



BRINGING CLIMATE FINANCE TO THE LOCAL LEVEL: MALI'S CLIMATE FUND DECENTRALISATION

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LAST UPDATED: 09/2019

ACTION AREA: Adaptation

FOCUS AREA: Financing

COUNTRY: Mali

SECTORS

INVOLVED: Cross-sectoral

TIMEFRAME: 2015 - 2019

CASE SUMMARY: The Near East Foundation (NEF-Mali) and its partners, the Innovation, Environment and Development in Africa (IED-A) and the International Institute for Environment and Development UK (IIED-UK) initiated the Decentralising Climate Funds (DCF) programme in Mali and Senegal in 2015. It seeks to support adaptation initiatives led by communities and local authorities. In this sense, it aims to strengthen the resilience of communities, particularly women and young people, by enabling them to prioritise investments in public goods that deliver a high socio-economic impact. These investments are identified and prioritised by the communities themselves against a devolved climate finance budget managed by local governments. The vision of the DCF project is to build an inclusive and sustainable local financing mechanism that encourages decentralised allocation of climate funds to improve the resilience of populations. The project is funded by the Building Resilience and Adaptation to Climate Extremes and Disasters (BRACED) programme, an initiative of the Department for International Development (DFID) in the United Kingdom. The DCF project has operated in the administrative subdivisions of Koro, Douentza and Mopti in the Mopti region of Mali for 4.5 years.

The project uses an integrated approach to building local resilience designed and led by communities and decentralised administrations. The objectives of this approach are to:

- (i) define people's resilience priorities through inclusive and participatory planning processes;
- (ii) enable local communities and local authorities to assess and improve their institutional capacities to define, implement and manage longer-term climate change adaptation programmes and local climate adaptation funds;
- (iii) implement and monitor community-led investments that strengthen people's capacities to adapt to climate change;
- (iv) develop a funding mechanism to enable the flow of climate finance from the national to the local level managed by local governments





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The DCF project is a good practice because it places local actors at the heart of the adaptation management and financing process and seeks to improve national decentralisation policies in order to make them more sensitive to climate change. It is technically feasible (i.e. easy to implement), and replicable across other contexts.



Figure 1: Mali DCF project achievements: on the left reception of a water supply system / on the right irrigated areas where off-season crops are grown (Near East Foundation, field missions, 2017/2018)

BACKGROUND:

Climate change and its impacts constitute a major challenge for Mali, whose economy is based on agriculture, livestock and fisheries, employing more than 80% of the working population (République du Mali, 2011a). The main climatic challenges to which the country is exposed are: seasonal disruptions, increased drought, floods, desertification, silting of the Niger River, strong winds and wide temperature variations (ibid). The country is already experiencing extreme weather events that threaten agricultural production and exacerbate food insecurity and the rural exodus of young people, all of which are likely to be exacerbated by climate change. Similarly, health, water resources, infrastructure, industry and mining are also exposed to climate change.

To effectively combat climate change and promote resilience in local communities, Mali needs finance for specific resilience measures prioritised by local actors. Through the Paris Agreement, the international community pledged to mobilise significant financial resources to support developing countries' efforts to address climate change. However, climate fund transfers are often channelled through intermediaries, increasing the administrative and transaction costs. In addition, these funds have sometimes supported projects designed without full consideration of local contexts or local resilience strategies, which has led to fragmented implementation and limited effectiveness. However, new approaches make it possible to develop innovative and more effective local implementation mechanisms at a larger scale, as discussed below.

In partnership with the United Nations Development Programme (UNDP) and with financial support from the Least Developed Countries Fund (LDCF), managed by the Global Environment Facility (GEF), the Malian government launched a project to improve the adaptive capacity of the agricultural sector in 2010. In 2013, the Government of Canada approved the allocation of additional funding to build on and expand the results of the LDCF-funded project under the Canada/UNDP Climate Change Adaptation Facility (CCAF). The CCAF project in Mali seeks to reduce the risks associated with climate change and improve food security. The programme proposed by CCAF was developed to support the National Adaptation Programme (République du Mali, 2007), Mali's National Development Plan (2015-2019), and the recently developed National Strategy and Action Plan on Climate Change (République du Mali, 2011b) and is well aligned with the national priorities of the government of Mali. The Decentralising Climate Funds (DCF) project shares the goals of increasing climate resilience and food security, and aims to more directly support locally-led climate action and an alignment of national and local strategies. The DCF aims to strengthen local planning and decentralised governance systems.

