



Money where it matters for people, nature and climate: driving change through support for local level decision making over resources and finance

Recommendations for governments,
multilateral development banks,
global funds and intermediaries at
Stockholm+50 and beyond

Money where it matters for people, nature and climate: driving change through support for local level decision making over resources and finance

Recommendations for governments, multilateral development banks, global funds and intermediaries at Stockholm+50 and in the Decade of Action

May 2022

Authors

Ebony Holland is nature-climate policy lead at IIED. Sejal Patel is a researcher in IIED's Shaping Sustainable Markets and Climate Change Groups. Dilys Roe is a principal researcher in IIED's Natural Resources Group. Clare Shakya is the director of IIED's Climate Change Group.

Corresponding author: Ebony Holland (ebony.holland@iied.org)

Report commissioned by: Swedish International Development Cooperation Agency

How to cite: Holland, E, Patel, S, Roe, D and Shakya, C (2022) Money where it matters for people, nature and climate: driving change through support for local level decision making over resources and finance. International Institute for Environment and Development, London.

Cover photo: a woman raises her hand to speak at a community meeting in Aurangabad, India. Credit: Simone D. McCourtie/World Bank, via [Flickr](#), [CC BY-NC-ND 2.0](#)

About this report

This report was commissioned by the Swedish International Development Cooperation Agency (Sida) and prepared by the International Institute for Environment and Development (IIED). It provides practical recommendations for governments, multilateral development banks, global funds and intermediaries at Stockholm+50, to drive change for people, nature and climate through locally-led action in the Decade of Action. It explains the rationale for supporting locally-led action, and highlights trends and examples where the transition is under way. The report builds on many years of research by IIED, its partners and others on the importance of shifting decision-making power, financial flows and resources to the local level to support local priorities, needs, interests, rights, solutions and implementation. While this report is written in the context of Stockholm+50, it remains relevant to other development, climate and nature meetings over the coming years, including international meetings of the UN Framework Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity (CBD). In parallel to Stockholm+50, IIED is also celebrating its 50th anniversary as a core member of the growing movement for social and environmental justice since the original 1972 Stockholm Conference. Learn more about how IIED is engaging with Stockholm+50 during our 50th anniversary year.

Contents

Executive summary	3
Introduction	4
Section 1. What is locally-led action for people, nature and climate and why is it important?	6
What is ‘locally-led action for people, nature and climate’?	6
Why is locally-led action important?	8
Recent developments and announcements supporting locally-led action	8
Barriers and challenges to enabling locally-led action	9
Section 2. Recommendations for governments, multilateral development banks, global funds and intermediaries to strengthen locally-led action for people, nature and climate	11
Recommendation 1: increase the quantity, improve the quality and strengthen the transparency of finance flows for locally-led action for people, nature and climate	11
Recommendation 2: simplify access to finance	12
Recommendation 3: prioritise equitable governance of finance	13
Recommendation 4: strengthen investments in national and local institutions, including building national delivery mechanisms to get finance to the local level	14
Recommendation 5: tackle the underlying drivers of vulnerability and recognise the value of coherent responses to the triple crises of climate, nature and poverty in finance and all decisions	15
Section 3. Emerging trends in getting finance to the local level	16
Emerging trend 1: investing in local and national organisations to support locally-led action for people, nature and climate	16
Emerging trend 2: building trust through downward accountability, multi-stakeholder arrangements and equitable governance in the delivery of finance	17
Emerging trend 3: supporting patient, predictable and long-term funding	18
Conclusion	20
Annex 1. Recent developments and announcements signalling stronger interest in locally-led action for people, nature and climate	21
Notes	23

Executive summary

Stockholm+50 comes at a pivotal time – this year, countries and leaders across the world are reflecting on the 50-year sustainable development journey and how to tackle the triple crises of climate change, loss of nature (and its pollution) and poverty.

As they turn their minds to what more is needed in the Decade of Action, governments, multilateral development banks, global funds, intermediaries¹ and other leaders at Stockholm+50 can use this opportunity to continue to shift more investment behind locally-led action for people, nature and climate – where decision-making power, financial flows and resources are transferred to the local level to get behind the priorities of Indigenous Peoples, local communities and other local actors. Despite increasing pledges for local level finance in recent years, national and global actors still control much of the finance and decision making. This fails to support local actors to be active agents of change and to create space and recognition for their extensive local, intergenerational, indigenous, traditional and cultural knowledge needed to innovate and deliver sustainable development.

Stockholm+50 presents a milestone moment to reflect on and recalibrate the sustainable development journey. This report argues for discussions at Stockholm+50 and in the Decade of Action to strengthen political leadership for locally-led action. Strengthening support for locally-led action requires a whole-of-society and human-rights based approach – this report specifically focuses on actions that governments, multilateral development banks, global funds and intermediaries can take.

Recommendations for Stockholm+50 and the Decade of Action to strengthen support for locally-led action for people, nature and climate

The Stockholm+50 meeting and meeting report should:

- Recognise the critical role of locally-led action in achieving sustainable development outcomes for people, nature and climate
- Recognise that Indigenous Peoples and Local Communities (IPLCs) must be part of local, national and global decision-making processes
- Acknowledge the need to get agency over finance and decision making to the local level behind local priorities, and
- Recommend leaders endorse and implement the Principles for Locally Led Adaptation.

Tangible actions for governments, multilateral development banks, global funds and intermediaries to agree to during discussions should include ways to:

1. Increase the quantity, improve the quality and strengthen the transparency of finance flows for locally-led action for people, nature and climate (see recommendation 1)
2. Simplify access to finance (see recommendation 2)
3. Prioritise equitable governance of finance (see recommendation 3)
4. Strengthen investments in national and local institutions, including building national delivery mechanisms to get finance to the local level (see recommendation 4)
5. Tackle the underlying drivers of vulnerability and recognise the value of coherent responses to the triple crises of climate, nature and poverty in finance and all decisions (see recommendation 5).

Building strong recognition of locally-led action for people, nature and climate through Stockholm+50 discussions and landing a firm commitment to take this forward in the meeting report will help to drive action on these points in the Decade of Action. It should move the world towards a future where locally-led action for people, nature and climate sits alongside a series of reforms to deliver a healthy and thriving planet for the prosperity of all.

Introduction

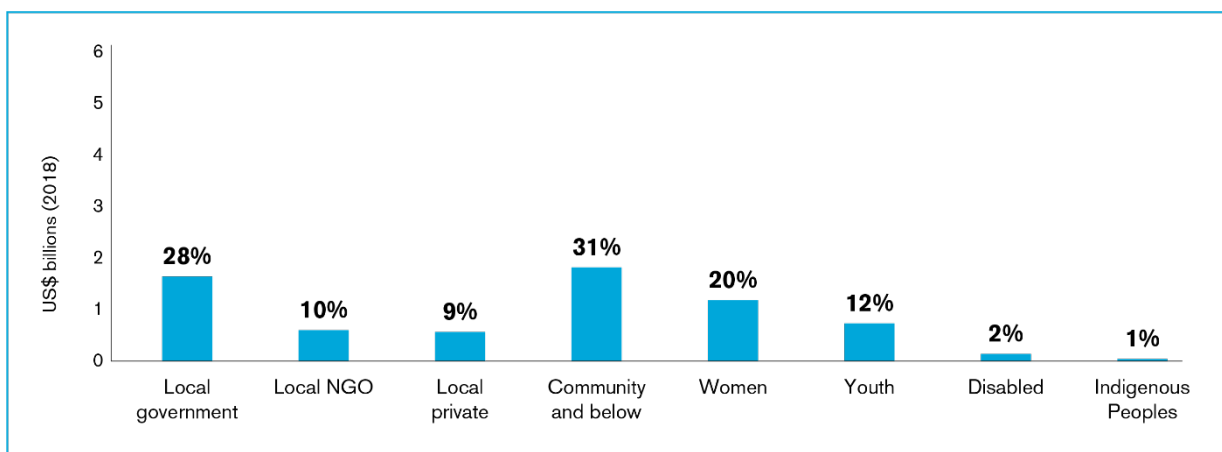
In 1972, issues of environmental degradation, poverty and the role of local actors in the solutions were central to discussions at the UN Conference on the Human Environment held in Stockholm.² The world continues to face these crises in 2022 and more than ever need global collaboration, high ambition and a commitment to taking action that leaves no one behind.

