

## SUMMARY REPORT

# PATHWAYS FOR FINANCING LOCAL ADAPTATION ACTION

Reflections and lessons learnt from the ARA  
micro-granting process.



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# 1 THE ARA MICRO-GRANTS

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The Adaptation Research Alliance (ARA) is a global collaborative effort consisting of over 150 members that seeks to catalyse increased investment and capacity for action-oriented research and evidence-based action that supports effective climate change adaptation. In an effort to unearth ideas and opportunities for adapting to climate change in local contexts in the global South, the ARA has run a micro-granting process linking action and research partners with local communities to identify knowledge gaps and explore solutions to adapt to and build resilience against a changing climate.

The first round of the ARA micro-grants was officially announced at COP26 in 2021, providing an opportunity for twenty-five (25) grantees from the global South to explore burning adaptation issues faced by their communities related to the climate crisis (e.g. tied to water scarcity, coastal areas, informal settlements, health, knowledge gaps, etc.). The 25 micro-grantees - hailing mainly from research institutions, non-governmental organisations and government partners - received GBP 10,000 each and their projects were (officially) implemented over a three-month period.

The micro-grants enabled undertaking a series of co-creation processes which would bring diverse stakeholders together, including affected communities, government, researchers, civil society organisations, intermediaries or knowledge brokers, to provide a deeper understanding about their burning issues that - through action and research - could lead to the development of appropriate adaptation responses in Africa, Asia and Latin America. The micro-grants were completed in March 2022 and since then the ARA has undertaken a review of the outputs and outcomes that were achieved by the grantees during and since their projects were completed.

The objective of this report is to share the results of this review that focused on primary research in the form of interviews with 17 individual grantees, which took place in January and February 2023. The review intended to:

- Explore perceived successes and achievements of the micro-grantee projects, including around an enhanced understanding of their burning issues and the longer-term impacts obtained in the eight months since their completion.
- Understand enabling factors that facilitated these successes, including through the process of co-creation.
- Hear about some of the challenges faced by the grantees in the implementation of their activities.
- Seek recommendations and advice regarding how to undertake an effective process of micro-granting.
- Share lessons learned from the broader landscape of micro-granting, to put ARA contribution in context.
- Provide recommendations for potential future funders on pathways for micro-granting.

A full report and this summary report have been prepared for the ARA Secretariat, to promote a deeper understanding of the micro-grant programme and to review the evidence regarding the impact achieved by the micro-grants and summarising how subsequent funding rounds could be improved.

The summary report also targets an additional audience wishing to fund, implement or learn from the micro-grants, as well as others wanting to learn from an experience of funding locally-led work. It is recommended that this learning report is read in conjunction with the final reports shared by the micro-grantees as well as any outputs they produced under their grants, as this is not meant to provide an exhaustive list of all the achievements and outcomes of the micro-grants, but rather a snapshot that complements their outputs.

Here, we focus on the results of the 17 interviews undertaken with the micro-grantees to understand their

successes, what enabled those, the challenges faced and key recommendations for micro-granting processes.

Some of the diverse outcomes that were obtained through the microgrants, including in the months that followed their implementation, include:

- **Securing funding for follow-up activities** to close the research-action cycle and allow implementation of critical actions identified through the co-creation processes.
- **Elevating under-explored areas**, which were put on the map as a result of the micro-grants, making them important catalysts for new partnerships and organisations engaging in climate action.
- **Filling important gaps in informal settlements**, such as those related to poor internet connectivity, helping to pilot some new and innovative approaches that can be scaled up in a next phase.
- **Implementing action** and providing critical impulses for new adaptation processes.
- **Building new, enabling relationships** to support ongoing climate action.
- **Affirming the importance of including diverse voices and types of knowledge** in adaptation processes.
- **Confirming the value of co-creation processes** to result in more effective, meaningful and just outcomes. Given the scale and complexity of the climate crisis, and as confirmed by the experiences shared by the micro-grantees, working collaboratively, and ensuring local voices are heard and can lead in the conversations regarding their future, is crucial.

