December 2014

Going in the right direction?

Tracking adaptation finance at the subnational level

Emily Wilkinson, Alice Caravani, Nella Canales Trujillo, Smita Nakhooda, Pieter Terpstra and Annaka Peterson Carvalho

Abstract

The Adaptation Finance Accountability Initiative (AFAI) project seeks to improve accountability around adaptation finance. It does so by promoting the development and use of tracking tools, to collect evidence of where adaptation funds are going and the ease with which stakeholders can access information on adaptation projects. Both are important aspects of accountability. The aim is to help civil society organisations (CSOs) hold donors and governments to account on adaptation money being spent.

Our research finds that local projects labelled adaptation and funded by donors and national governments, do not always directly address climate change risks. This presents difficulties for tracking adaptation finance. There are also challenges in accessing information from some donors and national government agencies on how adaptation funds are actually dispersed.

Decisions about adaptation project activities are often taken without a clear understanding of the priorities manifested at different scales. As a result initiatives tend either to satisfy community needs, or national level priorities, but the two priorities rarely relate to each other. National strategies for climate finance need to be informed by the priorities of subnational institutions and local communities.

At sub-national level, stronger links to national organisations and international donors are needed to raise awareness and share project data. Streamlining of reporting mechanisms across administrative units would also make it easier for local governments and CSOs to access information on adaptation activities.

This paper contains preliminary research findings, analysis and recommendations. It is being circulated to stimulate timely discussion and critical feedback and to influence ongoing debate on emerging issues. The content may be revised. Research is ongoing and will continue beyond the end of the AFAI project, as the tracking tools are shared with other CSOs keen to get involved in this work.

Acknowledgements

We are grateful to the AFAI teams in Nepal, the Philippines, Uganda and Zambia for providing the subnational data used in this paper. The authors would also like to thank peer reviewers Namrata Ginoya, Heather McGray, Saleemul Huq, Pieter Pauw, Cristina Rumbaitis del Rio, Barry Smith, Dennis Tirpak, Muketoi Wamunyima and Helena Wright for their helpful comments. Financial support for the AFAI is provided by the Rockefeller Foundation and Irish Aid. All views expressed and any errors remain the responsibility of the authors.

Table of contents

Abbreviations

ADB	Asian Development Bank
AFAI	Adaptation Finance Accountability Initiative
AfDB	African Development Bank
ARCP2	Second Agrarian Reform Communities Project
CAN-U	Climate Action Network Uganda
CAO	Chief Administrator Officer
CAP	Coalition for the Alleviation of Poverty
CBDRR	Community-Based Disaster Risk Reduction
CBO	Community-Based Organisation
CCA	Climate Change Adaptation
CEN	Clean Energy Nepal
CSO	Civil Society Organisation
DAC	Development Assistance Committee
Danida	Danish International Development Agency
DDC	District Development Committee
DFID	Department for International Development
DFO	District Forest Office
DILG	Department of Interior and Local Government
DMMU	Disaster Management and Mitigation Unit
DRR	Disaster Risk Reduction
EbA	Ecosystem-Based Adaptation
FGD	Focus Group Discussion
GCCA	Global Climate Change Alliance
HAP	Human Accountability Partnership
ICRMP	Integrated Coastal Resources Management Project
iCSC	Institute for Climate and Sustainable Cities
IFC	International Finance Corporation

ITCP	Integrated Territorial Climate Plan
IUCN	International Union for Conservation of Nature
JICA	Japan International Cooperation Agency
KOICA	Korean International Cooperation Agency
LDC	Least-Developed Country
LDCF	Least Developed Countries Fund
LGU	Local Government Unit
M&E	Monitoring and Evaluation
MDFO	Municipal Development Fund Office
MDG	Millennium Development Goal
MOA	Memorandum of Agreement
MSFP	Multi-Stakeholders Forestry Programme
NAPA	National Adaptation Plan of Action
NCCSP	Nepal Climate Change Support Programme
NGO	Non-Governmental Organisation
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
PCF	Performance Challenge Fund
POPSTIRP	Post Ondoy and Pepeng Short-Term Infrastructure Rehabilitation Project
PPCR	Pilot Program for Climate Resilience
RRSD	Reducing Community Risks and Strengthening Disaster Response
TACC	Territorial Approach to Climate Change
UK	United Kingdom
UN	United Nations
UNDP	UN Development Programme
UNEP	UN Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
URCS	Uganda Red Cross Society
WRI	World Resources Institute
ZCCN	Zambia Climate Change Network

1 Introduction

There has been a growing emphasis on the need for finance to support developing country efforts to adapt and strengthen their resilience to the impacts of climate change. Significant volumes of adaptation finance are now beginning to be spent in a range of developing countries, and there is a recognised need to increase the delivery of such finance. But, while there has been much attention to efforts to track the delivery of climate finance at international level, there is in turn a need to understand how this funding is received and spent within countries.

In this context, the links between adaptation finance and local institutions and communities are of particular relevance. First, local institutions are at the frontlines of the impacts of climate change and efforts to adapt: they are often closest to the people whom climate change will most affect. They are also often entrusted with the investment or regulatory functions that shape resilience to climate change. The impacts of climate change are likely to be highly localised, and vulnerabilities vary across countries: this require differentiated responses.

Despite this recognition, a review of National Adaptation Programme of Action (NAPAs) found only 20 out of 173 projects identified local institutions as partners in facilitating adaptation projects. Even in sectors where local institutions traditionally play an important role in determining resource allocation – agriculture, water, forest management, fisheries, small-scale infrastructure – they were given minimal attention. Most of the proposed solutions focused on technology and infrastructure and did not involve local institutions in the implementation of adaptation activities (Agrawal et al., 2008).

However, adaptation interventions themselves are at community level often difficult to distinguish from development activities, and perhaps should not be delivered separately but rather mainstreamed into local development practice. In practice, targeting poor and marginalised communities effectively is hugely challenging. Civil society organisations (CSOs) can play an important role, filling in gaps in public service provision, representing the voices of the poor and marginalised, advocating for policy change and, of particular relevance for this study, helping enhance the accountability and transparency of government programmes and budgets.[1] A number of mechanisms can be used to enhance accountability; the most relevant to accountability on public finance are sharing information, encouraging participation and responding to complaints (HAP, 2010). More specifically, these mechanisms in-country often include public consultation processes, freedom of information initiatives, formal project evaluations and the use of parliamentary oversight functions. Section 3 of this paper discusses the use of these mechanisms by CSOs to enhance accountability on adaptation finance.

There are numerous examples of CSOs being able to promote greater accountability and influence development processes (de Renzio and Krafchik, 2007; Gaventa and Barrett, 2010). For example, in Brazil, participatory governance councils have been significant in improving access to and quality of health care services; in Bangladesh,

[1] Adapted from http://go.worldbank.org/49JHI451C0

parents have been able to reduce teacher absenteeism by monitoring attendance (Joshi, 2010). However, civil society involvement in promoting accountability for adaptation finance at the subnational level has so far been limited.

The Adaptation Finance Accountability Initiative (AFAI) was launched in 2012 to analyse how adaptation finance is being spent within countries, and how adaptation finance is supporting local communities and action on climate change. The initiative includes Oxfam, the Overseas Development Institute (ODI), the World Resources Institute (WRI), Clean Energy Nepal (CEN), Institute for Social and Environmental Transition (ISET, Nepal) the Institute for Climate and Sustainable Cities (iCSC, the Philippines), Climate Action Network Uganda (CAN-U) and the Zambia Climate Change Network (ZCCN).

This paper distils early insights from efforts to track the delivery of international finance for adaptation in Nepal, the Philippines, Uganda and Zambia. In each of these countries, AFAI researchers considered the sources of international finance that target adaptation to climate change, including multilateral and bilateral climate finance. In some countries, notably the Philippines, the research also considered domestic sources of funding. The funding delivered was made available as both grants and loans. It was channelled in diverse ways, including through national budgets, as well as directly to local institutions or stakeholders such as non-governmental organisations (NGOs).

The paper begins by outlining the methodology used to review the delivery of adaptation finance within the four case study countries, and the key districts and programmes assessed. Section 2 reflects on some of the particular challenges associated with tracking adaptation finance within the four case study countries. Section 3 highlights key insights for subnational tracking efforts. Section 4 distils key findings, before Section 5 turns to make recommendations that could strengthen the transparency and accountability of climate finance in these four countries.

2 The tracking exercise

2.1 How funds get to the subnational level

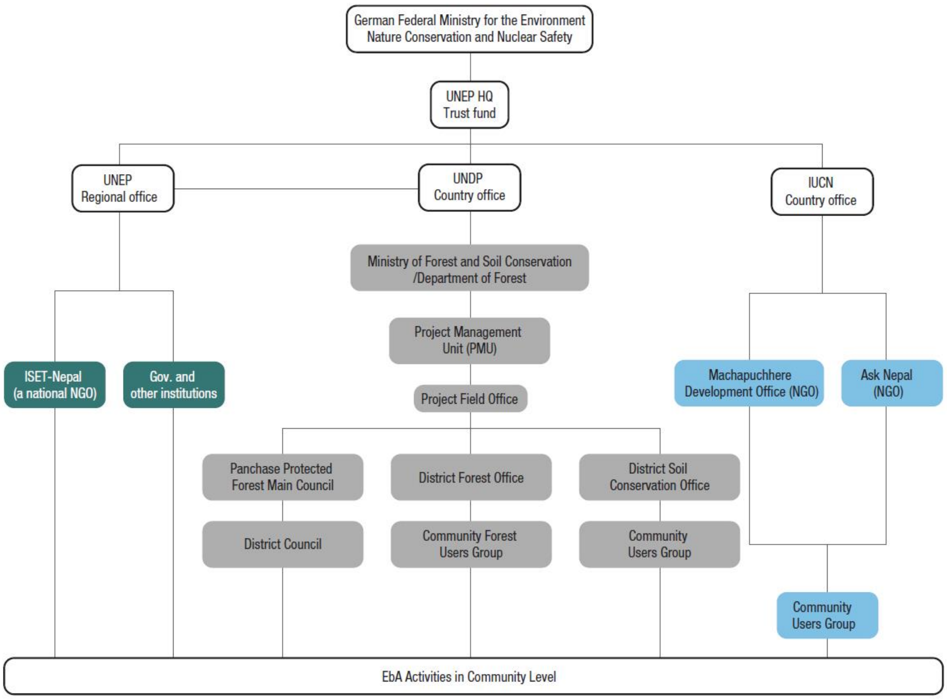
The research questions that frame and guide this study are:

1. Is money that is allocated for adaptation reaching local communities?
2. Is it being spent on projects with an adaptation purpose? If not, why not?
3. Is it being targeted at vulnerable communities and addressing their needs?
4. What needs to be done in order to ensure funds intended for local adaptation projects reach vulnerable communities?