Delivering sustainable development outcomes requires embracing action at the local level that draws on local, intergenerational, indigenous, traditional and cultural knowledge for more sustainable and equitable outcomes. As this report shows, locally-led action for people, nature and climate must be scaled-up during the Decade of Action. Mobilising stronger finance and resources for locally-led action – where finance and decision-making power is shifted to the local level to get behind local priorities, needs, interests, rights, solutions and implementation – should be a key legacy of Stockholm+50.

Much of the control of finance and decision making is still held at the national and international level, often failing to support local actors to be active agents of change. There is no continuous analysis showing how much finance supports locally-led action for people, nature and climate. The poor transparency of international finance makes this type of analysis very challenging. However, a review in 2021 found that only 46% of finance committed from international sources for climate adaptation was intended to give agency to local actors.³ The review also found that of this amount, there was little evidence of local actors fully leading adaptation interventions. Analysis from 2017 of all climate flows showed only 10% aimed to reach local actors, but at this time 80% of finance was for mitigation.⁴ This suggests any improvement in trend is marginal at best.

Digging deeper into the 2021 adaptation finance analysis shows that social groups facing structural exclusion — including women, youth, disabled people and Indigenous Peoples — are even more sidelined from playing leading roles in influencing adaptation funding.³ Figure 1 shows that of the US\$5.9billion verified adaptation finance for least developed countries, only 20% intends to give women some level of engagement in decisions. Young people (12%), people living with a disability (2%) and Indigenous Peoples (1%) have an even lower level of intended engagement. This shows that even where finance is committed to reach the local level, there can be disparity between the local actors who are engaged. Ongoing analysis is needed to both identify trends in how much finance is getting to the local level matched with deeper analysis that incorporates intersectionality in adaptation funding and decision making at the local level.

Figure 1. Local actors who are intended to have some level of agency over decisions of the LDCs' climate finance that IIED could verify had a primary adaptation objective and intended to devolve decision making (2014–2018)³



The need to support local priorities through devolved finance and decision making is increasingly recognised in global forums as being central to effective and efficient implementation of development, nature, and climate policies and programmes (see Annex 1).⁵ Yet much of the international finance system continues to operate in a 'business-as-usual' mode, with local actors not in control of, or equitably engaged in, the design and implementation of activities that affect them.

This report establishes the rationale, examines three emerging trends and proposes five recommendations for governments, multilateral development banks, global funds and intermediaries at Stockholm+50. The recommendations aim to strengthen support and investment behind locally-led action for people, nature and climate, to deliver a healthy planet for the prosperity of all.

Section 1. What is locally-led action for people, nature and climate and why is it important?

What is 'locally-led action for people, nature and climate'?

Effective solutions to the climate, nature and poverty crises require a whole-of-society response and a human rights-based approach.⁶ Local actors feeling the force of the impacts of these crises must be able to influence decisions relevant to them at any level, and control resources devolved to the local level.

Locally-led action for people, nature and climate means local actors have individual and collective agency over defining, prioritising, designing, monitoring and evaluating environment, climate and development actions. These include climate change adaptation, nature conservation, ecosystem restoration, food production, local economic development and other locally-defined priorities. Local actors should also be supported to work with higher levels of administration to implement and deliver their solutions. This helps to ensure that interventions respect cultural practices and traditional knowledge, are context specific, and become a central part of everyday lives and local institutions.⁷ Locally-led action must also be supported through equitable governance that recognises and respects the human and resource rights of local actors, embraces equitable procedures, and ensures the equitable distribution of costs and benefits.⁸

Local actors include Indigenous Peoples, local communities and people in locations experiencing the impacts of the climate, nature and poverty crises, as well as the local institutions and organisations (including civil society organisations, federations, and micro, small and medium enterprises) representing and supporting them.

A central part of locally-led action for people, nature and climate is the **integrated subsidiarity concept**, which seeks co-governance arrangements over action wherever possible, with far greater agency given to local actors than at present. Integrated subsidiarity seeks to capture the concepts of polycentric governance, by working with people at all levels of governance – from national to local (vertical integration) – and across sectors and stakeholders (horizontal integration). It enables decision makers to consider multiple perspectives, working collaboratively to resolve trade-offs and combine valuable local, intergenerational, indigenous, traditional and cultural knowledge with scientific and technical knowledge.^{3,7}

Box 1 outlines four key questions needed to understand the level of locally-led action in operation – which can range from no to full localisation. Due to the historical injustices faced by local and excluded communities and the critical knowledge they bring to delivering successful adaptation, we advocate for the strongest possible shift towards localisation in all decisions.

Box 1. Key questions in considering the level of localisation of actions

1. Which actors does the programme intend to engage?
2. What level of agency will these actors have?
3. What resources will these actors have authority over?
4. At what stage of the investment cycle will these actors have influence or authority?

Locally led experiences are critical for informing a range of processes driven by governments, multilateral development banks, global funds and intermediaries. This ranges from setting access criteria for funding, to informing the structure and delivery of an initiative, and designing and implementing national policies and plans such as National Adaptation Plans, Nationally Determined Contributions and National Biodiversity Strategic Action Plans. As greater awareness of the importance

of locally-led action for people, nature and climate grows, these processes will need to reflect, support and be informed by local priorities, needs, interests, rights, solutions and implementation.

Efforts to support locally-led action for people, nature and climate have a long history.⁹ See Box 2 for more details on the emergence of locally controlled forest management as an example. However, this type of approach has only more recently gained mainstream traction at the international level.¹⁰ Even where support for locally-led action for people, nature and climate is provided, it still represents a small percentage of the overall funding available. For example, the 8th replenishment for the Global Environment Facility is for a record US\$5.25bn from 2022 to 2026.¹¹ The GEF Small Grants Programme, which channels finance to the local level (see page 14), has received US\$724.91 million of GEF funds (and funds from other donors) since its launch in 1992.¹² There is a need to channel more of the overall finance towards support for locally-led action for people, nature and climate.

Box 2. 40+ years of locally controlled forestry

Over the past 40 years, locally controlled forestry has been increasingly recognised for delivering strong outcomes for local livelihoods, forest protection and sustainable and equitable development. In this time, the reach of community-based forest management has steadily extended across all regions and gained traction in many countries with different political, historical, cultural and economic contexts.

Developments in the past decade build on earlier successes, aiming to galvanise stronger action and support for locally controlled forestry, including:

- The establishment of the Forest and Farm Facility (FFF) in 2012 to provide direct financial support and technical assistance to strengthen forest and farm producer organisations representing smallholders, rural women's groups, local communities and Indigenous Peoples' institutions. From 2012-2017 (Phase 1) the FFF has distributed US\$20 million to 900+ local organisations and is expected to distribute more than US\$53 million from 2018-2025 (Phase II). There is nearly US\$1.2 billion from multiple sources of funding following or shifting towards a similar model as the FFF.
- The creation of the Tenure Facility in 2014 by the Rights and Resources Initiative and supported by several donors, including the Swedish International Development Cooperation Agency (Sida), Norad and the Ford Foundation. This works alongside Indigenous Peoples and local communities to advance their community land rights while sharing the knowledge, innovations and tools that emerge.

Despite being an early adopter of locally-led action, investments in locally controlled forestry are considerably lower than other investments in the climate, nature and poverty crises. There needs to be more public and private sector financing to scale up locally controlled forestry.

