



Summary of lessons learned from implementing the Policy and Institutions Facility in Nepal

About the Policy and Institutions Facility (PIF) in Nepal

The PIF was a £4.25 million UKAID technical assistance project which was implemented from 2017 to 2023.

The objective of the project was to integrate climate change and disaster resilience into planning, policies and major investments; and support government to access international finance at scale.

The PIF worked closely with government including the Ministry of Forests and Environment, the Ministry of Home Affairs, the National Disaster Risk Reduction and Management Authority, and the National Planning Commission.

The PIF in numbers



Funding:
£4.25 million



Duration:
6 years



125 technical
experts



200 events and
workshops



Outputs

20 policies and strategies
11 vulnerability and risk assessments
80 communication products



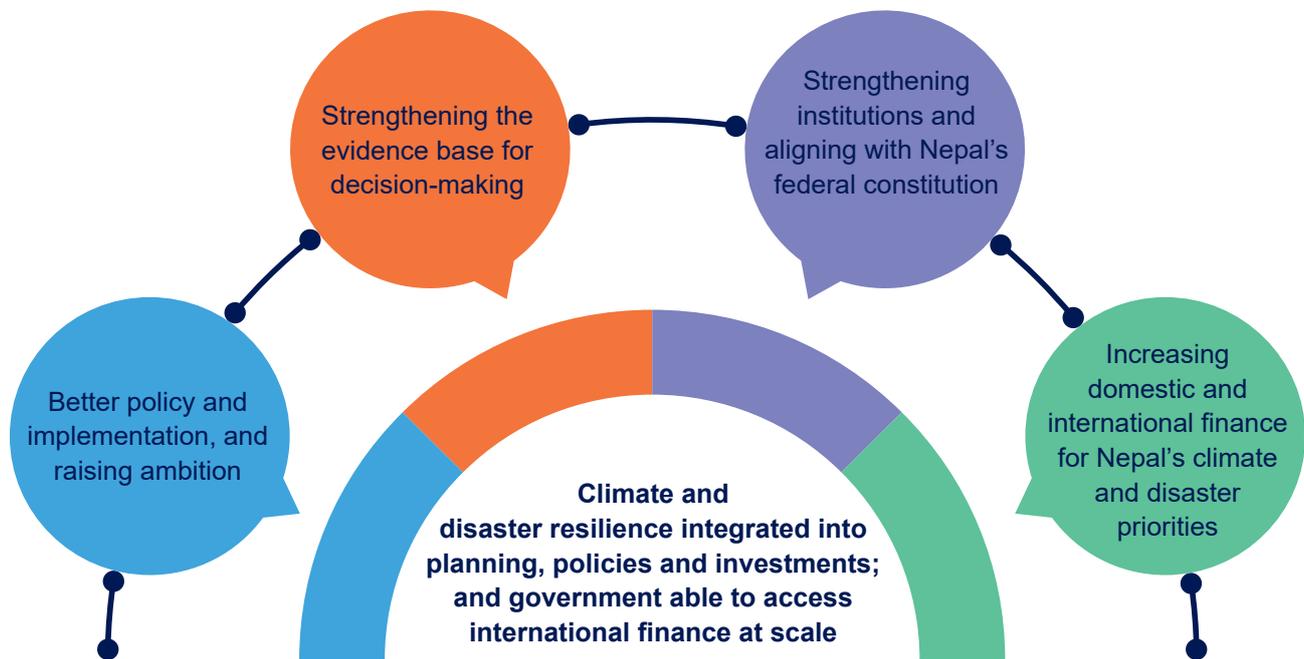
Impacts

Supported access to \$90 million of climate finance
Budget guidance covering \$290 million of additional
climate-relevant expenditure from 2017-2023



How did the PIF have impact?

The activities of the PIF contributed to four interlinked areas of change (or intermediate outcomes).



Better policy and implementation, and raising ambition: PIF support for strengthening climate policies

What we did?

