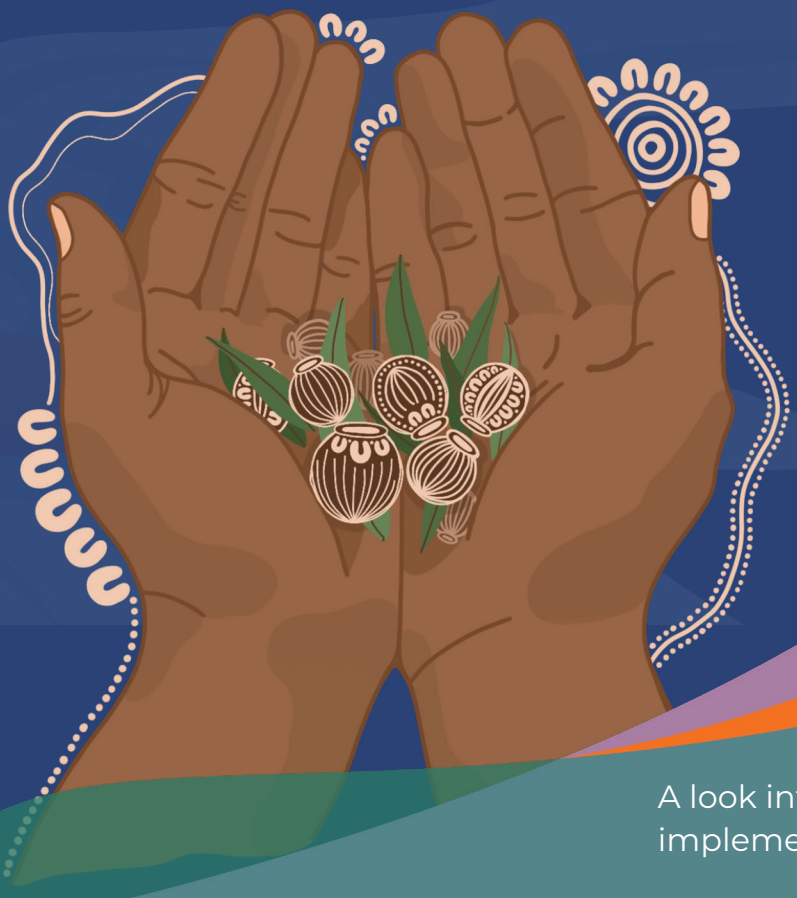
VCA
VOICES FOR JUST CLIMATE ACTION

NEXT LEVEL GRANT FACILITY (NLGF)

Delivering accessible climate finance to the local level



A look into the lessons and implementation to date

CONTENT

EXECUTIVE SUMMARY

The Next Level Grant Facility (NLGF) is a pilot initiative that aims to achieve a transformative shift in climate finance, directly addressing the persistent funding gaps that prevent marginalised and front-line communities from accessing critical financial resources.

Established under the Voices for Just Climate Action (VCA) programme, the NLGF seeks to empower grassroots organisations, activists, and vulnerable communities by providing rapid, flexible, and locally driven funding mechanisms to support climate resilience, environmental advocacy, and emergency response. Unlike traditional climate finance models that favour large institutions and involve complex bureaucratic hurdles, the NLGF prioritises accessibility, inclusivity, and responsiveness, ensuring that small, informal groups and grassroots organisations receive the financial support they need to take meaningful climate action.

With a total budget of €3.5 million, the facility operates in seven countries—Brazil, Bolivia, Paraguay, Indonesia, Kenya, Tunisia, and Zambia—through two primary funding streams:

1. Climate emergencies, providing swift financial relief in response to urgent crises, and
2. Climate opportunities, supporting long-term resilience-building initiatives.

As of March 2025, funding has been provided for over 500 community-led projects. These initiatives focus on nature-based solutions, enhanced water and food security, disaster preparedness, and legal protection for environmental defenders.

This report presents the first synthesis of data collected from the NLGF's implementation. It outlines key lessons learned, evaluates the effectiveness of fund allocation, and assesses the emerging outcomes of the grants. The findings serve not only to refine the NLGF's operational strategies but also as a foundation for broader advocacy efforts, influencing how climate finance can be restructured to be more equitable, responsive, and locally driven.

