



# **A STUDY ON EXISTING CLIMATE CHANGE RELATED LAWS AND POLICIES IN NEPAL:**

**EXPLORING THE STRUGGLES OF  
MARGINALIZED COMMUNITIES**





# **A STUDY ON EXISTING CLIMATE CHANGE RELATED LAWS AND POLICIES IN NEPAL: EXPLORING THE STRUGGLES OF MARGINALIZED COMMUNITIES**

Environment and Engineering Research Center (EERC) Pvt. Ltd  
Action Aid International Nepal (AAIN)

# ACKNOWLEDGEMENTS

This report has been prepared by a dedicated research team from the Environmental and Economic Research Centre (EERC), in collaboration with technical experts from ActionAid International Nepal (AAIN), under the joint Terms of Reference developed by both institutions.

This publication is based on research by the expert team, supplemented by insights from consultations, including a validation workshop in August 2024. The report offers a critical examination of Nepal's legal and policy frameworks concerning climate change, identifying significant gaps in their implementation and inclusiveness. It also highlights the ongoing challenges faced by marginalized communities, emphasizing the need for more effective and equitable climate action.

This publication has been financially supported by the Government of Ireland's International Development Programme. The recommendations contained herein are entirely the responsibility of the author(s) and do not necessarily represent or reflect the policy of the Government of Ireland.

## Authors

Advocate Padam Bahadur Shrestha (Team Lead), Dr. Roshan Sherchan (Environment Expert), Mr. Nawraj Sapkota (Climate Policy Researcher), Mr. Avash Poudel (Climate Resilience Expert) and Mr. Ajaya Shrestha (Project Manager).

## Reviewers

Mr. Mahesh Badal (Senior Programme & Business Development Manager, AAIN), Ms. Kabita Basnet (Women's Rights Project Officer, AAIN) and Mr. Rahul Dewan (Campaign Officer, AAIN) .

|                         |  |
|-------------------------|--|
| <b>Publication Year</b> | : December 2024  |
| <b>Photos</b>           | : AAIN   |
| <b>Press</b>            | : Pentagram the Creative Solution, Manbhawan-5, Lalitpur |



# FOREWARD

Climate justice is one of the defining challenges of our time. In Nepal, the realities of climate change are being felt most severely by those who have contributed least to the crisis — women, communities, Dalit, smallholder farmers, and people living in poverty. As these communities face increasing threats to their lives, livelihoods, and cultural identities, it is our collective responsibility to ensure that their voices are not only heard but prioritized in decision-making processes at all levels.

This report has emerged at a critical moment. As Nepal continues to engage in international climate commitments and build national frameworks for climate action, it is imperative to reflect on whether our laws, policies, and institutional arrangements truly recognize and protect the rights of the most vulnerable. Through rigorous analysis and field evidence, this report reveals the gaps that persist in the implementation of climate policies and highlights the importance of inclusive, rights-based, and locally grounded approaches to climate resilience.

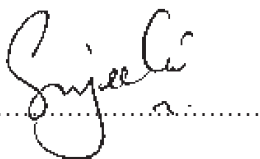
We extend our sincere gratitude to the Environmental and Economic Research Centre (EERC) and the research team for their expertise and dedicated efforts. We also acknowledge the valuable contributions of our colleagues at ActionAid International Nepal, whose support was instrumental throughout this process.

Our appreciation extends to ActionAid Ireland for their insightful inputs and sustained collaboration, as well as to the Government of Ireland's International Development Programme for its financial support, which enabled the successful completion of this study.

We are deeply grateful to all stakeholders who participated in the validation workshop, enriching this report with their perspectives, experiences, and insights. Finally, we recognize the invaluable contributions of the communities who shared their lived experiences and wisdom, often forged through enduring struggles against structural inequalities and environmental injustices.

This study reaffirms our commitment to advocating for climate justice that centers gender equality, and marginalized rights, and the leadership of frontline communities. It is only through such transformative approaches that we can build a future that is not only resilient but truly just.

Let this report serve as a catalyst for bold, inclusive, and accountable policies and actionable steps..



**Ms. Sujeeta Mathema**

**Executive Director, ActionAid International Nepal**

# TABLE OF CONTENTS

|   |            |
|---|------------|
| <b>ACKNOWLEDGEMENTS</b>   | <b>II</b>  |
| <b>FOREWARD</b>   | <b>III</b> |
| <b>TABLE OF CONTENTS</b>  | <b>IV</b>  |
| <b>ABBREVIATIONS/ACRONYMS</b>   | <b>V</b>   |
| <b>GLOSSARY</b>   | <b>VI</b>  |
| <b>EXECUTIVE SUMMARY</b>  | <b>1</b>   |
| <b>2. INTRODUCTION</b>  | <b>3</b>   |
| <b>3. METHODOLOGY</b>   | <b>5</b>   |
| 3.1 Study Approaches and Processes  | 6          |
| 3.2 Limitations of the Study  | 6          |
| <b>4. SITUATIONAL ANALYSIS OF LAWS AND POLICIES: TRENDS, SUCCESSES &amp; GAPS</b> | <b>8</b>   |
| 4.1 Evolution of the Climate Change Strategies/Policies and Frameworks            | 9          |
| 4.2 Brief History of Nepal's Participation in Global Forum                        | 10         |
| 4.3 Constitutional Provision, Laws, Policies and Strategies                       | 11         |
| 4.4 Climate Financing and Gender Responsive Budgeting in Nepal                    | 16         |
| 4.5 Gaps in legislation, Policies and Strategies                                  | 18         |
| 4.6 Implementation/Enforcement Challenges   | 21         |
| 4.7 Rational Behind Formulating Integrated Climate Change Act                     | 22         |
| <b>5. LEGAL CASE STUDIES</b>  | <b>23</b>  |
| <b>6. LEGAL REVIEW ACTIONAID OF CASE STUDIES</b>                                  | <b>25</b>  |
| <b>7. RECOMMENDATIONS AND WAYS FORWARD</b>  | <b>28</b>  |

