

THE EXCHANGE SERIES

Financing Urban Adaptation and Resilience: Examples and Experiences

8th Exchange Email Discussion Report – Consolidated Replies | June 2015



The 8th APAN Exchange was raised by Dr. Peter King on 16 Jun 2015 to engage the APAN climate change adaptation community in Asia and the Pacific. The Exchange period lasted approximately two weeks (16 – 25 Jun 2015).

Dr. King is the Adaptation Project Preparation and Finance Team Leader for the USAID Adapt Asia-Pacific project. He is also the Senior Policy Advisor at the Institute for Global Environmental Strategies (IGES) Regional Centre based in Bangkok, Thailand.

[Dr. Peter King](#), Adaptation Project Preparation and Finance Team Leader, USAID Adapt Asia-Pacific, and Senior Policy Advisor, [Institute for Global Environmental Strategies \(IGES\)](#) Regional Centre, Bangkok, Thailand (Posted on 3 July 2015)

Dear friends and colleagues,

This has been a very insightful discussion on ***“Financing Urban Adaptation and Resilience”*** both over email and on our first-ever [‘live’ online chat](#) session last Friday (26 June 2015) that was joined by over 25 participants virtually from Germany, India, Philippines, Thailand, and the United States.

As I read your responses again, and as I draw on some of the key lessons shared and learned, I am very much encouraged by the extraordinary level of enthusiasm shown by so many in this group.

We heard first-hand experiences from local officials from the Philippines ([Mayor Alfredo Coro](#)) and Vietnam ([Ky Quang Vinh](#)) about the real challenges they face, as city-level governments, in accessing and raising money and resources for critical adaptation projects.

A general lack of capacity among local officials, particularly in designing and implementing projects, and an over reliance on central governments for financing needs were mentioned as barriers by many from national government agencies and civil society organizations ([Jim Hicklin](#), [Patrick Jasper](#), [Ella Antonio](#), and [Akhteruzzaman Sano](#)).

Many of you also highlighted more systemic issues that relate to the flow of money from international climate funds to national entities and to local governments. These include regulations that disallow donors’ funding to be channeled directly to local governments (raised by [Roby Fadillah](#) from Indonesia’s national planning agency); local governments’ inability to generate their own revenue; and burdensome bureaucracy for local governments to access national funds.

From our discussion, two clear issues emerged: the question of how to ensure more efficient flow of money from the global level reaching the local level; and the challenge of matching national level and local level priorities.

These were two complex issues that deserved further deliberation, which we did by moving our discussion from our inboxes to a virtual chatroom.

More questions were asked and answered and practical recommendations put forward during our one-hour chat. These include suggestions for countries to make use of vulnerability assessments to help with prioritization, for cities to exhaust in-country options before looking at international sources, and for development partners to ensure that short-term training and capacity building activities ultimately lead to real actions.

I sincerely thank friends and colleagues at Germanwatch, the Adaptation Fund, ICLEI Southeast Asia, the Institute for Climate and Sustainable Cities, Cities Development Initiative for Asia, the East West Center – University of Hawaii, Thomson Reuters Foundation, USAID Adapt Asia-Pacific, IGES, and others, for joining and contributing so much to the discussion.

You can read the transcript of the chat here:

<http://www.asiapacificadapt.net/live-chats/live-online-chat-financing-urban-adaptation-and-resilience>

You can also read the full responses of the email *Exchange* in this consolidated replies report.

Thank you all, once again, for sharing this wealth of information and for a fantastic discussion during our 'live' chat session. I look forward to hearing your views again, and learning more, in our next *Exchange*.

Best regards,

Dr. Peter N. King

Team Leader

Adaptation Project Preparation and Finance
USAID Adapt Asia-Pacific project

Senior Policy Advisor

Institute for Global Environmental Strategies (IGES)
Regional Centre
Bangkok, Thailand

Responses from the APAN Community

Contributors from the APAN Community to the 8th Exchange (16 – 25 Jun 2015).