INTRODUCTION

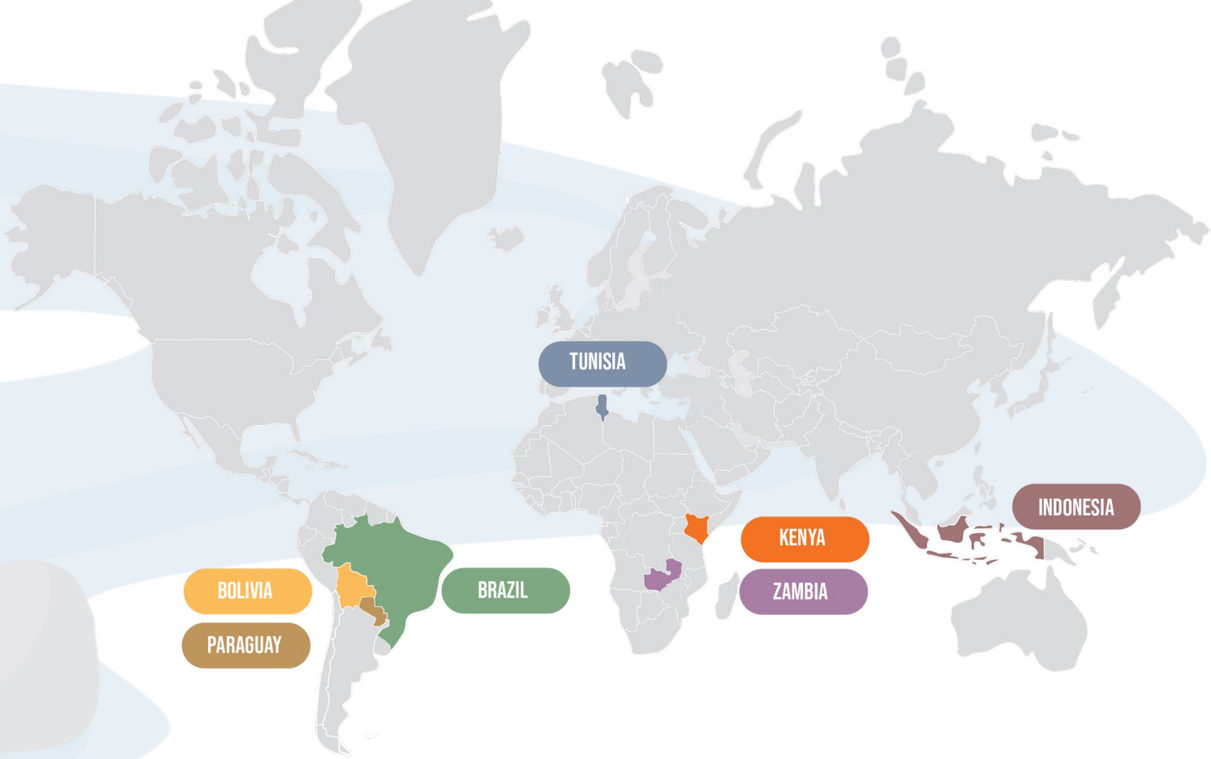
The NLGF was designed to offer rapid, flexible funding to local organisations, activists, and communities. With a budget of €3.5 million, the fund is managed regionally, to ensure local ownership and adaptability, with Fund Managers tailoring its implementation to their specific contexts. **Since its launch in 2023, the NLGF has experienced high demand, reflecting the urgent need for accessible, community-driven climate finance**.

Early evidence suggests that the fund has successfully reached highly vulnerable communities, supported climate defenders, and strengthened locally led climate resilience efforts. Delivery of the fund has thus contributed to the realisation and achievement of the locally-led adaptation (LLA) principles. However, challenges remain, particularly in sustaining funding availability, and advocating for systemic shifts in climate finance mechanisms to make grassroots financing more institutionalised and scalable.

For example, in Bolivia, Zambia and Tunisia, communities have successfully implemented rainwater harvesting systems, community managed solar powered systems and rehabilitated traditional wells, ensuring a sustainable and localised solution to water and energy access. These projects have directly enhanced the resilience of vulnerable populations by providing consistent and reliable water sources in drought-prone areas. In Indonesia, similar locally driven initiatives have significantly reduced flood risks, improved community resilience to extreme rainfall events, and helped safeguard homes, farmlands, and vital infrastructure. In Paraguay, Bolivia and Brazil, the fund facilitated legal assistance and emergency shelter provisions, which has provided immediate relief while also contributing to longer-term legal advocacy for land rights protection and environmental justice. In Kenya communities have been involved in the restoration of degraded forest land in rural areas, thus combating deforestation and increasing resilience as well as strengthening advocacy for inclusive climate finance. In Zambia, grassroots actors have been equipped to influence climate budgeting and resilience planning processes at both local and national levels. This strategic engagement has enhanced community-led decision-making and built momentum for future funding opportunities aimed at scaling climate solutions.

The fund has been successful and effective in achieving its objectives. The localised, participatory approach effectively supports locally-led adaptation by prioritising local actors, providing flexible and predictable funding, and fostering equitable partnerships. **This approach focuses on enabling local communities to lead adaptation efforts by providing them with the resources and decision-making power necessary to address their specific needs.**

The grant management process follows a structured yet regionally tailored approach, ensuring that funding reaches the most vulnerable communities while maintaining transparency, accountability, and impact-driven decision-making. Across the seven participating countries, the grant mechanism incorporates localised selection criteria and application processes, reflecting the unique climate challenges, governance structures, and socio-economic realities in each region.



NLGF'S APPROACH

Recognising the challenges faced by small, informal groups – especially those in the Global South – the NLGF aims to bridge the financial gap that prevents these entities from participating effectively in climate adaptation, advocacy, and decision-making processes.

To achieve this goal, the NLGF employs a **bottom-up, decentralised strategy** that prioritises local leadership, adaptability, and inclusivity. The key pillars of this strategy include:

1. **Localised implementation through regional partners:** The NLGF is managed by local implementing partners in seven countries, ensuring that funds are allocated based on regional priorities and needs, thus strengthening civic space and local decision-making.
2. **Rapid and flexible funding:** The facility provides two grant cycles:
   - A standard call for proposals system for structured applications, and
   - An expedited grant cycle for urgent and unforeseen emergencies such as legal support for activists, disaster response, or advocacy campaigns.
3. **Direct support to grassroots organisations and individuals:** The NLGF targets small organisations, environmental defenders, climate activists and individuals who are often excluded from traditional funding mechanisms due to bureaucratic barriers or security concerns.

   Grantees are categorised into:

   - Small informal organisations that do not have the capacity to apply for and report on more formal grants but that represent local rights-holders and work on local climate solutions.
   - Groups or individuals, including youth, informal youth groups, young women, and individual climate actors whose operations are more informal. Additionally, it assists environmental defenders, climate activists, journalists, and local climate champions who may not be acting on behalf of a formal organisation.
4. **Capacity-building and advocacy support:** Beyond financial support, the NLGF empowers communities by developing skills. This includes knowledge in climate adaptation, policy advocacy, and rights-based approaches to environmental justice. It also equips the organisations with financial and technical skills, enabling them to scale up their initiatives and access formal funding in the future.
5. **Risk management and transparency:** A streamlined governance structure ensures efficient fund allocation, with clear eligibility criteria, monitoring mechanisms, and safeguards to address security risks for activists and vulnerable groups.

