LOCALISING CLIMATE AND CONSERVATION FINANCE

Lessons from the Next Level Grant Facility

KEY MESSAGE

Localisation is not only about moving money. It is about shifting access, agency, and decision-making closer to the people and institutions that steward landscapes and seascapes. Small, flexible finance can reach actors excluded by conventional systems when trust, accompaniment, proportionate accountability, and locally rooted intermediaries are treated as core infrastructure.

€3.5M	7	646
allocated to facility	countries	Grants distributed

The Next Level Grant Facility should not be understood as an endpoint but as a call for further transformation in conservation and climate funding mechanisms.

WHY THIS MATTERS

Indigenous Peoples, local communities and grassroots organisations, are already at the forefront of ecosystem stewardship, climate adaptation and environmental justice. Yet the systems that finance this work are still largely designed around larger organisations: only a tiny portion of project-type funding globally goes directly to local organisations and rights-holders.

The challenge is therefore not simply to increase direct funding. **Localisation** asks who can access resources, who decides how they are used, whose knowledge informs solutions, and which institutions become stronger in the process. Legal status, donor compliance, banking requirements and short funding cycles continue to exclude many actors closest to conservation challenges.

The **Next Level Grant Facility (NLGF)** tested what happens when those barriers are deliberately lowered, while combining accessible finance with trusted relationships, accompaniment and locally grounded decision-making.

WHAT THE NLGF TESTED

The Next Level Grant Facility was created under the **Voices for Just Climate Action** programme as an experiment in more accessible, locally led climate finance. Between 2023 and 2025, €3.5 million was allocated to the facility across seven countries, with €3.24 million ultimately distributed through small grants to Indigenous Peoples groups, grassroot organisations, activists, and other collectives of rights-holders. This brief draws on in-depth evidence from **Bolivia, Brazil, Indonesia, Paraguay, and Tunisia.**

We experimented with:

- Simplified and context-adapted access to finance.
- Community-defined priorities, rather than externally prescribed solutions.
- Emergency and catalytic/opportunity funding windows.
- Local Fund managers, intermediaries, fiscal hosts, umbrella organisations, and advisory structures.
- Accompaniment, mentoring, and learning among local organizations and groups alongside finance.

WHAT THE EVIDENCE SHOWS

A wide range of actions were supported (e.g. ecosystem restoration, climate adaptation, disaster response, livelihood development, advocacy, legal support for environmental defenders). Despite modest funding levels, the granted initiatives generated tangible environmental and social outcomes while strengthening community leadership. As such, the NLGF is proof of possibility, and a call for further transformation.

1 Access does not automatically shift power

The NLGF broadened access, but decisions about eligibility, compliance, reporting and fund architecture often remained with programme actors. Localisation requires attention to who controls the rules, not only who receives grants.

2 Accessibility must be designed

Fiscal hosting in Indonesia, umbrella organisations in Bolivia, direct assistance in Paraguay, and intensive accompaniment in Tunisia enabled participation by actors who would otherwise have been excluded. To increase inclusion, structures must be built on local contexts.

3 Trust can strengthen accountability

Brazil, Paraguay, and Indonesia show that trusted networks, continuous communication and contextual verification can support rapid, credible decisions without reproducing heavy compliance burdens.

4 Intermediaries are an enabling infrastructure

Fund managers did far more than transfer funds: they translated donor requirements, mentored applicants, managed risk, verified delivery, and connected communities to wider systems. These functions need explicit resourcing.

5 Flexibility of the funding depends on learning integration

The NLGF's ability to respond to emerging local realities depended on how well the program integrated lessons throughout its implementation. Monitoring, learning, and adaptation are mutually reinforcing processes and should be resourced accordingly.

6 Financial architecture shapes outcomes

Many of the operational challenges encountered by grantees and fund managers originated not from local capacities, but from the design of the funding mechanism itself. Shorter grant durations, delayed contracting processes, uncertainty around future funding tranches, and compressed implementation windows affected all countries.

