

Briefing

Gender; Climate change

Key findings and recommendations from IIED and partner research and action for climate finance institutions



Issue date

June 2025

Key points

More climate adaptation finance needs to reach those most vulnerable to climate impacts.

Most adaptation funding comes from large institutions with inefficient bureaucracies that prevent funds from reaching the local level.

Funders need to work with intermediaries who effectively deliver finance to support local climate action.

Locally driven climate action holds the key to inclusive, sustainable and climate-just solutions.

Shifting climate adaptation finance to local communities through effective intermediaries

Climate adaptation finance is failing to reach marginalised communities that are most vulnerable to climate impacts — including women, girls and Indigenous Peoples. This briefing sets out how to direct climate finance, and specifically financing for locally led adaptation (LLA), effectively to local communities and organisations engaged in climate action. We focus on the role and purpose of intermediary funders to examine the important attributes they need to be effective. Drawing on the lessons of the Global Alliance for Green and Gender Action (GAGGA), a pioneering alliance channelling climate finance to women-led community-based organisations, we see how intermediaries can transform locally driven climate action and invest in long-term capacity building, by getting funds where they are needed most. The briefing contributes to a further refinement of LLA methodologies and practices to better realise its promise of climate justice.

Adaptation finance and its failure to reach the local level

Climate finance for adaptation is failing to deliver funds to the local level, particularly to climate-vulnerable groups including women, girls and Indigenous Peoples. The 2023 Adaptation Gap report by the United Nations Environment Programme (UNEP) found that approximately 17% of adaptation funding allocated between 2017 and 2021 was targeted at the local level.¹ Just 2.3% of overall climate finance primarily targets gender equality.² The climate finance that reaches marginalised communities is even more limited: only 0.22% of climate-related official development assistance reaches women's rights organisations³ and less than 1% reaches Indigenous Peoples.⁴

Institutions in the global North still primarily control the allocation and management of

adaptation finance, with most funds being channelled through the international development banks such as the World Bank, or the officially recognised entities under the UN Framework Convention for Climate Change (UNFCCC) such as the Green Climate Fund (GCF)⁵ and the Adaptation Fund (AF). Many of these institutions function with costly bureaucracies that rely on project-based funding and prevent funding reaching the local organisations and communities most impacted by climate change.

There is a critical need to shift the scope, structure and strategic use of international climate finance to rapidly scale up adaptation funding that benefits local communities and organisations led by women, girls and other marginalised groups. The good news is that financial mechanisms to support communities and local organisations do exist. Dedicated funds, including women's, feminist and socio-environmental funds, are

Intermediaries can support transformative and locally driven climate action

already putting the principles of LLA into practice. Even if they are under-resourced and under-utilised, these funds are directly channelling climate finance to local communities and organisations to implement locally led gender-just climate solutions. In this briefing we explain the role of these funds and make the case for climate funders in government and philanthropy to change current practice and direct more substantial adaptation finance to the local level.

‘Intermediaries’ and their critical role in climate finance

Intermediaries have been defined as ‘go-betweens’ or ‘bridges’ between different climate finance actors, facilitating relationships and funding between the international, national and local level to mobilise and allocate climate finance effectively.^{6,7} However, the word is often used as an umbrella term to describe organisations that vary hugely in their purpose, structure and ways of working.

Intermediary organisations differ in their intent and approach, with significant implications for not only how much funding reaches local organisations, but its quality and accessibility, and where decision-making power lies. Within the international climate finance system, common intermediaries include:

Multilateral institutions and development banks, including UN agencies, the World Bank and multilateral climate funds under the UNFCCC such as the GCF, the AF and the Fund for Responding to Loss and Damage. Such institutions aggregate funding from bilateral funders and channel finance to climate change projects.

Government-led funds or national intermediaries, including regional and national funds that can access finances from other climate finance sources. This includes funding from multilateral and bilateral institutions, such as Brazil’s Amazon Fund and the Bangladesh Climate Change Trust Fund. Government intermediaries also include national governments, local governments or subnational government agencies.