It empowers local authorities to exercise discretionary authority over climate finance and invest in community-prioritised actions to address climate change in three circles in the Mopti region in the centre of Mali. The DCF project in Mali was designed to align with and reinforce a national context marked by processes of decentralisation and territorial development, which aim to facilitate more accountable and transparent governance, including of natural resources, for rural populations. DCF is funded by the United Kingdom's Department for International Development (DFID).

Thus, the DCF consortium has piloted the creation of local climate adaptation funds in Mali and Senegal. Building on similar DFID-funded experiences in East Africa, the project developed a mechanism to channel adaptation funds to where people need them most, while addressing the gap between an externally driven adaptation planning system and a community-led and community-based resilience building system.

ACTIVITIES: ————— The DCF project aims to strengthen the decentralisation mechanism in Mali, building on decentralised governance arrangements to develop a viable platform for piloting local adaptation planning systems. The decentralisation process in Mali aims to strengthen the capacities, decision-making power and control of communities and local authorities in the planning, mobilisation and management of financial resources to meet their priority needs. In this regard, the project collaborates with government partners to use existing decentralisation structures to channel climate funds to beneficiaries.

• IDENTIFICATION OF CLIMATE CHANGE ADAPTATION ACTIONS: Deliberate planning is a prerequisite to identifying needs and opportunities for investments in public goods that respond to community priorities. Thus, adaptation planning committees have been established at the local government level composed of elected community representatives and local government personnel. The communities themselves, through participatory processes and with the key participation from women and young people, structure projects to address climate change. For example, involved citizens provide their opinion on the constraints affecting production systems and how to remove them. Project ideas are thus identified according to needs. These project ideas collected within the village are then transmitted to the communes for a first sorting, according to agreed criteria. Another pre-selection process of the most relevant ideas is undertaken at the 'Cercle' (i.e. local administrative unit) level. The final validation of the ideas is performed at the regional level. This bottom-up approach, informed by the principle of subsidiarity embedded within the country's decentralisation policies, enabled local people to define their priorities themselves. This is radically different from the traditional top-down approach, where resilience investments are made by national or international actors without meaningful input from the affected local populations.

• COMMUNITY INVESTMENT FOR ADAPTATION TO CLIMATE CHANGE: Through decentralisation structures, the DCF mechanism established locally-controlled climate adaptation funds, managed by local authorities to finance community-prioritised investments in public goods to support target communities to improve their capacities to anticipate, absorb and adapt to climate change related hazards. Funds were channelled to local committees using existing institutional arrangements, relying on the financial arm of the Ministry of Decentralisation, the National Investment Agency for Local Authorities (ANICT for its French acronym), to disburse funds to the local level. Using these institutional arrangements, the mechanism supported local communities to invest in resilience strategies that build more reliable access to water, means of production, livelihoods diversification, and food security.



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- **CAPACITY BUILDING AT DIFFERENT LEVELS:** A series of training workshops were organised on various themes, including the use of climate information, the promotion of local knowledge, or the organisational and financial management of projects. Training participants include women, young people, local authorities as well as individuals working in fields affected by climate change (such as farmers, stockbreeders, fishermen).

In addition, DCF consortium partners NEF and IIED built ANICT's capacity to understand and support local investments in climate finance, and to engage at the international level in this area. DCF engaged the government of Mali to understand and seek direct access to international climate finance from the Green Climate Fund. In May 2016, following meetings facilitated by DCF, Mali's National Designated Authority, the Agency for Environment and Sustainable Development (AEDD) nominated ANICT as Mali's first prospective national implementing entity (NIE) for direct access to GCF. ANICT is an ideal vehicle for accessing GCF and mobilising funds to support local adaptation. Situated within the Ministry of Decentralisation, it has the legal mandate and financial autonomy to finance local development. It can convey climate funds to local communities through existing public finance systems and, using DCF mechanisms, enable communities to prioritise investments. With DCF support, ANICT submitted its application for accreditation in 2018 and a concept note for enhanced direct access (EDA) in 2019.

