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Working Paper

# The institutional context for tackling climate change in South Asia

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## The institutional context for tackling climate change in South Asia

South Asia is at the forefront of global efforts to tackle climate change. The region is disproportionately impacted by climate change, and governments are putting in place policies and investing in new technology to build the resilience of the economy and people<sup>1</sup>. However, the success of these initiatives in reducing the long-term risk of climate change depends on the institutional context.

**The institutional context for tackling climate change refers to issues such as the level of institutional capacity, political will, available financial resources etc.** These aspects define whether and why tackling climate change is a priority for governments and their ability to define and deliver effective adaptation strategies.

Measuring the institutional context for tackling climate change is important for identifying the opportunities and barriers for effective adaptation in a particular location. It can therefore shape the design of a possible intervention and explain why it has been a success, or not.

This paper provides highlights of the institutional context for tackling climate change across South Asia based on an assessment carried out as part of the Action on Climate Today (ACT) programme (see Box 1). The assessment took place in late 2015/ early 2016 at the national level in Afghanistan, India, Nepal and Pakistan, and at the sub-national level in six states in India (Assam, Bihar, Chhattisgarh, Kerala, Maharashtra and Odisha).

**The results from this assessment process are location specific, and it is difficult to draw regional conclusions.** However, this paper draws out some of the trends and commonalities across the different national and sub-national contexts, as well as highlights where some of the differences lie.

### Box 1: About the Action on Climate Today (ACT) Programme

ACT is a five-year DFID funded regional programme which aims to transform systems of planning and delivery for adaptation to climate change. It is also attracting further climate change investment from the public and private sector. Managed by Oxford Policy Management (OPM), the programme is working with governments in Afghanistan, India, Nepal and Pakistan, and in six states in India (Assam, Bihar, Chhattisgarh, Kerala, Maharashtra and Odisha). Some of the activities include linking planning and budgetary frameworks on climate change, developing decision-making support tools, and creating strong systems for transparency, accountability and feedback. In addition the programme is providing technical support to design and deliver targeted climate resilience measures, such as early-warning systems for natural disasters, climate-smart agriculture practices, and urban flood planning.

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<sup>1</sup> CDKN (2014). "The IPCC's Fifth Assessment Report: What's in it for South Asia". Climate Development Knowledge Network (CDKN).

## Box 2: Methodology for Climate Change Context Assessment

Every year the ACT programme team carries out an assessment of the context for tackling climate change in each of the national and sub-national locations. This provides valuable insights about the environment within which the programme operates which informs the design and delivery of the programme's strategy and activities. By repeating the process annually it also monitors broad shifts in the governments' responses to climate change and in some instances highlights the programme's contribution towards this. In each location the process followed a common methodology which is as streamlined and light-touch as possible.

The assessment is primarily qualitative and focused around a Key Informant Discussion of at least ten stakeholders from outside government but who work closely with the government on climate change issues. These individuals also produce subjective ratings against some indicators. The opinions gathered from this group are then validated and refined against bilateral discussions with government officials, and third party reports and documentation. Unlike a public financial management style of institutional assessment, this approach does not aim to provide an objective analysis, but uses expert opinion to explore some of the difficult to quantify dimensions such as political will and capacity. The results are not published, and remain an internal working document.

The methodology for this assessment is published as a separate document.

This paper presents some of the common trends within each location against the key dimensions of the institutional context for tackling the impacts of climate change:

- Availability of accurate and relevant information on climate change and its impact on growth and development;
- Awareness and understanding of key stakeholders on the risk of climate change for growth and development;
- High-level political commitment to tackling climate change;
- Stakeholder participation and influence in the climate change decision-making process;
- Status of the policy framework for tackling climate change;
- Institutional coordination for cross-sectoral action on climate change
- Mainstreaming of climate change in sector development planning
- Budgeting and finance for adaptation

The rest of the paper discusses the results for each in turn, providing some examples of whether and how countries and states differ in their institutional context.

