Unlocking Climate Finance

Strengthening Locally Led Adaptation for Resilient Communities

26 March 2025

1 Introduction and Context

The webinar, “Unlocking Climate Finance: Strengthening Locally Led Adaptation for Resilient Communities,” was organised as part of the Adaptation Research Alliance (ARA) Regional Advocacy Efforts in Africa. This initiative seeks to bridge the gap between global climate finance commitments and tangible local adaptation actions.

The Global Goal on Adaptation (GGA) and the New Collective Quantified Goal on Climate Finance (NCQG) are essential mechanisms for enhancing climate resilience, particularly in developing nations. However, bureaucratic hurdles, limited awareness, and restricted access to funding mechanisms continue to hinder grassroots initiatives. Recognizing these challenges, ARA aims to strengthen regional advocacy by facilitating multi-stakeholder dialogues, policy influence, and knowledge-sharing to enhance access to climate finance.

As part of its knowledge-sharing efforts, the African Centre for Technology Studies (ACTS) organized this webinar on Tuesday, 25th March 2025, from 14:00 to 15:30 E.A.T. to address the urgent need for more inclusive and accessible climate finance mechanisms. The session provided a platform for exploring pathways to unlock climate finance for locally led adaptation (LLA), demystify complex financing structures, and identify innovative funding solutions tailored to the needs of vulnerable communities.

Objectives of the Webinar

The primary goal of this virtual engagement was to strengthen the accessibility and effectiveness of climate finance for locally led adaptation efforts. Specifically, the webinar sought to:

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1. Explore how locally led adaptation (LLA) initiatives can attract climate financing.
2. Help participants navigate the complexities of climate finance mechanisms and funding eligibility.
3. Discuss innovative and alternative financing solutions for climate adaptation.

2 Participation

The webinar brought together 40 participants from diverse sectors, reflecting the importance of a multi-stakeholder approach in climate finance advocacy. The attendees included representatives from:

1. **Research Institutions** – Climate and adaptation researchers working on financing and policy development.
2. **Government Agencies** – Policy and decision-makers involved in climate adaptation strategies.
3. **Universities** – Academics and students engaged in climate finance and adaptation studies.
4. **NGOs and Community-Based Organizations (CBOs)** – Practitioners working directly on local adaptation projects.

The broad participation facilitated a rich exchange of experiences, insights, and challenges in securing climate finance. It also provided a valuable networking opportunity for stakeholders working toward effective climate adaptation strategies.

3 Opening Session: Setting the Stage

Speaker: Joan Andega

Joan Andega welcomed all participants and set the context for the discussion by emphasizing the importance of locally driven, context-specific, and inclusive climate adaptation efforts. She highlighted the significant challenges grassroots initiatives face in accessing climate finance, particularly:

- Bureaucratic barriers
- Lack of awareness of available funding opportunities
- Limited direct access to financial mechanisms

To engage participants, an **icebreaker activity** was conducted where attendees shared one word to describe climate finance in the chat. This interactive session set the tone for an engaging and insightful discussion on overcoming barriers and unlocking opportunities in climate finance.

4 ACTS Overview

by Erick Magale

In the face of escalating climate challenges, the **African Centre for Technology Studies (ACTS)** plays a key role in advancing climate adaptation efforts across the continent. As the regional advocacy lead for the **Adaptation Research Alliance (ARA),** ACTS is committed to bridging knowledge gaps, fostering policy engagement, and promoting sustainable solutions tailored to Africa’s unique climate realities.

Erick Magale introduced ACTS’ pivotal role in shaping climate adaptation discourse, highlighting its contributions through research, stakeholder engagement, and policy advocacy. Among its key initiatives are:

- **Conducting a situation analysis** on the status of climate adaptation in Africa.
- **Hosting a Regional Workshop** focused on sustainability.
- **Organizing Virtual Cafés** to facilitate discussions on climate adaptation and finance.
- **Holding a Knowledge Symposium on Adaptation** to enhance stakeholder engagement and knowledge exchange.