Why is locally-led action important?

'Top-down' approaches to environmental and developmental challenges are often unsustainable and unjust.¹³⁻¹⁶ The benefits of supporting locally-led action for people, nature and climate is clear and well documented.

Communities' needs and risks vary, and experiences differ depending on gender, age, ethnicity, religion, disability, wealth and socio-economic status.¹⁷ Locally-led action ensures **interventions are context-specific and coherent** and draw on local, intergenerational, traditional, indigenous and cultural knowledge for more sustainable and equitable outcomes.¹⁸⁻²¹

Effective support from local and national organisations creates more **accountable and democratic** outcomes, including a strengthened 'state-citizen contract', more equitable local outcomes and reduced local conflict.^{18,22-27}

Decentralised governance of nature conservation and climate change adaptation can accelerate social learning in ways centralised governance cannot, leading to more **agile and diverse** outcomes. Traditional top-down solutions often concentrate knowledge in a handful of actors, incentivising one-

size-fits-all solutions or a solution that suits a particular group to the exclusion of others. This overlooks local diversity and lived experience which is crucial for adapting to highly uncertain climate and nature risks.^{18,22,23,28} Governance mechanisms that support locally-led action must recognise and respect the human and resource rights of local actors, embrace equitable procedures, and ensure the equitable distribution of costs and benefits.⁸

Local actors and communities can often access cheaper materials and labour, and deliver faster services than top-down interventions, meaning locally-led action can often be more **cost-effective**. Local communities also have more incentive to spend the finance well and make use of multiple co-benefits in ways that top-down approaches may not.²⁹

Recent developments and announcements supporting locally-led action

Major developments in recent years show the growing momentum for enabling locally-led action for people, nature and climate, including from governments, global institutions, and local and international NGOs. These seek to strengthen the rights of local people, deliver finance to the local level and put local actors at the heart of decision making. Some of these developments are listed in Annex 1. Box 3 provides an example of one of these major developments; the Principles for Locally Led Adaptation.

While these developments show increasing recognition of the importance of ensuring funds are meaningfully supporting local level actions, the evidence shows that the finance is still not always putting this into practice. This growing political consensus needs to translate into action and deliver finance and resources to support locally-led action for people, nature and climate.

Box 3. Principles for Locally Led Adaptation

The eight Principles for Locally Led Adaptation were launched in 2021 and are endorsed by more than 70 governments (including Sweden, the United States, the United Kingdom, Ireland, the Netherlands, Denmark, Costa Rica and Nepal), leading global institutions and local and international NGOs. They are creating a movement and building a Community of Practice to ensure that local communities are supported to lead sustainable and effective adaptation action at the local level. Although the Principles were developed through the climate adaptation community, the rationale for them is just as relevant to nature and biodiversity – and exploration of this expanded scope of the Principles is under way. The Principles are summarised below.

Principle 1: Devolution of decision making to the lowest appropriate level

Principle 2: Addressing structural inequalities faced by women, youth, children, people living with disabilities, people who are displaced, Indigenous Peoples and marginalised ethnic groups

Principle 3: Providing patient, predictable and accessible funding

Principle 4: Investing in local institutions to leave institutional legacies

Principle 5: Building a robust understanding of climate risk and uncertainty

Principle 6: Flexible programming and learning

Principle 7: Ensuring transparency and accountability of decision making and governance

Principle 8: Collaborative action and investment

See here for details on the Principles, including the list of governments, global institutions and local and international NGOs that have endorsed them.

Barriers and challenges to enabling locally-led action

Despite growing momentum, governments, multilateral development banks, global funds and intermediaries cite a range of concerns with supporting locally-led action for people, nature and climate, particularly small-scale and community-based initiatives.^{30,31} Whether real or perceived, common concerns raised include:

- Local actors prioritise immediate rather than strategic needs
- Local elites, rather than the most vulnerable, capture the benefits
- A perception that some local actors may have limited capabilities to design and deliver effective actions
- Transaction costs are too high
- A perception that some local actors may have limited capacity and experience to absorb, disburse and manage large sums of finance transparently and accountably at scale.

Local actors also cite a range of challenges to accessing finance, influencing and engaging in governance and decision making. These include:

- Complex accreditation processes with high transaction costs
- Limited proposal and application writing skills, especially in English, that meet the requirements and needs of the funders
- Funding is often short-term with substantial reporting requirements, limiting the funding available for on-ground activities
- Governance mechanisms are not in place or set up to enable local actors to substantially engage in and influence projects, which can further distance them from accessing the funding and increase marginalisation
- Much of the funding is tied up in international intermediaries, which can limit the actual funding reaching local communities
- Tracking the flow of nature and climate finance to the local level is difficult due to inconsistent transparency of data, making it challenging to see how funding is supporting locally-led action, as well as where and how this is being delivered for what outcomes.

Addressing and resolving these challenges – whether real or perceived – will be critical to accelerating progress on locally-led action. In some cases, this implies a need for investment in capacity development, adjustments to project management systems and cycles, and communications. But in other cases, it suggests there should be far more fundamental governance and system reforms. It is critical to engage IPLCs in local, national and global decision-making processes, to uphold secure land tenure, local and indigenous knowledge, and full respect for individual and collective rights.³²

Section 2. Recommendations for governments, multilateral development banks, global funds and intermediaries to strengthen locally-led action for people, nature and climate

Stockholm+50 discussions should strengthen political leadership for locally-led action in the Decade of Action, including from governments, multilateral development banks, global funds and intermediaries. To help enable this, the Stockholm+50 meeting and meeting report should:

- Recognise the critical role of locally-led action in achieving sustainable development outcomes for people, nature and climate
- Recognise that IPLCs must be part of local, national and global decision-making processes
- Acknowledge the need to get agency over finance and decision making to the local level behind local priorities, and
- Recommend leaders endorse and implement the Principles for Locally Led Adaptation.

Tangible actions for governments, multilateral development banks, global funds and intermediaries to agree to during discussions should include ways forward to:

1. Increase the quantity, improve the quality and strengthen the transparency of finance flows for locally-led action for people, nature and climate (see recommendation 1 below)
2. Simplify access to finance (see recommendation 2 below)
3. Prioritise equitable governance of finance (see recommendation 3 below)
4. Strengthen investments in national and local institutions, including building national delivery mechanisms to get finance to the local level (see recommendation 4 below)
5. Tackle the underlying drivers of vulnerability and recognise the value of coherent responses to the triple crises of climate, nature and poverty in finance and all decisions (see recommendation 5 below).

Building strong recognition of locally-led action for people, nature and climate through Stockholm+50 discussions and landing a firm commitment to take this forward in the meeting report will help to drive action on these points in the Decade of Action. It should move the world towards a future where locally-led action for people, nature and climate sits alongside a series of reforms to deliver a healthy and thriving planet for the prosperity of all.

The following five recommendations outline specific actions that governments, multilateral development banks, global funds and intermediaries can take to progress these commitments. Implementing these actions will go a significant way to moving towards ensuring the strongest possible shift towards localisation in all decisions (see Box 1). These recommendations and sub-actions should be read alongside the emerging trends in section 3.

Recommendation 1: increase the quantity, improve the quality and strengthen the transparency of finance flows for locally-led action for people, nature and climate

There needs to be enough finance available to support locally-led action for people, nature and climate, and this finance needs to deliver against the priorities of local actors to ensure quality and sustainable outcomes grounded in the local context.

To enable greater oversight and control by local actors, governance and financial arrangements must be transparent and publicly accessible, so local communities can determine how much finance is

available and how it is distributed across different budgets and activities. It is critical for local actors to see where the finance is flowing to build trust in the system and to understand where and on what money is being spent and resources are being allocated.

