Local urban climate governance in Nepal: The interplay between national governments and aid agencies.

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Abstract: Multi-lateral aid come from various Bilateral–aid agencies that play a crucial role in supporting developing nations around the world to address climate change issues. Despite significant effort from aid agencies, it is not clear how aid is received and distributed at local level in recipient countries. This paper highlights some of the challenges associated with funding obtained and utilised particularly to address climate change adaptation via case study of Kathmandu, Nepal. This empirical research is funded by the Government of Australia.

This research draws on PhD research including a review of the literature and in-depth interviews with governing actors such as local planners in Kathmandu, climate experts, academics, and community members. The study focused on understanding the impacts of international and aid agency investment in climate action at the local urban scale. Key findings reveal that over the past decade significant resources were spent in capacity building programs nationally, but with limited contribution at the level of local adaptation in the urban regions. Local governing agencies and authorities have little capacity to address urban scale needs. Results of the study suggest that the process of distributing aid funding and evaluation of its impact is not transparent. This raised a number of questions around the legitimacy of governing climate change adaptation programs from the top down.

Key words: sustainable goals, Aid agencies, climate funding, local climate governance, actors, adaptation, developing countries, climate finance

About the research: This short paper is based on PhD research involving an empirical case study focusing on urban actors across different levels of governance in Kathmandu city. The research draws on a literature review of climate governance, focusing on the role of aid agencies targeting climate change impacts in least developed countries. In-depth interviews were conducted with representatives of local, district, regional and national level actors who contribute to climate change adaptation in Kathmandu. Respondents included policymakers, local government officers, regional governing bodies, business, experts, NGOs INGOs, community members and planners. Interviews were undertaken between July to October 2016 in Kathmandu Nepal.

1. Introduction

Multi-lateral aid agencies are a group of countries or donors that provide the support to specific countries in need, for example, UN system organisations and the World Bank. Bi-lateral agencies work between one donor country or institution and the fund receiving country and they provide technical and voluntary support to donor countries and institutions such as OECD [1, 2]. The status of the least developed countries is decided by the UN Development and Policy Analysis Unit based on their GDP and other capabilities[3, 4]. Major investments and donations to support climate change adaptation actions come after the United Nations Framework Convention on Climate Change [5] which has set a goal to raise $100 billion every year by 2020 [5] after the Paris COP 21 2015 [5, 6]. Aid agencies have a set of criteria, conditions and goals which funding supports. Donors expect the recipient country to
respect and follow the criteria in order to receive the funding. The conditions set by the donors are intended to ensure transparency and efficiency. Donors have to be careful about the political influence over the funding distribution, appropriateness of the project according to the context and adaptation requirement and urgency of targeted countries [2]. Despite the enormous funding directed towards mitigating and responding to climate change impacts, least developed countries are still struggling to efficiently plan or respond to the increasing challenges presented by climate change. Because Nepal is ranked as one of the most vulnerable counties to climate change impacts[7], it is listed as one of the top donation recipients by aid agencies. Sustainable development goal 13 on climate action promotes the adaptation action in developing countries, Nepal, as a member of the UN, is a part of this global initiative [5].

This short paper discusses role of aid agencies in addressing the impacts of the climate change in Nepal at the local scale. It examines their strategies, approaches and relationships with a range of key actors using case of Kathmandu, Nepal. Key findings of this research unveil that local actors (including local governments, NGOs, climate experts/activists, private organisations) are concerned about the methods and approaches used by the aid agencies to address local adaptation issues and their role in policy development and implementation. The findings indicate that there is little evidence of effective coordination between local, national and aid agency actors in local urban climate governance.

2. Aid agencies as a major contributor of climate change adaptation

Donor agents have become a major contributor to climate change adaptation actions in developing countries for many years. Most of the climate adaptation policies, plans and programs in developing nations would not have been implemented without financial backing by the donors. Aid is not always about money; it includes commodities and services which are difficult to measure. The recipient country also contributes through administrative duties, raising awareness about the fund and its goals and disbursement. They provide funding and time to manage the aid [8]. Furthermore, the donors have their interests and criteria which can affect the selection of recipient country. The fundamental norms the aid agencies set for their working areas include that the nation has good governance, there is an absence of violent activities and conflicts to keep themselves safe from any risk and controversy[9]. The outcome of these selection criteria often means those from poor countries with poor governance and domestic conflicts do not receive the aid they need [4]. This means they are left to manage the impacts and consequences of the climate change.

