



Virtual Workshop #2

Inclusive access to climate finance following the COVID-19 crisis

Moderator: Romain Crouzet - Programme Director at Climate Chance Association

Panelists:

Rafael Moser - Programme Officer at LoCAL - UNCDF

Titilope Akosa - Coordinator at GCF Gender Monitors Africa, Executive Director at Centre for 21st Century Issues

Thierry Tchekpo - Mobilisations and Partnerships Officer at GIC des Collines du Bénin

Justine Audrain- Deputy Programme Director at FMDV

Useful links:

Association Climate Chance Coalition for Access to Finance for African non-State actors	<i>Coalition for Access to Finance for African non-State actors</i> https://www.climate-chance.org/en/get-involved/african-coalitions/coalition-access-finance-african-non-state-actors/ <i>Coalition Roadmap:</i> https://www.climate-chance.org/wp-content/uploads/2018/11/climate-chance-afrique-2018-financing-eng.pdf
UNCDF and LoCAL	https://www.uncdf.org/fr https://www.uncdf.org/local/homepage
GCF - Gender Monitors for Africa	https://www.climate-chance.org/en/best-practices/green-climate-fund-gender-monitors-for-africa/
Geres	More information on the Geres here: https://www.geres.eu/en/ , find out more about their projects here; https://www.geres.eu/en/our-actions/our-projects/
FMDV	https://www.fmdv.net/

Key-Takeaways:

-The main questions posed to each of the panelists included presenting their organization, how they were affected by the COVID-19 crisis, how they responded to it, and the topic of access to climate finance.

-Each actor on the panel was clearly impacted by COVID-19, and some managed to



respond. [UNCDF](#) put in place new grants in digital format to keep enabling local governments to access climate finance. Women's organisations such as [Centre for 21st Century Issues](#) saw their activities come to a halt but have since been planning future trainings for women. The [GIC](#) from Benin continues to seek climate funding for local projects and insisted on the need for data. Finally, the [FMDV](#) set up project coaching for local authorities, participative budgets and living labs.

Rafael Moser: [UNCDF](#) as the financing arm of the UN, mainly in LDCs, and LoCAL as a mechanism to pool and channel funds through national governments - [Performance-Based Climate Resilience Grants](#) - UNCDFs COVID-19 response: digital channels, helping SMEs, working with local governments, E-SME grants and E-municipal grants; Guidance Note for local governments - Lessons learned from COVID-19 and integrating these into climate planning/financing.

Titilope Akosa: As a women's group, we work to ensure African women have a voice- gender action plans for each approved GCF proposal - COVID Coalition, local action, training and distribution of masks/sanitizers- continue engaging at international, national and local levels- help for women in informal sector affected by COVID-19- continue to monitor funds to make sure local women benefit

Thierry Tchekpo: [GIC](#) as a grouping of municipalities in the Collines, specific difficulties and opportunities in the Collines - "[CEMAATERR](#)" project with GERES for climate/energy planning- difficulty in accessing funds arising, out of difficulty in collecting, organising and monitoring data at the local level- questions for reflection raised by COVID-19, resilience and continuity of financing through crises.

Justine Audrain: [FMDV](#) as a global network promoting sustainable and integrated urban development- importance of and impediments to financial decentralization and autonomy, exacerbated by COVID-19- access to diversified means, and smaller funds- actions and innovations of FMDV in this regard.

Romain Crouzet - Programme Director at Climate Chance Association:

Climate Chance gathers non-state actors in their diversity, and aims to create more synergies between the 9 majors groups recognized by the UNFCCC. We have our website, where we publish all information on local climate action. There is the Observatory, which analyses implemented climate action worldwide, and puts together yearly publications. Climate Chance organizes annual summits, gathering our various coalitions, each with their own roadmaps. Unfortunately, this year as it is not possible to have the summit that was planned to take place in Rwanda, we decided - in spite of the current situation - to go ahead with this series of virtual workshops. Through the virtual workshops, we will try to continue mobilizing our coalitions and follow up on our roadmaps.



1st round of workshops:

- Catch up with the coalitions, present the changed situations due to the pandemic Covid-19
- The 2nd round in the fall, will focus on the roadmaps of the coalitions.

Today's webinar: inclusive access to finance during the Covid-19 crisis. We already had a workshop on this last year, with co-pilots of this coalition, and we will try to see how sources of climate finance evolve during this period.