Shifting towards providing longer-term and more predictable funding of ten or more years will help to develop stronger relationships with local actors, create equitable governance mechanisms that support downward accountability and provide sufficient time and resources to enable locally-led action for people, nature and climate. Long-term planning and finance can also support stronger connections between all forms of science and knowledge, including Western science and local and traditional knowledge.⁶

The following actions could be taken to increase the quantity, improve the quality and strengthen transparency of financial flows for locally-led action:

- **Donor governments, multilateral development banks and global funds can:**
 - a) Ensure local actors can influence the process as wealthy countries seek to mobilise more money for nature and climate change. This includes delivering on the Glasgow Climate Pact commitment to double adaptation finance by 2025 on 2019 levels, and mobilising resources for the Post-2020 Global Biodiversity Framework. Supporting locally-led action for people, nature and climate with this finance should be core to discussions
 - b) Improve the transparency of nature and climate finance reporting, particularly in ways that provide insight into the control local actors have over the finance and how it is being spent to support local priorities
 - c) Provide patient, predictable and long-term financing for ten or more years behind initiatives, structures and mechanisms that strengthen national and local institutions
 - d) Leverage positions on boards to increase the quantity and quality of nature and climate finance and enhance transparency of international finance reporting
 - e) Clarify the role that the private sector could play in channelling funding for locally-led action for people, nature and climate that is complementary to public sector efforts. Note that private sector finance needs to consider the unique circumstances of countries most vulnerable to the climate and nature crisis.
- **International intermediaries can:**
 - a) Prioritise locally-led action for people, nature and climate in programme development and delivery and share lessons and experiences with others
 - b) Commit to being more transparent with funding and hold donors accountable to do the same.
- **National governments can:**
 - a) Ring-fence some national funds to support locally-led action for people, nature and climate, and provide this funding using a patient, predictable and long-term approach
 - b) Reform subsidies and incentives to reward nature-positive, climate-resilient and net-zero actions, including redirecting harmful subsidies to support locally-led action for people, nature and climate
 - c) Improve the transparency of nature and climate finance reporting, particularly in ways that provide insight into the control local actors have over the finance and how it is being spent to support local priorities
 - d) Provide patient, predictable and long-term financing for ten or more years behind initiatives, structures, and mechanisms that strengthen national and local institutions.

Recommendation 2: simplify access to finance

Better access to nature and climate finance for local actors and those working with them is essential for supporting locally-led action for people, nature and climate. This includes simplifying accreditation and

application processes to enable better access. Accreditation and application processes for global funds are complex and time-consuming, with high transaction costs. Finance providers should use their positions on the boards and committees of the funds to advocate for more streamlined processes. This will enable institutions to access the funds to support locally-led action for people, nature and climate.

To build trust and promote locally-led action, finance providers can incorporate downward accountability. Participatory approaches that ensure strong community ownership and engagement are critical. For example, having a process for reporting to local partners who they are accountable to for funding and other commitments, and inviting local partners to inform programmatic targets, objectives and metrics. Importantly, appropriate governance and multi-stakeholder mechanisms must be in place to ensure equitable outcomes for local actors. Equitable governance arrangements must recognise and respect the human and resource rights of local actors, embrace equitable procedures and ensure the equitable distribution of costs and benefits.

The following actions could be taken to simplify access to finance for IPLCs:

- **Donor governments, multilateral development banks and global funds can:**
 - a) Simplify accreditation processes to make them more accessible for IPLCs and actors supporting locally-led action for people, nature and climate, including using positions on boards and committees of funds to achieve this
 - b) Identify, invest in and scale-up effective delivery mechanisms where IPLCs and local actors can access finance and influence decision making
 - c) Move towards the use of multidimensional vulnerability criteria for concessional finance rather than gross national income (GNI), to ensure those countries most vulnerable to the climate and nature crisis can access official development assistance (ODA), making more funding available to support locally-led action for people, nature and climate
 - d) Work with the Taskforce on Access to Climate Finance and the pilot programmes to include locally-led action for people, nature and climate as part of the design, and ensure local actors are part of the pilots.
- **International intermediaries can:**
 - a) Support and build the capabilities of national and local institutions to access funding directly, including to develop funding proposals and navigate complex accreditation and application processes.
- **National governments can:**
 - a) Simplify access to national climate and nature finance for local actors
 - b) Work with the Taskforce on Access to Climate Finance and the pilot programmes to include locally-led action for people, nature and climate as part of the design, and ensure local actors are part of the pilots and further recommendations
 - c) Sign up to the Access Principles developed by the Taskforce on Access to Climate Finance
 - d) Simplify access to national climate and nature finance for local actors.

Recommendation 3: prioritise equitable governance of finance

A critical part of supporting locally-led action for people, nature and climate is ensuring local actors have a seat at the decision-making table. Governance mechanisms must be put in place that recognise and respect the human and resource rights of local actors, embrace equitable procedures, and ensure the equitable distribution of costs and benefits.

Linked to this, finance providers must also incorporate downward accountability as part of the design of the funding, where the projects are accountable to both local actors and those providing the funds. Participatory approaches that ensure strong community ownership and engagement are critical.⁶ For example, having a process for reporting to local partners who they are accountable to on funding and other commitments, and inviting local partners to inform programmatic targets, objectives, and metrics.

Importantly, appropriate governance and multi-stakeholder mechanisms must be in place to uphold equitable outcomes for local actors.

The following actions could be taken to prioritise equitable governance of finance:

- **Donor governments, multilateral development banks, global funds, international intermediaries and national governments can all:**
 - a) Put in place governance mechanisms where local actors are central to decision making and that recognise and respect the human and resource rights of local actors, embrace equitable procedures, and ensure the equitable distribution of costs and benefits
 - b) Incorporate downward accountability into practices and hold mutual accountability for interventions.

Recommendation 4: strengthen investments in national and local institutions, including building national delivery mechanisms to get finance to the local level

Finance providers should invest in strengthening the capacity of local and national institutions that are better placed to engage at the local level and support long-term capabilities to respond to climate change and nature loss. Establishing national finance platforms that can aggregate or bring together projects for people, nature and climate can also improve access to funding for locally led initiatives.

The following actions could be taken to strengthen investments in national and local institutions, including building national delivery mechanisms to reach the local level:

- **Donor governments, multilateral development banks and global funds can:**
 - a) Provide rules for international intermediaries. For example, to include on-granting and on-lending schemes in their delivery, to partner and mentor in-country intermediaries to take greater leadership and ownership of activities, to be more transparent with their project plans and financing strategies, and to ultimately work themselves out of a project, leaving behind the capabilities and skills needed to sustain the work
 - b) Support national-level finance architecture to provide a platform that can aggregate or bring together climate and nature investment opportunities, and shift away from project-by-project funding approaches that come with high transaction costs.
- **International intermediaries can:**
 - a) Support national and local institutions to form structures, platforms and mechanisms to help finance flow to the local level for locally-led action for people, nature and climate. This could involve:
 - Ensuring funding is built into budgets for strengthening national and local institutions
 - Seeking to include on-granting and on-lending schemes in their delivery
 - Seeking to partner and mentor in-country intermediaries to take greater leadership and ownership of activities
 - Being more transparent with their project plans and financing strategies; and
 - Aiming to ultimately work themselves out of their value add in a project.
 - b) Support national-level finance architecture to provide a platform that can aggregate or bring together climate and nature investment opportunities, and shift away from project-by-project funding approaches that come with high transaction costs.
- **National governments can:**
 - a) Establish national-level finance architecture to provide a platform that can aggregate or bring together climate and nature investment opportunities that support locally-led action for people, nature and climate

- b) Ensure cohesive regulations and policies including bottom-up long-term climate and nature strategies, policies and regulation reforms that unlock innovative and blended local finance, and legislation to promote and enable the formalisation of community-level institutions
- c) Ensure citizens' rights and safeguards to the protection of nature, including strengthening rights to and control over resources, progressive environmental and social safeguards, gender equitable decision-led climate services, and more inclusive and progressive education
- d) Provide and support information, knowledge and skills building at the local level according to locally-determined needs and priorities.