# ABBREVIATIONS/ACRONYMS

|         |   |
|---------|---|
| AIN     | ActionAid International Nepal   |
| ADB     | Asian Development Bank  |
| AF      | Adaptation Fund   |
| AFOLU   | Agro Forestry & Other Land Use  |
| CBD     | Convention on Biodiversity  |
| CCA     | Climate Change Adaptation   |
| CCFF    | Climate Change Finance Framework  |
| CIF     | Climate Investment Fund   |
| CoP     | Conferences of Parties  |
| DFO     | Division Forest Office  |
| EPA     | Environmental Protection Act  |
| EPCCMNC | Environmental Protection and Climate Change Management National Council |
| FCPF    | Forest Carbon Partnership Facility                                      |
| GCF     | Green Climate Fund  |
| GEDSI   | Gender Equality, Disability and Social Inclusion                        |
| GEF     | Global Environment Facility   |
| GETF    | Global Environment Trust Fund   |
| GHG     | Greenhouse Gas  |
| GoN     | Government of Nepal   |
| IIPU    | Industrial Processes and Product Use                                    |
| IPCC    | Intergovernmental Panel on Climate Change                               |
| INGO    | International Non-Governmental Organization                             |
| L & D   | Loss and Damage   |
| LAPA    | Local Adaptation Plan of Actions  |
| LDCF    | Least Developed Country Fund  |
| LNOB    | Leave No One Behind   |
| MI      | Mountain Institute  |
| MoE     | Ministry of Energy  |
| MoFE    | Ministry of Forests and Environment                                     |
| NDC     | Nationally Determined Contribution                                      |
| NDRRMA  | National Disaster Risk Reduction and Management Authority               |
| NGO     | Non-Governmental Organization   |
| SCCF    | Special Climate Change Fund   |
| UNCED   | United Nations Conference on Environment and Development                |
| UNFCCC  | United Nations Framework Convention on Climate Change                   |
| WBG     | World Bank Group  |

# GLOSSARY

**Climate justice:** A principle focused on addressing the disproportionate impact of climate change on marginalized and vulnerable populations, particularly in developing countries.

**Climate finance:** The financial support provided by developed countries to assist developing countries in addressing the impacts of climate change. This funding covers three main areas - mitigation (reducing greenhouse gas emissions), adaptation (building resilience to climate impacts), and loss and damage (addressing irreversible climate-related losses).

**Benefit Sharing:** A process that ensures that the gains or advantages from resources, programs, or policies are distributed fairly among all stakeholders, especially among vulnerable or marginalized groups.

**Capacity Building:** Efforts aimed at enhancing individuals' and organizations' skills, knowledge, and resources so they can effectively manage and adapt to climate and disaster challenges.

**Employment Access:** Opportunities provided to women and marginalized groups to gain employment, particularly in roles and sectors impacted by climate change.

# EXECUTIVE SUMMARY





# EXECUTIVE SUMMARY

The Intergovernmental Panel on Climate Change (IPCC) report highlights that climate change has extensive and complex effects, severely impacting various sectors, with agriculture and water resources being the most affected. Nepal, a mountainous nation, ranks 12th out of 180 countries by the Global Climate Risk Index 2021<sup>1</sup>, is experiencing rapid glacier retreat, landslides, and flooding. Climate change elements are dispersed across various sectoral laws and policies, such as the Environment Protection Act, Disaster Risk Reduction and Management Act, Climate Resilient Gender Strategy, National REDD+ Strategy, and the National Framework on Climate-Induced Loss and Damage. However, these elements lack the coherence needed for a unified national response to climate change challenges. This fragmentation leads to inconsistent and inadequate responses to communities severely impacted by climate change. Furthermore, while Nepal's National Climate Change Policy mandates that 80% of international climate funds be allocated to local-level projects, the absence of an accountable institution hinders the effective implementation of this provision. To address these challenges, there is an urgent need for an integrated Climate Change Act that consolidates sectoral laws, ensures clear accountability, and promotes climate justice for vulnerable communities.

A review of current policies shows that climate justice is either absent or poorly incorporated into existing laws and policies. This concept is relatively new in Nepal's climate policy and lacks a unified understanding among government agencies, the private sector, and civil society.

Nepal faces major challenges, particularly in accurately assessing climate change-related losses and damages and accessing international climate finance mechanisms like the Global Environment Facility (GEF), Green Climate Fund (GCF), and Least Developed Country Fund (LDCF). To uphold climate justice principles, Nepal needs to secure these funds while considering various impacts. This requires training and supporting Local Disaster Management Committees (LDMCs) and other level committees in loss and damage assessment and providing them with institutional support. The government, as the primary duty bearer, must play a key role in this effort.

Additional challenges include limited capacity to access climate finance, insufficient climate data, low capacity

of local governments, and slow coordination among different government levels, which impedes efforts to address social and economic inequalities affecting marginalized communities. While the Environmental Protection and Climate Change Management National Council (EPCCMNC) is a dedicated body designed to address these challenges, its functionality remains a concern due to the complexity of coordinating between federal and provincial representatives. This institutional setup, though well-intentioned, often faces hurdles in ensuring smooth and effective execution of climate policies and strategies.