INSTITUTIONS

INVOLVED:

- **GOVERNMENT AGENCIES:** National Investment Agency for Local Authorities (ANICT); Mali Meteorology; Ministry of Environment, Agency for Environment and Sustainable Development (AEDD); Ministry of Decentralisation; National Budget and Treasury Department; Technical Services of Agriculture, Livestock and Fisheries
- **IMPLEMENTATION PARTNERS:** Near East Foundation (NEF-Mali); Innovation Environment and Development in Africa (IED-A) (Senegal)
- **INTERNATIONAL PARTNERS:** International Institute for Environment and Development in Great Britain (IIED)
- **CONSORTIUM OF THE PROJECT:** NEF, IED-A, IIED

COOPERATION WITH:

Researchers; partner territorial communities; regional governors; prefectures; civil society

FINANCE:

The total amount of finance dedicated to the project is CFA francs 6 billion (around USD 10.3 million, based on the conversion rate: 1 CFA franc = 0,001723 USD), and the part dedicated to Mali amounts to CFA francs 2 billion (approx. USD 3.4 million). The project is funded by the British Government through the Department for International Development (DFID).

IMPACT OF ACTIVITIES:

— A number of tangible impacts has been observed or is expected in the longer term:

- **STRENGTHENING THE RESILIENCE OF VULNERABLE COMMUNITIES TO CLIMATE SHOCKS AND STRESSES:** Important adaptation actions have been implemented in vulnerable communities, including: i) the creation of climate-smart agriculture demonstration plots; ii) the integration of climate information into development programmes; iii) and support for the inter-disciplinary working group in which different socio-professional categories are represented. Agricultural fields called 'control fields' have been established to enable the dissemination of the use of agro-meteorological information for agro-pastoral production techniques. Investments initiated at the community level have enabled water and soil conservation on a larger scale which has further limited land degradation

and even allowed for large areas of degraded land to be reclaimed for productive use.

- **INCREASE IN PRODUCTIVITY AND JOB OPPORTUNITIES:** The increase in productivity has enabled people to benefit from food self-sufficiency, while also increasing on-farm incomes and improving water management and water availability. A reduction in rural exodus is also expected, especially of young people, who, thanks to the project's activities, are now finding regular farming occupations in market gardening, irrigated areas, ponds, rice fields or pastures.
- **STRENGTHENING LOCAL PLANNING FOR CLIMATE RESILIENT DEVELOPMENT AND STRENGTHENING THE INSTITUTIONAL FRAMEWORK OF DECENTRALISATION:** Using planning methods and tools that take into account adaptation to climate change, the communal committees strengthened local government planning to address climate change. Inclusive structures for planning, consultation and monitoring of the needs and priorities of populations have been established. Similarly, the financing capacities of local authorities have been strengthened. Finally, investment monitoring is taking climate change and its (mostly) adverse financial impacts into account.
- **MAJOR IMPROVEMENT IN COMMUNICATION BETWEEN DIFFERENT GOVERNANCE LEVELS:** Communication has been established and improved between the different governance levels that are part of the decentralisation process (including regions, Cercles and communes). Communication flows are no longer compartmentalised as before, but complement each other. Each identified project is shared with all stakeholders and each institutional level is informed about ongoing activities. Technical services at local and regional levels also now hold regular meetings on project activities.
- **CONFLICTS HAVE DECREASED** thanks to resource use and management and the agreements put in place as part of the investments. Women are more engaged and included in selection processes and are beneficiaries of the various developments and achievements set up by the project, such as irrigated perimeters and market gardens, crop conservation locations, etc. The investments have enabled communities to strengthen their relationships by increasing internal communication. Regular meetings are organised between farmers, herders and fishermen to negotiate the shared use of resources, for example for the establishment of livestock grazing reserves during dry periods.