Recommendation 5: tackle the underlying drivers of vulnerability and recognise the value of coherent responses to the triple crises of climate, nature and poverty in finance and all decisions

Climate change and the loss of nature are intrinsically connected and mutually reinforcing. Tying climate and nature together is crucial to maximise investments and realise multiple co-benefits for people, nature and climate. Preliminary research by IIED shows that less than 10% of verified climate adaptation funding from Organisation for Economic Co-operation and Development (OECD) countries between 2014 and 2018 also supported outcomes for nature in the 46 least developed countries.³³ There is substantial scope to increase this.

Where climate and nature are often siloed at the national and international level, they are less so at the local level. Funding and policy decisions made at the national level need to better integrate climate and nature issues to mirror the approach at the local level.

The following actions could be taken to tackle the underlying drivers of vulnerability and recognise the value of coherent responses to climate, nature and poverty:

- **Donor governments, multilateral development banks and global funds can:**
 - a) Tie climate and nature together across policies, finance and programmes and strengthen the knowledge of staff to understand the links between climate change and nature. This will ensure greater consistency across both areas.
 - b) Require proposals to demonstrate joint outcomes for people, nature and climate when applying for funding, including how locally-led action will be central to this.
- **International intermediaries can:**
 - a) Tie climate and nature together across policies, finance and programmes and strengthen the knowledge of staff to understand the links between climate change and nature. This will ensure greater consistency across both areas.
 - b) Call on donors to better link climate and nature in their policies, finance and programmes.
- **National governments can:**
 - a) Tie climate and nature together across policies, finance and programmes, National Adaptation Plans, Nationally Determined Contributions and National Biodiversity Strategic Action Plans, and demonstrate how these plans will enable locally-led action to help deliver the outcomes
 - b) Better connect climate, nature and finance portfolios within government, to enable the expansion of funding that supports locally-led action for people, nature and climate
 - c) Connect the United Nations Framework on Climate Change (UNFCCC) and Convention on Biological Diversity (CBD) processes. For example, by creating a joint working group between IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) and IPCC (Intergovernmental Panel on Climate Change) to further expand their collaborative work on climate and nature and embed locally-led action as part of this research.

Section 3. Emerging trends in getting finance to the local level

This final section of the report explores three emerging trends where decision-making power is starting to be transferred to the local level to deliver outcomes for people, nature and climate. It highlights some examples of where this is under way by governments, multilateral development banks, global funds and intermediaries.

The examples provided against each emerging trend in this section have been chosen for their emphasis on delivering locally-led action, and do not represent any views or interests of the authors. Further examples are available beyond those identified in this paper. There is a need to comprehensively review the initiatives to identify success factors and opportunities to scale up and strengthen support for locally-led action for people, nature and climate.

Emerging trend 1: investing in local and national organisations to support locally-led action for people, nature and climate

International finance for climate and nature is heavily intermediated by international organisations – for example, 81% of the Green Climate Fund’s finance is accessed by international intermediaries.³⁴ International intermediaries absorb large amounts of the funding and have amassed the trust, knowledge, skills and capacities to navigate the complex finance processes. However, some international organisations are not always the most suitable to reach the people and places who need the funding and support most, and very often ‘helicopter in’ technical experts and consultants, rather than look for local expertise and experience to inform design and implementation.

There is a need to shift away from the reliance on international intermediaries to deliver interventions and instead invest in and support local and national organisations – or ‘in-country’ or regional intermediaries – to support locally-led action.³⁴ International intermediaries can mentor local and national organisations, helping them to build their coordination and facilitation capabilities, with the ultimate goal of completing their interventions while leaving all the capabilities in place for the future. National and local organisations are better placed to engage meaningfully at the local level and support the development of long-term capabilities and relationships to respond to climate change and nature loss.

Funds for local action – including in the form of national and local Trust Funds to support nature conservation (for example the Bwindi Mgahinga Conservation Trust in Uganda)³⁵ – have existed for many years, but they have not been developed systematically or with global coverage. Other innovative schemes to support local organisations are emerging – for example the Maasai Landscape Conservation Fund.³⁶

Global funds are also emerging, suggesting that the trend to invest in local and national institutions to support locally-led action for people, nature and climate is gaining traction at the international level. Some examples include:

- The **Forest Investment Programme’s Dedicated Grant Mechanism (FIP DGM)** is a US\$80 million fund from the Climate Investment Fund. Designed and led by IPLC representatives, it channels funding directly to IPLCs to enhance their capacity to engage with and contribute to nationally reducing carbon emissions from deforestation and degradation. FIP DGM is the largest global REDD+ initiative created solely for and by IPLCs. It has two pathways for applicants: a project pathway that prioritises impact on the ground through cumulative sub-projects, and an empowerment pathway that strengthens IPLC organisations to better manage funds, represent their communities and raise IPLC issues at a global level.
- The recently launched **Inclusive Conservation Initiative (ICI)**, developed by the Global Environment Facility (GEF), is intended to support IPLCs to secure and enhance their stewardship over an estimated area of at least 7.5 million hectares of landscapes, seascapes and/or territories with high biodiversity and irreplaceable ecosystems. It will provide resources, enhance capacities and support ‘hands-on’ experiential learning that will enable IPLCs to define and demonstrate an

inclusive model for conservation. IPLC organisations will take the lead in identifying local priorities, developing inclusive, culturally-appropriate processes for decision-making, strategies and implementing action. Also from GEF is the long-standing **Small Grants Programme (SGP)**, which provides financial and technical support to local civil society and community-based organisations to address global environmental issues, while also improving livelihoods and reducing poverty. This is done through a decentralised, country-level delivery mechanism, managed by a multi-stakeholder National Steering Committee and supported by a SGP Country Program Team in each of the participating countries.

- The **Community Land Rights and Conservation Finance Initiative (CLARIFI)**, led by the Rights and Resources Initiative (RRI) and Campaign for Nature (C4N), gathers and deploys public and private funds to scale up the legal recognition of Indigenous Peoples', Afro-descendant Peoples', and local communities' rights, as well as their efforts to strengthen their conservation of natural resources, traditional livelihoods and gender justice. CLARIFI's design and implementation are guided by an Advisory Council of Indigenous and community rightsholders from Asia, Africa and Latin America, along with partners from RRI and C4N. Concurrent with large-scale grants, it also provides technical and organisational support.
- The Adaptation Fund and the Green Climate Fund's **Enhanced Direct Access** mechanisms aim to support the transfer of decision making to the national and subnational levels, and to strengthen national and subnational entities to deliver subnational activities. For example, the **Creating climate-resilient livelihoods** project in Namibia, supported under the GCF's EDA channel, is implemented by the Environment Investment Fund of Namibia, and seeks to support the devolution of wildlife, tourism, forest and climate-resilience rights to rural communities. There are two parts to the project: institutional capacity building and community support; and a resilience grant facility that aims to provide at least 33 grants for climate-resilient agriculture, climate-resilient infrastructure, and ecosystem-based adaptation initiatives, developed by legally recognised community-based organisations.

Other examples of where investing in local and national organisations to support locally-led action for people, nature and climate is a priority include the Forest and Farm Facility (see Box 2), the Critical Ecosystem Partnership Fund, Kenya's Financing Locally Led Climate Action (FLLoCA), and the Local Climate Adaptive Living Facility (LoCAL).

Emerging trend 2: building trust through downward accountability, multi-stakeholder arrangements and equitable governance in the delivery of finance

Building trust between local actors and national and international finance providers is critical for delivering finance to support locally-led action. To build this trust, actors need to collaborate to enhance transparency and accountability. This includes through equitable governance and multi-stakeholder mechanisms involving relevant actors, including IPLCs, local organisations and national and subnational governments and finance providers.