To answer these questions, the AFAI project studies the delivery of international and national adaptation funds at the subnational level.

At the national level, adaptation funds from international sources are often blended with national resources. Adaptation finance either is mainstreamed into regular development planning, albeit partially, like in Nepal, where there are separate project accounts, or goes into a separate national fund used to channel adaptation (and mitigation) finance to specific locations or for specific objectives. For instance, a People's Survival Fund has been created in the Philippines with the intention of channelling adaptation funds directly to local governments in the future. In Zambia, the decision was taken to fully mainstream adaptation finance into regular development processes.

Figure 1: Institutional arrangements of Eba project, Nepal

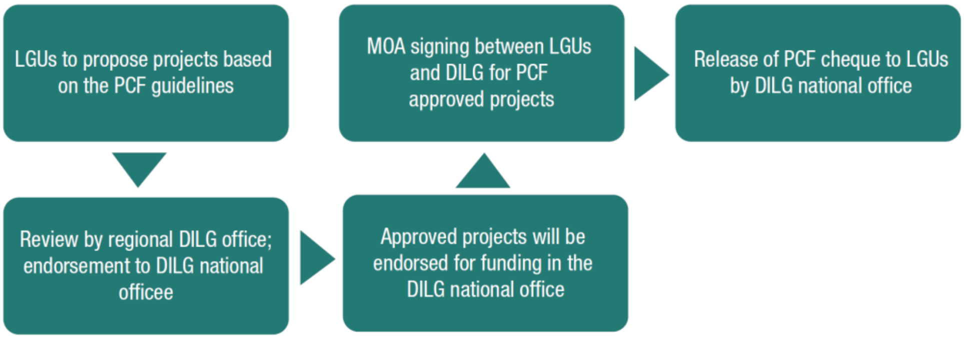


Source: Oxfam Nepal (work in progress)

In Nepal, international funds go through the government budget (the Red Book) or are spent by multilateral agencies or directly by NGOs, the private sector and other institutions. Many funds that go through the budget operate through a separate dedicated account (with a budget code for climate change). Most of these funds do not need cabinet approval for expenditure. Of the ecosystem-based adaptation (EbA) funds in Nepal, the UN Development Programme (UNDP) portion goes through the Department of Forests and to the District Soil Conservation Office (DSCO); the UN Environment Programme (UNEP) implements its activities either directly through NGOs or through UNDP via governmental agencies; the International Union for Conservation of Nature (IUCN) implements directly through CSOs and NGOs (see Figure 1).

The Performance Challenge Fund in the Philippines is a national fund within the Department of Interior and Local Government (DILG), providing performance-based grants to local governments. It aims to encourage alignment between local development projects and government priority programmes for the achievement of the Millennium Development Goals (MDGs) and to comply with the objectives of the Philippine Disaster Risk Reduction and Management Act of 2010 and the Ecological Solid Waste Management Act of 2000.[2] The diagram below shows the main steps of the funding cycle. The Local Government Unit (LGU) prepares project proposals based on PCF guidelines, then the regional Department of the Interior and Local Government (DILG) office reviews them and recommends them to the DILG national office for funding. A Memorandum of Agreement (MOA) is signed between LGUs and the DILG for the approved projects, and finally the DILG releases money to the LGUs for project implementation (see Figure 2).

Figure 2: Performance Challenge Fund funding cycle, the Philippines



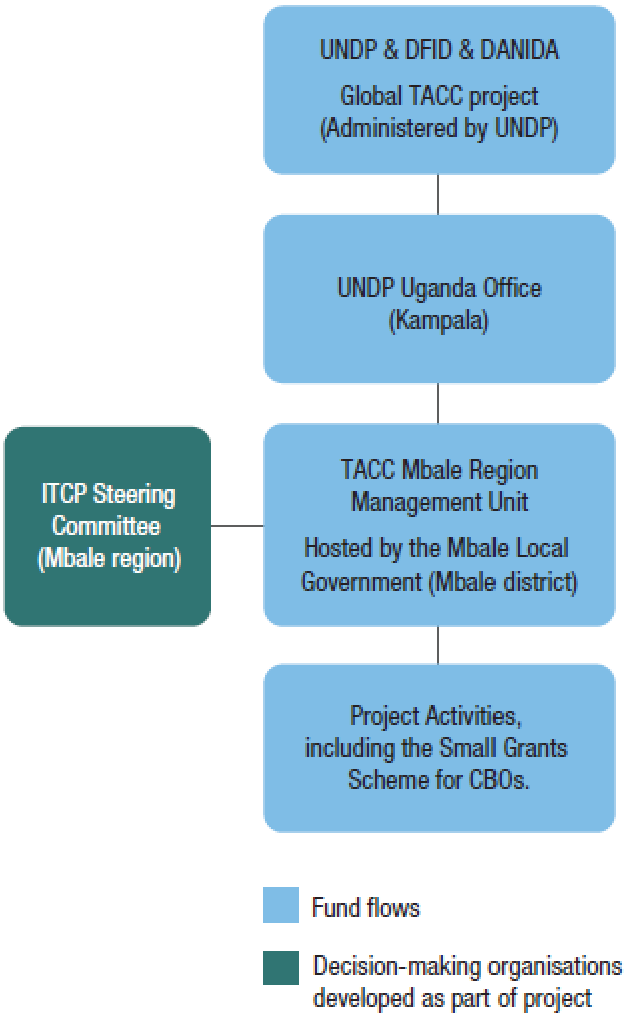
Source: Institute for Climate and Sustainable Cities, Philippines (work in progress)

In Uganda, international funds are channelled to the local level through a number of different mechanisms. Those funds that are administered by the national Climate Change Unit are transferred to local government as a special central grant through a separate dedicated account and are implemented either directly by local government or through local NGOs. In the case of the Territorial Approach to Climate Change (TACC) project, a specific administration unit was established in Mbale district under UNDP's supervision, with its own financial and accountability mechanisms (see Figure 3). Other funds coming in to Mbale from international NGOs are channelled directly to community-based organisations (CBOs) and then transferred to communities. In another district the AFAI team studied – Bundibugyo – money

[2] http://pcf.dilg.gov.ph/projects.php

was channelled through the district directly to local communities, a mechanism that proved relatively effective and to have fewer transaction costs.

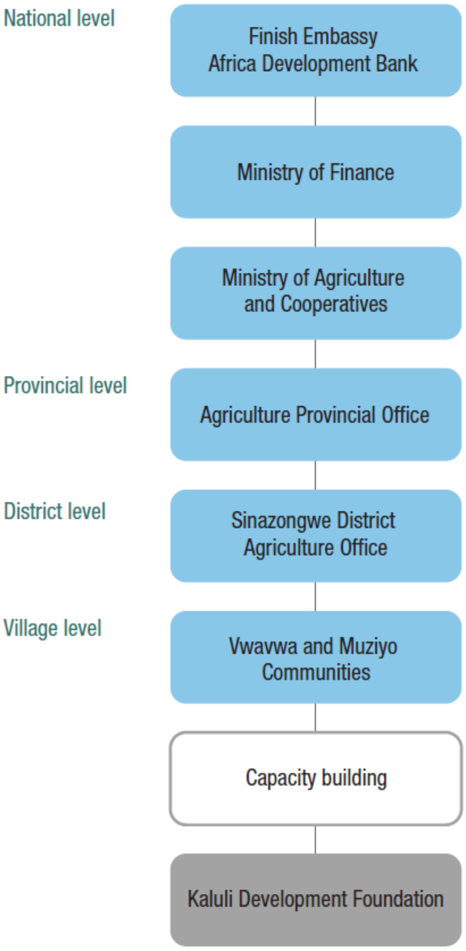
Figure 3: Structure of UNDP-funded Territorial Approach to Climate Change project in Mbale region, Uganda



Source: Authors, based on early findings on Mbale

In Zambia, there are broadly three types of public finance for adaptation. The first relates to funds mainstreamed in the government budget and channelled to local government through the national public finance management system. The second type of adaptation fund is a mix of multilateral or bilateral and government co-funds (see Figure 3). Co-finance can come in the form of actual finance or, in most cases, as staff time. An example of this is the construction of a dam in Luangwa district, where the Ministry of Agriculture provides the staff but UNDP funds the project. A third type of fund flows directly to a project or through a CSO to the beneficiaries. These funds are often easier to track as they have a clear objective and beneficiaries are more aware of the project.

Figure 4: National, provincial and district-level institutions in Sinazongwe District, Zambia



Source: Wamunyima and Miga (2014)

2.2 Tracking approaches

None of the countries studied has an official mechanism for identifying and collecting financial information at subnational level on the diverse set of adaptation initiatives that exist. The AFAI teams therefore used a combination of research methods to collect data on selected projects, including interviews and focus group discussions (FGDs) with stakeholders at international, national and local levels, questionnaires, direct observations and reviews of documentation (see Table 1). Selection of interviewees and data collection methods varied by country and according to the types of funds being tracked. The methods are not therefore designed to be directly comparable. The aim was to see what kind of information was readily available on important projects that were being labelled as adaptation, to note any difficulties in accessing these data and also to produce and test different approaches to tracking tools that CSOs elsewhere could use.

Table 1: Data collection by AFAI country teams as of October 2014

Countries/ instruments	**Nepal**				**The Philippines**				**Uganda**					**Zambia**			
	Kailali	Kaski	Mahottari	Rolpa	Ilocos Norte (PCF)	Marinduque (PCF)	Pasig-Marikina (JICA)	Nueva Ecija - Pampanga (JICA)	Apac	Bundibugyo	Mbale	Nakasongola (1st phase)	Pallisa	National level	Luangwa	Senanga	Sinazongwe
Focus group discussions	2	2		2						1		2	1		1	1	1
Interviews	19	15	1	20	5	7	6	6	4	5	16	1	1	1	7	11	14
Community										2	3						
District government agency	11	8		10	3	5	4	4	3	3	6	1			4	3	5
Donor agency							1	1									1
National government agency	3	2	1	3	2	2	1	1						1		3	6
NGO/CBO	5	5		7					1		7		1		3	5	2
Questionnaire					1	1	1	1							1	1	1
Community															1	1	1
Grand total	21	17	1	22	6	8	7	7	4	6	16	3	2	1	8	12	15

Note: More interviews, FGDs and questionnaires will be applied in some of the districts.