A dedicated climate change act is essential to ensure proper support for vulnerable communities and their representation in policy processes. Effective adaptation and mitigation require further development of climate policies, focusing on finance implementation, loss and damage compensation, and robust supports distribution measures.

A robust collaborative mechanism across ministries and government levels is essential for the effective implementation of climate programs. Standardized data collection on loss and damage from climate-induced disasters and integrating this data into Nepal's disaster risk management system (such as the disaster portal), in line with the United Nations Framework Convention on Climate Change (UNFCCC) framework, is crucial to ensure evidence-based decision making and enhance resilience to climate impacts, particularly for vulnerable and marginalized communities as well as ecosystem.

Federal, provincial, and local governments should allocate resources to educate vulnerable communities about climate impacts and preparedness. This aligns with institutions like the Provincial Disaster Management Council and District Disaster Management Committees as outlined in the Disaster Risk Reduction Management Act, 2017. Empowering these communities through education on climate laws, policies, and climate justice is vital. Some climate injustice include: no compensation for the crop damage due to climate impact, no timely response on hazard, and government not issuing landowner certificate to climate induced migrants among others.

Finally, the Ministry of Forests and Environment (MoFE) and the Ministry of Finance (MoF) should enhance their capacity to effectively access international climate finance, ensuring that at least 80% of this funding is directed towards local projects as per the national climate change policy.

<sup>1</sup> Eckstein, David, et al, "Global Climate Risk Index: 2021" Germanwatch, January 2021, access June 20, 2023, <https://www.germanwatch.org/sites/default/files/Global%20Climate%20Risk>

## INTRODUCTION



# INTRODUCTION

ActionAid Nepal seeks to deepen understanding of Nepal's current legal and policy landscape on climate change and generate qualitative evidence-based insights to drive inclusive and effective policy reforms to address the climate vulnerabilities and risks faced by marginalized communities.

This study assesses the effectiveness and inclusiveness of existing climate policies, identifies key gaps and implementation challenges, and highlights the specific hardships experienced by marginalized groups such as women, Indigenous peoples, Bote, Chepang, Dalit, and Madhesi communities. These groups are disproportionately affected due to their historical exclusion from decision-making processes, limited access to resources, insecure land tenure, and a high dependence on natural public commons like water, land and forests for their subsistence and livelihoods. Many live in environmentally fragile areas such as forest edges, riverbanks, and sloped terrain where climate-induced disasters like floods, landslides, and droughts have more severe impacts. Additionally, their roles as smallholder farmers, landless laborers, and caretakers within the household further limit their adaptive capacity. Climate change exacerbates existing social and economic inequalities, disproportionately harming communities that have contributed least to the crisis.

Unlike more privileged groups, these populations often lack access to early warning systems, timely information, relief and compensation mechanism, climate resilient infrastructure. Their limited participation in governance processes further hinders their ability to advocate and implement adaptive solutions and as a

result, their exposure to climate risks is not only more direct but also far harder to recover from.

Addressing gaps in climate change-related laws and policies is crucial for effective global climate action, ensuring countries have robust legal frameworks to support ambitious climate goals and transition to a low-carbon, climate-resilient future. Closing these gaps enhances climate ambition, promotes transparency, and engages stakeholders across sectors in implementing climate actions.

Focusing on vulnerable communities is critically important as they are the most affected by the climate crisis. Marginalized groups bear the brunt of climate change impacts due to their heightened vulnerability and limited adaptive capacity. Their vulnerability is also attributed by limited livelihood options, lack of land ownership, caste-based discrimination, limited access to micro credit and public services. By prioritizing these communities, societies can work towards creating a more inclusive and equitable environment where all individuals have equal opportunities to thrive. Empowering marginalized voices enriches diversity and inclusivity within communities.

The objective of the study is to evaluate Nepal's climate change-related laws and policies, including gender perspectives, identify gaps, assess policy effectiveness, provide legal perspectives on the challenges faced by vulnerable groups, and recommend actions. The study focuses on the working districts of AAIN, targeting regions most vulnerable to climate change impacts, including mountainous areas, river basins, and remote communities.



## METHODOLOGY



# METHODOLOGY

## 3.1 STUDY APPROACHES AND PROCESSES

The study team conducted an intensive review of climate change-related laws, policies, and strategies, with a particular focus on their inclusive nature and effectiveness in addressing the vulnerabilities of women and marginalized communities. A qualitative approach was employed to review legislative frameworks, policies, and strategies from a human rights perspective. Efforts were also made to legally analyze case studies and provide action recommendations. The review process adopted the following approaches:

**A. Qualitative Method:** This involved reviewing climate laws (acts, regulations, and directives), policies, strategies, frameworks, case studies, Supreme Court verdicts, peer-reviewed climate articles, and publications from AAN.

**B. Human Rights-Based Approach:** This approach, in the context of climate change, is best encapsulated as climate justice. It acknowledges that the least developed countries are severely affected by climate change impacts, despite being least responsible for the crisis. Therefore, it calls for equitable compensation for loss and damage. The concept of common but differentiated responsibilities is fundamental to climate justice, emphasizing fairness and equity.

**C. Legal Approach:** Acknowledging the impacts of climate change on women and marginalized groups and specifically articulating rehabilitation and resettlement provisions in laws is crucial for achieving justice. Loss and damage should be legally recognized and compensated. Climate-induced migration should be addressed holistically, ensuring livelihood security and land tenure. In the absence of specific climate change laws, the adaptation and entitlement of marginalized communities to relief and resettlement measures are subject to the discretion of authorities.

