

NEPAL RISK OUTLOOK

Issue #8 April 2022

www.riskoutlook.org



Climate Change Negotiations and Diplomacy

POLICY BRIEF

IIDS | Institute for Integrated
Development Studies • 1979

NIPoRe
Nepal Institute for Policy Research

Summary

As the debates on climate change become more prominent in recent decades, countries around the world have been taking initiatives at the national, regional, and global levels. In this context, Nepal too has taken a few meaningful initiatives in the past three decades using diplomatic mechanisms aimed at managing the impacts of climate change on the country. The current brief highlights a brief history of climate change negotiations, Nepal's role so far and the way forward.

Introduction/Background

Climate change is one of the most fundamental challenges ever to confront humanity. Its impacts are already showing and will intensify over time if left unchecked. Climate change has threatened not just development and human security, but global peace too. Reports¹ indicate that the water crisis, intensified by climate change, is already brewing wars. A WHO report² estimates that 216 million people will be forced to migrate (internally) by 2050 with 40 million forced migrants in South Asia alone.

Climate change affects the globe, though the intensity varies across the regions. All the countries around the globe also contribute to climate change at varying levels. Therefore, there has to be a global effort to mitigate the effects of climate change and not be limited to individual states. Therefore, all the advanced and developing nations from the global North and South should come together to address the existential crisis.

However, not all countries view the problem the same way, contribute to climate change, suffer from climate change, and have the will and capacity at the same levels. For instance, China and the US accounted for almost half of the emissions in 2017. Similarly, there is debate over whether aggregate emission, historical emission, per capita emission, or per capita consumption is a better measure to determine a country's contribution. A common argument in the debate is that most of the developing countries face the brunt of the effects but lack the technological and financial capability to mitigate them and the greater onus falls on developed countries. Therefore, facilitating this debate requires much cooperation efforts through diplomatic channels.

Hence, climate change diplomacy has emerged as a major part of diplomacy since the end of the Cold War. It has intensified in recent years and is included in the foreign policy of most of the states, including Nepal's³. Multilateral forums such as the United Nations Framework Convention on Climate Change (UNFCCC) have been the preferred forum for the conduct of climate change diplomacy.

The climate negotiation process occurring through the UNFCCC and its related agreements is the primary forum for international cooperation on stabilizing atmospheric greenhouse gas (GHG) concentrations. The UNFCCC is the main international treaty on fighting climate change since 1992. Its objective is to prevent dangerous man-made interference with the global climate system. The EU and all its member countries are among the 197 Parties of the Convention. However, it is also the topic of conversation among several other global and regional forums such as BIMSTEC, G-77, SAARC, and even BRI.

The IPCC's Sixth Assessment Report⁴ provided a stark warning that human-induced climate change may have already caused an irreversible change in ►

Climate change is one of the most fundamental challenges ever to confront humanity. Its impacts are already showing and will intensify over time if left unchecked.

▶ temperature. If the world does not reach net-zero emissions by 2050, the temperature rise will exceed 1.5 degrees, it said. It is important to consider this target from a global perspective, considering low- and middle-income countries (LMICs) across Africa and Southeast Asia. As LMICs improve their economic development and increase access to energy supply for their populations, their carbon emission footprint will grow as well. This reaffirms the principle that countries have Common, But Differentiated Responsibilities (CBDR) to mitigate climate change.



If the world does not reach net-zero emissions by 2050, the temperature rise will exceed 1.5 degrees, it said.

Global Negotiations

1979	First World Climate Conference - Climate issues entered the international and intergovernmental agenda for the first time.
1988	The Intergovernmental Panel on Climate Change (IPCC) was established - IPCC regularly assesses the climate science, impacts, and produces consensus-based reports for countries. It has produced six comprehensive Assessment Reports. (awarded Nobel Prize in 2007)
1990	IPCC launched its first assessment report calling "emissions resulting from human activities are substantially increasing the atmospheric concentrations of greenhouse gases." The second Climate Conference took place the same year. Countries for the first time recognized the concept of climate change as a common concern of humankind, the principle of equity and the common but differentiated responsibility of countries at different levels of development, and the concept of sustainable development. Calls were raised for a global climate treaty. UNGA established the Intergovernmental Negotiating Committee (INC) for a Framework Convention on Climate Change.
1991	First meeting of the Intergovernmental Negotiating Committee
1992	The United Nations Framework Convention on Climate Change (UNFCCC) is established and open for signature at the Rio Earth Summit - the first global agreement to acknowledge the existence of human-induced climate change.
1994	UNFCCC entered into force after receiving 50 ratifications.
-1995	The first Conference of the Parties (COP1)- Parties concluded that the UNFCCC's mechanisms were insufficient and agreed to the Berlin Mandate, which enables parties to make particular commitments.
-1996	The second Conference of the Parties (COP2)- Parties endorsed IPCC's second assessment report. Call on parties to accelerate negotiations on a legally binding protocol, was noted, but not adopted.
1997	The Kyoto Protocol adopted at COP3- This was the first time binding GHG reduction targets were set for industrialized countries. It also established the concept of the 'carbon market' or 'emission trading' by offering three alternative market mechanisms for developed countries to meet their targets.
1998	The fourth Conference of the Parties (COP4) adopted the Buenos Aires Plan of Action, allowing a two-year period to develop mechanisms for implementing the Kyoto Protocol.