Rafael Moser - LoCAL - UNCDF :

UNCDF is a financing arm of the UN in charge of funds and loans and work mostly with LDCs (least developed countries) as well other developing countries. Whole idea of the LoCAL mechanism is to establish national pool of funds and channel funds through national governments. PBCRG (Performance based climate resilience grants +10-20%, in order for local governments to access funds, they must comply with a set of many conditions of access (good governance, public fund management, also measures related to adaptation etc). All of this, at the end of each financial cycle, we have assessors who assess the local governments. Depending on the location, the subsequent allocations will be higher or lower.

-LoCAL has a global country-based mechanism/ engaged in over 20 countries. Works in different phases- an initial pilot, followed by Phase I, Phase II and Phase III, with each phase scaling-up from the previous one.

With the COVID 19 being declared : Of course it was affected but UNCDF's response consisted of → 3 approaches, 2 rapid response instruments.

The 3 approaches were:

1. digital channels : supporting digital payments to enable key financial flows and other solutions to limit disruption to essential supplies and commerce during the pandemic. Ecommerce.
2. how to help SMEs : injecting targeted capital into SMEs to stabilize local economies and accelerate recovery.
3. Working with Local Governments in boosting their capacity to help with the post-pandemic recovery. Boosting the capacity of local governments to deploy funding quickly to meet the local needs.

The rapid response instruments included:

4. E-SME grants. Performance-based grants offered to social enterprises and non-profit organizations directly engaged in the COVID-19 response.
5. E-municipal grants: performance-based fiscal transfers to local governments.



Local governments are in the front line of the response. UNCDF created a **Guidance Note** for Immediate Action for COVID-19 Emergency Response by LGAs on what local government could do to support the recovery, immediately and in the long term. Potential sources of financial for Local Governments: own resources, intergovernmental fiscal transfer, subnational borrowing, etc. The UNCDF's guidelines, focus on what local governments could do to support recovery on short, medium and long term. "[Guidance Note for Immediate Action](#)" Examples:

- Increasing the capacity of the local healthcare system
- Community awareness and mobilisation
- Social protection measures
- Enforcement of public order and regulations
- Continued provision of essential services
- Relief measures for local economies

Opportunities to promote a "green recovery" w/ triple benefits : climate, human health & prosperity. Not going back to "business as usual" but promoting a green recovery with triple benefits: climate, human health and prosperity.

- Coming to lessons learned from Covid-19. We can use experiences during this pandemic and apply it to the context of climate finance. Examples of new and additional finance being created in several countries. The channels that have been used during the pandemic targeted those who were most in need, at the household and individual levels. We can use the same experience to target those most in need from the climate adaptation point of view. We've also seen how climate is a multidimensional issue, the pandemic Covid-19 has shown how non-climate factors can affect adaptive capacities. So we need to see how to include climate and non-climate factors in the decision-making process.

Performance-Based Climate Resilience Grants (PBCRG):

- UNCDF received a lot of demands. We have a consultative assessment to actually understand their needs at a local level.
- We are confronted by the question of integrating Covid 19 response into responses Vs. repurposing of essential climate finance. How can we make sure that the latter, which is already scarce, is not further diverted?

Objective: to identify areas in which performance-based grant system could be used as delivery mechanism in support of effective C-19 preparedness, response and recovery at local level, while linking up with increased resilience of both local governments and communities. For instance:

- Public awareness and enforcement: outreach activities, dissemination of public information, inspections, etc.
- Support LGs to procure medicines and protective equipment (including sanitizers, masks, gloves, etc), medical equipment, hospital and laboratory supplies, etc.



- Support minor rehabilitation of COVID-19 treatment centers and small community resilient infrastructure: handwashing stations, water points, extension of water supply, etc
- Food security through climate smart agriculture

Country examples: Ghana, The Gambia, Tanzania, and Bangladesh.

Question from Romain Crouzet: It is important to keep working on climate issues, is there preoccupation with how you're gonna manage the funds, the finance going to adaptation : still low compared to the needs, we saw that in the roadmap of the Access to Finance coalition, the lack of financial resources for the implementation of African NDCs is expressed by all as a major barrier. International climate finance flows to sub-Saharan Africa are stable at US\$12 billion (with about 20% going to South Africa). The costs of adaptation could represent up to 6% of the GDP of the African continent in a world at +4°C (1% in a world below +2°C)² . They would represent between 50 and 95 billion USD per year by 2050. How can we ensure that the Covid-9 crisis does not sidestep the major issues of climate change adaptation and the implementation of national climate action plans (NDCs)?

Titilope Akosa - GCF Gender Monitors Africa, Centre for 21st Century Issues

Lagos is a very densely populated city, the epicenter of Covid-19 pandemic in Nigeria. We had the first case in February, and have had many more since then. The government has been very responsive-- daily testing, isolating those tested positive in public health facilities and so on.

