



News from CDKN: How much does climate change cost Nepal?

Work officially got underway in October 2012 on calculating the economic impact of climate change in the water and agriculture sectors in Nepal. The Ministry of Environment, Science and Technology (MoEST) is leading the process, with a Project Steering Committee including senior officials from across ministries and departments, setting the overall direction of the project. CDKN is supporting the Government by providing technical assistance, implemented by IDS-Nepal, Practical Action Consulting, and GCAP.

Following a thorough inception period, the scope of the study and what it hopes to achieve has been agreed. Over the next 12 months the team will be collecting data, running models and holding consultations to identify the cost of current climate variability and extremes, as well as the risks to current plans over the short-medium term and the longer term impacts and economic costs of climate change. The final 'headline' economic figures will be used by the Government to highlight within Nepal, and to the international arena, that climate change is a development issue of highest priority for the country.

Highlights of Recent Impact

- The [Nepal Climate Change Knowledge Management Centre \(NCKMC\)](#) has completed a 12-month project with CDKN to increase its visibility and effectiveness. The activities that have taken place, such as policy dialogues and the packaging of scientific information into locally relevant products, has proven to other donors that NCKMC is a valuable asset, with many now stepping forward to add extra support.

Local stakeholders are also now using the centre as a resource for reliable information. For example, Ghanashyam Khadka, Sub-editor, the Kantipur national daily, has said that "NCKMC's e-bulletin Nepal Climate Update has been a convenient tool to get comprehensive information on climate change activities in Nepal."

How we provide support in Nepal

Providing targeted demand-led technical assistance and research to support a **coordinated and participatory** climate change and development policy-making process which is **led by local and national priorities**.

Total budget committed to date: approximately GBP 900,000.

CDKN Partners in Nepal:



Nepal on the rise as a Global Leader on Climate Change



"Considering the fact that Nepal is chairing the LDCs Group for 2013-2014, the orientation provided by IDS-N has provided us with an excellent opportunity to learn more about the negotiation content and process, which is a prerequisite to showing leadership in the multilateral negotiations". **Prof. M. Koiral, Member, Climate Change Council**

Feedback from the Orientation Programme for Nepal's Core Negotiating Team (CNT) in Oct 2012

"The orientation has provided an important opportunity to the participating officials to realise the need of climate diplomacy in their respective ministries, and be prepared accordingly".

Dr Devkota, Former Vice-Chair, National Planning Commission and Project Team Leader, IDS-Nepal

"The orientation has enriched my outlook towards the art of international negotiation. I am deeply impressed by the experiences shared by Nepalese former diplomats during the orientation".

Mr. H.P. Pandey, Under Secretary, Ministry of Finance

"The orientation has provided us with enormously useful information on the state of the UNFCCC negotiations. But it is just the beginning."

S.K. Rimal, Under Secretary, Ministry of Forest and Soil Conservation

"The success of the orientation will depend on whether the negotiating team put to use what they have learnt at COP 18 in Doha and beyond. We will be monitoring this closely. However, on the concluding day, each participant certainly had a new found confidence, and excitement in contributing significantly to the negotiations. As they shook hands to say goodbye, they were also saying "see you in Doha" with a smile on their face!" **Dr. Tara Nidhi Bhattarai, Programme Facilitator, IDS-Nepal**

Story of Change:

The Government has recognised for many years that effective engagement with international climate change talks is crucial for Nepal's development. As a country highly vulnerable to the impacts of climate change, Nepal is set to suffer if binding emission reduction targets are not agreed. The country also has an interest in making sure the climate finance instruments and pledges are adequate and fairly governed.

Since 2011 CDKN has been supporting the Government to participate more strategically, and pro-actively, with the UNFCCC negotiations. IDS-Nepal has been providing technical assistance to the Government, including facilitating coordination and planning meetings, organising side-events at COP and a training session for the newly formed Core Negotiating Team (CNT).

This small amount of technical inputs and support has given the Government a new found confidence, which has had a transformational impact. In April 2012 they organised an International Conference on Mountains and Climate Change, hosting Governments across the world to promote collaborative action and advocacy. In May, the Government was elected chair of the LDC Group in the UNFCCC, a testament to their reputation and standing within the international arena.

Update on CDKN Projects in Nepal

Economic Impact Assessments of Cost of Climate Change in Nepal April 2012- Nov 2013

The project team (IDS-N, Practical Action, GCAP) have completed the inception period, with the Government Project Steering Committee approving the Inception Report and Implementation Plan. This gives the overall scope of the project, and which sub-sectors within the Agriculture and Water sectors will be studied.

