
Efficacy of unrestricted community-based small-scale finance (micro-grants) in the Pacific

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Summary

Efficacy of unrestricted community based small scale climate finance (e.g micro grants) in the Pacific

- Climate financing in the Pacific is mainly limited to multilateral and bilateral initiatives
- The distribution of climate finance available to the Pacific Islands is problematic due to a combination of issues which cumulatively undermines communities' capacity to access such funds
- Governance approaches of adaptation climate funding in the Pacific have given rise to challenges such as inequitable representation of vulnerable communities, lack of alternative funding channels to appropriately implement climate initiatives at local scales and a lack of interest from Pacific states to apply for funding
- Whilst bottom-up approach to climate initiatives such as Community Based Adaptation (CBA) projects is becoming more important over time, there have been minimal cases of success of CBA initiatives in the Pacific
- CBAs such as the Druadrua Island in Fiji and the Futuna Island in Vanuatu exemplify endeavours which provide valuable lessons on what works well in climate initiatives that are driven at community-based level
- **Recommendations:** That Climates facilitates the development of a micro grant scheme guided by a structured and collaborative approach which; (1) provide the capacity for communities to take ownership in the planning and management of climate initiatives, (2) enable communities to sustainably drive adaptive management and (3) entice donors to support vulnerable communities in implementing climate initiatives that would result in environmental and social returns

Background

- In facilitating micro grants for climate initiatives in the Pacific, Climates needs to consider approaches that would optimise project benefits at community level
- Whilst Climates want to ensure that such grants are appropriately directed and managed for climate initiatives, there needs to be the guarantee that communities' needs are addressed

Climates intended approach to facilitating micro grants to communities in the Pacific

- Climates envisions to facilitate the provision of avenues that would allow easy access of micro grants by vulnerable communities for the implementation of climate initiatives
- The efficacy of implementing a micro grant scheme would require a good balance between the following aspects:
 - providing communities receiving the micro grants adequate autonomy to utilise these funds – that is the liberty to direct funds in ways that the communities perceive as the best options to address their needs in response to climate change
 - Ensuring that the micro grants are being used and managed in ways that are efficient in terms of appropriateness and sustainability – that is towards climate initiatives that promote long lasting sustainable environmental and social returns for the communities
- So how does Climates facilitate the provision of micro grants in such a way that would ensure the communities have adequate autonomy in managing the funds, but also that the funds are being utilised in a sustainable manner

Understanding the dynamics of climate financing in the Pacific

- Most of the funds which have been made available as climate finance in the Pacific, mainly originate from multilateral and bi lateral initiatives
- In other cases, some of the climate funds have been facilitated by other actors such as INGOs, churches, Red Cross and foundations which partner with other climate finance providers
- Given the main sources of climate finance in the Pacific, the distribution of these funds is constrained by several factors which mainly include;
 - Extensive documentation and complex approval requirements which slow down the process of accessing climate funds
 - Rigid prerequisites which limit access to the designated climate fund
 - Lack of institutional and financial capacity, as well as incompetence to develop project proposal, which in turn undermine the autonomous management of such processes locally
 - Accreditation of GCF national and regional institutions requirements, which limits access of climate funds by communities
 - Lack of non-state actors engagement and limited opportunities for communities to access climate funds
 - Lack of other avenues of climate funding that would enable communities to develop resilience
 - Potential limitations for community based initiatives imposed by commitment towards infrastructure directed projects and private sector directed climate funding – focussing mainly

on large scale endeavours and achieving shorter timeframes between interventions and economic returns rather than environmental and social returns¹

Other evident governance issues impacting climate funding in the Pacific

- Vulnerable communities and marginalised groups are not adequately represented - there is lack of inclusion and engagement of such communities in decision making processes related to climate adaptation initiatives
- Lack of the development and subsequent maintenance of working relationships with the communities, by the government
- The complexity of the process due to the top-down approach results in redirection of resources from other meaningful works implemented at community level
- The overly complex and prescriptive process to access climate financing becomes a deterrent to the Pacific Island states – there is a lack of interest to apply for such funds unless it is guaranteed that the funds would be secured. Too often when funds are guaranteed, there is limited time to submit applications by the deadline²

