlier, in many countries visited, national transfers to local authorities have been reducing and PBCRG funds are replacing the government's funds. All this creates a major challenge for local governments to access additional climate finance in the near future.

To address this, LoCAL's policy advocacy at the global forum, along with other agencies and countries, needs to continue to keep the agenda of increased climate finance for locally led adaptation on the table in all international fora. Also, technical support to national government to use innovative fiscal instruments like windfall tax or royalty/cess payments for mining or other revenues or carbon tax as in Mali and Benin needs to be explored for climate financing. In addition, UNCDF should continue to advocate and explore opportunities to influence global communities to set up a global long term fund based on an innovative fiscal tax/instruments which can transfer funds to country governments not as an application based or project mode but as a top up based on the climate vulnerability and adherence to the PBCRG standards and conditions for locally led adaptation.

## To what extent are the changes at policy and institutional levels, globally, nationally and locally likely to continue over time?

**Our KIIs and desk review highlight that the concept and importance of locally led adaptation has become embedded in the global discourse and action plans.** There has been a growing realization and understanding at the global of the importance of focusing on locally led adaptation practices with increased financing and capacity-building support as local communities are in the forefront of the climate crisis and risk bearing the brunt of climate shocks. There are other international agencies and programs such as the LDC Initiative for Effective Adaptation and Resilience (LIFE-AR), UN HABITAT, etc. that are also advocating for locally led adaptation. Discussions with donors and multilateral agencies reflect that they are equally convinced of the importance of locally led adaptation processes and the importance of doing it through the government systems which LoCAL is supporting.

**The sustainability of LoCAL interventions will vary across countries based on the maturity model of the program, level of decentralized governance and devolved financing mechanisms, commitment and ownership of the national government, resources and capacity of the local authorities and other enabling conditions.** Discussions at the country partner level reflect that they are committed to the concept of locally led adaptation and LoCAL's approach. In Bhutan, we observed there is a high level of ownership, and it is likely to continue if domestic or external funding continues to flow to gewogs. Similarly, in Ghana and Mali there is also great interest and commitment. However, in Bangladesh, the evaluation team recommended that institutionalization would require more outreach to the national government.

Discussions revealed that whilst countries follow the process of the fiscal transfer mechanism, it is implemented as a project mode, and hence institutionalization can be a challenge. Institutionalization is fundamental to sustainability in the long run, and this requires long-term funding commitments, regular financing flows and scaling up geographic coverage.

As LoCAL is represents a demonstration model, institutionalization requires extensive efforts on dissemination and knowledge sharing at the country level, to generate sufficient interest, momentum and commitment on the part of government and local authorities to adopt the mechanism. LoCAL is attempting to institutionalize the process and mechanisms through policy directives. However, it will require more intensive engagement, capacity building and time frame. Whilst mainstreaming and institutionalization is necessary for sustained operation this requires strong policy directives from national governments and intensive investment in capacity building.

## 5. Gender, Human Rights, Disability & Other Cross-Cutting Issues

### Evaluation Methodology

As is required in all United Nations-commissioned evaluations, Human Rights and Gender Equality (HRGE) with a strong focus on vulnerable and marginalized groups was a key underlying theme of this evaluation. **In line with this, we abided by the *Leave No One Behind (LNOB)* objectives of the SDGs and included HRGE-focused questions throughout our evaluation matrix and tools. These indicators covered aspects such as:**

- Overall gender and social inclusion strategy of LoCAL
- The extent to which LoCAL has led to more inclusive interventions/investments and their focus on the needs of the vulnerable and marginalized populations
- Social empowerment of women and vulnerable groups (voice, participation, awareness and knowledge, skills and capacity to deal with climate change)

Further, the evaluation team ensured that the FGDs conducted during the country-level deep dives had at least 50% participation of women beneficiaries. Moreover, participants were from varied age groups (youth and elderly). The FGD guides included specific questions and probes to disaggregate nuances and insights by gender to feed into LoCAL HRGE assessment.

### Project Design

The ProDoc notes that “LoCAL is by design a gender-sensitive approach to climate change adaptation as it brings the planning and budgeting process for climate change adaptation closer to those who need it, and to those who are directly able to respond to those needs”. Through its participatory planning and assessment processes, LoCAL envisions to identify the needs of women and marginalized populations. The ProDoc mentions that “LoCAL in particular, and UNCDF more generally, will be working closely with local counterparts to routinely and pro-actively collect information on the gender-sensitivity of the planning, budgeting and monitoring processes, as well as the implementation of CCA activities, and developing a monitoring mechanism which will ensure that participatory data collection approaches are used which will facilitate and promote the participation of women and vulnerable groups.”

### HRGE-Related Findings

The LoCAL's ProDoc articulates its gender strategy and emphasizes a bottom-up approach to ensure that women and the most marginalized have a voice in decision-making. The LoCAL ProDoc took cognizance of the disproportionate impact of climate change on women, the elderly and vulnerable groups and aimed the interventions to address the need of women and vulnerable groups along with gender-sensitive budgeting. The focus of the design on women was relevant and appropriate. The ACCAF results framework reports gender disaggregated data but the method of calculating the gender data is not robust.

A review of some of the LoCAL country level program documents shows that cross-cutting issues around gender and vulnerable and poor populations are being explicitly considered during design and also being implemented albeit with varying degrees of success. There have been some great successes in inclusion of women and vulnerable communities, but it is not uniform across countries. For instance, in Bangladesh, the LoGIC initiative has taken an overt 'gender transformative approach' and almost 99% of the beneficiaries are women. In Bangladesh, the initiative had developed and implemented its specific strategy for including the socially excluded groups including persons with disabilities, marginalized occupational and religious groups and women-headed households. Interactions from Bhutan also highlighted that women and men tend to prioritise different issues for example, drinking water facilities (women) vis-à-vis farm roads (men). Thus, a focus on amplifying women's voice is welcome. However, our overall assessment suggests that the participation of women in planning and decision-making is weak in many countries because of the weak decentralized structures and participation mechanisms in place, as well as cultural barriers. Thus, social inclusion requires more intensive support, incentives and a concerted policy push.

In The Gambia, the JSF Program's overall as well as specific objectives include increase employability of youth and women, while having specific and measurable targets related to benefits for women and youth. Investment conditions require that employment opportunities should benefit 25% young women, 25% young men and 25% adult women – a minimum of 50% women, young and adult. By value, more than 50% of JSF's investments should be pro-women. While the focus on women and youth is encouraging, the JSF evaluation notes that of the 825 full-time equivalent jobs created the project reported that 15% of beneficiaries were adult women and 74% youth. There was no information about what proportion of women and young women benefited.

In Lesotho, while the program is being implemented in the most vulnerable (climate and poverty) districts in the country, interactions with the UNCDF staff highlighted that there is no specific strategy on gender or to engage youth during this pilot phase, despite the high unemployment rate among the latter. The country reporting reveals that the distribution of male and female beneficiaries across the 4 pilot community councils shows that 54% are women.<sup>46</sup> Poverty levels are very high and any assistance under any program will have a positive impact but, the evaluation team has reservations about the extent of participation of women in the identification of local priorities – as the village chief has an overriding role in all matters affecting the village.

Evidence from Ghana highlights positive community impacts because of LoCAL-financed investments. These include substantial improvements in clean water supply and water security. A more informed process of installation of borewells has helped to improve the supply of drinking water especially in the dry season. This has had a direct impact on women who do most of the fetching and carrying of water by a saving around one hour per trip. This provides valuable additional time to attend to household duties and participate in cultivation. Women also mentioned that the climate adaptation investments made under the project had also had positive impact on family health, hygiene, and cleanliness. In Niger, women who have received 'goat kits' as an alternate livelihood option reporting some increase in family income from the sale of milk as well as nutrition levels. They also said that more money is now available for spend in education and health.

## 6. Conclusions, lessons learned & Recommendations

### 6.1 OVERALL ASSESSMENT

The previous sections of the evaluation report have summarized the performance and progress of LoCAL in terms of relevance, coherence, efficiency, effectiveness, likely impacts and sustainability, drawing from evidence generated by the evaluation of the program globally as well as from deeper insights obtained from the 4 country-missions. These

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<sup>46</sup> LoCAL Lesotho Annual Report 2020/2021

were carefully selected to represent the various geographies, socio-economic and political contexts and program maturity levels that characterize LoCAL.

**The findings demonstrate that LoCAL is an impressive initiative built around a well-engineered mechanism for devolved planning and financing for adaptive climate investments at the local government level channeled through the prevailing countries' fiscal transfer system.** LoCAL has its genesis in UNCDF's earlier fiscal devolution reform interventions designed to promote performance-based block grant funding for local governments. LoCAL initially built on the Local Development Finance (LDF) architecture and systems to take forward initiatives for performance-based funding for climate adaptation at local government level. Over time, growing interest in climate funding created a new demand for LoCAL in countries that had no prior experience in LDF. As a result, LoCAL has pivoted from its original position of building climate into existing fiscal devolution frameworks to its current position of promoting devolved climate funding as a spearhead for emerging fiscal devolution.

