Climate Resilience Alliance

EXECUTIVE SUMMARY

June 2026

Pathways to locally led adaptation

Lessons for effective climate resilience finance

Executive summary

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The Zurich Climate Resilience Alliance is a collaboration between humanitarian, NGO, research and private sector partners, working to build resilience to climate hazards in rural and urban contexts.

Formerly the Zurich Flood Resilience Alliance, we have over a decade of experience in generating evidence of communities' current levels of climate resilience and identifying appropriate solutions.

Through long-term community programmes, new research and stakeholder influencing, we strive to deliver systemic change at scale and realize our vision of a world in which communities are more resilient to climate hazards, and able to thrive.

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Executive summary

Around the world, communities are taking action to protect lives and livelihoods from floods, droughts, heatwaves and storms. However, as these events increase in both frequency and intensity, it is clear that the pace of adaptation is insufficient. Public finance structures that shape everyday climate change adaptation (CCA) and disaster risk reduction (DRR) remain constrained, fragmented, and too often disconnected from the people most exposed to climate hazards.

Climate resilience cannot be built from the top down. The work of the Zurich Climate Resilience Alliance (the Alliance) shows that when communities have the authority, resources, and support to act, adaptation is more sustainable and deeply rooted in their priorities. Despite the growing momentum on the principles for locally led adaptation (IIED, 2026), their full implementation remains the exception rather than the norm. Funding for locally led adaptation is constrained and decision-making is often centralized.

The report distils what the Alliance has learned through working directly within planning and budgeting processes in 10 countries: Bangladesh, Bolivia, Indonesia, Jordan, Kenya, Malawi, Nepal, Nigeria, the Philippines, and Vietnam. It shows how locally led adaptation can be institutionalized when community priorities, evidence-based planning, and public finance are aligned. Across diverse contexts, three pathways have consistently emerged, providing a practical view of how efforts to strengthen public finance and policy for locally led adaptation unfold in real settings:

- securing dedicated local budget allocations for CCA and DRR;
- grounding policy, planning and regulatory influence in evidence from communities;
- and strengthening participatory processes that give local actors, including marginalized groups, meaningful influence over decisions and resource allocation.

To help advance the shift towards locally led adaptation, this report brings together practical learning on how local governments, communities and intermediaries[1] can strengthen climate risk knowledge, shape investment decisions, and influence local public finance systems to invest in those interventions that most effectively strengthen the resilience of communities.

The case studies demonstrate not only what is achievable, but how it can be achieved within existing governance systems. They set out the actions taken, the results that followed, and the specific, practical lessons that can be applied elsewhere. They also reveal common barriers: structural fiscal constraints; short political cycles; and limited capacity – and ways in which they can be overcome. Evidence from the case studies shows that when public finance systems apply locally led adaptation principles in practice – such as targeted devolved allocations, inclusive planning, and transparency and accountability mechanisms – adaptation investments are more likely to reach those most at risk.