A number of diverse factors came into play to enable the micro-grantees to obtain the successes outlined above, despite the short time and very limited funding available. In many cases success was tied to the micro-grants building on existing work or funding a component of a larger project, their use of existing relationships and partnerships, focusing on issues that a range of stakeholders felt needed to be addressed and through the use of the co-creation approach itself.

The ARA micro-grants thus played a critical role in providing funding to local organisations to support locally-led adaptation, clearly meeting a gap, particularly for smaller, newer organisations that have not had many funding opportunities in the past. To be successful, and going forward, it is also critical to learn from the challenges that were faced in this process. This can be done through **addressing issues of sustainability** and enhancing impact including through providing **adequate timelines for implementation** and **connecting micro-grantees to other sources of funding**; ensuring smooth and **lean administrative processes**, which take into consideration the realities that smaller, less-resourced organisation face; and **promoting a learning environment** both among micro-grantees and with the donor.



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## 2 KEY ACHIEVEMENTS

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### 2.1 IMPROVING COLLECTIVE UNDERSTANDING ON THE BURNING ISSUE

The micro-grants enabled undertaking new research that provided an improved, more holistic understanding of the burning issue, as well as in many cases shedding light on related issues that also require attention.

#### **BREAKING NEW GROUND: HEALTH AND CLIMATE NEXUS IN THE PHILIPPINES**

The Putting Health at the Heart of Local Climate Adaptation Planning to Maximise Human Well-being micro-grant (implemented by **St. Luke's Medical Center College of Medicine**) created a platform for Filipino climate and health practitioners and experts to come and discuss their shared understandings of the climate-health link, which helped to put the issue front and centre and allowed them to become familiar with each other's work. This also highlighted the need to capitalise on the potential leadership role of the health sector, which could contribute to both mitigation and adaptation goals.

Since the micro-grant ended, and as a result of the discussions on the link between climate impacts and mental health, a research and advocacy community is being built around this topic, especially since Filipino young people have been identified (by a global survey) as the most climate-anxious in the world.

"I've been advocating for climate and health for several years now, but usually it felt like you're a voice in the wilderness, because you're alone, you're the only doctor in the climate discussion. And I guess it took time also for me personally to be able to really convince the health sector that this is an issue. In a way, the Covid pandemic somehow helped to highlight the link between health and environment, and that we need to act. But for St. Luke's, this is something very new, because I joined them in 2020 after my doctoral studies, and basically there was an interest to do something beyond the clinical. It's a hospital, with a medical school. They

wanted to do something bigger and when I joined them, climate and health was really on our list of things we wanted to explore. And then the micro-grant opportunity came which helped to jumpstart these activities and now we're hoping to expand our climate and health work." - Renzo Guinto, St. Luke's Medical Center College of Medicine.

## 2.2 ENABLING NEW COLLABORATIONS AND NURTURING A LEARNING ENVIRONMENT

While many of the micro-grants built on existing collaborations, in many cases they also paved the way for new partnerships, which continue to this day. The co-creation processes provided a safe space for learning and exchange among diverse groups of stakeholders, they built or strengthened relationships and helped everyone involved better understand their landscape and the roles of the different players in it. In all cases, those involved expressed a desire to continue engaging with one another.

In Kenya, The Uptake of Climate Action Financing for Community Adaptation Plan Implementation and Local Climate Actions in Nairobi micro-grant (implemented by **Slum Dwellers International, SDI**) responded to a request from the county of Nairobi to support it to launch and disseminate its newly created Climate Change Action Plan (2020-2050). Thanks to this activity, SDI has now strengthened its relationship with the county government, particularly with the Environment Department, with whom no relationship existed before. With a Memorandum of Understanding subsequently signed, SDI is now being considered a key partner on climate issues and further ways to collaborate have and continue to be discussed with the County Assembly (in charge of legislation) as well as the Directorate of Environment, the newly formed Climate-Environment Committee, and the sub-county councillors to co-plan a joint agenda.

