


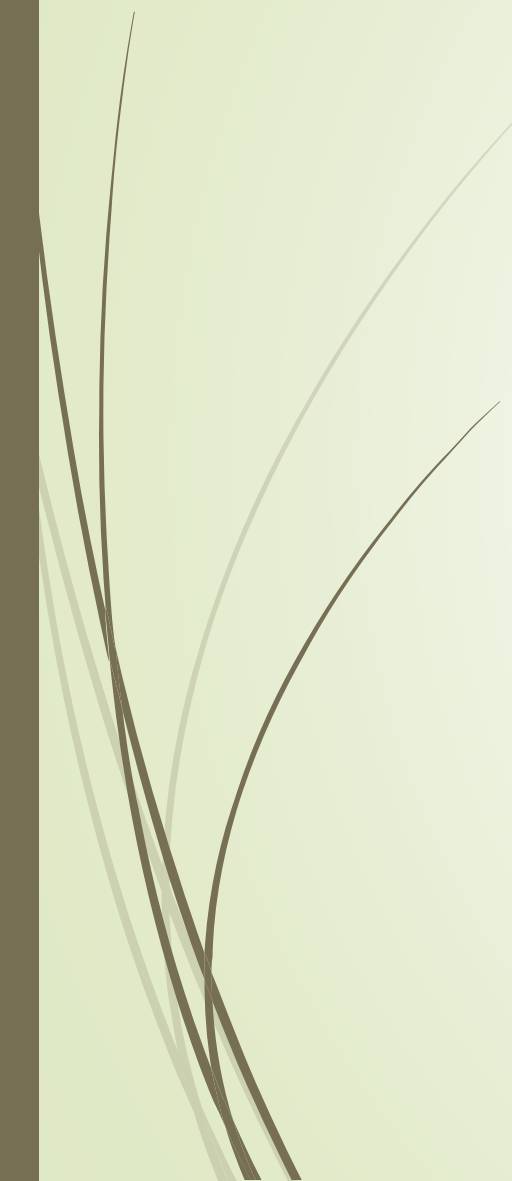
LoCAL TUVALU PROJECT



A MECHANISM FOR FINANCING CLIMATE ADAPTATION AT THE LOCAL LEVEL:
TO ENABLE LOCAL AUTHORITIES CONTRIBUTE TO THE IMPLEMENTATION OF NDCs and
SDGs



OUTLINE

- ▶ LoCAL IN BRIEF
 - ▶ PERFORMANCE-BASED CLIMATE RESILIENCE GRANT SYSTEM (PBCRG)
 - ▶ THE LoCAL TUVALU PROJECT OVERVIEW
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LOCAL CLIMATE ADAPTATION LIVING FACILITY (LoCAL)

- A **MECHANISM FOR FINANCING CLIMATE ADAPTATION AT THE LOCAL LEVEL**
- A GLOBAL MECHANISM DESIGNED BY UNCDF TO HELP LOCAL AUTHORITIES **ACCESS AND USE CLIMATE FINANCE EFFECTIVELY AT THE LOCAL LEVEL**
- PROMOTES THE **INTEGRATION OF LOCAL GOVERNMENT PLANNING AND BUDGETING SYSTEMS** IN A PARTICIPATORY AND GENDER SENSITIVE MANNER
- **PERFORMANCE-BASED CLIMATE RESILIENCE GRANTS (PBCRG)** THAT GUARANTEE PROGRAMMING AND VERIFICATION OF LOCAL ADAPTATION EXPENDITURES

PERFORMANCE-BASED CLIMATE RESILIENCE GRANT SYSTEM (PBCRG)



- ▶ **GRANTS COMPLEMENT A REGULAR FINANCIAL TOP-UP AND OTHER LOCAL REVENUES**
- ▶ ARE CHanneled to **STRENGTHEN NATIONAL FISCAL TRANSFER SYSTEMS** (NOT PARALLEL OR AD HOC STRUCTURES)
- ▶ INCLUDES **MINIMUM CONDITIONS** and **PERFORMANCE MEASURES**



Tuvalu LoCAL Project - Background

- ▶ Tuvalu faces unique sets of **development challenges** due to its **small size**; **low elevation**, narrow production and export bases; insularity; **remoteness**; fragmentation, limited resources and capacity constraints; and **proneness to natural disasters and vulnerability to climate change**.
- ▶ It is the **fourth smallest country** in the world with a population of around 11,000 and a land area of 25.9 km²; its exclusive economic zone covers 900,000 km².
- ▶ Like other Pacific Island countries, these development challenges heighten Tuvalu's susceptibility to **economic and climate-related shocks**.