2.3 Selection of projects for tracking

We used a range of different criteria for selecting funds to track and subnational locations to focus on. Comparability across the AFAI countries was not a priority; rather, cases were selected for political relevance in each country, on the basis of pre-existing knowledge about financial support to particular regions; for practicality (including ease of access for researchers); and for links with other work the AFAI teams were conducting. For example, an explicit decision was taken not to track similar funding streams (e.g. only bilateral funds) in each country. This would have aided comparability between countries but leaves little room to address country-specific issues.

In the case of Nepal, Uganda and Zambia, the entry point was to identify specific districts and then follow specific adaptation programmes or projects. In the case of the Philippines, the team decided to look into a national fund –as well as some other international funds- and identify from its portfolio districts and projects. The four tables below show all of the funds tracked and decisions for selecting them in each country. The pilot districts and funds, where tracking was complete by the time of writing this paper, are highlighted in bold.

Table 2: Nepal – selection of districts and projects

Districts selected for study (pilot in bold)	**Decision for selecting districts**	**Major adaptation projects tracked in pilot district**	**Decision for selecting particular funds/projects**	**Additional funds tracked in Nepal**
Kaski Mahottar Rolpa Kailali	Large number of development projects, large volumes of aid and per capita aid Presence of major climate change adaptation/ resilience projects being implemented Range of regional and geographical locations High level of vulnerability*	EbA project** Nepal Climate Change Support Programme (NCCSP) Least Developed Countries Fund (LDCF)	Relative size and importance for implementation of national climate strategy. These projects contribute to around 86 % of the total adaptation funding committed to Nepal during 2009-2012	Pilot Program for Climate Resilience (PPCR) Nepal Climate Change Support Programme (NCCSP) Hariyo Ban Programme Multi Stakeholders Forestry Programme (MSFP)

*Note: * Based on NAPA combined vulnerability index and NAPA combined adaptation index. The Nepal NAPA calculated the vulnerability and adaptation index for its 75 districts and ranked these districts into five categories: Very High, High, Moderate, Low and Very Low. NAPAs are formulated by least developed countries (LDCs) to 'communicate priority activities addressing the urgent and immediate needs and concerns of the LDCs, relating to the adverse effects of climate change' (UNFCCC, 2002, Annex A to Decision 28/CP.7). They were produced, at least in part, as a mechanism to secure international public funding for adaptation (Pauw and Pegels, 2013).*

*** The results for Nepal from this report reflect findings from the EbA project only. Data from other programmes had not yet been collected at the time of writing.*

Table 3: Philippines – selection of funds and districts

Funds selected for subnational tracking	Decision for selecting funds	Specific adaptation projects tracked	Decision for selecting particular projects
Performance Challenge Fund (PCF)	Department of Interior and Local Government (DILG) fund using performance-based grants to local governments to promote disaster risk reduction (DRR) and climate change adaptation (CCA). PCF is being used in design of People's Survival Fund.	Projects tagged DRR-CCA in Marinduque, Mimaropa region; and Ilocos Norte and Ilocos Sur in Ilocos region. PCF projects are all in 4th-6th class municipalities.	Based on adapted Rio Markers/new tagging classification. Projects reclassified into 1) marked as DRR-CCA, but may fit other PCF categories too (MDGs, local economic development or waste management); 2) marked as DRR-CCA and focusing on one of the PCF DRR-CCA categories; and 3) marked as DRR-CCA, but description suggests it is not relevant. Examples of each were selected for tracking.
KOICA (Korean International Cooperation Agency)	A large fund ($29 million) and interest in seeing how much is reaching the local level.	16 different KOICA-funded projects.	N/A*
Japan International Cooperation Agency (JICA)	A large fund ($472 million), of which significant sums ($259 million in 2012) have been implemented.	Post Ondoy and Pepeng Short-Term Infrastructure Rehabilitation Project (POPSTIRP) Pasig-Marikina River Channel Improvement Project Flood Risk Management Project in Tagloan River and Imus River	Specific localities were chosen after consulting the project implementers. The project locations were also spread out as much as possible to get a more comprehensive view of the situation.
Asian Development Bank (ADB)	Fund implemented by Department of Agriculture and Department of Agrarian Reform but explicitly using Municipal Development Fund Office in Department of Finance. Department of Finance has a good track record in accounting and transparency.	Integrated Coastal Resources Management Project (ICRMP) Second Agrarian Reform Communities Project (ARCP2)	Selected by Municipal Development Fund Office (MDFO) as being of importance to track.

*Note: * To be determined. KOICA did not respond to requests for information from the AFAI team.*

Table 4: Uganda – selection of districts and projects

Districts selected for study (pilot in bold)	Decision for selecting districts	Major adaptation projects tracked in pilot district	Decision for selecting particular funds/projects	Additional funds tracked in Uganda
Mbale* Nakasongola	Second phase Availability of information At least one donor-funded adaptation project	Mbale: TACC, funded by UNDP Reducing Community Risks and Strengthening Disaster Response (RRSD), funded by DFID through the Red Cross Smaller projects: River Manafu Basin Project Mount Elgon Zone Disaster Risk Reduction tree planting – 1 million trees Tree planting project Carbon trade project	All projects that were identified by local stakeholders as being related to adaptation to climate change.	Global Climate Change Alliance (GCCA) project in Nakasongola.

*Note: * A first phase of tracking was carried out in Nakasongola, Apac, Bundibugyo and Pallisa to see what kinds of adaptation finance were available at district level. Only one major project was found: the NAPA pilot projects at community level, funded by the Danish International Development Agency (Danida) and implemented in four districts. Because financial information was only for these pilot projects, the AFAI team decided it was more interesting to present results from pilot tracking during the second phase in Mbale.*

Table 5: Zambia – selection of districts and projects

Districts selected for study (pilot in bold)	Decision for selecting districts	Major adaptation projects tracked in pilot district	Decision for selecting particular funds/projects	Additional funds tracked in Zambia
Sinazongwe Senanga Luangwa	Expected amount of adaptation funding flowing to region: Senanga receives a lot; Luangwa receives less funding Sinazongwe was added owing to high vulnerability to climate change Partner organisations in these areas Ease of access for conducting fieldwork	Sinazongwe – all adaptation projects implemented by agriculture and forestry departments (some are under PPCR and funded by the World Bank). Sinazongwe Dam – implemented by Agriculture department funded by AfDB and Finnish government.	All flows (national and international funding) to these districts.	Nzenga dam (AfDB and Finish Government funded) Kataba Research

2.4 Pilot research and tracking studies

This section describes in more detail the projects selected for an initial round of research and tracking conducted in July-September 2014.[3] These projects range from large infrastructure projects to training and tree planting. Climate-resilient infrastructure is the most common type of adaptation project being funded in Nepal, the Philippines and Zambia, in the districts studied.[4] However, the AFAI teams found that not all the projects called adaptation by donors or national governments were actually adaptation-relevant, and that some had been completely mistagged –or mislabelled.

As we have seen, findings across the AFAI countries are not comparable, as teams used different criteria for selection of funds to track. However, they do give an indication of the very low levels of adaptation finance being delivered at the subnational level.

2.4.1 Nepal: Kaski district

Project(s): EbA in mountain ecosystems

Size: $3.37 million

Purpose: Enhancing the capacity of local communities, demonstrating EbA measures and strengthening the institutional capacity of key Nepalese actors to build integrate ecosystem resilience options into national, subnational and local plans. In Kaski district, the focus is on ecosystem restoration and water conservation activities, and in particular roadside rehabilitation.

Donor/funding agency(ies): German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety through its International Climate Initiative.

Implementing agency(ies): Jointly implemented in Nepal by IUCN, UNEP, UNDP and the government of Nepal.

Adaptation relevance: Appears to be highly relevant.

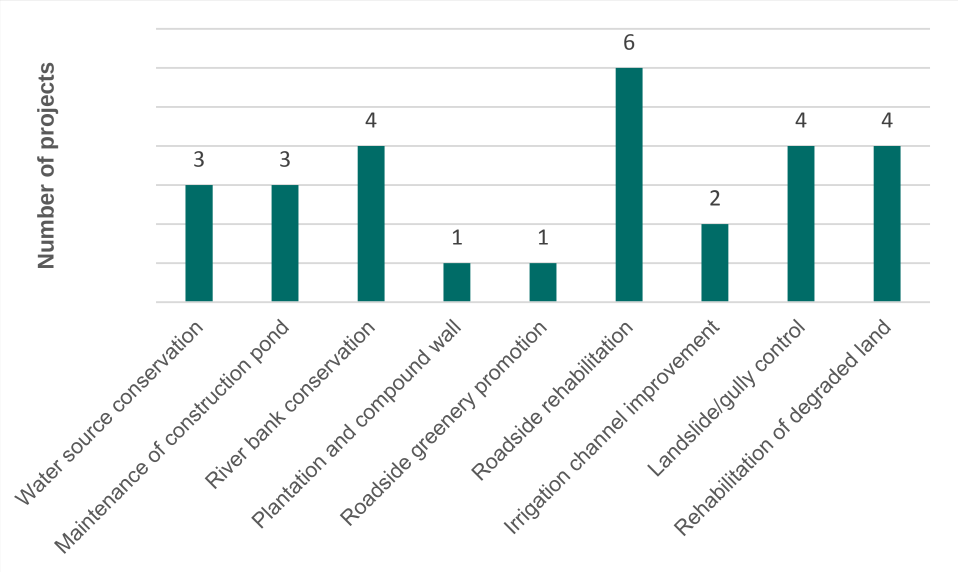
Tracking results: Information was available on how funds were being spent within the district. The AFAI team found that in FY 2012-13, IUCN had transferred a total of $24,087 to a local NGO in Kaski district, but of this only a small percentage is transferred directly to individual households (each receives approximately $5), with a similar amount being paid to households for implementation.

