

CLIMATE ADAPTATION FINANCE

Where is the money going and is it really working?

Brief - April 2026

Massive investment is required for communities to access safe water and withstand major climate-related water uncertainty. For climate finance to deliver on its promises, it must be commensurate with need and effectively reach those who need it most. We cannot afford leakage, misuse, or maladaptation.

Yet, there are serious weaknesses in how governments and funders are monitoring where the money goes and whether it is working. In Kenya several organisations are filling this gap. With new tools and data, they are checking whether climate finance is used to its full potential, where it is intended and most needed. Their work is highlighting major integrity issues.

WIN and the Centre for Social Planning and Administrative Development (CESPAD) mapped climate finance tracking initiatives in Kenya and brought together local authorities, civil society organisations and funders in March 2026. The aim was to assess integrity risks and share tools and experiences for climate adaptation accountability.

Participants in the process emphasised the need for collaborative approaches to ensure climate funds reach communities and contribute to water resilience.

This brief outlines the main lessons learned.

INTEGRITY IN CLIMATE ADAPTATION

What it means

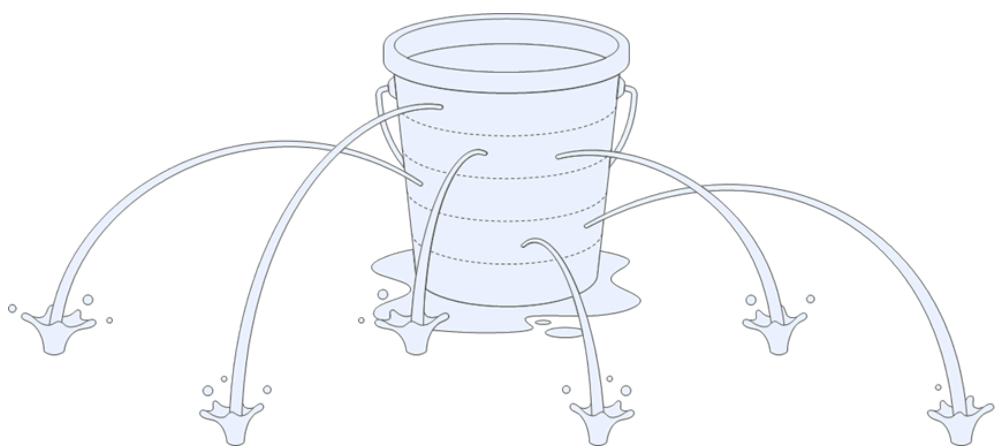
- Climate funds and adaptation actions that are transparent, accountable and fair.
- Funds that are used honestly and efficiently for their intended purpose.
- Communities that are meaningfully involved from planning through to monitoring.
- Projects that deliver real adaptation benefits.
- Resources that reach the most vulnerable populations.

Why we need it

Without strong integrity, scarce climate funds risk being wasted, adaptation measures may fail or even increase vulnerability, and public trust in climate processes can erode.

THE PROBLEM WITH CLIMATE FINANCE

Significant sums of money are flowing to institutions that are not yet fully prepared to manage them. Financial management systems and capacity are improving, but remain limited – particularly at the local level, where good reforms on paper have not yet been fully implemented in practice. Major funders have some mechanisms in place to detect and address corruption where money is first disbursed at national level, but there is far less visibility and fewer safeguards for funds that are then reallocated to local levels, where smaller but pervasive corruption and integrity risks take hold. Often, corruption is expected and only addressed once it gets out of hand.



Leeway in how climate finance outcomes are identified and quantified.

- Unclear definitions, especially for what should be considered climate or development work.
- Delays and challenges in using standardised frameworks like the Rio markers and accurately tagging expenditure.
- Space for abuse and greenwashing.

Inadequate participation throughout the funding and project cycle.

- Limited genuine involvement of beneficiary communities, despite formal public participation requirements.
- Projects that are based on incomplete data and that lack local ownership and sustainability.