- 1999** The fifth Conference of the Parties (COP5)- parties continued negotiations.
- 2000** The Sixth Conference of the Parties (COP6) reached Bonn Agreement- all parties except the US agreed on the mechanisms for implementation of the Kyoto Protocol.
- 2001** The seventh Conference of Parties (COP7) adopted Marrakesh Accords - it detailed the rules for implementation of the Kyoto Protocol, Special Climate Change Fund (SCCF) and Least Developed Countries Fund (LDCF) was established.
- 2002** The eighth Conference of Parties (COP8) adopted Delhi Ministerial Declaration- called developed countries to transfer technology to developing countries.
- 2003** The ninth Conference of Parties (COP9) adopted new emissions reporting guidelines. SCCF and LDCF -developed further.
- 2004** The tenth Conference of Parties (COP10) -parties started discussing adaptation options
- 2005** The eleventh Conference of Parties (COP11)- Kyoto Protocol entered into force. The annual meeting between the parties (COP) was supplemented by the first annual meeting of the Parties to the Kyoto Protocol (CMP1)
- 2006** The twelfth Conference of Parties (COP12) -Clean Development Mechanisms opened for business.
- 2007** The thirteenth Conference of Parties (COP13) adopted Bali Action Plan to negotiate GHG mitigation actions after the Kyoto Protocol expires in 2012.
- 2008** The fourteenth Conference of Parties (COP14) - Negotiations on a financial mechanism to assist poor countries in adapting to the impact of climate change started.
- 2009** The fifteenth Conference of Parties (COP15) adopted the Copenhagen Accord- it acknowledged the need of limiting global warming below 2 degrees Celsius, safeguarding vulnerable forests, and creating a framework for a Green Climate Fund(called on developed countries to provide the US \$30 billion to developing nations in 'fast-start climate finance' by 2012 and urged them to increase the fund to US\$100 billion a year by 2020) to provide funds to developing nations for mitigation and adaptation efforts. No binding mechanisms.
- 2010** The sixteenth Conference of Parties (COP16) adopted Cancun Agreements- Green Climate Fund, the Technology Mechanism, and Cancun Adaptation Framework were established.
- 2011** The seventeenth Conference of Parties (COP17) -The Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) was established after states agreed to a new global climate change pact by 2015 for the period beyond 2020.
- 2012** The eighteenth Conference of Parties (COP18) adopted Doha Amendment, extended the Kyoto protocol by creating a second commitment phase (2013 to 2020), and the concept of 'loss and damage' was introduced.
- 2013** The nineteenth Conference of Parties (COP19) produced Warsaw Outcomes, the rulebook for reducing emissions from deforestation and forest degradation, and a mechanism to address loss and damage
- 2014** UN Secretary-General hosted a Climate Summit. The twentieth Conference of Parties (COP20) - parties continued negotiations to make a last collective push towards a new and meaningful universal agreement in 2015

2015	The Paris Agreement adopted at COP21- the first legally binding agreement which brought 196 countries for the first time into a common cause. It required countries to set emission-reduction pledges. Nationally Determined Contributions (NDCs) were introduced with the goals of preventing the global average temperature from rising 2°C (3.6°F) above preindustrial levels and pursuing efforts to keep it below 1.5°C (2.7°F). It also aimed to reach global net-zero emissions or to become climate neutral by the second half of the century.
2016	The Marrakech Partnership for Climate Action adopted at COP22- Parties discussed writing the rule book of the Paris Agreement.
2017	The Talanoa Dialogue launched at COP23 to assist set the ground for the upward revision of national climate action plans required to put the world on track to fulfill the Paris Agreement's pre-2020 ambition and long-term goals.
2018	Paris Rulebook containing guidelines for implementing Paris Agreement was accepted at COP24.
2019	Global Gender Action Plan implemented at COP25. Highlighted the importance of Oceans.COP 25 failed to establish a consensus on several significant negotiation issues, demonstrating the fundamental disparities between States that make a majority conclusion difficult.
2021	Parties signed pledges to end deforestation and reduce international methane emission at COP26.

Regional Negotiations

1990	Fifth SAARC Summit- member countries urged the international community to mobilize extra funds and make relevant technology accessible to help developing countries. They also agreed that SAARC countries should coordinate their stances on climate issues at international fora. 1992 was declared as the "SAARC Year of Environment."
1991	Sixth SAARC Summit adopted Columbo Declaration- Completion of Regional Study on the Causes and Consequences of Natural Disasters and the Protection and Preservation of Environment, agreed to establish a Committee on Environment to - examine the recommendations of the Regional Study - identify measures for immediate action - and decide on modalities for their implementation, and SAARC urged member countries to consult each other on key issues concerning climate change for discussion at the Inter-governmental Negotiating Committee and the United Nations Conference on Environment and Development in 1992 so that SAARC countries' concerns could be effectively articulated and projected while keeping their respective national priorities in mind.
1993	Completion of SAARC Regional Study on the Greenhouse Effect and its Impact on the Region.
1997	Ninth SAARC Summit- member countries decided to institutionalize the meeting of SAARC Environment Ministers as an annual event

