

Multi Stakeholder Dialogue on Climate Finance

02 August 2019, Kathmandu, Nepal



National and international experts from government and non-government sectors at a recent programme in Nepal dwelt on from different angles the issues of Nepal's need and ability to access international climate finance, equitable use of such finance, what the government is doing and what could have been done differently for better results, thereby leading to insightful interaction.

International experts stressed the need for countries like Nepal struggling to access international climate fund to repair their misconception that the more the accredited entities the higher the amount of money they can access. Lesser number of well qualified and efficient entities is what international instruments like Green Climate Fund (GCF) look for and want to see to it that the fund benefits particularly the most vulnerable groups, focusing on women and girls, who are disproportionately affected by climate change, they remarked.

One of the national experts, while questioning government's efficiency in mobilizing climate funds for the benefit of the most needy, was of the view that compared to the inflow of climate finance the loss being borne by

economically and socially backward people mainly indigenous groups and women is very high. Another expert referred to the need for Nepal to reflect towards the end of 2030 on its performance regarding its international commitments such as Sustainable Development Goals and Paris Agreement and pointed out the lack of a mechanism of compiling of all the scattered knowledge, data and information for the country to showcase as its achievements.

As for climate finance management a government representative, while highlighting the salient features of the revised climate change policy of the country, said the policy attempts at identifying national sources of climate finance, enhancing access to international finance and ensuring equitable mobilization of both national and international finance.

A multi-stakeholder dialogue on climate finance organized on 2 August 2019 in Kathmandu by Prakriti Resources Centre (PRC) with the support of Both Ends brought the experts together. They included Dr. Keshav Raj Gautam from the Ministry of Forests and Environment, Prof. Dr. Benito Muller from Ecbi, UK, Ms Anju Sharma from Oxford Climate Policy, UK, Dr. Pasang Dolma Sherpa from Centre for Indigenous Peoples' Research and Development (CIPRED) and Ms Shanti Karanjit from UNDP. A total of 31 participants representing Climate and Development Dialogue, Direct Access Entities (DAEs), NGOs working in gender and climate change, INGOs, youth and academicians participated in the event.

Earlier, opening the event PRC Programme Director Prabin Man Singh made a presentation covering temperature and precipitation trends, and climate scenario of Nepal, national plans and policy context, and status of climate finance in Nepal. Referring to the report published by Department of Hydrology and Meteorology, he said the trend analysis of Nepal's temperature from 1971-2014 shows that maximum temperature was increased by 0.056 degree Celsius per year. While highlighting some of the major disasters that Nepal has experienced, he elaborated on the economic loss caused by disasters in the country. Climate Change Policy, National Adaptation Programme of Action, National Adaptation Plans, Nationally Determined

Contributions, Local Adaptation Plan of Action, Climate Change Budget Code and Climate Change Financing Framework include some major national plans and policies to address the impact of climate change, he He pointed out that Nepal’s current NDC document should consider including some key sectors such as Water Resources, Public Health, Urban Settlement and Infrastructure which are missing out. He emphasized the importance of including the private sector as one of the key actors in the implementation of NDCs in Nepal. He also touched up on the Climate Change Budget Code and current budgetary allocations made as per the code in the last six year.

Prabin’s presentation was followed by a panel discussion. The panelists included:

Dr. Keshav Raj Gautam	Ministry of Forests and Environment
Prof. Dr. Benito Muller	Ecbi, UK
Ms Anju Sharma	Oxford Climate Policy, UK
Ms. Shanti Karanjit	UNDP Nepal
Dr. Pasang Dolma Shrepa	Centre for Indigenous Peoples’ Research and Development (CIPRED)

Prof. Dr. Benito Muller, ecbi, UK

Prof. Dr. Muller, while talking about his efforts and motivation to help bring international fund within the reach of vulnerable groups and support mobilization the fund for the benefit of the needy people, suggested as to how Nepal can get benefit from international funds and effectively mobilize in the local communities by replicating examples from countries like India and Indonesia. Countries will not have enough money to save everyone from everything; the most important thing is the people who are experiencing the negative impact of climate change should benefit and it depends on who design the fund. He said GCF aims to ensure that the fund reaches the most vulnerable groups but my concern is how those groups will utilize that fund and whether the money gets tapped at international level. There is no dearth of fund at the international level those who direly need such fund should

access and mobilize it effectively and efficiently at the local communities. Sharing on the GCF, he said there is a misconception among countries that a lot of entities will be accredited so that they can access more money, which is not true, though. He also said that GCF reviews accredited entities and tries to limit the number of entities.