## Evidence base on climate change

A reoccurring explanation, from both government and civil society, for why there has not been sufficient action on climate change is a lack of evidence on how climate change will impact a specific locality and how to respond. **In reality it is not clear whether additional research would actually lead to more or better action.**

The scope and strength of the evidence base on climate change is not uniform across the region. In some locations, such as Maharashtra, comprehensive vulnerability and impact assessments have been carried out covering both current and future impacts and some disaggregation at the local level. However, in Afghanistan and Chhattisgarh, the evidence base is fragmented and not complete. With the exception of Nepal, there has been no national or sub-national comprehensive assessment of the economic impact of climate change. All locations are constrained by relying on an insufficient number of weather stations for historical data, and regional climate models with a resolution of 50x50km for future projections, which in these varied topographical areas limits the potential for useful local level analysis.

Even the research and information which is available, is not easily accessible, which limits the chance it will be read and acted upon by government. The vast majority of reports on climate change are only available on the author institution's website. You therefore need to know the report exists to be able to search for it online. Many academic institutions still publish only in academic journals, which are often not accessible to the public. There have been efforts to improve climate change knowledge management, particularly in India at the federal level with a number of government and civil society led online portals housing both analysis and data on climate change (e.g. India Environment Portal, ENVIS). The situation is even worse in Afghanistan where most of the evidence has been commissioned by international donors as internal documents and it never gets published.

It is very difficult to judge the extent to which the research which exists gets acted upon, or even read, by decision-makers. Most of the climate change policies and plans in the region include a chapter detailing the level of vulnerability of that location, but there is no obvious direct link between this evidence and the selection and prioritisation of adaptation options. There is also confusion between 'vulnerability' and exposure to climate change, for example, the Vulnerability Atlas of India mostly maps the degree to which different locations face different kinds of disasters, and does not example socio-economic profiles that drive vulnerability.

There are reasons on both the supply and demand side for why the level of research uptake is thought to be limited. The evidence which exists is sufficient to make a strong case to governments in the region that climate change poses a significant risk to development – such as, the Economic Impact Assessment of Climate Change in Nepal and India's 4x4 Assessment of Climate Change Impacts. Beyond this, it is not usually targeted in a way to facilitate uptake. It is often part of a research project which has its own agenda, and is not directly linked to a current decision or issue the government is considering. A lot of the research comprehensively outlines the problem, but does not go into detail on possible adaptation options.

In many locations, there is a limited culture of evidence-based decision-making, particularly in Afghanistan. However, in some locations it is common for the government itself to commission the research to inform a decision they have to make. For example, in Maharashtra, the Energy Department in 2015 was actively seeking out data and analysis from the Water Department, academics and civil society on water availability in different locations to inform the decision on whether, and where, to build a new coal-fired power plant.

### Case Study of a high performing location

Maharashtra scored highly in terms of the scope, accessibility and level of uptake of its evidence base on climate change. As a precursor to their State Action Plan on Climate Change (SAPCC) a comprehensive vulnerability assessment was carried out, including district level analysis and household surveys in particular climate change 'hotspots'. There has also been extensive research on the critical issue of water availability in the state. Although a lot of this research is not easily accessible to the government or general public (and the vulnerability assessment has not been made public), there is a culture of this research being used by the government within the decision-making process. In many cases government officials commission pieces of analysis to inform their work. However, like all locations, the politics surrounding particular issues (e.g. sugarcane crops) often overrides the evidence on them.

## Awareness and understanding of climate change risks and opportunities

Different decision-makers and stakeholders require different levels of awareness and understanding of climate change to be able to do their job effectively. An academic would be expected to have a very high level, whereas a senior politician would not need such a detailed level of expertise to make decisions, assuming they rely on evidence and advice of others.

In general, politicians in the region understand enough about climate change to be able to make speeches and statements about it. For example, in Sept 2015 the Prime Minister of Pakistan, Nawaz Sharif, declared he would prioritise climate change at the UN General Assembly, but then received widespread criticism for submitting a weak Intended Nationally Determined Contribution (INDC) a few months later to the UNFCCC<sup>2</sup>. Government officials can similarly produce or approve policy documents about climate change, although rely heavily on consultants for the drafting. There is a large and growing number of experts usually available locally from research institutions, NGOs, the private sector who provide the necessary expertise to decision-makers.