1. [Roby Fadillah](#),
Planner, National Development Planning Agency (Bappenas), Republic of Indonesia (Posted on 29 Jun 2015)
2. [Ella Antonio](#),
President, Earth Council, Asia Pacific, Inc., Philippines (Posted on 26 Jun)
3. [Patrick Jasper](#), Asst. General Manager, National Bank for Agriculture and Rural

[Roby Fadillah](#), Planner, National Development Planning Agency (Bappenas), Republic of Indonesia (Posted on 29 Jun 2015)

1. What are the main sources of funding for local governments to finance and implement urban adaptation projects?

In Indonesia, local governments can only access the national budget (APBN) and the regional budget (APBD) in order to finance and implement all of development projects, include the adaptation projects. Indonesia has a regulation that all of donors' funding (grant or loan) cannot be channeled directly to the local government. Those funding should be registered to Ministry of Finance and National Development Planning Agency, and managed by related sectoral ministries and channeled by sectoral ministries to the local governments.

2. What are the challenges facing local governments in accessing multilateral and bilateral climate funds, with most funds being accessed by national-level entities, and with many local governments still heavily reliant on central governments for money?

So far, I've identify several challenges:

- a. Indonesian budget regulation (as I've mention in the previous question) – local government cannot access overseas funding

Development (NABARD), India
(Posted on 25 Jun 2015)

4. [Lisa Junghans](#), Policy Officer - Climate Impacts and Adaptation, Germanwatch, Germany (Posted on 24 Jun 2015)

5. [Mayor Alfredo Matugas Coro](#), Municipality of Del Carmen, Siargao Islands, Philippines (Posted on 24 Jun 2015)

6. [Jim Hicklin](#), Grant Writer, Ministry of Finance, Republic of the Marshall Islands (Posted on 22 Jun 2015)

7. [Mayor Alfredo Matugas Coro](#), Municipality of Del Carmen, Siargao Islands, Philippines (Posted on 19 Jun 2015)

8. [Ky Quang Vinh](#), Director, Climate Change Coordination Office of CanTho City, Vietnam (Posted on 18 Jun 2015)

9. [Akhteruzzaman Sano](#), South East Asia Regional Focal Point, GEF-NGO Network, C/O Save the Earth Cambodia (Posted on 17 Jun 2015)

directly.

- b. Institutional capacity in local level – need improvement to address and manage climate change adaptation issues and funding.
- c. Political views of local leader – development priorities in each province and district are depend on their leader’s vision and mission. Climate change adaptation and mitigation in most regions are less priority compared to poverty alleviation and infrastructure improvement.

3. Do you know of any tools, systems, or mechanisms currently in place to allow for better flow of funds from national to local governments that will allow for resources to effectively reach the most vulnerable communities?

At the moment, Indonesia has Indonesian Climate Change Trust Fund (ICCTF), a national trustee institution which manages donors’ funding to implement climate change adaptation programmes or projects. It’s chaired by the National Development Agency and membered by some relating sectoral ministries. ICCTF has small grant facility which can be accessed by local government to implement local adaptation project.

4. Finally, to what extent should city or local governments (and even communities) have autonomy over their spending decisions? Going further, what exactly can multilateral climate funds do to better engage with, and channel needed resources to, cities?

Basically, climate adaptation is local situation and adaptation measures should be determined by local governments. But in fact, many things are involved in decision making, not only vertically but also horizontally. In addition, there is a lack of local government’s capacity to manage the fund, particularly the issue of accountability and transparency. Thus, the role of the central government is needed in this regard.

Preferably, multilateral funding should be able to adjust the budget regulations in the country. So that the delivery mechanism can be optimized and well targeted.

