

Financing locally led adaptation: insights from ARA members

There is growing recognition that local leadership is crucial to effective adaptation. Top-down approaches cannot provide solutions tailored to each community's specific needs, and they may perpetuate a key driver of vulnerability: lack of resources, agency and decision-making power.

Locally led adaptation (LLA) goes beyond engaging local stakeholders in adaptation planning – it shifts power and resources so they can set and pursue their own adaptation priorities. The principles for LLA, published in 2021 and since endorsed by more than 130 governments, funders, UN agencies, research institutes, and non-governmental and civil society organizations, also set high standards for inclusion, collaboration, capacity-building, transparency and accountability (see box; GCA, 2021).

LLA has quickly risen to prominence in adaptation research and policy debates alike. A full third of the agenda of the 19th International Conference on Community-based Adaptation to Climate Change (CBA19) in Recife, Brazil, in May 2025 focused on LLA, and LLA was a key topic in discussions around the Global Goal on Adaptation under the Paris Agreement and a recurring theme at COP30 in Belém in November 2025.

Yet actual finance for LLA has been slow to materialize. The Green Climate Fund only unveiled a framework for “locally led climate action” in 2024, and as of December 2024 it had funded just two locally led projects, in Angola and Bhutan (GCF, 2025). The Adaptation Fund, which contributed to developing the LLA principles and prioritized LLA in its 2023–2027 strategy, had approved six single-country LLA projects as of June 2025, along with a USD 30 million funding envelope for regional LLA projects and programmes (Adaptation Fund, 2025).



Image: Technical Assistance Movement for People and Environment Inc (TAMPEI)

The small numbers stand in sharp contrast to the Least Developed Countries' LDC 2050 Vision, which strives for at least 70% of climate finance flows to support local-level action by 2030 (LIFE-AR, 2019). That goal was set after a study found that in 2003–2016, less than 10% of finance had reached local actors (Soanes et al., 2019).

An August 2025 briefing by the International Institute for Environment and Development (IIED), an ARA member, found that although many projects and programmes are now “moving towards” LLA approaches, “few are based on the LLA principles from the start and fully embed them across all elements of programme design, implementation, and monitoring and evaluation” (Mitchell et al., 2025, p. 2).

So what will it take to accelerate the adoption of LLA and scale it up globally? And how can researchers contribute? This brief draws on insights from ARA members around the world, particularly in the Global South, to highlight priorities for researchers, practitioners and funders.

Principles for LLA

- devolving decision-making to the lowest appropriate level
- addressing structural inequalities faced by women, youth, children, persons with disabilities, those who are displaced, Indigenous Peoples and marginalized ethnic groups
- providing patient and predictable funding that can be accessed more easily
- investing in local capabilities to leave an institutional legacy
- building a robust understanding of climate risk and uncertainty
- flexible programming and learning
- ensuring transparency and accountability
- collaborative action and investment.

Source: GCA (2021).

Note: The full version of the principles includes a brief explanation of the practical implications of each principle.

What are the biggest barriers to financing LLA?

ARA members have been active and vocal participants in regional discussions about LLA for years, advocating for scaled-up finance for LLA, building local capacities to facilitate LLA and, in some cases, collaborating with grassroots actors to design and implement LLA projects.

The ARA has also contributed directly to LLA through its two rounds of Grassroots Action Research Micro-grants,¹ awarded in 2021 and 2023. They did not focus exclusively on LLA, but did support projects led by grassroots organizations, including several that deliberately engaged with communities to identify and begin to address local adaptation priorities, in line with the LLA principles.

LLA was also a central topic at regional Tracking, Learning and Sharing (TLS) symposia hosted by the ARA in Arusha, Tanzania; Rosario, Argentina; and Bangkok, Thailand in 2024. ARA member Transitions Research, which coordinated the events, later distilled the findings, supplemented by interviews and a review of publications by ARA members, in a TLS Learning Journey report (ARA, 2025).

¹ For an overview of the first round of 25 micro-grants and lessons learned, see Scodanibbio et al. (2023). For a brief overview of the second round of 30 micro-grants, awarded in 2023 and later supplemented by 9 top-up grants to support targeted gender equality and social inclusion (GESI) interventions, see ARA (2023).

The report identified several major barriers faced by local organizations seeking finance for LLA:

- **Geographic and technical limitations:** the funds available for LLA can often only be used in specific countries or regions, and for limited types of activities that may not match local needs.
- **Inequitable allocation of funds:** even within the geographic areas where finance for LLA is made available – by the national government and/or an outside funder – in practice there can be large disparities in how it is distributed.
- **Required experience:** funders often expect recipients to have experience managing large-scale projects and budgets, which may exclude smaller organizations with strong ties to local communities.

Even if they can access finance for LLA, ARA members noted, local organizations may face many additional challenges. Reporting requirements can be onerous, particularly for small teams with small project budgets (even more so if reports must be submitted in a non-native language, such as English). If unforeseen problems – or opportunities – arise, there may be little flexibility to adapt projects. And if the funding is too limited, even well-designed and well-run projects will struggle to make a lasting impact.

Overall, ARA members reported a disconnect between funders and local organizations, which resulted in both technical issues and communication problems. Several called for more direct access to funders, without intermediaries. They also recognized a need for more capacity-building for local actors.