However, there are certain areas of confusion among decision-makers, and even within the expert group. In particular, the difference and connection between natural disasters and climate change. A single occurrence of flooding or drought is often either blamed on climate change completely, or the contribution of climate change is not recognised at all. Similarly, the role of particular development actions (e.g. construction in flood zones) in turning an extreme weather event into a disaster tends to be undervalued. In those locations with a strong environmental conservation movement and history (e.g. Kerala) there is also a lack of clarity about what is different between this 'green' agenda and climate change. The many terms confused with climate change, such as sustainable development, green growth, resilience etc. are used interchangeably without any clear understanding of the differences.

There is also a tendency among decision-makers to see climate change as a purely scientific issue, as well something associated with an international debate. It is not always recognised as a development risk and connected to their political priority of reducing poverty and economic growth. While governments may talk competently about climate change in a broad sense, they are less clear about how to respond. **However, if the debate is framed not in terms of climate change, but the specific climate risk they face, such as droughts in Maharashtra, floods in Pakistan, and sea level rise in Kerala, then the government tends to be well informed and able to discuss a range of contributing factors and possible solutions in detail.**

## Political commitment to tackling climate change

All national and state political leaders in these locations deliver speeches which reference climate change, and often pledge their commitment to tackling it. There is no public, high-level denial of its existence. As one stakeholder in Pakistan commented "*we now believe in climate change, but climate change is not a religion. We have to go beyond just believing in the science of something, to doing something*".

In addition to policy statements, there are also concrete policies and plans for climate change in place or being drafted in all the locations which suggest it is a priority issue for the governments. However, at the national level, all these documents have either directly or indirectly responded to a pressure, incentive or obligation from the UNFCCC, for example, National Adaptation Plans of Action (NAPAs) were developed with the expectation of attracting finance. Indian State Governments had a similar top-down pressure from the central government for preparing their State Action Plans on Climate Change (SAPCCs) including the promise of funding. Many plans and policies, including at the sectoral level, have also emerged as an output of a donor funded programme. Although these plans tend to have been externally motivated, this does not necessarily prove a lack of political commitment. Many have certainly been supported and launched by political leaders with varying levels of government ownership.

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<sup>2</sup> <https://www.thethirdpole.net/2015/11/18/pakistan-offers-nothing-to-paris-climate-summit/>

There is certainly a high level of political commitment to tackling some of the specific climate change risks facing various locations, although this is usually framed as commitment to tackling floods or droughts rather than climate change itself. However, even for these, the real level of political will is shown when tackling climate change comes into conflict with another political priority. For example, when a concern for flooding should prevent infrastructure being built in flood zones, or the risk of droughts should mean scaling back subsidies for sugarcane in water-scarce areas. With few exceptions, the so-called 'development' priority overrides the climate concern.

## **Participation and influence over decisions on adaptation to climate change**

Given the cross-sectoral nature of tackling climate change, there are a large number of stakeholders involved in the decision-making process. Stakeholder mapping at the national and state level illuminates the different power relationships between the individuals and organisations and highlights that while some individuals (e.g. senior politicians, unions, big business) may have high potential influence over a decision, they rarely participate in such decisions and therefore their actual influence is quite limited. Most decisions related to climate change are made within a designated nodal agency, usually an environment or forestry ministry or department. In all cases this agency is relatively weak, with very limited ability to enforce or even motivate other government actors.

The level of interaction between the government and civil society on climate change issues is mixed, primarily depending on the strength of civil society itself. In Afghanistan and Chhattisgarh there are few local NGOs or research institutes working on the subject, and as such there are rarely meetings or events held. At the federal level in India there are nearly weekly seminars, workshops or conferences held on climate change in New Delhi. In all cases civil society tends to initiate such interactions, and a government representative participates. Only in Pakistan and Nepal has a formal mechanism for regular interaction between government and civil society been put in place, although in both cases it is no longer active.