- 1998** Tenth SAARC Summit- feasibility study on the establishment of a Coastal Zone Management Centre started, member countries committed to preparing National Environment Action Plans and State of the Environment Reports before the end of 1998.
- 2000** Establishment of Asian Disaster Preparedness Centre (ADPC)- Bangladesh, India, Nepal, Pakistan, and Sri Lanka are members of this autonomous organization which works to build the resilience of people and institutions to disasters and climate change impacts in Asia and the Pacific.
- 2004** Twelfth SAARC Summit- discussion on drafting a Regional Environment Treaty
- 2005** Thirteen SAARC Summit- decision to build SAARC Forestry Centre in Bhutan, SAARC Meteorological Research Centre, member countries decided to proclaim the Year 2007 as the “Year of Green South Asia” devoted to a region-wide afforestation campaign, the establishment of Coastal Zone Management Centre in the Maldives,
- 2006** Establishment of the SAARC Disaster Management Centre (SDMC)
- 2007** South Asia Energy Dialogue
- 2008** Adoption of SAARC Action Plan and Dhaka Declaration on Climate Change by the SAARC Environment Ministers at the SAARC Ministerial Meeting on Climate Change held at Dhaka (the Action Plan consists of protocols to reduce the GHG emissions of all the member countries and identifies seven thematic areas of cooperation, among which adaptation, mitigation, and management of impacts and risk deal with climate change-related security risks) and Adoption of a SAARC Declaration on Climate Change for the United Nations Framework Convention on Climate Change (UNFCCC) by the Twenty-ninth Session of the Council of Ministers. Member countries committed to promoting climate change advocacy and mass awareness programs, as well as instilling behaviors toward a low-carbon society, including the inclusion of climate change and associated science-based instructional content in the school curriculum, following SAARC protocol and practices. They also agreed on several other issues, including providing incentives for sinks to remove GHGs, exchanging best practices, sharing research and development, and enhancing south-south cooperation on technology development and transfer, as well as urging Annex-I countries to meet their UNFCCC commitments. SAARC Summit's fifteenth Summit called for comprehensive research on "Climate Justice: The Human Dimension of Climate Change" to develop a rights-based strategy to react to climate change's impacts. SAARC Disaster Management Centre, the establishment of SAARC Forestry Centre in Bhutan
- 2010** Sixteenth SAARC Summit - Thimphu Silver Jubilee Declaration “Towards a Green and Happy South Asia”, Ministerial Meeting of Mountainous Countries in Kathmandu
- 2014** The decision to establish the SAARC Environment and Disaster Management Centre.
- 2016** The SDMC merged the SAARC Meteorological Research Centre, the SAARC Forestry Centre, and the SAARC Coastal Zone Management Centre.

National Policies

1992	Nepal signed the UNFCCC UN Conference on Environment and Development at Rio de Janeiro, Brazil.
1994	As per the convention provision, UNFCCC entered into force in Nepal
1998	National Conservation Strategy- Milestone in the field of Climate Change, which has three objectives: (a) Sustainable use of water, land, forest, and other renewable resources, (b) Conservation and promotion of biodiversity (forest and agricultural), and (c) Protection of ecosystem
2003	Sustainable Development Agenda for Nepal (SDAN) identified Climate Change as the Future Agenda for Action
2005	Nepal submitted the instrument of accession to the Kyoto Protocol to its depository. The Protocol entered into force in Nepal. The Government of Nepal made the Ministry of Environment (MOE) responsible to function as the Designated National Authority
2007	Climate Change issues addressed in the Interim Constitution of Nepal: Right of every citizen to live in a clean environment and right of every citizen to food security Climate Change Council was formed for High-level coordination and policy formulation in Nepal under the Chairmanship of the Prime-minister
2009	Climate Change Council was formed for High-level coordination and policy formulation in Nepal under the Chairmanship of the Prime-minister
2010	National Planning Commission Initiated climate resilience planning- making development efforts climate-resilient and environment-friendly, Government endorsed National Adaptation Programme of Action to Climate Change (NAPA), Government supported the importance of initiating the Mountain Initiative(MI) to address the effects of CC on mountain people and the mountains.
2011	Government endorsed Climate Change Policy, Local Adaptation Plan of Action (LAPA) framework was also endorsed (LAPA provides opportunities to implement NAPA priorities with the active participation of the local communities)
2012	The government highlighted Nepal's Climate Change policies in Rio+20
2014	Environment-friendly Vehicle and Transport Policy (Aims to reduce emission from the transport sector, increase the share of electric vehicles up to 20% by 2020, promote the transformation of other regular vehicles into electric vehicles, and provide a subsidy scheme for the promotion of electric and non-motorized vehicles)
2014-16	Thirteen Periodic Plan (2014-2016) - The GoN adopted green development techniques to reduce the impacts of Climate Change in its 13th periodic plan
2015	Climate Change issues mentioned in the Constitution of Nepal - right to clean environment
2015	Government launched a process to formulate and implement National Adaptation Plan (NAP) to address medium and long-term adaptation needs
2016	Government submitted its first Nationally Determined Contributions (NDCs) to UNFCCC and released National Climate Change Impact Survey 2016

- 2016-18** Fourteenth Periodic Plan (2016- 2018) - government built the strategy to mobilize national and international sources of climate finance in the national budget and increase investment
- 2016-20** Climate Change Health Adaptation Strategies and Action Plans for Nepal - designed to raise public awareness and generate evidence on the effects of Climate Change on health
- 2016-25** The Forestry Sector Strategy- to enhance Nepal's forest carbon stock by at least 5 percent by 2025 as compared to the 2015 level, and to decrease the mean annual deforestation rate by 0.05 percent from about 0.44 percent and 0.18 percent in the Terai and Chure respectively.
- 2019** National Climate Change Policy 2019 and National Environment Policy were adopted.

Nepal has been engaging in nearly every global and regional climate-related arrangement since the early wake of climate change awareness of the adverse impacts of climate change globally and has shaped its climate policies and strategies correspondingly. In response to the international climate regime to which Nepal is a signatory party, the government created and promulgated its first Climate Change Policy in 2011. Nepal established its National Adaptation Programme of Actions (NAPAs) to Climate Change in 2010 in compliance with the decisions of the 7th COP, which mandates the preparation of NAPAs by each least developed nation that is a signatory to the UNFCCC Kyoto Protocol. Similarly, shortly after the 13th COP in Bali in 2007, Nepal launched a slew of REDD+-related programs, including the internationally lauded Community Forestry initiative.

Since 2012, Nepal has been using a climate change budget code to shift funding for climate change and related initiatives in its financial planning and budgeting processes. Nepal submitted its first Nationally Determined Contributions (NDCs) to the UNFCCC in 2016 to implement the COP 21, Paris Agreement decision and has been upgrading its contributions regularly since then. Nepal has committed to revise or formulate and implement NAPA, LAPA, NAP, REDD + Strategy, Climate Finance Framework, Budget Code, Green Growth Strategy, Gender Mainstreaming in Climate Change Action Plan, and other climate change agreements in its recently approved National Climate Change Policy 2019. In addition, Nepal hosts the headquarters of the International Centre for Integrated Mountain Development (ICIMOD). The ICIMOD being the only such inter-governmental institution in the Hindu-Kush Himalayan region greatly benefits Nepal to work on local climate change issues and push them for regional as well as global policy advocacy.

