

ENSURING EFFECTIVE CLIMATE FINANCE IN FRAGILE AND CONFLICT-AFFECTED SETTINGS

The Argoba community in Ethiopia is working at a digging site where they will construct a new water reservoir on a hilltop to irrigate the surrounding agroforestry.

PUTTING LOCAL NEEDS AND REALITIES AT THE CENTER OF CLIMATE FUNDING

ADDRESSING THE CLIMATE CRISIS IN FRAGILE AND CONFLICT-AFFECTED SETTINGS

As the climate crisis deepens, climate finance will fall short if it overlooks the conditions of fragility that already weaken people's resilience and limit their ability to adapt. Weak institutions and limited access to essential services (e.g. health, market and justice systems, energy, sustainable WASH services, food security), can prevent climate measures from reaching those who need them most. Conflict can disrupt livelihoods and displace people, forcing households to adopt coping strategies that may increase pressure on natural resources as they seek to secure their income and survival. The resulting pressure on land, water, and forests can contribute to environmental degradation, reinforce inequality, and deepen vulnerability to climate change. Fragility is not confined to particular countries labelled "fragile": it can emerge wherever the risks people face outweigh the capacity of communities and institutions to respond.

Climate finance needs to reflect the realities of communities facing fragility, including those affected by conflict. Funding climate measures without addressing their conditions risks leaving the most vulnerable people behind. Depending on local needs, this means supporting peacebuilding, justice, food systems, access to sustainable energy, livelihoods, and health, through sector-specific interventions and integrated interventions.

HOW WE WORK

Cordaid works to tackle poverty and exclusion through health, food systems, sustainable WASH, environmental care and peace, security and justice. We support local actors, communities and public institutions to strengthen these systems, improve services, and how decisions are made, how resources are shared, and institutions are held accountable. Climate change puts these systems under pressure, but strengthening them can also support climate action through, for instance, more sustainable food production, more efficient use of energy and resources in health services, and the prevention of conflict over natural resources. We support communities to set priorities and lead these efforts.

CIVIL SOCIETY PLATFORM FOR PEACEBUILDING AND STATEBUILDING

Cordaid

Building on our COP29 and COP30 position papers, Cordaid and the Civil Society Platform for Peacebuilding and Statebuilding reflect in this paper on the important question of whether fragility is sufficiently taken into account in climate finance and its funding mechanisms, and who is part of decision-making processes about how funding is used and delivered. We propose developing a "fragility test" to help assess this. As a starting point, this paper outlines three guiding questions:

- ***Does climate finance take conflict prevention and conflict sensitivity into account?***
- ***Do local actors help decide what is funded and how funds are used?***
- ***Does climate finance respond to local needs and changing conditions?***

These questions provide a basis for further work and guide the recommendations that follow.



> A health worker at Nyangungu Health Centre in Gitega, Burundi, where Cordaid's Green PBF project supports climate-resilient rehabilitation

BURUNDI

FINANCING CLIMATE-RESILIENT HEALTH SERVICES

In Nyangungu, Gitega, high winds destroyed a health centre, leaving staff unable to provide care. Cordaid's Green PBF project supported its rehabilitation as part of a wider effort to strengthen health facilities' resilience to climate change. The project uses performance-based financing (PBF) to connect investment with the continued provision of services. Following initial improvements, health centres receive subsidies when they meet agreed indicators, such as maintaining a water reserve sufficient for three days or organising quarterly community awareness sessions on climate change. Centres develop green plans and can reinvest the subsidies in further improvements. Financing, therefore, continues beyond rehabilitation, supporting the upkeep and preparedness needed to keep services available when climate shocks occur.