Citizen participation in policy formulation on climate change is limited in all locations. The normal mode of seeking the general public's opinion is to invite civil society actors to participate in meetings. In Nepal and India the Government has supported some initiatives to reach rural populations, using a mobile van and train respectively to hold conversations on climate change in different parts of the country. However, these are primarily tools for educating the public on climate change, rather than gathering their views.

**Table: Typical Stakeholder Mapping from across the region**

Stakeholder Group	Understanding and awareness	Priority and significance	Potential participation and influence	Actual participation and influence
Cabinet				
Minister of Environment				
Members of Parliament				
Head of Planning Department				
Secretary - Environment				
Secretary - line departments				
Nodal officer CC				
Senior/Mid officials - Environment				
NGOs (environment, agri)				
Research institutes (environment, agri)				
Large companies				
farmer unions				
Media				
Donors				
<b>Key</b>				
<b>Very Limited</b>	<b>Limited</b>	<b>Partial</b>	<b>Comprehensive</b>	<b>Very Comprehensive</b>

## Policy framework for tackling climate change

With the exception of Afghanistan (where it is under development) all locations studied have a cross-sectoral climate change policy and/or action plan, for example the National Climate Change Policy in Nepal and the National Action Plan on Climate Change (NAPCC) in India. There is a lack of clarity of the expected purpose and role of these policy documents, and whether they are a framework for mainstreaming of climate change across sectors, or a set of priority adaptation actions with an eye to attracting climate finance.

In most cases, the adequacy of the policy framework is lacking. This is partly as a result of the process followed to develop the document, which was usually led by consultants funded by donors with varied levels of government input and buy-in, and which did not follow a rigorous evidence-based process. In most cases the policy document is not 'implementation-ready' and does not include details on sequencing and prioritising actions, responsible actors, budget and timeline etc.

Although all the policy documents which exist have been formally adopted, the level of implementation is very limited. However, this is difficult to judge as only in a couple of locations (e.g. Odisha) has monitoring and reporting taken place. In many cases, the plans are an aggregate of existing or planned sectoral actions (e.g. expansion of irrigation) which have been included because of their potential contribution to adaptation. While these have been implemented, it has not been as a result of the plan.

As a result, in the methodology for this assessment, the definition of implementation is whether the policy has been the catalyst for any new or improved action or investment in adaptation. For example, even if irrigation was being promoted previously, the relevant point is whether the policy has resulted in a change in the amount or type or irrigation, or how and where it is carried out. In a number of locations, particularly at the state level in India, the plans have been a catalyst for new discussion. They have brought different stakeholders together, and supported the establishment of institutional structures. In only a few instances (e.g. India's Solar Mission) have the plans clearly resulted in additional investment. However, the National Adaptation Fund (NAF) is attempting to kick-start implementation of the SAPCCs through small project focused funding.



## Institutional coordination for cross-sectoral action on climate change

Tackling climate change is a particular challenge because it requires the involvement of virtually every sector and government line agency, and therefore effective coordination. The designated nodal agency is expected to facilitate this, but given they do not have authority over other government ministries and departments, their effectiveness is limited. However, in the highly bureaucratic environment of the government, even a relatively weak agency can have influence if the responsible officer is particularly senior in terms of years in office. Their authority can also be boosted if they have the visible support of a politician or senior most official (for example, the support of the Chief Secretary in Maharashtra and Assam has strengthened the ability of the respective Environment Department to coordinate action across government).

In many cases, one positive legacy of developing the cross-sectoral policy framework on climate change has been the establishment of some form of coordination committee across the line departments. These were set up to guide the development of the policy document, and in a few cases they have continued once it has been adopted and taken on the charge of monitoring implementation. However, in most cases they have stopped meeting, or meet very occasionally and without resulting in any meaningful decisions.