The team conducted this assignment in a four-stage process as described below:

- 1. Desk Review:** A thorough review of literature on legal and policy provisions, categorized into three broad groups:
  - Environment/Forestry
  - Climate Change
  - Disaster Risk Management
- 2. Case Story Analysis:** The team analyzed case stories collected by AAN, which capture the perceptions and experiences of right holders (women, small farmers, and marginalized people) on the climate crisis and its effects on their lives. These case stories, gathered from AAN's working areas, were analyzed to determine if the absence of inadequacy of laws/legal provisions hindered affected communities from receiving relief, rescue, rehabilitation, and incentives during and after climate-induced disasters.
- 3. Legal Analysis:** The team analyzed two Supreme Court cases related to climate-induced hazards, acknowledging the notion of common and differential impacts. The analysis recognized the legal rights of affected people to be free from pollution and to have clean air and environment. It also assessed the extent to which existing legal provisions and policy clauses act as barriers for vulnerable women, people with disability, and marginalized groups in receiving dignified rehabilitation and resettlement support, using the polluter pays principle.
- 4. Preparation of Report and Policy Brief:** After completing the reviews, analyzing case stories, and examining Supreme Court verdicts, the team prepared a comprehensive report and policy brief.



### 3.2 LIMITATIONS OF THE STUDY

While the study offers important insights into the intersection of climate change, legal frameworks, and the vulnerabilities of women and marginalized groups in Nepal, it is essential to acknowledge its limitations:

- 1. Scope of Legal and Policy Review:** The study focused on a limited number of legal instruments—specifically 4 acts, 3 regulations/directives, 5 policies, and 7 strategies—alongside international frameworks and Supreme Court verdicts. Although these were selected for their relevance, the exclusion of other legal instruments and provincial/local policies may have constrained the comprehensiveness of the review.
- 2. Geographical and Contextual Constraints:** The case stories and field experiences analyzed in this study were sourced from ActionAid International Nepal's working areas. Therefore, the findings reflect the perspectives and experiences of affected communities primarily within those geographic and programmatic contexts. They may not fully capture the diversity of climate impacts and legal responses in other regions of Nepal, particularly in provinces and municipalities not included in the research.
- 3. Limited Stakeholder Consultation:** Consultations were primarily conducted with federal-level stakeholders, including government officials, legal experts, and civil society representatives. Voices from local governments, grassroots movements, and community-based organizations were less

represented, potentially limiting the analysis of local-level policy implementation and community realities.

- 4. Qualitative Nature of the Study:** The study used a qualitative approach that prioritized narrative depth, legal interpretation, and rights-based analysis. While this enriched the understanding of systemic issues and power dynamics, it did not include quantitative data (such as frequency or distribution of climate impacts or legal gaps), which may be necessary to generalize findings or inform cost-related advocacy.
- 5. Time and Resource Constraints:** Due to time limitations and logistical challenges, the study team was unable to conduct broader field visits or follow-up with all stakeholders. This may have affected the depth of validation and triangulation of certain findings.
- 6. Evolving Policy Landscape:** Climate change governance in Nepal is an evolving field, with ongoing updates to laws, policies, and institutional frameworks. Consequently, the findings may become outdated as new legal instruments or amendments are introduced after the study period.

Despite these limitations, the study provides a valuable foundation for continued advocacy and research into strengthening Nepal's climate governance through inclusive, rights-based, and legally enforceable mechanisms.

