
Global Center on Adaptation

Financing local solutions for climate justice

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Odisha: How the Simlipal Wildfire Razed the Economy of Particularly Vulnerable Tribal Groups

Already displaced from their homes in the forest and now unable to collect the minor forest produce on which their livelihoods are based, the people of the Mankdia, Lodha and Kharia communities are in deep financial distress.



Lodha people in Champagarh village in Badasahi block of Mayurbhanj district. Photo: Abhijit Mohanty



Abhijit Mohanty



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Khunta (Odisha): The 50 Mankdia households of Dengam village in Khunta block on the fringe of the Simlipal forest in Odisha watched nervously as angry flames raced through the forest – a forest that has sustained their particularly vulnerable tribal group (PVTG) for centuries.

The Simlipal wildfire had started in the second week of February and it had been two weeks since 28-year-old Dilip Mankdia had been able to enter the forest to collect *sialilata* (siali fibre). “Without siali fibre, we can’t survive,” said Dilip.

- Limited budgets, limited fiduciary control, limited capacity to access funds
- Climate change is an additional burden
- Need funding to:
 - Continue to strengthen development efforts, which build resilience (**additional** funding)
 - Understand local climate impacts
 - Take preventive measures to adapt where possible
 - Respond in time to disasters, to avoid long-term development impacts
 - Deal with loss and damage where adaptation is not possible through social safety nets

Local governments must be enabled to be accountable to communities, to provide the immediate support that the most vulnerable need to adapt and deal with climate-related losses

State/ National Governments

- Already struggling. Climate impacts make additional and heavy demands
- Limited capacity to access international funding, stretched further by complex access modalities
- Have to deal with the varied preferences and reporting requirements of multilateral and bilateral sources of funding – tendency to focus on “big bang”
- No predictability, making it difficult to have a coherent national roadmap, goals, or planning for adaptation
- Very little scope to make global funding work with national budgets

Bilateral partners

- Each with different focus areas, access modalities and reporting requirements
- Limited coherence and coordination
- Do not always work with national budgets, processes, institutions
- Small projects, do not allow for economies of scale

Multilateral funding institutions

- Not accessible by local communities or governments due to difficult and prolonged access modalities, reporting requirements, or even national requirements for applying for funding from global institutions
- Project based – limited impact, very little flexibility for local decision-making
- Limited pot of funding
- Some progress, for instance in Direct Access and EDA, but have a long way to go

Fragmented funding delivers fragmented action

What are the problems?

- We continue to treat climate finance like ODA, and to use complex ODA rules and systems
- Communities remain accountable to funders, but no one is accountable to the communities
- The international landscape for climate finance is very complex and too fragmented to deliver the scale of action that is needed
- We expect the impossible – that local communities will magically overcome their current capacity constraints and build enough capacity to deal with international complex rules

What do we need?

- **Accountability to those most impacted by climate change**
- **Simple funding systems.** The funding should go to those in need, not vice versa.
- **Programmatic funding, budgetary support** to minimize the effort needed to access climate finance
- **Predictable funding.** Governments and communities should be able to plan in advance, to adapt where it is possible, and to minimize loss and damage where it is not
- **Additional funding,** that does not compromise existing development/ SDG efforts that are critical for resilience-building
- **Flexible funding.** Climate crisis and impacts are not always predictable

What do we need?

- **Patient funding** that does not conjure up impossible timelines/ deadlines for success
- **Efficient funding**, that encourages climate finance to work with development finance and use existing systems/ institutions/ processes
- **Real partnerships**, to aggregate efforts
- **Funding for local capacity building** that can be sustained and retained, for greater effectiveness
- **Concrete goals for local level finance** at every level
- **Ways to measure progress on this commitment**, through transparent and inclusive M&E systems
- **Communities should define the measures of success**, instead of complex top-down indicators that mean very little



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