### Case Study of a high performing location

Odisha scored highly in terms of the adequacy of the policy framework for tackling climate change, and the level of implementation and monitoring and reporting. The Chief Minister took personal charge over the process of developing their State Action Plan on Climate Change (SAPCC) which ensured that senior officials in the line departments took the process seriously. For example, even though the guidelines from the central government stated that the plans should focus on adaptation, the State Government insisted on including a GHG inventory and mitigation action. Since its adoption ownership within the line departments has not been maintained to the same level, and there are questions about whether it has really influenced new and additional investment in adaptation. However, the state has been a forerunner in monitoring and reporting on implementation, and has developed a second phase of the plan. The Government has calculated that 4% of its total development budget for 2014-15 went to tackling climate change, of which 41% was focused on adaptation.

## Mainstreaming of climate change in sector development planning

For both implementation of the policy framework, as well as generally mainstreaming of climate change within development plans and budgets, sectoral line ministries are crucial stakeholders. Their capacity is mixed, those at the front line of climate change impacts such as the agriculture and water sectors, tend to have a better understanding of what action is needed and the resources and skills to do it.

In nearly all cases, the cross-sectoral policy framework on climate change is not a motivating factor for mainstreaming. In many cases, the line ministries and departments are not aware of its existence, let alone their responsibilities for implementation. There are however ad-hoc efforts taking place to address climate change within different sectors, although often framed in terms of dealing with a particular specific risk such as water scarcity. For example, in Maharashtra, the government has launched a flagship scheme on water conservation 'Jalyukt Shivar Abhiyaan' but without any direct link to long-term climate change. As such initiatives are not guided by any long-term holistic vision of the state for tackling climate change, the cross-sectoral linkages are often being missed, and the risk of maladaptation increases.

There are increasing efforts to engage with the line ministries and departments in climate change planning, often led by donor funded programmes. Although there is strong interest in tackling some specific risks, particularly those connected to natural disasters and water availability, there is also

initial scepticism about whether tackling climate change itself is within their remit, or the responsibility of their environment colleagues. In some states within India this thinking is being overcome by establishing nodal officers within each of the line departments who have dedicated responsibility for climate change within their sector. Although in reality this is an additional charge for the officer, and they are limited to acting like a 'post office' for receiving and distributing official mail from the Environment Department.

## Budgeting and finance for adaptation

Insufficient financial resources is often used as a reason by the government for inaction on climate change. This is partly due to a misconception that adapting to the impacts of climate change is something additional or different from regular development activities. Although it could also reflect a wish to attract additional finance from the various national and international climate funds.

An analysis of climate change expenditure shows that governments are already spending a considerable amount on both adaptation and mitigation. If a 'benefits-based' approach is used, which assesses the proportion of total benefits of a development programme or activity (e.g. irrigation project) which can be classed as contributing to tackling climate change, then current climate change expenditure is around 1% of GDP. This figure is significantly higher if you count the entire development programme or activity as tackling climate change (an 'objectives-based' approach). Most efforts to track climate change expenditure have been led by donor funded programmes, and there is often a lack of interest or some resistance to focusing on the use of domestic budgets.

There is considerable interest in attracting international climate finance. Even if the actual scale of the finance available is very small compared to domestic budgets, the fact that it is flexible is very attractive. In India, the central government established the National Adaptation Fund (NAF) to competitively fund state level adaptation activities as part of their SAPCCs. Despite only having a total annual budget of around £20million, which divided between all the states is a fraction of what a typical development programme would receive, it has been a catalyst for motivating new discussion and action around the SAPCCs. In particular because the central government put certain requirements to accessing the funding, such as the SAPCC being in place and having project proposals approved by a state level coordination committee. Similarly at the national level in Pakistan and Afghanistan, the potential of accessing funding from the Green Climate Fund (GCF) has meant the governments have invested in their own internal capacity and established the necessary institutional structures, although in both cases with external support including from ACT.

Although climate finance has had a positive result in terms of increasing political will for tackling climate change and improving some of the governance arrangements, it also runs the risk of 'projectizing' the issue. The project proposals being put forward are essentially development projects which provide significant adaptation benefits. However, the entire cost of this project is being covered by the climate funds, rather than just the additional cost associated with 'climate-proofing' the development activity. This therefore works against the idea of mainstreaming climate change within existing development plans and budgets.