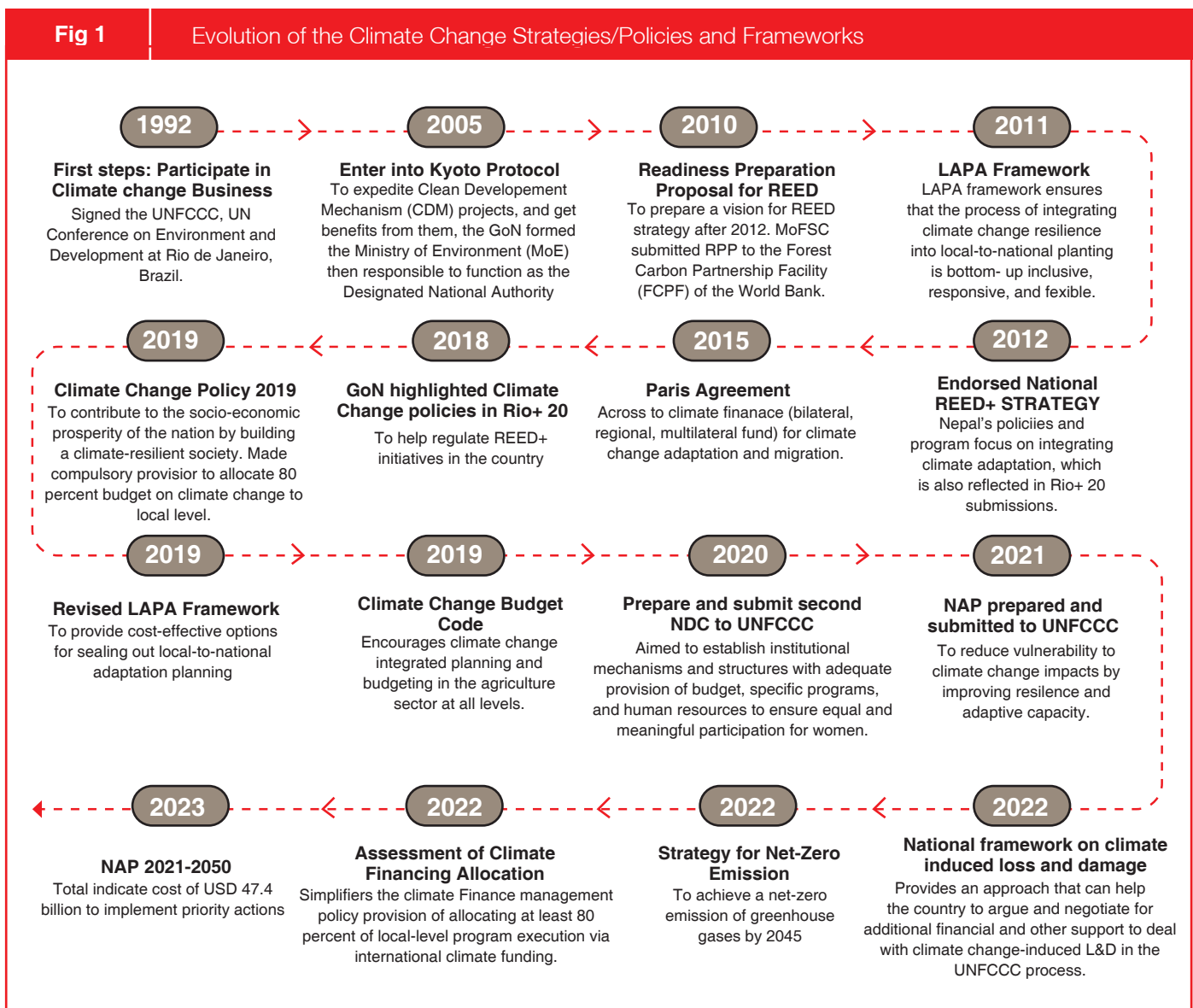
## SITUATIONAL ANALYSIS OF LAWS AND POLICIES: TRENDS, SUCCESSES & GAPS



# SITUATIONAL ANALYSIS OF LAWS AND POLICIES: TRENDS, SUCCESSES & GAPS

## 4.1 EVOLUTION OF THE CLIMATE CHANGE STRATEGIES/POLICIES AND FRAMEWORKS

Nepal's climate change-related laws and policies have evolved significantly over the past few decades, moving from general environmental conservation to a more structured and comprehensive approach to climate change adaptation and mitigation. The country's efforts have increasingly focused on integrating climate resilience into national development planning, addressing vulnerabilities, and enhancing community resilience through detailed frameworks and policies. In a nutshell, 2010 was the integration and implementation whereas, 2020 saw the comprehensive approach such as National Climate Change Policy, 2019 and National Framework on Climate Induced Loss and Damage. The flowchart below summarizes the historical development of climate change and related laws and policies.





The government's responsiveness to climate change is best reflected in the development of laws and policies and their effective enforcement. The legal and policy framework is crucial, as it guides how emission reduction, climate adaptation, and incentive programs based on the concept of common but differentiated impacts will be implemented. The team reviewed key intergovernmental reports, particularly Intergovernmental Panel on Climate Change (IPCC) and the Convention on Biological Diversity (CBD). A gender equity, disability, and social inclusion (GEDSI) perspective was applied, acknowledging that differential impacts exist due to on gender, geography, class, caste, ethnicity, social background, ability (there off disability), and access to and control over natural resources and credit (i.e., marginalization). Besides IPCC, CBD publications, national laws, policies and strategies related to climate change were thoroughly examined which are represented below.

### 4.2 BRIEF HISTORY OF NEPAL'S PARTICIPATION IN GLOBAL FORUM

Nepal entered the global environmental debates from the Stockholm conference of 1972. It joined the climate change policy discourse through its participation in the United Nations Conference on Environment and Development (UNCED) in Rio in 1992 and subsequent conference of party (COP) meetings. Nepal's environmental policy-making process has always been top-down and directed with international agreements and led by experts. Local people's needs barely matter while formulating policies and institutions in environment and climate change<sup>2</sup>.

There is no single and universal definition of climate justice. These definitions slightly vary according to the nature of institutions and their goals and objectives. The UNFCCC framework underscores climate justice

through its commitment to equity and the principles of common but differentiated responsibilities. This involves recognizing the varying capabilities and responsibilities of different countries in addressing climate change. From the perspectives of the Conference of the Parties (COP), climate justice calls for concrete actions on adaptation and loss and damage.

International Non-government Organizations such as ActionAid International defines Climate Justice “a part of a social justice movement that acknowledges that climate change exacerbates existing social and economic inequalities, disproportionately affecting marginalized communities who often have contributed least to the problem”. It emphasizes the fair and equitable distribution of the benefits and burdens of addressing climate change.

In Nepal, environmental justice is relatively new in the climate change policy. The climate policy is primarily on climate adaptation and mitigation. The issue of climate justice is mostly limited in in climate campaign with the slogan as “we need grants, not a loan from the Global North, as they are the biggest emitters of GHGs”. Another is loss and damage where a least developed country needs to be compensated by the developed countries as per “polluter pay principles”. However, laws and policies of Nepal are yet to align with climate justice.