Thank you and regards,

Roby Fadillah
Planner
National Development Planning Agency (Bappenas)
Republic of Indonesia

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[Ella Antonio](#), President, Earth Council, Asia Pacific, Inc., Philippines (Posted on 26 Jun 2015)

Dear Peter and colleagues,

May I contribute the following:

1. What are the main sources of funding for local governments to finance and implement urban adaptation projects?

In the Philippines, the current major sources of funds for urban adaptation

projects are the national government and ODA, either directly or through civil society. More and more, however, LGUs (mainly cities) and private sector have been significantly raising/contributing own resources in adapting to climate change. For instance, many city governments have installed rainwater collection and utilization systems, improved/widened/cleaned up drainage systems; improved solid waste management; relocated vulnerable communities, etc. The private sector has been doing its share, e.g. land developers set up similar rain water collection and use systems; design houses/structures that could withstand strong typhoons; increased use of REs in projects; continue to substantially increase RE generation (solar, wind, biomass, geothermal, hydro). More interestingly, there has been growing partnership between government and private sector in undertaking adaptation, mitigation and disaster response. Yesterday, Pasig City inaugurated the country's largest facility that converts garbage to fuel. The facility was made possible through the cooperation of the city government with a local cement producer and a French industrial ecology firm.

2. What are the challenges facing local governments in accessing multilateral and bilateral climate funds, with most funds being accessed by national-level entities, and with many local governments still heavily reliant on central governments for money?

Philippine LGUs can directly access multilateral and bilateral funds but only up to a certain amount. The cap should not really be a major issue since the LGUs are also empowered to raise and generate external resources through other financing facilities. The biggest stumbling blocks have always been the lack of capability among LGUs to develop/package proposals that could pass the national review process for large projects or tap other financing facilities or to augment limited direct bilateral funds.

3. Do you know of any tools, systems, or mechanisms currently in place to allow for better flow of funds from national to local governments that will allow for resources to effectively reach the most vulnerable communities?

The Philippines has established a number of budgeting mechanisms for this purpose:

- a. Bottom-Up Budgeting, which allows LGUs, in consultation with stakeholders through the mandatory multi-stakeholder local councils, to determine their respective priorities and corresponding budgets. In 2015 Budget Call guidelines, climate change expenditures were prioritised significantly increasing the climate budget of Government.
- b. Climate Change Expenditure Tagging (CCET), a common framework across government consisting of policy-based definitions of CC response aligned with the NCCAP including a common method for tagging CC expenditures focused on accountability and the assignment of roles and responsibilities to Agencies and LGUs. The framework includes local guidelines and CC typology adapted from the national CCET. Consistent approaches for tagging at national and local levels facilitate a comprehensive national assessment of climate response and gaps across all sources of budget financing.
- c. Program Budget Approach (PBA), which incentivizes coordination and convergence among National Government Agencies in the planning, budgeting and implementation of priority programs by

focusing the available fiscal space on them. Over 80 percent of the 2015 PBA is focused on addressing climate risks. It accounts for about half of the climate expenditures in the national budget.

- d. In support of leveraging the domestic budget to scale up climate finance, the government is implementing the recommendations of the Climate Public Expenditure and Institutional Review: (a) strengthening the planning, execution and financing framework for climate change, (b) enhancing leadership and accountability through monitoring, evaluation, and reviews of policies and activities; and (c) building capacity and managing change. See: <http://www.worldbank.org/en/country/philippines/publication/mobilizing-budget-for-climate-change-in-philippines>
- e. National and Local Calamity Funds are lump sum amounts included in the budgets. The Local Calamity Fund is a mandatory budgetary item equivalent to 5% of the estimated income of LGUs from regular sources.
- f. The Climate Change Adaptation Approach, which adopts an Integrated Financial Package that bundles and rolls up financial and non-financial services to farmers. Among others, the IFP increases access to credit, saving facilities and formal and informal insurance (crop, life, health) including the innovative Weather Index-based Insurance Package. The approach was pilot-tested and generated successful outcomes in Agusan del Norte, Philippines and up scaled through the Green Jobs project of ILO under the GEF. See: http://www.ilo.org/asia/whatwedo/projects/WCMS_189793/lang-en/index.htm

4. Finally, to what extent should city or local governments (and even communities) have autonomy over their spending decisions? Going further, what exactly can multilateral climate funds do to better engage with, and channel needed resources to, cities?

