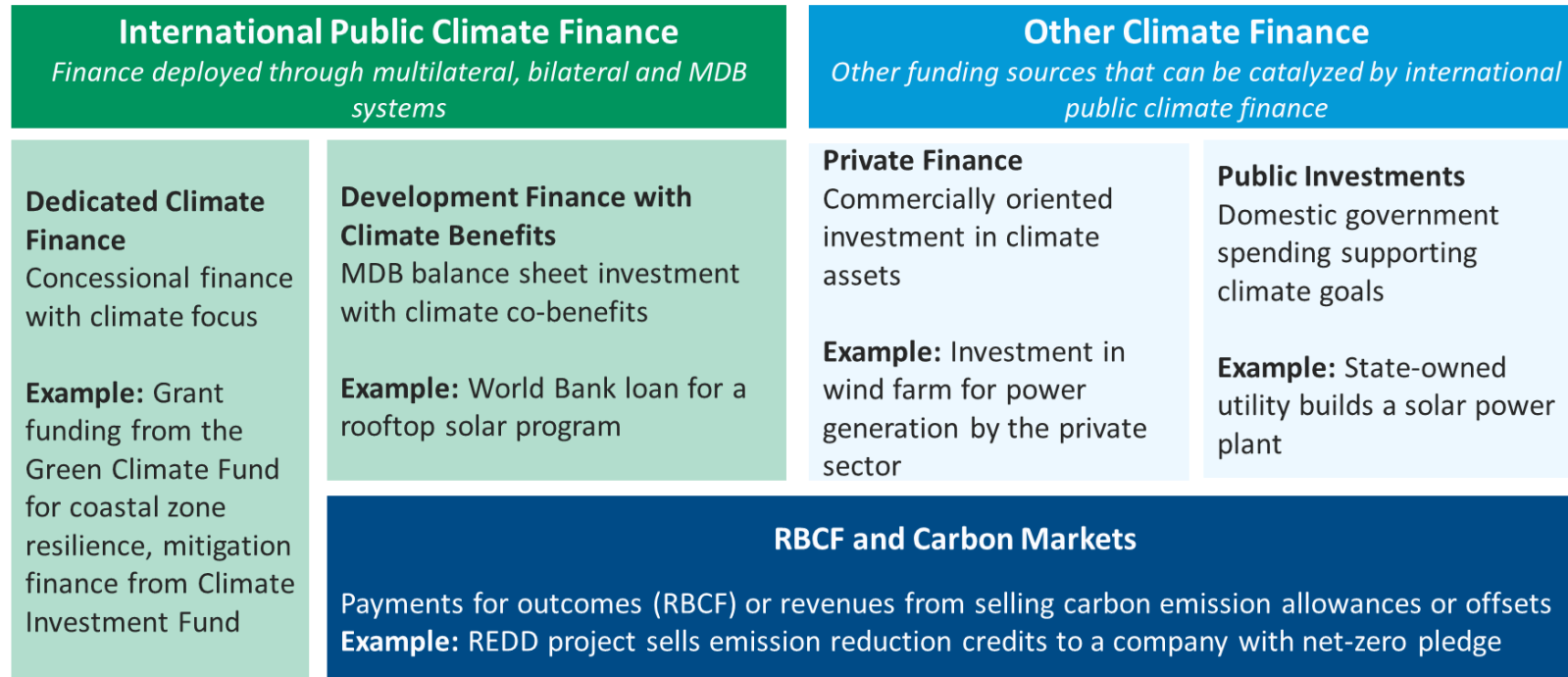


How can decentralization support locally led climate action?

Margaret Arnold, World Bank
CRPP Forum, Bangkok
February 27-28, 2024

Problem: climate finance is a fragmented and confusing landscape



Sources of dedicated international climate finance include:



Problem: the climate crisis is a social crisis

- Local capacities and traditional knowledge are often invisible and undermined by outside actors
- Social inequality and poverty drive vulnerability to climate shocks and stressors
- Climate mitigation policies have serious impacts on poverty and social inclusion
- Transitions require major behavioral and cultural shifts-need to bring people along in decision making
- Less than 10% of climate finance directed to local level
- National policies and climate commitments not informed by realities on the ground, small scale efforts challenged to scale up
- Projectized, short-term approaches vs building sustainable, national systems for climate action
- Need to get to scale

Principles for Locally Led Adaptation

Developed by the Global Commission on Adaptation

Devolving decision making to the lowest appropriate level

Addressing structural inequalities faced by women, youth, children, people with disabilities, displaced, Indigenous Peoples and marginalized ethnic groups