## Conclusion

The institutional context for tackling climate change in South Asia is varied, and there are stark differences between different countries and states in India. However, there are some common trends which give an indication of the direction of travel for adaptation in the region. The below table summarises where there was diversity or similarity between results from different locations for each of the dimensions.

Table: Trends in institutional context for tackling climate change in South Asia		
Dimension	Diversity in results	Similarities in results
Evidence base	<ul style="list-style-type: none"> <li>Evidence base on climate change is comprehensive in some (e.g. Maharashtra, federal level in India), very limited in others (e.g. Afghanistan, Chhattisgarh)</li> </ul>	<ul style="list-style-type: none"> <li>Very few examples of when the government has been influenced by a new piece of evidence, apart from if commissioned by the government itself.</li> </ul>
Awareness and understanding	<ul style="list-style-type: none"> <li>Higher level of awareness and understanding where facing immediate impacts of climate change (e.g. Maharashtra, Pakistan) than those facing more long-term, distant threats (e.g. Chhattisgarh).</li> </ul>	<ul style="list-style-type: none"> <li>Confusion about connection between adaptation to climate change, disaster risk reduction and sustainable development.</li> <li>Lack of knowledge within the government on costs and benefits of adaptation options.</li> </ul>
Political commitment	<ul style="list-style-type: none"> <li>Political leadership on climate change sustained over a number of years, and trickled down to senior officials in some (e.g. Odisha).</li> </ul>	<ul style="list-style-type: none"> <li>Political leaders refer to climate change in speeches and policy documents</li> <li>A policy framework for climate change is in place (or being drafted).</li> <li>High political commitment to tackling the specific climate impacts already being felt.</li> </ul>
Participation and influence	<ul style="list-style-type: none"> <li>Very vocal and active civil society on climate change in some (e.g. Kerala), much more limited elsewhere (e.g. Chhattisgarh, Afghanistan)</li> </ul>	<ul style="list-style-type: none"> <li>Nodal agency for climate change one of the weakest across government</li> <li>Donors are influential in putting an issue on the agenda through technical assistance.</li> </ul>
Policy framework	<ul style="list-style-type: none"> <li>Formal monitoring and reporting of implementation started in a few (e.g. Odisha, federal level India) but not others</li> <li>The policy has been a catalyst for new discussions and institutional reform in many (e.g. Pakistan, Assam), but not some (e.g. Bihar)</li> </ul>	<ul style="list-style-type: none"> <li>Lack of clarity on purpose and value of the cross-sectoral policy document</li> <li>Policy framework has weaknesses</li> </ul>
Institutional coordination	<ul style="list-style-type: none"> <li>Authority of nodal agency boosted by involvement of highest-level official in some (e.g. Assam, Maharashtra)</li> <li>Coordination committees operational in some (e.g. Pakistan, Maharashtra), but not others (e.g. Bihar, Chhattisgarh)</li> </ul>	<ul style="list-style-type: none"> <li>Even if coordination committee is operational, it is not regular nor making meaningful decisions</li> </ul>
Sectoral mainstreaming	<ul style="list-style-type: none"> <li>Proactive mainstreaming taking place autonomously by some sectors where impacts already being felt (e.g. Maharashtra)</li> <li>Dedicated nodal officers for climate change in particular sectors designated in some (e.g. Odisha), but not others</li> </ul>	<ul style="list-style-type: none"> <li>Cross-sectoral policy framework is not a motivating factor for mainstreaming</li> </ul>

<b>Budgeting and finance</b>	<ul style="list-style-type: none"><li>• Some receive a much higher proportion of international climate finance (e.g. Nepal, India) than others (e.g. Pakistan, Afghanistan)</li></ul>	<ul style="list-style-type: none"><li>• Although difficult to compare, most spending approximately 1% of GDP on actions which are contributing to reducing climate change</li></ul>
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