The LGUs must be given as much autonomy as possible over their spending decisions. Such decisions, however, must be based on a comprehensive and participatory consultative process. There are expenditures within local areas that are rightfully national. However, national agencies must also undertake a comprehensive and participatory consultative process for prior to undertaking such expenditures.

Multilateral climate funds must ensure the installation of nations-local coordinative and consultative mechanisms and procedures such as those described in the budgeting process above. These must address the usual capacity weaknesses of LGUs.

All the best to everyone.

Ella Antonio
President
Earth Council, Asia Pacific, Inc.
Pasig City, Philippines

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[Patrick Jasper](#), Asst. General Manager, National Bank for Agriculture and Rural Development (NABARD), India (Posted on 25 Jun 2015)

Dear Dr. King,

Thanks once again for inviting me to this exchange. Financing Urban Adaptation and Resilience is gaining importance in the context of urbanisation of countries all over the world. Of the approximately 121 crore Indians, 83.3 crore live in rural areas while 37.7 crore stay in urban areas, i.e. approx 32 % of the population which is significant. This figure is increasing day by day and poses challenges to policy makers and planners as the effects of climate change begin to be felt in urban India. Dr. King I will try to answer some of your questions.

1. What are the main sources of funding for local governments to finance and implement urban adaptation projects?

One of the Major challenges for local governments is of revenue generation. In India Revenue generation avenues for local bodies is limited and even where some revenues are generated, effective utilisation is a bottle neck. There are two sources of revenue for local government's viz., limited taxes and fees and assigned revenues from State and central governments. Own revenue is generated by through taxes and fees levied by them. Assigned revenues are those which are assigned to local governments by higher tier of government. There is growing trend of declining ratio of own revenue and poor collection of property taxes. In most cases local Governments are not able to generate sufficient surplus for their own development projects let alone adaptation projects to address climate change. And hence have to depend on State Finances, Central finances or external donors.

2. What are the challenges facing local governments in accessing multilateral and bilateral climate funds, with most funds being accessed by national-level entities, and with many local governments still heavily reliant on central governments for money?

Knowledge, awareness and technical capabilities are the major hindrances which work against local governments accessing climate funds. Large sections of society still are not aware of the climate finance architecture which exists in the climate space. Even if they do have this knowledge they may not know how to access these funds. Preparation of proposals for these funds is also a highly complex process which cannot be done without outside technical support which results in further increasing project preparation costs.

3. Do you know of any tools, systems, or mechanisms currently in place to allow for better flow of funds from national to local governments that will allow for resources to effectively reach the most vulnerable communities?

The National Action Plan for Climate Change (NAPCC) and the State Action plans envisage that funds flow from National level for activities related to climate change adaptation and mitigation activities. These plans envisage budgetary support for these activities upto the grass roots through plan expenditure and flow of subsidies through the national mission envisaged in the NAPCC. While implementation of these activities has started on a low scale, we are yet to see large scale.

4. Finally, to what extent should city or local governments (and even communities) have autonomy over their spending decisions? Going further,

what exactly can multilateral climate funds do to better engage with, and channel needed resources to, cities?

Spending decisions are a tricky business as it involves tax payer's money and cannot be used for all sorts of activities. Traditionally local governments have little autonomy in spending decisions as there is a top down approach in flow of funds. In addition there are transparency issues which involve utilization of plan funds. Multilateral climate funds need to identify Partners at the National and Regional levels who have the reach and technical capabilities to engage with the urban conglomerates either through local governments or at a community level.

Dr. King thanks for the opportunity for presenting my views.

Patrick Jasper

Asst. General Manager

National Bank for Agriculture and Rural Development

Kerala

India

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[Lisa Junghans](#), Policy Officer - Climate Impacts and Adaptation,
Germanwatch, Germany (Posted on 24 Jun 2015)

Dear colleagues,

Thanks for offering this very useful webinar series. I have one question for the webinar happening this Friday: **Do you have concrete ideas how local authorities can raise financial resources on their own, e.g. through local taxes, local levies, local charges or other innovative local options such as PPP?** This question is relevant as cities cannot only rely on international or national funding for a transformation towards a low-carbon climate resilient development but must become active fund-raisers themselves.