Civil society organisations, including networks, advocacy organisations and nongovernmental organisations (NGOs) that do regranteeing and work with local organisations to implement projects. These also include those representing membership-based federations and networks of different groups.⁸

Public foundations and funds, including women’s and feminist funds and socio-environmental justice funds, which are primarily designed to direct funding to the local level

through regranteeing. The purpose of these organisations is to provide funding to local organisations and movements who are unable or unwilling to access large-scale funding.

Effective intermediaries — lessons from GAGGA

Intermediaries can play a crucial role in the climate finance architecture by not only directing money to the local level but also shifting power and control of resources to local communities and organisations. They can be effective in supporting transformative and locally driven climate action by redistributing funds, embracing risk, investing in longer term capabilities, advocating for local communities and fostering trust-based partnerships. Women’s, feminist and socio-environmental funds are particularly effective in advancing the principles of LLA and driving funding to the local level due to their approach to regranteeing and partnership with local organisations.

One example is GAGGA,⁹ a partnership led by Fondo Centroamericano de Mujeres (FCAM), Mama Cash and Both Ends. GAGGA is an alliance and network of community-based organisations, women’s and socio-environmental funds and NGOs with expertise in gender, climate and environmental justice. It has built a pioneering funding model, effectively transforming restricted bilateral and philanthropic funding into multi-year core and flexible grants to support locally led and gender-just climate action.

Drawing on lessons from GAGGA and its network, we have identified seven key attributes of effective intermediaries in advancing LLA.

1. Providing core flexible and long-term funding: core, flexible, multi-year funding means ensuring that local organisations have decision-making control over shaping funding agendas and priorities. It means recognising that local organisations are not just implementation partners, but deeply understand the context and solutions. To do so requires letting go of long-held assumptions about risk, control and hierarchy. This requires a trust-based approach and shifting power and resources into the hands of communities.

GAGGA is channelling about US\$14 million per year towards over 500 organisations in the global South, including 358 local organisations (the majority women-led), 93 NGOs and 33 women’s, feminist and socio-environmental funds. The average grants to community-based organisations in 2023 were for US\$10,675 per year. While the financial resources that flow from funders to the alliance may be earmarked or have a set of conditions attached to their use, the

GAGGA mechanism¹⁰ ensures partners benefit from these resources in the form of core, multi-year funding from the respective alliance members (FCAM, Mama Cash or Both ENDS).

2. Acting as an advocate: effective intermediaries go beyond fund distribution and actively uplift the voices of communities, drawing on their own relationships with funders and intermediaries to advocate for communities. With their experience as go-betweens for funders and local organisations, intermediaries are uniquely positioned to influence the policy and practice of funders based on realities experienced by local communities.

For over a decade, GAGGA has consistently expanded access to funding, capacity strengthening, cross-movement building and collective advocacy. The alliance facilitates engagement between funders and women-led community-based organisations, ensuring that these funders learn from the lived realities of communities. GAGGA also hosts strategic events with funders to encourage them to increase climate finance to women-led local organisations and networks.

3. Being transparent and mutually accountable: effective intermediaries are transparent about their role in the system — who they fund, what they fund and how much they fund. Intermediaries can play a key role in designing and delivering programmes together with local stakeholders and ensuring accountability runs both ways — to funders and to meet the needs of the local stakeholders — while ensuring collaborative decision making. This includes promoting participatory grant making, where decisions about grants are made or informed by local communities to ensure that those most impacted by funding decisions have a meaningful say in how resources are allocated.

In 2021, Mama Cash, one of the alliance members of GAGGA, became a fully participatory grant maker. This enabled the organisation to embed its values and commitment to inclusivity and transparency in the grant-making process itself, sharing power and responsibility with the groups for whom the grants are intended. This process involved establishing a committee that reflects the communities Mama Cash works with. Applicants provide input and guidance on which issues to prioritise, and the committee makes the final decisions on new grantee partners. As a result, grants are more informed by and responsive to the actual needs of women's rights organisations and the principles of LLA are embedded in the entire grant-making process.