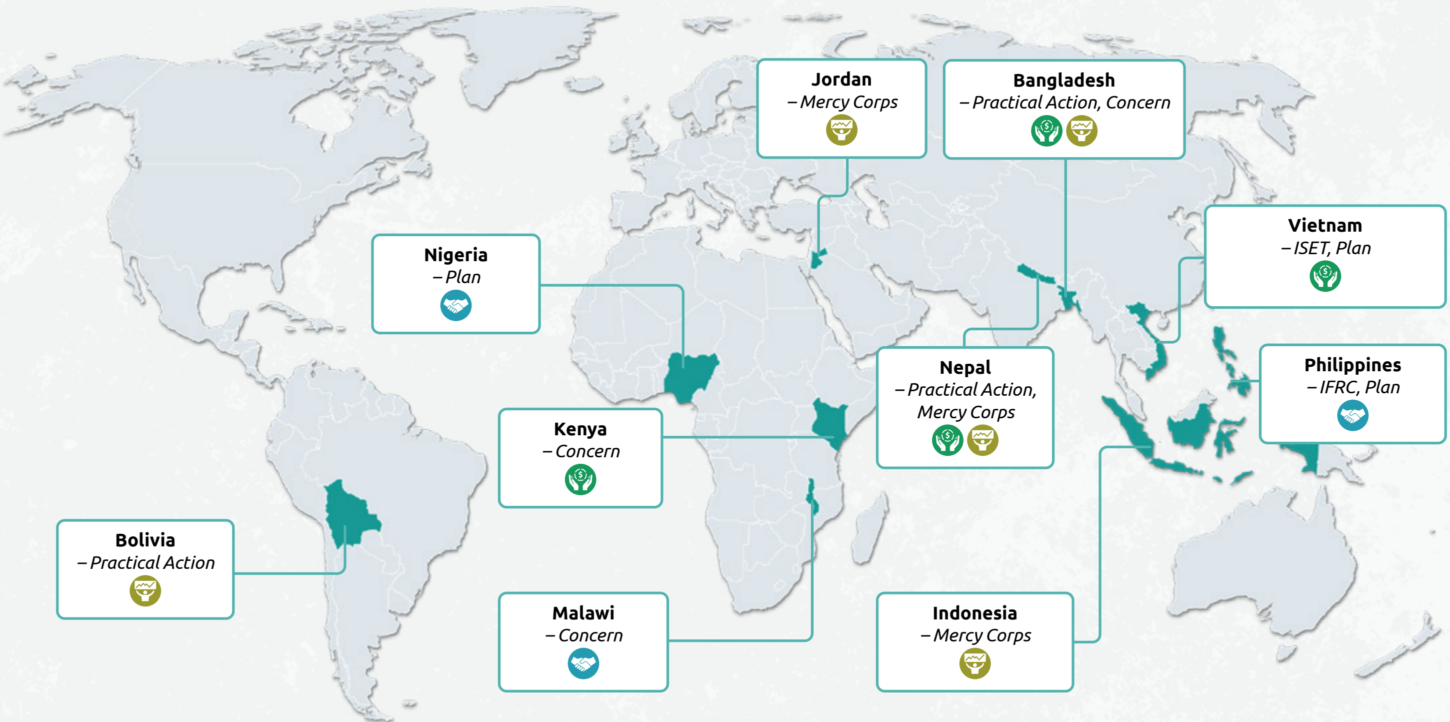
Above all, these case studies aim to support shared learning. They are not intended to showcase individual projects, but to help others understand how public finance and planning systems can become more climate-smart, risk-informed and responsive to local priorities.

From this wealth of learning, the report identifies a set of cross-cutting, practical approaches to operationalize and strengthen locally led adaptation, and an actionable set of recommendations for other intermediaries, donors and funders, and governments at national and local level.

1 Within the international climate finance system, common intermediaries include: multilateral institutions and development banks, government-led funds or national intermediaries, civil society organizations, public foundations and funds.

Financing locally led adaptation: interconnected pathways

Featured case studies



What works: Priority approaches for embedding locally led adaptation within public governance systems

Strengthen opportunities for inclusive consultation

Strengthen participatory processes so they are genuinely meaningful, not just a tick-box exercise. By creating and improving ways for community members and marginalized groups to engage directly with decision makers, budgets and systems are more likely to reflect their real needs. This has been a core feature in all the Alliance's work, bringing together community representatives, local leaders, government officials, and members of vulnerable groups, creating a channel for community evidence to inform planning and budgeting decisions. This might be through training and supporting community advocacy champions (Jordan and Kenya), or establishing new formal platforms for engagement (Jordan and Nigeria), disaster risk management committees (Philippines), or communities of practice (Vietnam).

TAKEAWAY: **Strengthening channels for sustained engagement between all stakeholders improves relationships, builds broader support for climate actions prioritized by communities, and enhances decision-making.**

Providing detailed, bottom-up evidence on resilience gaps at the right time

Working with communities to develop detailed, specific, locally generated evidence on resilience capacities and gaps, through the Climate Resilience Measurement for Communities (CRMC),[2] has provided a crucial underpinning to all the Alliance's work. Through validation workshops, it is the communities who identify and prioritize the interventions they need to strengthen their resilience. This is a powerful tool to drive support for the communities' priorities. It is particularly influential when it is timed to moments when budgets and priorities are being set (Nepal) or to feed into participatory planning forums (Indonesia). Across contexts, evidence alone did not shift decisions, unless aligned with formal planning processes.