LoCAL Tuvalu Project Objectives

- ▶ THE PROJECT NOT ONLY ADDRESS CC ADAPTATION AND RESILIENCE MEASURES BUT ALSO ADDRESS **CLIMATE-RELATED DISASTER RISK REDUCTION AND DISASTER PREPAREDNESS MEASURES** (e.g. CYCLONES, PROLONGED DROUGHT)
- ▶ THE AIM OF THE PROJECT IS **TO IMPROVE THE CAPACITIES OF LOCAL GOVERNMENTS** TO ADDRESS CC BY INCREASING ACCESS TO CC ADAPTATION FINANCING THROUGH PBCRGs. THE EXPECTED OUTPUTS ARE AS FOLLOWS:
 - ▶ OUTPUT 1: **EFFECTIVE PBCRG SYSTEM** (FINANCE MECHANISM) IS ESTABLISHED IN TUVALU AND OPERATIONAL FOR ADDITIONAL FUNDING
 - ▶ OUTPUT 2 : **INCLUSIVE, EFFECTIVE AND ACCOUNTABLE CC MAINSTREAMED PLANNING AND BUDGETING PROCESSES** AT THE KAUPULE LEVEL



LoCAL TUVALU PROJECT OBJECTIVES

- ▶ OUTPUT 3: **CC-RESILIENT INVESTMENTS** (SERVICES AND INFRASTRUCTURE) ARE MANAGED EFFICIENTLY AND EFFECTIVELY, AND TRANSPARENCY IMPLEMENTED BY THE PARTICIPATING KAUPULES **THROUGH THE PBCRG SYSTEM**
- ▶ OUTPUT 4: **M & E**, AND LESSONS LEARNT TO INFORM NATIONAL POLICIES, THE INTEGRATION OF CC IN ALL STEPS OF THE LOCAL PFM PROCESS AND **IMPROVEMENTS OF PFM**
- ▶ OUTPUT 5: COMPLETED ROLL-OUT PLANS AND CAPACITY-BUILDING SUPPORT FOR NEW KAUPULES BY END OF PROGRAMME (**UPSCALING OF REMAINING KAUPULE**)



LoCAL Tuvalu Project Achievements

- ▶ The **second annual performance assessment (APA)** of the *kaupules/ falekaupules* under the LoCAL programme was successfully **completed in May 2017**. The APA reviewed compliance on the part of the pilot *kaupules* with the minimum conditions for access to grants for the FY 2017/18.
- ▶ The APA report was **reviewed by the LoCAL Secretariat** and subsequently approved by the Kaupule Development Coordinating Committee, and signed by the secretary and consented to by the minister. The **APA found LoCAL has good traction in the initial three LoCAL programme pilot local government authorities**.
- ▶ Upon approval of the APA report and its recommendations, **UNCDF released the 2nd tranche of the PBCRG to Tuvalu** for allocation as per the determined formula so the *kaupules* can implement their FY 2017/18 activities. Implementation of these activities have commenced in the first half of 2018.



LoCAL Tuvalu Project Achievements

- ▶ The **third APA, conducted in 2018**, verified that all three participating Kaupules-Nukulaelae, Nukufetau and Nanumea have met the MCs, being qualified to receive the PBCRG grant for the next year 2019. In addition, the assessment noted that since the implementation of LoCAL Tuvalu Project, Kaupules has been improved significantly in terms of their **performance**, particularly in **planning and budgeting, financial management and climate resilience investments**, with an average 83% improvement on performance measures (PMs) noted from 2016 to 2018.



