LINKING GLOBAL AND GRASSROOTS ISSUES IN CLIMATE CHANGE:

A Nepalese Perspective

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Linking Global and Grassroots Issues in Climate Change: A Nepalese Perspective

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Editors	Krishna Lamsal, Pashupati Chaudhary, Sajal Sthapit and Kamal Hari Bhandari
Language Editor	Karina Lundah
Design and Layout	Mahesh Shrestha/LI-BIRD
Cover Photo	Krishna Lamsal/LI-BIRD

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Editorial

Climate change is already beginning to transform ecosystems, landscapes and life on Earth. This has brought about severe and possibly permanent alterations to our planet's geological, biological and ecological systems. Around the globe, seasons are shifting, temperatures are increasing and precipitation is getting more and more unpredictable. Meanwhile, our planet must still supply us – and all living things– with air, water, food and safe places to live, the quality and quantity of which are gradually deteriorating.

Poor and low-income communities around the world experience the majority of these adverse effects of climate change. Low-income communities are much more vulnerable to environmental determinants of health, wealth and other factors, and have less capacity for COPing with environmental change.

Various international events and conferences have been organized to limit the concentrations of harmful greenhouse gases, which have been identified as the root cause for Earth's warming. The convention document "United Nations Convention on Climate Change (UNFCCC)" is one of the outputs of the popular Earth Summit that was held in 1992 in Rio de Janeiro, Brazil. Annually, parties of the convention meet, known as the Conference of the Parties (COP), to discuss various agendas on minimizing the impacts of climate change. Through this discourse, various principles have been developed and several negotiation themes and strategies, such as adaptation, finance, mitigation and Reducing Emissions from Deforestation and Forest Degradation (REDD), have evolved.

Though negotiation and policy discourse started since 1995, its relevance to Nepal in different themes is not properly documented and in the public domain. The following is a sincere attempt to produce a reference document particular to the Nepalese context on the emergence and general overview of UNFCCC climate negotiation processes, adaptation, finance and REDD. It is essential to have such documents in countries like Nepal where the public understanding of climate change, concern about its impacts and various response options remain inconsistent and limited. In this context, LI-BIRD, on behalf of the NGO Network on Climate Change (NGONCC), is publishing this publication as a tool for sharing knowledge and information on climate change negotiation, policy discourse and linkages at the national and local levels in Nepal, with particular focus on finance, local adaptation and REDD.

This issue focuses on the emergence and development of the international climate negotiation process, its dynamics and the progress Nepal has made through being a party to UNFCCC convention. It also focuses on Nepal's national and local adaptation plans, related progress and challenges, climate finance status and REDD.

The article "An Overview of UNFCCC Process" by Mr. Batu Uprety gives an overview of the UNFCCC negotiation process, different bodies in the convention, decision-making processes and initiatives taken up by Nepal as a party to the convention. This article also highlights how Nepal could benefit from linking global and national efforts. In the second article, Mr. Raju Pandit Chettri concentrates on questions related to the international and national context

on climate finance and governance of climate finance in Nepal. Mr. Arjan Dixit, in his article entitled "Charting a Course for the Future: Climate Change Adaptation in Nepal," explains the emergence and status of adaptation from the Nepalese perspective. Emerging issues around climate change adaptation in Nepal, with recommendation measures, are elucidated in his article. The next article on localizing adaptation plans, by Mr. Krishna Lamsal, elaborates on the need for local adaptation plans, their emergence and status in Nepal, related challenges and opportunities along with key recommendations. The final article by Mr. Ramesh Bhusal entitled "REDD+ from global to national perspectives" explains the relevance of REDD and REDD+ discourse in Nepal.

We hope this document becomes a primary reference for climate change practitioners and universities where climate change policy discourse, relevancy at the national level and actions on the ground are taught.

We will be pleased to receive your feedback, which will be useful for enhancing the next issue.

Happy reading!

Editors

An Overview of the UNFCCC Process

Batu Uprety[1]
upretybk@gmail.com or upretybk1@gmail.com

Photo Credit: Nattu/Flickr Commons, https://flic.kr/p/71DpBy

Background

Change in climate is a natural and continuous process. This change has accelerated due to anthropogenic emissions of greenhouse gases (GHGs) over the last 160 years. The scientific community discussed climate change in 1979 during the first World Climate Conference, which drew the attention of the international community and called for them to take necessary measures to reduce GHG emissions and to address the adverse effects of climate change as a matter of high priority. The urgency of protecting Mother Earth, its resources and people at large was realised at different levels including at a political level. This resulted in the establishment of the intergovernmental negotiating committee (INC) in 1990 by the UN General Assembly, whose purpose was to develop a legally binding instrument on climate change, taking into consideration the work initiated by the UNEP and WMO intergovernmental working group that was established in late 1980s.

The text of the UN Framework Convention on Climate Change (UNFCCC) was adopted on 9 May 1992 in New York. It was opened for signature during the Rio Earth Summit in June 1992. Based on the provisions of the Convention, it entered into force in 1994. The first session of the Conference of the Parties (COP1) to the UNFCCC was held in 1995. The Kyoto Protocol was adopted in COP3 in Kyoto and entered into force in February 2005. Two decades of climate change response has been completed, but the root cause of the problem – anthropogenic emissions of gases – has been further complicated.

During 1995 to 2013, Parties to the Convention met 20 times (including resumed COP6), and Parties to the Kyoto Protocol (KP) met 9 times to review and make decisions for the effective implementation of the Convention and the

[1]Expert Member, Climate Change Council-Nepal and Vice-Chair, LDC Expert Group (LEG) to UNFCCC.

Protocol. In this context, UNFCCC and KP are the international legal instruments aimed at stabilising GHG concentrations in the atmosphere at a level that prevents dangerous anthropogenic interference with the climate system, allows ecosystems to adapt naturally to climate change, avoids threat to food production, and enables sustainable economic development (Climate Change Secretariat, 2006).

Convention Bodies

Several bodies have been established to support and implement decisions. The Conference of the Parties (COP) to the UNFCCC, and the COP serving as the Meeting of the Parties (CMP) to the KP, are the supreme decision-making bodies. The Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) are important institutional structures for elaborated negotiations and make conclusions on different aspects (Climate Change Secretariat, 2006). The Ad Hoc Working Groups, in general, are established by the COPs and CMPs to generate and negotiate ideas, issues, concerns and needs. Other structures include the Bureau and the Secretariat, which make arrangements for sessions, assist Parties on communication of information, provide support to negotiations, and coordinate with other multilateral environmental agreements. The Global Environment Facility functions as the operating entity for the financial mechanism under the Convention.

The COP also establishes bodies to work on specific thematic areas. It has established the limited-membership Consultative Group of Experts (CGE) on National Communications, the Least Developed Countries (LDCs) Expert Group (LEG), the Adaptation Committee (AC), the Technology Executive Committee (TEC) and the Standing Committee on Finance (SCF). The COP 19 has established an Executive Committee, with 2 representatives from each of these groups, as an interim measure of the Warsaw international mechanism on loss and damage to guide the implementation of the functions as decided in Warsaw. There are other bodies as well, such as the Compliance Committee, the Executive Board of the Clean Development Mechanism, the Joint Implementation Supervisory Committee, and the Adaptation Fund Board.

The GEF and Green Climate Fund (GCF) are the financial mechanism of the climate change regime, and the Special Climate Change Fund, the LDC Fund and the Adaptation Fund could be considered other financial arrangements to support developing countries in the implementation of adaptation and other climate

Major Decisions

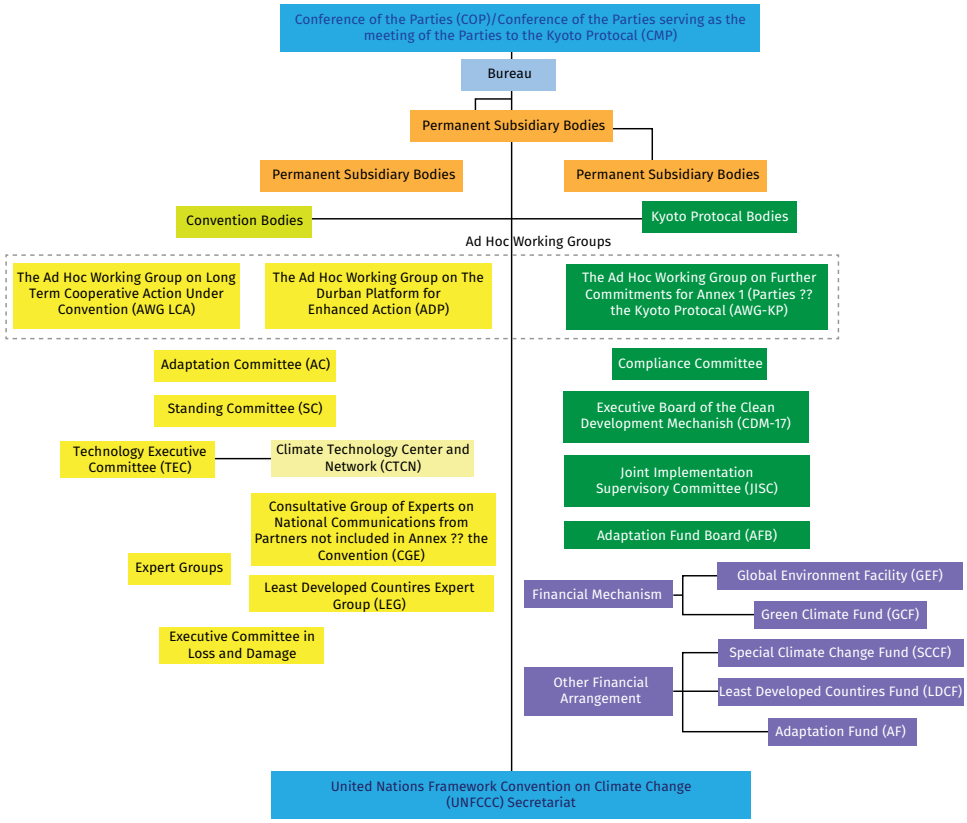
- 1992 – Adoption of Convention
- 1995 –Berlin Mandate (COP1)
- 1997 – Adoption of Kyoto Protocol (COP3)
- 2001 – Decisions on LDC WP, NAPA guidelines, establishment of LDCF, SCCF & LEG
- 2005 – KP entered into force and AWG-KP established
- 2007 – Bali Action Plan with AWG-LCA (COP13)
- 2009 – Copenhagen summit
- 2010 – Cancun Adaptation Framework
- 2011 – Durban Platform of Enhanced Action
- 2012 – Closure of AWG-LCA and AWG-KP
- 2013 – Warsaw International Mechanism on loss and damage (COP19)

change activities. Only the LDCs could access the LDC Fund, in particular for the implementation of adaptation activities.

In addition, there are several negotiating groups such as regional groups and groups of G77 and China, LDCs, AOSIS etc. The meetings and consultations are open-ended and transparent. Issue or theme-based negotiation is normally done between negotiating groups of developed and developing countries. However, the rights of the individual country are equally honored and protected in the UN negotiation process as decisions are made in consensus. At present there are 5 bodies (COP, CMP, SBI, SBSTA and ADP). During COP19 and CMP9, these bodies collectively dealt with 83 agenda items and made necessary decisions for the implementation of the climate change response.