4. Embracing risk: taking an expansive and flexible approach to risk through financial and reporting compliance requirements. Effective intermediaries redefine conceptions of risk to match the capacity of the local partners and courage of activists they fund, as well as assessing the appropriate timescales and flexibility needed for organisations to deliver on their goals.

GAGGA includes socio-environmental, women's and feminist funds, who play a specific role in enabling funders to channel funding to one organisation (the fund itself, or through alliances such as GAGGA), which is then regranted to reach a range of local organisations. These funds absorb large amounts of finance and shoulder the administrative and human resources costs needed to meet funder requirements, thereby mitigating risk as traditionally defined by funders. In addition, they strategically redistribute funding using a portfolio approach and support the grant management for local organisations that are unable or unwilling to access large-scale funding. This enables them to balance risk across a variety of organisations while maintaining a principle of trust with their partners. Embedded in the movements they serve, they leverage the tools, networks and knowledge of local contexts to support activists' safety and security.

5. Promoting inclusive spaces: respecting and including the voices of the local communities, women and other marginalised groups in shaping and implementing just climate action is a key attribute of effective intermediaries. They play a crucial role in democratising access to international decision-making spaces on climate policy and finance by ensuring diverse perspectives are reflected.

Across Africa, Asia, Latin America and the Pacific, GAGGA supports organisations who are overlooked in international climate finance and policymaking. By providing funding and capacity strengthening for these organisations, GAGGA ensures they have the resources and support needed to meaningfully engage in decision-making spaces. The alliance therefore ensures organisations within its network are able to make their voices and demands heard while strengthening cross-movement collaboration. This contributes to making climate finance and policymaking more inclusive of the perspectives and needs of local organisations.

6. Creating opportunities for shared learning and collaboration: effective intermediaries go beyond financial support to play a key role in collective learning and cross-collaboration. They create systems and spaces for capacity building, including training opportunities, peer-to-peer learning and

collaboration among different stakeholders such as local communities, Indigenous People's organisations, environmental justice organisations and women's rights organisations.

GAGGA has forged a comprehensive network for knowledge exchange and learning through its different learning and movement-strengthening strategies,¹¹ including capacity-strengthening support. NGOs, in particular, support local communities with expertise on policy and advocacy, including training on designing advocacy strategies and engaging in decision-making spaces such as UNFCCC processes. This way, GAGGA catalyses collective action across regions and movements — sharing strategies, building common narratives and analysing the root causes of the climate crisis. Evaluations of GAGGA's work have highlighted its effectiveness at fostering connections between women's rights organisations and those working primarily within the climate space, as well as strengthening advocacy across the local, national and regional level.

7. Building sustainability: effective intermediaries support the sustainability of local partners by strengthening institutions, improving their impact and effectiveness, and creating long-term partnerships that are grounded in mutual trust. They also advocate, and support their partners to advocate, for increased access to finance, thereby ensuring alternative and sustainable sources of funding are secured.

GAGGA supports its networks to build institutional capacity and achieve results at scale. Specifically, GAGGA facilitates mutual linking and learning programmes and advocacy training on climate finance to promote collective action for gender-just climate finance. This includes coordinated engagement in the observer network of the GCF, and the development of collective advocacy messages and policy recommendations in international climate spaces. GAGGA also coordinates participation of activists and local organisations in policy arenas such as UNFCCC spaces and facilitates direct exchanges with bilateral and

philanthropic funders to share lessons learnt and how to overcome bottlenecks in funding, thereby strengthening the long-term capacities of its network on climate finance advocacy.

Conclusion

Building a more just and climate-resilient world and delivering on the promise and principles of LLA requires a significant shift by climate funders in their policy and practice. Large climate funders must ensure greater flows of finance reach the local level and particularly those marginalised communities that are most vulnerable to climate impacts. This will require making rapid and significant changes within their institutions.

It is critical for funders to partner and work closely with effective intermediaries who embody the principles of LLA. Intermediaries can play a crucial role in directing funding to women-led community-led organisations to enable transformative, equitable and just climate action. We invite funders to use the seven attributes outlined above to properly assess the intermediaries they partner with: to ensure they facilitate the smooth flow of funding to local organisations and marginalised communities, as well as empowering them to be part of decision-making processes. This will also mean streamlining bureaucratic processes and costs that limit the effectiveness and accessibility of funding. And importantly, it is essential that their partnerships with intermediaries are based on trust and mutual accountability.