To promote cost-effective solutions that give power to the local level, funders must shift to direct funding mechanisms and those that allow for downward accountability, including reporting to local partners on funding and other commitments. They must also invite local partners to inform programmatic targets, objectives and metrics. In addition, appropriate governance and multi-stakeholder mechanisms are needed to ensure equitable outcomes for local actors. Equitable governance arrangements must recognise and respect the human and resource rights of local actors, embrace equitable procedures and ensure the equitable distribution of costs and benefits.⁸

To ensure that local actors and institutions can lead initiatives, the process of financing, designing, and delivering programmes needs to be transparent. It is very difficult to determine how much international climate and nature finance currently reaches or is controlled by local actors. Non-local actors are accountable to donors, not communities, and lead the development of the financing arrangements, programme design, governance structures and delivery mechanisms without meaningfully engaging with communities. When available, this information is often in formats and languages that are alien to local actors and institutions. To enable greater oversight and control by local actors, governance and

financial arrangements must be transparent and publicly accessible so local communities can determine how much finance is available and how it is distributed across different budgets and activities.

Below are some examples of where this is starting to happen, with a particular focus on local actors being involved in decision making, and using downwardly accountable and participatory approaches that account for power imbalances:

- The **Community Adaptation Small Grants Facility in South Africa**, implemented through the South Africa Natural Biodiversity Institute (SANBI) and executed by SouthSouthNorth and Conservation South Africa relies on Enhanced Direct Access (EDA) to climate finance under the Adaptation Fund. The Small Grants Facility requires documentation that local partners approve of project designs and activities, promoting downward accountability for locally driven decision making.
- **Kenya's County Climate Change Fund (CCCF)** helps counties to build climate resilient communities and reduce climate vulnerabilities. It has a funding structure for climate investments to promote downward accountability within climate investments. Community and bottom-up planning is central to the CCCF, which is designed so that local people have decision-making power to prioritise and manage climate variability and extreme weather events. The CCCF has a unique governance mechanism that puts in place checks and balances to ensure that decision making is appropriately devolved.
- The initiative to **support resilient development and enhanced adaptive capacity to withstand disaster risks in Angola's Cuvelai River Basin** is a good example of where local and traditional knowledge systems are merged with external knowledge systems. The initiative seeks to develop local institutional capacities for coordinated climate-resilient planning, and for effective community-based adaptation that respects traditional knowledge practices. The initiative is developing a network of institutions that are active in climate adaptation, to collate experiences of traditional approaches to adaptation to extreme climate vulnerability. Climate information and early warning systems would then seek to strengthen and build on these existing practices.

Additional examples of building trust through downward accountability, multi-stakeholder arrangements and equitable governance in the delivery of finance can be seen in the Forest and Farm Facility (see Box 2), GEF's Small Grants Programme and the CIFs Forest Investment Programme's Dedicated Grant Mechanism.

It is also important to highlight non-funding initiatives that are helping to build stronger grassroots engagement and demand for accountability. For example, the **Indigenous Peoples Tracker on GCF Projects**³⁶ is an initiative of Tebtebba and Elatia to establish baseline information on and analysis of GCF-approved projects that will potentially impact Indigenous Peoples positively or negatively. The project is important for seeing how indigenous rights are being fulfilled in all climate actions, using the UN Declaration of the Rights of Indigenous Peoples as the standard. Also, the **Frontline Funds Accelerator**³⁷ plays a critical role in supporting locally-led action for people, nature and climate by supporting constituent-led community organisations (such as cooperatives, federations, self-help groups) that are governed by grassroots organisations through legitimate, equitable and functional governance arrangements. The Frontline Funds Accelerator supports these organisations to engage with financial institutions by understanding international standards for financial management, undertaking internal self-assessments, designing capacity-building strategies, and upgrading and operationalising institutional and financial systems.

Emerging trend 3: supporting patient, predictable and long-term funding

As outlined by the third Principle for Locally Led Adaptation (See Box 3), it is critical to provide patient (finance that goes behind activities that may require some trial and error or building up of capabilities), predictable (finance that is provided regularly and reliably or through funding windows that are open and accessible for a reliable period) and long-term financing (that is committed for multi-year allocations, ideally ten years or more).

It requires funding mechanisms to be simplified, and finance provided over longer, more predictable timescales to enable greater access to funding by local actors. It also requires support for adaptive

management and learning, the strengthening of local institutions, and less excessive reporting requirements.

Projects with insufficient time to establish long-term financing mechanisms can result in decision-making structures that are fragile and unsustainable, and in turn lead to perverse outcomes for people, nature and climate. Continuous funding can enable governance structures that promote equitable decision making with local actors. Nurturing these relationships and building governance mechanisms takes time. Patient and predictable funding can support this by being more sensitive to local contexts, giving the time needed to build connections, establish the right governance arrangements, and then design, implement and learn with local actors at the core.

Below are some examples of where this is already happening, with a particular focus on models that adopt a business-unusual approach of providing patient, predictable and long-term funding for local actors:

- The **Sustainable Island Resource Framework** is a national fund developed by the Government of Antigua and Barbuda that channels funding for environmental and climate change activities. The fund has a variety of financing mechanisms that accommodate different sectoral needs and target groups at different scales. It aims to be a systematic and coordinated funding mechanism that provides consistent, long-term funding over time and considers capacity building and addressing institutional barriers as important parts of achieving its aims.
- The **Micronesia Conservation Trust** (MCT) supports biodiversity conservation and related sustainable development for the people of Micronesia. It accomplishes this by providing long-term, sustained funding through a grants programme that encourages people to adopt sustainable and appropriate solutions to local environmental challenges. MCT provides predictable funding where existing projects awardees are eligible to respond to new calls for proposals. This allows local organisations to access funds over a long time frame. Some grantees have received MCT grants for more than ten years.
- The **Maasai Landscape Conservation Fund** is a new collaborative initiative designed to accelerate community-based conservation solutions across southern Kenya and northern Tanzania's savannah landscapes. The fund allows private philanthropists to pool their resources for greater impact by strategically investing in leading local organisations that are delivering effective conservation solutions. The fund provides annual grants based on multi-year initiatives to increase their impact, coordinate their work more effectively, and provide tailored investments in their long-term organisational capacity and leadership. It also provides flexible and responsive funding aligned to the strategic priorities of the organisation (rather than externally-defined criteria).

These three emerging trends offer some optimism that a shift towards creating the enabling environment for locally-led action for people, nature and climate is possible. Yet they represent only a fraction of international finance supporting people, nature and climate. The trends need to be embedded within the international finance system to deliver a truly local approach to supporting people, nature and climate. The recommendations in section 2 will help to expand the provision of support for locally-led action for people, nature and climate and build on these existing examples of where the transition is under way.

Conclusion

In recent years there have been several developments in implementing funding for locally-led action for people, nature and climate – through evidence and research, international agreements, and in national leadership. While these are a positive step towards more effective climate and nature action, they still represent small-scale efforts compared to the overall nature and climate finance system. A 2021 review found that only 46% of finance committed from international sources for climate adaptation was intended to give agency to local actors.³ The review also found that of this amount, there was little evidence of local actors fully leading adaptation interventions. Analysis from 2017 of all climate flows showed only 10% aimed to reach local actors, but at this time 80% of finance was for mitigation.⁴ This suggests any improvement in trend is marginal at best.

Stockholm+50 provides a key milestone to reflect on the triple crises of climate change, loss of nature (and its pollution) and poverty over the past 50 years, and to learn from what has worked, and what needs to change. It requires governments, global funds, multilateral development banks and intermediaries to come together to collectively ensure that climate and nature financing will support and prioritise locally-led action for people, nature and climate at scale – where decision-making power, financial flows and resources are transferred to the local level to get behind the priorities of Indigenous Peoples, local communities and other local actors.