THREE QUESTIONS TO UNDERSTAND IF CLIMATE FINANCE IS SUITED TO CONDITIONS OF FRAGILITY

1. DOES CLIMATE FINANCE SUPPORT CONFLICT-SENSITIVE APPROACHES AND CONFLICT PREVENTION?

Climate investments affect access to land, water, services, and economic opportunities. Where rights are contested or some groups are excluded, decisions about what is funded, where funding goes, and who benefits can deepen tensions. A conflict-sensitive approach requires an understanding of these dynamics. Integrated climate, peace-responsive and conflict-sensitive approaches to programming must be prioritised in fragile and conflict-affected settings to strengthen resilience of affected communities and identify unintended effects and adjust accordingly.
Where conflict risks are identified, climate finance should also support measures to prevent conflicts from escalating. Where unresolved grievances threaten cooperation over resources, avoiding harm alone may not be enough for climate measures to succeed. Funding should support dialogue, fair resource management, and access to justice so that people can claim their rights and resolve disputes before they escalate into conflict and undermine climate investments.

2. DO LOCAL ACTORS HAVE A REAL SAY IN WHAT IS FUNDED AND HOW FUNDS ARE USED?

Communities and local actors bring knowledge, experience and capacities that climate responses depend on. Yet, communities may be consulted while decisions about priorities, activities, and budgets are made elsewhere. Echoing Cordaid's commitment to foster equity and address long-term development challenges through locally-led development, and the COP29 Positioning Paper; locally led climate finance requires communities and local actors to influence these decisions, from identifying needs to reviewing results.

National and subnational governments are responsible for climate planning and resource allocation, but the influence of local communities depends on how these processes are organised and supported by donors and implementing partners. Where public authorities lack capacity, exclude certain groups or lack legitimacy, participation requires particular attention from all actors involved to who is represented and whose priorities shape climate funding decisions.

Local actors have different interests and unequal influences. To fill this gap, co-creation should involve civil society, cooperatives and local businesses, with particular attention to women, young people, internally displaced populations (IDPs), refugees, Indigenous Peoples and others facing exclusion. Governments, donors, and implementing organisations should ensure that local actors have the time, resources and space to participate throughout planning and implementation, with clear roles in decision-making and access to accountability mechanisms.



> Farmers participating in TREPA project, Rwanda.

RWANDA

SUPPORTING LOCAL FINANCIAL INSTITUTIONS TO SERVE SMALLHOLDER FARMERS

Smallholder farmers in Rwanda often lack access to financial services that would allow them to invest in climate-resilient agriculture. In partnership with the Rwanda government, Cordaid supports climate adaption by smallholders by working with local financial institutions on their availability of financial services, alongside support to selected agricultural value chains and farmers' access to markets.

This approach is used in, for instance, the TREPA project, funded by the Green Climate Fund through IUCN, as well as in programmes supported by IFAD, NAEB and the Rwanda Forestry Authority. Support to local financial institutions helps them to better serve smallholders and their cooperatives that want to invest in climate-resilient agriculture.

3. IS CLIMATE FINANCING RESPONSIVE TO LOCAL NEEDS AND ADAPTIVE TO CHANGING CONDITIONS?

For local actors to benefit effectively from climate finance, funding requirements and arrangements need to reflect their capacities and the conditions in which they operate. Application procedures, eligibility criteria, and reporting requirements should be proportionate to the funding and risks involved, with support available to meet them. Partnerships should be based on equality, and they should share responsibility for managing risks rather than passing them on to local actors.
Predictable funding and realistic timeframes are needed to sustain climate measures where institutions and services are under strain. Funding agreements should allow activities, budgets and timelines to be adjusted as conditions change, through clear and timely procedures. They should also cover the time and costs of community engagement, co-creation, and conflict prevention.



> Zahara Dawud, participant in Food Security and Resilience Building in Argobba

ETHIOPIA

FINANCING IRRIGATION ALONGSIDE RESOURCE MANAGEMENT & DISPUTE RESOLUTION

In Argobba Woreda, recurrent rainfall failures, degraded land and limited support left communities exposed to food insecurity and increasingly dependent on food assistance. Working with communities and local authorities, Cordaid supported a transition from rain-fed subsistence farming to irrigated production and access to markets which increased and diversified income.

The intervention combined the restoration of productive lands, agricultural support, and market integration with stronger community management of natural resources. A dedicated component supported local mechanisms for preventing and resolving disputes about how natural resources are managed and disagreements addressed.