LoCAL has successfully mobilized a total of US\$ 124 million of funding and delivered ~2,000 climate adaptive investments benefiting 12.5 million people living in climate-vulnerable communities. As part of this process, LoCAL has helped to establish the principles of climate risk and vulnerability assessment (CRVA) for more informed planning and budgeting at the local level although the application of specific CRVA methodologies based on downscaling of national or regional climate data in partner countries is still evolving. It has also successfully piloted a model for decentralized performance-based fiscal transfers for climate-resilient investments and livelihoods, with fiduciary risk management to help reduce misappropriation or leakages.

LoCAL has achieved extensive coverage across more than 30 countries to date. **The breadth of country coverage provides the program with an extensive global footprint enabling it to demonstrate the relevance and applicability of the LoCAL mechanism in multiple different developing country contexts, in particular LDCs.** It has also enabled LoCAL to build a strong cohort of political champions at the national and international level who are actively engaged in articulating the need for increased funding for local level adaptation at respective global climate conferences and forums, including COP. At the same time, this group is instrumental in helping to advocate LoCAL as a proven mechanism for financing locally led adaptation and a potential climate funding vehicle for attracting and channeling global climate finance.

**LoCAL has simultaneously developed a commendable track record in leveraging alternative funding from donors at the country level.** This is especially significant given the challenges of accessing climate finance for adaptation at the global level. The leveraging of donor country funding has been largely achieved through agile program management and carefully choreographed dialogue with donors to identify complementarities and synergies on climate adaptation which is a current strategic priority amongst all donors. This has required skillful negotiation to identify and highlight thematic, sectoral and subject matter complementarities between LoCAL and donor country strategies, programs and projects. **Here, LoCAL has successfully ensured sufficient flexibility to accommodate specific donor requirements around project structuring, investment menus, outputs and reporting systems and protocols.**

This type of co-funding has provided a critical foundation for the expansion of LoCAL across countries, a source of funding for scale-up within countries, and support for global program activities. It has also provided a solid platform for scale-up and mainstreaming, where donor funds can be used to help LoCAL expand its coverage, consolidate activities and graduate to a higher level of maturity within the country. Whilst the ability to leverage donor funding is critical for embedding LoCAL into prevailing systems, there is a challenge in overcoming the issue of donor fatigue in cases where the project has already received support in past phases. This may, of course, be offset by the prominence of the climate agenda in contemporary donor programming; the evaluation identified a number of instances where donors were equivocal on the issue of continued funding.

The longer-term goal and objective for mainstreaming LoCAL into the prevailing system of devolved funding for local governments, however, remains a substantial challenge, especially in a context where LDCs have enormous fiscal constraints and extremely limited resources available for devolved funding of a discretionary or conditional nature. In this context, mainstreaming may be achieved by directly accessing donor (budget) support for fiscal transfers as in the case of Bhutan, Bangladesh (World Bank LGSP) and Ghana (KfW DPAT) in conjunction with direct access to UNFCCC financial mechanism such as GCF and AF. However, the GCF funding mechanism is time consuming, tenuous and delivers in project mode and therefore not leads to institutionalization. **Hence, whilst LoCAL has been very successful**

**in leveraging donor support at the country level for piloting and scaling the mechanism, mainstreaming has been more of a challenge.**

However, LoCAL has begun to tap into and help shape emerging climate fiscal frameworks at the national level. This, in due course, could incentivise governments to adopt the mechanism more widely to help achieve climate spending targets. At the same time, such support will help to align country NDC and NAP actions with its fiscal frameworks. This initiative is already underway in Bangladesh with UNCDF working in partnership with UNDP on a local climate fiscal framework. Meanwhile, LoCAL has started undertaking cost benefit analysis in countries such as Niger to inform local decision making and in the future macroeconomic analysis of the costs and benefits of supporting locally led adaptation. These enablers could also provide greater impetus for mainstreaming LoCAL using government funds, irrespective of additional donor funding.

**Going forward, it will be important for LoCAL to consider various trade-offs between different approaches and how it may wish to navigate the process of consolidating its achievements, deepening its engagement and expanding its operations.** For example, there is a clear trade-off between the deployment of resources to extend the program footprint across a larger number of LDCs and the need to deploy resources to strengthen the mechanism and build capacity to sustain and mainstream the initiative within its existing portfolio of countries, in a context where resources are at risk of being spread too thinly.

Another **trade-off exists between maximizing the effectiveness of LoCAL as a model for demonstrating the value of the mechanism for local climate adaptation on the one hand and maximizing LDC and other developing countries coverage to address demand, showing that the mechanism is country neutral and thus widely applicable, on the other hand.** The evaluation has clearly shown a marked difference in the effectiveness of LoCAL in terms of capacity, innovation and potential for scale-up and future mainstreaming in a country context where there is a more evolved system of local governance and fiscal devolution. The Ghana county case clearly illustrates the benefits of piloting a demonstration model in a more evolved context.

In line with the principles of locally led adaptation and principle 1 of subsidiarity, LoCAL typically targets the level of local government that is closest to the community in which PBCRGs can be deployed under the prevailing planning and budgeting system for local government. A question may, however, be raised around the optimal level of intervention for local climate adaptation. Focusing on the lowest level of local government may help to increase the total number of adaptive investments and maximize the impact of climate resilience for specific local communities whilst intervening at a higher level of local government could open up an opportunity to aggregate funding to support larger investments that could help to maximize climate adaptation impacts across multiple communities.

This, in turn, raises several important questions around the optimal level of local government to be targeted and the type of intervention that will generate a maximum return on investment in terms of increased local resilience to climate risks. **There was a consensus amongst experts and functionaries in a number of countries visited that larger adaptive infrastructure investments strategically located upstream and/ or clustering investments so that they reinforce each other could have more impact than a series of smaller adaptive infrastructure investments downstream.** Given that LoCAL often intervenes at the district level it may be useful to include an option to cluster or aggregate proposals for several individual schemes into one consolidated scheme of a larger size and scale to deliver benefits to multiple local communities.

**Finally, LoCAL often faces pressure from government to expand program coverage to a larger number of local governments.** Where budgets are finite this strategy is likely to be at the expense of engagement on policy support, advocacy, and institutionalization whereas the experience of Ghana, for example, demonstrates the strategic value of policy engagement even though LoCAL's coverage is just 13 of a total of 261 local governments.

## 6.2 RECOMMENDATIONS

### STRATEGIC RECOMMENDATIONS

1. Given a significantly more challenging global environment for climate finance, it is imperative that **LoCAL further develops a multi-pronged strategy to access climate funding to maintain, build and sustain its achievements.** Given that almost all developed countries are now facing spiralling inflation, mounting debts and expenditure cuts, the outlook for substantial increases in funds available for climate action for LDCs appears somewhat bleak. Despite



this, it is vital that LoCAL **continues to build a strong advocacy group amongst the climate-vulnerable countries to demand greater levels of global funding for (local) adaptation from diverse resources** are available. It is important that LoCAL engages with donors and global climate platforms to advocate and influence in setting up of a global fund through an innovative fiscal instruments/tax policies which is not an application or project based but provides top up long-term funding to countries based on the climate vulnerability and adherence to the PBCRG standards and conditions for locally led adaptation for locally led adaptation.

**(Priority - High; Responsible - UNCDF Global Team)**

2. While the implementation modalities of Article 6.8 are still being defined, it is vital **that LoCAL continues to engage in structured discussions with GCF around non-market approaches to funding local climate adaptation**. LoCAL should continue global influencing and policy dialogue for improved access to non-market-based solutions & access to climate finance for LGs and locally led adaptation. **This should also include further advocacy for more flexible funding, simplification of procedures for accreditation and project approval under the GCF or AF** given the outcome of consultations with GCF on EDA after which local governments have been added. To complement this, LoCAL may consider **strengthening its policy engagement** with the range of actors supporting climate resilience and decentralization at the national level along the lines of its policy-influencing work in Ghana. This will help strengthen its global advocacy effort while also encouraging national governments to consider converging donor support, pooling funds and co-financing initiatives to support local climate adaptation. As part of this effort, **LoCAL should continue to support local climate fiscal frameworks, strengthen PFM reforms, and develop and customise, e.g., expenditure tagging for local government**.

**(Priority - High; Responsible - UNCDF Global Team)**

3. The ability to leverage donor funding is a central element in delivering LoCAL's objectives for scale-up and mainstreaming, where donor funds are used to support the project graduate to a higher level of maturity. Therefore, **it is vital to build a strong evidence base on the results and benefits of the LoCAL mechanism in terms of enhancing climate resilience at the local level**. This will require commissioning a series of cleverly constructed studies as well as the proposed ACCAF impact studies to measure the quantitative and qualitative impacts of local climate adaptive investments to provide a compelling rationale for wider adoption and scale-up. This could usefully include a counterfactual to capture the 'business as usual case' to highlight differences in asset quality, durability, longevity, functionality, direct and cost and related benefits.

**(Priority - High; Responsible - UNCDF Global Team and Country Governments)**

4. The recent award of ISO certification is an important initiative for helping to increase investor confidence in the quality and integrity of LoCAL. At the same time, it provides a benchmark for maintaining standards and helping to resist pressures to dilute quality as the program enters, expands or is mainstreamed across countries with varying degrees of devolution and capacities. Here, there is a clear future role for LoCAL as an agency responsible for facilitating, monitoring, auditing and certifying the maintenance of the ISO standard in a wide variety of contexts and systems to build legitimacy of the process. This would build donors or investors confidence to invest in phase III countries, as it has been done in some countries for upscaling of LDF through World Bank's IDA support.

