



Remarks of

Judith Karl, UNCDF Executive Secretary  
on the occasion of the

**Strengthening Resilience and Adaptation to  
Climate Change through Local Government Systems:  
Lessons Learned from the Local Climate Adaptive Living (LoCAL) Facility**

**Siem Reap, Cambodia  
3 November 2015**

**CHECK AGAINST DELIVERY**

Welcome to this important event on “Strengthening Resilience and Adaptation to Climate Change through Local Government Systems: Lessons Learned from the Local Climate Adaptive Living Facility (LoCAL)”.

Least Developed Countries are some of the most vulnerable to climate change. They are least able to recover from climate stresses; have lower capacity to adapt than other developing countries; and their economic growth is highly dependent on climate-sensitive sectors, such as agriculture.

Climate change threatens to undo decades of progress towards reducing poverty and improving human development.

All climate change is local. Adaptation to climate change is a local endeavor. Central governments alone cannot respond to the challenge of climate change. Large-scale nationally financed programmes require local complementary actions in order to become fully effective.

How authorities and communities change agricultural practices, improve water resource management, strengthen land use planning, retrofit local infrastructure, prepare for and reduce risks from disasters - all these activities must be tailored to address the specific local challenges presented by climate change.

But while local authorities are finding themselves on the frontlines of climate change, there is often a gap between their mandates and what is expected of them, on the one hand, and what they have the capacities and resources to deliver, on the other.

In many LDCs, local governments lack the fiscal space to invest in ‘climate-proofing’ existing infrastructure or to undertake other forward-looking investments that help build resilience.

Local governments cannot absorb the incremental cost of climate change adaptation through local taxes and other revenue streams.

Most resources come earmarked from central government for recurring expenditures, leaving little for capital investment. Budgetary allocations for climate change-related expenditure are also typically concentrated in central government agencies, often ministries of environment and agriculture.

This is where LoCAL comes in – to bridge the gap between what local authorities should do and what they are able to do in order adapt to climate change. Through SDG 17 on means of implementation which includes innovative financing models, LoCAL supports progress under SDG 9 on resilient infrastructure, SDG 11 on cities and sustainable human settlements, SDG 13 on combatting climate change.

LoCAL is an UNCDF facility for investment in local level climate resilience that channels global adaptation finance to local governments. LDCs sit on its Board, and UNCDF is proud to operate as its secretariat.

The Green Climate Fund is aiming for a floor of fifty per cent of its adaptation allocation for particularly vulnerable countries, including LDCs, Small Island developing States, and African States.

The LoCAL facility is geared to help local governments ultimately access such funding directly.

It provides a mechanism to enable the mainstreaming of climate change adaptation into local government’s planning and budgeting systems; increase awareness and response to climate change at the local level; and increase the amount of finance available to local governments for climate change adaptation.

The method for doing so is innovative. The LoCAL facility connects to existing national intergovernmental fiscal transfer systems and supplements capital grants to local governments with performance-based climate adaptation funding.

Communities and their local governments jointly identify the most pressing climate adaptation needs to which the supplementary transfers should be applied. The transfers can also be used for investments that promote food security – such as water catchment systems that help farmers manage droughts – or investments for climate-related disaster risk reduction and preparedness.

This way, LoCAL provides a fast and effective means to channel adaptation finance to where it is most needed, while at the same time ensuring local ownership, accountability and results.

The methodology is derived from UNCDF's specific experience in setting up such systems for effective capital investments and capacity building of sub-national governments.

There is another innovative element in LoCAL's approach – and that relates to its partnerships with the global climate change community.

LoCAL will be working with the Korean Environment Institute. It will use satellite data and forecasting models to support participating local governments in making sure that their planned initiatives on climate change adaptation respond to expected climate change impacts.

LoCAL is also partnering with the World Resources Institute. It will help local government to ensure that the climate adaptation activities that they are implementing are indeed increasing resilience in their community.

These partnerships are themselves testament to the progress LoCAL has been making in only four years.

In 2011, the LoCAL mechanism was introduced and piloted in Bhutan and Cambodia, with the support of their Governments.

LoCAL has since moved quickly to expand, with generous support from the EU, Belgium, SIDA, EU and Liechtenstein.

The LoCAL programme unfolds in three phases. LoCAL unfolds in three phases: The first phase, piloting, involves initial scoping, followed by testing in two to four local governments. The second phase, consolidating and learning, takes place in 5% to 10% of local governments in a given country. This involves collecting lessons and demonstrating the effectiveness of the approach at a larger scale. The third phase, scaling-up, is a full national rollout of LoCAL based on the results and lessons of the previous phases. Bhutan is about to enter this third phase.

Currently, LoCAL provides grants to 38 local governments servicing millions of people across ten LDCs - Bangladesh, Benin, Bhutan, Cambodia, Ghana, Lao PDR, Mali, Mozambique, Nepal and Niger.

The overall aim to scale up LoCAL's support to the national level across these countries. More countries are expected to join LoCAL in 2016.

We have with us four candidates – soon to be participating – countries: Lesotho, Tanzania, Tuvalu, and Uganda. They are interested in hearing about the then experiences so far in establishing the LoCAL mechanism.

The collaboration among different initiatives on climate change is essential. In this case, the collaboration between LoCAL with the UNDP/UNEP Poverty Environment Initiative has demonstrated strong synergies in supporting participating countries.

As LoCAL expands, it is also important to collect and document lessons learned and good practices and to spread the best ideas around. It is likewise important to build a common understanding of the approach, and to share experiences with existing and new participating countries, development partners and the international community at large.

I am delighted that current and prospective LoCAL participating countries are here today to discuss how LoCAL has been supporting climate change adaptation and to exchange ideas for moving forward. This way, we can continue to ensure that LoCAL is as useful as possible in helping subnational authorities tackle climate change.

I also hope that this workshop will allow the local governments in LoCAL participating countries to establish a peer-to-peer support network. This can help increase their capacity, and bargaining power, to access climate financing to increase resilience at the local level.

With your support, we can get LoCAL recognized as a go-to country-based mechanism that can support local governments in getting direct access to international climate finance through their central governments.

That way, we can empower local authorities to strengthen their adaptation and resilience, and build sustainable local economies.

I wish you all a productive workshop, and much success in adapting to climate change and building resilience at the local level.

\*\*\*\*\*