Position and Narrative

Just like the covid-19 pandemic, climate change is another global challenge that permeates all political boundaries and threatens human lives. But the effect of climate disaster varies disproportionately from region to region. Countries situated in South Asia's Hindu Kush Himalayas and the island nations are the most vulnerable to imminent climate disasters. The Maldives is the lowest-lying nation in the world. Hence, the archipelago faces an existential crisis due to the rising sea level. In the past decade, around 700 million people⁵ were affected by climate-related disasters.

Although the 'Glasgow Climate Pact' was adopted, the UN climate consortium COP26 was a mixed bag of bright spots and disappointments. India, the third-largest carbon emitter after the United States and China, was in the limelight for its eleventh-hour interjection in altering the final document from 'phasing-out' coal to 'phasing down'. Prime Minister Narendra Modi, avowed five pledges of India's commitment⁶ toward climate change. Even though the desired net-zero target deadline is for 2050, India committed its net-zero deadline for 2070. India also pledged to meet 50 percent of its energy requirements from renewable energy by 2030.

Dependence on coal is not only confined to India. In the region, Bangladesh and Pakistan too are dependent on coal. Pakistan's Nationally Determined Contribution (NDC)⁸ commits to attrition 50% of projected emissions. In terms of mitigation measures, they have pledged to achieve 60% of renewable energy by 2030 and halt all energy generation through imported coal. Unlike some South Asian countries, Pakistan falls short of announcing a net-zero year .

Pakistan's climate advisor to the Prime Minister explicitly stated⁹ "We don't believe in the net-zero at the moment". Both Pakistan and India's strength rely on coal for energy generation. It seems unlikely they will be guided by global whims while committing to climate mitigating measures in the future. The leaders of both countries are aware of the recent covid-19 economic doldrum, hence, climate goals and mitigation measures will be less ambitious rather than economically pragmatic.

Being the largest producer and consumer of coal, China along with India were responsible for watering down the final text. China has been critical of the West for targeting China for pushing for "phasing down" after the US played¹⁰ an inexplicit role in accepting this weaker climate stance. The COP26 coordinator Alok Sharma in his reported comments urged¹¹ both China and India to explain themselves for amending the final text.

In a media briefing, Chinese Foreign Ministry spokesman Zhao Lijian responded to Alok Sharma by stating that developed countries should first stop using coal and support in financing developing countries for climate technologies. He added reduction of carbon consumption is a "progressive process that requires respect for the national circumstances of different countries and their development stage as well as their different resources". ▶



Countries situated in South Asia's Hindu Kush Himalayas and the island nations are the most vulnerable to imminent climate disasters.

- ▶ As China's rise as an economic powerhouse has been fuelled by coal among other fossil fuels, phasing out of coal will depend on China's development in the next few decades to come.

Before the COP26, Bangladesh updated¹² its NDC in August 2021. Prime Minister Sheikh Hasina in her national statement¹³ to COP26 presented the 'Mujib Climate Prosperity Plan' which dwells on achieving 40% renewable energy sources by 2041. She also concluded by suggesting four points which focused on climate finance, more consideration from developing countries on Climate Vulnerable Forum countries, and adherence to NDC.

Both Nepal and Bangladesh are insignificant contributors to greenhouse emissions. Nepal¹⁴ accounts for only 0.027% of global emissions while Bangladesh¹⁶ emits 0.47% greenhouse gases. The Himalayan Kingdom of Bhutan has a more sanguine climate change narrative among the global disappointments regarding COP26. It is the first country¹⁷ to attain the status of being carbon negative in 2009. The Minister of Agriculture and Forestry from Bhutan, Yeshey Penjor, premised his speech on climate finance and the detrimental impacts of climate change faced by LDCs around the world while being the lowest contributor to greenhouse gases. He highlighted the vulnerabilities of the Hindu Kush Himalaya (HKH) and appealed for regional and international cooperation to protect the HKH region.

Nepal in tandem with Bhutan also emphasized the impact posed by the melting Himalayan glaciers. Prime Minister Sher Bahadur Deuba mentioned¹⁸ the importance of keeping the global temperature below 1.5° Celsius. Nepal remains vulnerable to geo-hazards which can drastically affect the ecology, livelihood, and human lives of many Nepali citizens. Nepal announced three points¹⁹ – reduce emission from 2022 and become carbon negative post-2045; halt deforestation and increase

forest cover to 45% by 2030; and protection of vulnerable people by 2030 from climate change.

The island nation, Sri Lanka also made some tall commitments to the COP26. Sri Lanka's recently updated NDC aims to achieve carbon neutrality by 2050 and increase national forest cover. President Gotabaya Rajapaksa²⁰ also mentioned the disproportionate impacts the LDC islands face by climate change and the lack of commitment to climate finance.

On a positive note, world leaders signed pledges to end deforestation²¹ and reduce international methane emissions²². But India did not sign either. The remaining South Asian countries have either signed one or both the pledges. India has signed the Breakthrough Agenda²³ in COP26 with 35 other countries to promote clean technologies and renewable energy and make it globally affordable.

Realizing these commitments is critical not only to mitigate the impacts of climate change, but also to improve the quality of life. Environment (and hence climate change) is the critical part in Sustainable Development Goals (SDGs). Achieving most of those goals will require adapting and mitigating climate change. The pandemic provides an impetus for reviewing the progress in those goals in a new way.