For us as a women's group: Before the pandemic, we were doing important work monitoring the Green Climate Fund, at international level and regional, mobilise our voices to make inputs. For example, we go to the GCF board, proposals from Africa. We try to ensure that african women have a voice. Every proposal that is approved must have a gender action plan, for women to benefit from the funds.

Since the beginning of of the pandemic, exchanges have been very limited as most activities have been limited to the virtual activities. A lot of women don't have phones, or access to the internet. What do we do to continue to engage local women? We put together a "Covid Coalition", right now we have many civil society groups, we know that women are unequally affected.

In terms of infection rates, men are more infected, but it is the women must take care of them.

Our "Covid Coalition" is working on local level, mainstream sensitization. If we take the example of Lagos, many inhabitants do not understand why we have to wear masks or use sanitizers. In places where there is no pipe-borne water, how can they wash their hands? As a coalition, we have distributed sanitizers, and mask.



We also work with the government's Covid Emergency Centre (EOC), where every decision regarding Covid-19 pandemic is made. We take information from the ground and include it in these decisions.

We continue to mingle with our international partners for GCF, and on also work on the ground, in touch with local governments as the lockdown eases. By August we expect to engage with the government again, to see how much of the funds we are entitled to, and to see how women can be included. We work to train women, and give them tools to monitor the funds.

There is an important discussion about the reopening of schools. We are trying to see how infection can be controlled if schools are to re-open, and if not, how to ensure that learning continues? Learning through radio is one of the solutions. There are communities that don't have access to radio, and we're working to see that everyone has access-- are the primary, secondary school level and the university level.

We're trying to cope, we know things won't be as they used to, and we need to re-think how we'll mobilise the government.

Question from Romain Crouzet: Have you been developing activities to raise the income of women in the informal sector, who are greatly affected by all this?

Titilope Akosa: These are actually big areas that we're looking at. The concerned ministry in the government is trying to give conditional cash transfers to women, and empower them start/re-start their own businesses. We are pushing to see that local women benefit from this. At the national level, we are planning to bring women together, at different locations, and have convergences of women leaders. We want to see a rippling effect, training women and seeing that they benefit.

Thierry Tchekpo - GIC des Collines du Bénin

- To what extent were the local governments and communities at the frontline of the response to the Covid-19 pandemic? What was the situation like in Benin? How successful is the link between the national level and you on the front line?

The Collines are a region/department in the centre Benin, composed of 6 municipalities, with surface territory of 14,000 km² and 800,000 inhabitants. The climate is a mix of that of the northern and southern regions, which is influenced by two ends of the pole. This creates a hybrid context, which is difficult to control.



What does GIC do? The Collines is a potentially agricultural territory-- there are not too many people, so we are rather small. At the level of Benin, if we were to count the local communities who make efforts and take initiatives in the context of climate, we couldn't list even two without mentioning the GIC.

In terms of advanced climate planning, the GIC is very in ahead, GERES is accompanying the GIC in areas of climate change and the energy transition, with a programme "CEMAATERR". This project includes climate, energy, adaptation and mitigation, rural territories, and so on. There is climate/energy planning, and a structuring of actors to enable the sharing of training and practices, and the development of actions within communities.

Phase 1 of this is completed, and Phase 2 is in the works to be started, and has a number of activities planned, with a focus on the question of biomass, at the territorial level.

On access to finance: It is not easy for local communities in Benin, because there exists a certain funding mechanism for climate organisations- there is the National Fund for the Environment and Climate, under the ministry of the Environment and Sustainable Development. Annual calls for projects/competitions are launched, to select those actions/initiatives which are the best performers, to benefit from microfinancing to develop their activities. There are several aspects to be counted. In the context of Benin, the criteria for selection of projects promoters, whether they are local communities, big cities, local territories, big or small NGOs-- the criteria remain the same. This poses a problem for the territorial communities. Everyone is talking about access to climate finance, climate issues, but in the efforts to develop tools or to put in place financing mechanisms, specific local contexts are not taken into account to define these criteria.

In my current working context in the Collines department, it wouldn't be easy for me to fill forms like those of the UNCDF. Consider for example the criteria of performance: It is not on the day you receive the form that you have to structure the data, you have to anticipate and put in place data collection mechanisms to be able to fill responses in the future. We do not have the necessary means to go into close details. (If you are not able to do that, you miss out).

-> In the context of COVID-19, there are lessons to be learned. We have to consider matters of climate in an integrated manner, so as not to look at them as only in the realm of climate. We have to consider the idea, not just think but also take action. If tomorrow a natural phenomenon constrains us, can we use the same classic mechanisms which we've put in place? What are the resilience measures that we have at our disposal? We can either continue these actions, or we have to be able to stop them and restart later. Nations come to a stop, so does monitoring. When monitoring is not feasible, this poses a problem. Without monitoring and follow-ups, we have no funding. There is a huge gap thus created due to COVID-19.