Overview of CBA climate initiatives in the Pacific

- The implementation of climate initiatives at community-based level continuously grows in importance, given the evidence that top down-driven endeavours tend to result in inefficient actions, which undermine the capacity of communities to respond to climate change
- Regardless, qualitative research of CBA climate initiatives in the Pacific, indicates that success has been minimal thus far
- Overall, the CBA climate initiatives have been found to be appropriate, but however, the long-term sustainability of these endeavours remains an issue
- In general, high performing and medium performing initiatives were found to be the ones funded locally and implemented by NGOs
- Initiatives funded by international donors tended to be of low performance compared to locally funded initiatives
- High performing initiatives included actions which improved the awareness of communities on the effects climate change in the local context, resulting in the enhancement of adaptive capacities and the development of responses adapted to local needs. However, the top-down approach influence was still evident and this caused delays in implementation of initiatives

¹ Maclellan Nic and Meads Sarah, *After Paris: Climate Finance in the Pacific Islands* (New Zealand: Oxfam New Zealand and Oxfam Australia, 2016), 84, <https://www.oxfam.org.au/search/?q=AFTER+PARIS%3A+CLIMATE+FINANCE+IN+THE+PACIFIC+ISLANDS&cx=014035679944838072922%3Akzml7htxf0c&cof=FORID%3A10&ie=UTF-8>

² Maclellan Nic, Meads Sarah, Coates Barry *Owing adaptation in the Pacific: Strengthening governance of climate adaptation finance* (New Zealand: Oxfam New Zealand and Oxfam Australia, 2012), 73, <https://www.pacificclimatechange.net/document/pccr-2013-owning-adaptation-pacific-strengthening-governance-climate-adaptation-finance>

- The medium and low performing initiatives collectively indicate that:
 - the initiatives were designed and implemented by external actors, which subsequently impacted negatively on the outcomes
 - there was a lack of community involvement in the design and implementation of the initiatives, which undermined adaptation needs of the communities – lack of consideration for social and cultural aspects of the communities
 - there was lack of “system thinking approach” to climate initiatives– for instance vulnerabilities were not addressed adequately (other vulnerabilities which impacts on climate initiatives are not considered, thus affecting the sustainability and effectiveness of those initiatives)
 - there was lack of focus on vulnerabilities and adaptation needs in local contexts - use of external resources and designs by external actors undermine the sustainability of initiatives and created financial burdens for communities in the long term³

CBA case studies exemplifying potential pathways to successful implementation of climate initiatives

Community based adaptation project case study: Druadrua Island

Druadrua project background:

- The Druadrua island case study is incorporated within the broader Fiji Climate Change Adaption project which spans over six different rural communities
- The Druadrua island project was funded by AusAid with a total budget of USD20,000, which was shared with other endeavours earmarked within the Fiji Climate Change Adaption project

Approach to Druadrua island project implementation:

- A strategic approach was undertaken to choose the designated sites - based on the local environmental management plans developed (the plans entailed inputs from the local communities)
- Workshop emphasizing on mainstreaming climate change and adaptation as key factors in decision making by the communities
- Technical assessment by coastal and water engineers to ensure sustainability of adaptation endeavours
- Workshop to develop community adaptation plan (CAP) - communities were inclined towards adaptation pathways with lesser financial and environmental risks and those that were sustainable, as opposed to costly technological approaches
- Continuous review and tailoring of the CAP – community based monitoring workshop was held to follow up on the activities being implemented and were subsequently adjusted accordingly if necessary. An evaluation workshop was also conducted at the end of the implementation to identify strengths and weaknesses, as well as to ease the adaptive management process to be undertaken by the communities

³ McNamara, Karen E., et al. 2020. “An Assessment of Community-Based Adaptation Initiatives in the Pacific Islands.” *Nature Climate Change* 10, 7 (2020): 628-639. doi:10.1038/s41558-020-0813-1.