Ms. Anju Sharma, Oxford Climate Policy, UK

Ms Anju Sharma started her remarks by sharing the findings from the research on **Devolving Adaptation Finance and Actions: Lessons from Nepal's Local Adaptation Plans for Actions** that was conducted by OCP, PRC and HELVETAS in 2017. Sharing some of the good examples of Local Adaptation Plans of Actions, she suggested that Nepal can take a proposal to GCF including the learning from LAPA. Describing the provision of 80% of fund transfer to local level as very good example to the world and learning opportunity also to GCF she underlined the importance of mobilizing the fund accessed from international level for the benefit of the most vulnerable groups at the local level. Local community might not be able to write proposals for such funds but they have to be given the right to suggest where and how to utilize that fund she said, adding international community has developed the Enhanced Direct Access (EDA) modality to ensure the most vulnerable groups' access to international fund. . Relating to the GCF gender policy, she said as per the finding of the research LAPA has ensured 50% benefit to the women, which is a very good learning.

Ms. Shanti Karanjit, UNDP Nepal

Ms. Shanti Karanjit from UNDP Nepal briefly reflected on the presentation of Prabin man Singh and highlighted some UNDP activities in Nepal. Her remarks revolved around how Nepal can mobilize both national and international climate funds more effectively.

Since Nepal has started broad discussion on climate finance every year, the amount of budget planned and spent on climate relevant activities is increasing thereby enhancing the government's ownership. Talking about the some key UNDP activities she said UNDP Nepal is working with Ministry of

Finance, NDA to GCF on GCF Readiness Programme helping to enhance the capacity of national entities to access funds from different sources. As government is playing certain role such as focal point to UNFCCC, GEF and NDA to GCF, every stakeholder need to work together and facilitate access to climate finance.

She also touched upon UNDP's support for lowering water level of Imja Lake, Renewable Energy for Rural Livelihood (RERL) and preparation of institutional framework and national systems related to climate finance. As Nepal has Climate Change Budget Code, Climate Change Financing Framework and climate finance related documents, it is high time for all actors to prioritize their activities based on different geographical conditions of Nepal.

Recalling Nepal's different international commitments such as Sustainable Development Goals and Paris Agreement she said, by the end of 2030 Nepal need to reflect on what we have done, where we are and where Nepal has reached. So she highlighted the importance of compiling all the scattered knowledge, data and information, which would be a good output that Nepal can show.

Dr. Pasang Dolma Shrepa, Centre for Indigenous Peoples' Research and Development (CIPRED)

In her remarks, Dr. Shrepa concentrated on how we can ensure the flow of fund to the local people who are most vulnerable. She also focused on the importance of engaging Indigenous people and women in mobilizing climate finance. Although the problem of climate change is global, the impacts are at local level requiring us to focus on local solutions. Expressing her doubt about actual implementation of the Climate Change Policy provision for mobilizing 80% of the international climate finance in the local level, she observed that despite Nepal's access to millions of rupees to address the impacts of climate change very few local people mainly indigenous groups, women and other economically and socially backward people benefited. In comparison to the flow of finance, the loss being borne by local people especially the indigenous and other backward people is very high, she said. Referring to IPCC report that has recognized the role of indigenous people in addressing impacts of

climate change, she highlighted the contribution of local people to natural resources management, climate change adaptation and mitigation by using their traditional knowledge and cultural practices. That is the reason why we need to ensure the flow of climate finance prioritizing the those groups' needs and priorities, she stated. Pointing out the failure of Nepal's climate finance governance structure to ensure representation of IPs and women in such structure, Dr Sherpa stressed the need for such vulnerable groups' representation to make finance more equitable, transparent and gender responsive. There is a need to recognize the community people including IPs and women as key actors and ensue the benefit sharing of resources based on cultural practices and indigenous knowledge, she concluded.