TAKEAWAY: **Evidence must be synchronized with decision-making cycles to inform public spending.**

Pair technical evidence with political engagement

Successful influencing combines credible technical evidence with sustained engagement with decision makers. All the case studies have a strong political focus, working with decision makers and stakeholders to understand constraints, incentives, and evidence needs, and developing and sharing evidence and analysis that make a stronger case for change. This included working with parliamentarians and provincial leaders (Nepal, Indonesia, and Kenya) and Indigenous authorities and municipalities (Bolivia), developing costed plans which makes action easier for local governments (Bangladesh), and highlighting the cumulative economic costs of climate impacts, reframing DRR as an investment to protect municipal assets (Jordan).

TAKEAWAY: **Technical evidence builds the case; political relationships and champions unlock change.**

2 Further information on the CRMC can be found here: https://zcralliance.org/crmc/

Flooding in Can Tho city, Vietnam, September 2025. Photo: ISET-International

Embed CCA and DRR in public budgets

Durable change occurred when communities' resilience priorities were embedded within existing public finance systems. These shifts moved resilience from project-based activities to recognized public responsibilities. This has been a central feature of much of the Alliance's work, including working with authorities to establish and increase DRR budget lines (Bangladesh, Jordan, Kenya and Nepal), and embedding recurrent costs for DRR in budgets (Vietnam).

TAKEAWAY: **Embedding CCA and DRR within local budgets, combined with strong participatory processes, strengthens community ownership and sustainability of resilience interventions.**

Demonstrate feasibility to take to scale

Pilots that showed tangible benefits helped build confidence among public authorities to scale up the work and to leverage longer-term public funding for key interventions. Institutionalizing resilience within local budgets can transform pilots into policy. In some places, specific adaptation solutions were proven and scaled by local authorities, with local public budgets taking on the cost (Indonesia and Vietnam). Elsewhere, teams worked closely with municipal governments, institutionalizing the work to enable scaling to other municipalities (Jordan and Philippines).

TAKEAWAY: **Visible results shift perceptions of resilience from 'project activity' to scalable 'public investment'.**

Build understanding of the budget processes and strengthen local governance capacity

Budgeting and budget processes are not always straightforward or easy to engage with. Meaningful participation of communities in finance processes requires strengthening their understanding of how those systems work, important entry points, and appropriate inputs. Equally, with government capacity often stretched thin, there is room to strengthen the capacity of government officials. All case studies have involved capacity strengthening in some form, including training in financial management to manage funds transparently (Malawi), financial literacy (Indonesia), budget analysis and expenditure tracking (Nigeria and Nepal), and strengthening resilience committees (Bangladesh and Philippines).

TAKEAWAY: **Capacity strengthening is not an add on; it is foundational for communities to influence public finance.**

Improve fiscal transparency and accountability

Increasing budget allocations for CCA and DRR is only the first step. It must be paired with strengthening expenditure and transparent financial reporting in order to build trust, enable informed advocacy and maintain momentum for further investment. This has involved improving documentation and transparency (Kenya) and budget tracking (Bangladesh and Nepal).

TAKEAWAY: **Increasing allocations often requires parallel improvements in accountability and expenditure tracking.**

Collaborative models can encourage co-financing

When communities, local government and grant-funded programmes share responsibility for interventions, it builds momentum, increases the likelihood of sustained action, and can result in additional financial investments. This might be through allocating responsibilities for financing and delivery between local authorities, communities and the Alliance (Philippines), or in developing financing arrangements that combine community contributions, municipal counterpart funds, Indigenous territorial budgets and Alliance funding (Bolivia).

