



# INNOVATIVE USES OF CLIMATE FINANCE IN CLIMATE VULNERABLE COUNTRIES





The global **High Level Advisory Committee** (HLAC) to the Climate Justice Dialogue<sup>1</sup>, which includes former presidents and other leaders from the fields of politics, science, business, civil society and academia, is working to ensure that the new climate agreement is informed by climate justice.

In March 2014 members of the HLAC identified the need to change the narrative around international climate finance. They believe that developing countries need to be recast as pioneers, rather than victims, in the face of climate change. They highlighted that many developing countries are already, out of necessity, adopting innovative approaches to funding climate responses. Members of the HLAC requested examples of innovative strategies being employed by vulnerable countries to make the case for more climate finance to be made available and accessible, including through the Green Climate Fund.

The Mary Robinson Foundation commissioned case studies from national experts in five countries to demonstrate the innovation that is taking place. This paper describes five stories of hope and ingenuity, drawn from a geographically diverse range of vulnerable countries. These stories differ from those often described by international entities, in that they offer the perspective of country experts who are close to the affected communities, thereby increasing their voice in the global debate. Giving voice to the vulnerable is a central tenant of Climate Justice.

The country stories include some of the countries most affected by climate change: from Guyana, whose low-lying coastline is particularly vulnerable to sea level rise to the Himalayan kingdom of Nepal, where high mountain communities are already experiencing significant changes in their climate. Three case studies from climate change funded initiatives in East Africa – Ethiopia, Uganda and Tanzania – describe local action in response to the region's longstanding vulnerability to climate variability.

These stories describe actions that are being taken to secure the human rights associated with access to food, water and a safe environment. In so doing they demonstrate how action on climate change can support the right to development.

The stories illustrate how participation by citizens, especially women, in climate decision making, results in actions with climate and development benefits. The examples show that



# INTRODUCTION

*1. The Climate Justice Dialogue, an initiative of the Mary Robinson Foundation – Climate Justice and the World Resources Institute, aims to mobilize political will and creative thinking to shape an ambitious and just international climate agreement in 2015.*

vulnerable countries are using climate finance innovatively to create positive outcomes for their citizens. This leadership in financing climate adaptation and mitigation actions points to the fact that vulnerable countries are capable of responding as and when appropriate funds become available, including through the recently established Green Climate Fund. The synthesis report of the Intergovernmental Panel on Climate Change (IPCC) shows us that the effects of climate change are already being felt. Global surface temperatures have been steadily warming, with the greatest impact on those who are least responsible for the causes of climate change. This is the injustice the UNFCCC process seeks to address, and climate finance can help by safeguarding the rights of the vulnerable and ensuring equitable access to the benefits of a climate-resilient, carbon-neutral world. The global challenge is for such funding to be raised at the scale required and to be disbursed effectively so that it benefits the most vulnerable.

# STORY 1



## DIRECT ACCESS TO CLIMATE FINANCE BENEFITS LOCAL COMMUNITIES IN GUYANA

Mrs Annette Arjoon-Martins (recently Chair of the Mangrove Action Committee in Guyana) contributed the following article to this publication

Climate change is a major issue for Guyana as ninety percent of the country's population live along its low-lying coastline, which is threatened by sea level rise. Georgetown, the capital, is two metres below sea level and extremely prone to flooding. Mangrove forests, which offer protection due to their wave dampening properties, were once a major vegetation type along much of the coastline. However, degradation of the mangrove forest began in the 1940s when trees were harvested for use as railway sleepers and continued into the 1970s when the scarcity of kerosene resulted in massive harvesting of mangroves by coastal communities for firewood.

The national climate change strategy, the 'Low Carbon Development Strategy' (LCDS) has as its central theme the conservation of forests, including mangroves. The Sea Defence Policy has also called for low cost alternative solutions, including mangrove restoration, to the traditional sea defence concrete structures. These two policy concerns led to the implementation of the Guyana Mangrove Restoration initiative in 2010, which was funded by the Government, with additional support from the Global Climate Change Alliance of the European Union. The choice of the international financing modality, which involved the direct transfer of funds into the government budget (in the form of sector budget support<sup>2</sup> from the EU), led to the creation of new institutional arrangements, with an associated budget line, that will allow for continuity to this part of the national response to climate change.