Dr. Keshav Raj Gautam: Ministry of Forests and Environment (MoFE)

Dr. Gautam said he has received some insightful suggestions and comments from the dialogue, which will serve as valuable input for the Ministry. He also spoke about the government plans and policies designed to address the impacts of climate change.

He informed participants that the Ministry is in the process of revising Climate Change Policy 2011 and Nationally Determined Contribution (NDC) as per the country's new federal structure. The revised climate change policy, that is yet to be approved by the Council of Ministers, has identified eight main sectors. They include agriculture and food security, forest, biodiversity and watershed, water resources and energy, industry, transport and physical infrastructure, tourism and cultural heritage, health, drinking water and sanitation, rural and urban settlement, and DRR and management. Climate finance management, gender and social inclusion, public awareness and capacity building, research, technological development and education as four cross cutting sectors. Focusing on climate finance management, he said the climate change policy is trying to identify national sources of climate finance, enhance access to international finance and ensure equitable mobilization of both national and international finance. Pointing out that the revised policy has also included the provision for allocation of 80% of the fund to local level he said through this policy, the Ministry will try to encourage the private sector to invest in

climate actions. The Ministry has already drafted the revised LAPA, gender strategy action plan and budget guidelines, he said, concluding that once all these policies are finalized they will provide the Ministry a way forward. The floor was open for discussion and questions and answer after the panelists gave their remarks. The participants' queries and observations have been briefly presented below:

- Nepal is in the process of revising the climate change policy. In Does the revised policy have a provision of 80% of international budget flow to local level and whether the revised policy has included Low Carbon Strategy or not?
- Is there a strategy or mechanism to track, if the 80% of fund was transferred to local level or not as mentioned by climate change policy?
- Despite growing impact of climate change, Nepal has very limited information and data. How we can address the scarcity of data?
- Many organizations and groups at local level are working to address the impacts of climate change. They are playing vital roles in sustainable management of resources with limited capacity. In this context, it is crucial to build the capacity of such groups. What the government is doing to enhance their capacity to access and mobilize the climate finance at local level?
- It is good that revised Climate Change Policy has included the provision for allocation of 80% of total fund to local level. But why the Environment Protection Bill which the Ministry has submitted to parliament didn't include the provision?
- How can we engage different organizations working at local level as Executive Entities right from the proposal development phase?
- How will the different plans and policies that the Ministry is revising address the issues of children and youth? Will there be meaningful participation of children and youth in the consultation meetings?

Each panelist addressed the participants' queries and concerns. Prof. Dr Benito Muller emphasized that priority must be given to the needs of the local people while designing the project proposal. Similarly, Dr. Keshav Gautam, MoFE informed all the participants that the provision of 80% fund flow to local level

is also included in the revised climate change policy. He also said during the consultations, the Ministry has ensured meaningful participation of children and youth, and their needs and aspirations have been reflected in the plans and policies. As Nepal lacks data related to climate change the Ministry is working to manage data and information related to climate change, he added. Anju Sharma emphasized the need to enhance the capacity of grassroots women's groups. Dr. Pasang Dolma Sherpa reemphasized the need to build the capacity of national entities and stressed for meaningful participation of indigenous people and women in climate related projects. Sharing the example of LAPA, Ms. Shanti Karanjit, UNDP said that local people have set very good example of projects implementation: all we need to do is allow them to take decision on their priority and needs. She also stressed the need to listen to the voice of people with disability, who are usually not heard and are most vulnerable during the policy formulation and project implementation process.

The panelists' response to the participants' queries was followed by formal conclusion of the event by PRC Executive Director Raju Pandit Chhetri.