Justine Audrain - FMDV:

- Has this current crisis enabled the much needed acceleration of financial decentralisation?

Presentation of FMDV (Global Fund for Cities Development): It is a global network of local communities dedicated to promoting and developing sustainable and integrated urban development. We work to advise central and local governments on the mobilisation of technical expertise and engineering (.....) to organise pre-conditions for easy access to financial resources.

More generally, and due to this crisis, the risk linked to the lack of solvency of actors has increased, especially in Sub-Saharan Africa where fiscal decentralization and financial autonomy is less advanced. And this is also what makes investors more cautious. So once again, the problem of access to finance for local communities remains at stake today. To cite some figures, we estimate that the crisis has brought about a decrease of 30% of the budget for African cities, even up to 50% if we count the relative losses from duties and taxes. Thus, this is a major crisis, a fiscal one, related to financial autonomy and decentralization.

In parallel, we expect a decrease in the transfers from state, because states are obliged, due to the crisis, to focus on their own sovereign obligations. A paradox emerges at the interstice and intermediary between local authorities, local actors and financial institutions. It is that today public or private donors are unable to disburse, to disburse their lines of credit and investment that are set up for the benefit of cities. We estimate that the *Project Preparation Facilities* - facilities to help local communities or local actors in general to prepare their project, has a disbursement rate below 50% on average.

Another problem that needs to be highlighted, related to the problem of communities with an ability to access smaller funds, is that most investors fund projects that go beyond 50,000 (?). So access to finance is difficult and access to diversified means and sources of finance, and an increase of their financial autonomy becomes further complex, especially in this time of crisis.

The intervention of FMDV are based on 3 interventions for decentralization:

- Working with local actors to conceive strategies and operational solutions for the financing of territories. We intervene at all levels: at the international level with, for example, the creation of the [International Municipal Investment Fund](#) - which was created with UNCDF and UCLG; at the regional level on financial decentralization (and notably, we are also working on the West African Economic and Monetary Union, of which Benin is a member, and the financial institutions of local authorities.



The national level, directly with the ministries in charge of decentralization and cities, to structure the localization strategies of the development of the project to create these conditions so that the projects can integrate these criteria that Thierry was talking about. Another challenge is to develop programmes that are national and not only international, so that they also correspond to the conditions and issues observed locally. And then, as a last resort and the last scale on which we intervene, is the local level with local authorities: in particular on approaches that are very innovative with local authorities.

- To organize the convergence of stakeholders: among all these scales (the whole scale of value production ... of project) structured alliances at regional, interregional and national scales to also give rise to these programs that we want nationally. Example: organisation last June, of a ministerial meeting with the Kingdom of Morocco on post-covid recovery.
- To contribute to the international debate on the localisation of finance: work with the Cities Climate Finance Leadership Alliance (CCFLA) a coalition of actors in climate finance, actors in cities.

Highlighting the fact that the problem for communities, and in decentralisation, the question of diversification of sources of finances, it's also that of access to smaller finance. Today we see that for local actors, there is the challenge of being able to aggregate a project as well as finance; and on the other hand, the challenge of finding innovative solutions to remove the obstacles to access to financing by local actors, particularly climate financing; there are 3 innovative approaches that FMDV has to support communities:

1. Project coaching: coaching sessions with local authorities to improve their technical and financial presentations, and so that they can have access to a shared dialogue with technical and financial partners.
2. Participative budgets: which are very widespread today and also a very important issue to enable citizens to contribute to the budgetary decisions of their city and, more generally, citizen engagement at the local level that promotes and helps decentralization.
3. Living Labs, to create ecosystems where technology providers, financiers, public actors, etc. can converge, test and develop (the test time is often long, complicated and it is in fact where the whole issue of innovation is at stake). FMDV is working with African partners, notably the city of Kampala, for which the first living lab on green technologies is being set up, with the cities of Paris and Johannesburg.

Conclusion by Romain Crouzet



Explanation of the [Access to Finance Coalition](#), its roadmap and activities, as well as a brief explanation of the “Climate Finance Portal” that Climate Chance is currently working on, in response to members' requests to *“see more clearly the different sources of climate finance”*.

Indeed, Climate Chance is carrying out during 2020/2021 a study on sources of finance of less than 1 million euros available for small non-state actors, in order to verify the feasibility of a portal on this climate financing. Invitation to contact us to share your ideas and comments on **association@climate-chance.org**.