The principles of climate justice emphasize that those who have contributed the least to climate change should not be disproportionately burdened by its costs. In a nutshell, climate justice within these frameworks focuses on ensuring that climate actions are equitable and just, particularly for those most affected by climate change yet least responsible for its causes. The following are attributes of climate justice and areas of concern thus called scopes:

| S.N | Attributes                  | Areas of concern/scope  |
|-----|-----------------------------|---|
| 1   | Equity and Fairness         | Ensure equal distribution of environmental goods and services based on the fairness,                  |
| 2   | Responsibility              | Acknowledge developed countries' greater obligation, common and differential responsibilities         |
| 3   | Human Rights                | Integrate human rights into climate policies,   |
| 4   | Participation and Inclusion | Ensure marginalized communities are included in the decision-making process and their participations, |
| 5   | Adaptation and Resilience   | Provide support for resilience to climate impacts,  |
| 6   | Restorative Justice Address | Past injustices with reparations,   |
| 7   | Intergenerational Justice   | Consider the rights and needs of future generations and,  |
| 8   | Sustainable Development     | Integrate climate action with sustainable development goals.  |

<sup>2</sup> Ghimire, S. (2011). *Climate Justice: Bottlenecks and opportunities for policy making in Nepal*. Kathmandu: South Asia Institute of Advanced Studies

### 4.3 CONSTITUTIONAL PROVISION, LAWS, POLICIES AND STRATEGIES

Constitution of Nepal, 2015- The article 30 (1) of the constitution has provisioned 'every person shall have the right to live in a clean and healthy environment' as a fundamental right for the people. The victim shall have the right to obtain compensation, in accordance with law, for any injury caused from environmental pollution or degradation and the article shall not be deemed to prevent the making of necessary legal provisions for a proper balance between the environment and development, in development works of the nation.

#### 4.3.1 Relevant Legislations

**4.3.1.1 Environment Protection Act (EPA), 2019:** The Act envisages preserving every person's constitutional right to live in a safe and healthy environment, with proper use and sustainable management of natural resources or public common resources. To avoid adverse impacts and risks of climate change, the federal Ministry, provincial Ministry, and local government can implement an adaptation plan at the national, provincial, and local levels respectively. This Act includes provision for Climate Change Adaptation (CCA), and mitigation planning (Article 23-28). The adaptation plan must prioritize vulnerable group such as women, person with disabilities, children, senior citizen, economically disadvantaged communities, and those in vulnerable geographical areas.

The Act has the provision of an environmental protection fund to manage climate change and other environmental issues and also an arrangement for environmental and public common resources protection and a climate change management national council. And it does not mandate climate adaptation plans, leaving implementation discretionary. While EPA 2019 aims to protect the environment for all citizens, it does not adequately address environmental justice nor explicitly mention citizen's responsibilities to protect their environments. To a limited extent, it respects the essence of environmental justice by provisioning penalties for environmental polluters and compensating the victims. However, it is rarely found that polluters are made accountable and paid fines and penalties for creating negative consequences. To the date this provision has not been framed through the lens of climate justice and that of human rights to be protected. *For instance, Chure Rivers has been subject to rampant extraction of sand and boulders. This excessive extraction and mining have had adverse impacts on the river ecosystem and the communities residing along its banks.*

**4.3.1.2 Forest Act, 2019:** of Nepal represents a significant advancement in forest governance, aiming to manage and utilize various forest types, including state-managed, community, collaborative, leasehold, religious, and private forests. Building upon the regulatory framework of the 1961 Act, the 2019 legislation emphasizes participatory forest management and introduces provisions related to ecosystem services, such as carbon sequestration and emission reduction. Notably, Article 44 of Chapter 13 addresses the management of environmental services, empowering the Government of Nepal to determine benefits arising from carbon sequestration, emission reductions, and climate change adaptation. This aligns with Nepal's commitments under the Paris Agreement, reflecting efforts to integrate international climate obligations into national legislation. However, it lacks clarity on carbon credit ownership and benefit-sharing mechanisms for marginalized communities.

#### 4.3.1.3 The Local Government Operation Act, 2017:

The Act has an explicit disaster management provision, environment conservation and protection, land management, and natural resource management in joint responsibility of the federal and provincial government. However, special attention to climate change risk, and required adaptation intervention measures are overlooked by the Act. Local Governments (rural municipality/municipality) have an environment and disaster management unit but due to poor capacity, timely and effective response for the vulnerable communities. (poor, *Dalit*, marginalized, and Indigenous Peoples) during disasters are challenging.

#### 4.3.1.4 Disaster Risk Reduction and Management Act, 2017:

is a legislative framework for managing disaster risks, including those exacerbated by climate change. It emphasizes preparedness, response, and recovery strategies. The provision of relevant institutions such as the District Disaster Management Committee and Local Disaster Management Committee as the two institutions it has provisioned to prepare the Disaster Management is the strong component of the Act. While these committees having functions and powers on relief, recovery, rehabilitation and resettlement, when it comes to tenure security (i.e. assurance from the government agencies they will not be evicted) and tenure right (i.e. landowner certificate), the act is silent, increasing causes the risk of eviction of the resettled families. Components of climate-fragility resilience are not coded herein; however, there is the provision of a disaster and emergency fund



for disaster relief and response activities. The act remains silent from the gender perspective although under the minimum standard for relief distribution it mentions the comfort of women, children, senior citizen, and people with disabilities.

### 4.3.2 Relevant Regulations

**4.3.2.1 Forest Regulations, 2020:** To expand and elaborate the clauses of the Forest Act, 2019 into processes, the Forest Regulation was enacted in 2022. This regulation, while not explicitly addressing climate change, includes provisions on environmental services (Section 13) such as carbon sequestration and emission reduction. Forest user groups intending to sell biodiversity-based, eco-tourism-related, and water-based ecosystem services (excluding carbon) to interested buyers must first develop a management plan and obtain approval from the Division Forest Office before receiving payments for these environmental goods and services.

