2022 CLA CASE COMPETITION

COLLABORATE • LEARN • ADAPT

Case Title:

Linking communities to climate change financing through small grants support

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Project preparation workshop participants in Papua New Guinea discussing adaptation project design. Credit: Keith Bettinger

Summary:

Pacific Island countries are extremely vulnerable to the impacts of climate change and need to access external sources of financing to support climate change adaptation projects. Yet local communities and NGOs face significant obstacles in accessing the funding needed to support community-driven adaptation projects. The landscape of international climate finance is complex, and funders ' requirements are often opaque. While local communities and organizations understand the challenges of climate change and what they must do to adapt, they are often not able to " speak the language " of funders. To address these issues, the DT Global-implemented USAID Climate Ready project has implemented a capacity enhancement and mentoring program that has empowered numerous local organizations to access project funding through small grants programs. Climate Ready ' s CLA-driven approach embodies theories of change, pause and reflect, adaptive management, relationships and networks, and continuous learning and improvement. Climate Ready ' s approach has built permanent capacity, and has created an enduring legacy of Pacific-centric resources that will continue to help communities and local organizations well into the future.

Which two subcomponents of the Collaborating, Learning & Adapting (CLA) Framework are most reflected in your case? Please reference them in your submission.

- Internal Collaboration
- External Collaboration
- Technical Evidence Base
- Theories of Change
- Scenario Planning
- M&E for Learning
- Pause & Reflect
- Adaptive Management
- Openness
- Relationships & Networks
- Continuous Learning & Improvement
- Knowledge Management
- Institutional Memory
- Decision-Making
- Mission Resources
- CLA in Implementing Mechanisms

1. WHAT: What is the general context in which the case takes place? What organizational or development challenge(s) prompted you to collaborate, learn, and/or adapt?

The Pacific Small Island Developing States (SIDS) are among the most vulnerable countries to climate change. Aside from the slow march of rising sea levels, island people face increasingly severe tropical storms, changing seasonal regimes, more prolonged and severe droughts, extreme rainfall events, and punishing heatwaves. The SIDs need technical and financial support to adapt to the shocks and stressors associated with climate change. USAID designed the Climate Ready project to enhance the governments ’ , communities ’ , and NGOs ’ capacity to access climate change financing while helping to develop projects to access international financial resources.

However, the SIDS are a unique context for climate change adaptation. The small, rural, and geographically dispersed populations that characterize most regions necessitate locally-led adaptation solutions driven by community priorities and leveraging their know-how and social capital. These kinds of projects generally require funding in the range of USD50,000-250,000. Therefore, while they have an outsized impact, they are not compatible with larger financing packages provided by climate financiers such as the Green Climate Fund and the Adaptation Fund. Simultaneously, due to complex procedures for tapping into these funds, communities and the organizations representing them generally often lack access to them.

Small grant programs are a more appropriate funding source for these small projects. However, most communities, CSOs, and NGOs across the Pacific face capacity barriers in designing projects and developing proposals meeting the often-stringent requirements for these funds. These organizations find it particularly challenging to mainstream gender equity and social inclusion, develop the “ climate change case ” for their projects, identify and address project risks, and establish budgets and work plans. To improve overall access to climate finance in the Pacific and build community resilience, Climate Ready reasoned that communities, local CSOs, and NGOs, need empowerment to better access small grant funding.

2. WHY: Why did you decide to use a CLA approach? Why was CLA considered helpful for addressing your organizational or development challenge(s)?

DT Global ’ s implementation of Climate Ready is built on the pillars of CLA. Collaboration is central to all of Climate Ready ’ s activities since the success of climate adaptation in the Pacific is directly related to the project's ability to work with and through local communities and organizations. Learning is also a key element since effective climate adaptation must respond to how communities are experiencing the impacts of climate change. Adaptation is iterative and experimental, so monitoring and learning are critical to distilling, replicating, and scaling best practices. Lastly, adaptation embodies the third essential element in CLA and is hardwired into Climate Ready.

Through the CLA approach, Climate Ready understood the priorities and needs of local communities and organizations, including the barriers they face in accessing funding for their climate change adaptation initiatives. We found that local stakeholders inherently understood climate change impacts and how to leverage social capital and local ingenuity to address the consequences. Still, they simply could not “ speak the language ” of grantmaking organizations.