Adaptation Measures and Investments

- ▶ The viability of subsistence-based livelihoods in Tuvalu is likely to be undermined significantly due to climate change. Consequently, **the first and second cycles of PBCRG investments focused on two critical axes:** water and sanitation, and disaster prevention and preparedness.
- ▶ **Water:** The key vulnerabilities and risks related to water are the increased variability and decreased predictability of rainfall and safe water availability. To this end, **six water catchment and harvesting systems** were completed/planned in the three *kaupules*.
- ▶ **Disaster prevention and preparedness:** Tuvalu is dangerously exposed to extreme climate events such as storms and cyclones. **Two cyclone shelters** have been constructed in two of the three pilot *kaupules* which will provide protection for more than 800 inhabitants.



Lessons Learned

- ▶ To undertake climate change adaptation activities effectively and efficiently, **an incentive-based performance system** could be considered to promote service delivery within other institutions.
- ▶ Meaningful participation of vulnerable and marginalized communities through **bottom-up planning needs to be ensured**. Such participation helps integrate climate change risk management activities into community development and planning processes.
- ▶ At programme outset, a number of stakeholders at the **village level were not fully aware of their role and responsibilities**.
- ▶ **Capacity at both the kaupule and government levels** has been identified as a **major constraint to successful provision of services to communities**, and as such has been accorded high priority
- ▶ Awareness raising and capacity enhancement are very important at programme start and throughout the life of a project. As part of the overall capacity development strategy planned for Phase II, **institutional and organizational reform at the kaupule as well as at the central government level will be needed**.



Lessons Learned



- ▶ **Capacity development** support in the country will be **coordinated** with a number of core initiatives such as the National Adaptation Programme of Action II and the Public Sector Reform Program. It is also envisaged that collaboration with the newly implemented Tuvalu Coastal Adaptation Project would be supported and reinforced.
- ▶ The LoCAL programme was initially piloted in three highly vulnerable *falekaupules/kaupules* representing the various geographical areas of Tuvalu (north, central and south). Phase II is expected to commence in 2019–2020 with planning and preparation of interventions for up- scaling, with expected coverage of all local governments, or at least an additional two or three authorities. In the latter case, **full scale-up** for the national system is envisaged for 2021 onwards (Phase III).



Lessons Learned

- ▶ The success of the LoCAL Tuvalu Project is contingent on the **political at both levels of government (central and local) as well as the community**. With this kind of support, it would be relatively easy to get buy-in from the start of the project and get traction.
- ▶ The support of GoT through strong political leadership and effective administrative and management support by the Ministry of Home Affairs and Department of Rural Development are critical to the success of LoCAL including the performance of Kaupules
- ▶ Indeed, the level of performance of Kaupule is as good as the technical and administrative support provided by DRD and MHARD
- ▶ There is widespread support for LoCAL amongst the remaining *falekaupule* governments including central government which has committed to put its own fund into it.
- ▶ There is also interest at central government level for the relevant ministry to consider adopting the Performance Based Grant System (PBGs) as opposed to the current one being implemented in the country, i.e. the Performance Based Climate Resilient Grant System (PBCRGS)



Lessons Learned

- ▶ The tools such as planning guidelines for Kaupule, climate vulnerability risk assessment, etc developed by LoCAL Tuvalu Project are have been adopted for use at Kaupule-wide level
- ▶ In support of capacity development, the **Government of Tuvalu has also endorsed the proposal to set up an integrated training programme** under the Ministry of Home Affairs and Rural Development
- ▶ An important aspect of the endorsement by the GoT is the **review of the current Local Government Decentralization and Reform Programme** especially in terms of organizational structure and gradings of posts in DRD and Kaupule.



Conclusion and Summary

- ▶ There is no doubt at all that the an **incentive-based performance system will contribute quite significantly to promoting and improving service delivery at local level.**
- ▶ This has been clearly demonstrated in the last three years since the implementation of LoCAL Tuvalu Project at three polot Kaupules
- ▶ With strong emphasis in the meaningful participation of vulnerable and marginalized communities through bottom-up planning there is strong support by all stakeholders for the project
- ▶ Without doubt, the remaining falekaupule governments would also successfully implement the project



■ Thank you for listening