**(Priority -Medium; Responsible - UNCDF Global Team)**

5. **Growing interest among certain donors to support climate adaptation in urban areas** may present an important opportunity for LoCAL to access additional funding for locally led adaptation in an urban context or semi-urban context and might benefit a large section of population as urbanisation rapidly increasing across many developing countries. **LoCAL could provide TA to help design and operationalize a customized mechanism** (developing planning and mapping tools for climate change, technical design specifications, costings, and financial models for climate-resilient infrastructure, much of which is missing at present) **that would work in both the urban and rural context, supporting climate-resilient infrastructure and green urban growth**. An additional focus on the **urban areas would also enable LoCAL to leverage local government revenues for co-financing a portion of investments as well ensuring sufficient finance for O&M**. Overall, this approach aligns well with the dedicated SDG 11 on cities and human development to make cities safe, resilient and sustainable. Working with metropolitan authorities and municipalities on adaptive infrastructure would also help LoCAL to link into and partially access loan project funding by multi-lateral agencies such as The World Bank, (which has also recently deployed its first PBCRG in Kenya under FLLoCA) and provides opportunity to demonstrate PPP model and attracting private investments for locally led adaptation as envisaged in the program design.

**(Priority - Medium Term; Responsible - UNCDF Global Team)**

6. Although LoCAL has been successful in demonstrating in some countries the effectiveness of a planning and financing mechanism to guide investments for local climate adaptation, it has been far more challenging **to mainstream** LoCAL. Whilst the scope for mainstreaming in most LDCs and developing countries with less well-developed decentralization systems remains limited, there is greater potential in countries with more evolved fiscal devolution systems. Hence, LoCAL will need **to maintain a balanced portfolio of countries to ensure it includes those with more evolved fiscal devolution systems as well as potential early adopters and innovators to ensure there are sufficient country examples of robust implementation and scale-up**. The risk of insufficient balance in the portfolio will severely limit LoCAL's ability to showcase success. It will also help to generate more evidence on the sustainability of assets and investments in country contexts where there are resources for recurrent expenditure to ensure adequate O&M. For mainstreaming, LoCAL also needs to strengthen investment and technical support on Output 1- planning, sensitization and budgeting to build capacities and embed the process in each country.

(Priority – Medium Term; Responsibility - UNCDF)

## OPERATIONAL RECOMMENDATIONS

1. LoCAL may also consider **increasing the value of investment per infrastructure** since LoCAL resources are used to fund the entirety of infrastructure assets in most cases rather than 'top-up' funding given the lack of predictability and limited devolved funding flows to local government. Small adaptation investments will generally have fairly limited coverage in terms of enhanced climate resilience although this is less of an issue for nature-based solutions, and, as some experts mentioned, will generally not attract private sector investment. Hence, it would be useful to have the option for local governments to aggregate funding for larger, upstream investments which could generate higher levels of climate resilience for a larger number of local communities thereby meeting local adaptation objectives in a cost-effective manner.

(Priority - High; Responsibility - UNCDF and Country Governments)

2. Another important area to consider is that of **increasing the size of the core and country level team**. Given the geographical spread, number of countries and varied set of critical functions (TA and Capacity Building, deployment of PBCRG, outreach and advocacy, mobilizing resources, monitoring and reporting) the staff positions are low both at core team, region and country level and most are stretched. LoCAL would benefit from a more realistic and adequate staffing pattern both at country level and regional/global level to support, guide, engage with government and maintain oversight of the program at all stages to ensure impact and enable mainstreaming.

(Priority - High; Responsibility - UNCDF Global Team)

3. From the country visits we observed there is **potential for more joined-up approaches with UN agencies at country-level**. There are some good examples in Lesotho and Bangladesh with UNDP and also with UNEP, but in other countries, although there were opportunities, these had not materialized. In Bhutan and Ghana, the evaluation team observed that UNDP is working on similar community level climate adaptation approaches or on climate risk vulnerability assessment and strengthening PFM practices and thus had potential for collaboration and complementarity which could have been exploited. The evaluation team understands the complexities of joint programmes in UN systems, and this often requires the larger UN institutions to recognize and appreciate the expertise of UNCDF's niche work in order to form a collaborative approach that would reinforce the principle of One UN. Also, clear agreement on the principles and mandate of engagement needs to be reached in advance based on the expertise and niche of each organization.

(Priority – Medium; Responsibility - UNCDF and Other UN Organisations/ Partners)

4. For better mainstreaming and greater impact at the country level, **it is important that investments are guided by climate risk and vulnerability assessments to avoid** compromising the resilience outcomes. As mentioned earlier, localized climate science in most countries is weak and has not always informed the prioritization and design of investments. This is of critical importance for demonstrating impact of climate resilience infrastructure and influencing the government's commitment for mainstreaming.

(Priority: High; Responsibility - UNCDF and Country Governments)

5. Rather than consultants driven, it is important to ensure **capacity-building be institutionalized within LG training institutes and training curricula** in countries such as Ghana, Bangladesh, Bhutan for both elected representatives & officers. This will ensure continuity, embeddedness with country systems, and will be more cost effective.

(Priority- Medium; Responsibility- UNCDF and Country Government)

6. It is important to **strengthen monitoring and validation of results and impacts**. This is currently dependent on the governments' or LGs' own reporting which in many countries is weak. This includes the quality of APAs used for tranche releases. In many countries, there is no domestic operational budget for the government to visit and monitor projects and validate results although the intent may be reflected in an MoU. Hence it may be desirable to provide some additional funding for the operational costs of monitoring to strengthen the validation process. Also, it is important to capture qualitative information on outputs and outcomes as well as quantitative data in order to assess impact and resilience.

(Priority- High; Responsibility- UNCDF and Country Governments and Local Authorities)

7. Given the large numbers of donors' interest and investment in the LoCAL mechanism, it is important to align and adopt a single reporting mechanism or system for all the donors to streamline and improve the efficiency of reporting systems. UNCDF can consider following the World Bank's Trust Fund model for receiving funds and reporting.

(Priority- High; Responsibility- UNCDF and Donors)

### 6.3 LESSONS LEARNED

- i. A major observation raised by various climate adaptation experts is the wide geographic spread of LoCAL across more than 30 countries. **Whilst there are significant advantages of supporting the LoCAL mechanism in many countries to demonstrate its capabilities in addressing risks and vulnerabilities in a wide range of country contexts and helps build a larger LDC constituency of support at the global level, it necessarily places a strain on funding and resourcing across such a wide terrain.** This can inadvertently impact on the effectiveness of LoCAL interventions in cases where funding is constrained at the country level. In such cases LoCAL will need to carefully weight the costs and benefits of intervention.
- ii. **Country visits and discussions show that effective impact and mainstreaming also depend on the level of devolution and other political economy factors at the country level.** The success of Ghana and Bangladesh is chiefly due to the prevailing maturity level of devolution. Here the key lessons would seem to revolve around the need to invest in helping to create a more enabling environment for devolution prior to committing funds for capital investment for local adaptation or have joint initiatives and coinvest in program which supports decentralisation an devolution. This would be more critical for Phase I and II countries and requires significant soft investment prior to financing hard investments.
- iii. **It is equally essential to link the LoCAL investment menu and PBCRGs with the political priorities of the national and local governments** – as well as donors' - with a complementary approach, as has been done to a certain extent in Gambia through the JSF initiative. However, this should be done without diluting the objectives and focus of LoCAL. This would also help foster greater ownership at all levels, build communities' resilience, and strengthen local economies.
- iv. **Whilst there is often pressure from the government to expand program coverage geographically, this may be at the expense of engagement in policy advocacy, scale-up and mainstreaming, given a finite level of resources.** The recent evaluation of LoGIC in Bangladesh identified this tension where there has been a strong focus on the geographical expansion covering over 70 local governments. Meanwhile, the Ghana case demonstrates the strategic value of policy engagement even though LoCAL's coverage is just 13 of 261 local governments. Here, it would be useful for LoCAL to be more explicit about its primary role as an incubator for establishing a performance-based climate funding mechanism for local government (rather than a time-bound project delivering climate funding to the maximum number of local governments and communities).

Although project commitments have been made, the actual local climate adaptation financial allocation level is low and expected to remain low, given the global economic context. The constraints of accessing private sector finance for rural small infrastructure investments exacerbate this challenge. Hence, it will be helpful for LoCAL to adopt a balanced approach across both the rural and urban sectors to enable access to a wider funding pool and mix of

donors rather than being reliant on donor programmes that primarily focus on rural investments. This is all the more relevant given the speed of urbanization in Africa. By 2050 the urban population in Africa will reach 3 billion representing more than 50% of the total population, a large proportion of who will live in underserved and climate vulnerable settlements. Whilst the cost per investment would be higher this would be offset by a larger pop coverage per investment and access to larger pool of donor funding.

- v. The evaluation team observed **frustrations and concerns from stakeholders with the maturity model in the absence of success criteria for each phase of program maturity and the parameters for transitioning from one phase to the next.** The criteria will help governments and stakeholders to be in a position to plan for transition and maturity graduation with a clearer understanding of the accompanying policy actions and reforms required to facilitate the transition.
  