The initiative provided Government an opportunity to innovate within part of the country's climate change strategy, supporting the implementation of a national action plan for mangrove management. There had been no prior experience with the sector budget support modality in Guyana, so this initiative represented a joint undertaking between the government and one of its international development partners to explore new ways of

*2. Budget support is a method of financing a partner country's budget through the transfer of resources from an external financing agency to the partner government's national treasury. The funds transferred are managed in accordance with the recipient's budgetary procedures.*

**Coastal systems and low-lying areas are at risk from sea-level rise, which will continue for centuries even if the global mean temperature is stabilized (high confidence)**

*Working Group II  
Report of the IPCC*

working that used the government's own systems to strengthen the national climate change response. This innovation proved a success; vulnerable coastal communities working together with the government authorities achieved a higher level of sustainability compared to what might have been possible under a traditional project approach. The institutional arrangements involved the creation of two new organisations that were critical to the programme's success: first a national mangrove action committee, which brought together for the first time the different government agencies having interests in mangrove management and second, a department within the National Agricultural Research and Extension Institute (NAREI) that was able to engage directly with vulnerable communities.

The first activity by NAREI was community outreach in order to raise awareness, identify seedling suppliers and contract planters to restore the mangroves. One such site was Victoria Village, which has a rich heritage and vibrant culture being the first village to have been purchased by freed slaves; it was also the birthplace of the cooperative movement in Guyana. On being consulted about strengthening mangrove management, the villagers requested that three kilometres of mature mangrove forests be declared a Reserve, which was subsequently enabled by a ministerial decree. Their request that unemployed female single parents (a particularly vulnerable group) be given priority as trainees in mangrove nursery techniques to enable them to become seedling contractors was also supported by the government authorities. Community development was further realized when the villagers gained the approval of the Minister of Social Services to rehabilitate the lower flat of the Women Leadership Institute, housed in an historic 160-year-old former sugar estate great house, for use as a Mangrove Visitor Centre.

The Ministry of Education was then approached to include the centre in their students' field programme. This was also supported and to-date the centre has hosted over 9,000 students. The women seedling suppliers soon recognized that the visiting students were potential customers for their home produced foodstuffs, so they formed themselves into a Mangrove Reserve Producers Cooperative and became a supplier to the centre. National agencies such as the Institute of Applied Science

and Technology and the Guyana School of Agriculture provided voluntary support to the group in processing and marketing. IICA supported regional networking opportunities and funding by the Canada Fund for Local Initiatives enabled product development and branding. One of the producers rehabilitated an abandoned family property and this is now the 'Victoria Honey House', a prominent village landmark also serving as an outlet for the mangrove reserve products.



*The Mangrove Reserve Producers Cooperative (Mrs Annette Arjoon-Martins [second right] with cooperative members)*

During Guyana Fashion Week 2011, a group of eighty designers and models were sponsored by Digicel to visit the mangrove centre as their theme was environmental awareness. The group purchased every single item on sale. The producers saw this as an indication of potential demand and so expanded their line of products and show cased these at a Farmers Market in November 2011.

As word of the centre spread and visitors started arriving the need for trained guides became apparent. Family members of the producers were trained as tour guides and within a short period a mangrove reserve tour was developed. To ensure that the economic benefits were equitably distributed it was decided that horse cart operators from the neighbouring villages would be contracted to provide low carbon transportation for the tours. Coastal villagers now earn a living as tour guides, horse-cart

drivers, cane juice vendors, musicians, drummers, dancers, beekeepers and agro-producers whilst keeping their culture alive. National and Regional Recognition has followed, as the group received several awards, including the 2012 Caribbean Tourism Organisation's Biodiversity Conservation Award. Neighbouring villages have become aware of the direct benefits accruing to the community as a result of their income generating initiatives in the mangrove reserve, including nature-based tour guiding (now supported by further international assistance).

The mangrove management initiative – originally planned as a climate change action that would protect Guyana's coastline from sea-level rise – has also demonstrated important and immediate livelihood benefits.

