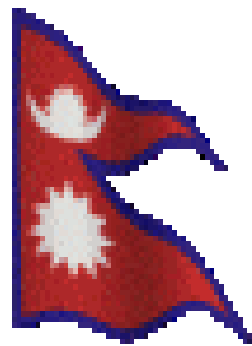




Nepal's experience in integrating climate change adaptation in national budget



Regional NAP Expo Asia

Seoul, Republic of Korea

11-12 September 2017

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Presentation Outlines

- Climate Change and Nepal
- Climate change induced disaster scenario
- Regulatory frameworks,
- Institutional arrangements
- Our efforts in ensuring funding to the local communications,
- Activities under taken,
- Progress made,
- Reflection on the lessons learnt
- Challenges
- Way forwards,

Climate Change and Nepal

- Climate change is a reality in Nepal:
 - **Warming is higher** in mountain regions
 - **Extreme variability** in rainfall,
 - Increased frequency and intensity of climate change induced disasters,
 - Risk and impact from **climate induced** disasters is **massive** (e.g. Lose of lives and properties, biodiversity and ecosystem services, natural resources)
- Adverse impacts in major socio-economic sectors- livelihood, health, agriculture, forestry, water resources, energy, development infrastructure,
- The direct costs of current climate variability, on average, is estimated to be equivalent to 1.5-2% of GDP/year.
- Slowing down economic growth, and creating new "**poverty traps**".

Loss & Damage from Climate Induced Disaster in 2016

S.No.	Type of Disaster	No. of Events/No. of district affected	People			Affected Family	Animal Loss	House Destroyed		Shed Destroyed	Estimated Losses (in NRs.)
			Death	Missing	Injured			Comp.	Partly		
1	Flood	230	101	36	17	7123	934	583	180	18	30711501
2	Landslide	234	148	9	144	1490	982	358	440	107	810442200
3	Heavy Rainfall	114	9	0	24	672	58	110	39	14	18769500
4	Wind Storm	28	2	0	9	191	4	112	103	2	24186000
5	Thunderbolt	206	118	0	240	260	298	4	7	7	3321000
	TOTAL	812	378	45	434	9736	2276	1167	769	148	887430349

Structure of State and Distribution of State Power (Power relating to Environment and Climate Change)

- Federal republic
 - Federal,
 - States-7 and
 - Local Government-753
 - **The constitution has delineated political as well as financial powers to local levels for financial resource mobilization for their priority areas,**

Divisions of State power	Coverage
Federal Power	Policies - Conservation and Multiple uses of Water Resources, Environment Management, National Parks, Wildlife Reserves and Wetlands, National Forest , Carbon Services , Land Use, Human Settlement, Tourism, Environment Adaptation
State Power	Management of Lands, Exploration and Management of Mines, Use of Forests and Water and Management of Environment within the State, Agriculture and Livestock Development, Factories, Industrialization, and Transportation

Divisions of State power	Coverage
Concurrent Powers of Federation and State (province)	Waterways, Environment Protection, Biological Diversity, Industries and Mines and Physical Infrastructures, DRM, Forests, Mountains, Forest Conservation Areas and Water Stretching in Inter-State
Local Level Power	Local Environment Protection and Bio-diversity, Local roads, Rural roads, Agro-roads, Irrigation, Water supply, Small hydropower projects, Alternative energy, Disaster management , Protection of watersheds, Wildlife, Mines and Minerals ,
Concurrent Powers of Federation, State and Local Level	Agriculture , Forests, Wildlife, Birds, Water Uses, Environment, Ecology and Bio-diversity, Mines and Minerals, Disaster Management,

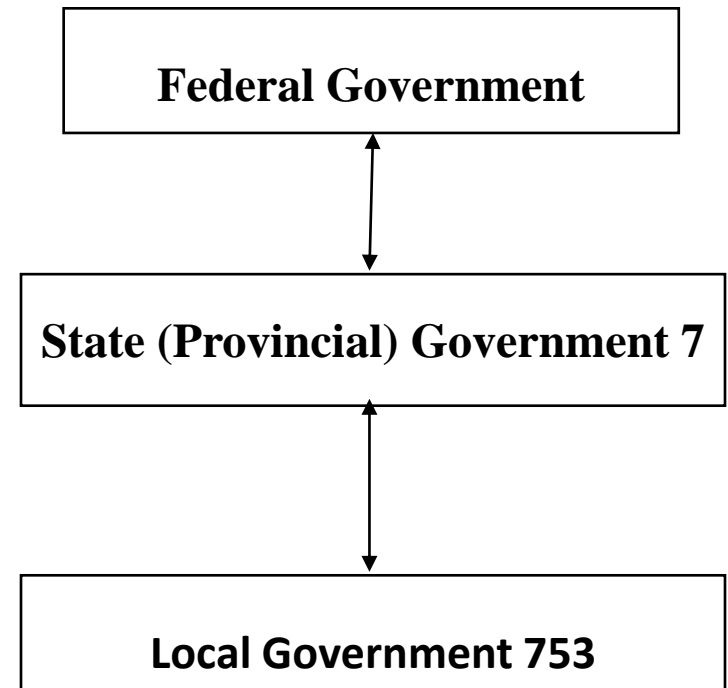
Regulatory frameworks

Following National Policies, Acts/Regulations, Plan, Strategies are facilitating/regulating integration of Climate Change Adaptation in National Budget:

- **Constitution Of Nepal, 2015**
- Environment Protection Act/Regulation,
- Nepal Biodiversity Strategy, 2002
- National Agriculture Policy, 2004
- Agro-biodiversity Policy 2007
- **Climate Change Policy 2011**
- **National Adaptation Programs of Action (NAPA) to Climate Change 2010, LAPA,**
- **Climate Resilient Planning Tool, 2011,**
- **Nepal Development Vision 2030 , 2011**
- **Climate Change Health Adaptation Strategies and Action Plans for Nepal (2016-2020)**
- **Fourteenth Plan (2016-2018),**
- **Sectoral policies,**
- **Annual programme and budget**
- Low carbon Economic Development Strategy, (Draft)

Institutional arrangements

- Parliament
- Office of Prime Minister and Council of Ministers
- Climate Change Council,
- **Ministry of Population and Environment,**
- **Sectoral Ministries,**
- Departments,
- **Local Governments,**
(District/local offices)
- Project offices



Institutional Arrangements for Financial Resource Mobilization

Institutions	Responsibility
Parliament (Legislative)	Discussion & Approval of Budget, Budgetary Control
OPMCM (Executive)	Prepare & Implement Budget, Progress Review,
National Planning Commission	Think tank & Advisory Body for Development Planning, Programming, Develop Periodic Plan ,
Ministry of Finance	Overall financial resource management (Fiscal policy, National Budget Preparation, Revenue Admin, Development Assistance Admin) NDA for GCF Provide financial resources to state and local governments
Sectoral Ministries including MoPE	Sectoral Policy Formation, Sectoral planning, programming, budgeting, implementing, monitoring, evaluating and reporting
Departments under Ministries	Programming, program monitoring, technical supports to implementing authorities
Local Government. Local offices/project offices	Priority setting, community mobilization, local resource mobilization, implementation of programmes/projects, reporting ,

Institutional Arrangements for Financial Management

Institutions	Responsibility
District Treasury Office	Budget Release to the Implementing Offices, Accounting, Internal Audit
Financial Comptroller Office	National Treasury, National Accounting, Budget Release, Internal Auditing
National Planning Commission	Priority setting, Programme planning and control , Development Budget allocation
Ministry of Population and Environment	Provide flexible guideline for local levels, technical support for integration of Climate change in local programmes
Sectoral Ministries	Integrates CCA in sectoral plan/programme, allocate financial resources
Climate Change Council	Overall coordination and guideline
Auditor General's Office (Constitutional Body)	Performance and final Auditing

Our efforts in ensuring funding to the local communities and integrating CCA in local plan

- Priority for mobilizing GCF and other development assistance to enhance capacity at all levels on CCA
- **Policy intervention:** Climate change policy has clearly provisioned for providing 80% of the adaptation budget to the local offices (implementing authorities)
- **Climate change budget code in budgeting,**
- **Climate Change programmes are considered as P1 programmes,**

Climate Change budget in fiscal year 2074/75 9(2017/18)	
Climate Change Budget	Percent in total budget
Directly Contributing	4.52%
Indirectly Contributing	26.24%
Neutral	69.24%

- **In reference to the SDGs indicators the budget allocated for Climate Change Adaptation is 0.30% of the total budget.**

Contd..

- **Programme interventions:** The people and communities vulnerable to and at risk of Climate Change effects are prioritized for programme interventions (participative approaches)
 - National Climate Change Support Programmes (NCCSP) - in most vulnerable areas of mid west and far west region- [LAPA implementation](#)
 - Priority programme for climate resilience (PPCR) Vulnerability assessment, climate change integration in local planning, CC curriculum development, knowledge management, etc
 - Ecosystem Based Adaptation (EBA)- Capacity building, livelihood and nature conservation, etc
- **Social mobilization** for Climate Resilience: NGOs, CBO, user groups, Private sectors, etc
- **Advocacy and awareness programme** for local authorities, communities for mobilizing local resources,
- *[Sharing about NAP and integration of CCA into development plans through attending planning workshop of different ministries](#)*

Challenges faced

With reference to Climate Change effect Nepal is considered the 4th vulnerable country. Nepal has been facing following challenges in mobilizing adequate resource on CCA:

•**Intersectoral coordination**

- Limited national capacity in developing proposals for GCF and other climate funds,
- Limited climate negotiation capacity,
- Low absorption capacity for Foreign Development Assistance,
- Absence of Clear Cut guidelines for developing proposal for GCF,
- Less priority to environment protection/climate change adaptation due to high poverty and illiteracy in vulnerable groups,
- Lengthy national procedure for accessing and utilizing assistances,

Reflection on the lessons learnt

- LAPA- Community based adaptation programme is very successful in empowering and mobilizing local community for CCA,
- CCA can be integrated in sectoral policies, plans and programme by regular interactions and sharing programmes between MoPE and the sectoral ministries, local authorities
- For the sustainability of the programme, cost sharing by the local government is a must,
- The practicality of national legislations and policy is instrumental in increasing supports from different sources,
- Private sector's contribution in CCM is very important- cleaner production, energy efficiency, Environment Management System.
- The IEE and EIA are very effective tools to conserve environment and mitigate climate change effect,

Way Forward

- Build National and Local Capacity on project proposal development for GCF and climate negotiation,
- Get more fund for CCA from GCF and other windows
- Strengthen advocacy for increase in directly contributing budget to climate change adaptation,
- Develop Climate Change Adaptation Planning tools and disseminate to the local government,
- Awareness raising of the local government's for funding environmental and Climate Change Adaptation programmes,
- Explore for mobilizing the business houses for CCA under Social Corporate Responsibility,
- Explore for exchange programmes to learn and share best practices for mutual benefits,
- Raise strong and credible voice in international climate change forums for more supports to the LDCs and climate vulnerable countries.

Thank you very much

Website: www.napnepal.gov.np