Meanwhile, detail on the types of activities funded under the EbA project was available from data on UNDP contributions (see Figure 5). UNDP approved a Planned Budget for EbA in 2013 of $640,000, of which 83.3% ($533,269) has been spent. About 48% of the budget has been used as a grant, comprising activities such as ecosystem restoration, pond renovation, research and strengthening local institutions and eco clubs, mostly at community level. In total, 28 different ecosystem and water conservation activities are being carried out in Kaski district. Eight activities have focused on riverbank conservation and landslide/gully control. Approximately 15% of the budget has been invested in contractual service companies and individuals; 5.8% on travel alone; and 5.5% on hiring local consultants. The remainder has been used for logistics and administrative activities.

[3] Other districts were selected and funds tracked as shown in the tables above; the results of this additional tracking will be presented in a synthesis report in 2015.

[4] No local-level financial data are available for Uganda as of 26 September 2014.

Figure 5: Ecosystem restoration and water conservation projects in Kaski



Source: (UNDP Annual Progress Report 2013)

2.4.2 Philippines – Performance Challenge Fund

The Performance Challenge Fund provides performance-based grants to local governments to promote development, waste management and disaster risk reduction and climate change adaptation (DRR-CCA).

Project(s): Various. Those examined for the AFAI project are in Torrijos and Gasan, Marinduque; Carasi, Ilocos Norte; and San Esteban, Ilocos Sur. More are being implemented (see Table 6) but these will not be tracked.

Table 6: DRR-CCA activities funded by PCF in Marinduque, Ilocos Norte and Ilocos Sur, 2011-2012

	2011		2012	
	No. of projects	Project cost (pesos)	No. of projects	Project cost (pesos)
Marinduque	0		2	3,750,000
Ilocos Norte	17	26,279,563	0	-
Ilocos Sur	9	10,465,271	4	4,000,000

Source: Department of Interior and Local Government.

Size: Between 2010 and 2012, 47% of total PCF funds for disaster risk reduction (DRR)-climate change adaptation (CCA) were targeted at flood control and river protection, and 30% on infrastructure throughout the Philippines.

Purpose: Infrastructure for agrarian communities, flood control projects in Gasan (see Box 1).

Donor/ funding agency(ies): Department of Interior and Local Government

Implementing agency(ies): Municipal government

Adaptation relevance: Some are not so relevant and rather fit other PCF categories of local economic development, for example an 'infrastructure for agrarian communities' project. Others, like a flood control project in Gasan, are relevant to DRR, but are not necessarily adaptation-focused. Meanwhile, some have been mistagged, like the Municipal Crisis Intervention Center in Torrijos, Marinduque. Although tagged as adaptation, the project was intended for abused and neglected women and children in the community.

Box 1: PCF flood control project in Gasan, Marinduque, Philippines

Gasan is a 3rd class municipality, awarded the Department of Interior and Local Government's Seal of Good Housekeeping in 2011. PCF fund were used for a DRR-CCA-labelled flood control project along the river beside the municipal market. The $1 million was handed to the municipality in 2013. Local planners were happy to share project documents with the AFAI team, including reports on disbursement, the certificate of acceptance, the project completion report and even the blueprint of the project.

Most of the DRR-CCA projects in Gasan are flood control projects. Flooding is the biggest problem during typhoon periods in Gasan, especially in areas near where the shore and river connect, so municipal and barangay officials have taken steps to address the problem, largely through flood control dikes.

Source: Based on Supnet (2014).

Tracking results: The results of the tracking at district level had not been completed by the time this paper went to print. However, information was available on the type of DRR-CCA projects funded by the PCF in the three municipalities studied (see Table 7).

Table 7: PCF projects tracked in Marinduque, Ilocos Norte and Ilocos Sur

	Flood control project (Gasan, Marinduque)	**Municipal Crisis Intervention Center (Torrijos, Marinduque)**	**Paraphet Wall (San Esteban, Ilocos Sur)**	**Farm-to-market road (Carrasi, Ilocos Norte)**
Project rationale	Reduce flooding near the river and shoreline around Gasan.	Facility for abandoned children, victims of abuse, special needs and vulnerable women.	Enhance appearance of roads to tourist areas in San Esteban, Ilocos Sur and protection against flooding.	Rehabilitate all-weather road with slope protection.
Funding source	PCF: 1m pesos Local government Unit (LGU): None	PCF: 1m pesos LGU: 1m pesos Norwegian Mission Alliance: 1m pesos	PCF: 1m pesos LGU: 1m pesos	PCF: 1m pesos LGU: 1m pesos

Beneficiaries	Population of 33,075 residents along the river in barangay Dili	Abused, abandoned & neglected children and women in Torrijos	Residents living in Apatot and Bateria, San Esteban with a population of 460 and 1,504 respectively	40 families (direct beneficiaries) + 20 family livestock owners.
Status	Completed	Completed	Completed	Completed

Source: Source: Department of Interior and Local Government.

2.4.3 Uganda – Mbale

Project 1: Territorial Approach to Climate Change (TACC). The team also tracked other funds including, Reducing Community Risks and Strengthening Disaster Response (RRSD), funded by the UK Department for International Development (DFID) through the Red Cross, the River Manafu Basin Project, the Mount Elgon Zone Disaster Risk Reduction tree planting (1 million trees) and a carbon trade project.

Size: Total budget $1 million. From this, $0.9 million (90%) of the TACC project was focused on the development of an integrated development plan for districts and Mbale region; 10% was used to support the Small Grants Scheme, focused on tree planting. The project was implemented in three districts Mbale, Manafwa and Bududa.

Purpose: The TACC in Mbale region is part of the global TACC partnership under UNDP for working with subnational authorities. The objective in Uganda, for Mbale region, was to strengthen capacity for sustainable environment and natural resource management and climate change adaptation and mitigation. The project focused on the development of a Mbale Integrated Territorial Climate Plan (ITCP) 2014-2019. Implementation included a small grants facility for CBOs.

Donor(s)/funding agency(ies): UNDP ($300,000), DFID ($450,000), Danida ($250,000).

Implementing agency(ies): Mbale district government (through a specific project management unit), in collaboration with Manafwa and Bududa districts.

Adaptation relevance: Developing adaptation plans is certainly relevant, but other activities such as tree planting appear to have been focused more on climate change mitigation.

Tracking results: In Uganda, complete financial information on the TACC project was available only in a combined form for all three districts in which it is being implemented: Mbale, Manafwa and Bududa (see Table 8). However, the AFAI team was able to collect data on part of the project in Mbale, a Small Grants Scheme being implemented through CBOs. Most of these funds appear to have been spent on mitigation activities, however, like tree planting.

Table 8: Breakdown of TACC funds in Mbale, Manafwa and Bududa, Uganda

Activities	Committed funds
Output 1. Partnership, coordination and participation platforms for climate change planning and programming established	$60,000
Output 2. Capacity to integrate climate change issues into regional development plans and actions built	$230,000
Output 3. ITCP formulated	$250,000
Output 4. Climate change policy and investment package developed	$280,000
Output 5. Lessons learnt and best practices disseminated	$31,000
Project management	$133,000
Monitoring and evaluation	$16,000
Total	**$1,000,000**

Source: TACC (2010).

Project 2: Reducing Community Risks and Strengthening Disaster Response (RRSR).

Size: £2,832,089. This amount is for the full project, including national activities and pilot actions in 30 villages prone to landslides and/or flooding on the slopes and plains of Mount Elgon in eastern Uganda (including Mbale) (see Table 9).

Purpose: RRSR is expected to strengthen the Uganda Red Cross Society's (URCS's) institutional capacity to deliver appropriate disaster management support to vulnerable communities, at scale, before, during and after disasters. In relation to community-based DRR (CBDRR), around 2,000 households in 30 villages on the slopes and on the plains of Mount Elgon are expected to implement measures to reduce their risk to natural disasters. The CBDRR component is still a relatively new area for the URCS, and is an emerging area in Uganda. It is anticipated that the URCS will play an important role in demonstrating to government and other stakeholders what can be accomplished in practice with CBDRR.

Donor(s)/funding agency(ies): DFID

Implementing agency(ies): URCS

Adaptation relevance: Focus on reducing risk from landslides

Table 9: Breakdown of RRSR programme in Mount Elgon in eastern Uganda

Activities	Committed funds
Output 1: Resilience to flooding and associated risks built in villages vulnerable to frequent flooding in Teso and Mount Elgon sub-regions	40%
Output 2: Strengthened URCS disaster management capacity to respond efficiently and effectively to disasters, particularly in eastern region of Uganda	40%
Output 3: Evidence of good disaster management practices developed, documented and disseminated to others	10%
Output 4: Improved effectiveness of URCS engagement in national policy development and coordination to enhance humanitarian efforts	10%

Source: DfID, 2013 Uganda – Sinazongwe

Project(s): A number of projects were identified at the district level (see table 10 for an overview)

Size: $44.5 million committed in total at national and district levels. An estimated 9% ($4.08 million) of the total amount committed and 38% ($4.03 million) of the total amount disbursed is for Sinazongwe district; this includes $3.7 million for dam construction and $60,377 for borehole drilling.

Purpose: Conservation agriculture farming, crop diversification and use of irrigation and construction of a dam.

Donor(s)/funding agency(ies): UNDP, World Bank, ADB

Implementing agency(ies): Forestry Department, Department of Agriculture, Sinazongwe District Council.

Adaptation relevance: Appears to be highly relevant.

Tracking results: Funding committed for adaptation projects in Sinazongwe amounts to $8.3 million (see Table 10). There is more funding available at national level for different districts, but the team was unable to identify how much would go to Sinazongwe. For example, the PPCR programme implemented by the World Bank, African Development Bank and International Finance Corporation (IFC) identified Sinazongwe as one of the districts where the $36 million is being spent. It is unclear exactly how much of this funding is going to Sinazongwe.