From 2018 to 2020, the PIF supported the Ministry of Forests and Environment to prepare or revise four key federal government climate policies: the National Climate Change Policy, the National Framework of Local Adaptation Plans of Action, the GESI and Climate Change Strategy and Action Plan, and the Climate Resilient Planning and Budgeting Guidelines. Our work on these policies focused on:

- i) the technical quality of climate policies,
- ii) aligning them with the federal constitution; and
- iii) supporting implementation by ensuring each had clear actions for different parts of government.

How we did it?

The four climate policies were developed through a highly consultative process led by the Ministry of Forests and Environment and supported by the PIF which engaged across and outside of government. The PIF team provided technical analysis, supported extensive consultations and assisted with drafting the document.

What was the impact?

These policies were foundational to increasing government ambition and paved the way for greater attention to climate in budgeting, improved cross-government collaboration on climate, and the development of government strategy such as the revised Nationally Determined Contribution and the climate finance strategy and action plan. The revised Climate Change Policy was a prior condition for a \$45 million World Bank Development Policy Credit (Cat DDO) which had been delayed and moved forward after the policy was adopted.

How we worked with Government

The quality of our collaboration with government was central to success. Our approach to working with government involved:

1. Supporting the government to realise its vision and ambition for climate and disaster resilience.
2. Providing quality evidence and technical analysis at the pace government needed for its decision-making.
3. Supporting cross-government collaboration and consultations with non-government stakeholders.
4. Engaging government technical experts to ensure government owned and quality assured the technical detail of PIF outputs, not just final reports. The Vulnerability and Risk Assessment was a good example of this.
5. Products were co-created with decision-making held by government, and we supported approval processes with additional analysis or advice where requested.

The purpose of this approach was to ensure full ownership of the PIF's work by government. It also sought to ensure we added value and were not duplicating government functions or substituting for government capacity.

Strengthening the evidence base for decision-making Vulnerability and Risk Assessment

What we did?

The Vulnerability and Risk Assessment (VRA) aimed to improve the evidence for government and donors to better target climate and disaster management interventions, including international climate finance proposals. The VRA process was one of the largest investments the PIF made in terms of consultant days and cost. The PIF supported the process design, data collection and analysis and worked with government to prepare the final assessment reports and recommendations for adaptation actions.

How we did it?

The VRA exercise was designed with extensive oversight and quality assurance from government. It built on a methodology proposed by the earlier Action on Climate Today programme. Nine thematic Working Groups were formed, each led by a relevant line ministry. These groups quality assured the data gathered and the analysis that was published in the overarching report and ten sectoral reports.

What was the impact?

The final VRA provided detailed vulnerability mapping at national, provincial, and local level for the first time. The VRA was used to target or design projects funded by FCDO, IFAD, and WFP. The VRA fed into the National Adaptation Plan, NDC Implement Plan, and provincial climate change strategy and action plans, amongst others. The VRA has been widely used in other work for example, the indicators from the VRA were used to structure the Central Bureau of Statistics compilation of climate statistics.



Strengthening institutions and aligning with Nepal's federal constitution: Supporting the National Disaster Risk Reduction and Management Authority (NDRRMA)

What we did?

There were three phases of PIF support to the NDRRMA:

- i) pre-formation: supporting regulations to enact the DRRM Act and providing options for the staffing and the structure for the Authority;
- ii) support to NDRRMA operations including developing the Disaster Preparedness and Response Plan (DPRP) Guidelines, guidelines on management of volunteers and support for work on anticipatory action;
- iii) support for financing including the National Disaster Financing Strategy and the Disaster Fund Mobilisation Guidance.

How we did it?

PIF worked closely with both the Ministry of Home Affairs and NDRRMA to undertake work throughout the PIF project. This included legal work related to the DRRM Act, contributions to institutional planning for NDRRMA, policy co-creation, supporting design of implementation protocols and budget guidelines. In each case, we provided technical options, evidence and analysis, with government owning the process and final decision-making.

What was the impact?

Our work helped establish the guidelines that enabled NDRRMA to secure its first operational budget (over US\$ 10m) for the Disaster Response Fund. The DPRP guidelines have been widely taken up by organisations supporting local government with disaster management at local level.