Decision-Making Process

During the COP, the President, with advice from the Bureau and the Secretariat, decides on the work structure of work for the session. The COP may delegate the work to a group, commonly known as the 'Committee of the Whole' to conduct negotiations and report back to the COP. The COP may also form issue-based small informal negotiating groups. In addition, open-ended contact groups and drafting groups may be formed. In general, drafting groups are closed to observers. In many cases, informal consultations are conducted to reach conclusions. The informal groups do not make any decisions but forward them to their convening bodies. The COP President may also form a small group of delegates to meet as Friends of the President to give advice on issues easy to handle. The President may also invite



participating ministers for consultations on key issues. In many cases, the President consults the major negotiating groups so that decisions can be reached during the plenary session. Thus there are several ways for conducting negotiations and reaching conclusions and decisions.

For easy reference, a process for negotiation and decision-making on an agenda item, the National Adaptation Plan (May 2012 session), is recalled here.

- In a plenary session, the SBI Chair formed an informal group and proposed co-chairs (one each from developed and developing country Parties) to coordinate and organise meetings and to draft the conclusions and report back to the plenary.
- The co-chairs organised informal consultations on NAP. The first meeting was open to NGOs to offer their views, ideas and concerns. Input was also provided by the negotiating groups such as from the G77 and China, LDCs, AOSIS, EU, the Environmental Integrity Group or the Umbrella Group. After preliminary inputs, co-chairs or facilitators may invite input, ideas and concerns in writing within the specified time period. Individual country may also speak. If Nepal takes the floor, it supports (or responds to) what has been said by the coordinators of the G77 and China and the LDC Coordination Group, as Nepal is a member of these two negotiating groups and thus contributes its ideas, views or concerns.
- It is the co-chairs responsibility to draft the conclusions and/or decision text and organise informal and/or 'informal informal' consultations to finalise the draft conclusions and/or decisions. Once the draft text is circulated, intense discussion (word by word or line by line) starts.
- The final meeting of the contact/informal group might be very short, wherein the group agrees on the draft conclusions or decisions and the co-chair presents the outcome to the plenary session for decision.

As negotiations follow a 'give and take' approach, some of the group or country positions may be given up at any stage. In general, draft decisions include preambles and operating paragraphs. This process, in general, is followed for each agenda item.

Increasing Temperature

Implementation of the Convention and KP provisions has not reduced GHGs emissions. LDCs and Small Island Developing States have urged to maintain temperature rise below 1.50C by the 21st century, as compared to the pre-industrial period, while developed and developing countries have aimed for below 20C. The World Bank report titled 'Turn Down the Heat: Why a 40C Warmer World Must be Avoided' informed the impacts and vulnerabilities from a 40C rise in temperature and called for urgent action to safeguard people and resources from the adverse impacts of climate change (WB, 2012). Similarly, the World Energy Outlook 2012 indicated that global-mean warming above the pre-industrial period would reach 3.80C by 2100, thereby severely threatening the very existence of human beings and other life-support systems on this planet (IEA, 2012). If it happens, climate-vulnerable poor people will be greatly affected and their existence will be in peril.

The fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC) has reaffirmed that "Warming of the climate system is unequivocal. The atmosphere and ocean has warmed, the amounts of snow and ice have diminished, glaciers have continued to shrink almost worldwide, sea level has risen, and the concentrations of GHGs have increased" (IPCC, 2013). Climate change negotiations focus

to keep the average rise in global temperature below 20 C compared to pre-industrial levels, but the science-based prediction is almost double, calling for urgent action.

The UNEP Emissions Gap Report 2013 points out a significant gap between the political ambition and practical reality. It seems that full and effective implementation of current commitments and pledges by developed and developing countries will lead towards achieving the 2^0 C target. This means that additional emissions reductions are needed (UNEP, 2013). The report also focuses on technologies that are available to reduce emission levels to a level consistent with the 2^0 C target, but that need strong political action supported by funding, technology, and capacity-building provisions. Increased emissions of GHGs are the major problem and climate change-induced issues are being complicated while new issues are emerging.

Major Issues under Debate

Adaptation continues to be a major concern for climate-vulnerable countries and communities. LDCs have implemented few most urgent and immediate adaptation actions as prioritised in their National Adaptation Programme of Action (NAPAs). As adaptation cannot solve the problem, loss and damage has come up very strongly as a major area of concern in recent years. Non-compliance is another issue of concern as a root cause of climate change. The Kyoto Protocol made a legal provision for developed countries to reduce GHG emissions at 5.2 percent of their total emissions, as compared to the baseline year 1990, during the first commitment period (2008-2012). This compliance could not resolve the problems. This scale of emission reduction is now considered insufficient to stabilise the atmospheric concentration of GHGs. Negotiation is underway to adopt a new legal instrument, applicable to all Parties, by 2015 for implementation by 2020. As climate change-induced extreme events have increasingly claimed lives and properties in several countries, there is a need for strong commitment and compliance from the 'GHG emitters' to make this planet habitable.

This climate change regime could be a solid foundation for GHG emission reductions and make the planet environmentally safe. Several issues have emerged in the past related to adaptation, mitigation, finance, technology development and capacity building, and COPs and CMPs at their different sessions have made decisions to reduce GHG emissions, help climate-vulnerable countries to adapt to climate change effects, and commit to additional financial resources and capacity building. However, GHG

Meetings within Meetings

- Plenary: Main meeting of COP & CMP or SBs to agree on formal procedures to move ahead
- Working Group: COP may be divided into two working groups to divide workloads
- Contact Group: If working groups can't resolve issues they may be broken into contact groups for text negotiations. Contact groups are generally open to observers.
- Informal Group: During negotiations in Working Groups or Contact Groups, an Informal Group may be established which is not open to observers. Notice of informal meeting does not appear on the Daily Programme.
- Friends of the Chair: Chair invites a few prominent negotiators to resolve issues. differences.

emissions have not been reduced in the spirit of the climate change regime, and scientific studies have brought new issues over the years. Some of the current issues that LDCs, including Nepal, may consider important are as follows. Climate change negotiation will continue on these issues unless satisfactory decisions are made to accommodate all Parties:

- Agreeing to raise pre-2020 mitigation ambitions as early as possible, as the first commitment period (2008-2012) of the KP is over;
- Also agreeing on key elements of the new agreement with adoption by 2015, to be entered into force by 2020, where GHG emission reductions will be applicable to all Parties, unlike the Kyoto Protocol;
- Expanding the Warsaw international mechanism on loss and damage as it is established under the Cancun Adaptation Framework to realise that loss and damage are beyond adaptation;
- Providing USD 100 billion annually by 2020 as pledged in the COPenhagen Climate Change Conference in 2009 with monitoring, reporting and verification of financial support provided;
- Making decisions on financial support for the implementation of the NAPA-prioritised adaptation actions in LDCs and the NAP process;
- Urging developed country Parties to provide support for technology development and ensure technology transfer without linking to intellectual property rights (IPR);
- Simplifying the process for accessing funding from existing facilities; etc.

Issues for Nepal as a mountainous country are related to addressing the root cause of climate change, as well as climate adaptation for mountain communities to adapt to climate change impacts. Furthermore, addressing climate risks and vulnerabilities in the mountains would be one of the areas for climate negotiation taking into consideration Nepal's national interest and priority. The Kathmandu Call for Action provides opportunities for addressing climate change impacts in the mountains (MoEST, 2012), and Nepal should bring this agenda to the forefront of climate negotiation in the spirit of Article 4.8 of the Convention.

National Initiatives on Climate Change

Nepal joined other countries in adopting the UNFCCC in 1992 and KP in 1997. It participated in the COP sessions since 1995. During the last 19 years, Nepal's delegation to COPs and CMPs was led at different levels such as at the Under-Secretary, Joint-Secretary, Ambassador, Secretary, Minister and Head of the Government levels. Nepal's efforts can be broadly summarised as: (i) development of a dedicated institution; (ii) endorsement of policy instruments; (iii) establishment of the coordination mechanism; (iv) fundraising and mobilisation; (v) localising climate adaptation, with integration into planning processes and programmes targeted for climate-vulnerable poor communities; (vi) knowledge generation, awareness raising and skill development; (vii) climate negotiation; and (viii) targeting benefits from UNFCCC and KP processes. The Key initiatives and milestones on climate change are briefly summarised below:

Selected National Initiatives

1994 : Party to the UN Framework Convention on Climate Change, 1992

2004 : Preparation of Initial National Communication, shared with the Parties through the UNFCCC Secretariat

2005 : Party to the Kyoto Protocol (KP), 1997 and submission of the biogas CDM project

2007 : Submission of funding proposal to LDC Fund for NAPA preparation and decisions on non-renewable biomass methodology during CMP3 to benefit from biogas as CDM project; and CDM projects approval of procedures in place

2009 : Establishment of Climate Change Council, organized Regional Conference on Climate Change (from Kathmandu to COPenhagen) and Cabinet meeting at Kalapatthar, preparation of status paper for climate negotiation and COP15 participation by the Head of the Government in COPenhagen, applied for funding from Climate Investment Fund for PPCR

2010 : Establishment of Climate Change Management Division (with 3 sections and 9 permanent government officials), formation of Multi-Stakeholder Climate Change Initiatives Coordination Committee (MCCICC), NAPA endorsement, and international meetings [18th Meeting of the LDC Expert Group (LEG), International Expert Consultation on Climate Change–Mountain Alliance Initiatives], REDD project started, and preparation of the status paper on key issues under negotiation

2011 : Endorsement of the Climate Change Policy and National Framework on LAPA, organised global workshop on standardised baseline (CDM), and CDM DNA forum for Asia and the Pacific and CDM regional workshop for Asia and the Pacific, and preparation of the status paper on key issues under negotiation

2012 : Bilateral funding for implementation of NAPAs through LAPAs secured and 70 LAPAs prepared; also funding for CbA options secured from LDC Fund; International Conference of Mountain Countries on Climate Change, approval for about 0.4 million tons of carbon (as CDM project) for trade annually, CC status report published, and secured Chair of the LDC Coordination Group for 2013-2014 to represent 49 LDCs, SPCR component 3 under implementation, and formation of the Core Negotiating Group (CNT)

2013 : Start of the function as Chair of the LDC Group on UN climate negotiation; LDC Strategy meeting, funding secured from LDC Fund for EbA and agriculture projects, joined regional project on climate technology, funding for SPCR components 1, 2 and 4 received and project implementation started, GLOF/

Call for Action!

The Prime Minister of Nepal highlighted the impacts of climate change in the Mountains in the Copenhagen Climate Change Summit in 2009, and urged the need for Mountain Initiative (MI). Accordingly, the GoN decided to launch MI, conducted side-events in 2010 and 2011 during meetings of SBs and CoPs and finally organized in April 2012 an International Conference of Mountain Countries on Climate Change. This Conference adopted Kathmandu Call for Action on Climate Change. This Call provides multiple opportunities to mountain countries to draw the attention of the international community to address the root cause of climate change and support mountainous countries to adapt. Nepal needs to internationalise with support from other mountainous countries.

Flood project implementation started, and preparation of the status paper on key issues under negotiation such as on: (i) adaptation, loss and damage, and agriculture; (ii) ADP and capacity building; (iii) equity; (iv) finance; (v) mitigation and REDD+; and (VI) LEDS, technology development and transfer.

Source: Uprety, 2013 (revised)

Implementation of UNFCCC and KP was started in 2004, expanded in 2007, gained political momentum in 2009 along with the establishment of the Climate Change Council and necessary instruments in place (NAPA, Climate Change Policy, and LAPA) as well as institutional strengthening, including coordination mechanism established from 2010 to 2012. Nepal's visibility on climate change negotiation has reached a peak in 2013 and will continue in 2014 as Nepal leads 49 LDCs in its capacity as the Chair of the LDC coordination group on climate negotiations for 2013 and 2014. Engagement of civil society in climate negotiation has also been enhanced since 2009. At present, civil society representatives are included in Nepal's government delegation team along with the establishment of the Core Negotiating Team (CNT).

Nepal: Chair of LDC Group

The LDC Coordination Group was formed in 2001 to negotiate in the UNFCCC process for the benefit of the LDCs. Based on the number of LDCs in Asia, Africa, and island countries, the turn of the Asian LDCs to chair the Group comes every 6 years. Nepal is the Chair for 2013 and 2014 and speaks and negotiates on behalf of 49 LDCs in UNFCCC negotiation process.

Nepal formed the CNT to support the Chair and promote home country preparation on climate change. CNT is and should be led by the GoN. Experts and representatives from NGOs, academe, media or other organizations should support the Government delegates on specific and country priority themes and issues to benefit Nepal from the UNFCCC process. Proper mobilization and activity monitoring of expert-based CNT members is expected to open multiple avenues of benefits to the country.

Linking Global and National Efforts and Benefitting at the Local Level

The Climate Change Convention is about air and focuses on global stabilisation of GHGs. As of now, developing countries and LDCs have no commitment to reduce GHG emissions. The 2015 agreement will focus on all Parties to make GHG emission reductions commitments to be applied by 2020. In this context, global efforts accommodate all Parties. In fact, focus on 'mainstreaming' climate change activities requires the Parties to act in a way that contributes to meet global objectives through the efforts of individuals and Parties.

Nepal should make every effort to translate global initiatives into national actions in such a way that it contributes to reduce poverty and improve the livelihoods of climate-vulnerable communities, helps to adapt to climate change impacts, and ensures functioning of mountain ecosystems for sustained supply of ecosystem goods and services. Nepal should equally protect the national interest of avoiding, minimising and/or compensating the adverse effects of climate change in the Nepal Himalayas.

In order to benefit from the UNFCCC process, Nepal should emphasise access to climate finance, adaptation, capacity-building, technology development and transfer. Nepal should also internally allocate financial and technical resources to develop and implement programmes and projects addressing the adverse effects and impacts of climate change, in order to help climate-vulnerable communities and natural resources adapt to climate change and make socio-economic development initiatives climate-resilient. Nepal has numerous opportunities to develop its negotiating capabilities, influence climate negotiation and benefits from in-country climate activities (Uprety, 2012) and should continue this work through necessary 'home work'.

The Way Forward

As a LDC, Nepal may wish to view this Convention, the KP and the 2015 agreement as an opportunity to expand climate adaptation actions to help climate vulnerable communities adapt to climate change, make our socio-economic development efforts climate-resilient, and benefit from carbon trade. However, Nepal should strengthen its national capacity including negotiation skills with the involvement of professionals having updated knowledge on the science of climate change, as well as legal and diplomatic codes.

Institutionalisation of home country preparation in a transparent manner, engagement of more Nepalese in climate negotiation with clear roles and responsibilities, including clarity of thematic areas, establishment of reporting mechanisms and frequent consultations, would be helpful to enhance understanding of the core issues of national interests and priorities and would help Nepal benefit from the UNFCCC processes. Efforts should be made to develop a critical mass for climate change negotiation in the UNFCCC process. These efforts should include negotiation and expediting access and mobilisation of funding, programme development and implementation in order to meet the unmet needs of poor and climate-vulnerable Nepali people. Furthermore, Nepal should take the UNFCCC process as an opportunity to promote climate adaptation and make development efforts climate-resilient to reduce poverty by focusing the Kathmandu Call for Action (mountain agenda) and strongly mobilising GoN officials, including CNT members, for the benefit of mountain communities and ecosystems.

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Climate Finance in Nepal

Raju Pandit Chhetri
rajupc80@gmail.com

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Introduction

Climate change has become a harsh reality around the globe due to human cause. Due to the increase in extreme weather events, sea level rise and rapid melting of the glaciers, need to reduce greenhouse gas emissions and adapt to the changing climate is inevitable. Adaptation is not a choice but a need for the poor and marginalised communities around the world. When the poor nations are struggling to tackle their basic needs such as food security, livelihood options, education and health facilities, rapid changes in the weather pattern is causing additional burden to these poor countries.

Nepal, a Least Developed Country (LDC) is no exception to this change. With a fragile topography ranging from high Himalayas to flat plains, it is one of the most vulnerable countries in the world. It has a very low capacity in tackling climate change and address poverty, which is already witnessing extreme climatic conditions. Financial and technological assistance is urgent and very critical for countries like Nepal to address adaptation needs and avoid irreversible loss in the near future.

What is climate finance?

The United Nations Frameworks Convention on Climate Change (UNFCCC) states that climate finance is the funds provided by developed countries to adapt to the impacts of climate change and build resilience or cut carbon (greenhouse gases) emission in the developing countries. The sources and governance of climate finance is hugely debated at the climate talks but this fund could come from public, private or alternative sources. With the increase in extreme climatic event, developing countries are in need of large amount of fund to tackle the problem immediately and in the future.

Given the urgency of climate change, the purpose of international financial assistance is significant to meet the goals set by the international community to tackle climate change. The climate change convention clearly states that developed countries should provide new and additional

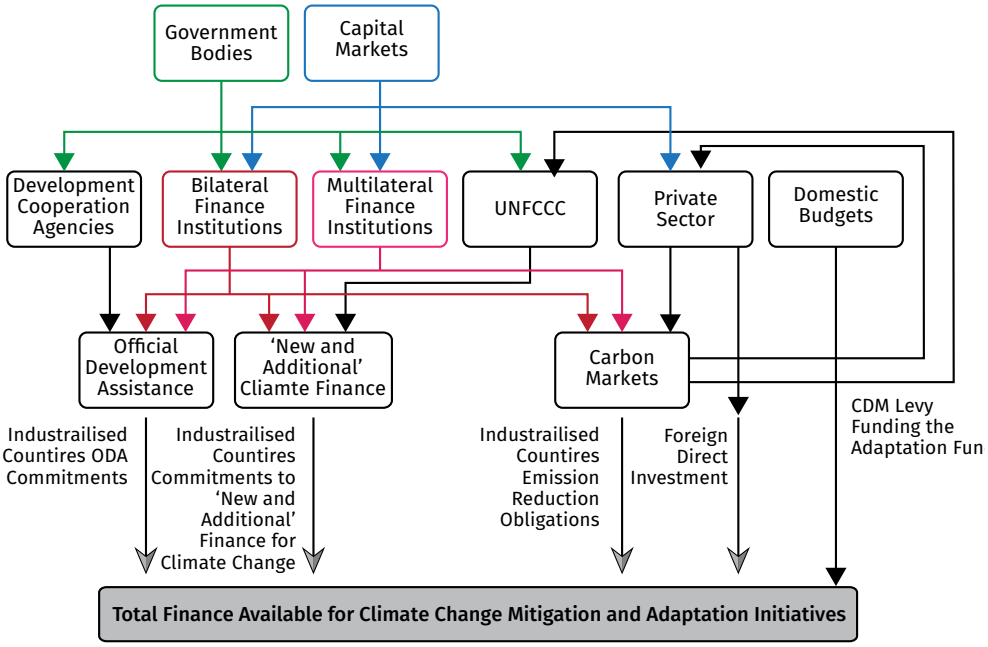
financial resources to assist developing countries taking into account the principle of Common but Differentiated Responsibility and Respective Capabilities (CBDRRC). Since, the convention agreed in 1992, the principles of CBDRRC and finance issues have taken the centre stage at every climate talks. LDCs have the preferential treatment when it comes to claiming financial and technological assistance from the developed countries. Article 4.9 of the Convention states that, "The Parties shall take full account of the specific needs and special situations of the least developed countries in their actions with regard to funding and transfer of the technology."

Many developing countries do not have the capacity to tackle impacts of climate change on their own, hence it is important for developed countries to understand and assess the financial needs of developing countries and provide support to address the problem.

International context

At the international domain, UNFCCC negotiations primarily shape the climate finance agenda and often this issue has been a central element of the negotiations from the outset. The topics of discussion revolve around the scale of finance, its sources and channel of fund flow into the developing countries.

At the 16th session of the Conference of Parties (COP) meeting held in Cancun, Mexico in 2010 developed countries endorsed the collective commitment to provide US$30 billion as the 'Fast Start Finance' from 2010 to 2012 to the developing countries. In due course of time, this would be scaled up to US$100 billion annually by 2020. Given the gravity of the problem, this commitment itself is not in line to address what science predicts in tackling the climate impacts.



Source: SEI, 2009

However, the developing countries took this commitment positively. This commitment also reaffirmed that funding for adaptation will be prioritized for the most vulnerable developing countries, such as the Least Developed Countries, Small Island Developing States and Africa.

Fast Start Finance period ended in 2012 with little new and additional money in addition to what was provided as development assistance. The financial mechanisms established under the UNFCCC such as Adaptation Fund, the Least Developed Country Fund and Special Climate Change Fund to assist the developing countries largely remain empty. The Green Climate Fund, which is expected to channel most of the climate finance, is yet to come into operation. The developed countries have not pledged any funding into this basket.

In brief, below are the financial mechanisms created under the UNFCCC in order to meet the objective of the convention and channel funding into developing countries.

Financial Mechanisms under the UNFCCC	
Least Developed Countries Fund (LDCF)	The LDC Fund was established at COP7 held in Marrakesh, Morocco in 2001. This fund was established to support a work programme to help LDC countries for the preparation and implementation of National Adaptation Programme of Actions (NAPA). Global Environment Facility (GEF) is the operating entity of the Fund. Under this fund, Nepal is assured of receiving support for three projects amounting to nearly US$16 million for the implementation of its NAPA.
Special Climate Change Fund (SCCF)	The SCCF was also established at COP7 held in Marrakesh, Morocco in 2001. The objective of this fund is to support projects related to adaptation, technology transfer and capacity building in the developing countries (beyond LDCs). GEF is the operating entity of the Fund as well. Due to the lack of resources not much has been achieved under the fund.
Adaptation Fund (AF)	Adaptation Fund was established under the Kyoto Protocol in 1997 to support adaptation actions in the developing countries. The finance in this fund is generated through the 2 per cent levy charged on the Clean Development Mechanism (CDM) projects. However, it is critically under funded due to very low carbon price. This fund is managed by the Adaptation Fund Board and is an independent financial mechanism. For the first time, this fund has the nature of direct access by developing countries. At its 22nd Board meeting, Nepal's proposal on food security via World Food Programme (WFP) was accepted and waits for funding.
Green Climate Fund (GCF)	The GCF was established at COP16 in Cancun under the guidance of the COP to support developing countries. The 24-member board governs it with equal representation from the developed and developing countries. World bank is an interim trustee of the fund. GCF is still empty without any monetary pledges.

Major Timeline of the GCF formation and operationalization	
COP 16, December 2010, Cancun	Establishment of the Green Climate Fund (GCF) as an operating entity of the financial mechanism of the Convention
COP17, December 2011, Druban	Approved the governing instrument of the GCF Decision for 24 member board to govern the Fund
COP18, December, 2012, Doha	Approved GCF Board's decision to select Songdo, Republic of Korea as the host of the GCF secretariat
25 August 2012, Geneva	First Board meeting of the GCF to set foundation for future work
4 December 2013, Songdo	Opening of GCF's Headquarters in Songdo, South Korea
26 June 2013 (4th GCF Board Meeting, Songdo)	The Board selects Ms. Hela Cheikhrouhou as the Fund's first Executive Director
10 October 2013, (5th GCF Board meeting, Paris)	5th Green Climate Fund Board meting finalizes business model framework
COP 19, November 2013, Warsaw	Green Climate Fund moves towards full operation GCF is accountable to and functions under the guidance of the COP The sources of fund still unclear and is empty

National context

Nepal is one of the LDC countries that is considered relatively in better position in terms of receiving international climate finance and implementing projects. Those that see the set up of various national institutions and structure in the country particularly share this view. Nepal has put in place a National Climate Change Policy: 2011 and also created a high-level policy guidance mechanism such as Climate Change Council headed by the Prime Minister. One of the major strengths of the climate policy is that it explicitly states that 80 percent of the funding received for climate change will be spent at the local level. This is a positive commitment demonstrated by a poor country like Nepal.

Similarly, under the Ministry of Science, Technology and Environment (MoSTE), which is also the focal ministry for climate change and UNFCCC, several coordination mechanisms are created for smooth harmonisation and implementation of various projects. On a more practical level, a mechanism called the Multi-Stakeholder Climate Change Initiative Coordination Committee (MCCICC) chaired by the Secretary of MoSTE is in place. Recently, a new coordination body called the Climate Change Programme Coordination Committee (CCPCC) has been added under the chairmanship of the joint-secretary to avoid duplication among various projects.

The finalisation of National Adaptation Programme of Actions (NAPA) in September 2010 is considered as the turning point in shaping climate change works in a programmatic approach in the country. Since then, Nepal has submitted several proposals for funding under the UNFCCC mechanisms and other bilateral and multilateral sources. Many of them are already under implementation.

Government of Nepal made an additional effort to track climate finance by introducing budget code

from the fiscal year 2013/14. This is expected to help streamline the climate budget received in the country through various external sources. This coding will also support differentiating the funding received between climate change work and regular develop assistance.

Few major climate projects that are under implementation in Nepal

Accessing international funds

Though, climate finance is largely debated under the UNFCCC regime, it has been flowing through various channels into developing countries. More resources are rolling outside the UNFCCC financial mechanisms than what was perceived

	Projects	Project Duration	Total Budget	Implementing Agencies
Funding within the convention	LDCF – NAPA Projects (UN Agencies)			
	Catalysing ecosystem restoration for resilient natural capital and rural livelihoods in degraded forests and rangelands of Nepal.	48 months	US$5.75 million	UNEP, MoSTE, MFSC, MoAD
	Reducing Vulnerability and Increasing Adaptive Capacity to Respond to Impacts of Climate Change and Variability for Sustainable Livelihoods in Agriculture Sector in Nepal	48 months	US$2.95 million	FAO, MoAD, DHM
	Community Based Flood and Glacial Lake Outburst Risk Reduction	48 months	US$6.93 million	UNDP, MoEST, DHM
Funding outside the convention	DFID and EU (Bilateral)			
	National Climate Change Support Programme (NCCSP) / Local Adaptation Plan for Action (LAPA)	2012 –2015	US$ 21.5 million	MoSTE, MoLD, UNDP
	Climate Investment Fund (Multilateral)			
	Pilot Project for Climate Resilience (PPCR)	2013 –2019	UD$86 million	World Bank, ADB, IFC
	Scaling-up Renewable Energy Program (SREP)	2013 –2019	UD$40 millon	World Bank, ADB, IFC
	USAID (Bilateral)			
	Hariyo Ban Project	5 years	US$30 million	CARE, WWF, NTNC, FECOFUN

by the developing countries. Like any other country, Nepal too can access through various sources – UNFCCC mechanisms, UN agencies, bilateral and multilateral donors. In fact, this is what Nepal has been doing at the moment. However, this mix model has also created problems in accounting and differentiating Official Development Assistance (ODA) support and climate commitment. At the international forum, there is a clear ask that the climate finance should be new and additional to ODA.

Donor countries prefer to provide financial assistance through their own channels rather than the UN administered funds. In this case, they are also offering concessional loans for climate assistance. Many developing countries argue that loan penalises the poor countries –with the adverse impacts of climate change that they were not responsible for and having to pay back the loan with interest. It is critical that Nepal makes right choice on this regard. It agreed to accept concessional loan partially for PPCR and SREP, however, recently the cabinet has decided not to take any loan for climate adaptation projects in the country.

Gradually, the modality of directly accessing the fund is also being established under the UNFCCC financial mechanisms. This means that any national institution nominated by the Government of Nepal can directly access the financial assistance instead of going via UN agencies or Multilateral Development Bank. However, for this to come into reality, the government must set up or choose right institutions as the National Implementing Entity. This also opens up door for institutional strengthening and capacity building.

Governance of climate finance in Nepal

In the midst of political instability and frequently changing bureaucracy, Government of Nepal is making some sincere effort to tackle climate change issues in the country. Nonetheless, it has a long way to go in terms of delivering on the ground and producing result through its interventions. For effective implementation of the projects, enhanced coordination of government agencies, donors, development partners and other relevant stakeholders is paramount.

Climate change is comparatively a new issue for Nepal. In this context, it is obvious for the government to have a low capacity when it comes to making swift decisions or additional preparation. The lengthy bureaucratic process, limited knowledge of personnel on the issues and lack of human resources has been a major hurdle. Though, the structures are in place, effective coordination among the government institutions both in terms of horizontal and vertical relationship is anaemic. MoSTE, coordinating climate change work is often seen as a weak line ministry when it comes to exercising authority in the government structure. It lacks its own line agencies at the local level and coordinates with other ministries and departments for implementation. Steadily, it is strengthening its internal capacity.

In addition to internal barriers, various conditions put forth by the donors and development partners are exhaustive and difficult to fully comply by the government. Donors tend to support project that fall within their comfort zone. Many are largely interested in channelling the funds through the business as usual mode and institutions that put them at ease. Often, they seem to be giving less significance to the national policies and programmes designed by the government.

Way forward

Climate finance is critical and urgent to Nepal. While the poverty and marginalization is rampant in the country, climate impacts are adding up the burden. Nepal has no option not to put this into a priority. It is likely that the additional climate finance flow in the country will increase by several folds in the coming years (mostly the redirection of ODA). As the several mechanisms created internationally starts receiving money, this will also increase the share and possibility of Nepal. Nepal needs to better prepare for this.

Nepal already sees a huge mix of regular development assistance and climate change support. Due to the stronger demand from the developed countries to meet their international commitment on climate finance, donors are rebranding their assistance as climate finance. Nepal's budget code must be strengthened with clearer criteria and tracking tools. This will help differentiate the assistance. Similarly, it will also have to enhance its coordination and harmonization mechanisms among the stakeholders in the country. At present, the climate support projects seem to be scattered all over among different implementing stakeholders. This will only aid to double counting, lack of prioritization and duplication of work. National climate change policy should be implemented with strong strategy and enforce it.

Donors and development partners are freely choosing the project priority, implementing partners and communities. Government should have the structure in place to hold everyone accountable. In September 2009, MoSTE organised a donor compact meeting where 14 major donors in Nepal signed an agreement for cooperation and continuity for support. This should be the basis for cooperation and coordination.

Establishing a national trust fund on climate change will also help streamline many small and isolated projects. This fund, which is already envisioned by the national climate change policy, can itself generate funding via international mechanisms such as LDC Fund, Adaptation Fund and Green Climate Fund. A small capable technical team should support this trust fund in accessing finance. Adaptation Fund and Green Climate Fund require National Implementing Agencies (NIE), which Nepal is yet to nominate. Once this this done, the NIE can directly access the funding.

It is also very crucial for the government to closely consider its fiduciary risks. Many stakeholders including the donors keep questioning this aspect. There is no doubt, Nepal needs to address issues such as transparency, accountability, management, participation and monitoring mechanisms. Assuring these aspects will only benefit the country and help receive more support in the future.

Conclusions

A study by Oxfam states that Nepal has been pledged over US$300 millions for climate change work in the country. This is a generous amount for a poor and small country like Nepal. More is likely to come if spent with higher degree of accountability. The government needs to ensure that the funds received by Nepal are transparent and the information is publicly available, which would help ensure appropriate use of the funds and its objectives. This should apply both for the international development partners and the national institutions.

International assistance can largely help poor people adapt to the impacts of climate change and break the vicious cycle of poverty. It is for the government to decide on how best to use

this external support. If we plan better, strategies and make shrewd investment plan it can enhance country's effort in addressing climate change and address poverty in the country.

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Charting a Course for the Future: Climate Change Adaptation in Nepal

Aarjan Dixit
adixit@careclimatechange.org

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Introduction

Climate change impacts, including precipitation changes, increases in temperature, and increased extreme events combined with high levels of poverty, difficult topography and high exposure to hazards will have serious consequences for people and for the government's poverty reduction and development endeavours in Nepal. For many Nepal is reeling under structural injustices and a degrading natural resource base, climate change impacts are already adding an extra layer of complication, with the potential to dramatic change in existing natural conditions, social structures and service delivery mechanisms. These climate change impacts will dis-proportionately affect wellbeing, particularly of women and the poor, and those facing high degrees of marginality. It will increase the costs of many poverty reduction activities (up to as much as 30% increase in regular development related costs) and may require a fundamental rethink of how Nepal moves forward with its development efforts. Yet, the exact extent of such changes remains unclear, forcing us to difficult decisions in the context of deep uncertainty and rising risks.

The emerging focus on adaptation and building long term resilience at the global, national and local levels is an encouraging development. As adaptation practice is growing in Nepal, knowledge of how climate change impacts cause vulnerability for different segments of society, and of how to adapt and increase resilience, is improving. However, given significant vulnerabilities, needs and capacity limitations, a lot more work needs to happen nationally and at the local levels. This paper explains the state of adaptation related activities internationally and in Nepal, and grounds them in on-going discussions and debates around adaptation. It ends with recommendations for improving the state of play for adaptation within Nepal.

Adaptation at the international level

Though there was initial reluctance to talk about adaptation (it could mean we are accepting defeat with mitigation), currently at the insistence of many developing countries, adaptation has emerged as an issue that needs attention at par with mitigation UNFCCC. In the last ten years,

adaptation has seen an increase in both attention and funding. One of the first attempts to address the adaptation related concerns of developing countries was through the creation of National Adaptation Programme of Action (NAPA) for Least Developing Countries (LDCs). These plans identified urgent and immediate adaptation needs of LDCs. The NAPAs took a few years for all of the 49 LDCs to complete. And though projects identified by the NAPAs are getting funded and implemented, many of the urgent and immediate needs identified in them remain unfulfilled. In Nepal, for example, only two of the nine projects identified under the NAPA are currently being implemented.

Despite the slow pace of NAPA implementation, there have been other initiatives from governments, bilateral donors, multi-lateral institutions and NGOs on climate change adaptation outside of official UNFCCC structures in many developing countries. Countries party to the UNFCCC have now decided to ask LDCs (and other developing countries) to create new National Adaptation Plan (NAP) processes. These new NAPs envision adaptation as a long term iterative process, flexible to multiple needs and capturing the diversity of work and activities ongoing at national and local levels on adaptation (see Box 2 on the functions of the NAPs as envisioned by the UNFCCC's LDC Expert Group). An Adaptation Committee has also been set up within the UNFCCC in order to raise the profile of adaptation both within and outside of the Convention.

Also Loss and Damage, from slow onset and extreme climate events, has emerged as an important topic under the UNFCCC. Though there is some disagreement about what entails loss and damage from climate change, and how best to effectively address it, the UNFCCC has established the Warsaw International Mechanism on Loss

Defination

Adaptation: An adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities.

Vulnerability to climate change: The degree to which a system [natural or human} is susceptible to, or unable to cope with, adverse effects of climate change, including climate variability and extremes. Vulnerability is a function of the character, magnitude, and rate of climate variation to which a system is exposed, its sensitivity, and its adaptive capacity.

Resilience: The ability of a system [human or natural] to resist, absorb, and recover from the effects of hazards in a timely and efficient manner, preserving or restoring its essential basic structures, functions and identity.

Loss and Damage: It represents the actual and/or potential manifestation of climate impacts that negatively affect human and natural systems. Damage is the negative impacts that can be repaired or restored (such as windstorm damage to the roof of a building, or damage to a coastal mangrove forest from coastal surges which affect villages). While, Losses arenegative impacts that cannot be repaired or restored (loss of freshwater sources related to glacial melt or desertification, or loss of culture).

and Damage. This has created an opening for the UNFCCC to talk about disaster risk reduction as well as address issues that are beyond adaptation, like rehabilitation and compensation for damages that require different financial and legal arrangements to address.

Status of adaptation at the national level

Nepal was one of the last LDCs to complete its NAPA. However, in the years since the start of the NAPA process, there have been several important policy and program developments around adaptation in the country.

The NAPA process, which was augmented into a "NAPA plus", helped usher in much needed local level planning through the creation of the Local Adaptation Plan of Action (LAPA) framework for local bodies to conduct their own adaptation planning (see Lamsal 2014 in this volume). The government, with help from development partners, has been building and implementing LAPAs around the country. The government has also established a Climate Change Council, a Climate Change Management Division within the MoSTE, and a Multi-Stakeholder Climate Change Initiatives Coordination Committee (MCCICC) responsible for coordinating various government initiatives around climate change. MOSTE is also involved in several adaptation projects including a global flagship project of UNEP on ecosystem-based adaptation in the Panchase region, a project on agriculture and climate change, and on managing the risks of Glacial Lake Outburst Floods (GLOF). The Ministry of Finance, together with the National Planning Commission, has created a budget code for climate change in order to track all spending in the country on climate change related activities (see Uprety 2014 in this volume for more details).

Functions of the National Adaptation Plan (NAP)

- Help provide national leadership and coordination, and act as the main interface with regional and international mechanisms, including reporting to the Convention
- Help collect, compile, process and disseminate data, information and knowledge on adaptation;
- Identify and address gaps and needs related to capacity for adaptation
- Assess climate development linkages and needs, and support the integration of adaptation into national, subnational and sectoral development planning;
- Assess vulnerabilities, identify and appraise adaptation options;
- Facilitate the prioritization and implementation of adaptation in national planning;
- Facilitate the monitoring, and review of adaptation plans over time.

(Derived from LEG, 2013)

Similarly, Nepal is also one of the recipient countries of the Pilot Programme on Climate Resilience (PPCR) under the Climate Investment Funds run by the Multilateral Development Banks. Under the PPCR, several projects including watershed development, private sector engagement, and the mainstreaming of climate change risks into development planning are underway. Bilateral donors, like USAID, DFID and DANIDA have also funded several adaptation related projects and programs under their official development assistance portfolios. NGOs have also used the LAPA framework and also

independently developed numerous community level adaptation plans across the country.

Climate change started out as an issue completely within the environmental domain. As the above activities show, climate change adaptation projects and programs in the country have involved a wide number of sectors and actors. Though work has started to fundamentally and comprehensively tackle climate change risks, it remains to be seen how effective the ongoing activities will be at decreasing vulnerabilities and increasing long term resilience to climate change. The section below identifies some of the key issues that policy makers and practitioners working on climate change adaptation in Nepal must keep in mind while moving forward.

Emerging issues around climate change adaptation in Nepal

The following issues around climate change adaptation need to be considered seriously.

Integration into development planning

The crosscutting nature of climate impacts means that working under traditional sectoral boundaries when responding to climate change can be limiting. The Government of Nepal must provide leadership in the continued integration of climate risks across all development planning, and in particular, provide increased attention to gender considerations and decreasing the vulnerabilities of the most disadvantaged and marginal populations.

Integration of adaptation with on-going disaster risk reduction (DRR) activities, with landscape level approaches to managing natural systems, and the potential launch of the National Adaptation Plan offer three concrete opportunities for improving coordination and integration of climate change adaptation. Climate change risks need to be integrated into ongoing conversations in the country around mitigating the risks from various disasters and being prepared to deal with the aftermath of extreme events. There is an urgent need to have a framework in place at the local level that can draw on synergies between two current on-going local planning processes - the Local Disaster Risk Management Plans (LDRMP) and the LAPA. This needs to be complemented with greater integration of climate change and ongoing DRR efforts at the national level - most notably the work underway through the Nepal Risk Reduction Consortium. Secondly, the impacts of climate change also cross political boundaries, rendering many of current approaches based on political boundaries ineffective. Water and ecological systems need to be managed using basin and landscape level approaches that are able to deal with impacts that cross multiple political boundaries. Finally, the NAP presents an opportunity to further consolidate on-going work on adaptation in the country, to increase coordination, to identify and fill important gaps on adaptation, and to continue the difficult work of building longer-term resilience and adaptive capacity.

Assessments of climate change impacts and vulnerabilities

Climate change will impact eco-systems and livelihoods, fundamentally changing the way social and ecological systems function and thus requiring an integrated approach to respond to it. Some of the drivers of current and future changes are related to climate variability and climate change, but many are not. Often these climatic and non-climatic drivers of change interact in complicated ways to create differential impacts on people. A robust assessment of these drivers of change is important if we are

to correctly identify the underlying causes of vulnerability from climate change and develop ways to reduce them. Often, adaptation activities are planned based on a vulnerability assessment that attempts to analyze who and what is vulnerable to current climatic conditions and how such vulnerabilities may change in the future as the climate changes. One-off assessments are useful to collect baseline information or to help target initial activities. However, there is a need for longer term, more iterative assessments that are part of a system of making decisions, not dependent on project funding or donor largess. Similarly, the uncertainty inherent in climate science, and the lack of precision and granularity of climate change models to aid local level decision making in a country like Nepal, has serious implications for climate change impact assessments. Any adaptation initiative that is driven by an assessment of impacts alone and not addressing vulnerabilities is likely to have serious deficiencies.

Defining adaptation success

In the future, as climate change impacts get worse, the attention and interest towards adaptation is bound to increase. There are, however, unanswered questions around what constitutes success during adaptation. When do we know if a specific intervention has succeeded in helping people to adapt to climate change? When do we know if long-term resilience has improved? And more crucially, who has a particular initiative been successful for, and how was it successful? Are the interventions we promote actually shifting vulnerabilities from one place and household to another, or causing mistakes and mal-adaptations?

Traditionally, practitioners have attempted to answer these questions through the monitoring and evaluation of specific interventions. But often, monitoring and evaluation activities become the means through which upward accountability to donors is maintained. In the case of climate change adaptation however, the complex nature of the process and activities involved mean that monitoring and evaluation of activities plays a much more central role. Iteration, or doing things multiple times, and learning from each activity are the hallmark of successfully adapting to climate change. Thus monitoring is less of an activity to conduct in order to report back to donors, but something that needs to be done to crucially learn what works and what doesn't. When working under conditions of deep uncertainty, as the case for future climate change in Nepal, success can depend crucially on the involvement of vulnerable people in decision making, and in empowering the voiceless to have a say in their future well being.

Financing adaptation

In the UNFCCC, providing finance for adaptation is an obligation of the developed countries that fall under the list of Annex 1 of countries to help developing countries adapt to the impacts of climate change that they had very little role in causing. This obligation is said to be new and additional to official development assistance (ODA) provided by developed countries to developing countries. ODA, in contrast, is a voluntary contribution by developed country governments and driven by varied domestic interests of those nations.

In reality, if a particular developed country government funds adaptation activities, they tend to count it under their ODA as well as under their obligations towards the UNFCCC. Many donors have started to build their adaptation portfolios using ODA money. Nepal is one of the few countries to begin to track climate change related activities through the national budget. The climate change budget code developed by the Government attempts to identify the amount

of money that has been spent on climate change related activities through the national budget, using both domestic and aid sources. This is an important and a positive step undertaken by the Government as it will help to further mainstream climate change risks into national development plans, help to track how much money is being spent on climate change and provide an indication of the level of resources needed to respond to emerging climate risks. However, double counting must be avoided and the estimates of climate change finance need to be conservative to avoid labelling all on-going development activities as climate-change-related.

As the new global architecture on climate finance emerges, with the newly formed Green Climate Fund set to be capitalized by 2015, as well as the continued role of the Global Environment Facility (GEF), Nepal also needs to be better prepared to respond to and benefit from it. This includes improving the fiduciary standards of institutions, being able to better track funding from the source to its implementation and fund reaching the most vulnerable and disadvantaged communities and households, building appropriate project pipelines and project implementation strategies. Ultimately, financing that flows towards adaptation needs to build long-term resilience, and increase adaptive capacity. Finance that flows for adaptation must also provide incentives for private actors to undertake their own adaptation activities (see Chettri, 2014 in this volume for a more detailed treatment of climate finance issues in Nepal).

Coordination

There are a wide variety of on-going activities, both within and outside the government, on climate change adaptation. Indeed, adaptation will require action by disparate actors at multiple levels. Coordination of these activities as a means of providing direction and guidance is an important task that can help avoid duplication, and create efficiencies for regulatory bodies during implementation of laws and policies. The Government of Nepal has created a Climate Change Council and the MCCICC as a means of providing this coordination function. These institutions need to be made stronger, with adequate technical capacity, resources and mandates to do their tasks effectively. The several line-ministries and regulatory bodies active on climate change issues must have appropriate frameworks, structures and reporting mechanisms in place so that coordination of activities becomes effective. These newly established institutions, in particular, must also have a role in providing advice and direction to activities conducted by the private sector and by non-governmental organizations. Effective coordination will lead to strong synergy among multiple stakeholders and resources leveraging for a greater and long-lasting impact.

Barriers to adaptation-- dealing with loss and damage

The IPCC's 5th Assessment report indicated that the impacts of climate change are getting worse (IPCC 2013). The global lack of progress on mitigation means that temperatures are likely to exceed the 2-degree Celsius limit set by global policy makers. In the event of a 3-degree or a 4-degree rise in global average temperatures, the impacts of climate change are going to get more severe (World Bank, 2012). In such a case, the ability to adapt to climate change impacts will face significant barriers, and adaptation may not be even possible. Some of them may need a transformative approach to adaptation, which maybe too costly for a nation like Nepal to implement. Recognizing this eventuality, the UNFCCC has started talking about loss and damage from climate change.

Nepal too must begin to prepare for this eventually, while also safeguarding our interests on adaptation. An initial step must include better integration of climate change adaptation work with ongoing DRR activities. Another activity is the improvement and standardization of the ability to collect data on losses and damages after specific extreme events. Two loss and damage databases, DesInventar and one maintained by the Ministry of Home Affairs currently exist in Nepal. The quality of the data in these databases must be improved and the government needs to better account for losses and damages, from extreme events like floods and landslides, and from slow onset events like droughts. Finally, we must further strengthen our international negotiations abilities, by including lawyers who understand international law, in order to begin to advocate for new and innovative mechanisms, and to secure our interests while dealing with the potential losses and damages that Nepal might face due to the global collective failure to act on mitigation and provide adequate financing for adaptation.

Recommendations

The following are some recommendations for the government, donors and for civil society working on climate change adaptation issues.

For the Government

» The government should move from planning to implementation of adaptation activities. It should continue to implement the projects that emerged from the NAPA but also officially start the NAP process as a means of increasing coordination of adaptation activities, promoting long term thinking, and increasing focus on governance for and of adaptation.

» It should continue to give primacy to local level planning, resource generation and implementation.

» It should attempt to integrate climate risks into all major development planning by including the appropriate ministries as well as the Ministry of Finance and the National Planning Commission. In particular, linkages between DRR and adaptation should be strengthened.

» It should invest in systems to effectively track and monitor funding spent on adaptation, through its budget code as well as other mechanisms, and make sure systems are in place that allow for financing to reach local levels.

» It should continue to make vulnerability assessment a central component of adaptation planning and give primacy to issues around gender, equity, inclusion, and marginalization.

» It should invest in building adaptive capacity as a cost effective means of building long-term resilience.

» It should further strengthen its international negotiating team, by including experts that understand, among other issues, finance, adaptation, and international law for loss and damage.

For donors

» Nepal's many development partners need to identify better ways to measure adaptation success. This includes mechanisms to define what success means. Monitoring and evaluation activities must form the core components of adaptation, and these activities must not be just limited to upward accountability to donors.

» Donors need to continue to invest in appropriate climate services infrastructure including strengthening existing observation stations, setting up new ones, investing in modelling capacity, establishing early warning systems around flash floods and GLOFs.

They must also invest in programs that help to translate climate change and other bio-physical data into useable information and particularly, pay attention to the ability of vulnerable communities to use such data in their everyday decision making.

» They need to invest in developing systems to measure and track vulnerability and losses & damages at local level.

» Above all, donors must implement the Paris Declaration on Aid Effectiveness by better aligning their ongoing projects and programs with existing climate change priorities as articulated in several plans and policies of Nepal.

For civil society

» Civil society organizations should make sure that voices of the vulnerable make it to national and local planning processes. They must continue to advocate for the inclusion of the poor and vulnerable at local and at national levels.

» They should increase their call for transparency on how money is spent on climate adaptation, and develop capacities to be 'watch-dogs' for how adaptation is being conducted in the country.

» They must continue to develop partnerships to bring information on climate change impacts down to community levels, and develop mechanisms to work with both new forms of scientific and traditional knowledge.

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Localizing Climate Change Adaptation in Nepal

Krishna Lamsal
klamsal@libird.org

Photo: Krishna Lamsal/LI-BIRD

Background

The global climate change and associated climate extremes and disasters have increased uncertainty (IPCC, 2012) in the livelihoods of people of least developed countries. In particular, increased risk of floods and droughts is expected to have severe impact on South Asian countries (IPCC, 2007). The global climate change is translated into localized phenomena in response to local geography and other environmental, economic and socio-political factors (OECD 2009). It has been widely recognized that climate change impacts are inherently local and context specific; so, need has been felt for focusing climate change activities at the local level (Agrawal et al. 2009). These changes in turn affect local livelihood activities, increases injustice and disrupt the normal balance of the ecosystem and society. The complex bio-physical conditions coupled with those changes are exacerbating those impacts at local level, the poor and marginalized communities being hit hardest. The climate change impacts hit hardest the communities that largely depend on nature for their livelihoods and rain fed agricultural systems in third world countries.

As Nepal is ranked as one of the most vulnerable country to the impact of climate change, the urgency of identifying, prioritizing local adaptation actions and its effective implementation is increasing.

LAPA Origin and Emergence

Nepal is a party to the United Nations Framework Convention on Climate Change (UNFCCC), an international policy body that is established to facilitate global policies on climate change. Under this convention several accords have been agreed to tackle climate change issues and support poor developing countries adapt to its impacts. Nepal has been taking up different adaptation practices and formulating policies to support in mainstreaming and effective implementation of adaptation actions. In 2001, at the seventh session of the Conference of Parties (COP7) held in Marrakesh, Morocco, a package of decisions were agreed in support of the Least Developed Countries (LDCs). One of the major decisions in COP 7 was to formulate and implement National Adaptation Programme of Action (NAPA) to address the urgent and immediate needs of the

LDCs, who are hit hardest by climate change.

Since then, Nepal has taken adaptation initiatives to mitigate the impact of climate change with formulation of NAPA document, with the support from the Least Developed Countries Fund (LDCF) and even promulgating National Policy on Climate Change to mainstream and effectively implement climate actions. Several adaptation programmes and projects are in the process of making.

Nepal though being one of the last countries to develop its NAPA has been able to learn lessons from NAPA processes in other LDCs. Recent evaluations of other NAPAs have shown that there is a need to take a more strategic approach to national adaptation planning with better links to both other climate change planning processes at the national level and also to mainstreaming adaptation across scales right down to the local level (Regmi and Karki, 2012). After the development of NAPA, Nepal has come up with a bottom-up local adaptation planning process called the Local Adaptation Plan for Action (LAPA). The LAPA process provides opportunities to assess site-specific climate vulnerabilities, identify adaptation options, and implement the urgent and immediate adaptation actions with the participation of local communities and households.

While taking several initiatives at the national level, Nepal has also initiated local planning processes and builds the capacity of stakeholders at local level. The shortcoming in the linkages between national and local level planning process have been identified. Hence, Nepal is developing Local Adaptation Plans of Action (LAPA) as a bottom up approach to mainstream climate change adaptation into the development planning process and integrate into the national process.

Similarly, the Government of Nepal (GoN) formulated the National Climate Change Policy (2011) to provided ample opportunities and implement climate change activities in general and adaptation in particular. This policy prioritizes vulnerable communities by channeling at least 80 per cent of the climate budget at the local level. To be in line with this national policy and as a means of implementing NAPA and integrating adaptation actions into development planning process, Nepal recently approved the LAPA framework. Initiated in mid 2010, LAPA has been piloted in 10 districts to promote and ensure people's participation, ownership and prioritize climate vulnerable communities in adaptation through extensive stakeholder consultation. The LAPA Framework ensures the process of integrating climate change resilience from local-to-national planning process through a bottom-up, inclusive, responsive and flexible approach.

Developing Local Adaptation Plans

Much of the international discussion and debate to date, however, is based on an impacts-based approach to adaptation planning at the national level, through National Adaptation Programmes of Action (NAPA) (Regmi and Karki, 2012) but the need has been felt for focusing climate change activities at the local level (Agrawal et al. 2009). Therefore, in order to deliver adaptation benefits to the local communities, the urgency of identification and effective implementation of adaptation actions that address local vulnerabilities remain indispensible.

The National Framework for LAPA has been formulated in order to translate the suggestions into action and to assist identification of local adaptation actions with people's participation as prescribed in NAPA, development and implementation of action plans, including

support for the integration of climate change adaptation into sectoral and area-specific plans (GoN, 2011). LAPA identifies local adaptation needs that focus, among others, reducing local climate risks and vulnerabilities, and increasing resilience using a cyclic seven step process.

LAPA implementation framework shows the link to link national, district, village development committee (VDC) and community levels in vulnerability assessments, adaptation planning and implementation, within the framework of National Climate Change Policy (Figure 2). It has been accepted that the LAPA framework is a practical approach to analyze local climate adaptation planning issues in a way that encourages people's participation (Watts, 2012).

What LAPA Does?

- LAPA aims to integrate climate adaptation activities into local and national development planning processes and to create a situation for climate resilient development. LAPA provides opportunities to implement NAPA priorities with the participation of the local communities. LAPA framework ensures that the process of integrating CC resilience into local to national planning is bottom up, inclusive, responsive and flexible.
- LAPA facilitates formulation of the LAPA at local bodies such as VDC, Municipality and District Development Committees (DDC) and has identified local bodies (VDC) as unit for local adaptation plans implementation. Therefore, the role of local bodies and line agencies are increasingly important in mainstreaming climate change actions.
- National Framework for LAPA has illustrated the ways how LAPA will link national, district, VDC and community in adaptation planning and implementation in line with the national climate change framework and national policy. Local adaptation plans have been prepared taking into consideration the sector and location, resource availability, distribution system and community access to gateway systems.
- Taking planning at local level requires understanding the local vulnerabilities and capacities inherited by the communities and support provided to enable and respond to what communities can actually do in response. LAPA offers an innovative way for bridging the gap between adaptation service delivery and target groups, especially of the most vulnerable. The LAPA process started in Nepal with an innovative approach of multi stakeholder engagement and vulnerability analysis, a blend of top-down and decentralized planning process. Further, it considers local vulnerability, adaptation needs, ownership through integrated planning and delivery.

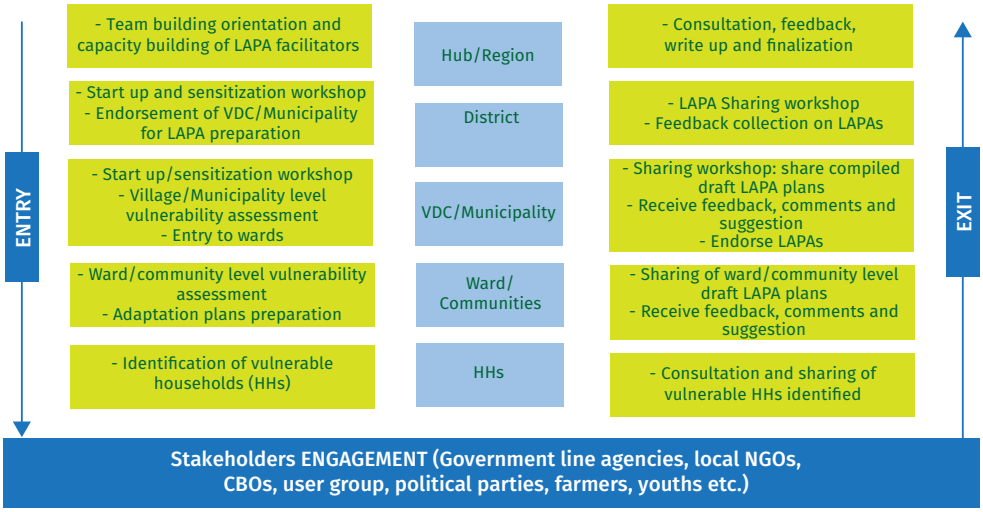

Figure 1. 3E Principle of LAPA preparation

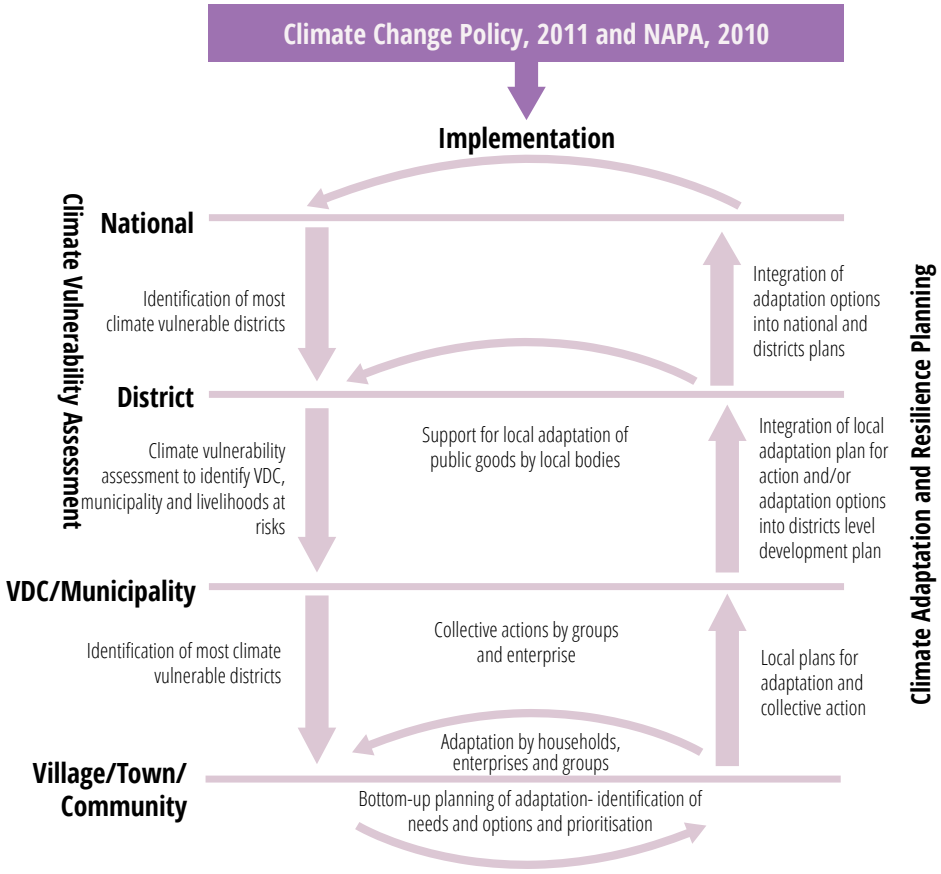

Figure 2: LAPA Planning and Implementation Framework (GoN, 2011).