Table 10: Overview of funds committed and disbursed for adaptation projects being implemented in Sinazongwe

Dates	Donor	Donor type	Recipient	Total committed (US$)	Total disbursed (US$)	Project
2011-2013	UNDP and World Bank	Multilateral	Forestry Department	4,490,000	3,343,000	Support to the Forestry Department for mitigation and adaptation programmes
2010-2011	Finnish government and AfDB	Bilateral	Department of Agriculture	1,762,000	1,762,000	Small Scale Irrigation Project (SSIP)
2013	Finnish government and AfDB	Bilateral	Department of Agriculture	1,952,000	1,952,000	Small Scale Irrigation Project (SSIP)
2014	UNDP	Multilateral	Department of Agriculture	17,600	4,800	Adaptation to the effects of drought and climate change
2014	Government of Zambia	National government	Department of Fisheries	5,464	513 (ZMW 2,720)	Fish studies and surveillance, water monitoring
2014	Government of Zambia	National government	Forestry Department	Not known	302 (ZMW 1,600)	Tree planting and training in agro-forestry
2012	Danida	Bilateral	Sinazongwe District Council	60,377 (ZMW 320,000)	60,377 (ZMW 320,000)	Project name unknown – support for borehole drilling

Source: Adapted from Wamunyima and Miga, 2014

The results presented above from an initial phase of tracking begin to highlight some significant difficulties in accessing financial information about adaptation projects at the local level. The next section describes these obstacles in detail. The local-level tracking problems are as much a finding of this research on accountability for adaptation finance as are the figures presented above themselves.

2.5 Challenges in tracking finance

The pilot tracking exercises in Nepal, Uganda and Zambia, and some additional work in the Philippines that had begun in time for this report, revealed some important transparency issues in adaptation finance. Accessing information on expenditures at the subnational level has proven a challenging exercise in all four countries, albeit for different reasons. All AFAI teams encountered constraints in collecting data on adaptation projects at national and subnational levels that were funded by donors and national governments and implemented by governments and CBOs. Sometimes, the problem was a lack of willingness to disclose information, but an additional problem was lack of clarity on the part of funders and implementers as to what constitutes adaptation. Some of these challenges relate to more general limitations of reporting and disclosure on development and international finance, and on domestic expenditures within developing countries. As well as being a problem for the projects themselves, this also makes tracking very difficult.

2.5.1 Nepal

In Nepal, significant progress has been made on reporting on adaptation data in the national budget. In 2013-2014, the Ministry of Finance introduced a separate budget code for climate change-related expenditure (Oxfam, 2014). However, disclosure on funding flows below the national level remains limited. More information was available from NGOs implementing projects on sums that had been allocated, but little was available on disbursed funds. Overall, although top-level financial information for each project could be collected from project documentation, there was a real challenge in obtaining a detailed breakdown of activities or allocations between communities. The team used district documents, including the Red Book, district development committee (DDC) annual budget plan report, which includes most district-level activities – those of government line agencies and non-government agencies.

Collecting financial information was particularly difficult in Nepal because there is no common mechanism for channelling funds or reporting on funding. Some projects are implemented through government agencies and reflected in the government budget, but not all. Project managers were reluctant to share detailed financial data, and the scattered and inconsistent nature and complexity of the financial data from various sources for each project made it difficult to apply a common framework for data collection and analysis.

2.5.2 Philippines

In the Philippines, accessing data from the PCF was not a problem: the DILG national office endorsed the AFAI team and helped them select projects and localities; the regional office assisted by communicating with DILG. At municipal level, project data are freely available through municipal development offices, but one of the key challenges in collecting the data is a lack of awareness regarding the tagging of the projects. This is carried out at the regional level by DILG, but at municipal level people do not know their projects have been tagged as DRR-CCA, which partly explains why there are instances of projects being tagged as DRR-CCA that do not serve that purpose. Localities submit projects to the regional level, where officials[5] who are less familiar with them tag them.

After the pilot phase, the AFAI team moved on to tracking multilateral and bilateral donor adaptation projects in the Philippines. This proved more problematic. In the case of KOICA funds, the donor has been reluctant to provide information on implementation of its projects. This lack of transparency from bilateral donors in

[5] Eligible projects under DRR-CCA are flood control/river protection (dikes, drainage/canal, sea wall); infrastructure (evacuation centres, slope protection, DRR-CCA facilities/offices); equipment (early warning devices, rescue equipment, rain water collector); and eco-preservation initiatives (eco parks, reforestation, river/water rehabilitation).

disclosing subnational data is consistent with previous findings that there is generally less transparency on bilateral climate spending (Watson et al., 2012).

2.5.3 Uganda

In Mbale, the tracking process began with a consultation with the natural resources officers from the local district government. They were aware mainly of those projects administered by them, such as the TACC (which closed in 2013). However, during interviews it became evident that both the local government and NGOs had very little awareness of what other agencies were doing on adaptation. In addition, when projects do not have specific CCA objectives, they do not report on climate change issues, and therefore it is difficult to ascertain which projects have some climate relevance, making it almost impossible to track them.

Financial information was difficult to retrieve in Mbale. In the case of TACC project information, the consent of the chief administrator officer (CAO) was needed, and he was not available during the week the AFAI team visited. The national team has followed up with the CAO to access the financial information; however, at the time of writing this report, the information had not been shared.

NGOs, meanwhile, were able to disclose only general figures for entire projects, and did not have disaggregated numbers for the district. Budgets are normally set up for an entire project rather than for a geographic division; often, the geographic division is not a district (e.g. the Mount Elgon region). Getting financial information from donors has also been challenging: project officers have not yet received the AFAI team, so financial information from the district is still missing. Hence, low levels of transparency are a real challenge for both NGOs and government.

Information was more readily available from CBOs in Mbale. The AFAI team visited CBO recipients of the TACC Small Grants Scheme in Mbale, who shared information on the grant received, the number of beneficiaries and the activities deployed.

2.5.4 Zambia

In Zambia, information on international funding coming into the country was easier to obtain, especially from bilateral donors. PPCR data were obtained without difficulty at the national level, although at the subnational level the AFAI team had more difficulties, as few resources have been disbursed (the PPCR has been delayed). Information from other multilateral organisations could be obtained but is probably not complete, as these do not always report on the adaptation relevance of activities.

Data on adaptation money flowing through government budgets were harder to obtain in Zambia. Few adaptation-specific flows could be identified, but there is likely to be more happening in Zambia than could be easily detected because adaptation is mainstreamed into development programmes. To get more information, we sought appointments with officials in the Interim Inter-Ministerial Climate Change Secretariat, formed under the auspices of the PPCR to oversee and manage the implementation of all adaptation programmes in Zambia, but these were hard to obtain.

At the local level also, it proved difficult to identify specific adaptation finance flows, as most local government officials were not aware that funds were intended for adaptation. Financial data on adaptation projects were hard to come by, as there were no ‘climate change adaptation’ budget lines in district government.

Overall, these experiences show it may be easiest to track the full flow of adaptation flows when it is channelled through a dedicated fund, as in the case of the Philippines, as this allows information to be more centralised. In Zambia, where adaptation is mainstreamed into development, tracking the funding flows is much harder. Of course, adaptation finance does need to support mainstream efforts, and dedicated funds may not be an appropriate modality for this purpose in all cases. Complex and incomplete reporting practices in government agencies elsewhere make it difficult to track adaptation funds, as does the reluctance of donors and national government officials to disclose information.

3 Insights from subnational tracking

The pilot research and tracking exercises have illuminated the types of projects being funded by donors and national governments – not all of which are adaptation-relevant – and how much money is available at the district level for these activities. They have also generated some important insights regarding the projects' adherence to a national – or local – adaptation plan and how they are targeted (or not, as is often the case) at vulnerable communities. This section highlights some of these additional findings from each AFAI country. It also identifies a few of the accountability mechanisms that can be used to improve awareness of adaptation finance and projects at national and subnational levels.

3.1 Identification of local adaptation needs

Across the AFAI countries, responsibility for identifying local adaptation needs and project planning lies at different levels of governance. In the case of the PCF in the Philippines, municipal governments identify their own needs and priorities but regional governments do not always tag funds going to municipalities in a way that reflects this. Meanwhile, funds from international sources are often implemented locally without local stakeholders being aware that funds are intended for CCA.

In the case of the EbA in Nepal, a Field level Project Coordination Committee (FPCC) is established at the local level to facilitate and coordinate with the district line agencies, NGOs, CBOs and community users groups. This helps ensure that EbA activities address community needs and that they also reflect some national priorities – such as investing in agriculture, water and forests, which are among the NAPA priorities. However, EbA activities tend to focus on the short-term needs of communities and do not necessarily translate into longer term adaptive measures. Also, the FPCC is specific to the EbA and its operationalisation is rather limited. More generally in Nepal, local adaptation needs are not well articulated in planning processes due to poor coordination between government and non-government agencies.

In Uganda, identification of local adaptation needs varied across the projects analysed. However, the weak link between national policies and local intervention for adaptation was evident. At district level, there is little awareness of national planning instruments such as the NAPA, so even when projects involve developing plans, such as in the TACC, the NAPA is not prominent as a guiding document.

This also means that, even when local needs are identified, there may not be action to address them. For example, the plan resulting from the TACC project, the ITCP, was based on the results of climate profiles and a Climate Change Vulnerability Assessment Study, conducted for the whole Mbale of region as a baseline activity by consultants from Makerere University. Activities suggested in the ITCP responded to this analysis but implementation of these activities is being delayed because of lack of additional funding. The TACC project ended in 2013, and the local plans have not been accompanied by funding, so there is little clarity or means regarding capacity to implement the recommendations or measures designed within it. In addition, financial needs in rural districts are huge, so local governments are willing to undertake different assessments to attract additional funding, ignoring previous plans.

In Zambia, most planning is done at national level, making it difficult to match community needs and priorities with projects planned at the national level. It is not clear whether local projects meet nationally defined adaptation priorities, as the government still has not approved the National Policy on Climate Change. This makes holding the government to account on adaptation spending difficult, as there is no formal policy to hold it to account for.

Overall, decisions about project focus are taken without understanding the priorities manifested at all scales, so they tend to satisfy community needs not reflected at national level, or just focus on national priorities, or neither. Stronger coordination between national and local level is lacking, in both the demand for and the supply of adaptation finance.

3.2 Targeting of funds

AFAI teams also discovered a wide variation in the extent to which adaptation projects were intentionally targeted at vulnerable communities. Not all adaptation needs to be undertaken at community level or focus only on the most vulnerable. Nevertheless, it is useful to observe how intentional local engagement is and, more broadly, the rationale for focusing project activities in particular localities.

If adaptation funds are to help the most vulnerable, some prior understanding of vulnerability is needed, in terms of both dimensions and location of vulnerable groups. This can be based on knowledge of prior impacts of climate extremes, or assumptions made about poor communities or certain sectors being the most vulnerable. However, other groups may be more vulnerable to climate change in the future; those affected by extremes in the past and the poorest groups are not always the most exposed or vulnerable. Adaptation projects can be more effectively targeted at vulnerable groups if they are based on a vulnerability assessment that includes climate data.