- vi. **One of the contrasts that has been observed relates to the different administrative levels of interventions at the subdistrict or district level.** Evidence from Bangladesh highlights the difficulty of working at the sub-district level and relying on elected representatives with weak capacity and limited technical staff. However, the Bangladesh program has strong local participation, voice and community livelihood linkages. In contrast, in Ghana, the district is the primary focus and has planning and engineering staff with sufficient capacity to understand and apply the systems and processes effectively. However, at this level, there is less direct engagement with local communities, less formal participation and limited temporary livelihood linkages. **Whilst working at the lowest tier has direct advantages in terms of community engagement, working at a higher level of local administration is more economical and could have more comprehensive climate adaptation benefits through upstream interventions at scale.**

# Annexes:

## Annex 1: Progress Against the Results Framework of the Project

	To promote climate-resilient communities and local economies by increasing investments in climate change adaptation at the local level in target countries, thereby contributing to the achievement of SDG 1 and SDG 13 and country-specific SDG and CCA targets	TARGET (2014-2022)	PROGRESS (2014-2021)	
<b>IMPACT</b>	I.1 Number of direct and indirect beneficiaries of CCA investments and interventions financed through LoCAL/PBCRG mechanism (disaggregated by sex)	15,830,000	12,520,967	
	<i># of direct beneficiaries male</i>			
	<i># of direct beneficiaries female</i>			
	<i># of indirect beneficiaries male</i>	1,423,500		
	<i># of indirect beneficiaries female</i>	1,423,500		
	I.2 # LDCs, Small Island Developing States and Developing Countries that are receiving specialized support, and amount of support, including finance, technology and capacity-building, for mechanisms for raising capacities for effective climate change-related planning and management, including focusing on women, youth and local and marginalized communities) through LoCAL			
	<i># of countries</i>		30	
	<i>Volume of the support in \$</i>		60,309,363	
	I.3 Evidence of climate change adaptation impact of proposed CCA investments and interventions in targeted communities through case studies, focusing particularly on the most vulnerable population groups and applying a gender-sensitive approach			0
	<b>OUTCOMES</b>	O.1 Increase local authorities' <b>access to</b> (international) <b>climate finance</b> to implement climate change adaptation investments in target countries		
O.2 Establish a <b>standard and internationally recognized country-based mechanism</b> to channel climate finance and increase local resilience through PBCRGs				
O.1.1 Volume of international climate finance channeled through and/or leveraged by UNCDF-designed PBCRG mechanism (disaggregated by source)		11,131,445	124,834,515	
<i>Volume International Public (\$)</i>		-	124,834,515	
<i>Volume International Private (\$)</i>		-	0	
<i>Direct funding (\$)</i>		-	98,458,548	
<i>Parallel funding (\$)</i>		-	26,375,968	
O.1.2 Number of participating countries which have been accredited from international climate funds and/or mechanisms to access international climate finance as result of LoCAL/UNCDF support		3	3	

	O.2.1 # and % of participating countries moving from the piloting phase (Phase I) to consolidation (Phase II) and from consolidation to roll-out of the PBCRG mechanism (Phase III)	1 country (Phase I --> Phase II) 3 countries (Design --> Phase I)	
	<i># of countries in design/scoping</i>	n.a.	13
	<i># of countries in Phase I</i>	5	9
	<i># of countries in Phase II</i>	10	6
	<i># of countries in Phase III</i>	3	2
OUTPUTS	<b>R.1 Awareness and capacities to respond to climate change adaptation are increased at the local level</b>		
	R.1.1 Number of targeted local authorities that regularly collect, update and analyze climate change information	71	-
	R.1.2 Amount of capacity building grants delivered to participating countries	19,55,110	6,272,618
	R.1.3 Number of national and local authorities' officials and community representatives that participated in awareness and capacity building activities (disaggregated by sex and subject area)	Est. 9,000 (30% women) (2022)	15,556
	<i>Number trained male</i>		9,554
	<i>Number trained female</i>		4,655
	<i>Number trained on CC data usage (including early warning systems)</i>		n.a.
	<i>Number trained on CCA planning and budgeting</i>		n.a.
	<i>Number trained on CCA investments management and maintenance</i>		n.a.
	<i>Number trained on CCA M&amp;E</i>		n.a.
	R.1.4 1.1 # and % of participating local authorities meeting the minimum conditions without need for corrective action		n.a.
	<i>Absolute Number</i>		n.a.
	<i>Percentage over the target R.3.2</i>		n.a.
	<b>R.2 CCA is mainstreamed into government's planning and budgeting systems and investments are implemented in line with the PBCRG mechanism</b>		
	R.2.1 # of targeted local authorities that have integrated climate change adaptation into their local planning & budgeting processes	99	-
	R.2.2 Number and value of climate-interventions and investments financed through the PBCRG mechanism (disaggregated by type - capacity building/equipment/infrastructure and ecosystem-based, sector and ecosystem)		
	<i>Number of investments</i>	1,495	1,983
	<i>Value of the investments</i>	15,894,000	32,893,191
	R.2.3 % of local authorities that are promoting community-based governance in one or more domains of planning, contracting, monitoring and management for PBCRG investments	71	-
R.2.4 % PBCRG investments and interventions explicitly targeting women	4%	-	

	<b>R.3 The PBCRG system is effectively and sustainably established in participating countries and leads to an increased amount of CCA finance available to local government and local economy</b>		
	R.3.1 Amount of PBCRG delivered to participating local authorities (\$)	15,382,000	25,033,639
	R.3.2 Number and average increase of local authorities actively using the PBCRG system in participating countries		
	<i>Absolute Number</i>	142	
	<i>Pertentage Increase over Y-1</i>		
	R.3.3 Volume of domestic resources channeled through and/or leveraged by UNCDF-designed PBCRG mechanism (disaggregated by source)		
	<i>Volume Domestic Public</i>	3,776,296	16,920,471
	<i>Volume Domestic Private</i>	1,000,000	0
	R.3.4 Evidence of the institutionalization of the PBCRG system in participating countries through policy, regulatory or institutional reforms	3	3 Bhutan Benin Cambodia
	<b>R.4 The role of local authorities and of the PBCRGs in addressing climate change are increasingly recognized at international level, through outreach and quality assurance</b>		
	R.4.1 Number of high-level initiatives referencing UNCDF LoCAL experience	46	54
R.4.2 Evidence of use of PBCRG/LoCAL knowledge and communication products by the climate and development international community	6	4	

## Annex 2: Evaluation Matrix

Evaluation Questions	Judgment criteria	Lines of evidence
<b>1. RELEVANCE:</b> The extent to which LoCAL's objectives and design respond to beneficiaries', global, country, and partner/institution needs, policies, and priorities		
1.1 How well aligned is LoCAL with the international priorities on climate change adaptation?	<p><b>GLOBAL</b></p> <ul style="list-style-type: none"> <li>- Degree of alignment with global priorities on local climate change adaptation and decentralization, and UNCDF's position in the broader climate finance landscape</li> <li>- How well does LoCAL respond to the LDCs' and other developing countries' needs at an overall level and on climate resilience-building specifically?</li> <li>- Extent of LoCAL's alignment with UNCDF's New Strategic Framework (2022-2025) and UNCDF's Local Transformative Finance &amp; Climate Finance Priority Areas within the Strategic Framework</li> <li>- Extent to which LoCAL is aligned with SDGs (especially 1 and 13; 2, 5, 7, 8, 9, 11, 16, 17)</li> <li>- Extent to which LoCAL is aligned with the priorities of the various donors, development, and other partners' priorities</li> <li>- Appropriateness to date of UNCDF's positioning as a UN agency in supporting access by LDCs and other developing countries to (international) climate finance for subnational and locally-led adaptation</li> </ul>	<p><b>Desk Review:</b> ProDoc, Annual Report 2019, 2020, 2021; Country Scoping Mission/Design Document, Country Annual Progress Report, Program Evaluation Reviews; IPCC Report AR 6, Countries' INDCs, policy documents, National Communications to UNFCCC, Climate Public Expenditures and Institutional Reviews, UNCDF Strategic Framework (2022-2025), SDGs and SDG indicator framework</p>
1.2 How relevant and well-designed are LoCAL's approach and instruments to the priorities of the countries in which it has intervened and the stakeholders it has engaged with?	<p><b>NATIONAL &amp; LOCAL</b></p> <ul style="list-style-type: none"> <li>- Extent of LoCAL's alignment with the development, decentralization, and climate change adaptation priorities of implementing countries and local communities.</li> <li>- How relevant are LoCAL interventions to the country-specific adaptation needs and their ability to help national governments access additional adaptation financing for local-level action from various sources (domestic and international)</li> <li>- Barriers to accessing CCA finance by LDCs, LoCAL countries, and local governments and the extent to which LoCAL helps address these</li> <li>- Extent to which LoCAL country programs align with the respective donors' priorities at the country level</li> <li>- Extent to which LoCAL country programs align with and contribute to SDGs given the specific program design</li> </ul>	<p><b>Key Informant Interviews</b> with international, national, and local partners</p>
1.3 How relevant/well designed is the support provided by LoCAL, in each of the phases of the LoCAL intervention (Design, Phase I – Piloting, Phase II – Consolidating, Phase III – Scaling-up) to increase Local Governments' access to	<p><b>NATIONAL &amp; LOCAL</b></p> <ul style="list-style-type: none"> <li>- Degree of alignment of LoCAL's phases, priorities and approach with needs and priorities in terms of CCA at the local and national level – (with national policy for providing the overarching framework for CCA and local risk-informed planning and mainstreaming on the ground for translating national policy to local action)</li> </ul>	