- Inclusion of indigenous Fijians and local professionals – this helped to better integrate the local context (values, cultures, needs), as well as develop a sense of acceptance by the community in regard to the adaptation activities designated for implementation

Outcomes of the Druadrua project:

- Enhancement of community awareness on climate change – better understanding of the causes and current as well as future impacts of climate change, capacity building of the communities enabling them to recommend adaptive management approaches, endorsement of projects, management plans and encouragement of community involvement by the community leaders
- Development of a climate adaptation project suitable for the local context – incorporation of local knowledge and perspectives, tailoring of the CAP in ways that it can accommodate changes in response to new knowledge, flexibility to integrate other adaptive endeavours related to food security and health, bridging relations between the community and external actors (facilitated through a committee) to ease the process of project implementation, proposal to redirect project funding to further implement viable CAP activities rather than implement uncertain technological options, integration of an indigenous Fijian engineer knowledgeable in rural water management, community involvement in decision making processes, implementation and monitoring (ownership of the project and adaptive management plans by the community (emphasis on facilitating capacity building of the local community)
- Network development between the community and external actors
- Enhancement of working relationships with governmental agencies, which contributed to valuable technical knowledge relevant to the project
- Establishment of connection with a new foundation which was facilitated by project implementers – this led to direct relationship building between donors and the communities which subsequently resulted in further funding for project works
- Provision of technical knowledge and mentorship by engineers, with the aim of enhancing the capacity of the community in water supply management⁴

Community based adaptation project case study: Climate change resilience in Futuna Vanuatu

Background of the project:

- CARE Australia developed working relationships with communities in Futuna with the aim of reducing disasters and enhancing adaptation to climate change
- The project emphasized precisely on the enhancement of women’s and children’s resilience in regard to climate change and climate related disasters

Approach to planning and implementing the project:

- The consortium approach – emphasized on developing collaborative practices through partnerships among actors to integrate relevant knowledge and skills, as well as sharing of information to optimise desired outcomes of climate initiatives

⁴ Dumaru, Patrina. “Community-Based Adaptation: Enhancing Community Adaptive Capacity in Druadrua Island, Fiji.” *WILEY INTERDISCIPLINARY REVIEWS-CLIMATE CHANGE* 1, 5: 751–63. doi:10.1002/wcc.65.

Outcomes of the consortium approach:

- The consortium approach – facilitated collaborative practices through partnerships among actors to integrate relevant knowledge and skills, as well as sharing of information to optimise desired outcomes of climate initiatives
- Inclusive approach to climate change policy development – Development of trusts between the consortium agencies and the government was seen as means to improve representation of the needs of vulnerable communities in climate change policies
- Efficiency in sourcing appropriate technical expertise – achieved through integrating local expertise within the consortium rather than resorting to unnecessary external influence
- Enhancement of funding opportunities for community-based projects – the consortium approach was seen as method to improve knowledge sharing, collaborative practices and diversifying avenues for funding opportunities (enticing donors in terms of being an approach which is of good “value for money” as well as being a “one stop shop”)
- Promotes efficient delivery of project implementation – the consortium approach provided a sense of structural direction to the project which drives efficacy of planning and delivery

Adoption of useful frameworks to provide meaningful directions

- The Vanuatu Resilience Framework⁵ (used in conjunction with CARE’s CBA Framework⁶) – developed by the consortium, which focussed on the collaborative identification of resilience goals rather than driving a prescriptive intervention
- Benefits of the framework:
 - Facilitated reflection and tracking of the progress of the project, as well as project evaluation
 - Helped with the tailoring of the project in local contexts – to represent the communities’ needs and values
 - Fostered collaborative practices to develop tools relevant to the designated climate initiatives
 - Influenced national policy development – development of sustainable approaches which looks beyond economic achievements and consider social, environmental and cultural returns

Outcomes of the Futuna project approach

- Development of livelihood strategies that would enhance climate resilience of the communities – building of community and home based gardens and the diversification of crop cultivation to increase food sources and address crop failures