Coordination among SA countries

On paper, the hydropower potential of Nepal is 80,000 MW wherein²⁴ 42,000 MW is economically and technically viable to be harnessed (The estimated feasible/commercial amount can vary). As countries in the region are committing and slowly transitioning to renewable and clean sources of energy, Nepal can enhance its untapped potential. Nepal can export hydroelectricity to India and Bangladesh given their proximity to Nepal. Recently, Nepal established the Upper ▶

▶ Tamakoshi Hydropower Project²⁵ with a capacity to generate 456 MW. With additional power from Tamakoshi Hydropower, Nepal can produce 1800MW, rendering surplus energy.

It was only in November 2021 that Nepal was permitted²⁶ trading in the Indian Energy Exchange (IEX). The energy exchange under the aegis of India's Power Ministry granted permission to Nepal to export its surplus energy to India. At the moment the state-owned 24 MW Trishuli Hydropower and 15 MW Devighat Hydropower are participating in this cross-border trade of electricity. These numbers are limited, yet is a breakthrough in regional cross-border trade. This augurs positively for future bilateral and tri-lateral cross-border electricity trade.

But strains in relations between countries in the region do not portend well for complete regional cooperation in climate change. The tense relationship between India and Pakistan has led to the impasse of the South Asian Association Regional Cooperation (SAARC). Hence, triggering India to focus on smaller regional corporations like BBIN and BIMSTEC. Currently, there does not exist any climate change regional strategy or association in South Asia.

South Asia is extremely vulnerable to a range of climate impacts, ranging from shrinking glaciers, water scarcity to floods, heatwaves, droughts, and rising sea levels. The recent post-monsoon rainfall²⁷ in Nepal and flood²⁸ in Kerala have demonstrated the real risks of climate change to South Asian countries. Such ramifications of climate change have amplified the region's vulnerability and exposed its lack of preparedness. In this regard, regional cooperative efforts to counteract the impact of climate change are crucial, and so is international support—at larger levels than they are now.

South Asian governments have collectively enacted a slew of laws, regulations, and

ingenious approaches to combat climate change. Since its fifth Summit, SAARC echoed concern for environmental issues including climate change and the security implications associated with it, in each of its declarations. In 2008, SAARC adopted a three-year SAARC Action Plan on Climate Change²⁹, which consists of protocols to reduce all member countries' GHG's and specifies seven thematic areas of cooperation, including adaptation, mitigation, and risk management, which deal with climate change-related security risks. To highlight the severity of the climate change problem, SAARC made climate change a theme of its Sixteen SAARC Summit, "Thimphu Silver Jubilee Declaration- Towards a Green and Happy South Asia," and commissioned various initiatives such as an expert group on climate change to ensure policy direction and guidance for regional cooperation, a mountain initiative, and a monsoon initiative, among others. The establishment of SAARC Disaster Management Centre (2006), Coastal Zone Management Centre (2005), Forestry Centre (2008), and South Asian Energy Dialogue are other key initiatives taken by SAARC to tackle the impacts of climate change.

However, these promising regional initiatives follow the same implementation trajectory as international climate agreements and have yet to produce concrete results owing to geopolitical constraints, notably the tension between India and Pakistan³⁰. For example, the regional study on the greenhouse effect and its impacts on the region, which was completed in 1993, has yet to be implemented. Despite reiterating the necessity for a united front at every summit, South Asian countries repeatedly failed to represent South Asia's collective problems in international forums, resulting in a loss of collective bargaining strength. Their position was the same at the recent United Nations Climate Change Conference (COP26) and they did not even meet on the sidelines for discussions.

Due to inaction within SAARC, member ▶▶

► nations have turned to various bilateral, sub-regional, and extra-regional forums to fight climate change. Nepal, Bangladesh, India, Pakistan, and Sri Lanka work together in the Asian Disaster Preparedness Centre³¹ (ADPC) to strengthen people's and institutions' resilience to disasters and climate change impacts across Asia and the Pacific. International Centre for Integrated Mountain Development (ICIMOD)³², where six South Asian countries are members, is setting an example in mountain advocacy and is producing evidence-based climate research and solutions.

Other such forums include; BBIN (building a common energy grid within the BBIN region), BIMSTEC (Environment and disaster management)³³, and BRI (green action initiatives that encourage green infrastructure, energy, transportation, and finance)³⁴.

Furthermore, South Asian countries have been successful in reflecting the adverse effects of climate change and making a pressing plea for climate action to the global community with their notable initiatives such as Bhutan's designation as the world's "first carbon negative country,"³⁵ the Maldives' underwater cabinet meeting³⁶, and Nepal's cabinet meeting in Everest base camp in Kalapathhar³⁷.

Climate finance was constantly put forth by the developing countries, including India. The developing countries account for a negligible amount of total greenhouse gas emissions in aggregate or historical terms. Their per capita emission is multiple times smaller than the advanced nations. However, they are among the most vulnerable countries. In South Asia, Pakistan, Bangladesh, Nepal, India, and Sri Lanka rank³⁸ in the top 30 (the first three countries are in the top 10) among countries most affected by extreme climate events from 1999 to 2018.

Collectively, the GDP per capita of South Asia is only USD 1804 in 2020 according to the World Bank³⁹. These countries have had to spend significant resources for adaptation. It has squeezed the limited financing available internally for addressing climate change directly.

Writing for the Financial Times⁴⁰, Bangladeshi Prime Minister Sheikh Hasina called for an end to 'empty pledges'. She wrote that the agreement to support the poorest in dealing with losses and damages caused by climate change is far removed from implementation. Bangladesh would need USD 6 billion⁴¹ a year in climate finance to achieve the 'climate prosperity plan'.