<p>climate finance and to establish and institutionalize LoCAL's PBCRGs?</p>	<ul style="list-style-type: none"> <li>- Degree of coherence of the program activities with outputs and outcomes across the three phases</li> </ul> <p><b>GLOBAL &amp; NATIONAL</b></p> <ul style="list-style-type: none"> <li>- Assessment of LoCAL's strategy to balance the rising demand from countries vis-à-vis countries transitioning across phases to ensure that standards are maintained and institutionalized</li> </ul>	
<p>1.4 How well are program objectives supported by the LDCs (partner countries and not) at the global, national, and local level as well as by the international development/ climate finance community?</p>	<p><b>NATIONAL</b></p> <ul style="list-style-type: none"> <li>- Level of support and buy-in by local and national partners for the objectives of the program (Required vs. Received &amp; Gaps)</li> <li>- When donor or counterpart funding for transitioning to the next phase is limited, does LoCAL provide minimal funding to maintain some degree of engagement for future re-entry?</li> </ul> <p><b>GLOBAL</b></p> <ul style="list-style-type: none"> <li>- Degree of alignment with UNCDF priorities and agenda at the global level and level of alignment with donor priorities and agendas</li> <li>- Level of support and buy-in by international partners for the objectives of the program (Required vs. Received &amp; Gaps)</li> </ul>	
<p>1.5 To what extent does the LoCAL design incorporate gender equality (GE), human rights (HR), and other crosscutting issues? Are the needs and interests of all stakeholder groups considered? Is the design informed by good quality information on the underlying causes of inequality and discrimination?</p>	<ul style="list-style-type: none"> <li>- Inclusion of gender and human rights considerations in the scoping assessments and the design of country programs, objectives, and activities. The extent to which HRGE considerations have been considered in terms of targeting criteria (in terms of the design of the investment menu and the implementation of schemes)</li> <li>- Alignment with national gender-related goals</li> <li>- Alignment with UNCDF's mainstreaming strategy on gender</li> <li>- Evidence on the extent to which the ToC incorporates and is sensitive to HRGE considerations; whether and to what extent the interventions align with the needs of the marginalized sections of the population</li> <li>- Inclusion of gender and human rights indicators in the Monitoring and Evaluation framework (including in the PBCRG annual performance assessment process)</li> <li>- Is there a checklist of country-specific likely PBCRG-funded interventions that are in sync with local climate priorities that are gender-specific? How does LoCAL measure the gender sensitivity of a PBCRG-funded infrastructure or investment?</li> </ul>	
<p><b>2. COHERENCE:</b> The extent to which LoCAL is compatible and/or complementary with other interventions globally and in a country, sector implemented by other actors &amp; by UNCDF itself</p>		

<p>2.1 As presently designed, how coherent is the program design given its objectives i) at the local and national levels in partner countries and ii) internationally as a global initiative? To what extent does the program support later expansion and replication in line with UNCDF's maturity model?</p>	<p><b>GLOBAL &amp; NATIONAL</b></p> <ul style="list-style-type: none"> <li>- Degree of compatibility of the three LoCAL implementation phases with international best practices or other similar experiences in decentralized finance and climate change adaptation</li> <li>- Are the activities across the 4 outputs comprehensive to facilitate changes with respect to local climate finance and locally-led climate adaptation? What is the evidence of complementarity and convergence between the 4 outputs in delivering the LoCAL objectives?</li> <li>- Does the program design (at both the global and national levels) incorporate strategies for scale-up?</li> <li>- Evidence on the extent to which different partners, donors, and other relevant stakeholders collaborate at various levels and how effective is this for facilitating joint working, learning, and evidence-sharing</li> </ul>	<p><b>Desk Review:</b> ProDoc, Annual Report 2019, 2020, 2021; Country Scoping Mission/Design Document, Country Annual Progress Report, Program Evaluation Reviews; IPCC Report AR 6, Countries' INDCs, policy documents, National Communications to UNFCCC, Climate Public Expenditures and Institutional Reviews, UNCDF Strategic Framework (2022-2025), SDGs and SDG indicator framework</p> <p><b>Key Informant Interviews</b> with international, national, and local partners</p>
<p>2.2 How distinct/complementary is LoCAL to the international climate finance architecture as well as other initiatives implemented by governments and/or key development partners?</p>	<p><b>GLOBAL</b></p> <ul style="list-style-type: none"> <li>- What is the added value/ additionality of LoCAL's approach?</li> <li>- Evidence on the distinction, complementarity, and uniqueness of LoCAL's approach as compared to other initiatives within the international climate finance architecture</li> </ul> <p><b>NATIONAL</b></p> <ul style="list-style-type: none"> <li>- Level of convergence with similar programs, projects, and initiatives being implemented by governments and development partners in-country</li> <li>- Synergies in terms of policies and funds across projects/initiatives on CCA</li> </ul>	
<p>2.3 How well does LoCAL align with national structures and strategies?</p>	<ul style="list-style-type: none"> <li>- Evidence of the degree of LoCAL's alignment, synergies, and potential contribution to national policies, structures, and strategies related to climate change in partner countries (examples, National Climate Change Policies, National Adaptation Plans, Intended/ Nationally Determined Contributions, contribution to relevant SDGs – based on specific country design)</li> </ul>	
<p><b>3. EFFICIENCY: The extent to which LoCAL has / or is likely to deliver results in an economic and timely way? The extent to which the program has delivered quality outputs that are appropriately managed and overseen</b></p>		
<p>3.1 How well and with what quality has LoCAL delivered its expected results to date, including in terms of budget allocation and cost-effectiveness of activities including the integration of Human Rights and Gender Equality considerations in resource allocation and utilization</p>	<p><b>GLOBAL (PORTFOLIO) LEVEL</b></p> <ul style="list-style-type: none"> <li>- Assessment of the quality of LoCAL's strategies and deliverables in-country (national and local levels) as well as the global level</li> <li>- How smooth has the transition process among the phases (Design, I, II, and III) been for the countries (including evidence on the variation and factors that helped or smoothed)</li> <li>- Analysis of program budgets (VFM) across components and proportion spent on women</li> <li>- Assessment of progress against expected targets as reflected in the results framework</li> <li>- Robustness of risks management procedures - assessment based on UNDP's Enterprise Risk Management Toolkit</li> </ul>	<p><b>Desk Review:</b> Project Document, Annual Progress Reports, Country Progress Reports &amp; Country Project Documents, LoCAL investment databases, RRF, ACCAF, LoCAL financial reporting, Monitoring and Reporting documents,</p>

	<ul style="list-style-type: none"> <li>-</li> <li>- Assessment of the quality of underlying processes and timeliness for activities (e.g., approval, fund mechanism set up, transfer of funds, etc).</li> <li>- Assessment of optimal utilization of resources – personnel and funds – across the 4 outputs</li> </ul>	Board and Steering Committee Decisions/Minutes
<p>3.2 How well is the program being managed and governed, through the involvement and contribution of key partners such as the key donors and government counterparts, both at global, national, and subnational levels?</p>	<p><b>GLOBAL &amp; NATIONAL</b></p> <ul style="list-style-type: none"> <li>- Are the program governance and management structure and delivery mechanisms appropriate to deliver the objectives – at the global and country levels?</li> <li>- Assess the functioning and effectiveness the Project Steering Committees/boards function How has this arrangement helped in program delivery?</li> <li>-</li> <li>- Challenges and enabling factors during program implementation across all levels (macro, meso, and micro)</li> <li>- Collaboration and convergence mechanisms across relevant departments/stakeholders in-country, across different countries; among global partners, and donors. How are collaboration and convergence working in practice and how has it helped to make programmatic improvements and/or unlock new funding windows for countries</li> <li>- At the national and local level: Assessment of the level of engagement and collaboration with national and local government for financing and policy influence. Is the approach or strategy suitable and appropriate?</li> <li>-</li> </ul>	<p><b>Key Informant Interviews:</b>  UNCDF Global and Country Staff; international, national, and local partners including donors</p>
<p>3.3 How appropriate is the program's monitoring system to track direct program results and its broader contribution to the overall objectives?</p>	<p><b>GLOBAL, NATIONAL &amp; LOCAL</b></p> <ul style="list-style-type: none"> <li>- Existence of robust M&amp;E strategy and systems to capture program results and generate evidence to ensure accountability and learning</li> <li>- Assessment of how well the ACCAF has been adopted and implemented by country programs; how well does it capture the broader contribution of LoCAL</li> <li>- Adequacy of M&amp;E capacity (human resources and budgets) for M&amp;E</li> <li>- Evidence on the use of monitoring data and /or lessons, recommendations from evaluations, reviews used for management, and course-corrective measures at the global and country levels</li> <li>- Robustness of the PBCRG APA processes ?</li> <li>- What is the M&amp;E system's capability in capturing data on women and softer issues such as capacity building, resilience, and global policy influence and in measuring progress and outcomes?</li> </ul>	
<p>2.4 How have program managers adapted to the impact of COVID-19 in the design and management of the program, and with what likely results? Has there been a change in program delivery mechanisms as a fallout of</p>	<p><b>GLOBAL, NATIONAL &amp; LOCAL</b></p> <ul style="list-style-type: none"> <li>- Evidence on the robustness of LoCAL's COVID-19 response strategy at the portfolio (global), national and local levels (including any programmatic changes at the global or country levels)</li> <li>- Evidence on the rollout of the COVID-19 responses and LoCAL's performance during COVID-</li> </ul>	