WHY IS IT

GOOD PRACTICE:

- **REPLICABILITY:** The DCF project presents an innovative approach that has been adopted before in the Sahel region. DCF drew on IIED's experiences of improving the existing climate finance system in Kenya and Tanzania and adapted the project design to the West African context. This allowed the project implementers to raise awareness for climate funds at the local level, which have existed for a long time but are not well known at the village and community level.
- **TECHNICAL FEASIBILITY:** The various evaluations of the project have evidenced the feasibility of implementing this type of approach. Each one of the beneficiaries from the local to the national level (including for example villages and members of the adaptation committees) occupies a specific role in project implementation.
- **SCIENCE-BASED:** An extensive collaboration with Mali Meteorology to produce local-language forecasts based on scientific databases has provided communities with climate information. This, in turn, provides a scientific basis to take well-informed decisions with regards to addressing climate risks.



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- SUCCESS FACTORS:**
- **STRONG EXPERTISE OF THE IMPLEMENTING AGENCY:** NEF has been strongly committed to implementing decentralised funding approaches in Mali. Collaborating with the state in the decentralisation process, NEF has long played an important role in activities related to, e.g., awareness raising, administrative division, stakeholder engagement, policy engagement, local governance, and civil society roles in decentralisation. As a 'Communal Council Centre', NEF advises local authorities on municipal administration. Thus, NEF was well-placed to implement the DCF project. Similarly, NEF capitalised on its experience in financial management with local authorities and communities.
 - **CAPACITY BUILDING:** Capacity building measures enabled people to understand the mechanisms and issues of climate change and resilience and better integrate climate adaptation and resilience measures into their daily practices and work routines. The different capacity building sessions gave the various stakeholders the ability to express their ideas, hence matching the needs and priorities of the population and contributing to an optimisation of the use of resources.
 - **A PRINCIPLE-BASED PLANNING MECHANISM:** The DCF project has been based on a number of principles (see Figure 2), such as the principle of 'Planning from the communities' that takes into account communities' needs and priorities. Similarly, the principle of promoting public goods has made it possible to reach the largest number of beneficiaries (women, youth, etc.). It should also be noted that the finance and project planning mechanism is flexible, allowing it to adapt to local knowledge and new techniques such as solar energy for water pumping. The planning mechanism allows for better tailoring of projects to local contexts, which has also encouraged the establishment of local agreements with communities for greater involvement.

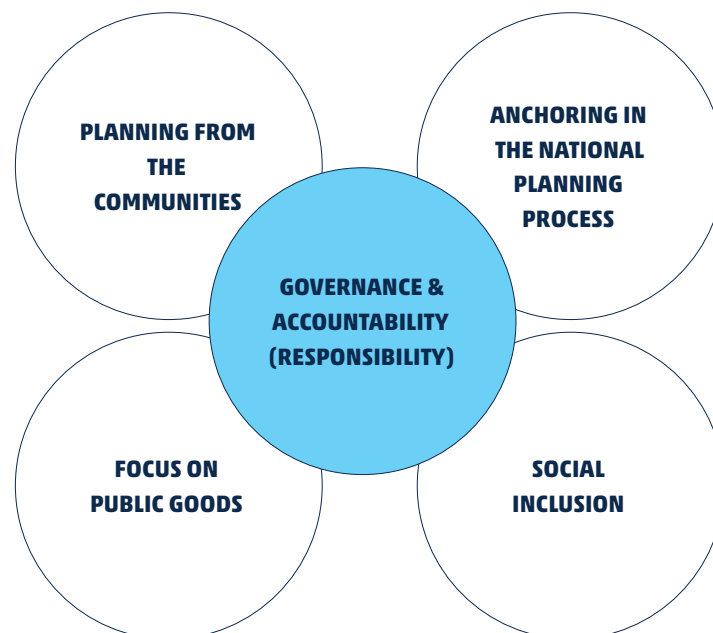


Figure 2: Principles of the DCF mechanism (created by case study authors based on information gathered from interview in July 2019)

OVERCOMING BARRIERS /**CHALLENGES:****WHAT WERE THE MAIN BARRIERS / CHALLENGES TO DELIVERY?****TECHNICAL:**

The region has been suffering from an inability to make full use of its water-related resources and agricultural potential, leading to food insecurity. Local populations depend on agriculture, pastoralism, and fishing and are exposed to risks they do not control: Lack of water; change in the seasonal calendars due to the early or late arrival of rainfall; abandonment of land, etc.