Providing patient and predictable funding that can be accessed more easily

Investing in local capabilities to leave an institutional legacy

Building a robust understanding of climate risk and uncertainty

Flexible programming and learning

Ensuring transparency and accountability

Collaborative action and investment

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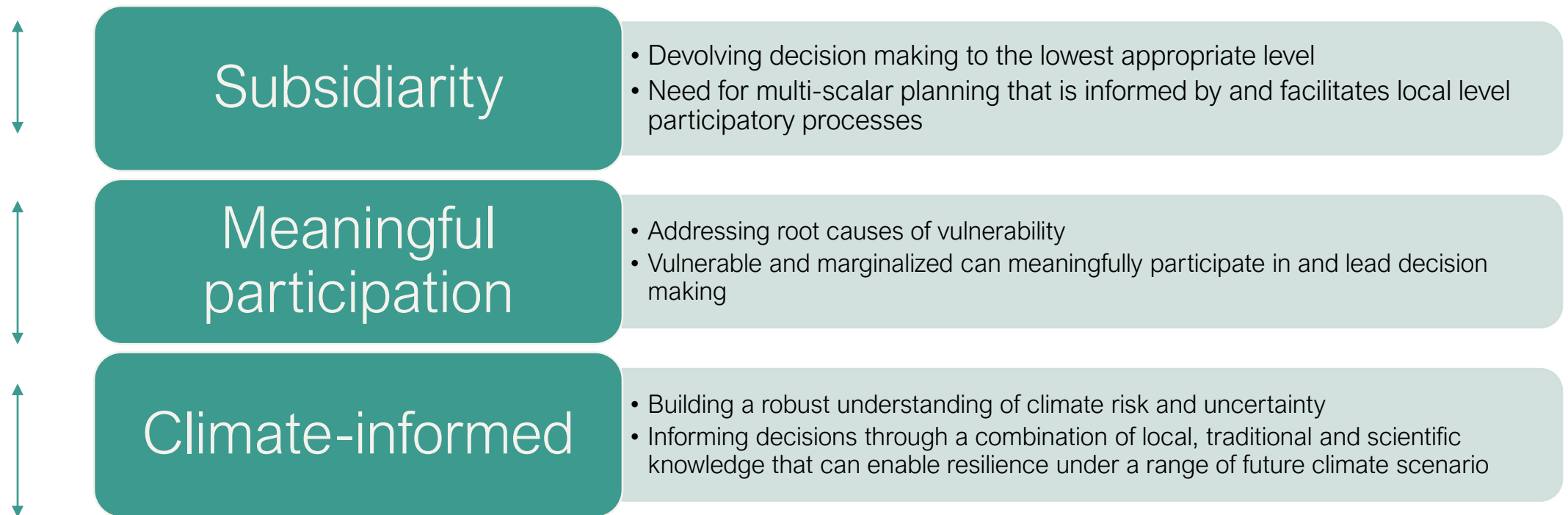
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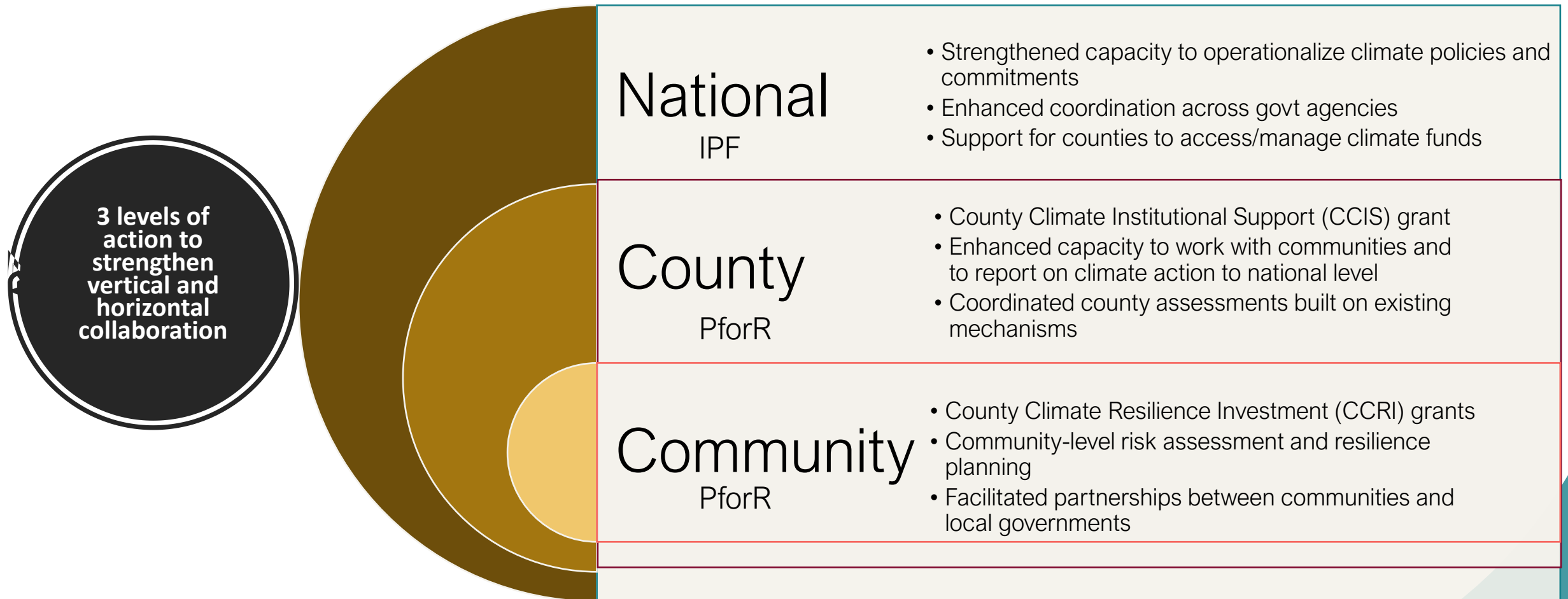
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3 key design elements of Locally Led Climate Action



Kenya Financing Locally Led Climate Action (FLLoCA)

PDO: to deliver locally-led climate resilience actions and strengthen county and national governments' capacity to manage climate risks.



FLLoCA's performance mechanism includes two grants to incentivize participatory processes and local action

Decentralization and Devolved Climate Finance

- SCALE: Reached people on the ground *at the necessary scale*
- SUSTAINABILITY: Avoids projectized approach – builds onto existing govt mechanisms to strengthen a national scale system for climate finance and action
- PARTNERSHIPS: Between citizens, CSOs, local and national govt
- LEVERAGING: Serves as a platform to crowd in other sources of climate finance
- VERTICAL CONNECTIONS: Local to national – to inform NDCs, LTSs, and other national climate commitments

****CAVEAT:** Consider the context - Meet people where they are

Thank you

Margaret Arnold

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