TAKEAWAY: **When collaboration, ownership, and shared responsibility are in place, the funding can follow.**

A farmer works in his paddy field in the extreme heat of Madanpur, Nepal. Photo: Mercy Corps

Policy recommendations

Based on the lessons identified in the Alliance's country case studies, the recommendations below set out key actions to support locally led climate adaptation:

Local governments should:

- **create or expand dedicated DRR budget lines** to fund prevention and preparedness, not only response;
- **integrate climate resilience into local development and annual investment plans,** ensuring budgets reflect community identified risks and priorities;
- **institutionalize meaningful community participation** through formal planning and budgeting mechanisms with guaranteed representation of marginalized groups, including women, children and young people, displaced people, Indigenous Peoples, and people with disabilities;
- **improve fiscal transparency and accountability** by adopting strong financial reporting and expenditure tracking systems for CCA and DRR; and
- **use community generated evidence, such as participatory risk assessments, to guide budget decisions.**

National governments should:

- **equip local governments with the authority, technical support, and predictable funding** needed to fulfil their CCA and DRR responsibilities, especially in high risk or under resourced areas;
- **embed locally led adaptation across government systems** by issuing national guidelines for inclusive planning and budgeting, including standards for participation, disaggregated data, accessibility, child and youth engagement, and accountability to marginalized groups;
- **create dedicated local budget allocations within DRR funding lines** to ensure resources reach the subnational level;
- **require subnational plans to demonstrate devolved decision-making, flexible programming, clear budget flows, and downward accountability** where this aligns with the governance structure; and
- **strengthen the connection between national climate finance and local implementation** so that resources from climate funds and national budgets can reliably reach local institutions and community priorities.

Intermediaries should:

- **work with and strengthen existing governance systems** so that institutions, processes, and capacities endure beyond individual projects;
- **align community generated evidence with local policy and budget cycles** to ensure it can influence real decisions;
- **invest in local capacities and organizations to strengthen the leadership of communities and local actors over time.** This includes bringing communities, local actors, and institutions together, especially for engaging in policy and budget processes, while adopting trust-based approaches that shift power and resources to communities;

- **ensure the meaningful inclusion of marginalized groups** including children, young people, women and girls, people with disabilities, Indigenous Peoples, and displaced populations;
- **translate technical evidence into accessible advocacy messages and practical budget proposals** that local governments can use in planning and negotiations;
- **support community led accountability,** helping people track funding commitments, spending, and whether investments benefit those most at risk from climate impacts.

Donors and international funders should:

- **increase both the quality and quantity of adaptation finance,** moving rapidly toward the commitment to at least triple funding for adaptation;
- **invest in long term programmes** that allow for trust building, capacity strengthening, local planning, and institutional change, rather than short project cycles;
- **invest in local organizations and local capacities,** to enable local financial management and planning, including investing in local organizational development and structures, budget literacy, community organizing, participatory risk assessments, local advocacy, public finance tracking, and community-led monitoring;
- **put locally led adaptation principles at the core of programme design,** including flexibility, so actions are designed and implemented by and for communities, based on community needs and priorities;
- **prioritize direct access mechanisms** that channel resources to subnational governments and local organizations. Simplify application processes, widen eligibility criteria, restructure due diligence and focus on accessible communications to enable this; and
- **formally endorse and implement the principles for locally led adaptation.**

Taken together, the insights in this report highlight what locally led adaptation can look like in practice, and how it can be advanced within the constraints of real public finance systems. The sections that follow translate the Alliance's experience into practical guidance for navigating political cycles, budget pressures, and institutional barriers. They outline what is possible when community priorities, evidence, and governance processes align, and they offer a grounded sense of how progress can be achieved even in challenging contexts. Ultimately, the report provides a direction of travel for more strategic investment, more effective collaboration, and a more sustained shift toward locally led adaptation.