Similarly, climate finance was a key component of Nepal's Prime Minister Sher Bahadur Deuba's speech⁴². He called upon the parties to make Loss and Damage a standalone agenda for negotiations, and support the framework of additional financing for it. He stressed that the COP26 must ensure adequate support for adaptation in the most vulnerable countries by scaling up financial, technological, and capacity-building resources. As per a press note, USD 47 billion will be needed for adaptation, to ensure lives, livelihood, and assets are protected from the impacts of climate change. That counts for about USD 2 billion a year. It is indeed a huge cost for a

In South Asia, Pakistan, Bangladesh, Nepal, India, and Sri Lanka rank in the top 30 (the first three countries are in the top 10) among countries most affected by extreme climate events from 1999 to 2018.

- ▶ country whose GDP is only about USD 30 billion in 2021. However, if such investment cannot be made, Nepal (and South Asia) will lose about 2% of its GDP by 2050 because of impact of climate change.

Indian Prime Minister Narendra Modi too focused on climate finance. Modi stated⁴³ that India expects developed countries to provide climate finance of USD 1 trillion at the earliest to meet its net-zero target by 2070. India argued⁴⁴ that India still needed room to grow. India's pledge was lauded, but not enough attention was paid to the 'requests' it made to the advanced countries.

However, COP26 made limited progress in terms of climate finance. The agreed text commits developed countries to double the collective share of adaptation finance within the USD 100 billion annual targets for 2021–25 and to reach the target as soon as possible. The parties also committed to a process to agree on long-term climate finance beyond 2025.

The advanced nations have a poor record in the implementation of the agreement. The nations had agreed in 2010 to provide USD 100 billion in climate finance by 2020 and reaffirmed this during Paris Climate Agreement. However, in 2019, only USD 79 million was mobilized according to the OECD⁴⁵. This should be contrasted to the needs identified by the IPCC report. The report documented⁴⁶ that the developing countries need USD 5.8–5.9 trillion by 2030 to finance less than half of the climate actions listed in their nationally determined contributions to keep global warming in check.

COP26 must ensure adequate support for adaptation in the most vulnerable countries by scaling up financial, technological, and capacity-building resources.

Policy Recommendations

1. In addition to formulating national policies in line with the international policy agreements or following the solutions that come from afar, Nepal should also adopt a small-scale homegrown approach by assessing community-based vulnerability. Local government should take the lead to find local solutions to the problem with technical and financial support from the provincial and federal government.
2. As countries in South Asia have committed to expanding their use of renewable resources in the recent COP26, Nepal can play a leading role when it comes to renewable resources and connectivity in the region. As mentioned above the unexploited hydropower potential of Nepal can help in providing electricity to states in India (UP, Bihar, West Bengal) and Bangladesh. This trilateral and bilateral trade will require synergetic efforts by all regional countries.
3. Nepal should engage India diplomatically to facilitate the transmission lines between Nepal and Bangladesh to pass through India's Siliguri Corridor. This trilateral cooperation falls in tandem with India's neighborhood first policy and will enhance regional connectivity.
4. Nepal should have a national debate on how to define national contribution to GHG emissions. It will help solidify its positions during discussion discussions in regional forums, e.g. G77, and solidify its positions during negotiations in the UNFCCC. Such clarity will help Nepal and others to promote certain initiatives based on their understanding of the problem.
5. Climate change diplomacy should be a critical part of Nepal's diplomacy. The Foreign Policy of Nepal, 2077 is a step in the right direction, but it requires extensive inter-ministerial coordination and policy coordination.
6. Nepal needs to carry out more 'awareness-generating activities to publicize the impact of climate change on the Himalayas at the global level. The planned activity such as Sagarmatha Dialogue (the inaugural session has been postponed because of Covid-19) is a step in the right direction but not enough.
7. Nepal and other South Asian countries should not be afraid to call out India and China for their use of coal and other sources of dirty energy.
8. Nepal, along with other South Asian countries, should hold the OECD countries' feet to fire when it comes to climate finance and technological support for adaptation and mitigation. In this context, South Asian countries should be bold to accept funds such as the MCC which helps develop infrastructure for a sustainable future.
9. NGOs have played a major role in collaboration with the relevant government ministries to formulate Nepal's climate change policies. The government should engage experts (technical experts of climate change and negotiation experts) during the UNFCCCs.
10. As the chair of SAARC, Nepal should do more to engage all nations in South Asia in reviving protracted regional climate agendas, which need to be resurrected since current fragmented national policies are insufficient to address the common challenges posed by climate change. Nepal can host dialogues and other exchanges to generate greater region-wide consensus around a joint plan to address climate change.

