Two weeks after the close of COP 23 we’ve had a little time to reflect and digest on the events in Bonn. Clearly, this was always going to be a ‘transitional’ COP, with no specific deadlines for agreement, and progress to be made on a range of issues. And, as ever, questions over finance have played a central role - with some positive news in the form of commitment that the Adaptation Fund will serve the Paris Agreement.

For me, one of the key debates on the sidelines is how to ensure that local communities have access to the finance they need in order to adapt to climate change.

The International Institute for Environment and Development (IIED) estimate that only around 10% of international climate finance reaches the local level, and as such is failing to meet the needs of the poorest communities. With most climate finance currently invested in large-scale projects (a natural result of the desire to reduce financial risk for the funds – and the cause of significant tension) there is a clear need for approaches which allow vulnerable communities access to the financial resources they need in order to increase their resilience. On this front, one promising mechanism to address this gap is the creation of decentralized climate funds, which help local governments and communities to access climate finance which can used for locally developed projects and priorities.

Another key development is establishing ways in which private sector actors work together to ensure that small businesses (SMEs, or associations of smallholder farmers) can secure the finance they need to access products or services to increase resilience. Resilience dialogues carried out by our project have highlighted the potential to bring together financial institutions, technical experts and farmers. Resulting programmes incentivise the roll-out of resilience-enhancing techniques such as alley cropping or conservation agriculture. Financial institutions are keen to reduce their exposure to climate risks across their portfolio of loans or insurance products, and could provide finance at preferential rates to fund the uptake of practices which reduce climate risks to farmers.

While there are lots of details to be defined, there are promising engagements along these lines in several PMCR countries which could significantly improve the resilience of smallholder farmers and SMEs. Watch this space for country case studies in early 2018!