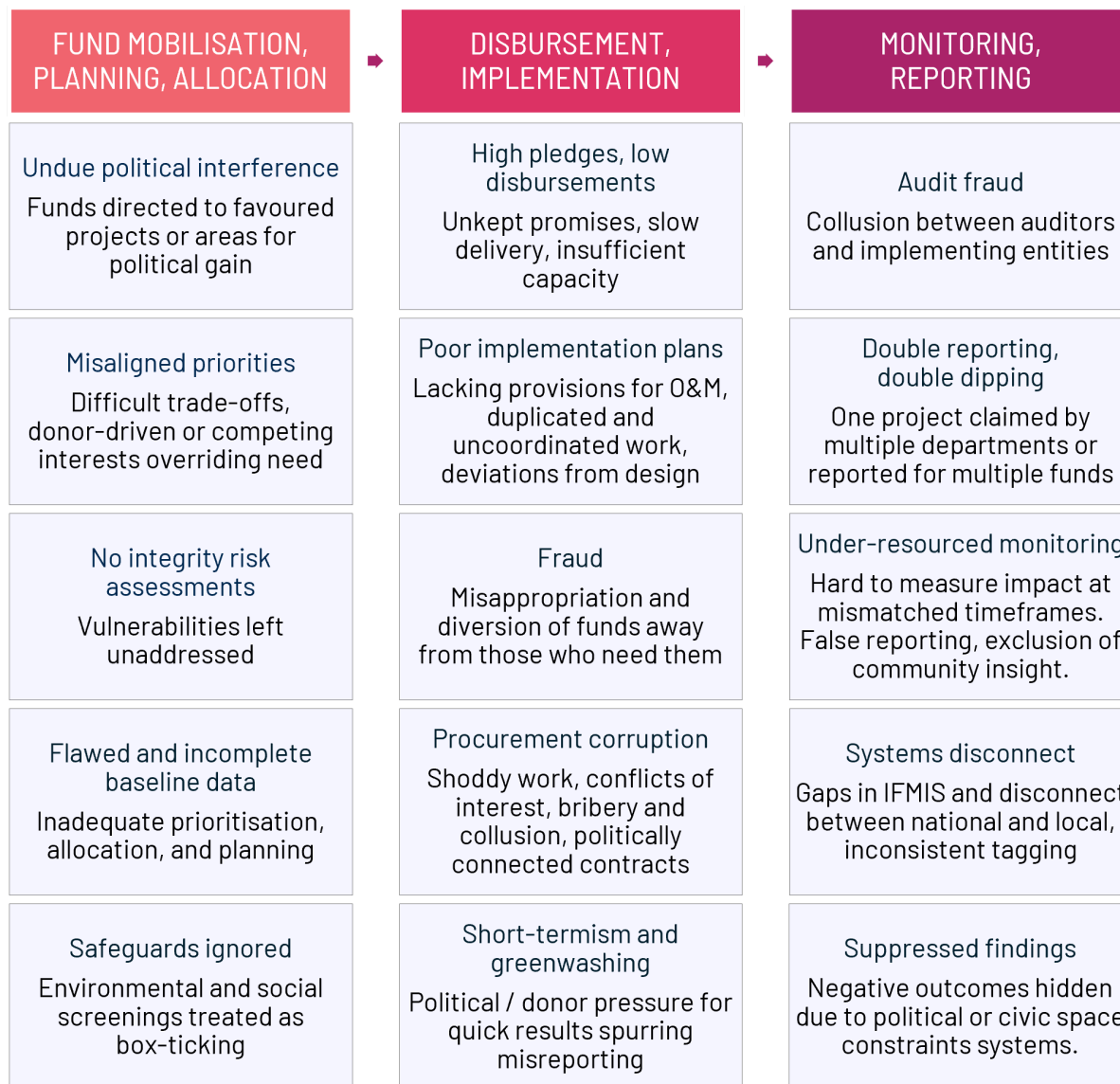
Fraud and corruption, especially during procurement and audit.

- Activities skewed away from the public interest and prioritisation of more lucrative mitigation projects over needed adaptation.
- Conflicts of interest and collusion contributing to shoddy work, higher costs, and weakened monitoring systems.