Emphasizing the need for a just approach to climate financing, Magale underscored that “climate finance is about climate justice, not benevolence.” This statement reinforces the call for equitable resource allocation, ensuring that adaptation funding is not viewed as charity but as a necessary commitment to climate-vulnerable regions. Through its initiatives, ACTS continues to play a critical role in shaping Africa’s climate resilience narrative, advocating for policies and financing mechanisms that drive meaningful adaptation action.

5 Session I: Breaking the Barriers to Climate Finance

Breaking Barriers to Climate Finance through Local Led Initiatives

In the first session of the webinar, Sellela from the Financing Locally Led Climate Action (FLLoCA) program presented Alternative financing mechanisms for climate action focus on empowering local communities and decentralizing resources to address unique vulnerabilities. These approaches include green funds, blended finance, microfinance, and community-driven programs like Kenya's FLLOCA and Tanzania's ecosystem-based adaptation initiatives. Such models prioritize inclusivity, transparency, and accountability while ensuring that funds directly benefit those most affected by climate change.

Bridging the Climate Finance Gap

One of the primary barriers to effective climate action in Africa has been limited access to finance at the local level. While climate change disproportionately affects communities in rural and marginalized areas, funds have historically been concentrated at the national and international levels, leaving local governments and grassroots organizations struggling to implement sustainable solutions.

Case Study Kenya: How FLLoCA Works: A Government-Led Model for Climate Finance

The FLLoCA program is designed to be multi-sectoral, participatory, and results-driven, ensuring that counties have both the funds and the institutional capacity to address climate risks effectively. The initiative operates through two key funding mechanisms:

Key features include:

- **Funding Mechanism:** FLLOCA has disbursed Kshs12.68 billion across 45 counties and 1,418 wards, ensuring resources reach the grassroots level.
- **Results-Based Approach:** Counties earn additional funding by meeting specific criteria like vulnerability assessments and delivering measurable results.
- **Community Empowerment:** Over 1,178 projects address challenges such as drought, flooding, and land degradation, showcasing the potential of locally led solutions in building resilience.
- **Global Recognition:** At COP29, FLLOCA was highlighted as a scalable model for equitable climate financing.

Overcoming Barriers to Accessing Climate Finance

Selellah emphasized that the FLLoCA program is not just about funding it is about system reform. By decentralizing climate finance and integrating community voices, FLLoCA is actively addressing structural barriers such as: **Lack of direct financial access for counties, Limited technical capacity, Inequitable distribution of resources.**

FLLoCA’s Role in Transforming Climate Finance in Kenya

The presentation concluded with a strong emphasis on FLLoCA’s transformative impact in breaking long-standing barriers to climate finance. By embedding climate action within county governance structures, the program is not only financing projects but also building a sustainable climate finance architecture that prioritizes local needs and enhances community resilience.

As discussions on climate finance continue, FLLoCA stands as a model for other African nations seeking to localize climate adaptation efforts, ensuring that no community is left behind in the fight against climate change.

Case Study Tanzania: Tanzania’s Ecosystem-Based Adaptation (EbA)

Tanzania’s Ecosystem-Based Adaptation (EbA) initiatives are implemented through a **partnership between the government and international organizations.** A key initiative, the **Ecosystem-Based Adaptation for Rural Resilience in Tanzania project**, is spearheaded by the **Vice President's Office** in collaboration with the **Ministry of Agriculture, Livestock, and Fisheries (MALF)**. The initiative is carried out in collaboration with international organizations, notably the **United Nations Environment Programme (UNEP),** and is funded by the **Least Developed Countries Fund (LDCF)**. This project aims to enhance rural resilience by integrating ecosystem-based approaches into agricultural and water management strategies.

The project is funded through a **USD 7.5 million** grant from the LDCF, complemented by co-financing totaling **USD 20.75 million**.Co-financing contributions come from **Tanzania’s national government**, particularly the **Ministry of Agriculture, Livestock, and Fisheries** and the **Ministry of Water and Irrigation,** along with additional international support.

Tanzania’s ecosystem-based approach enhances resilience in rural communities by focusing on sustainable land management and restoration. Key aspects include:

- **Ecosystem Restoration:** Rehabilitation of degraded forests and rangelands to strengthen ecosystem services crucial for agriculture and water management.
- **Community-Led Solutions:** Empowering local communities to implement adaptation strategies tailored to their specific needs.
- **Knowledge Sharing:** Capacity-building programs ensure stakeholders understand EbA principles and integrate them into policy frameworks.