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KEY LESSONS  
LEARNED  
RELATED TO  
THE INNOVATIVE  
USE OF CLIMATE  
FINANCE:

- **As Guyana continues on its present upward development path, a key component of the country's climate compatible development is the sustainable management of its abundant natural resources. Combining the conservation of natural systems and climate action with revenue-generating opportunities for local communities offers such groups sustainable business opportunities, thus supporting their right to development.**
- **International climate finance provided directly to the national budget of a country offers good potential to secure a sustainable outcome, giving government authorities strengthened opportunity to work in collaboration with affected communities.**
- **Partnerships between multiple ministries, national agencies, civil society organisations and the private sector lead to effective investment and impact on the ground.**

## NEPAL'S NATIONAL POLICY DIRECTS CLIMATE FINANCE SPENDING TO THE LOCAL LEVEL

Professor Ram Chandra Bhattari (Tribhuvan University) contributed the following article to this publication

Nepal is one of the most vulnerable countries in the world to the impacts of climate change due to its geography and stage of economic development. Less frequent but more intense rainfall events, increasing frequency and intensity of floods, changes in the start and end of the monsoon, the growing threat from glacial lake outburst floods, longer dry spells and stronger storms have all been experienced in Nepal over the past decade. One of the major environmental problems that Nepal increasingly faces is a decrease in stream water flows leading to a reduction in water availability for drinking purposes.

Normally streams have their sources re-charged by the monsoon rains. However, decreased rainfall due to climate change has contributed to a reduction in these water sources. As a result, farmers in the remote hill villages of Nepal are spending more time collecting drinking water as traditional sources in some places have dried up completely. The collection of water for household use is the responsibility of women. As well as their household activities, women are also required to work in the fields and so the reduction in water availability has increased their daily burden. The scarcity of water can be seen by drinking wells now being locked to restrict usage. An increase in water supply would clearly help to reduce the vulnerability of women in these communities.

The country's first policy statement on climate change in 2011 gave attention to water management issues as an important element of the national adaptation response. The policy also set an ambitious target of delivering and spending 80 percent of national adaptation finance at the local level:

In response to this policy direction the International Centre

*'To implement adaptation programmes according to the national development agenda and to ensure at least 80 percent of the total funds available for climate change activities flow to the grassroots level.'*

Climate Change Policy, 2011. Government of Nepal

# STORY 2



**In South Asia  
60% of women  
are engaged in  
food production  
but only 10% of  
women own land**

for Integrated Mountain Development (ICIMOD) and its implementing partner, the Nepal Water Conservation Foundation (NWCF), decided to support women farmers in replenishing their sources of drinking water. The NWCF is registered as an NGO under the National Social Welfare Council in Nepal and adheres to the government policy of ensuring 80 percent of climate funds (both domestically and internationally sourced) directly benefit the local level.

NWCF provided support to help farmers renovate and create new water collection ponds to re-charge sources of drinking water in the Kavre district in the mid-hills of Nepal. The programme is a part of the Koshi Basin Programme initiated by ICIMOD, which has the aim of securing coordinated management of this river basin for the improved well-being of local communities. The programme contributes to inclusive poverty reduction by evaluating the range of possible water-related development pathways considering climate change, environmental hazards, and the provision of sustainable freshwater ecosystem services.

The programme is being implemented in two areas of the district. One is in Panchkhal and the other in Dapcha village, where new ponds have been constructed for the collection of rain water to re-charge the drinking water wells. These two demonstration villages face acute shortages of drinking water due to a decrease in water flows, affecting approximately 400 households. Through



*A renovated water  
collection pond*



participatory and transparent stakeholder meetings, ICIMOD and NWCF were able to engage with community forestry users groups, water user farmers, representatives of political parties, the local government secretaries and other community workers within local government to determine the difficulty in accessing safe drinking water. Through segregated interviews, ICIMOD was able to understand the particular difficulties women faced with impending climate change<sup>3</sup>.

Despite the early phase of the programme, two visible outcomes are already apparent. The first is a measurable increase in water discharge from the wells, something which is also acknowledged by the users. One example is of a spring in Thanti Pokhari that had been completely dry for five years has finally yielded water. The second is there has been evidence that farmers themselves are replicating the programme. These successes are a result of funding directed to local communities as required by Nepal's climate change policy.