Annex 1. Recent developments and announcements signalling stronger interest in locally-led action for people, nature and climate

Development	Next steps
<p>Findings from research</p> <p>The global assessment of the state of the world's ecosystems published by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) in 2019 drew global attention to the key role of Indigenous Peoples and Local Communities (IPLCs) as the most effective stewards of nature. It highlights supporting actions by IPLCs at the local level as a key ingredient of transformative change.</p> <p>The Global Commission on Adaptation highlights the importance of locally led adaptation action in its flagship report, 'Adapt now'. Its Locally-led action Track (LLAT) builds on a decade of foundational work by IIED, Slum Dwellers International, Huairou Commission, International Center for Climate Change and Development (ICCCAD) and many others on financing for adaptation, resource access and urban services in vulnerable communities, and efforts such as the principles of smart aid.</p>	<p>Governments, multilateral development banks, global funds and intermediaries need to shift practices and processes to support actions by IPLCs as stewards of nature and locally led adaptation action. Relevant to recommendations 1–5 of this report.</p>
<p>National leadership</p> <p>The UNFCCC's Least Developed Countries (LDCs) Group — representing the world's 46 poorest and most vulnerable nations — are leading the call for locally-led action. In their 'LDC 2050 Vision', delivered through the LDC Initiative for Effective Adaptation and Resilience (LIFE-AR), they commit to delivering 70% of climate finance to the local level by 2030 and call on climate finance providers to partner with them to deliver this ambition.</p>	<p>The LDCs are implementing the commitment through LIFE-AR. They are calling on their funders to support the activities designed with this purpose, and to reciprocate accountability. Relevant to recommendations 1–5 in this report.</p>
<p>Development of frameworks for change</p> <p>The eight Principles for Locally Led Adaptation, launched in 2021 and endorsed by more than 70 governments, leading global institutions and local and international NGOs, is creating a movement and building a Community of Practice to ensure that local communities are supported to lead sustainable and effective adaptation action at the local level. Although the Principles were developed through the climate adaptation community, the rationale for them is just as relevant to nature and biodiversity (exploration of this expanded scope of the principles is under way). See Box 3 for more details on the Principles.</p>	<p>The organisations that have signed up to the principles are undertaking review and restructuring of their practices to ensure their actions align with the principles, held to account through the Community of Practice. Additional governments, multilateral development banks, global funds and intermediaries are encouraged to join and review their practices to be aligned with the principles. Relevant to recommendations 1–5 in this report.</p>
<p>International agreements and partnerships</p> <p>In their 2021 communique, the G7 Foreign Ministers welcomed the Principles for Locally Led Adaptation and recognise the need for vulnerable communities to shape the decisions that affect them.</p> <p>The Leaders Pledge for Nature, launched in 2020 and endorsed by 93 countries representing more than 2 billion people, commits to the</p>	<p>G7, and Parties to these international agreements, to increase and strengthen their finance flows to activities that align with the Principles and</p>

full and effective participation of IPLCs in decision making and recognition of their rights. It also commits to engaging the whole of society, including local communities and local governments and authorities among others, in the design and implementation of policy to fight ecosystem degradation, biodiversity loss and climate change. It could be clearer on the need to support locally-led action.

other frameworks that are supporting locally-led action. Relevant to recommendations 1–5 in this report.

The Kunming Declaration, signed by leaders at COP15 Part 1 in October 2021, commits to enabling the full and effective participation of IPLCs and local governments and authorities, among others, in the implementation of the post-2020 Global Biodiversity Framework. It could be clearer on the need to support locally-led action.

The Edinburgh Declaration on the post-2020 Global Biodiversity Framework was launched in 2020 and endorsed by more than 200 subnational governments, cities and local authorities. It recognises the need to develop effective policy, governance and financing solutions at all levels of government and to ensure vertical integration across national, subnational, city and local levels to effect transformative change. It also recognises the vital role that Indigenous Peoples and local communities, women and youth, non-governmental organisations, and wider society, play in decision making and in taking action at subnational, city and local levels. Also that there should be a fully collaborative approach to ensure active participation of these groups.

A key outcome from the Post-2020 Partnership discussions at the IUCN World Conservation Congress in September 2021 reinforced that many solutions for the nature crisis exist within IPLCs and that supporting and enabling these solutions at the local level is critical for delivering the Global Biodiversity Framework.

The Post-2020 Global Biodiversity Framework, due to be adopted at the second part of the UN CBD COP15, includes among its targets an ambition to protect 30% of land and 30% of oceans by 2030 (known as the '30x30' target). There is increasing recognition within CBD discussions that locally-led action is critical to achieving this target and the goals of the GBF. The second Local Biodiversity Outlook report publication of the CBD argues that future global biodiversity goals must recognise the vital contributions made by Indigenous Peoples and local communities in protecting the biological and cultural diversity we all depend on.

International financing commitments

At COP26 in November 2021, global leaders and funders mobilised more than US\$450 million for efforts specifically targeted at implementing locally led approaches to building climate resilience. These efforts include the Financing Locally Led Climate Action (FLLoCA) programme in Kenya, the Community Resilience Partnership Program (CRPP), the LDC Initiative for Effective Adaptation and Resilience (LIFE-AR) and the Taskforce on Access to Climate Finance.

Governments, multilateral development banks, global funds and intermediaries to:

- learn from the experiences of these initiatives
- seek to support similarly structured initiatives

The Grand Bargain, launched in 2016 between some of the largest donors and providers of humanitarian aid, commits to get more means into the hands of people in need and to improve the effectiveness and efficiency of humanitarian action.

Relevant to recommendations 1–5 in this report.

Nine philanthropic foundations have collectively pledged \$5bn to meet the 30X30 target in the Protecting Our Planet Challenge. This is the biggest ever private finance donation to conservation and includes a specific focus on support to, and action in direct collaboration with, IPLCs.

Notes

¹ International intermediaries control most resources: most climate and development finance flows through layers of intermediation, reducing the amount, speed and flexibility of funds that reach delivery partners on the ground. The Green Climate Fund (GCF) channels 87% of its portfolio through international intermediaries, with the World Bank, UN Environment Programme, UN Development Programme, Asian Development Bank, and Food and Agriculture Organization managing 72% of its active proposals (from pubs.iied.org/17736iied).

² The preamble of the Stockholm Declaration recognises that ‘Local and national governments will bear the greatest burden for large-scale environmental policy and action within their jurisdictions’, and that ‘International co-operation is also needed to raise resources to support the developing countries in carrying out their responsibilities in this field.’ There was also growing awareness of the role of local actors in delivering environment and development outcomes — recommendation 102j on Development and Environment states that ‘Emphasis should be placed on techniques promoting the use of local labour and utilizing local materials and local expertise in environmental management’. See: <http://www.un-documents.net/aconf48-14r1.pdf>

³ Soanes, M, Shakya, C, Barrett, S, Steinbach, D, Nisi, N, Smith, B and Murdoch, J (2021) Follow the money: tracking Least Developed Countries’ adaptation finance to the local level. IIED, London. pubs.iied.org/20326iied

⁴ 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. pubs.iied.org/10178iied

⁵ For example, the Glasgow Climate Pact provides special recognition of ‘the important role of indigenous peoples, local communities and civil society, including youth and children, in addressing and responding to climate change, and highlighting the urgent need for multilevel and cooperative action’. See: <https://unfccc.int/documents/310475>

⁶ Hou-Jones, X, Roe, D and Holland, E (2021) Nature-based Solutions in Action: Lessons from the Frontline. Bond, London. pubs.iied.org/20451g