6 Session II: Unlocking Climate Finance for Local Adaptation

Speaker: Kevin Osido

Kevin Osido’s presentation focused on the role of **County Governance Watch** in delivering the **Financing Locally Led Climate Action (FLLoCA)** Program to enhance community resilience. He also provided a critical analysis of the global climate finance landscape, highlighting key barriers and strategic interventions for unlocking adaptation funding.

Challenges in Climate Finance: The Power Struggles in Global Climate Policies

Osido examined the influence of **G7, G20, and BRICS** in shaping climate finance policies, noting how power struggles between developed and developing nations impact climate funding. He identified several key challenges:

1. **Unfulfilled Commitments** – Developed nations have repeatedly fallen short on their financial pledges, leaving vulnerable communities without adequate support.
2. **Conditionality and Access Barriers** – Climate funds often come with rigid conditions, making it difficult for developing nations to access adaptation financing.
3. **Equity and Control Issues** – Developing nations have limited control over climate finance mechanisms, leading to unequal distribution of funds.
4. **Global Finance Reform** – There is an urgent need to restructure the global finance system to make climate funding more just, predictable, and accessible.

The Role of Emerging Economies in Climate Finance

Osido highlighted the increasing role of **China, India,** and **Gulf States** in reshaping climate finance through:

1. **Expanding South-South Climate Cooperation** – Strengthening collaboration among developing nations.
2. **Influencing Multilateral Financial Institutions** – Pushing for reforms in organizations like the IMF and World Bank.
3. **Investing in Renewable Energy Projects** – Redirecting resources towards clean energy to drive adaptation and resilience.

Why Some Countries Receive More Adaptation Financing

The allocation of adaptation funding is influenced by several factors, often favouring some nations over others. Osido highlighted how geopolitical influence plays a significant role, as countries with strong diplomatic ties and strategic alliances often secure more financing. Donor nations tend to prioritize funding projects in regions that align with their political and economic interests, leaving others marginalized.

Economic and political stability also determine which countries receive more adaptation financing. Osido shared ***"Donors prefer investing in politically stable environments where funds are more likely to be used efficiently and where governance structures ensure accountability."*** On the other hand, countries facing political unrest or governance challenges struggle to attract funding due to concerns about transparency and implementation capacity.

Additionally, donor priorities and agenda-setting shape climate finance flows. Developed countries and international financial institutions often dictate funding priorities, channeling resources toward projects that align with their own strategic objectives rather than the specific needs of recipient nations. This results in uneven distribution, where some countries receive substantial support while others, despite facing significant climate vulnerabilities, remain underfunded.

Building Alliances for Climate Adaptation Financing

To secure more climate adaptation funding, developing nations must build strong alliances that amplify their voices and increase their bargaining power. A unified approach to policy advocacy ensures that governments and organizations from the Global South can collectively push for reforms in climate finance mechanisms, making it more equitable and accessible.

Pooling financial resources is another essential strategy, as it allows regional and local institutions to create their own financing mechanisms. By working together, countries can reduce dependency on external funding and establish regional climate funds e.g. The Africa Climate Change Fund (ACCF) and Climate investment Fund that directly support adaptation efforts. Alliances allow for better negotiation. Some of the proposed negotiation strategies that can be used include:

1. **Using Collective Bargaining Power** to negotiate better funding terms.
2. **Push for Needs-Based Finance Allocation** that prioritizes vulnerable communities.
3. **Demand More Grants, Fewer Loans** shift the focus from debt-inducing financing to grants for adaptation.
4. **Highlight Climate Justice in Negotiations Frame** adaptation funding as a matter of global justice.
5. **Reduce bureaucratic hurdles in fund disbursement** -Transparent & Accessible Funding Processes.

6. **Engage in Strategic Diplomacy Influence** high-level political discussions to secure commitments.
7. **Utilize Evidence-Based Advocacy** from the organizations within the alliance to present compelling data to justify the need for more financing.
8. **Push for Direct Access to Climate Funds** – Advocate for local institutions to access funds without intermediaries.
9. **Demand Predictable & Long-Term Commitments** – Secure multi-year funding instead of short-term pledges.
10. **Engage in High-Level Political Forums** – Actively participate in global discussions to influence policies.