- **A national climate change finance policy that directs most of its benefits to the local level has been a powerful driver for NGOs that work at the local level to address specific climate change challenges.**
- **Financing flows to the local level can utilise a variety of actors and channels: civil society organisations and regional research organisations can complement local government as service providers by accessing and utilising different sources of climate finance.**



**KEY LESSONS  
LEARNED  
RELATED TO  
THE INNOVATIVE  
USE OF CLIMATE  
FINANCE:**

3. [http://lib.icimod.org/record/29811/files/WE\\_14.pdf](http://lib.icimod.org/record/29811/files/WE_14.pdf)

## STORY 3

**INVESTING IN SMALL-HOLDER FARMERS DELIVERS CLIMATE AND LIVELIHOOD BENEFITS IN ETHIOPIA**

Professor Belay Simane (Addis Ababa University) contributed the following article to this publication

The low level of economic development combined with a heavy dependence on rain-fed agriculture and high population growth makes Ethiopia particularly vulnerable to the adverse impacts of climate change. Intense pressure caused by the high population growth rate on the country's soil, water and biodiversity resources adds to the challenge. Climate change has the potential to hold back economic progress, or indeed reverse the gains made in Ethiopia's development and could exacerbate social and economic problems.

In response to these threats, Ethiopia is one of the few countries to have formally merged its aims of developing a green economy with building greater resilience to climate change under a single policy framework: the 2011 Climate Resilient Green Economy Strategy. The adaptation (or climate resilience) part of the strategy aims to increase the security of the livelihoods of those most vulnerable to climate change. Sector specific Climate Resilience Strategies are being prepared, with the agricultural strategy focused on how to ensure that the agriculture sector can better cope with increasing weather variability.

One flagship government initiative has been the 'Coping with Drought and Climate Change' project, in part funded by the Global Environment Facility, which is being implemented in four East and Southern African countries. A key component of this regional initiative has been to ensure that participating countries and communities can share their drought and climate change experiences with one another, with the aim of achieving sustainable and transformational change in the face of the worsening effects of climate change. In Ethiopia, much of the project activity has taken place in Kalu Woreda of Amhara Regional State. At the local government (woreda) level, a multi-disciplinary approach has been adopted, involving the local government administration, together with the federal ministry offices of agriculture, water resources, environmental protection,

meteorology and cooperatives. Strong back-up support from the federal Ministry of Agriculture has helped guide the overall implementation of the project. This comprehensive participation of government agencies at the local and national level reflects a broad based consensus on collective action in the face of climate change.

A major objective of this initiative has been to develop and pilot a range of effective coping mechanisms to reduce the vulnerability of farmers in Kalu woreda to the impacts of drought and climate change. A wide range of thematic areas for intervention include support for crop and livestock production, natural resources management, irrigation development, marketing and early warning information communication. The formation of community based associations and committees was a key strategy to assist implementation.



*Irrigation development*

The complexity of this rural development initiative can be seen in the wide range of outcomes that have been achieved. Crop productivity and farm diversification was developed as an adaptation strategy, with several thousand farmers raising their farm incomes. Livestock were distributed to women farmers to help build their adaptation capacity through asset building. Integrated soil and water conservation activities in micro watersheds improved the productivity of the land in a sustainable way. Local government agricultural and meteorological offices established reliable and simple early warning information communication systems, allowing farmers to make decisions on

**Countries with domestic long term phase out or carbon neutrality goals, include Costa Rica, the Maldives, Ethiopia, Norway, Sweden, Denmark and Bhutan**

their agricultural practices based on improved weather forecasts. The project implemented a range of effective community-level adaptation mechanisms that have led to reduced vulnerability of farmers, particularly women, by improving their livelihood assets. While the planned project beneficiaries was set at 41,000, the actual beneficiaries was found to be more than double this number, at approximately 100,000 due to the approach followed that allowed the participating communities to share their drought and climate change experiences with one another. An estimated reduction in vulnerability of 30 percent was well above the project target of 20 percent. Households also adopted alternative livelihood strategies introduced by the project, with numbers involved also well above the initial target due to the commitment of stakeholders at all levels.