Reference

1. Milne, S. 17 Aug 2021. How water shortages are brewing wars. Retrieved from <https://www.bbc.com/future/article/20210816-how-water-shortages-are-brewing-wars>
2. World Bank. 13 Sep 2021. Press Release. Retrieved from <https://www.worldbank.org/en/news/press-release/2021/09/13/climate-change-could-force-216-million-people-to-migrate-within-their-own-countries-by-2050>
3. Ministry of Foreign Affairs. 2020. Foreign Policy 2020. Retrieved from <https://mofa.gov.np/wp-content/uploads/2020/12/%E0%A4%AA%E0%A4%B0%E0%A4%B0%E0%A4%BE%E0%A4%B7%E0%A5%8D%E0%A4%9F%E0%A5%8D%E0%A4%B0-%E0%A4%A8%E0%A5%80%E0%A4%A4%E0%A4%BF-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AD.pdf>
4. IPCC. 28 Feb 2022. Sixth Assessment Report. Retrieved from https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Full_Report.pdf
5. Fallesen, D., Khan, H., Tensin, A. & Abbi, A. 11 Nov 2019. South Asia needs to act as one to fight climate change. World Bank Blogs. Retrieved from <https://blogs.worldbank.org/endpointvertyinsouthasia/south-asia-needs-act-one-fight-climate-change>
6. PIB India. 01 Nov 2021. Press Release. Retrieved from <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1768712>
7. Sheikh, A.T. 30 Oct 2021. Pakistan commits to halving emissions, but pins success on finance. The Third Pole. Retrieved from <https://www.thethirdpole.net/en/climate/pakistan-ndc-commits-to-halving-emissions-finance-key/>
8. White, A. 04 Nov 2021. We don't believe in net-zero at the moment: Pakistan's top climate official at COP26. The Third Pole. Retrieved from <https://www.thethirdpole.net/en/climate/we-dont-believe-in-net-zero-pakistan-top-climate-official-at-cop26/>
9. White, A. 04 Nov 2021. *ibid*
10. WION. 14 Nov 2021. COP 26: US and China promoted coal phase down concept. Then why is India getting disproportionate blame for it. Retrieved from <https://www.wionews.com/world/cop26-us-china-promoted-coal-phase-down-concept-then-why-is-india-getting-disproportionate-blame-for-it-429295>
11. Cursino, M. & Faulkner, D. 14 Nov 2021. COP 26: China and India must explain themselves, says Sharma. BBC News. Retrieved from <https://www.bbc.com/news/uk-59280241>
12. Dhaka Tribune. 09 Nov 2021. COP26: How Bangladesh can substantiate its claims for climate action. Retrieved from <https://www.dhakatribune.com/opinion/op-ed/2021/11/09/op-ed-cop26-how-bangladesh-can-substantiate-its-claims-for-climate-action>
13. Dhaka Tribune. 02 Nov 2021. National statement by Prime Minister Sheikh Hasina. Retrieved from <https://www.dhakatribune.com/bangladesh/2021/11/02/cop-26-national-statement-by-prime-minister-sheikh-hasina>
14. Awale, S. 11 Nov 2021. COPOUT at COP26. Nepali Times. Retrieved from <https://www.nepalitimes.com/banner/copout-at-cop26/>
15. Ministry of Population and Environment. Oct 2016. Nepal's first NDC. Retrieved from <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Nepal%20First/Nepal%20First%20NDC.pdf>
16. Dhaka Tribune. 09 Nov 2021. *ibid*
17. GVI. Nov 2021. Bhutan- The first carbon-negative country in the world. Retrieved from <https://www.gvi.co.uk/blog/bhutan-the-first-carbon-negative-country-in-the-world/#:~:text=It%20started%20back%20in%202009,2016%2C%20Bhutan%20reiterated%20that%20promise.>
18. UNFCCC. 03 Nov 2021. Nepal- High-Level Segment Statement COP 26. Retrieved from <https://unfccc.int/documents/309326>
19. Awale, S. 11 Nov 2021. *ibid*
20. UNFCCC. 05 Nov 2021. Sri Lanka- High-Level Segment Statement COP 26. Retrieved from <https://unfccc.int/documents/309844>
21. UN Climate Change Conference UK. 02 Nov 2021. Glasgow leaders declaration on forests and land use. Retrieved from <https://ukcop26.org/glasgow-leaders-declaration-on-forests-and-land-use/>
22. Global Methane Pledge. Fast action on methane to keep a 1.5-degree Celsius future within reach. Retrieved from <https://www.globalmethanepledge.org/>
23. UN Climate Change Conference UK. 09 Nov 2021. Breakthrough Agenda- Launching an annual global checkpoint process in 2022. Retrieved from <https://ukcop26.org/breakthrough-agenda-launching-an-annual-global-checkpoint-process-in-2022/>
24. Bergner, M. n.d. Developing Nepal's Hydroelectric Resources: Policy Alternatives. Frank Batten School of Leadership and Public Policy, University of Virginia. Retrieved from https://www.stimson.org/wp-content/files/file-attachments/Developing_Nepals_Hydroelectric_Resources_-_Policy_Alternatives.pdf
25. Alam, F., Alam, Q., Reza, S & et.al. 2017. A review of hydropower projects in Nepal. Energy Procedia, 110, 581-585. Retrieved from <https://research.monash.edu/en/publications/a-review-of-hydropower-projects-in-nepal>
26. Prasain, S., & Shrestha, P.M. 06 July 2021. Nepal starts operating its largest hydropower station. The Kathmandu