FINANCIAL:

In the context of climate change, women are especially vulnerable, affected by insufficient income and insufficient control over productive resources. They are often forced to migrate from rural areas to meet family expenses. Within the project, the focus was laid on widowed women or women with physical disabilities as they often manage their homes alone and have no family support.

INSTITUTIONAL:

Climate change is only weakly considered in resilience planning. Only basic social and economic investments are considered.

Furthermore, all funds (national and international) were centralised at the national level, without reallocating them to the local level.

HOW WERE THESE BARRIERS / CHALLENGES OVERCOME?

Hydro-agricultural infrastructures have been established for better control of water for irrigation or livestock watering, depending on the hazard (early flood or rainfall). Thus, the schedules of production systems are controlled, allowing populations to more carefully plan for their own agricultural production and supply.

In the same way, the DCF project has helped to educate communities and shift mindsets from short-term solutions (e. g. animal fattening) to longer-term adaptive strategies.

Income-generating activities have been developed through activities such as market gardens, where new infrastructure built allows for a permanent supply of water and thus enables women to produce throughout the entire year. This in turn provides them with a regular income and allows them to sustain a life in the village. The rice field developments carried out as part of the project also provide women with land parcels. Through the project, women also have access to a range of activities including trainings on leadership and the gender-specific implications of climate change. In addition, the women that were empowered set up a savings system based on 'tontines' in order to enable financial autonomy. A tontine allows for a group of people to pool money in a common fund, of which an amount is given to each person in turn.

Adaptation measures have been put in place. Tools have been developed such as climate proofing to mainstream climate change into development plans and refine projections and scenarios. Inclusive planning through these adapted tools has made it possible to take into account the needs and priorities expressed by the beneficiary communities.

By decentralising national and international funds, the DCF approach aims to ensure that climate funds are managed by structures that are in line with local realities.



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- LESSONS LEARNED:** ———
- **CAPACITY BUILDING IS A CONTINUED NEED:** Any initiative to decentralise climate funds must take into account the need to bring together the different decision-making levels and local territories and to strengthen abilities for and commitment to transparent and accountable management across scales. In this sense, capacity building for local actors, particularly local government staff, is a prerequisite for effective governance of climate funds.
 - **CREATE COMMUNITY-LED FINANCING MECHANISMS:** Building the resilience of vulnerable communities requires a decentralised funding mechanism through which investment opportunities for climate change adaptation measures are identified and prioritised by communities themselves.
 - **SCALE UP THE MECHANISMS FOR A BROADER REACH:** The bid for accreditation of the ANICT to the Green Climate Fund confirms the relevance of the DCF mechanism. Scaling up this mechanism has high potential to meet the priority needs of strengthening the resilience of vulnerable communities in an efficient manner in Mali.
 - **GIVE THE LOCAL LEVEL THE POWER TO MANAGE FUNDS:** The financial challenge that the project sought to solve was to obtain funds at the local level, to place them in planned budgets and to guarantee discretionary power to local authorities. To ensure sustainability, it is necessary to ensure that funds reach local authorities and that other stakeholders can manage financial resources in a transparent and accountable manner.

HOW TO REPLICATE

THIS PRACTICE: ————— An appraisal document is currently being prepared for dissemination to stakeholders and institutions to provide guidance to local authorities interested in replicating the DCF approach. The first insights in terms of replicability are:

- Understand the local context through studies of production systems and the organisation of exchange visits;
- Organise awareness raising and information meetings to teach communities about the decentralised planning and funding process;
- Install DCF structures in a manner that strengthens existing decentralised mechanisms;
- Identify investment planning systems;
- Develop tools and procedures for managing funds (planning, identification, prioritisation, financing, etc.);
- Implement, monitor and evaluate the tools and their effects, and plan for adaptive management

It is important to note that the model can only be replicated in a decentralised country where dedicated funds are available at the local level.

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FURTHER KEY

RESOURCES:

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- The Near East Foundation on the DCF project : <http://www.neareast.org/braced/>
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IMPRINT GPD

PUBLISHED BY:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (in cooperation with the United Nations Development Programme – UNDP)

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This product is being published by GIZ in cooperation with UNDP under the framework of the Partnership on Transparency in the Paris Agreement and the NDC Support Cluster. The analysis has been funded by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) under its International Climate Initiative (IKI), the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission (EC).