There is considerable potential to build on the successful approaches for coping with drought and climate change through exposing farmers and agro-pastoralists outside the pilot sites to the successful approaches and practices of the pilot sites. In many countries where agriculture underpins the livelihoods of most of the rural population, supporting farmers to adapt to climate change will be a major task for government agencies for the foreseeable future. This support will be one important area of spend for climate finance.

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**KEY LESSONS  
LEARNED  
RELATED TO  
THE INNOVATIVE  
USE OF CLIMATE  
FINANCE:**

- **Government policy linking climate change and development at the community level has delivered both climate and development benefits. Investing in adaptation activities has also yielded economic and social benefits for the communities involved.**
- **Improving the resilience of vulnerable rural communities is a complex task, requiring support from a broad range of government agencies and other service providers. Financing the coordination between these agencies is key to secure effective action.**
- **Climate finance investment in small-holder farmers yields results in terms of strengthened resilience and livelihoods.**
- **Being part of a regional initiative shows that countries are willing to share knowledge and experiences, allowing investment in climate actions to be scaled up more readily.**

## PUTTING INVESTMENT DECISION MAKING INTO THE HANDS OF CITIZENS DELIVERS EFFECTIVE CLIMATE ACTIONS IN UGANDA

Godber Tumushabe (Associate Director, Great Lakes Institute for Strategic Studies) contributed the following article to this publication

The Government of Uganda is conscious of the escalating challenge posed by climate change and has invested in raising the national policy profile on this issue. Recent policy efforts include the integration of climate change actions in the 2010 National Development Plan, the formulation of a national policy on climate change in 2013, and, most recently, the adoption of a comprehensive climate change policy implementation action plan. Consistent with the 2011 East African Community regional policy on climate change, the primary focus of Uganda's policy response to climate change is adaptation; mitigation is considered a secondary priority. This is a clear statement of policy direction that has implications not only for the institutional architecture of the country's climate change response but also on the current and future directions of climate change finance delivery. This clarity is important for channelling support by development partners into adaptation activities at the national and local level.

Development partners are co-financing a wide range of adaptation activities across the country using a variety of instruments, including project-based financing. One such initiative is the Sustainable Land Management Project (SLM), which is implemented in several districts, including Nakasongora. The major innovation of this initiative has been the introduction of citizen-led planning and decision making for climate change actions.

The Nakasongola District is one of the areas most adversely affected by climate change and climate variability. Located in Uganda's 'cattle corridor', the district is susceptible to drought and long dry spells. A wide range of human activities including overgrazing, charcoal burning, bush fires as well as a process of changing land use from pastoralism to agriculture, have

# STORY 4

**Article 6 of the UNFCCC commits countries to promote and facilitate public participation in addressing climate change and its effects and developing adequate response**

combined with a devastating termite population to degrade the vegetation cover of the area. As elsewhere in the country, climate change in Nakasongora has severely undermined the adaptive capacity of households and over-stretched the capacity of local government institutions to cope. Recent gender-based documentation of activity profiles shows that women and girls are increasingly taking on roles involved in cattle grazing, charcoal making and brick making to support their livelihoods, activities previously carried out largely by men in the district.

Through the SLM Project, the United Nations Development Programme and the Norwegian Government have provided US\$ 4.4 million in funding to the government over a four-year period (2009-2014). The government's implementing agency is the Ministry of Agriculture, Animal Industry and Fisheries. The project utilizes an innovative community grants approach, where local community members generate their own proposals demonstrating what they can do to address issues of climate change. It is a requirement of the project that the proposed actions are consistent with the principles of sustainable land management.

Whether international climate finance will be effective in addressing the problem of climate change will depend largely on how such investments are balanced between process (formulating policies, action plans and strategies) and actions on the ground (communities investing in actions that secure or create new economic and livelihood opportunities). In the case of Nakasongola district, climate finance provided through the SLM has helped communities to undertake climate related actions including the restoration of degraded farmlands, energy conservation through the use of improved cooking stoves, and adopting new technologies that increase productivity and create new economic opportunities.

The participatory approach adopted by the SLM in identifying community challenges and the most effective interventions demonstrates the validity of empowering citizens to take action in the face of a changing climate. The community mobilization and civic awareness derived from the participatory approaches adopted demonstrate how climate finance can achieve more than just spending money under traditional project funding modalities.