Reference

- Post. Retrieved from <https://kathmandupost.com/national/2021/07/06/nepal-starts-operating-its-largest-hydropower-station>
27. The Hindu. 03 Nov 2021. Nepal to sell surplus electricity in India's energy exchange market. Retrieved from <https://www.thehindu.com/business/Industry/nepal-to-sell-surplus-electricity-in-indias-energy-exchange-market/article37321512.ece>
 28. NL Today. 20 Oct 2021. Post monsoon rainfall wreaks havoc across Nepal, renders 31 dead, 43 missing. Retrieved from <https://www.nepallivetoday.com/2021/10/20/post-monsoon-rainfall-wreaks-havoc-across-nepal-renders-31-dead-43-missing/>
 29. Mogul, R., Gupta, S., & Suri, M. 19 Oct 2021. At least 27 people killed after torrential rain in India's Kerala state triggered landslides and flood. CNN. Retrieved from <https://edition.cnn.com/2021/10/18/india/kerala-rains-flooding-intl-hnk/index.html>
 30. SAARC. 03 July 2008. SAARC Environment Ministers Dhaka Declaration on Climate Change. Retrieved from https://thimaaveshi.files.wordpress.com/2009/10/saarc-declaration_dhaka.pdf
 31. Pokharel. 08 Dec 2021. Indo-Pak tension hits SAARC climate action. Nepali Times. Retrieved from <https://www.nepalitimes.com/latest/indo-pak-tension-hits-saarc-climate-action/>
 32. ADPC. About Us- at a glance. Retrieved from <https://www.adpc.net/igo/contents/adpcpage.asp?pid=2>
 33. ICIMOD. Who we are. Retrieved from <https://www.icimod.org/who-we-are/>
 34. BIMSTEC. 17 July 2019. Environment and Disaster Management. Retrieved from https://bimstec.org/?page_id=280
 35. The Manila Times. 10 Nov 2021. China's BRI contributes to climate change fight. Retrieved from <https://www.manilatimes.net/2021/11/10/news/world/chinas-bri-contributes-to-climate-change-fight/1821631>
 36. GVI. Nov 2021. *ibid*
 37. Dailymail. 20 Oct 2009. Maldives government highlights the impact of climate change...by meeting underwater. Retrieved from <https://www.dailymail.co.uk/news/article-1221021/Maldives-underwater-cabinet-meeting-held-highlight-impact-climate-change.html>
 38. Marasini, P. 04 Dec 2009. Cabinet meets on Everest. The Hindu. Retrieved from <https://www.thehindu.com/news/international/article59879488.ece>
 39. Eckstein, D., Kunzel, V., Schafer, L., & Wings, M. 2020. Global Climate Risk Index. Germanwatch. Retrieved from https://germanwatch.org/sites/default/files/20-2-01e%20Global%20Climate%20Risk%20Index%202020_14.pdf
 40. World Bank. GDP per capita -South Asia. Retrieved from <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=8S>
 41. Hasina, S. Oct 2021. Bangladesh PM: We need a global 'climate prosperity plan; not empty pledges. Financial Times. Retrieved from <https://www.ft.com/content/67b17114-5503-4db6-a49a-7b8b21355344>
 42. Ahmed, Z. 07 Nov 2021. How realistic is Bangladesh's climate prosperity plan?. DW. Retrieved from <https://www.dw.com/en/how-realistic-is-bangladeshs-climate-prosperity-plan/a-59709584>
 43. Ministry of Foreign Affairs. 01 Nov 2021. Press Release. Retrieved from <https://mofa.gov.np/statement-by-the-rt-hon-prime-minister-sher-bahadur-deuba-at-the-world-leaders-summit-during-the-26th-conference-of-parties-cop-26/>
 44. Ministry of External Affairs. 02 Nov 2021. Speeches and Statements. Retrieved from <https://www.mea.gov.in/Speeches-Statements.htm?dtl/34466/National+Statement+by+Prime+Minister+Shri+Narendra+Modi+at+COP26+Summit+in+Glasgow>
 45. Lakshman, S. 01 Oct 2021. Rich countries need to do more on climate change- Jaishankar. The Hindu. Retrieved from <https://www.thehindu.com/news/international/rich-countries-need-to-do-more-on-climate-change-jaishankar/article36767812.ece>
 46. Sirur, S. 14 Nov 2021. Why climate finance is a big deal, and where negotiations have reached at glasgow COP 26. The Print. Retrieved from <https://theprint.in/theprint-essential/why-climate-finance-is-a-big-deal-and-where-negotiations-have-reached-at-glasgow-cop26/765190/>
 47. Tripathi, B. 16 Oct 2021. Developing countries need nearly \$6 trillion by 2030 just to cover 40% of their NDCs – UN report. Carboncopy. Retrieved from <https://carboncopy.info/developing-countries-need-nearly-6-trillion-by-2030-just-to-cover-40-of-their-ndcs-un-report/>

Institute for Integrated Development Studies [IIDS]

Institute for Integrated Development Studies (IIDS) is an independent, non-partisan, and not-for-profit think-tank headquartered in Kathmandu, Nepal. Since its inception in 1979, it has proven its commitment to research and policy advocacy based on evidence, and a holistic approach to sustainable development through a distinguished body of work. IIDS's impact on several development sectors have been extensive through its numerous products and their influence in the policy making process. It aims to be recognized as one of the region's leading institutes that contributes to evidence-based policymaking, trains professionals, and broadens public understanding of sustainable development challenges in the 21st century across South Asia. The executives of the organization are highly qualified and globally recognized for their expertise and competencies while the team members have diverse experience in research, policy development and advocacy, and incubation of innovation.

-  www.iids.org.np
-  www.facebook.com/IIDS.NP
-  www.twitter.com/IIDS1979
-  www.linkedin.com/company/iids-thinktank/



Nepal Institute for Policy Research [NIPoRe]

Nepal Institute for Policy Research (NIPoRe) is an independent and non-partisan policy institute based in Kathmandu, Nepal. It aims to generate evidence-based debates among citizens and critical actors of development in both the public and private sectors on contemporary policy issues from Asia across four thematic areas - Economic Policy, Humana Development, National Security and Technology. Our team members represent the diversity of academic disciplines, professional backgrounds, and geography. We adopt a multi-disciplinary approach in our analysis of policies and research, supported by researchers trained at universities and professional environments (from) across the globe.

-  www.nipore.org
-    [niporeglobal](https://www.facebook.com/niporeglobal)

NEPAL RISK OUTLOOK TEAM

ADVISORS

Dr. Swarnim Waglé, PhD, Chair, Institute for Integrated Development Studies (IIDS)
Dr. Sanduk Ruit, Founder, Tilganga Institute of Ophthalmology (TIO)
Dr. Paul Cheung, PhD, Director, Asia Competitiveness Institute (ACI), National University of Singapore
Dr. Tara Singh Bam, PhD, Deputy Regional Director, The Union Asia Pacific Region

RESEARCHERS

Akhilesh Upadhyay, Project Lead
Dr. Biswash Gauchan, PhD, Economic Policy Lead
Jaya Jung Mahat, Project Co-lead & Strategic Lead
Santosh Sharma Poudel, Senior Researcher
Binita Nepali, Research Officer

ADMINISTRATIVE & LOGISTICS SUPPORT

Devendra Shrestha, Sr. Admin and Finance Officer
Kalash Thabi, Account Assistant

ADDITIONAL SUPPORT

Samar Rana, Research Assistant
Saurav Thapa Shrestha, Layout and Graphic
Anish Dongol, Intern
Priyanka Gurung, Intern
Samjhana Karki, Intern