Based on this, Climate Ready implemented a training program designed specifically to help communities and organizations develop fundable proposals. The training program was designed from a local perspective, utilizing Pacific-specific examples and case studies and in language accessible to the intended end-users. Climate Ready then relied on its network of grassroots CSOs and NGOs to receive the training, which was complemented in some cases by follow-up mentoring.

3. How: Tell us the story of how you used a collaborating, learning and/or adapting approach to address the organizational or development challenge described in Question 2.

In 2017, the Climate Ready project decided to enhance community and local NGOs and CSOs capacity to access small grant funding for climate change adaptation projects. The team drew on training materials developed for a previous DT Global project (Adapt Asia-Pacific), expanding them based on Climate Ready ' s experience, localizing and tailoring them for the Pacific context and requirements for a range of small grant programs. Climate Ready developed the capacity-enhancement program around local NGOs ' and CSOs ' existing capabilities and needs.

From 2018-2020, Climate Ready conducted 10 Managing Project Preparation for Climate Change Adaptation workshops in 10 countries. The workshops ' purpose was to a) raise participant awareness of the climate finance landscape and funding opportunities for community-driven adaptation projects; b) enhance participants' skills for formulating fundable climate change adaptation projects. The workshops focused on developing the " climate change case " – an essential but vexing requirement for many grant programs – and mainstreaming gender equity and social inclusion into the project design. Each workshop included pre-and-post-testing, baseline and end-line assessments, and a final evaluation. Climate Ready incorporated evaluation results into curriculum revisions, thus enhancing localization. Additionally, the team held internal reflection sessions discussing the training process, materials, and local delivery contexts. Over 18-months, the workshop curriculum and delivery steadily evolved to be highly locally responsive.

Micronesia Conservation Trust (MCT), a Federated States of Micronesia-based (FSM) organization and an accredited entity to the Adaptation Fund, asked Climate Ready to provide mentoring and technical support CBOs across FSMs ' four states. MCT received a large grant to fund a small grants program to support community-driven ecosystem-based adaptation projects. However, according to the terms, grantees had to meet the Adaptation Fund ' s stringent requirements to receive funding, which concerned MCT. Climate Ready drew on its experience running the Project Preparation workshop to provide targeted support to the organizations. In the process, Climate Ready recognized several technical requirements local organizations were struggling with, including incorporating climate risk and monitoring and evaluation data, incorporating GESI, developing theories of change, and project risk management.

Climate Ready quickly developed multiple guidance notes using local examples addressing these issues. These guidance notes were distributed to project proponents and incorporated into the mentoring and technical assistance. Nine CSOs who received technical support received MCT funding to implement projects ranging from mangrove protection to adapting community marine protected area management to climate change.

Based on the guidance notes' success as an enduring resource for community organizations, Climate Ready partnered with the Pacific Islands Development Program (PIDP) at the East-West Center (EWC) in Honolulu, Hawai ' i, to develop a Small Grants Guide for climate change adaptation project preparation. Climate Ready developed the guide, the first of its kind globally, by reviewing a dozen small-grant makers ' requirements and procedures. The team expanded the guide to include additional topics, such as linking projects to existing climate change and development policy frameworks and priorities problem identification. The guide uses Pacific-centric examples and avoids complex jargon, providing practical step-by-step project design guidance.

Climate Ready further drew on its learning, experience, and materials to provide technical assistance to four organizations (two from FSM, one from Fiji, and one from Vanuatu) applying for funding through UNDP ' s Adaptation Fund Climate Innovation Accelerator (AFCIA) competition. All four organizations were successful in the global competition, securing grants ranging from USD60,000-125,000. The Government of FSM used the materials developed through Climate Ready ' s CLA experience as part of its Green Climate Fund Country Program implementation.

Climate Ready incorporated the guide and training sessions into the EWC implemented Young Southeast Asian Leaders Initiative (YSEALI) academic fellowship on environmental issues, which are still part of the EWC training.