The AFAI team encountered a few good examples of projects using vulnerability assessments to identify target groups, including the EbA project in Nepal and the PPCR in Zambia (see Boxes 2 and 3).

Box 2: Vulnerability assessment in the EbA, Nepal

In Nepal, different vulnerability assessments have been used across the various projects tracked. For example, the Institute for Social and Environmental Transition is undertaking a vulnerability assessment for the EbA project, based around three key elements: 1) exposure to climate (direct and indirect); 2) systems (infrastructure, transport, ecosystems, etc.); and 3) agents (individuals, communities). The assessment therefore includes different scales and units of analysis. However, it is not clear if projects are actually based on these assessments, as they are undertaken in parallel with project implementation.

Box 3: Vulnerability assessments through the PPCR, Zambia

In Zambia, a number of vulnerability assessments have been carried out by different organisations, including the Worldwide Fund for Nature, IUCN, Concern and CARE. These cover specific regions or wards. National risk maps also exist, focusing on droughts and floods, but these have a high spatial resolution and cannot be used to assess vulnerability at the local level.

As part of the PPCR design, the Disaster Management and Mitigation Unit (DMMU) assessed hazards, risks and vulnerability in the target districts in collaboration with civil society and private sector representatives. At the national and local level, more than 40 organisations were involved in the design of the project.

For the first phase of the project, a global assessment of the vulnerability of the country was carried out. Based on this broad assessment, a number of districts were chosen that were highly vulnerable to droughts and floods. DMMU will now work on mapping key assets and populations at risk in these districts at a scale that can inform ward- and community-level planning.

In Uganda and Philippines, on the other hand, vulnerability assessments had not been undertaken for the projects the AFAI teams studied. In Uganda, the TACC project, which awarded small grants to CBOs, based selection of recipients on achievability of results: CBOs needed to demonstrate experience in similar activities to those proposed, to be established in advance (and not just before applying to the Small Grants Scheme) and to have monitoring capacity. Beneficiaries from the villages were selected depending on interest, land or membership in other activities or programmes developed by the CBOs, including projects focused on poverty alleviation, health and education.

In the Philippines, the DRR-CCA projects funded by the PCF are not necessarily based on vulnerability assessments: municipal governments knew very little about these assessment methods. However, the AFAI team felt projects were likely to be focused on the most vulnerable members of society, as these are 3rd, 4th, 5th and 6th class municipalities and hence have the lowest economic levels. Within these municipalities, flood control projects help those living near river banks, who are often the poorest. More research is needed to test these assumptions.

Overall, vulnerability assessments do not appear in many cases to have been a prerequisite for project design or implementation. Furthermore, even when these have been undertaken, they have not always been used for project planning. Targeting only the most vulnerable communities might not be the only way to promote adaptation, but even projects implemented on a larger scale should be using vulnerability data to ensure interventions are reducing vulnerability and building resilience.

3.3 Accountability mechanisms

3.3.1 Participation in projects

Decisions about adaptation priorities and where projects should focus are taken at different scales: they can be centralised, involving a narrow range of national government agencies, or decentralised to local government and/or involve CBOs and communities. Community participation in adaptation projects varies across the case studies, reflecting broader local governance characteristics in these countries. Often, participation is low in project design but communities contribute resources to implementation.

In Nepal, the AFAI team found the EbA planning process had not been as inclusive as it could have been. The village development committee secretary was not closely involved the EbA planning process and not included in the project implementation mechanism. This resulted in some confusion over the project objectives at local level. Locals found it difficult to understand the technical terminology project implementers used and were confused about the different channels of project implementation. However, when the District Forest Office (DFO) and CBOs implement EbA projects, community users groups were more involved, including in income generation activities and training. The activities are selected through a consultative meeting with user groups, where budget allocation is also openly discussed. A field-level coordination committee with 25 members is formed in the project area, including concerned stakeholders from the three project districts. The programme needs village development committee approval to begin, and annual plans are developed involving local communities, but this is done for reporting purposes rather than a desire to involve them in project planning and implementation.

In the Philippines, institutional analysis at municipal level in Gasan, Marinduque, revealed high levels of consultation on the design of PCF-funded projects within the municipal development plan. The *barangay* councils play an active role in defining the issues and basic needs of the stakeholders and in the planning of projects with the Local Government Unit for the following year. The DILG admitted that it did not have the capacity to support municipalities in developing their project proposals in this area. However, it is exploring partnerships to overcome this, such as entering into a formal partnership with the AFAI County Team.

In Uganda, the TACC project has a complex history of development, beginning in 2011 with interest by the Welsh government in supporting Mbale region, given its links with a local coalition of NGOs, the Mbale Coalition for the Alleviation of Poverty (Mbale CAP). This interest evolved into wider support from DFID and Danida through UNDP. Mbale CAP requires community support for activities, but UNDP and donors defined specific activities. In addition, the project was criticised for 1) its focus on the development of a plan, without wider activities at ground level (other than the Small Grants Scheme) and 2) the lack of funding to implement the activities identified within the plan. There are plans to mobilise additional resources, but local government has not followed up on these. A more general concern in Mbale was the lack of coordination between NGOs working on adaptation projects and local government. The AFAI team found NGOs such as the Red Cross were not informed about the existence of the ICTP and were therefore conducting their own vulnerability assessments at local level.

In Zambia, the PPCR design phase involved a wide range of stakeholder to ensure their views were taken into account. The programme has also supported an AFAI partner, ZCCN, with the development of a budget tracking tool, demonstrating donor willingness to involve civil society in the design of project activities. The second phase of the PPCR in Zambia has just been approved, and continued civil society involvement in implementation and monitoring of the programme will be an important obligation for the Climate Change Secretariat.

Beyond the PPCR example, communities in Zambia are more commonly involved in the implementation of projects but not in the planning or monitoring. Communities are encouraged to participate in groups and fora but limited information is shared, particularly regarding financial aspects of projects, and participation in these events rarely results in further action. Government representatives coordinate these consultations at the local level, but are often given directives from the head office, which limits their ability to respond to local information and priorities. For instance, the department of forestry in Sinazongwe implemented a national tree planting campaign in which communities were given tree seedlings to plant. The community felt, however, that there was no need to plant trees, as deforestation was not a particular problem in Sinazongwe. The programme was not responding to community or adaptation needs.

These experiences show community participation in adaptation projects varies across the four countries. Overall, the level of participation tends to be low in project design, with the exception of in the Philippines, where the involvement of *barangay* councils in municipal plans is mandated. Elsewhere, there are examples in Nepal and Zambia of communities being involved in planning when this is done through local government, and in Uganda through the UNDP TACC project, but not necessarily influencing key project components. Communities in all districts studied were involved in implementation of projects (except in Uganda, where only planning took place), contributing their resources to official funding.

3.3.2 Freedom of information and oversight

Accountability for adaptation funds is higher when communities and their representatives can find out about existing and planned adaptation projects easily, and about how money is being spent. In some countries, local governments have public information offices but reporting is not always clear. For example, funds channelled through national government in the Philippines are sometimes mislabelled as adaptation, but it is easy for citizens to find out about how these funds have been spent if they know what they are looking for. The MDFO tends to be good on transparency and accounting, and citizens can go there and ask for information about projects being implemented in their municipality. Overall, however, accountability for delivering on adaptation is constrained by municipal government's lack of awareness of the intended use of central funds (of international or national origin) for adaptation.

A step forward in enhancing financial transparency in Nepal has been the establishment of public hearings. These became mandatory for activities implemented through government line agencies and users groups, with the District Forest Coordination Committee responsible for conducting them. However, agencies do not yet fully comply with this requirement. Information is also shared during regional coordination meetings and project planning, and progress on implementation and planning for the upcoming year is presented in district council meetings. Project activities and estimated budgets for the upcoming year from government agencies and NGOs that report to the DDC are reflected in the District Development Plan Report, published every year.

If data on adaptation projects cannot easily be obtained, a further option is to use statutes and congressional oversight functions to improve government transparency. There is only one example among these case studies of CBOs encouraging the legislature to exercise its oversight function and oblige government to disclose information on adaptation spending. In the Philippines, when donors were reluctant to provide information on implementation of their projects, the AFAI team was forced to contact Congress and make a request for it to use its oversight function to oblige donors to hand over project documents.

The AFAI team in Nepal has managed to collect top line figures from donors on funds disbursed but no detail on how they have actually been spent in communities. They are hoping to get this from national sources and are having discussions over whether to use the Right to Information Act to access project data, as a fundamental right of the 2007 Nepalese Interim Constitution. However, this will not overcome the problem that data are sparse and inconsistent, making tracking extremely difficult.

These mechanisms cannot be used everywhere. Freedom of information acts do not exist in all countries, and in many the legislature does not play a very active role in oversight of government.

In Uganda, the level of awareness on climate change issues at district level is generally low, limiting the potential to exercise any oversight. In addition, the planning unit in Mbale barely recognises national adaptation planning instruments such as the NAPA. Implementation of environmental activities is done using the local budget, which could be ring-fenced for specific activities or flexible. Although technical and political staff within the Mbale district government recognise the environment as an issue, it is not financially prioritised, resulting in limited staff and financial resources. Oversight activities are therefore limited to those related to the local government's own implementation.

Financial disclosure is a sensitive issue in Uganda, and financial reports are guarded by the CAO and are not shareable without his or her permission. Access to project data is slightly easier when governmental institutions administer financial flows, as is the case with the Danida projects directed by the Climate Change Unit and district governments. Information on the TACC Small Grants Scheme projects was eventually attained from those CBOs involved in implementation, but, as there is no official mechanism to bring together CSO and local government activities, information disclosure depends on each project.

An additional constraint on information disclosure is the presence in project contracts of 'non-disclosure articles' that limit sharing of project information beyond the donor and the recipient. Financial disclosure should be encouraged through the Access to Information Act, which has been active since 2005 in Uganda.

3.3.3 Project evaluations

Project monitoring and evaluation (M&E) – whether internal or external – provides data on implementation, outputs and outcomes of interventions. Few of the projects examined in this study have been evaluated or have publically available monitoring data. When they do – as in the case of the EbA project in Nepal – more data are available on progress in implementation. M&E of the EbA project is carried out by a team made up of representatives from different line ministries and other stakeholders. The Project Executive Board also undertakes periodic project monitoring, taking photos of the area before, during and after implementation to substantiate information on activities carried out.