POLICY RECOMMENDATIONS

1 Separate emergency response from longer-term action

Use distinct but connected funding tracks. Acute crises need rapid decisions and minimal documentation; adaptation, resilience and nature-based solutions need longer timelines, technical assessment, community deliberation, and pathways to continuation/scaling.

2 Move from access to shared decision-making

Give local rights-holder groups meaningful influence over funding priorities, selection criteria, governance, and definitions of success. Community and Indigenous knowledge holders should participate as decision-makers, not only consultees.

3 Invest in intermediaries and institutional strength

Treat accompaniment, fiscal hosting, mentoring, organisational development, and local fund management as core programme costs. Direct finance often still requires trusted intermediaries, but their role should enable rather than control local leadership.

4 Design learning and accountability around local realities

Combine light quantitative reporting with story-based, participatory and community-defined evidence. Build feedback loops so learning serves communities and programme adaptation, not only upward donor accountability.

5 Fund for trust, flexibility and continuity

Provide predictable funding signals, proportionate procedures and realistic grant periods. Adapt due diligence and verification to grant size, context, and risk while maintaining clear safeguards.

6 Reposition WWF as an enabler of localisation

WWF can add value by mobilising resources, opening donor access, supporting local organisational strength, connecting actors, providing technical expertise, and influencing funding conditions, while being prepared to step back where locally governed institutions are better placed to lead.

WHAT WWF AND DONORS CAN DO NOW

- **Map before creating:** identify existing Indigenous-, community- and rights-holder-led financing mechanisms before establishing new ones.
- **Fund the infrastructure of localisation:** resource accompaniment, institutional strengthening, core capacities and local fund management, not only project activities.
- **Use flexible capital to innovate:** philanthropic funding can test participatory, trust-based and locally governed approaches that more risk-averse funders may later adopt.
- **Build localisation into donor propositions:** make explicit how resources, decision-making and institutional capacity will move closer to rights-holders.
- **Generate evidence for system change:** document effectiveness, risk and transaction costs to influence wider climate and conservation finance.

IMPLICATIONS FOR RESOURCE MOBILISATION

Future investment should build on the local financing ecosystem rather than automatically create new funding structures. Where credible Indigenous-led, community-led, or other locally governed funds already exist; these institutions should be considered strategic partners. They provide locally rooted infrastructure through which rights-holders can govern, mobilise, and redistribute conservation finance.

Where important financing gaps remain, there may still be a role for co-creating new mechanisms, but their governance and design should be developed with local actors and rights-holders from the outset, rather than predetermined externally.

For WWF, this creates a different resource-mobilisation opportunity: mobilise and unlock larger, more flexible and longer-term funding for locally led action; connect locally governed institutions to donors; support institutional strengthening where requested; and use evidence to influence donor requirements.

Future propositions should therefore be flexible enough to respond to different local financing ecosystems while retaining clear principles around accessibility, participation, local agency, and accountability.

WWF's future role is not diminished by localisation; it is transformed by it.

CONCLUSIONS

The NLGF was not only a small-grants facility. It was a deliberate experiment in changing how climate and conservation finance works within a large organization set-up. Its most important lesson is that locally led action – and localisation in the broader sense – depends on more than transferring resources: it requires institutionalising local leadership, strengthening civil-society and rights-holder institutions, fostering equitable partnerships, and changing the systems that determine whose knowledge counts, who decides, and who controls finance.

The next step is therefore greater ambition: move from project-by-project innovation to funding, governance, and organisational practices that make locally led conservation the norm rather than the exception.

EVIDENCE BASE

This brief summarises WWF-Netherlands' Integrated NLGF Report, drawing on country case studies from Bolivia, Brazil, Indonesia, Paraguay and Tunisia, programme documentation and external literature on localisation, direct finance, and locally led adaptation.

For the full report, go here