The community grants approach of the SLM has empowered local communities to act collectively in response to a new threat to their livelihoods. By generating their own proposals, community members demonstrate what they can do to address issues of climate change. For example, a grant of US\$ 61 million (approximately US\$ 25,000) to the Nabiswera Farmers' Cooperative Society (which has a membership of 300) in Nakasongola district is turning an area that had been devastated by termites into a green belt. Through this grant, the members of the society have planted nutritious grass species that increases the milk yield of their livestock. This example, together with other community grants, is putting decision-making directly into the hands of citizens.

The diversity of citizens groups supported by the funding provided under SLM also demonstrates that every citizen can play a role in confronting climate change. The groups include those that are exclusively women where others have membership of both gender. There are also groups that are engaged mainly in livestock rearing while others are engaged in crop production.



*Investments made to improve local cattle stock with new breeds*

The magnitude of the climate change problem outstrips the capacity of public sector agencies to respond to this emerging challenge. But in Nakasongola, the national agencies are working with all levels of the district local government and citizens groups in their socio-economic formations,

demonstrating that every citizen has a role to play in delivering solutions to a public policy problem of international dimension.

In the recent past, high levels of corruption in the public sector had undermined public confidence in public expenditure governance in general and in the budget process in particular. Uganda was ranked the 50th most corrupt country out of 176 countries ranked under the Corruption Perception Index (2012). In this regard, delivery of international climate finance through a model which ensures maximum participation, with communities involved in project design and hence having knowledge of what should be delivered, helps to ensure that funding will be used for its intended purpose.

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KEY LESSONS  
LEARNED  
RELATED TO  
THE INNOVATIVE  
USE OF CLIMATE  
FINANCE:

- **Citizen-led decision making over climate finance investments leads to effective climate actions.**
- **Climate finance can address (and improve upon) present governance challenges associated with the management of public funds through the involvement of affected communities to improve transparency and accountability mechanisms.**
- **Community grants help to ensure that climate finance reaches local, vulnerable communities.**

## SECURING POLICY COHERENCE AT DIFFERENT SCALES FOR A CLIMATE RESILIENT FUTURE IN TANZANIA

Professor Pius Yanda (University of Dar es Salaam) contributed the following article to this publication

Several climate change initiatives have been completed at the strategy level in Tanzania, starting with the 2007 National Adaptation Programme of Action; the 2012 National Climate Change Strategy; and the 2013 National REDD+ Strategy and Action Plan; all of which received strong development partner support. Much progress has been made, over a relatively short period of time, on developing an overarching policy framework for climate change in Tanzania, with the national climate change strategy providing guidance for both the coordination and implementation challenges that confront the country's response to climate change.

One area of national concern is uncontrolled deforestation (for agriculture, pasture, mining and settlement) and over exploitation (for charcoal, fuel wood, timber and poles) which is depleting the natural woodland at a much faster rate than it is being regenerated or renewed. The net result of this deforestation has been an associated decline in land productivity and an increase in carbon emissions (forestry and land-use change is the largest national source of greenhouse gas emissions). The degradation of forest resources is linked to the fact that a large portion of the population depends on forest and woodlands for about 95 percent of their energy needs. This is expected to continue for some time as alternative energy sources are under-developed in the country, particularly for those living in rural areas. Under these circumstances, addressing the forest sector is a strategic concern in order to secure a low carbon and climate resilient future for Tanzania.

Tanzania has a comprehensive policy and legislative framework for sustainable forest management. However, a major shortcoming lies with policy frameworks and pieces of legislation that are largely of a sectoral nature, where each line ministry has developed a policy without adequate consultation with

**Legal forest rights for communities and government protection of their rights tends to lower carbon dioxide emissions and deforestation**

*source WRI Global Forest Watch 2014*

other key stakeholders. In the absence of coordination of sector policies, issues that are cross-sectoral, such as the response to climate change, are seriously weakened. This situation has posed a great challenge in the implementation of environmental management policies where contradictions between national policies and local by-laws exist. An additional problem with the policy environment is that most policies have been developed in a top-down manner, associated with a lack of awareness of the implications of national policies among community groups.

