

Submission by the Local Climate Adaptive Living (LoCAL) facility of the UN Capital Development Fund (UNCDF) to the call for evidence on information and data for the preparation of the 2020 Biennial Assessment and Overview of Climate Finance Flows

The Local Climate Adaptive Living (LoCAL) facility of the UN Capital Development Fund (UNCDF) welcomes this opportunity to share its experience to the Standing Committee of Finance (SCF) on the call for evidence for information and data for the preparation of the 2020 report on the determination of the needs of developing countries to implement the climate action.

The LoCAL facility of the UNCDF was established in 2011 to promote climate change–resilient communities and local economies by establishing a standard and internationally recognized country-based mechanism to channel climate finance to local government authorities for building verifiable climate resilience. It aims to contribute through the local level to country achievement of the Paris Agreement. The LoCAL facility focuses on the least developed countries (LDCs) which are among the most exposed to the impacts of climate change. In most LDCs climate change has drastic impacts on people’s living conditions and their natural resources. Furthermore, LDCs capacity to address the impacts of climate change is hampered by poverty and inadequate resources.

The Facility is overseen by the LoCAL Board, which comprises representatives of governments participating in the global mechanism. The Board is co-chaired by the Chairs of the Least Developed Countries Group to the United Nations and to the UNFCCC, respectively. In the 2019 Decision, the LoCAL Board reaffirmed its commitment to a strong and continued LoCAL engagement with UNFCCC, COPs and with the LDC group in the UNFCCC processes to consolidate and deepen the progress towards LoCAL’s objectives, and to explore options to institutionalize LoCAL as a global mechanism. As of today, 14 countries have joined the Board of the LoCAL mechanism and 8 more will be invited and join the Board as new countries in 2020, counting 20 LDCs in total.

I. Methodological issues relating to measuring, reporting, and verifying climate finance flows

The LoCAL facility supports countries in piloting and establishing performance- based climate resilience grant systems (PBCRGs) to channel climate finance and improve local responses to climate change. As documented in the LoCAL guidelines approved by the LDC Expert Group to the UNFCCC in April 2019 as supplementary materials to the NAP technical guidelines, the use of the PBCRGs is assessed on an annual basis through the annual performance assessments performed by teams of assessors which include third party assessors. In addition to informing the performance of local governments against a set of pre-agreed performance measures, the annual performance assessments enable verification of climate change expenditure at the local level. LoCAL increases transparency and accountability in the use of climate finance at subnational, enabling local governments' to further access and effectively use wider sources of climate funding.

II. Data on climate-related finance flows

Grant Delivered

As of end of 2019, 280 local governments representing over 10 million people, benefitted from PBCRGs. Over the years, local governments from 14 countries (Bangladesh, Benin, Bhutan, Cambodia, The Gambia, Ghana, Lao PDR, Lesotho, Mali, Mozambique, Nepal, Niger, Tanzania and Tuvalu) benefitted from various forms support, with 8 more countries having formally expressed to benefit from the global mechanism (Burkina Faso, Cote d'Ivoire, Liberia, Malawi, Sao Tome e Principe, Senegal, Solomon Islands and Uganda). The LoCAL mechanism accounted over 2014-2019 (est.) to USD 80 million.

Over the 2014–2018 period, PBCRGs operational support, technical assistance and indirect support, were delivered to governments across 14 countries, as outlined in the table below.

Country	Budget, 2014-2018 (\$)	Expenditure, 2014-2018 (\$)
Bangladesh	3,197,788	1,030,558
Benin	746,000	750,862
Bhutan	796,200	749,014
Cambodia	2,768,737	2,725,490
The Gambia	96,000	85,898 89
Ghana	329,500	352,142
Lao PDR	2,000,000	2,031,931
Lesotho	107,000	65,543

Mali	638,000	691,426
Mozambique	1,690,000	1,619,174
Nepal	398,500	379,408
Niger	633,704	684,622
Tanzania	151,800	151,604
Tuvalu	650,500	551,780
Uganda	75,000	42,594
Fiji, Solomon, Vanuatu	30,000	29,086
Total	14,308,729	11,941,133

Table 1: Total LoCAL support by country, 2014-2018

As requested in the call of submission a further quantitative finance flows for 2017 is provided in the table below:

	Budget (USD)		Expenditure (USD)	
Country	2017	2014-2017	2017	2014-2017
Bangladesh	231,012	600,000	106,264	534,685
Benin	163,100	700,000	184,112	713,314
Bhutan	63,850	724,000	85,578	723,612
Cambodia	808,000	2,100,000	740,160	2,067,297
The Gambia	6,000	26,000	11,821	11,822
Ghana	78,500	300,000	125,049	313,148
Lao PDR	53,166	2,000,000	53,166	1,999,075
Lesotho	22,000	92,000	38,792	61,789
Mali	214,143	600,000	263,051	637,920
Mozambique	240,818	1,100,000	198,947	1,024,392
Nepal	49,000	380,000	56,430	377,494
Niger	202,182	600,000	211,841	597,814
Tanzania	6,000	100,000	12,729	118,958
Tuvalu	188,780	600,000	170,378	546,020
Uganda		75,000		42,594
Fiji, Solomon, Vanuatu		30,000		29,086
Total	2,326,552	10,027,000	170,378	9,799,019

Table 2: Total LoCAL support by country, 2014-2017

In 2020, the budgeted amount of USD 15,005,203 indicate a steady growth in climate finance addressing the subnational level through the LoCAL mechanism.

Considering the mechanism is scalable, it offers a strong potential to address country needs while enabling the tracking of climate finance flows across an increasing number of local governments and countries (i.e. 22 countries including 20 LDCs as the mechanism is deployed in the member and candidate countries).

Funding sources

Over the 2014–2018 period, LoCAL has mobilized USD 49 million in direct funding and USD 11.5 million in parallel funding for a total of USD 60.5 million (see the table below). LoCAL donors over 2014–2018 included the EU through the GCCA+ and the European Development Fund; Sida; the Governments of Andorra, Bangladesh, Belgium, Benin, Bhutan, Italy, Liechtenstein and Mali; the UNDP–GEF; and UNCDF.

Source	Funding
UNCDF	800,000
EU GCCA global	4,904,750
Sida/PFIS	3,000,000
Sida/Booster Fund	3,260,870
Government of Liechtenstein	160,000
Government of Andorra	8,004
EU The Gambia	6,400,000
EU GCCA Bangladesh	4,400,000
EU GCCA Mozambique	4,908,674
Sida/Bangladesh	4,000,000
Sida/Cambodia	2,288,287
Belgian Cooperation	1,964,085
Sida/Mozambique	12,835,800
UNDP-GEF	2,145,000
EU Bhutan	7,000,000
Cambodia DMK Fund Investment	646,445
Government of Bangladesh	750,000
Government of Benin	340,000
Government of Mali	656,000
Total	60,467,915

Table 3: LoCAL funding sources, 2014–2018

As the end of 2019, the amount reached USD 80 million (est.) the details of which will be shared in the forthcoming annual report of the global mechanism. New sources of funding include the region of Catalonia, the government of the Republic of Korea and the UN Secretary-General’s Peacebuilding Fund (PBF).



The LoCAL facility of the UNCDF welcomes other opportunities to work together with the SCF and stands ready to share its experiences further and provide detailed information.