<p>COVID-19 and does the situation warrant any modifications in program targets and overall outcomes?</p>	<p>19</p> <ul style="list-style-type: none"> <li>- Challenges and adaptations at the national and local levels in programming</li> <li>- Long-term implications of COVID-19 on the achievement of program results, functioning of the national and local partners, and the impact on end-beneficiaries</li> <li>- Will COVID -19 lead to slippages in countries moving across phases/preparedness for accessing global climate funds? Is there a strategy at the LoCAL Secretariat level to manage/assist countries?</li> </ul>	
<p><b>4. EFFECTIVENESS:</b> What is the extent to which LoCAL is expected to achieve its objectives, and its results, including any differential results across groups?</p>		
<p>4.1 To what extent have LoCAL activities contributed to increasing awareness and capacities on CCA at the local level</p>	<p><b>NATIONAL &amp; LOCAL</b></p> <ul style="list-style-type: none"> <li>- Evidence of LoCAL's contribution towards increased awareness of climate risks/vulnerability issues in local government programs</li> <li>- Evidence on beneficiary local governments' increased use of climate information in local development plans and local budgets and climate-proofing interventions and LoCAL's contribution to the same</li> <li>- Differences between LoCAL's PBCRG interventions and traditional interventions – how are these being justified (adaptation rationale) and measured over time in line with ACCAF</li> <li>- To what extent is LoCAL using indigenous/local knowledge in the climate risk assessments, planning &amp; adaptation process, level of integration of indigenous knowledge &amp; scientific knowledge</li> <li>- LoCAL's contribution to improving community leaders/members' participation and voice in adaptation planning &amp; delivery. Linking to M&amp;E processes, how is the 'voice' being measured over time?</li> </ul>	<p><b>Desk Review:</b> Project Document, Annual Progress Reports, Country Progress Reports &amp; Country Project Documents, LoCAL investment databases, RRF, ACCAF, LoCAL financial reporting, Monitoring and Reporting documents, Board and Steering Committee Minutes; LoCAL's global and national level knowledge products and advocacy documents, local development plans, APA reports</p> <p><b>Key Informant Interviews:</b> UNCDF Global and Country Staff; international, national, and local partners including donors</p> <p><b>Focus Group Discussions</b> with Beneficiaries</p>

<p>4.2 To what extent have LoCAL activities contributed to mainstreaming climate change adaptation into the government's planning and budgeting systems and investments, including the extent to which these are implemented in line with the LoCAL standard?</p>	<p><b>NATIONAL &amp; GLOBAL</b></p> <ul style="list-style-type: none"> <li>- Evidence of government interest in and commitment to mainstreaming climate change into local planning and budgeting processes</li> <li>- Differences between LoCAL's PBCRG interventions and traditional interventions – how are these being justified (adaptation rationale) and measured over time in line with ACCAF</li> <li>- Whether intergovernmental fiscal transfer systems (number, types, and amount of funds) include CCA and earmarked windows (before and after LoCAL level)</li> <li>- Whether local actors have a broad understanding of the adaptation delivery mechanisms designed to support them &amp; are engaged in citizen feedback &amp; social audits, enabling greater downward accountability</li> <li>- Level of adherence to LoCAL's defined standards at the country level</li> </ul>	
<p>4.3 To what extent are LoCAL activities contributing to increased levels of climate change adaptation finance being available to the participating local governments and communities through the PBCRG system?</p>	<p><b>GLOBAL</b></p> <ul style="list-style-type: none"> <li>- How and to what extent has LoCAL facilitated a greater international recognition for locally-led climate adaptation and improved national government and LGIs' access to climate adaptation finance for local responses</li> </ul> <p><b>NATIONAL &amp; LOCAL</b></p> <ul style="list-style-type: none"> <li>- Quantum of funds being made available to LGIs for climate adaptation and % of this channeled through LoCAL's PBCRG</li> <li>- Evidence on the extent to which LoCAL's interventions have been able to influence the mainstreaming of CCA in regular capital grant allocation</li> <li>- Evidence of synergies in complementary programs and funds for CCA at local levels</li> </ul>	
<p>4.4 To what extent are LoCAL activities contributing to an increased recognition at the international level of the role of local authorities and of the PBCRGs in addressing climate change impacts at the local level?</p>	<p><b>GLOBAL</b></p> <ul style="list-style-type: none"> <li>- To what level has LoCAL been able to facilitate the recognition of the role and contribution of local government and the PBCRG system for local adaptation at the international level, e.g. in global climate agendas and fora? (e.g. UNFCCC, OECD, others).</li> <li>- How and to what extent does LoCAL ensure that the LoCAL ISO Standard development satisfies the needs and demands of potential users? What is the intended use of the LoCAL ISO standard by partners that have expressed an interest?</li> <li>- Evidence on whether any projections have been made about the quantum of climate finance for local initiatives that may be expected to be mobilized through LoCAL?</li> <li>- LoCAL's influence on the global thinking on local adaptation, cross-learning, and impact across regions and various geographies</li> </ul>	
<p><b>5. IMPACT:</b> The extent to which LoCAL has generated or is expected to generate climate change-resilient communities and local economies by increasing investments in climate change adaptation at the local level in target countries, thereby contributing to the achievement of the Paris Agreement and the SDGs.</p>		

<p>5.1 As currently designed and implemented, to what extent are LoCAL's results contributed/ likely to contribute to increased local government access to (international) climate finance for locally-led adaptation in target countries?</p>	<p><b>NATIONAL &amp; LOCAL</b></p> <ul style="list-style-type: none"> <li>- Evidence on the extent to which LoCAL has contributed to the likelihood of and increased access to (international) climate finance for locally-led climate change adaptation (e.g. GCF country programs)</li> <li>- Evidence of the extent to which LoCAL has increased national government climate change adaptation finance earmarked for local government use in beneficiary countries</li> <li>- Evidence on the increase in local governments' other revenue streams used for climate change adaptation in beneficiary countries and the extent to which LoCAL has enabled/facilitated this</li> <li>- Evidence on the extent to which LoCAL has increased access to climate finance at the local level from the private sector</li> </ul>	<p><b>Desk Review:</b> Project Document, Annual Progress Reports, Country Progress Reports &amp; Country Project Documents, LoCAL investment databases, RRF, ACCAF, LoCAL financial reporting, Monitoring and Reporting documents, Board and Steering Committee Minutes; LoCAL's global and national level knowledge products and advocacy documents</p>
<p>5.2 As currently designed and implemented, to what extent are LoCAL's results contributed/ likely to contribute to the establishment of a standard and internationally recognized country-based mechanism to channel climate finance and increase local resilience?</p>	<p><b>GLOBAL</b></p> <ul style="list-style-type: none"> <li>- Evidence of progress in LoCAL's PBCRG as standard</li> <li>- Recognition and adoption of LoCAL's PBCRG as an internationally accepted standard for channeling funds to LGIs for CCA at the country level</li> </ul> <p><b>NATIONAL &amp; LOCAL</b></p> <ul style="list-style-type: none"> <li>- Whether LoCAL is progressively institutionalized as the country-based mechanism to channel climate finance and advanced CCA investments at the local level. Degree, success, gaps</li> <li>- How and to what extent has LoCAL contributed to mainstreaming and institutionalizing the decentralized fiscal inter-governmental transfer model in the LDCs</li> </ul>	<p><b>Key Informant Interviews:</b> UNCDF Global and Country Staff; international, national, and local partners including donors</p>
<p>5.3 Changes in the living conditions of beneficiaries targeted by the investments in terms of resilience to climate variability and change, taking gender into account</p>	<p><b>LOCAL &amp; NATIONAL</b></p> <ul style="list-style-type: none"> <li>- How and to what extent has LoCAL's contribution to reducing the climate vulnerability of local communities (focus on poorest and most marginalized populations) – assessment of (i) increased resilience of most vulnerable people and communities; Health, well-being, food, and water security; Infrastructure and built environment; Ecosystems and ecosystem services</li> <li>- Contribution of PBCRG to improving the climate resilience of public goods and services at the local/community level</li> <li>- LoCAL's contribution towards the improvement of local economies, etc.</li> <li>- The extent to which LoCAL has led to more inclusive interventions (planning, decision-making, mainstreaming, and inclusion) benefiting women and marginalized communities such as persons with disabilities, indigenous peoples, ethnic minorities, marginalized occupational groups, etc. (based on the context)</li> </ul>	<p><b>Focus Group Discussions</b> with Beneficiaries and local partners including donors</p>
<p><b>6. SUSTAINABILITY:</b> The extent to which the net benefits of LoCAL are likely to continue beyond the life of the intervention?</p>		