The PIF Core Team

The PIF core team, based in Kathmandu, was critical for delivering impact, acting as the glue that bound together the different activities:

Government and client engagement: the core team maintained strong relationships with key government counterparts, undertook work supporting government on urgent priorities and understanding the political economy.

Managing activities: the Core Team was responsible for setting tasks, orientating and guiding consultants to ensure each activity fitted into a wider picture.

Technical delivery: the Core Team played a key role in quality assurance, undertaking technical work, addressing evidence gaps or tailoring analysis to meet government needs.

Supporting government approvals: the Core Team was able to follow up after technical analysis was completed and support government personnel during approval processes.

Responding to real-time government requests: the Core Team supported government with real time technical advice on fast turnaround issues, at need.



Lessons learned

Lesson 1: Long-term TA support

A six-year lifespan for the PIF was important for success. This timescale allowed the PIF to build impact and relationships over successive years and to support policy and institutional reforms. Due to the nature of policy compliances, approval of the final documents sometimes took place a year or more after technical work was undertaken. The duration of the PIF enabled us to be patient during elections or changes in personnel and to resume support when the conditions for progress returned.

Lesson 2: Flexibility of support

The flexibility to combine different tools and methods was critical to achieving change. Change was not linear and nor was our support for key workstreams. For example, in the run-up to COP 26, we supported policy, financing, consultations, and government and private sector communications related to climate change. This flexibility enabled us to be responsive to government and combine approaches to support change.

Lesson 3: Leadership from strong Nepali team

A technically capable and governance-focused Nepali Core Team was vital to supporting government using their processes and at their pace. A strong understanding of government approval mechanisms for policies, strategies, guidelines was important. The Core Team was also important for technical delivery, particularly supporting sensitive and fast-moving processes.

Lesson 4: Risk-taking approach and learning from failures

It is important for entrepreneurial facilities such as the PIF to be encouraged to take risks, and for some activities to fail. Most PIF activities achieved their intended impact, and some were more successful than hoped. And some failed. For example, we undertook political economy analysis of response to the Bara wind storm to inform discussions with NDRRMA and the Ministry of Home Affairs on disaster response. But the work did not generate the level of insight we sought and we shifted our focus back to the co-creation approach of working with government where we had greater impact (lesson 5).



Lesson 5: Co-creation with government

The majority of PIF's work with Government was co-created with government officials and mostly under government leadership. The PIF sought to ensure government ownership of technical detail, not just final products, for example by using technical committees and task forces to oversee complex technical work such as the Vulnerability and Risk Assessment, or evidence to inform the Long-Term Strategy for net zero. We offered analysis, evidence and recommendations, and always respected government authority to make final decisions.

Lesson 6: Government leadership was critical to success

The fastest progress supporting key reforms came when there was strong, consistent leadership in government and effective collaboration across Ministries. For example, our support for government in the run-up to COP26 and COP 27 worked particularly well. We provided substantial flexible support, and this was supported a clear Nepal Government vision for raising ambition and providing global leadership in Glasgow and Sharm al Sheikh.