The Breaking the Vicious Cycle: Planning Water Security in Low-income Urban Neighbourhoods through Co-creation micro-grant (implemented by **Participatory Research in Asia, PRIA**) enabled a more holistic understanding of the water challenges being faced in two informal settlements in India. In this micro-grant, planning and architecture students from the local university realised the need to both use more innovative, participatory research methods and learn from the experiential knowledge of different interest groups (e.g., elders, young people, women). For example, the maps of the settlements they developed were complemented by maps created by the community youth involved in the project, who drew their settlements and the location of key points of interest (including those relating to water supply) - highlighting how community and academic knowledge need to be brought together to provide a deeper understanding of key issues. Similarly, the Universidad del Rosario micro-grant, which focused on strengthening adaptation planning issues in Argentina, highlighted the glaring absence of key actors like women and young people's voices (particularly from vulnerable groups), in adaptation processes nationally and locally, and the need to challenge this to ensure inclusive, socially-just processes that meet needs of diverse actors.

## 2.3 STRENGTHENING DIVERSE CAPACITIES

As a result of implementing the micro-grants, capacities were strengthened not only among the key actors that took part in the co-creation processes, but also many of the lead organisations furthered their own skills and knowledge in aspects that they were in some cases less familiar with. For example, the Project Upgrade: Geotechnical Research and Development for the Urban Poor micro-grant (implemented by **TAMPEI**), funded a critical geotechnical soil analysis study that has provided important technical information for formalising housing structures, undertaking landfilling, and providing design elements for infrastructure developments in informal settlements affected by sea-level rise. In the process, the capacity of TAMPEI staff (a team of mainly architects) was strengthened as they learned different aspects of geotechnical research through engagement with the engineering professors and students who gave guidance on the analyses.

## FINDING NEW KNOWLEDGE PARTNERS

In Ghana, the Enhancing Adaptive Strategies to Cope with Climate-induced Coastal Erosion in Ghana (ESCOCEG) micro-grant (implemented by **KASA Initiative**) enabled the micro-grantee to gain an enhanced understanding, from diverse angles, of some core challenges at play in coastal areas that it was previously less aware of, including the impacts of sand winning and the poor degree to which decentralisation of climate action happens in practice (e.g. in budgetary allocations) at the district level - despite national-level decisions to that effect. The project also enabled a rich exchange, the development of new relationships, and a better understanding of the value of partnering between academia and civil society, which was a win-win for both sides.

“You know what's also revealing, because we didn't know that academic institutions do a lot of research along the coastline of Ghana, and this is not only one university, but about two or three universities, everybody doing some kind of research. So now we have a fair understanding of what kind of data they are collecting, and what they are being used for, and all that. So those were some of the learnings that we gained as an organisation. So now, today, when the issues come, we know which kind of stakeholder to approach in order to get support for better action in the communities. We realise they have a lot of information that they can share with us in order to shape the kind of projects and the kind of interventions we take to the communities.” - Jonathan Gokah, KASA Initiative.

## 2.4 EXPLORING NEW, CONCRETE OPPORTUNITIES, INCLUDING FOR LONGER-TERM IMPACT

The micro-grants, in some cases, led to the implementation of activities that had a concrete impact already during the lifespan of the project. In most cases, the impacts materialised later and were tied to the bases set up by the micro-grant projects themselves, the dissemination of their results, and new partners stepping in to complement or act on what was started. Importantly, these lessons could be harvested thanks to the review taking place eight months after the completion of the micro-grants.

The Socially Just and Adaptive Community Spaces micro-grant (implemented by Integrated Design), for example, enabled the furthering of climate adaptation research at a scale that is often ignored, i.e. the neighbourhood scale, which is missed in between the household level and the city scale. The research work undertaken in one of this project's study sites - Bhopal - was further built on afterwards (with a different grant), through developing community-based action plans with the communities that had been involved in the project. As a result, the government has committed to implementing some of the short-term measures identified in these plans (e.g. de-clogging of drains, fumigation against vector propagation).