GRANT MANAGEMENT

The grant management framework employs a structured yet regionally tailored approach. This ensures that funding is efficiently directed to the most vulnerable communities, while upholding core principles of transparency, accountability, and impact-driven decision-making. Across the seven participating countries, the grant mechanism incorporates localised selection criteria and application processes, reflecting the unique climate challenges, governance structures, and socio-economic realities in each region.

APPLICATION PROCESS

The grant application process begins with a public call for applications. Fund Managers disseminate calls through digital platforms, civil society networks, and direct outreach. Some regions, like Paraguay and Kenya, allow informal submissions via WhatsApp or email, increasing accessibility for remote applicants.

Once a call is issued, applicants submit detailed proposals outlining their objectives, expected outcomes, and financial breakdowns.

To ensure that unregistered grassroots organisations can access funding, some countries, such as Brazil and Bolivia, require them to partner with a fiscal sponsor or umbrella organisation to legally manage the grant.

After submission, an initial screening phase is conducted to verify eligibility, compliance, and alignment with the NLGF's objectives.

Each proposal typically includes:

- Organisational background (for groups) or personal history (for individuals) in local climate action.
- Justification for funding, linking the project to climate resilience and justice.
- A detailed implementation plan, including timelines and activities.
- A budget breakdown, with a focus on cost-effectiveness and sustainability.

SELECTION CRITERIA

Each country applies structured yet flexible selection criteria to ensure that grants are allocated to impactful, urgent, and community-driven projects. The selection process typically involves three key stages:

Administrative Screening:
Ensuring that proposals meet basic eligibility criteria and contain complete information.

Technical Evaluation:
Experts assess project feasibility, impact potential, scalability, and alignment with thematic priorities such as climate justice and resilience.

Final Decision and Approval:
A funding committee or regional Fund Manager makes the final selection based on available resources. In some cases, additional follow-up is done directly with organisations before approval.

The key factors influencing selection include:

IMPACT & URGENCY
Does the initiative address an immediate climate risk or contribute to long-term adaptation?

INCLUSIVITY & LOCAL LEADERSHIP
Is the initiative led by grassroots organisations, Indigenous groups, or marginalised communities?

FEASIBILITY & SCALABILITY
Can the initiative be realistically implemented and sustained beyond the funding period?

INNOVATION & COMMUNITY-DRIVEN SOLUTIONS
Does it introduce novel, locally relevant approaches?

ACCOUNTABILITY & TRANSPARENCY:
Is the organisation implementing the initiative recognised in their community, and will they be accountable?

Each country adapts this framework based on local needs and governance. For example, community trust and influence were assessed through context-specific, participatory approaches, including reference checks or endorsements from local leaders, community-based organizations, or network partners. In Kenya and Paraguay, consultations with community advisory groups or grassroots networks helped assess informal applicants. In some cases, previous engagement in community-driven efforts or visibility in local advocacy served as informal indicators of trust.

In general, selection prioritised applicants who had a clear track record; however, not all Fund Managers strictly required this. In the case of Kenya and Brazil, they explicitly designed their processes to be inclusive of new, emerging, or informal groups, even without a formal history, as long as they demonstrated community relevance or local legitimacy. Other countries, like Indonesia and Paraguay, placed slightly more emphasis on experience, particularly where implementation in high-risk contexts was required.

The participatory process and composition of review panels were similarly differentiated in each context. In Bolivia, the programme was designed so that civil society individuals, groups or groups that are not formally constituted, can access the fund, with the participation of an umbrella organisation or guarantor to support the applicants.

The funding decision process includes a group of external specialists who evaluate the application. In Tunisia, expert panels included representatives from civil society organisations with a track record in environmental justice, youth organising, and human rights, thematic experts on climate adaptation and local development. Stakeholders also included members of the national and regional networks, and local grassroots organisations who helped validate community relevance and contextual feasibility of projects.

In Indonesia, expert and stakeholder engagement included academics and practitioners with expertise in Indigenous rights, biodiversity, and climate resilience, community elders and leaders from Indigenous territories, representatives from alliance partners (e.g., AMAN, SPEAK Indonesia) who contributed local knowledge and helped verify community legitimacy and impact potential.

COUNTRY-SPECIFIC APPROACHES TO THE SELECTION OF GRANTEES

Across all seven countries, the NLGF allocates grants with a flexible but structured methodology, allowing funding to adapt to localised climate realities. Each country tailored this process based on contextual needs, institutional frameworks, and accessibility considerations with two streams of funds:

The **opportunities fund** is designed to strengthen climate action processes and activities, which can be carried out in a broader time frame. It seeks to provide local responses to the climate crisis, aiming for new expanded civic spaces where the voices of civil society are heard and present in response to climate actions. This fund is categorised into:

- Fragile ecosystems
- Forest ecosystems
- Early warning
- Capacity building
- Water resources
- Communication campaigns and generation of evidence
- Threats to park rangers

The **emergency funds** contributes to resolve a situation that requires immediate action within the following categories:

- Legal advice
- Health and life protection
- Physical protection and security
- Water resources
- Generation of immediate evidence

BOLIVIA

In Bolivia, the NLGF is administered by the NGO Comunidad en Acción (COMUNA) as part of the Bolivian Platform Against Climate Change (PBFCC).

The fund primarily supports climate resilience, legal advice and emergency response projects in the Pantanal, Chiquitanía and Chaco regions.

Eligibility was extended to social organisations, advocates, collectives, and individuals, particularly those without legal registration, through umbrella institutions. NGOs and foundations did not enter the eligibility group.

The selection emphasised urgency, vulnerability, regional alignment, and short-term feasibility, in addition to their contribution to VAC's theory of change.

COMUNIDAD EN ACCION

PARAGUAY

Managed by CODEHUPY, Paraguay's NLGF prioritises human rights defenders and climate crisis response. Given the urgent nature of many cases, the fund has one of the fastest disbursement processes, with emergency funds available within 48 hours for pressing human rights threats and urgent climate crises.

Paraguay allows flexible application formats, including WhatsApp (also voice messages) and email submissions, making the fund highly accessible to remote and marginalised communities.

Eligibility covered grassroots groups, informal collectives, defenders, and journalists. The evaluation was conducted by CODEHUPY's executive team (Executive Secretary, Project Manager, and Administration), using a weighted matrix based on urgency, feasibility, cost-effectiveness, and impact.

CODEHUPY
Coordinadora de Derechos Humanos del Paraguay

BRAZIL

Brazil's fund is managed by the Casa Socio-Environmental Fund (Fundo Casa) and stood out for its inclusive approach that allowed both formal and informal groups to apply, using partner organisations to facilitate applications for non-registered entities.

The fund balanced emergency response with resilience-building. Projects were selected based on alignment with five thematic areas:

1. Participation in decision-making spaces,
2. Legal protection and access to justice,
3. Communication and awareness,
4. Capacity-building,
5. Emergency response.

Eligibility was open to Indigenous peoples, women's groups, youth, and informal networks. The selection followed a participatory grant making model.

While Fundo Casa held final responsibility, the process included consultations with community networks and civil society members, ensuring bottom-up influence in the decision-making.

fundo casa SOCIOAMBIENTAL

KENYA

In Kenya, Slum Dwellers International (SDI-Kenya) oversees the fund, emphasising self-help groups and grassroots climate organisations. The fund was disbursed initially in two phases:

1. Pilot phase: initial funding for 40–50 small groups to test the grant mechanism.
2. Expansion phase: Larger-scale funding based on lessons from Phase 1.

Eligibility focused on self-help groups, youth, women, and People With Disabilities (PWD) organisations involved in climate action. Application forms were bilingual and submissions were accepted via digital platforms or WhatsApp.

Evaluation was centralised through SDI Kenya, supported by local VCA partners in outreach and referrals. Funded projects address waste management, agriculture, water, and early warning systems.

Approximately 70% of grants were allocated to short-term interventions (≤4 months), while 30% addressed urgent climate emergencies.

sdi.

ZAMBIA

Zambia's NLGF was launched in September 2024 and managed by the People's Process on Housing and Poverty in Zambia (PPHPZ). The fund emphasised participatory and inclusive decision-making. During the application period, , the fund received 1,133 applications from 12 VCA districts. Applicants submitted proposals via multiple formats including text, video, audio, and WhatsApp, with translated materials in Nyanja, Bemba, and Tonga.

To qualify, applicants had to be based in a VCA district and propose activities aligned with one or more of the following themes: water, food, health, gender, or energy.

The selection committee was composed of PPHPZ staff, representatives from WWF and Hivos, local VCA partners, a traditional leader, and a community representative. This diverse panel ensured inclusive, transparent decision-making and conducted site visits to validate proposals.

INDONESIA

Indonesia's NLGF is managed by the Samdhana Institute, focusing on Indigenous communities. The fund featured rapid emergency responses (e.g., post-flood aid in Luwu Regency).

Eligibility was based on vulnerability and urgency. SPEAK Indonesia and AMAN Tana Luwu collaborated with Indigenous leadership and youth groups to assess damage and coordinate implementation.

Decision-making involved civil society groups, traditional leaders, and community actors. Proposals were developed through community consultations and implemented in partnership with local units.

TUNISIA

The Arab Institute for Human Rights (AIHR) led Tunisia's NLGF. Due to government restrictions, funding was only open to legally registered CSOs. These organisations were required to manage grants on behalf of unregistered community groups, ensuring informal actors could still access support indirectly through civil society mechanisms.

The process was collaborative, multilingual (Arabic, French, English), and ensured transparency through public documentation of scores and rationale.

KEY ACHIEVEMENTS

As of March 2025, approximately €1.4 million of the NLGF funds have been disbursed. The funded initiatives span climate adaptation projects, such as reforestation and water conservation in Kenya and Zambia, legal advocacy and environmental protection efforts in Brazil and Paraguay, water security programmes in Bolivia and Tunisia, and disaster preparedness interventions in Indonesia.

TABLE 1: SUMMARY OF NLGF PROJECT IMPLEMENTATION AND FUNDING ALLOCATION ACROSS SEVEN COUNTRIES

Country	Total NLGF Budget (€)	Total grant amount disbursed to beneficiaries (€) *as of 31 March 2025*
Indonesia	526 350,00	240 768,00
Kenya	877 313,00	382 083,00
Zambia	498 074,00	135 119,00
Bolivia	310 073,00	159 740,00
Brazil	597 261,00	246 462,00
Paraguay	310 073,00	156 260,00
Tunisia	185 758,00	93 434,00
Total	**€ 3 304 902,00**	**1 413 865,00**

Beyond the numbers, the qualitative impact of the NLGF is evident in its ability to mobilise grassroots organisations, strengthen advocacy networks, and foster innovation in local climate solutions. For instance, emergency grants provided swift financial relief for communities facing climate-induced displacement, while long-term resilience projects equipped vulnerable groups with the resources to combat environmental threats.

Initiatives have not only addressed immediate climate risks but have also contributed to policy engagement, knowledge sharing, and sustainable community initiatives. The following section provide a detailed breakdown of key achievements in project implementation by country, showcasing how NLGF funding has translated into tangible climate resilience initiatives across diverse regional contexts.