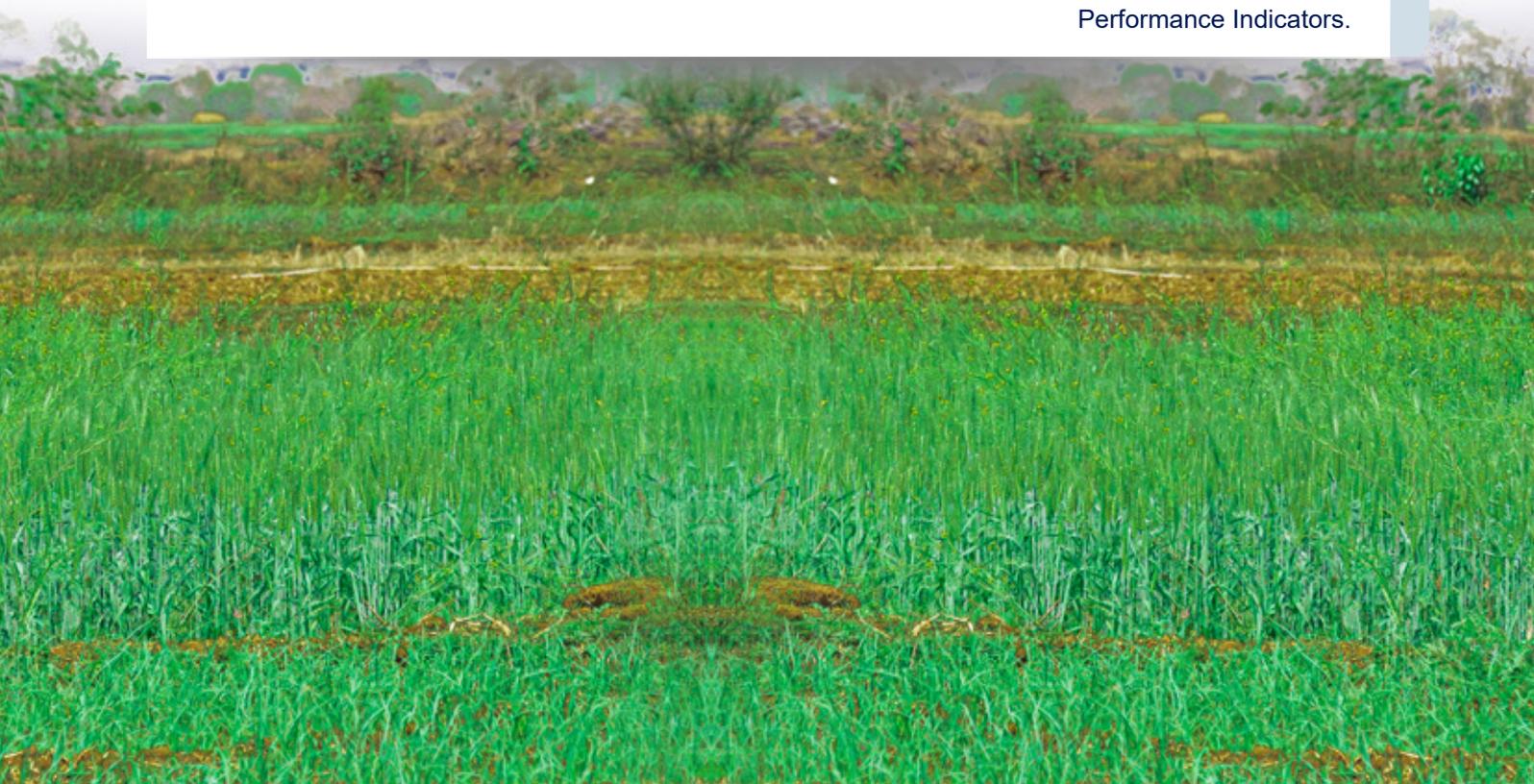
Lesson 7: Capacity building/System strengthening

Whilst capacity building was not a formal objective for the PIF, the project contributed to government capacity on climate and disaster resilience. Three types of capacity support are worth highlighting:

- i) technical inputs to institutional reviews such as of NDRRMA;
- ii) evidence, tools and policy co-created with government, such as the Vulnerability and Risk Assessment that government owns and uses; and
- iii) learning from technical collaboration on key processes, quality assurance and consultations.

Lesson 8: Incentives for collaboration

PIF collaborated with other FCDO projects. For example, the PIF undertook early work on renewable energy which was then continued by the Nepal Renewable Energy Programme once that project started. These collaborations worked best where FCDO made a request to both parties, but there was scope for us to be more consistent and proactive. FCDO Technical Assistance programmes could have stronger incentives for suppliers to collaborate, for example making collaboration a part of supplier Key Performance Indicators.