Examples from GAGGA highlighted in this briefing show what this looks like in practice: delivering direct funding to local organisations whose activities are contextually specific; promoting participatory grant making; and facilitating long-term capacity and leadership of local actors.

Noemi Grütter, Leah Moss, May Thazin Aung and Rojy Joshi

Noemi Grütter, alliance coordinator and advocacy lead, GAGGA/FCAM; Leah Moss, senior policy strategist, Mama Cash; May Thazin Aung, senior climate finance researcher, IIED; Rojy Joshi, climate finance researcher, IIED. The authors would like to thank Daan Robben, senior policy advisor on climate finance at Both ENDS, for his contribution to this briefing.

Notes

¹ UNEP (2023) Adaptation Gap Report 2023: Underfinanced. Underprepared. Inadequate investment and planning on climate adaptation leaves world exposed. Nairobi. / ² Patel, S, Plutshack, V, Kajumba, T, Del Pilar Lopez Uribe, M and Krishnapriya, PP (2023) Gender, climate finance and inclusive low-carbon transitions. IIED, London. / ³ Eyakuze, C (2023) Through the Philanthropic Lens, in Abbas, H (ed.) Where is the money for Black feminist movements? The Black Feminist Fund. / ⁴ Rainforest Foundation Norway (2021) Falling short: Donor funding for Indigenous Peoples and local communities to secure tenure rights and manage forests in tropical countries (2011–2020). Oslo. / ⁵ Though funds call for scalability, it is challenging, as LLA interventions need to be contextually specific, suited to the needs of local communities and building long-term capabilities and networks. See: Kasdan, M, Kuhl, L and Kurukulasuriya, P (2020) The evolution of transformational change in multilateral funds dedicated to financing adaptation to climate change, *Climate and Development* 13(5) 427–442. / ⁶ Tobin, P, Farstad, FM and Tosun, J (2023) Intermediating climate change: the evolving strategies, interactions and impacts of neglected "climate intermediaries", *Policy Studies* 44(5) 555–571. / ⁷ Chaudhury, A (2020) Role of Intermediaries in Shaping Climate Finance in Developing Countries—Lessons from the Green Climate Fund. *Sustainability* 12 5507. / ⁸ Steinbach, D et al. (2022) The good climate finance guide for investing in locally led adaptation. IIED, London. / ⁹ GAGGA is supported by the governments of the UK, Ireland, Netherlands, Canada and Denmark as well as philanthropic funders. For more information, see: www.gaggaalliance.org / ¹⁰ The GAGGA mechanism refers to the grantmaking processes of the three alliance members to the network of partners: FCAM and Mama Cash provide grants to women's and feminist funds and women-led community-based organisations and Both ENDS provides grants to NGOs. / ¹¹ GAGGA (15 June 2024) July 2023 Newsletter — Linking and Learning: Uniting for Feminist Climate Solutions.



Knowledge Products

The International Institute for Environment and Development's (IIED) mission is to build a fairer, more sustainable world, using evidence, action and influence in partnership with others.

GAGGA is a diverse network of women's funds, environmental justice funds, NGOs and women-led community-based organisations working to secure women's rights to water, food security and a clean, healthy environment.

Mama Cash is an international women's fund that resources and supports self-led feminist movements to successfully defend and advance the human rights of women, girls, and trans and intersex people worldwide.

Contact

May Thazin Aung
may.thazinaung@iied.org

Rojy Joshi
rojyjoshi@iied.org

44 Southampton Buildings
London, WC2A 1AP
United Kingdom

Tel: +44 (0)20 3463 7399
www.iied.org

IIED welcomes feedback via: www.linkedin.com/company/iied

ISBN: 978-1-83759-153-4

Funded by:



Ministry of Foreign Affairs of the Netherlands

FIND OUT MORE

Find out more about our work on LLA at www.iied.org/principles-for-locally-led-adaptation