BOLIVIA

In Bolivia, the implementation of the NLGF has played a pivotal role in strengthening climate resilience among Indigenous communities and grassroots organisations, particularly in the Pantanal and Chaco regions. NLGF funding has supported critical initiatives addressing water security, environmental advocacy, and disaster preparedness. One of the most significant achievements has been the **establishment of community-led water management systems**, tackling the persistent issue of water scarcity caused by prolonged droughts. Through NLGF funding, several Indigenous Chiquitanas and Guarani communities have successfully implemented rainwater harvesting systems, ensuring a sustainable and localised solution to water access. These projects have directly enhanced the resilience of vulnerable populations by providing consistent and reliable water sources in drought-prone areas.

Another important achievement has been the **legal and institutional support provided to environmental defenders**. NLGF funding has facilitated legal assistance programs and the generation of documented evidence to help communities in the harvest sustainable management or the natural resources and in the frame of national regulations, and to expel outside extractive companies that pollute freshwater sites. These initiatives have empowered grassroots organisations to advocate for stronger environmental protections, strengthening local participation in policy dialogues and improving community-driven governance.

Additionally, **disaster preparedness initiatives have been strengthened through community-led projects**, focusing on wildfire prevention and early warning systems. Given the increasing threat of forest fires in Bolivia, NLGF-supported projects have trained local fire brigades, improved community response mechanisms, and facilitated knowledge-sharing sessions among affected regions. These efforts have enhanced climate risk awareness and preparedness, ensuring communities are better equipped to mitigate future environmental threats.

INDONESIA

In Indonesia, the NLGF has made significant strides in empowering Indigenous communities and enhancing climate resilience in disaster-prone regions.

One of the most notable achievements has been the **successful implementation of flood mitigation strategies in areas heavily affected by extreme weather events**. In Luwu Regency, where recurrent flooding has devastated local livelihoods, NLGF-funded projects have supported the construction of small-scale flood defence infrastructure and the rehabilitation of natural water retention areas. These initiatives have significantly reduced flood risks, improved community resilience to extreme rainfall events, and helped safeguard homes, farmlands, and vital infrastructure.

Another key success has been the **protection and restoration of Indigenous land rights, particularly in regions where deforestation and land conversion threaten traditional livelihoods**. NLGF-supported efforts, especially through AMAN Tana Luwu, focused on documenting environmental damage, coordinating with traditional leaders, and distributing emergency relief within customary land boundaries.

These actions strengthened local governance and contributed to the formal recognition of Indigenous territories affected by flooding. The projects also promoted traditional ecological knowledge by integrating Indigenous environmental management practices into broader climate adaptation strategies.

Furthermore, NLGF funding has **facilitated women-led climate resilience initiatives, focusing on sustainable agriculture, food security, and economic empowerment**. Several women-led cooperatives have successfully introduced climate-smart farming techniques, enabling local farmers to increase crop yields while reducing environmental impact. These efforts have strengthened economic security and food production in vulnerable rural areas, enhancing long-term sustainability and resilience against climate-induced challenges.

PARAGUAY

The implementation of the NLGF has been instrumental in supporting human rights defenders, Indigenous communities, and climate crisis response efforts. NLGF-supported initiatives have played a critical role in legal advocacy, water security, and grassroots climate justice efforts.

One of the achievements has been the **rapid deployment of emergency relief to Indigenous communities displaced by land conflicts and environmental disasters**. In the Chaco region, where Indigenous groups have been disproportionately affected by deforestation and forced evictions, NLGF funding has facilitated legal assistance, emergency shelter provisions, and access to necessities. Legal advocacy efforts were limited in scope, typically covering short-term support such as legal accompaniment, travel costs for attorneys, and logistical expenses to enable community participation in administrative proceedings and defence of land rights. These efforts have provided immediate humanitarian relief while also contributing to longer-term legal advocacy for land rights protection and environmental justice.

Given the growing challenges of drought and water scarcity, NLGF-supported initiatives have focused on **constructing water storage infrastructure and improving access to clean drinking water**. These interventions have directly benefited hundreds of families, ensuring they have a reliable source of water for both consumption and agriculture, strengthening community resilience to climate-induced droughts.

Additionally, the fund has played a crucial role in **strengthening grassroots advocacy for climate justice, amplifying the voices of rural and Indigenous communities in national and international climate discussions**. NLGF-supported projects have enabled community-based organisations to develop stronger advocacy networks, participate in climate policy dialogues, and push for greater government accountability in environmental governance. This has fostered greater civic engagement and policy influence, ensuring that climate finance and decision-making processes are more inclusive and representative of frontline communities.

ZAMBIA

NLGF in Zambia has significantly contributed to climate adaptation, water security, and inclusive climate finance efforts.

One of the stand out initiatives supported through NLGF funding has been the **development of local climate action groups focusing on energy and water poverty mitigation in communities affected by extreme drought**. The fund has enabled the installation of community-managed solar-powered water systems in areas experiencing severe water scarcity, directly benefiting thousands of residents. Additionally, the fund has played a crucial role in enhancing food security by supporting climate-smart agriculture programs, which have introduced drought-resistant crops and sustainable farming practices to rural farmers.

Another notable success has been the **strengthening of advocacy for inclusive climate finance**. Through knowledge exchanges (such as the SDI Kenya–Zambia learning visit), technical capacity workshops, and engagement with national platforms like the Zambia Homeless and Poor People's Federation (ZHPF), grassroots actors have been equipped to influence climate budgeting and resilience planning processes at both local and national levels. This strategic engagement has enhanced community-led decision-making and built momentum for future funding opportunities aimed at scaling climate solutions.

KENYA

Kenya has leveraged the NLGF to provide direct financial support to small community-based organisations (CBOs) leading climate adaptation and mitigation efforts.