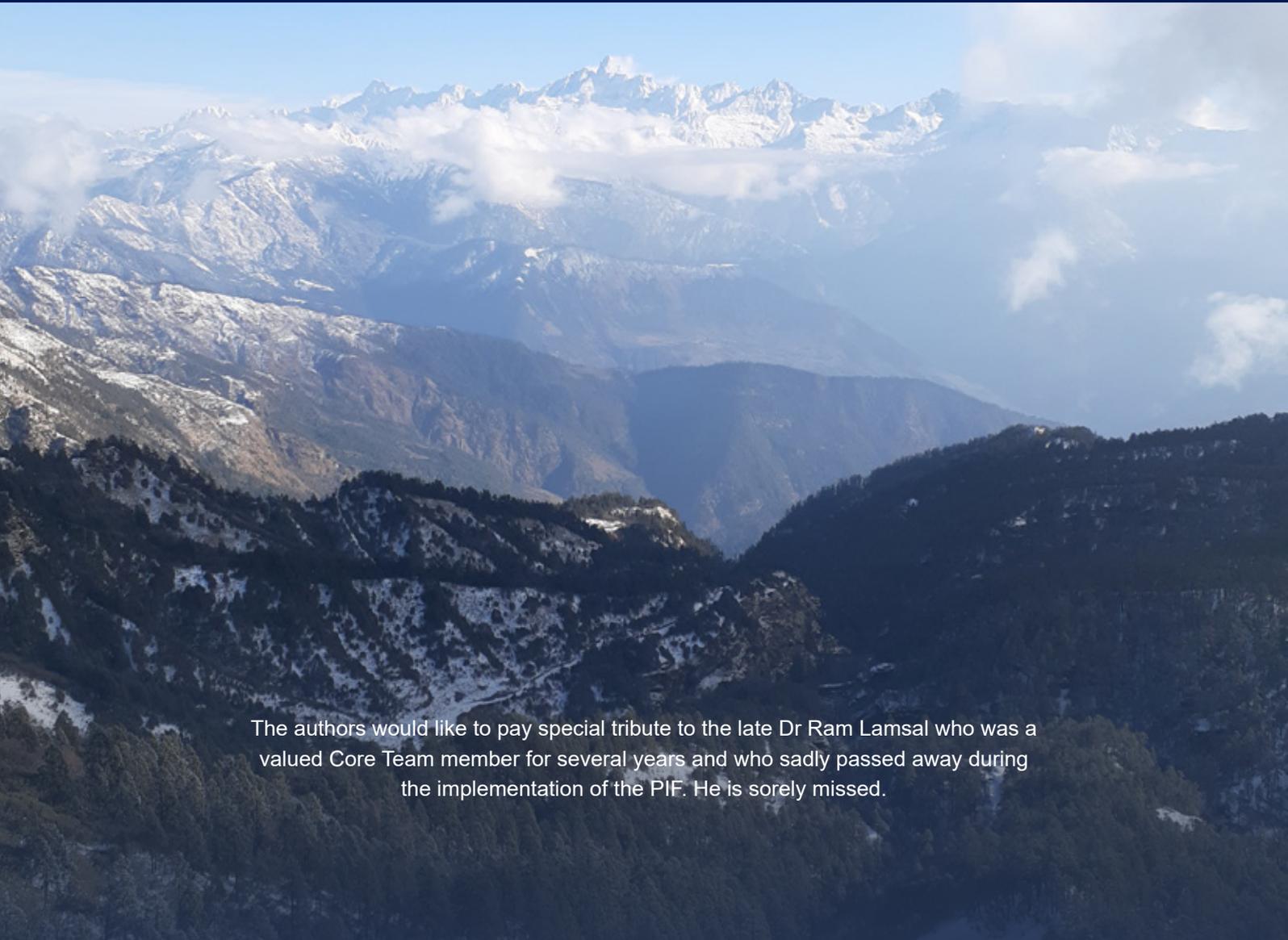
Acknowledgements

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The authors would like to pay special tribute to the late Dr Ram Lamsal who was a valued Core Team member for several years and who sadly passed away during the implementation of the PIF. He is sorely missed.