Looking forward to hearing your answers.

Warm regards,

Lisa Junghans

Policy Officer - Climate Impacts and Adaptation

International Climate Policy Team

Germanwatch

Bonn, Germany

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[Mayor Alfredo Matugas Coro](#), Municipality of Del Carmen, Siargao Islands,
Philippines (Posted on 24 Jun 2015)

My Questions:

1. What is the most important climate adaptation program that a local government must do as qualified by experts and that can easily find

international funding support that does not have to go through multiple layers of bureaucracy.

2. What international funding agencies would allow substantial climate adaptation funding that does not need approvals from national line agencies or other national channels in our respective countries.

Alfredo M Coro
Municipal Mayor, Municipality of Del Carmen
Siargao Islands
Philippines

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[Jim Hicklin](#), Grant Writer, Ministry of Finance, Republic of the Marshall Islands *(Posted on 22 Jun 2015)*

Dr. King,

Thank you, once again, for hosting the Exchange and allowing participants to share such good information and viewpoints. My contribution to the latest topic follows.

1. What are the main sources of funding for local governments to finance and implement urban adaptation projects?

In our work in the Marshall Islands, we have been able to access funds for local governments mostly through Japan's Grant Assistance for Grassroots Projects (GAGP), the Global Environmental Facility (GEF) Small Grant Program (SGP) and New Zealand's North Pacific Development Fund (NPDF). In some cases, the local governments must work through or in partnership with local NGOs in order to be eligible. There are also some cases where we assisted local governments with getting funding and/or technical assistance from national ministries or funds.

2. What are the challenges facing local governments in accessing multilateral and bilateral climate funds, with most funds being accessed by national-level entities, and with many local governments still heavily reliant on central governments for money?

For our local governments, the greatest challenges are due to a lack of capacity within the local governments themselves. The Grant Writing Office is often called upon to assist with the development of project activities, budgeting, logistics, monitoring and evaluation schemes preliminary to any award, and we often assist with bank arrangements and reporting once an award is made. Our local governments especially need greater capacity in financial management and the keeping of financial records.

3. Do you know of any tools, systems, or mechanisms currently in place to allow for better flow of funds from national to local governments that will allow for resources to effectively reach the most vulnerable communities?

In the case of the Marshall Islands, the establishment of a development trust fund that, with a proper framework and administration, would release funds to support sustainable and resilient development projects with integration of national and local parties being a requirement would be a favored solution for

the flow of outside funding assistance.

Unfortunately, a great weakness here in the Republic of the Marshall Islands (RMI) is the general lack of communication and coordination between national and local efforts at the political level. And, recently, the national legislature has undermined the work of local governments by redirecting funds intended for local use and by requiring national Senators to be seated on the Executive Councils of local governments. Instead of decentralizing control, which is a stated goal of the nation's strategic development plan framework, Vision 2018, power is becoming more centralized. Our local governments have little funding to carry out activities except for the Outer Islands Economic Development Fund, provided by Taiwan, which is usually divided among local governments for fisheries, farming and business projects.

4. Finally, to what extent should city or local governments (and even communities) have autonomy over their spending decisions? Going further, what exactly can multilateral climate funds do to better engage with, and channel needed resources to, cities?

In theory, local governments should have complete autonomy over their budgets and grant funding. However, the reason that the national legislature has moved to centralize control or oversee local activities, is that a few local mayors were not acting in the best interests of their communities. But still, there are many local mayors and governments working hard to improve the economies, self-reliance, and resilience of their communities, and they should be entrusted and empowered to carry out their work. Currently, the best scenarios for funded projects are when the local mayor and the Senator for a particular island work hand-in-hand in engaging stakeholders, collecting resources, and then developing and implementing a project.