One of the most impactful interventions funded by NLGF in Kenya was the **restoration of degraded forest land in rural areas, implemented by community-led conservation groups**. These groups planted thousands of indigenous trees to combat deforestation, restore biodiversity, and promote sustainable land management practices.

Additionally, the fund has supported **waste-to-energy projects in urban informal settlements**, where local communities have been trained to convert organic waste into biogas, providing a sustainable alternative to traditional fuels while reducing environmental pollution.

Beyond direct project funding, a major achievement in Kenya has been **capacity-building for grassroots organizations**. NLGF funding has allowed Community-Based Organisations (CBOs) and self-help groups to **strengthen their financial and project management capacities**, ensuring that funded initiatives are effectively implemented and sustained beyond the grant period. SDI Kenya also collaborated closely with the Federation and youth structures such as KYC youth groups on the ground. These actors played a critical role in community mobilisation, peer learning, and capacity-building, further enhancing the effectiveness and inclusivity of NLGF-supported initiatives.

Furthermore, the fund has **facilitated peer learning and knowledge exchange sessions**, where local climate actors share best practices, discuss challenges, and explore opportunities for collaboration. This has fostered a culture of collective action and knowledge-sharing, amplifying the long-term impact of funded projects.

BRAZIL

Brazil's NLGF implementation, managed by Casa Socio-Environmental Fund, has been instrumental in supporting frontline environmental defenders and Indigenous communities at the forefront of climate justice struggles.

A defining achievement has been the **provision of rapid emergency grants to protect activists facing threats due to their environmental advocacy work**. Nineteen emergency projects have been funded to provide legal support, relocation assistance, and personal security measures for at-risk climate activists, particularly in the Amazon region, where deforestation and land conflicts pose significant risks to Indigenous leaders and environmental defenders.

Beyond emergency assistance, NLGF has played a crucial role in strengthening community resilience. Through an open call, 20 long-term climate action projects were funded, focusing on capacity building, legal protection, awareness campaigns, and data collection on environmental degradation.

A notable success has been the **training of Indigenous communities in legal advocacy**, equipping them with the knowledge and tools to defend their land rights against illegal deforestation and extractive industries.

Another major impact of NLGF in Brazil has been its contribution to **climate awareness and policy influence**. Several funded projects have supported grassroots-led research and documentation of climate injustices, providing critical evidence used to engage policymakers and advocate for stronger climate protections. Additionally, with COP30 set to take place in the Brazilian Amazon, NLGF-supported initiatives are actively preparing Indigenous leaders and environmental defenders to participate in the global climate dialogue, ensuring that their perspectives shape international climate discussions.

TUNISIA

Tunisia's NLGF implementation, managed by the Arab Institute for Human Rights (AIHR), has made substantial progress in promoting water security, disaster preparedness, and gender-inclusive climate action. One of the achievements that stands out has been the **implementation of decentralised water access projects**, which have provided sustainable water solutions to communities affected by severe drought. These projects include rainwater harvesting systems and the rehabilitation of traditional wells, significantly improving water availability in rural areas and reducing dependence on unreliable water sources.

Another key impact in Tunisia has been the **integration of gender-sensitive approaches into climate action**. Several NLGF-funded projects have empowered women as climate leaders, providing training and financial support for female-led climate initiatives. This has included the establishment of women-led cooperatives focused on sustainable agriculture and water management, ensuring that women play a central role in community resilience-building efforts.

The fund has also **supported disaster preparedness and early warning systems**, particularly in flood-prone areas. A notable success has been the development of **community-led risk mapping**, where local stakeholders collaborate to identify vulnerabilities and implement localied disaster response strategies. The use of audio-visual storytelling has been a unique aspect of Tunisia's NLGF implementation – funded projects have produced short documentaries and digital campaigns that raise awareness about climate impacts and highlight grassroots solutions.

Through these initiatives, NLGF in Tunisia has enhanced local resilience, improved water security, and strengthened gender-responsive climate action, demonstrating the fund's ability to adapt to regional priorities and create lasting impact.

COMMUNITIES BENEFIT FROM DAM REHABILITATION FUNDED BY NLGF, ZAMBIA

KARIOBANGI INITIATIVE TURNS WASTE INTO SCHOOL SUPPLIES, KENYA

CHALLENGES

While the NLGF is emerging as a bold attempt to redefine climate finance, its journey to bridge the gap between traditional funding structures and local-level action still faces significant challenges that test its adaptability and long-term sustainability.

NAVIGATING GEOGRAPHICAL AND LOGISTICAL HURDLES

This is one of the most pressing obstacles is ensuring accessibility for grantees, which presents challenges on multiple fronts. Geographical and logistical complexities often hinder effective grant implementation, particularly in remote and undeserved areas where poor infrastructure complicates oversight and real-time support. In Indonesia, grantees are spread across 15 provinces, many in regions where monitoring visits are logistically challenging. Similarly, in Paraguay's Chaco region, high transportation costs and difficult terrain make it expensive and time-consuming to deliver materials for climate resilience projects. While Fund Managers have leveraged digital communication tools such as WhatsApp to stay connected with grantees, this method has its limitations, particularly considering the limited internet access and tracking impact in a structured and verifiable way. To mitigate these challenges, several of the Fund Managers conducted field or monitoring and evaluation visits.

BALANCING SPEED WITH DUE DILIGENCE IN DISBURSEMENTS

The tension between speed and due diligence complicates the grant disbursement process. In emergency response scenarios, the ability to act quickly is crucial, yet rushing funds out the door without proper vetting can lead to inefficiencies, misallocation, or even fraud. Fund Managers in Kenya experienced challenges in processing a high volume of applications within tight timelines while still conducting thorough assessments. In Paraguay, verifying grantees' financial and legal compliance often delays disbursements, even in urgent situations. This tension underscores a fundamental challenge: how to streamline funding mechanisms for rapid response while maintaining financial integrity and accountability.

ADDRESSING GRANTEE CAPACITY GAPS

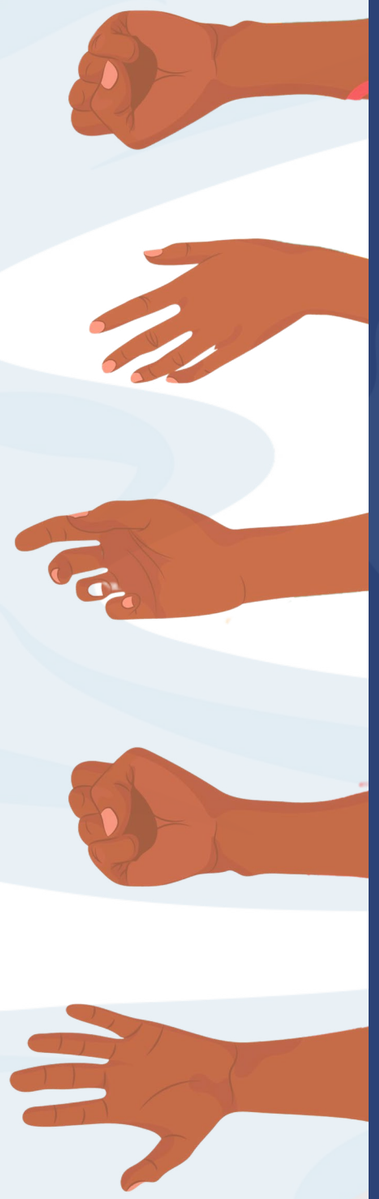
Even for those who secure funding, the challenge of capacity gaps is often evident. Many grassroots organisations and individuals lack the technical expertise required to manage grants effectively. Without structured financial reporting skills, strategic planning, or project management experience, grantees often struggle to meet compliance requirements. In Zambia, for example, many of the CBOs did not have bank accounts where the funds could be disbursed. In Tunisia, Fund Managers have had to provide structured templates, additional guidance, induction sessions for financial compliance, and monitoring and reporting. While in Kenya, workshops have been conducted to help grantees develop financial accountability and sustainability strategies. The NLGF has responded by embedding mentorship and training into its approach, but this remains a resource-intensive endeavour that requires ongoing commitment.

RESOURCE CONSTRAINTS AND HIGH DEMAND

Adequate resourcing for grant management is another key challenge. While fund disbursement may seem straightforward, it is administratively complex and resource intensive. Fund Managers often lack sufficient support to manage grants participatorily and responsively, including emergency aid, protection, safety, and access to decision-making for marginalised communities. Additionally, the overwhelming demand for small grants further strains resources. Across multiple regions, applications far exceed available funds. In Kenya, over 2,600 applications were submitted in the first phase, while Indonesia received 245 applications within two weeks. This surge highlights the immense funding gap at the grassroots level, where communities lack resources for climate adaptation and resilience. Yet, with limited funds, only a small fraction of these applicants receive support, leaving many promising initiatives without the means to take action. Ultimately, the grant application process must strike a delicate balance. While a shorter, streamlined application minimises the time and effort required from applicants—especially those who may not ultimately receive funding, a lighter application inevitably limits the depth of information available, making it more challenging for Fund Managers to make informed, discerning decisions between competing applicants.

OPERATING IN SHRINKING CIVIC SPACES AND HIGH-RISK ENVIRONMENTS

A major constraint relates to the growing risk to grantees operating in shrinking civic spaces. Legal and political constraints in certain regions limit advocacy efforts, with environmental activists and community leaders facing intimidation, legal persecution, and threats. In some countries, government restrictions hinder funding for advocacy-related climate action, forcing Fund Managers to navigate complex legal workarounds. Elsewhere, environmental defenders face direct threats, making their association with international funding even more precarious. As the NLGF continues to support grassroots-led climate action, it must also grapple with how to provide not just financial assistance but also security and legal protections for those on the front lines, as well as the Fund Managers. Legal and political constraints in certain regions create additional barriers. These constraints slow down disbursement, increase administrative complexity, and, in some cases, make it nearly impossible for some of the most vulnerable actors to receive the support they need. Adapting to these legal frameworks requires creative problem-solving, but it also underscores the risks associated with operating in politically sensitive environments.



LESSONS LEARNED

As the initiative unfolds across multiple regions, key lessons are emerging, shaping its approach and revealing its profound impact on communities at the front lines of climate challenges.

LESSON 1:
SIMPLIFYING GRANT APPLICATION AND MANAGEMENT PROCESSES IMPROVES ACCESSIBILITY

Traditional grant-making processes are often tangled in bureaucracy, creating insurmountable barriers for small organisations with limited resources and expertise. Recognising this, the NLGF took deliberate steps to simplify its application process, ensuring that funding was within reach for those who needed it most. In Kenya, application forms were translated into Swahili, making them more inclusive for local communities. Submissions were accepted through email and even WhatsApp, removing technological barriers that often exclude grassroots organisations from competing for funds. By breaking away from rigid, exclusionary systems, the NLGF has demonstrated that financial support can be both rigorous and accessible – an approach that other grant-making bodies could learn from.

LESSON 2:
FLEXIBILITY AND ADAPTABILITY ARE CRUCIAL IN DIVERSE AND EVOLVING CONTEXTS

Flexibility has also emerged as a crucial factor in the success of the NLGF. In each country, the facility has had to navigate distinct legal, political, and environmental landscapes, adapting its approach to ensure funds reach those who need them most. In Tunisia, for instance, strict laws prohibit direct financial support to individuals, forcing the NLGF to find creative solutions—managing funds on behalf of beneficiaries rather than disbursing them directly. Meanwhile, in Indonesia, the program had to pivot quickly when a volcanic eruption unexpectedly devastated one of its target regions. The response was community-driven, with local organisations taking the initiative. Immediately following the disasters, quick assessments were carried out to identify severely affected areas and priority needs. This resulted in the prioritisation of immediate needs, the provision of targeted logistics, food, hygiene products, building materials, and repairs to damaged homes and public infrastructure. Continuous monitoring enabled timely adjustments, maximising impact and facilitating quick recovery by effectively addressing both physical and emotional community needs. By remaining agile and responsive, the NLGF has shown that locally-led climate finance must be adaptable, shifting as needed to meet evolving challenges on the ground.

LESSON 3:
COMMUNITY INVOLVEMENT ENHANCES LEGITIMACY AND EFFECTIVENESS

At the heart of NLGF's success is its deep commitment to community involvement. The NLGF has prioritised participatory decision-making, ensuring that grants respond to real, locally-identified needs. In Bolivia and Paraguay, funding was directed toward a mix of climate emergencies and advocacy for environmental defenders—an approach shaped by direct engagement with communities on the ground. In Brazil, the Fund Manager has adopted a participatory grant-making approach, devolving aspects of decision-making to grantees to achieve improved outcomes. They have already established community networks that were consulted during the fund distribution process. These connections with established networks and community groups have enhanced the effectiveness of their efforts and improved the responsiveness of the funds to local needs. This model fosters trust and legitimacy, making it more likely that interventions will be embraced and sustained by the communities they are designed to support. It further demonstrates that programmes that integrate community voices into decision-making processes are more likely to succeed and address real needs.

LESSON 4:

CAPACITY BUILDING STRENGTHENS THE IMPACT AND SUSTAINABILITY OF GRANT INITIATIVES

Many organisations and individuals who receive NLGF grants have never managed external funding before, making capacity-building an essential part of the process. In Tunisia, where financial reporting can be complex, grantees were provided with structured templates to help them manage their projects effectively. Meanwhile, in Kenya, Fund Managers took a more hands-on approach, mentoring recipients in financial management and project implementation throughout the grant period. This commitment to strengthening local organisations goes beyond just funding—it builds sustainability. It ensures that the organizations receiving support today are equipped to sustain their work long after the grant period ends. By integrating mentorship, workshops, and technical assistance, NLGF ensures that grantees are not just recipients of funds but also stewards of long-term impact.

LESSON 5:

PEER EXCHANGES FACILITATE CROSS-LEARNING AND CO-CREATION OF SOLUTIONS

In multi-country programs like NLGF, peer learning among consortium members, implementing partners, and project secretariat staff play a crucial role in enhancing collaboration, fostering cross-learning, and co-creating solutions. An exchange between Zambia and Kenya, for instance, enabled Fund Managers to share strategies and address common challenges, strengthening program effectiveness. Organisations with experience navigating strict regulations and shrinking civic spaces provided strategic guidance and offered support to those facing similar constraints. Grantees also benefited from network-building, which often led to unexpected long-term gains. In Bolivia, alliances formed during the grant period continued to sustain community initiatives well beyond the funding cycle. Beyond the immediate project, peer exchanges extended to external networks, leading to new alliances and synergies. Some xs partnered with other organisations, broadening their reach and impact. These peer-driven collaborations amplified project outcomes, reinforcing the value of knowledge-sharing in climate initiatives.

CONCLUSION

The implementation of the NLGF across seven regions has underscored the **transformative power of flexible, community-driven financing in advancing climate resilience, safeguarding environmental defenders, and responding to climate emergencies**.

By disbursing over €1 million across 503 projects to date, the NLGF has provided essential financial support to grassroots organisations and vulnerable communities. The programme has addressed both immediate climate crises and long-term adaptation needs, funding water security initiatives in Bolivia and Tunisia, disaster response mechanisms in Indonesia and Zambia, and legal defence efforts for environmental activists in Brazil and Paraguay. Additionally, community-led reforestation and climate-smart agriculture projects in Kenya and Zambia have strengthened local climate adaptation strategies, creating sustainable, locally owned solutions.

Beyond financial disbursement, the NLGF has fostered grassroots advocacy and community empowerment, ensuring that marginalised voices play a more significant role in climate decision-making.

However, key challenges remain, including sustaining project impact beyond the grant period, maintaining a balance between rapid disbursement and accountability, and navigating political and regulatory barriers in certain regions. To enhance its long-term effectiveness, the NLGF must strengthen its impact measurement frameworks, ensuring that it not only tracks project delivery processes but also captures the tangible and systemic changes it facilitates. The insights gained from this initiative provide a blueprint for more inclusive and effective climate finance, highlighting the need for greater accessibility, efficiency, subsidiarity and sustainability in future funding mechanisms.

VCA
VOICES FOR JUST CLIMATE ACTION

a product of

VOICES FOR JUST CLIMATE ACTION (VCA)

We are an alliance bringing together global and local voices. We connect a diverse range of civil society organisations representing women, youth, Indigenous people, urban poor, digital activists and more.

The alliance is led by four strong Southern CSOs – Akina Mama wa Afrika (AMwA), Fundacion Avina, Slum Dwellers International (SDI) and SouthSouthNorth (SSN) – and two Global CSOs – Hivos and WWF-Netherlands.

Learn more in our website: voicesforjustclimateaction.org
Or send us an email at: info@voicesforclimateaction.org
Visit our social media platforms: WeAreVCA

NEXT LEVEL GRANT FACILITY

funded by

Ministry of Foreign Affairs of the Netherlands

June, 2025
NLGF - A look into the lessons and implementation to date - V1