

Local Climate Adaptive Living Facility (LoCAL)



LoCAL-confAF2016
Rotterdam

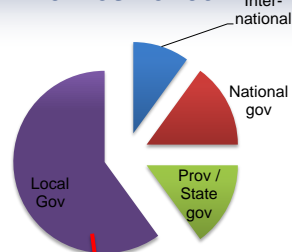


LDCs' Local Governments & Resilience Underfunded Responsibilities

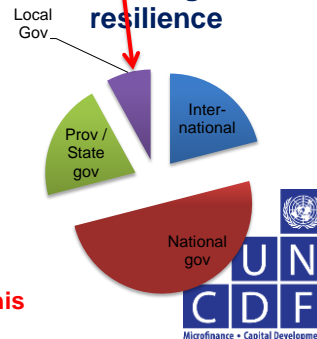
- **Local governments worldwide have mandate and comparative advantage to strengthen resilience**
- Often this is **underfunded by central government**, so they seek PPPs, issue bonds, take out loans...
- Yet small **local governments in Least Developed Countries do not share these funding possibilities**
- And almost all **climate finance in LDCs is still channeled through central government agencies**
- Therefore LDCs, the most vulnerable, are not able to fully build resilience to climate change

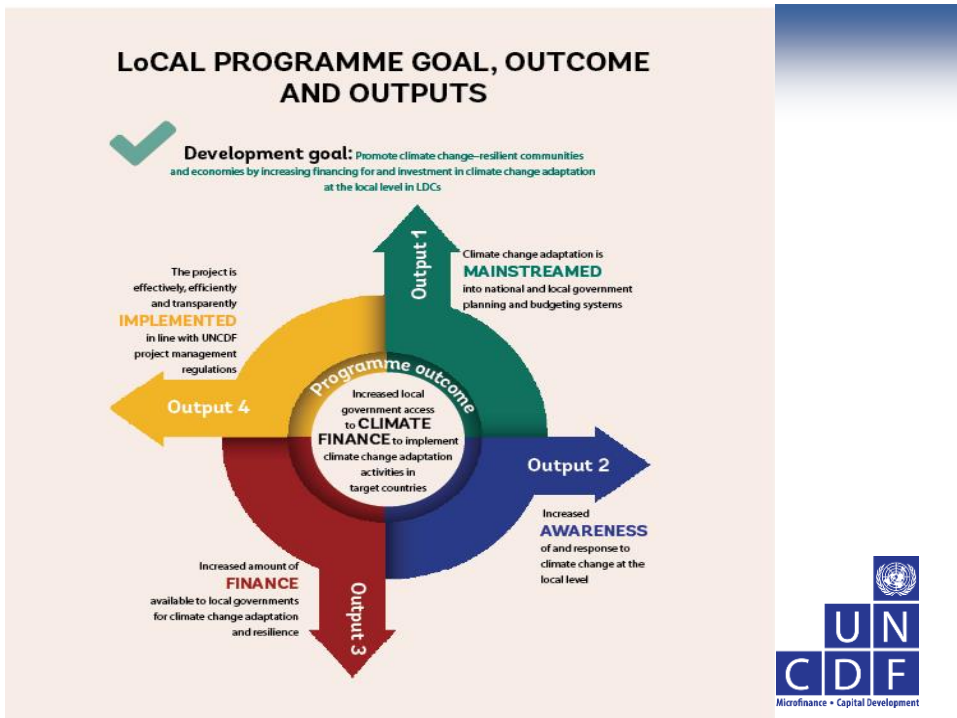
LoCAL is designed to enable LDCs to deal with this problem

Responsibility for resilience



Financing for resilience





Mainstreaming climate change adaptation into local government's planning and budgeting systems

Increasing awareness and response to climate change at local level

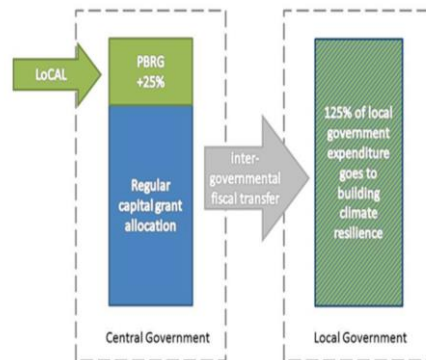
Increasing the amount of finance available to local governments for climate change adaption

Addressing the challenge of channeling climate change adaptation finance to local level in LDCs