<p>6.1 To what extent are any changes in the resilience of local economies and communities through increased investments in climate change adaptation at the local level sustainable over time?</p>	<p><b>NATIONAL &amp; LOCAL</b></p> <ul style="list-style-type: none"> <li>- The extent to which LoCAL has helped to institutionalize the decentralized model of local climate adaptation by mainstreaming local decision-making powers by building capacities and influencing systems</li> <li>- Local communities and marginalized group's participation are strengthened to the extent that they feel confident in taking forward LoCAL's result</li> <li>- To what extent are LGIs capacitated to continue the activities and apply the LoCAL standard (and with what quality)</li> <li>- Assessment of the extent to which operations &amp; maintenance mechanisms are in place and accounted for PBCRG-financed climate-resilient investments in beneficiary local governments</li> <li>- Evidence whether the creation/enhancement of assets funded by LoCAL generates more resilient communities and local economies; sustainable increases in livelihoods</li> </ul>	<p><b>Desk Review:</b> Project Document, Annual Progress Reports, Country Progress Reports &amp; Country Project Documents, Board and Steering Committee Minutes; LoCAL's global and national level knowledge products and advocacy documents; countries' INDCs, climate change policies, Global CC agendas, and frameworks (e.g GCF EDA guidelines)</p>
<p>6.2 To what extent are any changes in increased local government access to (international) climate finance through the program sustainable over time?</p>	<p><b>GLOBAL COUNTRY &amp; LOCAL</b></p> <ul style="list-style-type: none"> <li>- Evidence on whether (and to what extent) LoCAL's PBCRG and other processes have been institutionalized through policy, institutional or regulatory reforms in-country</li> <li>- Number of cases (or countries) wherein countries could leverage/channel adaptation finance for LGIs through the PBCRG system</li> <li>- Evidence on whether LoCAL/UNCDF has simplified and or improved windows for adaptation financing from international/national, public/private, or other sources</li> <li>- Evidence on the improvements in the capacity of the central and local governments to access and deploy climate finance using the PBCRG system</li> </ul>	<p><b>Key Informant Interviews:</b> UNCDF Global and Country Staff; international, national, and local partners including donors</p> <p><b>Focus Group Discussions</b> with Beneficiaries</p>
<p>6.3 To what extent are changes at the policy and institutional level, globally, nationally, and locally, induced by LoCAL likely to continue over time?</p>	<p><b>GLOBAL</b></p> <ul style="list-style-type: none"> <li>- Evidence on the extent to which LoCAL has contributed to enhancing the understanding of local climate finance for adaptation</li> <li>- Assessment of the international stakeholder perception on UNCDF/LoCAL's thought leadership on subnational adaptation finance and locally-led adaptation</li> <li>- Whether and to what extent are lessons learned from LoCAL recognized and referenced globally</li> <li>- To what extent are the standards set by LoCAL recognized and advocated best practices and being followed, along with areas of improvement</li> </ul> <p><b>NATIONAL &amp; LOCAL</b></p> <ul style="list-style-type: none"> <li>- The extent to which national governments have institutionalized the PBCRG system and LoCAL model and are willing to take these forward and scale them up</li> <li>- The extent to which ownership of the LoCAL mechanism has been built</li> <li>- Perception of ownership (interest in delivery and uptake) among national and local partners in terms of institutional mechanisms and policies</li> </ul>	

### Annex 3: List of People Interviewed

#### GLOBAL LEVEL STAKEHOLDERS (EXTERNAL PARTNERS)

Name	Designation and Organisation
Jesper Stephensen	Lead Expert PBG/Decentralization, DEGE
Jerome Dendura	Lead Expert PBG/Decentralization, Adelante
Perks Ligoya	Co-chair LoCAL Board (2019-2021)
Madeleine Diouf	Co-chair LoCAL Board (2022-2023)
José Didier Tonato	Minister, Living Environment and Sustainable Development, Benin
Jochen Luther	Policy/Programme Officer DRR CCA, EU INTPA F1
Maria van Belrekom	Head of Unit, Swedish Development Agency (SIDA)
Paul Desanker	Climate Change Adaptation Manager, United Nations Framework Convention on Climate Change
Gareth Phillips	Manager Climate and Environment Finance, African Development Bank
Lucy Naydenova	African Development Bank
Arghya Sinha Roy	Principal Climate Change Specialist, Asian Development Bank
Ayesha Dinshaw	Manager, World Resources Institute
Angus Mackay	Director, UNITAR
Ben Webster	Head, Risk Informed Early Action Partnership (REAP)

#### GLOBAL LEVEL STAKEHOLDERS (UNCDF – INTERNAL STAKEHOLDERS)

Name	Designation and Organisation
David Jackson	Director, Local Development Finance, UNCDF
Sophie DeConnick	LoCAL Facility Manager
Ludovica Amatucci	Program Analyst, LoCAL
Raphael Moser	Program Specialist, LoCAL
Ronan Pecheur	Senior Program Specialist, LoCAL

#### GLOBAL LEVEL STAKEHOLDERS (INDEPENDENT EXPERTS)

Name	Designation and Organisation
Clare Shakya	Director, Climate Change, International Institute for Environment and Development
Saleemul Huq	Director, International Centre for Climate Change and Development (ICCCAD), Bangladesh and Senior Associate, International Institute for Environment and Development

#### COUNTRY LEVEL STAKEHOLDERS – DEEP DIVE COUNTRIES

##### LESOTHO

Name	Position and Organization
Mabohlokoa Tau	UNCDF LoCAL Lesotho National Coordinator
Lefu Manyokole	Principal Secretary, Ministry of Local Government and Chieftainship
Malehano Letlema	Director Planning, Ministry of Local Government and Chieftainship
Mofihli Phaqare	LoCAL Project Coordinator, Ministry of Local Government and Chieftainship
Mabafokeng Tlaba	Planning, Ministry of Local Government and Chieftainship
Motselisi Leoma	Accounts, Ministry of Local Government and Chieftainship
Phello Moloma	Finance Director, Ministry of Local Government and Chieftainship
Phillip Moorosi	Local Government Officer (Decentralisation), Ministry of Local Government and Chieftainship
Makarabo Moholobela	Procurement Assistant, Ministry of Local Government and Chieftainship
Amanda Khozi Mukwashi	UNDP Resident Representative, Lesotho
Maqhanolle Tseqoa,	Lesotho Meteorological Services
Lintle Mohapi	Financial Manager, Ministry of Finance
Giuliana Branciforti	GIZ, Integrated Catchment Management Project
Maria Tiheli	District Council Secretary, Mohale's Hoek District
Litsoeneng S Tiheli	District Administration, Mohale's Hoek District
Thabang Khutlane	Community Council Secretary, Lithipeg



Sandile Pinda	Community Council Secretary, Senquanyane
Mamolumo Hlophe	Community Council Secretary, Khoelenya
Ntsitsa Khutlang	Officer, Ministry of Forestry, Range and Soil Conservation
Liau Rasekoele	Officer, Department of Rural Water Supply
Montseng Moeti	Assistance Physical Planner, Mohale's Hoek District
Lereng Mgakane	Assistance Physical Planner, Mohale's Hoek District
Lerato Nyoka	Assistance Economic Planner, Mohale's Hoek District
Ntheko Jankie	Procurement Officer, Mohale's Hoek District
Mosa Chere	Assistance Physical Planner, Mohale's Hoek District
Mohebisa Maphalala	Finance Manager, Mohale's Hoek District

## GHANA

<b>Name</b>	<b>Position and Organization</b>
Angela Yayra Kwashie	UNCDF LoCAL Ghana Focal
Foster Abrayye Gyamfi	Principal Economics Officer, Ministry of Finance
Robert Mensah	Principal Economics Officer, Ministry of Finance
Klara Yow Yankali	Principal Economics Officer, Ministry of Finance
Hon. Simon Osei Mensah	Regional Minister, Ashanti Region
Emelia A. Botchway	Chief Director, Ashanti Regional Coordinating Council
Gloria T. Gamba	Special Assistant to Regional Minister
Beatrice K. Osej Asare	Regional Economic Planning Officer (Ashanti Region)
Gabby Amaah	Mediaman for Regional Manager
Beatrice Alubankudi	Ministry of Local Government, Decentralization and Rural Development
David Kwasi Asare	District Chief Executive, Ofinso North DA, Ashanti District
Maxwell Ampim Bortsie	Head of Works (District Engineer), Ofinso North DA, Ashanti District
Abu Mkire	Development Planning Officer, Ofinso North DA, Ashanti District
Sarah Pobee	District Chief Executive, Ada East DA
Jamtuah S. Berkaga	Community Development Officer, Ada East DA
Ntim Gyarko	Development Planning Officer, Ada East DA
Christian Agbode	Engineer, Ada East DA
Edward Otoo	Procurement Officer, Ada East DA
Abdul Khilajab Brimah	Budget Officer, Ada East DA
Abdul Latif Amin	Assistant Director, Ada East DA
Adam Osman Musah	Internal Auditor, Ada East DA
Peter Dery	Ministry of Environment, Science and Technology Innovation (MESTI)
Dr. Antwi-Bosiako Amoah	Environmental Protection Agency
Wilfrid Nelson	NDPC
Marta Anna Brignone	European Union
Samuel Anokye	KfW
Enoch Cudjoe and Genevieve Parker-Twum	SNV
Fuseini Shaibu	SOS

## BHUTAN

<b>Name</b>	<b>Position and Organization</b>
Tshering Penjor	UNCDF LoCAL Bhutan Focal
Sangay Dorji	LoCAL Programme Manager, DLG, Ministry of Home and Cultural Affairs
Sonam Gyeltshen	Division Chief, DLG, Ministry of Home and Cultural Affairs
Sangay Scharar, Kuenzang Tobgay, Tshering Choden, Tek Bahadur Ghaga	Local Development Division, Gross National Happiness Commission
Pema Yangden	Ministry of Finance
Ugyen Dorji	Faculty, College of Natural Resources
Azusa Kubota	UNDP Resident Representative, Bhutan