To make localisation and community-based adaptation not just buzzwords, accountability also has to reach communities. And communities must be empowered to report back and hold decision-makers accountable. Local civil society and watchdog organisations are the bridge for this process, but they are too often side-lined and under-resourced.

INTEGRITY RISKS IN CLIMATE ADAPTATION FINANCE

Workshop participants in Kenya identified important weaknesses across the funding cycle that divert resources from their objectives and from the people who need them. The main risks are:



Impact on communities and the climate

These failures mean climate-vulnerable communities receive less protection, adaptation investments deliver less value, and trust in climate finance erodes – at a time when the window for effective action is narrowing.

KENYAN LEADERSHIP ON CLIMATE ACCOUNTABILITY

Despite the ongoing challenges to track and report on climate finance, workshop participants identified critical areas in Kenya where progress is happening and a more integrity-focused approach to climate finance transparency is taking place.

Legal and policy framework has adapted and is relevant

Kenya has developed a robust policy architecture for climate finance, including the National Climate Change Action Plan, county-level Climate Change Action Plans, and National Treasury Circular No. 13/2020 providing specific guidance on tracking and reporting climate finance. Participatory Climate Risk Assessments at county level further embed climate accountability into subnational governance.

Climate tagging is specified, even if it mainly still looks good on paper

Kenya uses objective-based screening and has incorporated climate codes into the Standard Chart of Accounts alongside a dedicated training handbook. However, the public financial management system is not yet fully aligned. Classification remains subjective depending on sectoral lens, and a new Climate Finance Information System is under development but not yet operational.

Work towards formalisation of public benefit organisations and reporting requirements is welcome, though risks need careful monitoring

The Public Benefits Organisations (PBO) Act of 2013, new PBO regulations of 2026 and the amended Climate Change Act that explicitly recognises PBOs, all reinforce transparency and provide a legal basis for civil society organisations to engage in monitoring and reporting of their own climate adaptation work. This push for transparency is welcomed by civil society organisations, though risk of constraints to civic space should not be ignored.

Local collaborative tracking initiatives are examples to be replicated

Two tools stand out:

- The Makueni Case Tracking Tool, developed jointly by CESPAD, the Water Integrity Network, and Makueni County Government, follows a full project cycle from initiation to closure, combining financial, technical, and social indicators with GPS verification and community participation.
- The Mulika tool in Marsabit, developed by Pastoralist Community Initiative and Development Assistance (PACIDA), makes ward-level budget data accessible to ordinary citizens through a digital tool and community engagement, and is already being scaled to Isiolo County.

Both demonstrate what locally grounded, integrity-focused accountability looks like in practice when civil society and local government join forces.

COMMUNITY-CENTRED, COLLABORATIVE ACCOUNTABILITY



Integrity risks were discussed openly, including fears around information sharing, potential victimisation, and the need for safe channels to communicate tracking findings. - Workshop participant



CSOs can bridge the gap between government and communities, and between funds and people who need them. They can strengthen accountability by monitoring government actions and ensuring responsible use of funds. They can provide capacity-building for communities and local institutions, and offer technical expertise on best practices. CSOs can also manage grievance mechanisms and are the first responders in emergencies. In Kenya, CSOs have shown how this works, and how it can ensure climate finance effectively meets local needs.

This kind of work is essential and can make a real difference in stopping misuse and leakage of scarce finance. Yet, too few organisations are able to do it effectively because of shrinking civic space and unreliable funding.

What we need now is empowered CSOs with the right support:

1. Effective feedback loops from community or straightforward grievance mechanisms
2. Open procurement and shared data
3. Promotion of political will and political integrity
4. Support and exchange / coordination between civil society organisations and others involved in tracking (including counties or sub-national authorities and supreme audit institutions)
5. Safety for those who track

Contact the team:

Join the community of organisations working on climate adaptation accountability in Kenya.

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Support this work:

Help ensure climate funds are used with integrity and for community resilience.

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