The leasehold forestry provision in Clause 73 may contribute to enhance the adaptive capacity of local people against climate change though leasehold forestry has been primarily framed from the livelihood perspective. This provision requires the Divisional Forest Officer (DFO) to establish leasehold forest groups composed of individuals living below the poverty line and allocate a portion of state-managed forest to them for up to 10 years. These groups must develop a management plan, and upon DFO's approval, they can start forest-based enterprises and eco-tourism activities. However, this provision primarily targets local people, which will not necessarily represent Indigenous and marginalized people.

**4.3.2.2 Environment Protection Regulations, 2020:** provides a comprehensive framework for environmental management and protection, aligned with the EPA, 2019. Key features include Environmental Impact Assessment (EIA), Public Participation (public hearings) and Environment Protection Fund (including climate change). A gender perspective has been integrated in the regulations but lacks the intersectionality (acknowledgement that poverty and discrimination occur in the multiple layers) perspective. This linear perspective mostly encourages the participants of the higher/middle

class women and excludes the Dalit, Indigenous and landless women. The regulation is silent about the mobilization of funds in climate change related issues. This regulation primarily focuses on environmental protection and management and explicitly focuses on climate responsiveness.

**4.3.2.3 Solid Waste Management Rule 2013:** deals with promoting proper waste segregation, management, sustainability, and disposal practices contributing to the reduction of GHGs emissions for mitigation of climate change.

The Solid Waste Management Rule 2013 does not explicitly mention the reduction of greenhouse gas emissions, climate justice, environmental justice, women, marginalized people, or Indigenous Peoples as it lacks provisions of compensation for the impacted communities and punishment for the polluters. The primary focus of the document is on the management and reduction of solid waste through various methods, including waste segregation, recycling, and disposal. While these practices can indirectly contribute to reducing greenhouse gas emissions and improving environmental conditions, the document does not directly address these specific topics<sup>3 4</sup>.

### 4.3.3 Relevant Policies

**4.3.3.1 National Climate Change Policy, 2019:** represents Nepal's primary climate change document that aims to integrate climate change considerations into all policies, strategies, plan and programs at levels and sectors of government to adopt low-carbon development and promote a green economy. It further specifies agriculture-based adaptation programs will be conducted by targeting poor, marginalized, landless, Indigenous Peoples and vulnerable households, women, and persons with disability. However, the policy does not consider women and marginalized groups as agents of change<sup>5</sup>.

Section 8.9 explicitly states that the concerns of women, *Dalit*, Indigenous Peoples, Madhesi, Tharu, Muslim, oppressed groups, backward classes (*as officially used legal terminology*), minorities, marginalized communities, farmers, laborers, youth, children, senior citizens, persons with disabilities, pregnant

<sup>3</sup>Maharjan, A., Khatri, S. B., Thapa, L., Pant, R. R., Pathak, P., Bhatta, Y. R., ... & Bishwakarma, K. (2019). Solid waste management: Challenges and practices in the Nepalese context. *Himalayan Biodiversity*, 6-18

<sup>4</sup><https://lawcommission.gov.np/en/?cat=338>

<sup>5</sup>Shrestha, S., & Gurung, D. D. *Gender and Social Inclusion in Climate Change*

women, incapacitated individuals, and disadvantaged persons or groups will be addressed in climate change-related matters. While the inclusion of these diverse groups reflects a commitment to equity and inclusion, it is important to note that the term "backward classes", although used as part of official legal and policy language in Nepal, can carry stigmatizing connotations. As such, it would be advisable, particularly in advocacy and human rights-based programming, to promote the use of more empowering and stigma-free alternatives, such as "marginalized communities" or "socially excluded groups", to uphold the dignity and agency of these populations. This recommendation aligns international human rights standards and evolving inclusive language practices.

Additionally, the policy emphasizes climate finance management (Section 8.12), aiming to increase access to bilateral, multilateral, and international financial resources to address the national climate agenda. It stipulates that at least 80% of climate finance received from international mechanisms should be used to implement climate change projects at the local level. Moreover, the appropriation of budget targeted at women, minorities, backward classes (as officially used legal terminology), climate change-affected areas, and vulnerable communities will be ensured.

**4.3.3.2 National Land Policy, 2019:** is a milestone in addressing longstanding problems such as recognition of informal tenure and equitable access to land for landless, small-holders and informal settlers in Nepalese society. This policy ensures equitable distribution of land-derived benefits. This approach emphasizes securing land rights and ownership, promoting systematic and safe settlements, enhancing peasants' access to land, fostering sustainable infrastructure development, organizing land markets, guaranteeing food rights, protecting the environment, mitigating climate change impacts, ensuring gender equality, and resolving land-related issues sustainably (MoLMCPA, 2019).

**4.3.3.3 National Environment Policy, 2019:** aims to tackle primarily pollution and other environmental issues. It also focuses capacity development programs in the environmental sector for women, *Dalit*, Indigenous Peoples, marginalized groups, and economically deprived populations (Section 8.6). It prioritizes environmental justice by applying penalties for environmental polluters (principal polluters must pay) and compensating the affected people/community.

**4.3.3.4 The National Water Resources Policy of 2020:** aims to contribute to economic prosperity and social transformation by conserving and utilizing multiple uses of water resources, which are severely impacted by climate change. The policy outlines seven objectives and 11 strategies. In the current context of Nepal's annual temperature rise of 0.06°C, mountain peaks are melting rapidly, altering the hydrological cycle. As a result, water springs are drying up, and the water table is decreasing, adversely affecting farming communities.