⁵ Sterrett Charlotte , *Evaluation Report Final evaluation of the Vanuatu NGO Climate Change Adaptation Program* (2015), 96,

<https://www.oxfam.org.au/search/?q=Final+evaluation+of+the+Vanuatu+NGO+Climate+Change+Adaptation+Program+&cx=014035679944838072922%3Akzml7htxf0c&cof=FORID%3A10&ie=UTF-8>

⁶ For more on the CARE’s CBA Framework see: *Bringing Innovation to Scale: Resilience to Climate Change Synthesis of learning from four CARE Community-based adaptation projects.* <https://care4.org.au/?s=CBA>

- Development of strategies to reduce risks of disaster – workshops and trainings to enhance knowledge in climate change, impacts and adaptive management, integration of scientific and traditional knowledge for development of action plans
- Capacity building – enhancement of adaptive capacity of the community through better dissemination of climate related information, sensitisation of relevant adaptive agricultural techniques and trainings to facilitate the integration of climate change matters
- Implementation of strategies to empower the communities – achieved through community inclusion and engagement to ensure that the more vulnerable communities are equitably accommodated in adaptive planning and decision making processes⁷

Emerging lessons and recommendations to frame Climates’ approach to implementing a micro grant scheme

- There is still a gap in knowledge regarding the dynamics of climate financing in the Pacific – a more comprehensive research in specific geographical settings and at various scales are required⁸
- Whilst CBA climate initiatives implemented have indicated signs to potential success, an account of their sustainability would require further evaluation in time
- Initiatives need to be led by the local communities rather than being top-down approaches influenced by external actors
- Donors and external project coordinator should act as facilitators to support communities in achieving the outcomes suitable to their needs, rather than prescribing adaptation endeavours to be implemented⁹
- CBA climate initiatives such as the one implemented in Druadrua island may not necessarily require extensive funding for technical inputs in planning processes and has the capacity to facilitate sustainable adaptive management plans driven by the communities when project funding ceases¹⁰
- A structured and collaborative approach to climate initiatives (as in the case of Futuna) has the potential to:
 - foster community inclusion and subsequently enable communities to take ownership of climate initiatives that meet their needs
 - facilitates the development of common goals and provides flexibility to integrate cross sectoral projects, rather than being rigidly prescriptive

⁷ CARE Australia. “Vanuatu Case Study - Standing Together: Strengthening Climate.”

<https://care4.org.au/?s=Vanuatu+Case+Study>

⁸ Maclellan Nic and Meads Sarah, *After Paris: Climate Finance in the Pacific Islands* (New Zealand: Oxfam New Zealand and Oxfam Australia, 2016), 84,

<https://www.oxfam.org.au/search/?q=AFTER+PARIS%3A+CLIMATE+FINANCE+IN+THE+PACIFIC+ISLANDS&cx=014035679944838072922%3Akzml7htxf0c&cof=FORID%3A10&ie=UTF-8>

⁹ McNamara, Karen E., et al. 2020. “An Assessment of Community-Based Adaptation Initiatives in the Pacific Islands.” *Nature Climate Change* 10, 7 (2020): 628-639. doi:10.1038/s41558-020-0813-1.

¹⁰ Dumar, Patrina. “Community-Based Adaptation: Enhancing Community Adaptive Capacity in Druadrua Island, Fiji.” *WILEY INTERDISCIPLINARY REVIEWS-CLIMATE CHANGE* 1, 5: 751–63. doi:10.1002/wcc.65.

- enable communities to monitor, evaluate and make adjustments if necessary
- build the capacity of communities to take charge of adaptive management required beyond project implementation, to achieve longevity and sustainability
- establish good working relationships between actors and subsequently attract donors to support CBA climate initiatives¹¹

¹¹ CARE Australia. *“Vanuatu Case Study - Standing Together: Strengthening Climate.”*
<https://care4.org.au/?s=Vanuatu+Case+Study>