Collaboration in technology and knowledge sharing is also crucial in strengthening climate resilience. Nations that exchange best practices, technical expertise, and climate research can accelerate their adaptation efforts and improve their ability to attract investment in climate solutions.

Furthermore, strengthening regional climate institutions enhances the capacity of African-led organizations to lead adaptation initiatives without reliance on international intermediaries. These institutions can play a critical role in ensuring that climate finance flows directly to local governments and communities rather than being tied up in complex global bureaucracies.

Another key aspect of alliance-building is leveraging collective market influence to negotiate better financial terms and attract private sector investment in climate resilience projects. By positioning themselves as valuable partners in global climate solutions, developing nations can push for financing structures that prioritize adaptation over profit-driven interests.

7 Key Insights from Participants

1. **Decentralizing Climate Finance Access:** Government-led programs like FLLoCA can effectively channel resources to communities. Moving forward, we will advocate for more localized climate finance mechanisms to ensure funding reaches those most affected.

2. **Simplifying Climate Finance Applications:** Given the complexity of accessing funds, there is a need to push for streamlined, transparent, and less restrictive financing processes to enable grassroots organizations and local governments to benefit.

3. **Holding Developed Nations Accountable:** Since many developed countries have not fulfilled their climate finance commitments, it is essential to strengthen advocacy efforts to demand timely and adequate funding as promised is.

4. **Challenging Unfair Conditionalities:** loan-heavy financing models burden developing countries. The Africa group of negotiators need to prioritize lobbying for more grants and flexible funding structures that do not increase debt distress.

5. **Strategic Positioning for Funding Access:** Recognizing that political and economic stability influence climate finance distribution and working towards stronger regional governance and policy stability to attract more funding.

6. **Leveraging South-South Cooperation:** With emerging economies such as China and India playing a key role in climate finance, we will explore partnerships that enhance technology transfer, direct funding, and regional investment in renewable energy.

7. **Advocating for Finance System Reforms:** The current global finance structure Favours developed nations. Africa needs reforms that prioritize equitable climate finance distribution and give developing countries a stronger voice in decision-making.

8. **Strengthening Collective Bargaining in Global Negotiations:** Learning from past negotiation strategies, the push for needs-based climate financing, demand long-term and predictable commitments, and emphasize climate justice in all high-level discussions.

9. **Investing in Regional Climate Institutions:** To enhance Africa's financial independence in climate resilience, the strengthening of regional financial institutions such as the Africa development bank- The Africa Climate Change Fund (ACCF) and Climate investment Fund can mobilize and distribute climate funds more effectively.

10. **Enhancing Transparency and Accessibility in Climate Funds:** Recognizing the barriers to access, Communities initiatives can advocate for direct funding mechanisms, ensuring community-led initiatives can apply and manage funds without excessive bureaucracy.

11. **Strengthening Strategic Alliances:** By uniting stakeholders across governments, civil society, and the private sector, to pool resources, share knowledge, and create stronger collective action towards sustainable climate adaptation.

12. **Promoting Evidence-Based Advocacy:** To influence climate finance policies, and invest in data-driven advocacy, using research and impact assessments to push for fairer financing models that prioritize vulnerable communities.

8 Conclusion

The webinar emphasized the urgent need for innovative financing mechanisms and equitable access to climate funds to support locally led adaptation efforts. Discussions highlighted the persistent barriers to accessing climate finance, including complex bureaucratic procedures, geopolitical influences, and restrictive donor conditions. To address these challenges, the session stressed the importance of blended finance models, direct access mechanisms, and the expansion of South- South cooperation to create alternative funding pathways.

Moving forward, multi-stakeholder engagement will be critical in advocating for more transparent, predictable, and needs-based climate finance allocation. Governments, private sector actors, and civil society organizations must work collectively to push for financial reforms, leverage evidence-based advocacy, and participate in high-level political forums to influence global funding priorities. By implementing these strategies, climate finance can become more accessible, inclusive, and impactful in addressing the needs of vulnerable communities.

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