In other countries, evaluations do appear to take place, but these are internal evaluations and documents are not always readily available. In Uganda, the CAO kept evaluation reports for the TACC project in Mbale, but the AFAI team could not access these during the visit. In the Philippines, regional and national PCF management teams are responsible for M&E of the PCF projects, however, a national M&E document is yet to be completed. Similarly, for the JICA funds, the Department of Public Works and Highways (DPWH), as implementer, is responsible for internal M&E along with a group of consultants.

Overall, project M&E does not appear to be playing a critical role in improving the accountability of adaptation spending in AFAI countries. It is possible that, when these projects are complete, final evaluations will provide more detailed and objective evidence on how resources have been allocated. In the meantime, little information is being produced through these formal reporting mechanisms.

4 Key findings

An initial round of subnational-level research and tracking of adaptation finance has revealed some important findings, of relevance to wider efforts to mobilise additional finance for adaptation.

One of the most striking findings is that donors and national governments are in some cases funding projects that are not about adaptation at all – they are development projects. This has made it difficult to track these funds below the national level. Poor levels of transparency have also constrained tracking. Reluctance to disclose information on how funds were being spent was a problem with some, but not all, bilateral funds. An additional problem common to all funds tracked, apart from the PCF in the Philippines, related to the complexity and dispersed nature of data on adaptation projects. None of these countries has an official mechanism for identifying and collecting financial information at subnational level on adaptation initiatives. A further finding is the lack of clarity on how funds are meeting local priorities and/or helping implement national or local adaptation plans. The rationale for financing particular projects will need to be made clearer and projects at subnational level more closely coordinated for adaptation finance to be effective.

Finally, different tracking approaches tell us different things about what is happening with adaptation finance at the subnational level. The pros and cons of the different methods the AFAI teams used are discussed at the end of this section.

4.1 Availability of adaptation finance at the subnational level

The pilot studies suggest funding available for adaptation at district level is very limited. In some cases, this is because funds have not yet been disbursed (see Table 11).

Table 11: Information on disbursed funds at subnational level

Country	Information on disbursements per project or fund tracked
Nepal	Little information available on EbA disbursements. The EbA is split into 3 components (UNEP, UNDP and IUCN) with three different funding modalities, but a detailed financial breakdown (plan and expenses) was not available
Philippines	Information readily available on PCF funds dispersed at municipal level for DRR-CCA activities
Uganda	For the TACC, information was available through internet only for the whole Mbale region (not by district) and only for the committed funding. No information on disbursements has been obtained, even though the project has been closed since 2013
Zambia	Approximately 85% of funds that were identified in Sinazongwe district have been disbursed

4.2 Adaptation awareness

Most of the adaptation projects tracked for this study focus on infrastructure and ecosystem/natural resource management. There are also many projects with limited relevance, such as tree planting where erosion/ landslides are not a problem, as well as those that are relevant but may not be addressing longer-term problems, such as those reducing the impact of rapid onset disasters in the Philippines that are not looking at issues such as health-related impacts of climate change, progressive ground water salinisation and sea level rises. The coverage of these DRR-CCA projects is therefore not as complete as it needs to be for effective adaptation.

Behind this, there is a profound lack of awareness of what 'adaptation' means. Most local authorities and non-government stakeholders interviewed during this research have a very limited awareness of the impacts of climate change and adaptation options. This means they cannot respond effectively to present and future problems associated with climate extremes and slow-onset events in their constituencies. It also means they are not being as effective as they could be in holding national governments, donors and international agencies to account on the quality or appropriateness of adaptation projects. Some projects, like those funded by the PCF in the Philippines, and many being implemented at district level in Uganda, are tagged and believed to be adaptation-relevant but are doing little to build the capacity of communities to respond to climate change risks. In Nepal, governments at the subnational level have some idea, thanks to the 2011 National Climate Change Policy, which pledged to deliver 80% of adaptation finance to the local level. However, local communities find it difficult to understand the technical terminology on climate change and tend to prioritise traditional development needs.

4.3 Addressing local adaptation needs

Linked to this generalised problem of lack of awareness is the failure of many projects to focus explicitly on vulnerable people. Where projects are not actually about adaptation, then it follows that a vulnerability assessment has not been conducted and they will not be targeted at vulnerable communities. However, even where projects appear to be highly adaptation-relevant, such as the EbA in Nepal and some DRR-CCA flood control projects in the Philippines, vulnerability assessments are not influencing project design. This means recipients may not be chosen to maximise impact – in terms of reducing vulnerability or enhancing adaptation. This can also happen when communities are not consulted in decision-making or involved in implementation.

Furthermore, it is not always clear how funds are meeting local priorities and/or helping implement national or local adaptation plans. Many decisions about projects appear also to be taken without a deep understanding of the priorities manifested at all levels, and hence they either satisfy community needs that are not reflected at national level, or only focus on national priorities or neither. If priorities are identified and programmes designed at the national level, it is unlikely they will target the most vulnerable or meet the needs of local communities.

On the other hand, in the Philippines, the PCF is supporting projects that respond to local needs but are not necessarily supporting adaptation. Similarly, in Nepal, most of the community level activities are short term and may not contribute to enhancing the longer term adaptive capacity of vulnerable people.

Greater links are needed between national and local levels, both in the demand and supply of adaptation finance activities.

4.4 Transparency

Research by the AFAI teams has revealed some serious difficulties in accessing financial data for most adaptation funds at national and subnational levels, with the exception of national-level data on the PPCR in Zambia (see Table 12). Where the teams have not been able to access complete data, this creates difficulties in ascertaining what the funds are intended for, if they have been spent or where projects are being implemented.

Table 12: Ease with which data could be accessed at national and sub-national levels

Country	Transparency of information
Nepal	Top level financial data on commitments is available but the breakdown and disbursement data is not available. Available data is also not well organised and important financial data is missing from each level of implementation (national and districts)
Philippines	Information was shared for domestic funds (PCF) and JICA funds. Harder to get information at national level for KOICA funds
Uganda	Good information on commitments for the TACC at national level, published online. Lack of publicly available information at district level, and no single repository to look for information
Zambia	National level information is available not but not in a format that is easily accessible. Information on the PPCR was readily available at national level. Financial data at local level can be accessed, however, records are incomplete and there is often no information on the objective of the funding. This makes it difficult to track at this level. For the PPCR this should be easier as it is a defined project; however, the second-phase of implementation has not started yet

There is significant variation across the four countries in terms of accountability of local government, but this may not be the most important issue, as not all funds go through local government. In Uganda, there was no formal mechanism for NGOs to inform the local government about adaptation activities; however, it also makes sense that local governments have knowledge only of the projects they work directly with.

Nepal and the Philippines have demonstrated the possibility of using 'right to information' or oversight functions to obtain financial data on projects being implemented by government agencies and NGOs, but tracking problems remain if data are dispersed, inconsistent and/or not well recorded.

Complex and incomplete reporting practices in government agencies made it difficult for the AFAI teams to track adaptation funds. In Nepal, for example, there is no common mechanism for channelling funds or reporting, and the diverse nature and complexity of financial data for each adaptation project made it difficult for the AFAI team to apply a common framework for data collection and analysis.

More formal monitoring and reporting practices among implementing agencies and the submission of results to a central authority would make it easier to track adaptation finance in these countries.

4.5 Coordination issues

One of the accountability gaps is lack of horizontal and vertical coordination between funders and implementers (see Table 13). NGOs and local governments with adaptation projects demonstrated very limited awareness of other initiatives in their area, so links were not being made between them. More can be done to share information and coordinate projects to ensure information from a vulnerability assessment can be used by other projects and to optimise resource allocation.

Table 13: Horizontal and vertical coordination of adaptation activities

Country	Coordination problems
Nepal	Lack of coordination within government agencies and also between government and non-government agencies, but some progress thanks to the role of the FPCC (see section 3.1)
Philippines	Coordination across scales is a problem when funding is from international sources
Uganda	Lack of coordination at district level. Good plan but not used it, so actions are diffuse
Zambia	No national policy in place making coordination within districts and across levels difficult. However, as data are often scattered, it is difficult to ensure a complete overview of the funds flowing into a district is actually obtained

4.6 Lessons from tracking approaches

A range of approaches to tracking delivery of finance to subnational level were used in the AFAI countries, each one providing different kinds of information (see Table 14). This allowed the approach to be tailored to the country context and needs, but did pose challenges in terms of consistency of findings.

Table 14: Key lessons from different tracking approaches

Countries	Lessons learnt
Nepal	Focussing on a few large adaptation projects in one district allows you to look across scales at vertical level, at how projects fit with national priorities/the NAPA process. Studying two local implementation routes of EbA permitted a comparison of funding going through local government and through NGOs
Philippines	Selecting the national-level fund first and seeing what kinds of projects are being funded in different municipalities allows a focus on adaptation-relevance issues, crosschecking how things are labelled at national level compared with what they are actually spent on
Uganda	Focusing on all small-scale projects in one district produced more information on horizontal coordination. It makes it more difficult to do an in-depth analysis, mainly because financial information is harder to access for small projects
Zambia	Focusing on all projects implemented by particular ministries in a district shows the range of adaptation projects and focuses on issues of coordination and awareness problems among stakeholders

5 Recommendations

A number of fund- and country-specific and generic recommendations can be made on the basis of these tracking experiences of how to enhance accountability for adaptation funds. This includes through knowledge-sharing activities and increased application of tracking mechanisms. Recommendations for each country (below) focus on slightly different issues, each stemming from the experiences of the AFAI teams in doing pilot tracking and research at national and subnational levels.