LAPA implementation framework shows the link to link national, district, village development committee (VDC) and community levels in vulnerability assessments, adaptation planning and implementation, within the framework of National Climate Change Policy (Figure 2). It has been accepted that the LAPA framework is a practical approach to analyze local climate adaptation planning issues in a way that encourages people's participation (Watts, 2012).

Table 1: LAPA progress

Year	LAPA progress	Progress	Financial support	Implementing partner
2008	NAPA inception workshop	Discussion on the importance of LAPA	UNDP, DANIDA, DFID, GEF	
2010	LAPA piloting (Climate Adaptation Design and piloting-Nepal, CADP-N)	Piloted in 9 districts, Accham,Ilam, Udyapur, Dhading, Kaski, Kapilbastu, Pyuthan, Rukum, and Kalikot. Agriculture, Forest, Health and sanitation, Watershed and microfinance	DFID	RIMS-Nepal, Rupantaran Nepal, NEWAH, BNMT,RSDC, ISET-Nepal and LI-BIRD
2012	Nepal Climate Change Support Programme Start Up Phase (NCCSP SUP)	70 LAPAs (69 VDC and 1 municipality) in 14 districts (Far west- Kailali, Accham, Bajura and Mid west –Bardiya, Dailekh, Jagarkot, Rukum, Rolpa, Dang, Humla, Jumla, Mugu, Kalikot, Dolpa)	EU, DFID	LI-BIRD, Rupantaran Nepal, BNMT
2013	NCCSP: LAPA Implementation	Prepared LAPA are under implementation	EU, DFID	MoSTE/NCCSP, MoFALD and technical assistance UNDP
2014	LAPA preparation	30 LAPAs (3 each in 10 districts) Kailali, Accham, Bajura, Bardiya, Dailekh, Jagarkot, Rukum, Rolpa, Dang, Jumla,	EU, DFID	LI-BIRD, Rupantaran Nepal, BNMT

Challenges and Opportunities

Demanding Capacity of Communities

Communities are in the dilemma of decision making and identifying the best options that suit their needs due to their limited capacities and information unavailability. Most vulnerable people are poorly organized and organizing them facilitates delivery services to these needy

people. The service delivery channel should be broadened and stakeholders from central to local level should be involved. Besides, power analysis and social dynamics including social inclusion, gender consideration, which are directly linked to vulnerability needs, must be considered.

'Self Claimed' Vulnerable

LAPA provides multiple opportunities to build capacity of people and engage them. Field experiences have shown that communities are eager to participate and plan their needs. This has led in increase in their participation and hence expectations in receiving more adaptation benefits. However, in some areas, communities' expectations have exceeded and demands have been increased significantly. Expecting to receive more benefits and funds, the tendency of "vulnerability self claim' was observed in the field. Therefore there should be a balance between adaptation needs and beneficiaries in LAPA. Ownership is an important issue to be taken by local communities for the sustainability of local adaptation plans and adaptation benefits.

Mainstreaming

LAPA framework clearly mentions that adaptation planning can be integrated into local development planning process at the level of VDC or municipalities. Analyzing the seven steps in LAPA formulation process, it can be said that it matches the planning process at local level as the participation of DDC, VDC, sectoral agencies, ward citizen forum members, community organizations, user groups and community members are ensured and discussed widely. The close match starts with planning workshop, the third step of the 14 step planning process that focuses on information dissemination, resources available, activities, etc. Community interaction and workshops, settlement level plan selection workshop, ward meetings for prioritization of program/activities received from the settlement level, preparing list and prioritizing plans and approving those plans to be done through VDC and DDC are closely matching steps for LAPA preparation in 14 step planning process.

At the local level, NAPA has made a provision for mobilizing the existing community institutions such as CFUGs, water user groups and farmers' groups for developing and implementing adaptation plans. LAPA framework has put absolute focus on local governments in planning and implementation of adaptation activities and is silent on the role of community-level institutions.

Despite mentioning that adaptation planning can be integrated into local development planning process at the level of VDC or municipalities, but it does not provide a framework for such integration.

Policy Context in Local Adaptation Planning

In local development planning process, community participation is characterized in a stronger and committed manner. The Local Self-Governance Act, 2055 (1999) of Nepal provides autonomy for local governments in development planning and implementation (HMG/N 1999). The 14 step participatory planning process ensures decentralized resource allocation, dialogue-based, and integral, assigns responsibilities and social commitment, recognizes diversity and respects differences and promotes inclusive participation.

Similarly, the LAPA framework envisages a pivotal role for local governments in planning and implementation of adaptation activities (GoN 2011). Unlike local development planning, LAPA is specific on preparing local action plans that focuses on reducing vulnerability. LAPA

Challenges in coordination and ownership: the NAPA, LAPA and the SPCR

The NAPA and LAPA are not the only processes for adaptation planning in Nepal: there is also Nepal's Strategic Programme for Climate Resilience (SPCR). Whereas the NAPA is managed through the United Nations Framework Convention on Climate Change (UNFCCC), the SPCR is supported via the Pilot Programme for Climate Resilience (PPCR) of the Climate Investment Funds managed by the Multilateral Development Banks (MDBs). There is a danger that struggles for control over climate finance playing out at international levels between the UNFCCC and the MDBs will lead to functionally separate planning processes at the national level. It is important that the SPCR builds on the NAPA in Nepal so that interventions are coordinated, and in recognition of the NAPA's high degree of country ownership. The SPCR's use of consultants as opposed to staff from the MoE helps achieve a fast turnaround for a results-driven approach favorable to the MDBs, but some commentators suggest this involves a trade-off against government capacity building and ownership.

Source: Ayers et al. (2011)

emphasizes integrating climate adaptation into development planning and provides a framework and process for preparing a separate plan for climate adaptation without integrating it into local development plans (Paudel et al., 2013).

To successfully demonstrate the translation of policy into practice, a clear operational level documents outlining the implementation strategy and schedule of implementation with clear goals and quantitative targets are required, which are not met by the Climate Change Policy 2011 (Tiwari et. al., 2012). Thus, it has been increasingly difficult to successfully translate the policy into practice. There also required an effective mechanism to upgrade the human resource and to outreach the people (ibid). The quality of governance, at all levels, is likely to be the biggest challenge to effective initiation, integration and implementation of climate activities including the LAPA (Tiwari et. al, 2012).

Way Forward

Local adaptation planning is a pioneering initiative furthered and owned by GoN for delivering national climate change adaptation plans at the local level. Although LAPA is relatively in its earlier stage and the implementation has just been started, it can serve as a guide and help stakeholders to see how well it contributes in achieving and delivering climate benefits to target vulnerable groups and protecting overall development goals.

LAPA is local instrument that ensures vulnerable people's participation, right from the local adaptation planning to implementation and monitoring. There is an opportunity for local actors to develop a common understanding, effective communication channel, transferring knowledge, support innovation and experimentation, and meaningful participation from community-level actors, to effectively integrate adaptation actions. This in turn has capacity to transform communities from risk to resilience. Experiences from field implementation of LAPA and other climate change adaptation actions should generate evidences and provide recommendation for the formulation of National Adaptation Plans (NAP) to deal with medium and long term adaptation needs.

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REDD+ from Global to National Perspectives

Ramesh Prasad Bhushal
toramesh25@gmail.com

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Introduction

Reducing Emissions from Deforestation and Forest Degradation (REDD+) is a global initiative designed under the United Nations Framework Convention on Climate Change (UNFCCC). It aims to reduce emissions of green house gases like Carbon dioxide from forests. REDD+ is in fact a mechanism to create an incentive for developing countries to protect, better manage and wisely use their forest resources, contributing to the global fight against climate change. At the beginning it was focused on deforestation issues only and was called Reducing Emissions from Deforestation (RED) which later was extended to Reducing Emissions from Deforestation and Forest Degradation (REDD) and ultimately included conservation issues of the forests and added plus(+) resulting into REDD+.

Forests cover a total of 4 billion hectares worldwide, equivalent to 31% of the total land area. Between 1990 and 2000 there was a net loss of 8.3 million hectares per year, and the following decade, up to 2010, the rate plummeted to 6.2 million hectares per year (FAO. 2010). Forestry sector has been responsible for approximately 20 percent of the global greenhouse gas (GHG) emissions (CIFOR 2010; van der Werf et al. 2009) and, therefore, standing forests that sequester and sink atmospheric carbon dioxide (CO_2) and reduce emissions from forests are considered critical to combat global warming.

REDD+ and UN Climate Negotiations

The concept was initially started as Reducing Emissions from Deforestation (RED) at the eleventh Conference of Parties (COP11) of UNFCCC in 2005 in Montreal, which later expanded to Reducing Emissions from Deforestation and Degradation(REDD) in 2007 during COP-13 held in Bali and eventually termed as REDD+ in 2009 during COP15 held in COPenhagen. Though introduced in 2005, it emerged prominently in Bali conference in 2007. After the disappointment of COPenhagen, progress on REDD+ received a much-needed boost following crucial decisions taken during the sixteenth conference of parties to the UNFCCC in

December 2010, collectively known as Cancun Agreements (Chhatre A. et al, 2012).

The emission reduction is measured in terms of quantifications of carbon dioxide (CO_2) equivalent, upon which payments are made. In order to quantify emissions in terms of CO_2 equivalent from forest and take stock of the carbon in the forest, a process called measurement/ monitoring, reporting and verification (MRV) has been developed. With MRV, other issues that run parallel are reference levels, safeguards, drivers of deforestation and forest degradation, non-market approaches and non-carbon benefits.