Regards,

Jim Hicklin
Grant Writer
Ministry of Finance
Republic of the Marshall Islands
Majuro, MH 96960

The Grant Writing Office of the Ministry of Finance assists national ministries/agencies, local governments, and NGOs in accessing funding support for development projects within the Marshall Islands.

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[Mayor Alfredo Matugas Coro](#), Municipality of Del Carmen, Siargao Islands, Philippines (Posted on 19 Jun 2015)

1. What are the main sources of funding for local governments to finance and implement urban adaptation projects?

Local governments in discussion here would mean municipal or city governments. The main sources of funding would be local funds which are split in several public sector services (education, health, etc.) making little portions left for each of those services. If the local government has incorporated climate adaptation in the planning process, it would then mean climate adaptation will have bigger impact on the overall sustainability of the

community. Examples includes:

- Evacuation centers serving as multipurpose halls and not classrooms in schools
- Local health services having expertise on health emergencies management
- Provide information technology access to increase awareness on events, news and knowledge

There is still a very large financing need of the local governments to consistently and substantially implement that planned developments to adapt to climate changes. We are hoping that more funds are channeled to local governments and be given the opportunity to address their climate change concerns which will vary from other communities.

2. What are the challenges facing local governments in accessing multilateral and bilateral climate funds, with most funds being accessed by national-level entities, and with many local governments still heavily reliant on central governments for money?

Major projects are still currently flowing through national governments with local governments developing the necessary proposals to try and lobby for a piece of the pie. But if we look at the capacity of several local governments, we have limited capability in developing proposals for national and foreign large projects funding requirements, implementing the measures required in the project implementation of these large funding donors and sustaining the large projects to sustain the impact of climate adaptation.

In the Philippines, we have a Bottom Up Budgeting practice which was implemented from 2013 where local governments work with local civil society groups to identify projects which will then be identified for funding from appropriate national agencies. Local governments are now pushing to have annual additional appropriation to be given to the local governments without having to go through the complicated process of seeking funding from national government agencies but certainly will still have the participatory process of identifying priorities with local civil society groups. This is possible since our government has already shared that there is available excess funding given the under spending report of the national government. This one less bureaucratic step will hasten the project implementations and allow communities to be climate adaptive faster.

3. Do you know of any tools, systems, or mechanisms currently in place to allow for better flow of funds from national to local governments that will allow for resources to effectively reach the most vulnerable communities?

Options to address this would be to focus on 1 to 3 major projects annually from the national government that would address critical climate impacts and reaching all vulnerable areas immediately:

- Disaster Risk Reduction: Evacuation centers in all communities
- Communications Network: Access to communication channels

In planning together with the local governments and the national government, urgency on the release of funding and immediate quality implementation would help the communities be comfortable in ensuring adaptability to climate changes. In the Philippines, we have been pushing for the rationalization of the national budget to have the local governments have

access to more funds with less bureaucracy in fund transfer but certainly should have the appropriate measures for fund spending. This will allow local governments to fund climate adaptation strategies to address specific climate issues impacting their public service delivery.

4. Finally, to what extent should city or local governments (and even communities) have autonomy over their spending decisions? Going further, what exactly can multilateral climate funds do to better engage with, and channel needed resources to, cities?

Climate adaptation is an opportunity for local governments to ensure sustainable development but requires expertise in terms of identifying the potential priorities in terms of address the climate change concerns. Local governments are the front-line service providers of the whole government in general and should have more experts in planning, implementation and monitoring to have better understanding of the need versus the desires. The local human resources will never be enough to support informed decision making, implement the programs and sustain the implementation. So there is a necessity to deploy technical expertise from national government agencies in local governments to help them in their spending decisions with proper planning versus having the national government forcing local governments in the whole country implement the nationally developed climate adaptations programs.

Alfredo M Coro
Municipal Mayor, Municipality of Del Carmen
Siargao Islands
Philippines

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[Ky Quang Vinh](#), Director, Climate Change Coordination Office of CanTho City, Vietnam (Posted on 18 Jun 2015)

Dear Peter King,
The following are some of my ideas to answer your questions:

1. What are the main sources of funding for local governments to finance and implement urban adaptation projects?

First I want to identify that local government in my answer is the provincial government. The lower level governments do not have sufficient financial capacity to respond.

According to me the provincial government that belong to Vietnam, depending on each province can only contribute maximum 30% of funding for responding. Thus over 60% of local responses budget must be supported by the government or foreign organizations.

2. What are the challenges facing local governments in accessing multilateral and bilateral climate funds, with most funds being accessed by national-level entities, and with many local governments still heavily reliant on central governments for money?

In my country, if a project has a budget of less than USD 500,000, the provincial government can call the donor directly. If the project has an

implementation budget bigger than USD 500,000 it must go through burdensome procedures to be approved by the Prime Minister to allow implementation. That is the main reason the provincial government often must depend on the central government.

3. Do you know of any tools, systems, or mechanisms currently in place to allow for better flow of funds from national to local governments that will allow for resources to effectively reach the most vulnerable communities?

Such a major project funded by foreigners have broken into many small projects with budgets under the said quota, and they are to perform in the different time. But it's only a temporary counter-measure. In the long term we need to take measures discussed to change and correct the policies using effective funding, but little more troublesome.

4. Finally, to what extent should city or local governments (and even communities) have autonomy over their spending decisions? Going further, what exactly can multilateral climate funds do to better engage with, and channel needed resources to, cities?

Activities of climate change adaptation should be split among several levels of scale: the community level activities depend on district level plan of resilience activities. Similarly the activities of district level must depend on provincial level. Provincial activities then must depend on inter-provincial level that have the same hydro-meteorological conditions. Regional level activities in a country have to depend on the resilience activities plan of the international region that have the same trans-boundary hydro-meteorological conditions. And if necessary the international regional level need be dependent on the adaptation plan of the world.

If the scale of such actions are determined, the community and provincial government could decide to make the act only for their own territories, while the larger will be the government or international agencies chaired to implement. In this context, foreign investment funds can direct funding for activities at the local level, the most urgent nature.

Ky Quang Vinh
Director

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[Akhteruzzaman Sano](#), South East Asia Regional Focal Point, GEF-NGO Network, C/O Save the Earth Cambodia (Posted on 17 Jun 2015)

Dear Dr. Peter,

Thanks for keeping us connected through key issues and challenges to consult, share and learn.

Before going to the main subject, may i request you to select 'resilience' issues as one of the agenda sometimes in the near future? Because, there are many projects and discussions where 'resilience' is used. The subject of this

discussion as well "[APAN] The Exchange Series: Financing Urban Adaptation and Resilience - Examples and Experiences. Reply by 25 Jun 2015".

One of the objectives from that 'resilience' dialogue is learn when and under what conditions a project can be claimed as a resilient project.

Please below are the feedback on the questions:

1. What are the main sources of funding for local governments to finance and implement urban adaptation projects?

National governments are the main sources of funding to local governments. Any development partner needs to come through the respective national ministry. Some bilateral and multilateral agencies also directly support local governments.

2. What are the challenges facing local governments in accessing multilateral and bilateral climate funds, with most funds being accessed by national-level entities, and with many local governments still heavily reliant on central governments for money?

The local governments shall have to go through the national government. The national governments have their own priority. As a result, most of the cases, the local governments' priorities are not considered as priorities at the national level. So, the local governments are heavily reliant on the central government.

3. Do you know of any tools, systems, or mechanisms currently in place to allow for better flow of funds from national to local governments that will allow for resources to effectively reach the most vulnerable communities?

There is no universal tool as the situation is different in different local levels in the same country. There are some experiences (tried with) need to be updated upon facilitating dialogues with the respective national and local government institutions. Once there are at least two or three successful case studies, then tools can be developed.

4. Finally, to what extent should city or local governments (and even communities) have autonomy over their spending decisions? Going further, what exactly can multilateral climate funds do to better engage with, and channel needed resources to, cities?