Netra Binod Sharma	NAP Project Manager, UNDP Bhutan
Tshering Yangzom	National Environment Commission
Chimmi Dorji	Independent Consultant
Ugen P Norbu	Independent Consultant
Sonam Jamtsho	Dzondag Wangdue Phodrang District
Tshewang Namgyel	Sr. Dzongrab, Wangdue Phodrang District
Jigme Dorji	Planning Officer, Wangdue Phodrang District
Kinley Gyeltshan	Gup, Gantey Gewog
Kumbu	Mangmi, Gantey Gewog
Sherab Chogyal	Gewog Administrative Officer (GAO), Gantey Gewog
Sangey Wangdi	Agriculture Extension Officer
Jamtsho	Gup, Phobjikha Gewog
Thinley Dorji	Mangmi, Phobjikha Gewog
Sangay Lhamo	Senior Gewog Administration Officer

## **NIGER**

<b>Name</b>	<b>Position &amp; Organization</b>
Eloi KOUADJO IV	Représentant Résident Adjoint, UNDP
ABDOU Samaila	Team Leader Résilience, UNDP
MAHAMANE Lawali	Chargé de programme Résilience, UNDP
MOUSSA Idrissa	Conseiller Local, UNCDF
Songaizé Emilienne	Assistante, UNCDF
IBRO Adamou	SG/A, ME/LCD
HAROUNA Hamsatou	Point focal LoCAL, ME/LCD
BACHAROU Souleymane	Director General, Ministry of Community Development
CHAIKARAOU Nouhou	Point focal LoCAL, Ministry of Community Development
GOUSMANE Moussa	Coordonnateur PNA, CNEDD
LAWALY Mahamadou	Point focal LoCAL, CNEDD
IDI Issa	Conseiller, CNEDD
ISSA Garba	Coordonnateur, Sahelian Youth Project (JESAC)
Soumaila Sido	DDAT DC, Prefecture de Loga
Mamane Issaka	DDE/LCD, Prefecture de Loga
Zakari yaou Soumana	QOH/A, Prefecture de Loga
Youssoufou Hamani	DDA, Prefecture de Loga
Boureima Sidikou	DDEL, Prefecture de Loga
Issoufou Badjé	SG, Prefecture de Loga
Marou YAROU	Préfet, Prefecture de Loga
Mamane Hamissou	Élevage, Commune de Falwel
Abdou Iddé	Commune de Falwel
Adamou Garba	SM/CRF, Commune de Falwel
Kadri Amadou	Adjoint Maire, Commune de Falwel
Amadou Boukaka	Maire, Commune de Falwel
Boubé Bouk	Commune de Falwel
Mahamadou Garba	CSCE/LCD, Commune de Falwel
Nouroudine Hama	Agriculteur, Commune de Sokorbe
Abdou Iddé	Commune de Sokorbe
Hassane Hama Abdoul Razak	Receveur, Commune de Sokorbe
Almoctar Abdou	CSCE/LC, Commune de Sokorbé
Abdou Saley	Maire, Commune de Sokorbe
Alhassane Hinsa	Rep Chef de canton, Commune de Sokorbe
Harouna Moukaila	Société civile, Commune de Sokorbe
Oumarou Malan Aboubakary	Délégué Regional, ANFICT, Dosso
Nassirou Moussa	Chargé de Projets, ANFICT, Dosso

#### ***Annex 4: List of Project Sites Visits***

##### **LESOTHO**

- Kholelenya Community Council, Mophale's Hoek District
- Lithipeng Community Council, Mophale's Hoek District

##### **GHANA**

- East Ada District
- Ashanti District

##### **BHUTAN**

- Phobjika Gewog, Wangdue Phodrang District
- Gantey Gewog, Wangdue Phodrang District
- Gasetshowom Gewog: Wangdue Phodreang District
- Dogar Gewog, Paro District

##### **NIGER**

- Prefecture de Loga
- Commune de Falwel
- Commune de Sokorbe

## **Annex 5: Bibliography of Main Documents Consulted**

- LoCAL Annual Report 2013
- UNCDF 2013 LoCAL Project Board Meeting Minutes
- Climate Finance: Is it making a difference: A review of the effectiveness of Multilateral Climate Funds, ODI
- Financing Local Responses to Climate Change: Implications of Decentralisation on Responses to Climate Change
- Local Governance and Climate Change: A Discussion Note 2010
- Integrating Climate Change Adaptation into Development Co-operation
- UNCDF Strategic Framework 2018-2021
- UNCDF Strategic Framework 2022-2025
- LoCAL Project Board TOR
- LoCAL Project Document 2014-2018 and Annexes to ProDoc
- LoCAL Project Document 2019-2022 and Annexes to ProDoc
- Integrated Results and Resources Framework (IRRF) 2014
- LoCAL Results Framework 2019
- LoCAL Theory of Change (ToC) 2019
- LoCAL Annual Reports 2014, 2015, 2016, 2017, 2014-2018, 2019, 2020, 2021
- ACCAF Data Tracker Excel Sheet; ACCAF Data Tracker Final Excel Sheet
- ACCAF Manual
- LoCAL Mid-Term Evaluation and Annexes 2018
- PBCRG Transfer Table 2014-2020; Summary Table May 2021
- LoCAL Investment Database 2014-2021
- ACCAF Data Tracker 2020 for Bangladesh, Benin, Bhutan, Cambodia, Gambia, Ghana, Lesotho, Mali and Mozambique
- LoCAL Master Finance till 2021 Excel
- LoCAL Facility Organogramme December 1 2021
- Publications Referencing LoCAL: Output 4 Excel 2020 and 2021
- UNITAR Final Narrative Report
- Mid-Term Evaluation of the Jobs, Skills, Finance (JSF) in The Gambia
- Mid-Term Evaluation of the Local Government Initiative on Climate Change (LoGIC)

### **Bhutan:**

- LoCAL Original Design 2011
- LoCAL Design Phase 1; LoCAL Phase 1 Performance Indicators
- LoCAL Design Phase 2; Performance Indicators, CRVA Guidelines, Investment Menu
- LoCAL Design Phase 3: Concept Note
- LoCAL Annual Report 2021
- Bhutan ACCAF Mini Data Tracker 2021
- IRRF LoCAL Report Template 2021
- CRVA Guidelines
- PBCRG Investments Bhutan
- BTFEC Accreditation Documents
- BTFEC-GCF Funding Proposal
- LoCAL Bhutan Organogram
- Bhutan WRI LoCAL Assessment Report
- Bhutan LoCAL Case-Study
- Bhutan Case Study (Mid-Term Evaluation of LoCAL)

### **Ghana:**

- National Climate Change Policy Final
- Coordinated Programme of Economic and Social Development Policies (2017-2024)
- Ghana Nationally Determined Contribution
- Ghana National Communication to the UNFCCC
- Ghana LoCAL Concept Note 2013
- Final Design EUTF PBCRG (GrEEEn)
- LoCAL Project Financial Statements 2022

- Management Letter on the Audit of LoCAL Project
- Management Letter on the Audit of MLGRD Accounts of LoCAL Phase 1 Year 1
- Independent Auditor's Report LoCAL Phase 1 Year 1
- LoCAL Pilots Annual Performance Assessments
- LoCAL APA Manual
- Cash for Work Training Report
- BTOR – ACCAF and Covid-19 Monitoring
- GrEEen Cash for Work Guidelines
- EDASH
- Final ToR – Vulnerability Assessment
- ToR LISA DDDP UNCDF
- Description of Action for Mainstreaming Climate Change Adaptation at the Sub-National Level
- Annual Budget
- LoCAL-GrEEen Organogram

#### **Niger:**

- LoCAL Niger Design Phase 1
- LoCAL Niger Design Phase 2
- LoCAL Technical Committee Report 2015, 2016-2017, 2018-2019, 2020-2021
- Appendix (Annual Report) – Niger 2015, 2016, 2017, 2018, 2019, 2020, 2021
- Climate Risk Assessment – NDC Partnership
- PBCRG Allocation Calculations
- PBCRG Niger Investments
- APA 2018, 2021
- GCF Readiness Proposal (ANFICT)
- Niger Organogram
- Niger Case Study (Mid-Term Evaluation of LoCAL)

#### **Lesotho**

- LoCAL Lesotho Design Document
- LoCAL Lesotho Investment Menu
- LoCAL Lesotho First Annual Performance Assessment
- APA Manual Lesotho
- PBCRG Guidelines LoCAL
- Lesotho\_LoCAL\_MoU
- Operations Guidelines for PBCRGs Transfers and Reporting
- Lesotho LoCAL LoA
- LoCAL Lesotho Annual Report 2020-2021
- Lesotho Integrated Results and Reporting Framework
- LoCAL Lesotho Training Workshop Report
- BTOR PFM Training March 2022
- Community-Based Participatory Planning – Makoshi
- LoCAL Lesotho PBCRG Table
- LoCAL Lesotho Organogramme

## ***Annex 6: Case Studies***

Attached Separately

**UNCDF Evaluation Unit**

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