4. ORGANIZATIONAL IMPACT: How has collaborating, learning and adapting affected your team and/or organization? If it's too early to tell, what effects do you expect to see in the future?

Embedding CLA in Climate Ready ' s approach to engaging with local organizations and developing its project preparation support program enabled Climate Ready to assist local organizations with formulating projects leading to direct funding and enhancing permanent capacity within those organizations to access additional funding in the future. Climate Ready staff, including its three regional coordinators, are now familiar with supporting community organizations in designing climate change adaptation projects and can better advise governments and in-country stakeholders in their regions on practical issues relating to developing project pipelines and securing external financing.

Working closely with the local organizations and helping them achieve tangible results in grant financing has built a high level of trust between the organizations and the Climate Ready team. This collaboration, in turn, improves project-generated learning, as the Climate Ready team access the organizations ' insights and perspectives. This collaboration has enabled Climate Ready to advise other projects and organizations about the best approaches for working with local organizations. Climate Ready has become the go-to program for providing technical assistance for project development, thereby amplifying the project's overall impact.

In the future, the Climate Ready team, which consists largely of nationals from the Pacific Island Countries, will be able to disseminate their learning and knowledge further and support the scaling up of small grant assistance across the region. The success of the small grant approach will likely lead to more financiers adopting an approach whereby larger grants are on-granted to smaller organizations, as in the MCT example, leading to funding support that is more aligned with the specific characteristics of the Pacific.

5. DEVELOPMENT IMPACT: How has using a CLA approach contributed to your development outcomes? What evidence can you provide? If it's too early to tell, what effects do you expect to see in the future?

Through practice, it has been widely accepted that effective climate change adaptation, especially in contexts like the Pacific, must be community-driven, leveraging communities ' inherent local wisdom and social capital with approaches and respond to the geographically specific impacts of climate change. Climate Ready ' s bottom-up approach to capacity enhancement for project design, which targets small grant programs, has demonstrated clear results, directly assisting more than a dozen organizations in securing funding for community-led adaptation projects. Though the financial value of these projects, which generally range from USD50,000-250,000, can be dwarfed by the size of a single large GCF project, the decentralized funding model supports projects well suited for the small and widely dispersed populations of the Pacific. Without a decentralized approach, funding adaptation through large projects would be prohibitively expensive. The dollar cost per beneficiary for large projects is far higher in the Pacific than in any other region globally.

The enduring resources and capacity that Climate Ready has built will ensure a steady supply of well-developed, community-driven adaptation projects well into the future. A significant constraining factor to expanded financing for climate change in the Pacific (and other regions) had been a lack of fundable projects. Therefore, we expect this will encourage donors, development partners, and climate financiers to provide more support through small grants mechanisms. Climate Ready ' s support helps to remove this bottleneck, leading to more financing for projects, which, in turn, will help Pacific Island Countries overcome the challenges associated with climate change.

6. ENABLING CONDITIONS: How have enabling conditions - resources (time/money/staff), organizational culture, or business/work processes - influenced your results? How would you advise others to navigate any challenges you may have faced?

DT Global ' s long history of implementing climate change projects has created institutional memory and continuity from one project to the next, enabling an evolution in the approach to capacity development and technical assistance. A major lesson is to leverage existing resources and knowledge whenever possible. The Climate Ready team found abundant relevant material that different projects and organizations have developed. Still, there was no single source that tied everything together to create an accessible curriculum and step-by-step guide for the project development process. Due to DT Global ' s decade of experience, the Climate Ready team could identify gaps in the available materials, address them, and develop a coherent curriculum and supporting resources that have proven effective for local organizations in the Pacific.

A second key lesson is that the small grants support has been entirely demand-driven. Drawing on its close relationships with in-country CSOs and NGOs, Climate Ready could identify a clear need and tailor its support to the partner ' s specific context. This has enabled the small grants to support and address capacity gaps within the organizations and individuals receiving support. The trust built has enabled Climate Ready to work directly with local communities, NGOs, and CSOs in a mentoring role in a region where development partners often have difficulties making inroads with communities. The key takeaway from this is any future efforts to replicate this program should be centered on the communities and their representative organizations, working with them on equal footing as partners rather than as beneficiaries.