## PROMOTING COLLABORATION ACROSS INSTITUTIONS

The Climate Change, Vulnerabilities and Migration in a Maya Mam Community in Guatemala micro-grant (implemented by **Asociación Pop No'j**) helped to position the critical nexus of agriculture, climate change and migration within the radar of other organisations. The micro-grantee has been invited to present the results of its research and co-creation workshops in several fora, such as to different Guatemalan universities, the Hispanics in Philanthropy group and the Central American Women's Fund. A small contribution of complementary funds has since been approved, to promote inter-institutional coordination (between local government and the local representatives of the ministries of health, education, agriculture and heritage protection) to explore climate change adaptation measures in a part of the study area.

“The micro-grant cannot achieve everything on its own, it comes as a small, but critical element - it acted like a spark, that helped to light processes.” - Juan José Hurtado Paz y Paz, Asociación Pop No'j.



### 3 ENABLERS OF SUCCESS

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A number of diverse factors came into play to enable the micro-grantees to be successful, despite the short time and very limited funding available. These included:

- **Joining forces with and building on other projects:** Some of the micro-grants were successful as they joined forces with and built on other projects that the micro-grantees were involved in, with the micro-grants in some cases funding a component of a larger project.
- **Building on existing relationships and engagements:** The choice of the location of the micro-grant work was also critical in ensuring success, as this was in many cases in communities or study areas where the micrograntee had worked before and therefore had relationships in place (with diverse stakeholders and partners) and at times a supportive organisational structure.
- **Focusing on a relevant issue** that a range of stakeholders felt needed to be addressed was another precondition for success.

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“WHEN YOU ARE BRINGING SOMETHING TO SOMEONE WHO IS SEARCHING FOR IT, THE VALUE IT BETTER THAN WHEN YOU BRING SOMETHING TO SOMEONE WHO DOESN'T NEED IT AND PEOPLE DON'T REALLY CARE.” - HERMAN ALAMOU, OJA SARL

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- **Working in partnership** helped to better understand the burning issue, find solutions to it and help in sustainably addressing it.
- **Having effective structures in place:** A good risk management process and clear, regular and effective communication with relevant stakeholders were critical for project implementation.
- **Using the co-creation approach:** Given the scale and complexity of the climate challenge, and as confirmed by the experiences shared by the micro-grantees, working collaboratively and ensuring local voices are heard and can lead in the conversations regarding their future, is crucial.



## 4 KEY CHALLENGES ENCOUNTERED

During the interviews, the grantees shared their concerns about the diverse challenges they faced during the entire micro-granting period, from developing the proposal, to the contracting, implementation and reporting phases. These included:

- **Short implementation timeframe:** The short time duration of the micro-grants was the biggest challenge faced by micro-grantees, which was tied to the way the grant was structured, internal delays inherent to co-creation processes as well as an over-ambition on the part of grantees regarding how much could be achieved within a three-month period.
- **Challenging contracting process:** The administrative transactions tied to the contracting process were seen by some grantees as cumbersome and slow, which took time away from project implementation.
- **Pre-financing expenses and implementation:** Due to delays in completing the contracting process (including to meet the funder's due diligence requirements), the micro-grantees - in a number of cases - used their own funds to start the work, to complete the planned activities in a satisfactory manner, or to fund crucial complementary ones that went beyond what was initially presented and yet were important to the overall success of the work.
- **The challenges of undertaking co-creation within the framework of a limited project:** By their very nature, co-creation processes are difficult to plan in advance and implement within a short timeframe. Furthermore, they can raise expectations among stakeholders regarding the degree to which solutions that are discussed will be implemented, which is reliant on additional, more substantial funding.



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## 5 KEY REFLECTIONS AND RECOMMENDATIONS FROM GRANTEES

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Despite the challenges identified in the section above, the micro-grantees were overall satisfied, overwhelmingly positive, and grateful about the opportunity to work with ARA, implement meaningful actions in their communities and be involved in a process that often felt larger and more comprehensive than most funding processes they had been involved in. A number of them was also thankful for a final opportunity to discuss their lessons learned and achievements, in a more informal, yet in-depth manner (through the interviews conducted as part of this learning process).