5.1 Recommendations for Nepal

- Financial and other project information is not easily available and not well organised. **A centralised website or information centre that collects, interprets and displays the data is required.** This could be led by a government or non-government agency with good links to international, national and sub-national stakeholders.
- Vulnerability assessments are considered a key element in the design of adaptation activities in Nepal but have often been carried out during project implementation. **Vulnerability assessments should be undertaken earlier on, in the planning phase, and using local indicators.**
- Adaptation activities must contribute to reducing longer term climate vulnerability and enhancing the resilience of communities rather than immediate, short-term benefits. For this to happen, **more information on adaptation concepts and options is needed at the local level.**
- Overall, **domestic capacity for implementation of CCA/resilience projects needs to be improved along with, the financial system and good governance.**

5.2 Recommendations for the Philippines

- Existing mechanisms that can ensure and promote good governance of climate finance need to be optimised. **New laws on transparency and accountability are urgently needed, but the lack of these should not hinder existing efforts.** Oversight functions within executive and legislative functions of the state can be used to improve climate finance governance.
- Financial mechanisms to reduce climate change impacts need to be better understood by all stakeholders. They are usually deemed too technical and sometimes incomprehensible, limiting discussion on how they could be improved. **Climate finance concepts need to be translated and applied locally.** For example, this can be done for the Rio Markers, which are used to label the relevance of funds to adaptation. More stakeholders should be involved in discussions around whether funds have been correctly labelled.
- **A new focus on the effectiveness of climate finance within countries is needed.** For too long in the Philippines climate finance governance

has been an international policy issue. However, with the establishment of national climate funds, such as the People's Survival Fund, there is an opportunity to create a better climate finance governance system within the country. iCSC's partnership with the Philippine Congress, DILG and MDFO in undertaking the AFAI work is a good example of country-level initiatives that support better climate finance governance mechanisms and processes.

- **A multi-stakeholder approach can improve climate finance governance.** Tracking climate finance flows requires commitment from different levels of government, CSOs and communities. A complete tracking initiative from the international fund sources to local project recipients is impossible without a coherent and collaborative effort from these partners.

5.3 Recommendations for Uganda

- Given the limited resources available at subnational level in Uganda, there is a rationale for working directly with NGOs (like Red Cross Uganda) or through special administrative units (like in the TACC project). However, when this happens, there is a general perception that financial information is no longer within the 'public' domain, and access to it is limited to those directly involved in implementation. **Building links between NGOs and local governments and involving them in the administration of the funds could help improve the availability of financial information on adaptation projects.**
- **Subnational governments and other implementing agencies need to be encouraged to make financial information publically available.** Information on websites usually includes objectives, activities and, sometimes, general financial information, but disaggregated data are rarely displayed. This is a problem at different scales, from the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) database (see Terpstra et al., 2013) to project websites. To understand how much money is actually spent at subnational level, specific enquiries need to be undertaken on a project-by-project basis.
- Adaptation to climate change is a complex concept and defining key characteristics of an adaptation project is challenging. The only projects recognised as climate change projects in Uganda were those with the words 'climate change' in the title. **Clear definitions of what constitutes adaptation and examples are needed as a first step in improving transparency on adaptation finance.**
- **Greater effort is needed to promote the use of vulnerability information in the design of adaptation activities at subnational level.** In Mbale, the TACC project carried out its ICTP based on a participatory vulnerability assessment. However, the Red Cross in Mbale said they had not used the ICTP for the formulation of their disaster risk and adaptation resilience project, and there was no concrete plan to implement the action plan (ICTP) within the planning office.

5.4 Recommendations for Zambia

- One of the main issues hampering decision-making on adaptation and holding the Zambian government to account for its actions is the absence of an institutional, policy and legal framework. **The**

government of Zambia needs to finalise and ratify its national policy on adaptation. This will provide a framework for implementation of adaptation actions.

- **The government needs to define a role for adaptation finance through the national strategy and include a specific budget line for adaptation.** There is also scope for greater civil society participation in budgeting processes in general. This will also allow civil society groups to strengthen their understanding and capacity to track budgets and funding for adaptation.
- **Local CSOs can play an important role in generating demand for greater accountability on adaptation finance.** By providing training and awareness-raising with communities on climate change and adaption issues, these communities can become more involved in adaptation planning and request support from their national government and development partners.
- **Local governments and communities should become more involved in decisions about adaptation planning.** Centralised decision making on project activities results in delays and complaints from communities. Involving them in project design and empowering local government to respond to community needs would improve effectiveness and accountability.

5.5 Overcoming generic accountability problems

Overall, there is a need for greater coordination between organisations working on adaptation issues within a particular district to raise awareness and share project data. Streamlining of reporting mechanisms across administrative units would also make it easier for local governments and CSOs to access information on adaptation activities.

Greater clarification is needed on *why* projects are labelled 'adaptation'. Criteria for tagging should be clear and should take place at the lowest level possible, preferably based on actual expenditure. Donors and implementers need to do this even for mainstreamed programmes, demonstrating how climate change data have been taken into account and providing a rationale for focusing (or not) on vulnerable geographic areas and communities.

More capacity-building is needed at local level to help local governments and other implementers of adaptation projects undertake vulnerability assessments, design projects with community participation and report on spending in a clear transparent way. CBOs should also be supported to design and undertake adaptation finance tracking. The AFAI project is currently developing a tracking toolkit with guidelines for CSOs and governments interested in setting up systems to track climate funding at national and subnational levels.

6 References

Agrawal, A., McSweeney C. and Perrin, N. (2008) 'Local Institutions and Climate Change Adaptation'. Social Development Notes. Community Driven Development. The Social Dimensions of Climate Change. No 113. Washington, DC: World Bank.

Baral, P. and Chhetri, R. (2014) 'Finding the Money: A Stock Taking of Climate Change Adaptation Finance and Governance in Nepal'. Nepal: Oxfam.

Bird, N. (2014) 'Fair Share: Climate Finance to Vulnerable Countries'. Briefing Paper. London: ODI.

Cameron, E., Shine, T. and Bevins, W. (2013) 'Climate Justice: Equity and Justice Informing a New Climate Agreement'. Working Paper. Washington, DC, and Dublin: WRI and Mary Robinson Foundation.

Coady, D., Grosh, M. and Hoddinott, J. (2004) 'Targeting Outcomes Redux'. *World Bank Research Observer* 19(1): 61-85.

Christensen, K., Raihan, S., Ahsan, R., Uddin, A.M.N., Ahmed, C.S. and Wright, H. (2012). 'Financing Local Adaptation: Ensuring Access for the Climate Vulnerable in Bangladesh'. Dhaka: ActionAid Bangladesh, ARCAB, BCAS and ICCCAD.

De Renzio, P. and Krafchik, W. (2007) 'Lessons from the Field: The Impact of Civil Society Budget Analysis and Advocacy in Six Countries'. Washington, DC: International Budget Project.

DfID (2013) 'Annual Review of Reducing Community Risks and Strengthening Disaster Response Programme, Uganda Red Cross Society'. http://devtracker.dfid.gov.uk/projects/GB-1-202672/documents

Gaventa, J. and Barrett, G. (2010) 'So What Difference Does it Make? Mapping the Outcomes of Citizen Engagement'. Working Paper 347. Brighton: IDS.

HAP (Human Accountability Partnership) (2010) *The 2010 HAP Standard in Accountability and Quality Management*. Geneva: HAP International.

Heinrich Boll Stiftung North America and ODI (Overseas Development Institute) 'Insights from Climate Funds Update'. http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7665.pdf

Joshi, A. (2010) 'Do They Work? Assessing the Impact of Transparency and Accountability Initiatives in Service Delivery'. London: R4D, DFID.

Muyambi, F. (2013) 'Environment and Natural Resources Actors' Landscape in Uganda', Kampala: UNDP.

OECD (Organisation for Economic Co-operation and Development) (2011) *Handbook on the OECD-DAC Climate Markers*. Paris: OECD.

Olsson, L., Opondo, M., Tschakert, P., Agrawal, A., Eriksen, S.H., Ma, S., Perch, L.N. and Zakieldeen, S.A. (2014) 'Livelihoods and Poverty', in C.B. Field, V.R. Barros, D.J.

Dokken, K.J. Mach, M.D. Mastrandrea, T.E. Bilir, M. Chatterjee, K.L. Ebi, Y.O. Estrada, R.C. Genova, B. Girma, E.S. Kissel, A.N. Levy, S. MacCracken, P.R. Mastrandrea and L.L. White (eds) *Climate Change 2014: Impacts, Adaptation, and Vulnerability*. Part A: Global and Sectoral Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge and New York: Cambridge University Press.

Pauw, P. and Pegels, A. (2013) 'Private sector engagement in climate change adaptation in least developed countries: an exploration'. *Climate and Development* 5(4): 257-267

Ribot, J. (2010) 'Vulnerability Does Not Just Fall from the Sky: Toward Multi-Scale Pro-Poor Climate Policy', in R. Mearns and A. Norton (eds) *Social Dimensions of Climate Change: Equity and Vulnerability in a Warming World*. Washington, DC: World Bank.

Supnet, D. (2014) 'Gasan: A Flood Control Community'. *Adaptracker*, 31 March.

TACC (Territorial Approach to Climate Change) (2010) 'Project Document'. Mbale: TACC.

Terpstra, P., Peterson Carvalho A. and Wilkinson E. (2013) 'The plumbing of adaptation finance: Accountability, transparency, and accessibility at the local level', WRI Climate Finance Series, Washington D.C.: World Resources Institute.

UNDP (2013) 'Annual Progress Report'. Nepal: United Nations Development Programme.

UNFCCC (2002). Report of the COP 7, held at Marrakesh from 29 October to 10 November 2001. Addendum: Part 2: action taken by the COP. Vol IV.

Van Domelen, J. (2007) 'Reaching the Poor and Vulnerable: Targeting Strategies for Social Funds and other Community-Driven Programs'. Social Protection Discussion Paper 0711. Washington, DC: World Bank.

Wamunyima, M., and Miga, W. (2014) 'Assessment of Adaptation Financial Flows in Zambia'. Consultancy report prepared for AFAI in Zambia, unpublished.

Watson, C., Nakhooda, S., Caravani, A. and Schalatek, L. (2012) 'The Practical Challenges of Monitoring Climate Finance: Insights from Climate Funds Update'. Climate Finance Policy Brief. London: ODI.

ODI is the UK's leading independent think tank on international development and humanitarian issues.

Our mission is to inspire and inform policy and practice which lead to the reduction of poverty, the alleviation of suffering and the achievement of sustainable livelihoods.

We do this by locking together high-quality applied research, practical policy advice and policy-focused dissemination and debate.

We work with partners in the public and private sectors, in both developing and developed countries.

ISSN (online): 1759-2917

ISSN (print): 1759-2909

Overseas Development Institute

203 Blackfriars Road

London SE1 8NJ

Tel +44 (0)20 7922 0300

Fax +44 (0)20 7922 0399

Adaptation Finance Accountability Initiative Partners: