

The climate and humanitarian locally-led agendas: entry points to enhance climate adaptation and resilience financing and action

Policy Brief Executive Summary



Overview

This policy brief by the British Red Cross looks at how the humanitarian and climate locally-led action agendas intersect and influence financial flows to enhancing climate adaptation and resilience. It emphasises the critical need for locally-led approaches to ensure effective and inclusive responses to climate-related risks, as well as to foster collaboration between humanitarian, development, peacebuilding and climate actors working to build climate-resilient development in Fragile and Conflict-Affected Situations (FCAS).

Based on desk research and stakeholder consultations, the brief highlights the pivotal and under-utilised role of local actors as primary agents in climate adaptation and resilience efforts. It provides a comprehensive analysis of barriers to accessing climate-related finance for local actors, across the climate and humanitarian systems, through the lens of locally-led approaches. And it goes on to propose solutions to overcome these barriers and enhance the role of local actors.

Understanding locally-led approaches/action

While local actors' involvement and agency varies across contexts, much of the decision making related to climate change adaptation and humanitarian response to climate emergencies occurs at the global and national levels.[i]

The humanitarian localisation and locally-led climate adaptation (LLA) agendas share similar principles.[ii] Within the context of this policy brief, 'locally-led approaches/action' refers to the process of ensuring an equal distribution of power, resources and decision-making among national and local actors in the humanitarian and climate systems. It aims to enhance the effectiveness, inclusivity and sustainability of adaptation and resilience efforts in humanitarian contexts.



Comparing 'local' framings across systems

- Local actors: The term 'local actors' has varying meanings within the climate and humanitarian systems. In climate circles, at policy making level it refers to sub-national governments, NGOs, civil society, and the private sector operating at the subnational level, but in practice there are many interpretations, and finance tends to flow to national governments.[iii] In humanitarian terms, it is defined by the Grand Bargain Localisation workstream and excludes national governments.[iv] This brief uses 'local actors' broadly to encompass sub-national state, private and third sector organisations, as well as households and individuals.
- Humanitarian system: The system has long-established principles of localisation.[v] It also recognises that local actors are the most effective and best positioned to assess their own communities' needs as first responders to climate shocks.[vi]
- Climate system: There is growing evidence that, similar to the humanitarian system, local actors can harness the knowledge and experience of local communities and indigenous people, as the most affected by climate impacts, to develop innovative climate adaptation solutions.[vii] [viii]

Context

With climate-induced humanitarian needs growing, at a time when humanitarian funding is increasingly stretched and adaptation finance is insufficient, both the humanitarian and climate systems need to become more effective and efficient. Locally-led approaches, which aim to devolve decision making power and resources to those on the frontlines of climate change, can improve the effectiveness and efficiency of climate adaptation and humanitarian interventions, rendering them more sustainable.

At the policy level, while the principles and effectiveness of localisation are well-established in the humanitarian system, LLA is only just gaining in importance within the United Nations Framework Convention on Climate Change (UNFCCC) processes. However, in both systems, rhetoric is slow to translate into progress at the local level.

Understanding Fragile and Conflict Affected Situations

FCAS present unique challenges that hinder climate adaptation and resilience action, with heightened barriers to financing local actors across sectors.

Challenges and opportunities

- FCAS typically receive disproportionately less financial assistance compared to more stable regions, despite facing heightened risks and vulnerabilities.[ix]
- Weak institutional landscapes, contested political situations, sanctions and the presence of non-state armed groups make it challenging for any actor to operate in FCAS.
- Local actors may not be part of national planning and policy processes - a requirement to access international climate adaptation and resilience finance - due to the central government being a party to a conflict, or being in competition with sub-national counterparties in their geographic area.
- International humanitarian agencies can play a role in reducing climate risks, though they need to partner with peacebuilding, development and climate actors to deliver recovery and rehabilitation.[x]

Operating in these environments requires tailored efforts, which locally-led approaches can better deliver. At the local level, challenges are based on lived experiences and are less politicised, which is more conducive to developing practical solutions based on complementarity among actors rather than siloed approaches. There have been increasing conversations among funders and intermediary organisations on whether and how locally-led approaches can enable and sustain access to hard-to-reach vulnerable populations in FCAS, to prevent a climate resilience desert.[xi]



Barriers and entry points to accessing climate adaptation and resilience financing

Despite progress in both policy and programming, more effort is required from both funders and intermediary organisations. Only moderate transfer of decision-making power to local actors has occurred [xii] and very limited international humanitarian and adaptation finance is reaching the local level in low-income countries.

There is a need to build greater mutual understanding and shared learning between the climate and humanitarian systems to enhance locally-led approaches to climate resilience. This should begin with an alignment of their understandings of resilience, since each sector currently considers different timescales and levels, and integrates differently with development efforts.

Humanitarian and climate actors also need a clearer understanding of their complementary roles in climate risk management, particularly in FCAS. While humanitarians agree on the necessity of adaptation and resilience investments to prevent crises, they pursue this goal differently—some by fostering partnerships and advocacy, others by expanding their programming to include anticipatory action and resilience, and advocating for climate finance for humanitarian work given their lean-in to resilience and adaptation efforts. Cross-system learning between the climate and humanitarian systems needs to be expanded and documented to determine the optimal approach for enhancing climate resilience.[xiii]

The policy brief explores common barriers to accessing climate adaptation and resilience financing, identified across both humanitarian and climate sectors, which fall within five categories. These represent key challenges which cross-sector learning could address by enhancing effectiveness for climate adaptation and resilience-building efforts, offering entry points for potential practices and joint approaches, comprising a mixture of strategic and operational measures that funders and intermediaries can adopt.