In Cancun it was agreed to a set of five activities that 'contribute to mitigation actions in the forest sector' subject to respective capabilities and national circumstances. It also included clearly specified safeguards to prevent adverse social consequences, requesting developing country parties to address the drivers of deforestation

Major decisions on REDD in UNFCCC

UN meetings	Decisions
COP11, Montreal, 2005	Papua New Guinea and Costa Rica's proposal on Reducing Emissions from Deforestation in COP agenda received extensive support and parties agreed to develop a two-year work programme on the issue and also agreed to consider it as the agenda under SBSTA.
COP13, Bali, 2007	The Bali Action Plan, under Decision 1/CP.13, outlined a commitment of the Parties to address enhanced action on climate change mitigation, including the consideration of "Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and forest carbon stocks in developing countries."
COP15, COPenhagen, 2009	This decision identified a number of safeguards as a means of preventing negative social or environmental outcomes of REDD+ activities and also highlighted the need for robust measurement, reporting and verification of changes in emissions resulting from REDD+ activities).
COP16, Cancun,2010	Cancun meeting decided for development of national strategies or action plans, policies and measures, and capacity building; the implementation of national policies, measures, strategies or action plans for further capacity building, technology development and transfer, and results-based demonstration activities, evolving into; results-based actions to be fully measured, reported and verified. It also requested parties to address the drivers of deforestation and forest degradation, issues on land tenure and forest governance, gender considerations and the safeguards.
COP19, Warsaw, 2013	Termed as Warsaw Framework for REDD+ the meeting decided to adopt guidance for ensuring environmental integrity and pave the way towards the full implementation of REDD+ activities on the ground. The package also provided a foundation for transparency and integrity of REDD+ action, clarifies ways to finance relevant activities and how to improve coordination of support.

and forest degradation, land tenure, forest governance and gender issues while developing and implementing national strategies and action plans.

The Warsaw REDD+ Framework took decisions on national forest monitoring systems, safeguards, forests reference emission levels, MRV, and the drivers of deforestation and forest degradation. The decision on national forest monitoring systems stressed that robust national forest monitoring systems should provide data and information that are transparent, consistent over time, and suitable for MRV anthropogenic forest-related emissions. On safeguards, it was decided that developing country parties should start providing the summary of information in their national communication or communication channel, including via the web platform of the UNFCCC, after the start of the implementation of REDD+ activities. On forest reference emission levels, the guidelines and procedures for the technical assessment of submissions from parties was adopted.

REDD+ Financing

According to the research by Overseas Development Institute (ODI), since 2007, USD 2.72 billion has been pledged to five multilateral climate funds and two bilateral initiatives that support efforts on REDD+. Despite strong interest in the potential to harness market-based mechanisms to support REDD+ programmes, the future of such mechanisms remains highly uncertain. A total of 52% of the funding pledged has been deposited to date: Norway is the largest contributor of REDD+ finance, followed by Australia, the UK and the United States. Through these funds and initiatives USD 906.5 million has been approved for REDD+ activities since 2008. Of total, 56% of approved multilateral REDD+ funding targets Latin America and the Caribbean, the region with the largest amount of climate finance for REDD+ activities whereas 22% has been approved for Sub Saharan Africa. Asia and Pacific region has received only 6 % of funds and 16 % of funds are globally distributed.

A number of donors have made financial commitments to support the REDD+ readiness phase in Nepal. The World Bank, through the Forest Carbon Partnership Facility (FCPF), has already approved USD 3.4 million to implement the Readiness Preparation Proposal (RPP), particularly in developing policy and a legal and institutional framework for REDD. Many bilateral donors, such as the UK Department for International Development, Swiss Development Cooperation, US Agency for International Development and Government of Finland, have been supporting various aspects of REDD readiness through their ongoing forestry projects. Various activities are underimplementation on REDD+ through donors support.

REDD+Readiness Process in Nepal

Since the emergence of REDD+, Nepal has been one of the country most actively engaged in REDD+ readiness process. REDD+ readiness relates to the efforts a country is undertaking, with the support of multilateral or bilateral initiatives, to build its capacity to be ready for a REDD+ mechanism. It is mainly funded by the World Bank. The REDD+ process began in Nepal after the 13th Conference of Parties of the UNFCCC in Bali in December 2007. Soon afterwards, the government of Nepal began a dialogue on REDD+ readiness and submitted the REDD Readiness-Plan Idea Note in March 2008. After that was approved, the MoFSC established the REDD Forestry and Climate Change Cell (REDD Cell), an administrative unit, in January 2009 to prepare the RPP, which was approved by FCPF

of the World Bank in October 2010. The ministry has formed a three-tiered REDD+ institutional framework consisting of (1) the high-level, inter-ministerial Apex Body, (2) the multi-stakeholder REDD Working Group(RWG) and (3) the REDD Cell.

Nepal is currently developing its national strategies and is engaging in the implementation of strategies and investments through piloting REDD+ activities and has also joined the UN-REDD Programme as an observer country (Bushley & Khatri, 2011).The REDD+ Readiness Proposal has considered the following five activities for payment under REDD+ schemes:

1. Reducing deforestation
2. Reducing forest degradation
3. Sustainable management of forests
4. Conservation of forest carbon
5. Enhancement of forest carbon stock

REDD+ discourse in Nepal

REDD+ has become a controversial issue worldwide so it cannot be assumed that it will be straightforward in Nepal's case (Bushley & Khatri 2011). Some have claimed that it presents an opportunity to strengthen forest governance and bolster global conservation efforts (Springate-Baginski & Wollenberg 2010), while others have argued that it could, provided there is a strong attention to governance issues, respect for local land tenure and resource rights (Cotula & Mayers 2009).Yet, others have asserted that REDD+ would destabilize forest governance to the detriment of community autonomy and well-being, thereby reversing recent trends toward the devolution of forest governance (Phelps et al. 2010)

In countries like Nepal, where community-based forest management (CBFM) is well established

Dates and Events of REDD Readiness process in Nepal

Date	Events
March 2008	World Bank approved Readiness-Plan Idea Note
January 2009	Ministry of Forests and Soil Conservation established three tiers of REDD+ institutions (Inter-ministerial apex body, REDD Working Group, REDD Cell)
November 2009	National REDD+ workshop held, REDD Preparedness Proposal (RPP) presented and discussed among the stakeholders.
February 2010	RPP progress update presented
March 2010	Apex Body formalised
April 2010	RWG finalised RPP
April 2010	The APEX body endorsed RPP
October 2010	World Bank approved RPP
March 2011	Supplemental Grant Agreement for $3.4million signed
February 2013	Technical committee for National REDD+ Strategy Framework formed

UNFCCC Safeguards articulated in Cancun Agreements:

1. Actions complement or are consistent with the objectives of national forest programmes and relevant to international conventions and agreements,
2. Transparent and effective national forest governance structures, taking into account national legislation and sovereignty,
3. Respect for knowledge and rights of indigenous people and local communities, by taking into account relevant international obligations, national circumstances and laws,
4. Full and effective participation of relevant stakeholders, in particular indigenous people and local communities,
5. Actions are consistent with the conservation of natural forests and biological diversity,
6. Actions to address the risk of reversals,
7. Actions to reduce the displacement of emissions.

Source: UNFCCC 2011

and local communities rely heavily on forests, how REDD+ will reconcile presumed trade-offs between carbon sequestrations and promotion of sustainable livelihoods remains a key challenge (Ojha et al, 2013).Some people argue that Community Forests (CFs) cannot contribute to additional emission reduction as these forests are already well managed (Staddon 2009). Others claim, there is ample room for promoting sustainable forest management, enhancing carbon stock, and conserving biodiversity and watersheds (Ojha et al. 2008, Pokhrel and Byrne 2009).

The implementation and monitoring of safeguards have been a contentious issue in the REDD+ debate. Some argue that safeguards could potentially make implementation of REDD+ more complex and increase transaction costs (Jagger et al. 2012), and therefore, less able to compete with other land uses or with other sources of carbon credits. But the major question that has been into the discussions is the level benefit Nepal will receive from the international mechanism. Citing the small forest area of the country and within that very scattered patches of forests mainly –community forests, many have raised doubts on getting significant amount of global funds through carbon credit trade -offs.

At least some elements appear critical in relation to understanding the REDD+. First, clarifying forest tenure, including who owns forest carbon, is crucial part of REDD+ (Sikor et al. 2010; Larson 2011). The questions of who frames the agenda and how the voices and concerns of local communities and indigenous peoples (IPs) are incorporated into policies and governance processes have become important concerns worldwide (Thompson et al. 2011). Third, the task of MRV of existing levels and changes in stocks of resources (i.e., carbon) is considered crucial to enable such payments (Wunder 2009; Bucki et al. 2012).

Fair distribution of REDD+ funds to legitimate claimants will be a major issue, given the diverse forms of forest tenure, differentiated society and poor institutional performances at all levels. Nepal also lacks the historical baseline data and technical/institutional capacity to develop and implement an MRV system. Another challenge is to formulate and implement an MRV system

for fragmented forestlands under diverse management regimes, which would entail high transaction costs (Ojha et al,2013).

Way Forward

Discussions on whether REDD+ would benefit Nepal or not is under debate but the debates mostly surround community forests. But given the patchy forests in the country that lies under the domain of communities, many argue that Nepal would not benefit from REDD+ like Brazil, Indonesia etc. However, Nepal is among the countries actively engaged in REDD+ readiness activities. Government has established a separate cell at the Ministry of Forests and Soil Conservation to deal on this issue. It indicates that REDD+ to some extent falls under the priority of the government. Significant amount of money has been invested in the country in pilot projects and in last few years donors' support on REDD+ issues is increasing. More than 200 million USD has been pledged in UNFCCC meetings for REDD by various countries in Warsaw conference held in November 2013 which clearly indicates that more funds would be channeled to the country. As funds at international level are being committed, it is certain that some amount would influx into the country in future resulting in increase in REDD+ activities.

If REDD is to be implemented then the country should be clear about carbon tenure and structure and mechanisms for benefit sharing at the beginning. As there has been agreement to provide robust MRV at international negotiations, there should be homework on how this system would be in place for carbon buyers and communities. As most of the pilot projects have been targeted to community forestry, it should also not interfere present forest governance at community level. There has been serious concern of the forest dependent community over the safeguards issues. While implementing international decisions utmost importance should be given to the communities in country who have been sacrificing a lot to conserve forests. Most importantly it should be assessed whether REDD+ would affect the present forest governance of the country or not. Major chunk of forests is under the control of the government but when talked about REDD+ only community forests are into the focus. There has to be wide debate on how the country would move its activities on both government and community-owned forests as the governance system is different in these two types of forests.

Policy gaps to implement REDD+ activities should be addressed on time so that the overall forest governance and current deforestation and degradations are reduced. Stakeholders' participation and transparency issues are also emerging so it should be considered as an important issue while the country is preparing for the REDD+ implementation. There should be flexibility on implementing safeguards so that conflict that arises in future could be resolved through dialogues and negotiations but the internationally agreed safeguards should be respected.

Given small area of the forests compared to global players on REDD + like Brazil and Indonesia, there are slim chances that Nepal would be able to compete on market-based mechanism for carbon offset. In addition, the amount of money that will be received would not be high but it has been seen that expectation of the communities on getting money from REDD+ is unnecessarily high. So there is the urgency to better inform communities about the realities of complex global mechanism to get money by selling carbon. With that it should be kept in mind that REDD+ is an activity among many other issues in the forestry and has to be dealt

or discussed on integrated way rather than isolating it specifically on selling of carbon only. So it is not an easy task to integrate complex REDD+ issue into the national forest governance. However, with challenges there are opportunities to cash in on forests and support forest dependent communities thus reducing poverty through better management of forests.

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Local Initiatives for Biodiversity, Research and Development

P.O. Box	324, Pokhara, Kaski, Nepal
Tel	(977-61) 535357, 526834
Fax	(977-61) 539956
Email	info@libird.org
Web	www.libird.org