How can funders do better?

Participants in the regional workshops offered numerous suggestions for funders who want to strengthen their support for LLA, with significant overlap across regions and among different types of actors:

- **Streamline application processes:** simplify applications to be more accessible, reducing jargon and providing support for evidence reviews and technical analyses, if needed. If feasible, allow submissions in local languages, for greater inclusion of local voices.
- **Strengthen local actors' capacities:** training local stakeholders to use the sophisticated tools and frameworks required by donors can help them to comply with and fulfil donor expectations more efficiently. Constructive feedback at all stages can also help grantees to learn from funders.
- **Establish direct connections between funders and recipients:** direct communication is essential for aligning expectations and ensuring the optimal use of resources. It also enables donors to gain deeper insight into the local context and offer more relevant support.
- **Provide more flexible and long-term funding:** empower local actors to make financial decisions, so they can use resources as effectively as possible, adapt to new challenges and opportunities, and take longer, if needed, to complete the work.
- **Rethink reporting requirements:** accountability and transparency are important, but detailed reporting can be difficult and burdensome for small organizations, and often the metrics used to measure results are inadequate. Integrating storytelling can provide a more holistic understanding of project outcomes – with the added benefit of amplifying local voices.²

² Several GESI micro-grant recipients (in the second ARA cohort) incorporated storytelling in their projects, with compelling results. See, for example, [The Bleeding Tides](#) and [Registro 4 Mujeres – Proyecto Si](#).

This advice echoes the LLA principles – especially the emphasis on devolved decision-making, flexibility and capacity-building. It also fits well with expert recommendations provided to the climate finance community more broadly, including in the context of the New Collective Quantified Goal on Climate Finance (NCQG) negotiated at COP29, which also addressed access to finance (see, for example, Robertson, 2024).

World leaders agreed at COP29 to scale up climate finance for lower-income countries to at least USD 300 billion per year by 2035, and to mobilize USD 1.3 trillion from all sources in that period. But, as highlighted by REDFIS, a Latin American and Caribbean network focused on sustainable finance that includes several ARA members, even the more modest commitment made at COP26 to double adaptation finance by 2025 from 2019 levels has yet to be met. As REDFIS argued in an open letter to the COP30 Presidency, it is time for a “substantial increase in adaptation finance, mainly through grants, direct access and debt-free mechanisms” (REDFIS, 2025). The letter did not specifically mention LLA, but it is clear that such a scale-up would transform the landscape for LLA, especially if combined with reforms to make finance more accessible.



Image: Julio Araujo, SSN

Creative solutions for local organizations

The regional workshops and follow-up interviews by Transitions Research also highlighted successful strategies applied by ARA members and their partners to overcome existing challenges and make the most of available resources for LLA. They include:

- **Build capacities within the organization:** invest in continuous training to ensure that teams have the knowledge and skills they need to write strong proposals and successfully implement projects. Foster a culture of professional development to be able to meet new challenges, and build strong communication skills, including by hiring multilingual staff to engage with funders.
- **Develop strategic networks and partnerships:** collaboration is central to LLA, as effective adaptation action will require a range of different skills, knowledge and resources. By collaborating around shared objectives, diverse partners can pool their resources, build more holistic projects and maximize their impact.
- **Tell funders what is needed:** encourage funders to publish their selection criteria and let them know when their offering does not fit the organization's needs, goals and/or values. Advocate for flexible and modular funding approaches if needed for successful implementation.
- **Build on existing programmes:** identify opportunities to incorporate climate resilience into government programmes that already exist or are under development. In India, for instance, Gorakhpur Environmental Action Group worked to integrate various environmental considerations into the government's village development planning programme (Gram Panchayat Development Plan).

Looking ahead

ARA members are already putting the LLA principles into practice, through everything from small projects developed in partnership with grassroots organizations to agenda-setting efforts, such as the Generating Ambition for Locally Led Adaptation (GA-LLA) programme co-led by SouthSouthNorth and IIED (Mitchell et al., 2025).

As IIED stressed in a recent brief drawing out lessons from GA-LLA, "There is a significant difference between climate action that happens in communities and climate action that is locally led" (Mitchell et al., 2025, p.2). This means that as the ARA and its worldwide members press forward on promoting LLA, it is crucial to remember how radical and transformative a concept that is.

Plenty of projects already reach local communities, often adding real value – whether they build new infrastructure, create early warning systems, provide training to support adaptation and/or enhance livelihood opportunities. Plenty of action-oriented research projects already engage with stakeholders, and many even co-create knowledge and adaptation solutions with them. LLA goes well beyond that, actually shifting decision-making power and resources to local communities.

Researchers can still contribute in numerous ways; indeed, their knowledge, data and technical skills are as vital as ever. So are their networks, including the extraordinarily diverse ARA membership and the national and international funders who support them. With a steadfast commitment to truly inclusive and equitable partnerships, ARA members have a key role to play in scaling up LLA and in scaling up the finance that makes it possible.

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This brief was written by Marion Davis, drawing on the sources cited as well as internal reports on the three regional TLS symposia hosted by the ARA in 2024, which included dedicated sessions on financing LLA.

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