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“WHAT I DO LIKE, JUST ABOUT ARA GENERALLY, IS THAT THEY HAVE CONTINUOUSLY KEPT US IN THE LOOP OF OPPORTUNITIES AND OTHER THINGS THAT THEY ARE DOING. SO. IT REALLY DOES FEEL LIKE A COMMUNITY, WHICH IS MORE THAN JUST THE FUNDING. SO, THE CONVERSATIONS AROUND COP AND GETTING US TOGETHER, TO PUT TOGETHER A POSITION ON COP. AND THAT, I THINK, IS REALLY GOOD. SO, IT'S MORE THAN JUST A GRANT FACILITY. NOT TOO MANY GRANT PEOPLE DO THAT.” - REGINA OPONDO, KOUNKUEY DESIGN INITIATIVE.

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“THE MODE OF WORKING WAS VERY INTERESTING. PROJECTS OFTEN COME VERY CORSETED WITH THEIR WORK LOGIC THAT DOES NOT FIT WITH THE DYNAMICS AND TIMELINES OF THE COMMUNITY SO THAT INSTEAD OF MEETING THEIR PRIORITIES YOU ARE FOCUSED ON RUNNING AFTER THE DONOR NEEDS. THIS IS VERY COMMON AND WAS NOT THE CASE WITH ARA. THE FLEXIBILITY THAT THE ARA PROJECT GAVE US ALLOWED US TO DO WHAT WE WANTED AND NEEDED. ALSO, OUR IDEAS SINCE WE PRESENTED THE PROPOSAL AND WHEN WE STARTED IMPLEMENTING CHANGED A LOT AS A RESULT OF ALL THE ENGAGEMENT WITH THE KEY ACTORS, AND THAT WAS OK.” - MARÍA DEL PILAR BUENO RUBIAL, UNIVERSIDAD NACIONAL DE ROSARIO

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Here are some of their reflections regarding the micro-granting process overall:

- **Positioning the role of micro-grants:** Micro-grants can facilitate the testing of new ideas, develop organisational capacity in a new field and enable an organisation to expand on existing processes by adding specific components or extending the work in additional locations.
- **Enabling sustainability and impact:** The flexibility that the micro-grants brought to the adaptation process was appreciated. However, it was suggested that implementation timeframes should be at least one year and could include new rounds of small grant funding to allow continuity of implementation and enough time for adequate co-creation processes.
- **Making the most of the ARA network, such as by enabling more learning and peer exchange:** Several micro-grantees referred to the wealth of knowledge and experiences generated during the micro-granting process and raised the question about how ARA should reap the results of the work done and help to socialise and further disseminate these. Grantees also appreciated learning from other projects and would have liked to participate in additional exchange opportunities to discuss different processes, challenges, and implementation modalities.
- **Decolonising the funding process:** Some micro-grantees suggested that it is critical for funders to promote more flexible granting models, that are based on local stakeholders' knowledge, experience, ongoing processes and context, without imposing external agendas.

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“I REALLY LIKED THE IDEA OF BRINGING TOGETHER THE GRANTEES, SO I THINK THAT IS SOMETHING TO KEEP. ALTHOUGH WHEN YOU HAVE SUCH A SHORT PERIOD OF IMPLEMENTATION AND MEETINGS ARE VERY MANY, YOU ALSO START TO FEEL OVERWHELMED AND THAT YOU DON'T HAVE STUFF TO REPORT YET.” - REGINA OPONDO, KOUNKUEY DESIGN INITIATIVE.



## 6 FUTURE PATHWAYS FOR MICRO-GRANTING

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Micro-granting can support local adaptation processes but must occur within the framework of medium and larger scale adaptation initiatives to enable resilient pathways at scale.

Here are a few cornerstones that we would like the ARA to consider in future micro-granting efforts:

**Provide an easy access funding mechanism:** It is important that ARA maintains an easy access funding mechanism, with a low bar to access funding for locally-led adaptation. It is recommended that this is scaled up to reach more grantees and the overall amount of funding dispersed is increased.

**Reduce the reporting requirements and be creative about their format:** The micro-granting should clearly focus on implementing action, and more creative ways of sharing lessons learnt (e.g., internal webinars or virtual learning exchanges, photo-stories, small videos) could reduce or even replace reporting requirements.