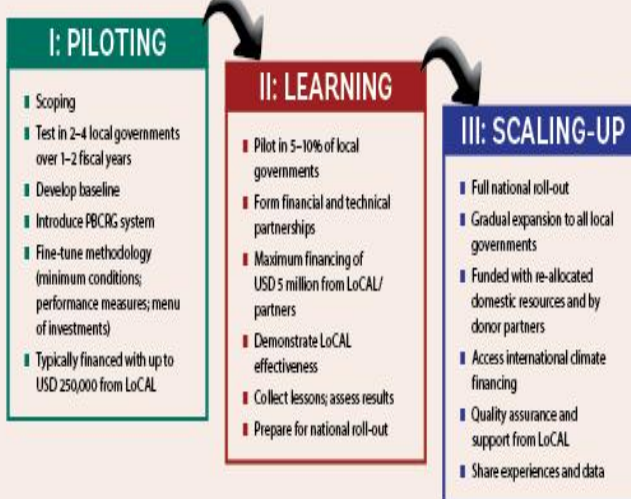
Mediating local level 's direct access to climate change adaptation finance

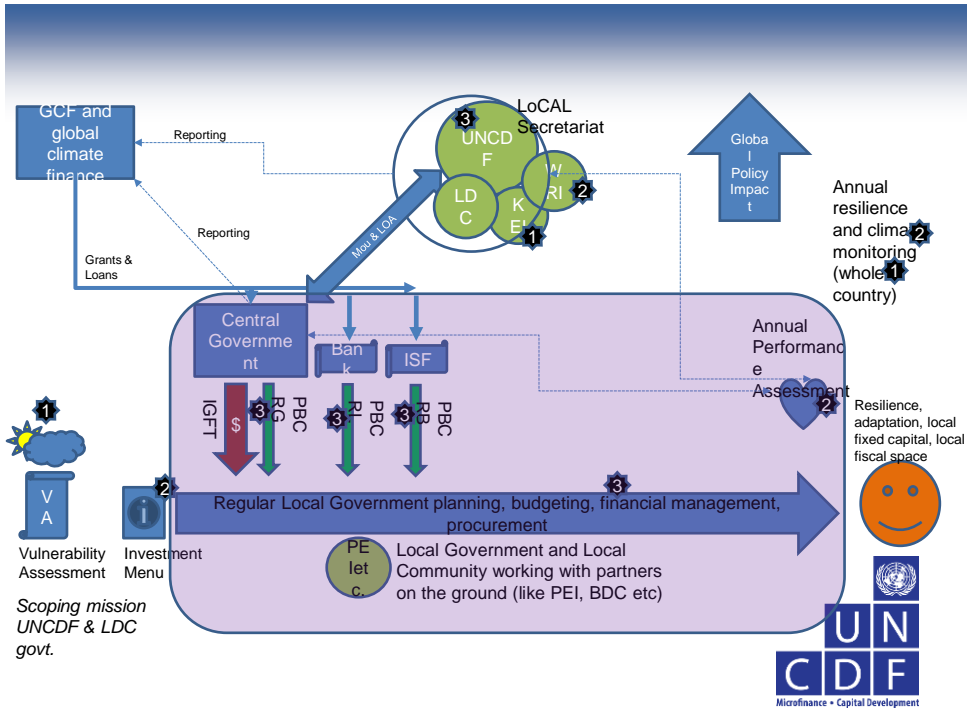
The PBCRGs (Performance based climate resilience grants as)

- Fiscal transfers to subnational level
- Financial top-ups
- Use of country systems
- Minimum conditions (access)
- Performance measures (annual assessments)
- Menu of investments (eligible measures)



LoCAL PHASES





The Characteristics of LoCAL?

1. **Owned by the Least Developed Countries that sit on its board**
2. **Managed on behalf of these countries by UNCDF** (UN Capital Development Fund) – a UN agency dedicated to LDCs.
3. **Channels climate finance through national systems directly to local governments – no parallel mechanisms or additional overheads.**
4. **Annual audit to measure the resilience built** (according to pre-defined baseline). Performance based rewards and sanctions.
5. **Robust methodology and peer pressure** from board members keeps system honest. LoCAL secretariat carries out monitoring and pooled reporting to climate funds
6. This enables LDC member states to use LoCAL as **a form of mediated and verified direct access to climate finance for local resilience that demonstrates immediate, verifiable and concrete results**



LoCAL introduced/tested in 11 LDCs & 57 Local Governments



Key partners and stakeholders

- **At local level**, local governments and populations are both partners and beneficiaries
- **At national level**, LoCAL partners with ministries in charge of decentralization, climate change, planning/finance and development partners
 - Ex. Belgian cooperation in Mozambique, SIDA in Cambodia, EU and DANIDA in Bangladesh, UNDP GEF in Lao PDR
- **At global level**, LoCAL is financed by EU (GCCA), SIDA, Liechtenstein and UNCDF is partnerships with the World Resource Institute (WRI), the Korean Environment Institute (KEI) and the UNDP-UNEP Poverty-Environment Initiative

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Thank you

<http://www.local-uncdf.org/>