The Government have also identified where and how the findings will be used, with links to the Low Carbon and Climate Resilient Strategy underway by the Alternative Energy Promotion Centre (AEPC) already being discussed.

In the next couple of months a capacity building programme will also be launched for local officials and researchers to understand why and how economic impact assessments can contribute to better climate and development planning.

Integrating climate indicators within the Food Security Monitoring System (NeKSAP) – Nov 2011 – Dec 2012

The WFP and ISET-Nepal have finalized and tested a set of new indicators which will allow NeKSAP to collect vital climate change data. These are being put to use in pilot areas where data from around 1,000 households will be collected. The full framework, including the methodology and the lessons learnt, will soon be launched with the Government. Attention will then turn to where and how to replicate the success of this initiative.



Nepal strategic engagement with UNFCCC – Nov 2011 – Jan 2013

The project, managed by IDS-N, was gearing up to COP18 in Doha in December. A successful orientation Programme for the newly formed Core Negotiating Team (CNT) was held in October. A resource book for this team, outlining the key issues in the negotiations for Nepal, is also being finalised. The team also organised a successful Government side-event at COP18 focusing on Mountain Issues.

Disaster Risk Reduction and Climate Change Adaptation in Koshi River Basin, Nepal – Aug 2012 – Jan 2014

A new research project, being implemented by NDRI, has been launched. It will assess the impacts of climate change on current and future development in the Koshi River Basin, due to increased variation of extreme climate and hydrological events, and to propose adaptation measures and policy innovations for disaster risk reduction and climate change adaptations.



Nepal Climate Change Knowledge Management Centre (NCKMC) – July 2011 – Aug 2012

With the project formally completed, CDKN is working with NAST and the Government to ensure that what has been achieved under the project is carried forward. There has already been a commitment from the Government to fund some of the ongoing activities. Discussions are also underway about whether, using PCCR funding, NCKMC can be further strengthened.

The Economics of Climate Change by Elizabeth Colebourn and Ram Chandra Khanal, CDKN

New research and evidence is published every week on the impact of climate change in South Asia: changing rainfall patterns, projected temperature rises and whether and the extent to which the Himalayan glaciers are melting. We also see and experience the complicated relationship between the physical impacts of climate change, and its effect on economic development.

In Delhi we have just survived what was reported as the hottest summer in 300 years, which caused regular power blackouts as everyone turned up their air conditioner on full. While in Nepal, repeated dry winters have in recent years caused major cereal deficits. Governments in the region recognise that their **economic growth and poverty reduction efforts are being put at risk by climate change**. But, by how much, and exactly how and where is less clear.

Yet this detail is vitally important. Knowing the breakdown of the economic impact of climate change allows Governments to target their scarce resources and direct their policies at where it will have most benefit.

A growing number of donors and institutes have recognised this and an 'Economics of Climate Change' research agenda is developing. CDKN's project with the Government of Nepal is contributing to this aim. The project, being implemented by IDS-Nepal, Practical Action Nepal and GCAP will focus in detail on the important **agriculture and water sectors in Nepal**. As well as considering the potential economic costs of climate change, it will also develop a climate compatible adaptation pathway, using multiple lines of evidence.

The project will start by studying **existing impacts of climate variability and extremes**, as well as emerging climate trends. By grounding this analysis in current and planned development policies, the project will look at the key risks – and the priorities for building resilience – in national and sector policy. It is also considering the **medium to long-term economic effects of climate change**, sampling across a range of downscaled climate projections for Nepal to capture uncertainty. Adaptation pathways will then be developed which include the early actions needed to address the potential long-term economic costs.

The project has a strong capacity building theme, and will undertake extensive stakeholder consultations. The aim is to provide practical policy-relevant information and to support the Government to assess the potential effectiveness of different policy options and climate compatible development pathways.

While the work of CDKN and others is advancing the state of knowledge, the economics of climate change remains an emerging field. There are some big questions which everyone is grappling with. For example, how to consider uncertainty within the climate models and translate this into robust and resilient adaptation? How to combine bottom-up and top-down data and modelling? How to effectively link the time periods of assessment – short, medium or long term? CDKN's project in Nepal will provide a valuable case study for how to tackle all such questions and advance the methodology considerably.

For the full version of this article, visit www.cdkn.org/regions/asia/

What is the Climate and Development Knowledge Network?

CDKN is an alliance of six private and non-governmental organisations operating across four continents. The network provides support to decision makers in developing countries to design and deliver climate compatible development. We do this by combining research, advisory services and knowledge management, in support of locally owned and managed policy processes. We work in partnership with decision-makers in the public, private and non-governmental sectors.

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