I think it needs to be decided based on the country-to-country situation where the national and local government along with greater civil society shall have to engage to dialogue. It cannot be copied and pasted. To what extent the sub-national, local or a community should have autonomy; it may depend on country-to-country perspectives. Certainly, the local capacity, local cultural values and many other issues shall have to be considered.

I think the multilateral climate funds may support national and local governments to establish multi-stakeholder platforms at national and local levels and empower them. Such platforms may enable better and meaningful engagement to address all forms of development issues. It will help governments and communities.

Thanks and regards,

Akhteruzzaman Sano
South East Asia Regional Focal Point

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E-DISCUSSION LAUNCH EMAIL (posted on 16 Jun 2015)

**[Dr. Peter King](#), Adaptation Project Preparation and Finance Team Leader for the [USAID Adapt Asia-Pacific](#) project, and Senior Policy Advisor, [Institute for Global Environmental Strategies \(IGES\)](#) Regional Centre, Bangkok, Thailand
(Posted on 16 Jun 2015)**

Dear colleagues and friends,

Thank you for supporting the [last Exchange](#) and for sharing your experiences on how we can better mainstream gender into adaptation project design. In this Exchange, I would like us to consider the issue of financing urban adaptation projects and explore some of the challenges getting money and resources to city-level governments.

According to the Overseas Development Institute, there is a severe shortage of climate finance for urban resilience. Less than 5% of the US\$1.83 billion approved for adaptation projects by climate funds went into building urban resilience since 2010. Urban projects outlined in the least developed countries' NAPAs under the UNFCCC are also not listed as high priority actions.

Why is this, then, when the impacts of climate change are most felt in cities and at the local level (and with more than one billion people in the Asia-Pacific alone living in these low-lying, disaster-prone areas)?

I am keen to explore these issues, understand the barriers on the ground, and learn some of the ways to improve local governments' access to finance and resources that they so urgently need. Please consider the following questions:

- 1. What are the main sources of funding for local governments to finance and implement urban adaptation projects?**
- 2. What are the challenges facing local governments in accessing multilateral and bilateral climate funds, with most funds being accessed by national-level entities, and with many local governments still heavily reliant on central governments for money?**
- 3. Do you know of any tools, systems, or mechanisms currently in place to allow for better flow of funds from national to local governments that will allow for resources to effectively reach the most vulnerable communities?**
- 4. Finally, to what extent should city or local governments (and even communities) have autonomy over their spending decisions? Going**

further, what exactly can multilateral climate funds do to better engage with, and channel needed resources to, cities?

Shortly after this Exchange, I will be hosting a 'live' chat session on **Friday, 26 June 2015, 11:00am-12:00pm (UTC+07:00) Bangkok time** to answer questions and discuss in greater detail some of the important points coming out of this discussion. Joining me is USAID Adapt Asia-Pacific's Deputy Chief of Party, and urban expert, Bikram Ghosh, who will also be taking questions.

To participate, simply visit the APAN web portal: <http://www.asiapacificadapt.net/live-chat> and log on to our virtual chatroom. We will share more details on how to participate shortly.

I look forward to receiving your responses and to another robust discussion.

Thank you once again.

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Admin matters: For each *Exchange*, community members have about 2 weeks to share any thoughts, ideas, and experiences via the-exchange@adapt-asia.org with the group. At the end of the *Exchange* period, a consolidated summary of the discussion will be shared.

The Exchange Series on Climate Change Adaptation is facilitated by the APAN Knowledge Management Team and supported by the [USAID Adapt Asia-Pacific project](#). The team moderates the exchanges and ensures that members receive a maximum of one email a day. Messages posted reflect the personal views of the contributors and not the positions of their organizations.

If you would like to opt-out of the *Exchange* at any time, please contact Augustine Kwan, Programme Manager (Knowledge Management and Outreach) at the IGES Regional Centre at kwan@iges.or.jp

The Exchange Series on Climate Change Adaptation is made possible with the generous support of the USAID Adapt Asia-Pacific project. To learn more about APAN and our partners, visit: <http://www.asiapacificadapt.net/>



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