**Maintain learning for adaptation and support a community of practice:** Micro-granting processes can provide effective impulses for the exploration of new and maybe unusual ideas, which need to be shared and learned from through regular learning processes in a community of practice. Joint learning opportunities are key to support effective and rapid implementation of community adaptation at the local level. The learning events should be co-convened by the grantees and the choice of topics should reflect their priorities. Joint learning events, focused on sharing innovative lessons with a wider audience - linked to a range of funding opportunities (at different scales) - could help organisations to access funding beyond pilot stages and would support more capacitated local individuals and organisations.

**Re-thinking the project approach to micro-granting:** It is important to explore options for micro-granting that support ongoing and continuous adaptation processes, without having to force the process into the “project mould”. This could consist of a succession of medium and micro-grants for ongoing processes that would allow a more flexible funding stream, enabling local partner organisations to creatively explore adaptation options in sometimes rapidly changing conditions, and recognising and appreciating the need for continuity, which is crucial for the success of co-creation processes with multiple stakeholders. Ideally such processes would be supported by diverse donors collaborating under a joint funding framework. This would provide a more effective funding environment for micro-grantees, that is easier to navigate and supports ongoing long-term processes.

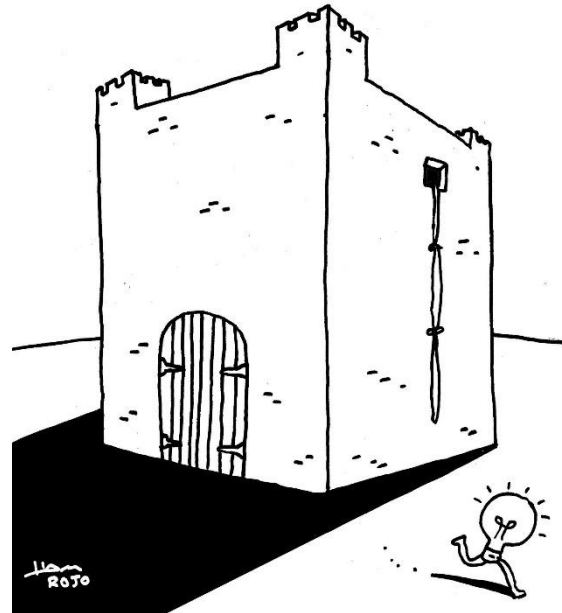
**Center decision-making processes on local needs and priorities:** Ideally the grantees and grant-making organisations co-produce future funding priorities and funding modalities, thus supporting a more decolonised process, reflecting local priorities and needs. In this context, issues of language, local capacity and effective co-creation need to be carefully navigated. A joint co-production process between grant-makers and communities that formulates the priorities and modalities of a micro-granting mechanism would be critical to support accelerated adaptation action at community level.

**Link local partners with additional funding opportunities:** Ideally, the grant-making organisation/ ARA could act as a catalyst, by introducing and vouching for local partners with other appropriate funders.

**Reaching scale with micro-granting:** Micro-granting offers a potential opportunity to effectively strengthen local adaptation action and to accelerate our learning in a rapidly changing world, but this needs to reach a scale in funding and in action that adequately responds to the magnitude of the problem. We must consider the adaptation funding landscape and improve coordination to clearly define how the different funding mechanisms work and complement each other - and where micro-granting can be particularly valuable. In this context, understanding and designing how different funding mechanisms can support not single projects, but larger ongoing adaptation processes that support communities and regions to address present and long-term adaptation challenges is critical.

In conclusion, micro-granting processes are a potentially powerful tool to support innovative and flexible adaptation action at the local level. While the micro-granting mechanism covers a particular niche and has the potential to provide a creative space to formulate effective adaptation responses, uncoupling it from the classic project approach, while linking the grantees to potential larger-scale future funding sources may substantially increase their impact.

It is time to act now and fast to support communities on their pathways to resilience - at scale and on their terms!



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The Climate Centre's mission is to help the Red Cross and Red Crescent Movement and its partners reduce the impacts of climate change and extreme-weather events on vulnerable people.

<https://www.climatecentre.org/>

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