Policy documents of donors reveal that aid agencies acknowledge the rights and responsibilities of local-level governance; however, this is not necessarily demonstrated in practice by the recipient country and the donor institutions due to a lack of monitoring by donors [10, 11]. In developing nations, National ministries like agriculture, water, and environment are the prime recipients of climate change adaptation funding. In other cases, funds may go directly to large INGOs such as USAID/GIZ in their country office, but they must maintain the relationship with local partner NGOs and government officials in order to implement their climate action programs [8, 12]. While international climate change adaptation standards and methods frame how donors contribute aid nationally this does not adequately account for the particularities of each country or diversity of local settings including biophysical factors, political conditions and governing systems[13]. Existing practice suggests that donor agencies do not always include private actors who must contribute to climate change adaptation action in the long run together with local and national actors in the planning phase of climate support programs. Recognition and inclusion of the private sector is crucial for the long-term success of adaptation efforts in low-income countries because they can identify and support local adaptation measures [14]. Aid agencies as a key financial backer of adaptation planning largely work in partnership with governments than private sector. In this context the role of donors and government is discussed further.
Adaptation finance is widely discussed in climate change adaptation literature and involves global and national funding mainly addressing policy outcomes. Attention focuses on processes of multi-scalar implementation but often ignores the local outcomes and effectiveness funding in recipient countries [12]. Many financial intermediaries support the disbursement of climate finance from the primary source to the target users [11]. Even though there is a system that allows for the application of funding at the local scale, organisations such as city council have limited capacity, resources and expertise to effectively work through the accreditation process[15]. The trend which sees aid agency adaptation funding mainly directed towards at national governments rather than local governance continues. Colanbrander et al. [11] explained the barriers of adaptation finance, where they summarised these challenges into four elements (p.906): 1) Structuring of participation; where many countries are absent from decision-making processes around distribution of climate funds at the global level leading to top down approaches where local funding is competitive rather than needs based; 2) Legal obstacles; Only national governments are the legal receivers of climate change funds, and there is a lack of international policies which provides equal rights for local governments to receive funds directly this includes informal settlements often excluded from aid benefits; 3) Economic requirements; Donors often choose larger infrastructure projects to fund such as sea walls, dams, normally lead by central governments rather than funding local, community-based adaptation and capacity building for local actors; and 4) Capacity deficit; Local actors, lacks capacity to apply and access funding often due to poor urban planning, project design and other technical or financial capacities making it very challenging to attract the international funds their country receives every year. The next section presents research findings highlighting how the trend of adaptation finance implemented by bi-multi lateral aid agencies is impacting local adaptation actions from policy discrimination to planning and implementation in local urban areas.

4. Findings and Discussion

The findings from this research reveal that the funding of adaptation actions focuses on national government large infrastructure projects and enabling ongoing work for a few aid agencies. Funded adaptation actions are limited to activities such as learning visits, policy formulation and awareness-raising training at the central level with the intention of expending the budget within a deadline. The process largely excludes private and non-government actors with little transparency as to how the funds was used, and what are the outcomes at the local scale [16]. Local governments and non-government actors have very little opportunity to question national government and aid agencies on funding outcomes.

The research found that interviewees who worked with government and aid agencies witnessed irregularities of funding implementation but could do little to address these. There is also limited knowledge transfer through funded projects. One of the respondents and planning officials stated that; “Local government officials have knowledge but do not know where to transfer it or they do not wish to transfer”. The dominant form of capacity building focuses on providing climate related training in the capital city, however there are very few skilled people in the local governing bodies who have the skills to implement climate policies. They also lack the authority and institutional capacity to translate the transferred knowledge and skills into practice. One of the respondents stated: “Five hundred and eighty-six million US dollars has been donated to Nepal for climate change adaptation. I have not witnessed any project on adaptation except one ‘lake Hemja lake adaptation program”’. While climate vulnerability studies (based on natural resource degradation) identified Kathmandu metro and Bhaktapur sub-metro as vulnerable cities [7], those cities were not included for adaptation funding. There is a perception amongst program officials that urban areas are better equipped to deal with the consequences of climate change. A major aid agency representative involved in funding programs suggested that they prioritise and support poverty reduction programs conjoining with other issues including climate change.

According to donors, they face some issues while working simultaneously with government bodies and
impacts; therefore, government bodies find difficult to internalise climate change impacts. The other is that the government has very few climate change experts to advise them. Generally, aid agencies choose districts where the majority of people are poor as they are particularly interested in programs that support human development goals and reduce the poverty. This has been prioritised globally as a primary focus for donor actions. This means they tend to work mainly in locations which need assistance the most, this practice directed little support to cities who are considered to be well equipped to manage climate issues. One of the interviewees, representative of aid agency said that they often use their poverty vulnerability assessment procedure as the basis of their working plan to select the projects and locations as a result urban area are excluded. Visited municipalities in Kathmandu have received no formal adaptation programs until the data were collected. A key challenge includes a lack of capacity to identify the parallel geographical, demographic and climatic issues facing by cities and regions. This means there is limited climate action and planning to address climate change impacts.

5. Conclusion

This research has found that the process of aid agency fund distribution and outcome evaluation is not transparent. There is limited credible evidence that demonstrates how donors along with national government are ensuring that funding is addressing the adaptation needs at the subnational and local scale. This raises some issues around the legitimacy of governing climate change adaptation programs from the central level to local scale. While there are very clear responsibilities for government officials at the national level. local governing authorities are unaware and confused about their accountability, responsibility and duties to implement climate policies and programs. This top down approach provides little guidance and coordination between national and local levels. Despite the aid agency funding received by Nepal, there appears to be little evidence of local capacity building and engagement with local urban actors to address climate change adaptation challenges.

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