RECOMMENDATIONS

1. Invest in conflict-sensitive measures and conflict prevention.

- Donor Community: Require proposals to show how conflict analysis has informed priorities and activities. Finance peacebuilding and access to justice initiatives alongside climate measures where needed, either within the same programme or through complementary initiatives with shared objectives and coordination.
- National governments and local authorities: Address and prioritise local action plans that integrate conflict-sensitivity and climate-sensitivity to investment plans in health, food and justice systems.
- Implementing partners: Develop appropriate tools and methodologies on conflict-sensitivity that strengthen the integration of peacebuilding, access to justice and conflict prevention to climate financing. Monitor effects on local tensions and agree with donors on how activities can be adjusted.

2. Ensure climate finance is shaped by local priorities and decision-making

- Donor Community: Provide additional resources for co-creation and participation, and accessible funding channels for local partners. Where local authorities cannot ensure inclusive participation, directly support initiatives that strengthen communities' decision-making.
- National governments and local authorities: Establish and/or reinforce mechanisms that ensure inclusive climate planning and resource allocation processes. Define clear roles, accountability mechanisms, and decision-making power among the key actors involved, including local authorities, civil society, and communities.
- Implementing partners: Agree with local partners and communities on how decisions on priorities, budgets and activities will be shared. Support the participation of groups facing exclusion and establish accessible complaints and feedback mechanisms.

3. Adapt climate funding to local realities, capacities, and conditions for communities facing fragility and conflict

- Donor Community: Shape the climate finance architecture according to local realities and conditions, with a dedicated focus on fragile and conflict-affected settings, offering predictable, multi-year funding and prioritise grants over loans. Establish timely procedures for adjusting budgets, activities, and timelines.
- National governments: Make climate-finance allocations transparent and establish clear procedures in which local authorities and organisations can access funding, with special attention to fragile and conflict-affected settings.
- Implementing partners: Extend funding flexibility and predictability to local partners. Agree how risks, costs and responsibilities will be shared, with adequate resources for partners to fulfil their roles.

ABOUT CORDAID

Cordaid's climate justice advocacy is carried out through Dutch and global alliances. The "International Climate Coalition" targets Dutch government officials and parliamentarians and feeds them with evidence-based advocacy messages on topics like Loss and Damage, climate funding and carbon markets. Cordaid brings expertise on the links between climate, food security, and health. The Dutch Food4All coalition influences the Dutch government's food security and trade policies, including the Climate Food Nexus.

Internationally, Cordaid's key networks for climate advocacy are CIDSE, Caritas Internationalis and the ACT Alliance, all of which will be present during the COP30 conference. Cordaid's climate justice policy aims to support individuals in overcoming the negative impacts of climate change on their lives and livelihoods, and empower them to become agents of change, influencing practices and policies related to climate justice. We primarily focus on women and girls, the elderly, people with disabilities, small-scale farmers, and indigenous peoples. Climate justice combines environmental and social justice, integrating human rights into climate action. We advocate for increased funding for civil society, adopting a climate, peace, and security approach.

ABOUT CSPPS

The Civil Society Platform for Peacebuilding and Statebuilding (CSPPS) is a global network of civil society organisations, experts, and academics that supports peacebuilding efforts in fragile and conflict-affected settings. Hosted and coordinated by Cordaid, CSPPS aims to amplify and strengthen the voice and agency of local civil society in fragile settings.

Members across the Platform increasingly experience the effects of climate change. The most vulnerable populations are impacted, and within peacebuilding and conflict prevention work, the interlinkages with climate change are increasingly seen and addressed. CSPPS continuously investigates how the climate crisis unfolds within the triple nexus. For more information, please see our publication, "Triple-Nexus and Climate Change in Conflict-affected Settings: Experiences, Lessons Learned, and Best Practices," and the CSPPS briefing paper on Climate, Peace, and Security, which discusses how the interlinkages manifest themselves in fragile and conflict-affected settings, drawing on the voices of CSPPS members.

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