⁷ Soanes, M, Bahadur, A, Shakya, C, Smith, B, Patel, S, Rumbaitis del Rio, C, Coger, T, Dinshaw, A, Patel, S, Huq, S, Musa, M, Rahman, F, Gupta, S, Dolcemascolo, G and Mann, T (2021) Principles for locally led adaptation: A call to action. IIED, London. pubs.iied.org/10211iied

⁸ Franks, P and Booker, F (2022) Equity in conservation – what, why and how? IUCN, Switzerland. http://www.iucn.org/sites/dev/files/media-uploads/2022/03/iucn_wcpa_technical_note_series_no_7.pdf

⁹ LIFE-AR (2019) Delivering our climate-resilient future: lessons from a global evidence review. <http://www ldc-climate.org/wp-content/uploads/2017/12/LIFE-AR-Evidence-Review-English.pdf>

¹⁰ Patel, S, Soanes, M, Rahman, M, Smith, B, Steinbach, D and Barrett, S (2021) Good climate finance guide: lessons for strengthening devolved climate finance. IIED, London. pubs.iied.org/10207iied

¹¹ GEF (8 April 2022) Countries pledge record support to the Global Environment Facility. Press release. <http://www.thegef.org/newsroom/press-releases/countries-pledge-record-support-global-environment-facility>

¹² GEF, GEF Small Grants Programme. <http://www.thegef.org/what-we-do/topics/gef-small-grants-programme>

¹³ Colenbrander, S, Dodman, D and Mitlin, D (2017) Using climate finance to advance climate justice: the politics and practice of channelling resources to the local level. *Climate Policy* 18(7) 1–14.

¹⁴ Ostrom, E (2014) A polycentric approach for coping with climate change. *Annals of Economics and Finance* 15(1) 97–134.

¹⁵ Uphoff, N (1986) Local institutional development: an analytical sourcebook, with cases. Kumarian Press, West Hartford, Connecticut, USA; Uphoff, N (1992) Local institutions and participation for sustainable development. Gatekeeper series. IIED, London.

- ¹⁶ Chanza, N and De Wit, A (2016) Enhancing climate governance through indigenous knowledge: case in sustainability science. *South African Journal of Science* 112 1–7.
- ¹⁷ Adaptation at Scale in Semi-Arid Regions (ASSAR), Gender is one of many social factors influencing responses to climate change. <http://www.assar.uct.ac.za/social-differences>
- ¹⁸ Wong, S and Guggenheim, S (2018) Community-Driven Development: Myths and Realities. *World Bank Policy Research Working Paper* No. 8435. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3176323
- ¹⁹ Steele, P, Rai, N, Walnycki, A and Nhantumbo, I (2015) Delivering climate and development finance to the poorest: intermediaries that 'leave no-one behind'. IIED, London. <pubs.iied.org/17317IIED>
- ²⁰ Roe, D, Nelson, F and Sandbrook, S (2009) Community management of natural resources in Africa: Impacts, experiences and future directions. *Natural Resource Issues* No. 18. IIED, London. <pubs.iied.org/17503iied>
- ²¹ Cooney, R, Roe, D, Dublin, H and Booker, F (2018) Wild Life, Wild Livelihoods: Involving communities in sustainable wildlife management and combating illegal wildlife trade. United Nations Environment Programme, Nairobi, Kenya. https://wedocs.unep.org/bitstream/handle/20.500.11822/22864/WLWL_Report_web.pdf
- ²² DCF Alliance (2019) The Devolved Climate Finance mechanisms: principles, implementations and lessons from four semi-arid countries. <pubs.iied.org/G04424>
- ²³ Faguet, J-P and Poschl, C (2015) Is decentralization good for development? Perspectives from academics and policy makers. Oxford University Press. <http://eprints.lse.ac.uk/63178/>
- ²⁴ Tanner, T, Surminski, S, Wilkinson, E, Reid, R, Rentschler, J and Rajput, S (2015) The triple dividend of resilience. ODI, London and The World Bank, Washington DC. http://www.gfdr.org/sites/default/files/publication/The_Triple_Dividend_of_Resilience.pdf; Yaron, G, Khynn, W and Wilson, D (2017) Resilience dividends of community-level interventions: evidence from Myanmar. Itad. https://themimu.info/sites/themimu.info/files/documents/Resilience_Programme_Cost_Benefit_Analysis_ADB_ENG.pdf
- ²⁵ Hughes, O, Roe, D, Thomas, DHL, Kabihogo, B, Kimani Kuria, D, Imbayi Ligare, J, Nyiratuza, M and Amooti, TJ (2014) Getting it together: how some local organisations in East Africa have succeeded in linking conservation and development. IIED, London. <pubs.iied.org/17516iied>
- ²⁶ Roe, D, Thomas, DHL, Hughes, O, Nyiratuza, M, Kimani Kuria, D, Imbayi Ligare, J, Kabihogo, B and Amooti, TJ (2012) Eight ways to unleash the potential of local organisations. IIED, London. <pubs.iied.org/17138iied>
- ²⁷ Nelson, F, Sulle, E and Roe, D (2016) Saving Africa's vanishing wildlife: how civil society can help turn the tide. IIED, London. <pubs.iied.org/17368iied>
- ²⁸ IPBES, Global Assessment Report on Biodiversity and Ecosystem Services. <https://ipbes.net/global-assessment>
- ²⁹ King, S (2014) Community-based adaptation in practice: a global overview of CARE International's practice of community-based adaptation (CBA) to climate change. CARE International. <https://careclimatechange.org/community-based-adaptation-in-practice/>
- ³⁰ Asian Development Bank (2019, unpublished) Community Resilience Partnership Program: supporting investments in resilience that reach scale while ensuring no one is left behind. Scoping study.
- ³¹ Mfitumukiza, D, Roy, AS, Simane, B, Hammill, A, Rahman, MF and Huq, S (2020) Scaling local and community-based adaptation. Background paper. Global Commission on Adaptation, Rotterdam and Washington DC. <http://www.gca.org/globalcommission-on-adaptation/report/paper>

³² Forest Peoples Programme (2020) Local Biodiversity Outlooks 2: Summary conclusions and recommendations. <http://www.cbd.int/gbo/gbo5/publication/lbo-2-summary-en.pdf>

³³ Nisi, N and Holland, E (10 March 2022) Only a fraction of international climate adaptation finance for least developed countries found to also support nature. <http://www.iied.org/only-fraction-international-climate-adaptation-finance-for-least-developed-countries-found-also>

³⁴ Shakya, C, Smith, B, Soanes, M, Bharadwaj, R and Holland, E (2021) Access to climate finance: workshop report (theme 2). IIED, London. <pubs.iied.org/10213iied>

³⁵ Bwindi Mgahinga Conservation Trust (2016) Towards Sustainable Bio-diversity Conservation in Bwindi and Mgahinga National Parks South Western Uganda. <http://bwinditrust.org/docs/BMCT-Brochure-2016.pdf>

³⁶ Maliasili, Maasai Landscape Conservation Fund. Investing in community-based organizations to achieve lasting conservation in East Africa's iconic savannah landscapes. <http://www.maliasili.org/mlcf>

³⁷ The Indigenous Peoples Tracker on GCF Projects. <https://iptracker.tebtebba.org/>

³⁸ IIED, Frontline Funds Accelerator: catalysing climate investment to the grassroots. <http://www.iied.org/frontline-funds-accelerator-catalysing-climate-investment-grassroots>

IED is an international policy and action research organisation, working across the globe with local, national and international partners. We find innovative solutions to the world's most pressing sustainable development challenges – solutions that improve livelihoods and protect the environments on which they depend. We specialise in linking local priorities to global challenges, working with marginalised people to ensure their voices are heard in the decision-making arenas that affect them – from village councils to international conventions.



International Institute for Environment and Development
235 High Holborn, Holborn, London WC1V 7DN, UK
www.iied.org
@iied
www.facebook.com/theIIED

This report has been produced with the generous support of the Swedish International Development Cooperation Agency (Sida)