There is a focus on funders since many barriers to locally-led action are influenced by their perceptions and preferences. The emphasis on intermediaries, on the other hand, seeks to explore the key role they can play in transitioning from managers of finance and programmes to facilitators of local action.



Irene Coletto / CartoonCollections.com

Barriers and entry points across the climate and humanitarian systems

Barriers	Entry Points	What does that look like?
Local actors lack decision making power to implement and manage interventions.	Localise decision making power to conceive, design, plan, implement and manage climate interventions.	<ul style="list-style-type: none"> Greater support is needed for climate adaptation and resilience design and programming at the local government level. Humanitarian funding for early warning and early action systems should prioritise the leadership of local and national government. Coordination at the local government level can bring together the humanitarian, development, (climate) and peacebuilding (HD[C]P) nexus and locally-led approaches in some FCAS.
Local actors have limited capacity to lead climate adaptation action, address climate risks, and build resilience.	Strengthen local actors' capacity to lead climate adaptation and resilience action, and in addressing climate risks.	<ul style="list-style-type: none"> Reconceptualising local actor 'capacity' can transform the funding landscape for capacity strengthening, accelerating localisation in both the climate and humanitarian systems. Concepts of 'local capacity' should be broadened to value more local and indigenous knowledge, as well as capacity to understand the local context, build strong community relationships, and demonstrate accountability to communities. Dedicated climate adaptation and resilience capacity strengthening for local actors needs to be increased.
Funders' and intermediaries' aversion to perceived or real risks linked to empowering local actors.	Enhance management of real or perceived risks associated with ceding power and resources to local actors.	Formal 'risk-sharing' mechanisms - involving funders-intermediaries-local actors (vertical risk-sharing), between funders, or among intermediaries (horizontal risk-sharing) - can be key to improving risk management and enabling localisation of climate adaptation and humanitarian finance.
Funding mechanisms do not enable direct access for local actors or are inadequate to build climate adaptation and resilience.	Design funding mechanisms that support local actors' capacity to directly access finance and deliver climate action.	Humanitarian and climate funders should pay realistic and equitable overhead costs to strengthen local organisations' financial, administrative and management systems.
Poor reporting or absence of data systems to track funding to local actors.	Improve the data ecosystem to track local-level climate adaptation and humanitarian finance.	Both the climate and humanitarian systems need to develop clear frameworks to report local-level finance to avoid over- or under-estimation, or creating perverse incentives that channel funding away from local partners.

Recommendations to funders

1 Develop integrated locally-led action strategies

OECD DAC funders should develop cross-departmental localisation strategies across their Official Development Assistance (ODA) portfolios. These strategies should integrate climate, development and humanitarian aims to enhance coherence and break down internal siloes. Clear definitions of 'localisation/locally-led' and 'local actors' are essential for transparent monitoring, and must include incentives for intermediaries to accelerate these efforts.

2 Enhance tracking and transparency

Support initiatives to track finance to local communities and indigenous populations. Develop a specific local funding policy marker within the OECD DAC system and embed tracking in statistical systems to ensure transparency and accountability. Revise the Paris Agreement's Enhanced Transparency Framework to improve reporting on climate finance for local actors.

Recommendations to intermediary organisations

3 Strengthen local government coordination

Intermediary organisations should prioritise coordination and programming at the local government level to strengthen the HD(C)P nexus, particularly in FCAS. Area-based coordination approaches, led by local government where possible or intermediaries where not - as opposed to the sectoral approaches fostered by the cluster system - can support greater coherence between humanitarian, development, climate and peacebuilding agencies in strengthening climate resilience. As communities affected by climate impacts are not concerned with how the funding is labelled, a different set-up is needed to reflect their needs, rather than organisations' sectoral mandates.

4 Develop strategies to empower local leadership

Developing such strategies and plans is an intentional process for intermediaries to transition away from acting only as managers of finance and programmes. A shift is needed away from direct implementation roles and towards supportive roles like technical assistance and advocacy, aligning initiatives with community needs and capabilities, and developing country-level strategies as aspirational 'exit strategies', to foster sustainable local capacity development.

Joint recommendations to donors and intermediaries

5 Jointly pilot risk-sharing approaches

Climate funders should pilot risk-sharing approaches with intermediaries and local actors, drawing insights from ongoing experience of implementing the humanitarian Risk-Sharing Framework. This collective approach mitigates risks, enhances adaptation outcomes, and is particularly crucial in FCAS contexts requiring collaborative efforts.

6 Establish equitable cost-sharing

Bilateral and multilateral funders, alongside intermediaries in both the humanitarian and climate systems, should establish more equitable cost-sharing mechanisms. Funders need to provide stable, long-term core funding to local actors, including overhead costs, to build administrative and management capacities - which will, in turn, facilitate direct access to international climate and humanitarian finance. While this is already a key debate in humanitarian localisation efforts, the climate sector needs to engage with this conversation more formally.

Conclusion

This policy brief advocates for locally-led approaches in the climate and humanitarian systems, emphasising the importance of local actors as essential partners in climate-resilient action. By addressing barriers to accessing adaptation and resilience financing, and implementing the outlined recommendations, stakeholders can enhance effectiveness and inclusivity. Strategic advocacy and collaboration can drive policy reforms, mobilise resources, and instigate systemic changes, empowering local actors to manage and minimise climate-related humanitarian challenges and strengthen global resilience against future disasters.

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The cartoons are the result of Cartoonathons organised by the Red Cross Red Crescent Climate Centre and feature international cartoon artists.



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