A resident of the Santa Inés area of Lima, Peru participates in the Climate Resilience Measurement for Communities (CRMC) process. Photo: Practical Action

Strengthening participatory processes for locally led resilience in the Philippines

PHILIPPINES

Philippines Red Cross

Climate risks

The Philippines is one of the most disaster-prone countries (Bündnis Entwicklung Hilft, 2025), with widespread exposure to typhoons, extreme heat, and accelerated sea-level rise. Around three-quarters of the population lives in hazard-exposed areas (Red Cross Climate Centre, 2024), and these risks are expected to intensify, threatening lives, livelihoods, critical infrastructure, and ecosystems (OECD, 2026).

Policy context

National policy frameworks for CCA and DRR emphasize community participation, and local planning bodies formally recognize the role of civil society and community actors. However, implementation varies widely across local government units. The depth and influence of community engagement often depend on local capacity and leadership, and vulnerable groups are not always adequately represented in decision-making.

"I can't overemphasize the importance of community engagement; it's the heart of the programme because the involvement of the community is vital for success. Community engagement helps us to be cohesive, inclusive, and participative. No matter how well planned an initiative is, if the community is not involved it will surely fail and sustainability will not be assured."

Aaron Jacob Omaña, Pasig City Disaster Risk Reduction and Management Office

Community leaders participate in a risk mapping exercise. Photo: Philippines Red Cross

Pathway 3: Strengthening community ownership and leadership in decisions and financing

Within the Alliance programme, local individuals – primarily volunteers – play a central role in strengthening community resilience and ensuring that local priorities inform planning and financing decisions. The Philippines Red Cross (PRC) focused on strengthening its Red Cross 143 (RC143) volunteer network[3] which mobilizes volunteers in high-risk rural and urban communities to build risk knowledge, develop skills, and catalyse locally led action. Building on this, Barangay [Community] Climate Resilience Committees (BCRC), composed of selected RC143 volunteers representing key community sectors, were established to provide a structured and sustainable mechanism for planning climate interventions, participating in stakeholder consultation, and engaging with local authorities, even beyond the scope and duration of the programme.

Results

This approach helped create a shared understanding of diverse community needs, vulnerabilities, and resilience gaps, leading to more coordinated and strategic investment. In Pangasinan, BCRCs used the CRMC to identify gaps and co-design solutions with local leaders and municipal authorities. This collaborative analysis opened an inclusive platform for dialogue, enabling communities, the Alliance programme, and other stakeholders to take ownership of specific actions.

This engagement resulted in concrete financial investments. The municipal authority allocated a budget for local infrastructure. Responsibilities were shared: the Alliance programme supported selected interventions, while communities and local authorities led others. This shared ownership strengthened commitment, built momentum and enabled sustained collective action.

The established BCRC structure also created an ongoing mechanism for engagement. In Mangatarem, the Municipal Disaster Risk Reduction and Management Office expressed interest in replicating this methodology throughout the remaining 76 barangays, demonstrating how a successful model in one locality can generate momentum for wider adoption.

Lessons at a glance

- **Community led analysis builds shared ownership of solutions:** Using tools like CRMC enabled communities and local authorities to jointly identify resilience gaps and priority needs, which in turn encouraged coordinated action and investment.
- **Volunteer structures can anchor sustained participation:** Strengthening RC143 volunteers and integrating them into BCRCs created a reliable group of community representatives who could consistently engage in planning, consultations, and budgeting processes.
- **Structured and sustained engagement mechanisms are essential for locally led adaptation: Forming committees is not enough:** regular interfaces with local authorities are needed to ensure community voices remain present and influential in decision-making.
- **Collaborative models can encourage co-financing:** When communities, local government and programmes share responsibility for interventions, it builds momentum and increases the likelihood of sustained action.
- **Successful local models can scale quickly when linked to organizations with national reach:** PRC's presence from local to national levels helped position the BCRC model for replication across additional barangays and municipalities.

3 More information on the Philippine Red Cross Volunteer Network can be found here: https://redcross.org.ph/join143/

Further case studies are available in the full report – scan the QR code

Climate Resilience Alliance

Keep in touch...

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Front cover image: *Fatuma stands next to a new bridge near her village, built by the local government after members of her community advocated for change.* Photo: Concern Worldwide

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