In response to the challenge of reducing land degradation, the Regional Administration of Tabora region in the central-western part of the country, is implementing a five year programme called 'Mainstreaming Sustainable Forest Management in the Miombo Woodlands of Western Tanzania'. This initiative is co-funded by the Global Environment Facility, UNDP and the Government of Tanzania, with the goal of securing ecosystems and biodiversity values, while ensuring food security and promoting sustainable livelihoods. The innovation of this initiative is the way in which funding has been designed to address the shortcomings of the existing policy frameworks by developing policy in consultation with the local Miombo communities.

The project is promoting climate smart agriculture as a means to enhance resilience to climate change impacts through improvement of land management. The interventions also contribute to the reduction of greenhouse gas emissions by reducing deforestation and forest degradation. There are already good successes in the pilot villages, particularly with regard to enhanced land productivity, leading to increased agricultural production per unit area. Critical success factors have been provision of government extension services and access to agricultural inputs and other technologies.

The project is also supporting key ministries and local government authorities to integrate climate change adaptation and mitigation in their strategies and action plans. Investments have been made in arranging multi-stakeholder consultations on national and local level policies, signalling the importance for climate finance to be used to underpin process development around policy and legislation as well as for financing technical work programmes.



*Shifting cultivation in the Miombo woodland*

- **Climate finance can be designed to address the shortcomings of existing policy frameworks by investing in policy consultation with local communities.**
- **Climate finance can be used to underpin process development around policy and legislation as well as financing technical work programmes (such as improved access to micro-credit facilities for the purchase of agricultural inputs and the provision of extension services).**



**KEY LESSONS  
LEARNED  
RELATED TO  
THE INNOVATIVE  
USE OF CLIMATE  
FINANCE:**

# CONCLUSIONS

The five stories documented in this paper provide evidence of, and insights into, leadership by vulnerable countries and communities in developing pioneering responses to climate change. They build a case for investing in climate action in vulnerable countries that can deliver both short and long term benefits to local communities.

## INNOVATION

Innovation is required in the face of the challenge brought about by climate change and the need to find new ways of financing the response in vulnerable countries. New channels of delivering international climate finance have to be found, such as that used in Guyana, where international funding goes directly into the national budget – a strong practical demonstration of ‘direct access’ working in practice. Equally, innovation in the national policy guidance that directs such flows is needed, and the policy stance adopted in Nepal is noteworthy, setting the expectation that most adaptation finance should go to the local level. The governance of such flows matters, particularly where the overall country setting is a challenging one. The development in Uganda of a system of community grants management allows for high levels of participation, transparency and accountability of climate finance to the most affected communities.

## CLIMATE JUSTICE INFORMING EFFECTIVE CLIMATE ACTIONS PROTECT AND RESPECT HUMAN RIGHTS

The story from Nepal illustrates actions to realise the right to water which is increasingly threatened by climate change particularly for the country’s most vulnerable groups. In the east African countries of Ethiopia, Uganda and Tanzania the use of climate finance to make the agricultural sector more resilient to climate change contributes to fulfilling the right to food in countries where most rural livelihoods remain dependant on agricultural production. The stories also make a case for investing climate finance in small-holder farmers to deliver both climate and development outcomes.

## PARTICIPATION AND ACCOUNTABILITY

The country examples demonstrate the practical application of the principles of climate justice. The community grants scheme

in Uganda is a striking example of increased transparency and accountability of climate finance, in a context where such values have not been strongly demonstrated previously. The Ugandan and Tanzanian examples also demonstrate the effectiveness of taking a participatory approach to public investments. Together the stories demonstrate the effectiveness of placing communities and citizens at the centre of climate action.

### SUPPORT THE RIGHT TO DEVELOPMENT

The examples from Guyana and Ethiopia demonstrate that national low carbon development policies translate into actions on the ground that deliver benefits in terms of alternative livelihoods, employment and income generation while increasing resilience to climate change and reducing emissions. Sustainable development can yield both short term economic benefits and longer term climate benefits.

### GENDER EQUALITY

The programmes in Guyana and Nepal explicitly recognise and address gender equity concerns in the delivery of climate finance and highlight the value of ensuring women's participation in decision making.

Overall the stories of change make the case for scaling up climate finance and making it available to vulnerable countries who are demonstrating innovation and delivering results for their citizens and the global community.



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