Among the 11 strategies, the second strategy focuses on Integrated Water Resources Management (IWRM), which incorporates economic efficiency, social equity, and ecosystem sustainability in the planning and management of water resources. The eighth strategy ensures social safeguards for people and communities impacted by water or watershed management. Additionally, the ninth strategy prioritizes the equitable distribution of goods and services derived from water resources and wetland ecosystems. Reports and publications on the effectiveness of these strategies in achieving the policy's goals and objectives are not easily accessible to the public due to coordination challenges among federal agencies (such as the Ministry of Energy, Water Resources and Irrigation and the Water and Energy Commission Secretariat), provincial agencies, and local governments.

**4.3.3.5 Agriculture Policy, 2004:** The objective of this policy is to create an enabling environment for agriculture-led rural development. The policy emphasizes increased agricultural production and productivity, making agriculture competitive in regional and world markets with commercial agriculture systems, and conserving, promoting and utilizing natural resources, environment and biodiversity.

In Section 4.2 of this policy identified farmers having less than half a hectare of land and lacking year-round irrigation facilities, farmers belonging to *Dalit* and oppressed classes and other marginal farmers and agricultural workers as target groups. This policy shall provide these groups with special facilities such as pedal pumps, rower pumps, sprinklers, drips and water harvesting ponds.

The policy also has mentioned gradual development of food safety nets for farmers with less than half a hectare of land, farmers lacking year-long irrigation facilities, and landless and marginal farmers lacking other sources of income, to help them to cope with situations of climatic fluctuations and other calamities.

Similarly, this policy aims to increase the involvement and participation of women in all possible fields of the operation of agricultural programs up to 50 percent. With respect to women farmers' training, as far as possible, mobile training programs have been prioritized.

#### 4.3.4 Key Strategies

**4.3.4.1 Nepal long-term Strategy for Net Zero Emission, 2021:** states that Nepal aspires to achieve a net-zero emission of greenhouse gases by 2045. The Government of Nepal has identified five sectors namely, i) Energy ii) Industrial Processes and Product Use (IPPU) iii) Agriculture, Forestry, and Other Land Use (AFOLU) iv) Waste and v) Energy Trade; where potential for carbon emission is high. Suggested strategies include emphasis on maximization of clean energy (hydropower, solar energy, and biogas); decarbonizing the transportation sector; encouraging sustainable agriculture; increasing and maintaining forest cover; and enhancing international cooperation on climate change mitigation and adaptation. Similarly, the strategy identified stakeholders such as Government, NGOs, financial institutions, women groups, youth, Indigenous Peoples, people with disability, marginalized groups, civil society organizations. Likewise, it reaffirms principles of GESI and Leave no One behind (LNOB) in the implementation phase.

**4.3.4.2 Climate Resilient Gender Strategy, 2018:** is to ensure that gender considerations are systematically integrated into climate change planning and implementation. Its three objectives include: i) to enhance the resilience of women and marginalized groups to climate impacts ii) to increase women's participation in climate decision-making processes and iii) to promote gender-responsive climate actions that address the specific needs of women and marginalized groups. However, implementation related gaps are reported. The key factors behind ineffective implementation are inadequate roll out of the strategy to key stakeholder and lack of systematic collection and analysis of the gender-disaggregated data, which is crucial for monitoring progress and evaluating the impact of the strategy. The former two government agencies are mandated to develop laws and policies but due to the limited understanding of the deep-rooted patriarchal norms and cultural practices, these agencies are not able to clearly integrate into their laws, policy, and strategy.

The strategy has been developed in conjunction of the National Climate Change Policy of 2019 which emphasizes mainstreaming gender in sectoral and sub-sectoral policies and strategies aligning with the UNFCCC's Gender Action Plan under the Paris Agreement. The internalization of responsibilities to implement gender-responsive approaches in national and international climate change contexts, is outlined in the Integrated Lima Work Programme (Section 3). The strategy aims to integrate gender equality and social inclusion into climate change policies and programs, empower marginalized communities, and enhance their resilience through inclusive decision-making and resource allocation at all levels of governance (Section 4).

The strategy emphasizes quotas for women and marginalized groups in community leadership and provides targeted training and financial aid in eight different sectors (agriculture and food security, forest and biodiversity, water and energy, disaster risk reduction, WASH, rural and urban settlement, industry, transport and physical infrastructure, tourism, natural and cultural heritage) (Section 5).

**4.3.4.3 Nepal National REDD+ Strategy 2018:** mentions GESI as one objective; to increase livelihood assets and diversify employment opportunities of women, Indigenous Peoples, Madhesi, *Dalit*, local communities and forest-dependent poor, and strengthen governance, gender equality and social inclusion of the forestry sector to and harmonize policy and legal frameworks, but it remains silent on the deferential impacts exerted on women, Indigenous Peoples and marginalized groups and how the social position of women and marginalized groups can be strengthened to benefit from REDD<sup>6</sup>. However, in comparison, this strategy is GESI responsive in its approach and strategies.

**4.3.4.4 Climate Related GESI Strategy and Action Plan (2020-2030):** In line with commitments of the Paris Agreement and Enhanced Lima work programme on gender and its gender action plan, Nepal as a party of convention developed the Climate Related GESI Strategy and Action Plan. The key objectives of this plan included but not limited are as follows:

- To mainstream the principles and approaches of gender equality and social inclusion in federal,

<sup>6</sup> Shrestha, S., & Gurung, D. D. *Gender and Social Inclusion in Climate Change*

provincial and local level climate change related laws, policies, plans, programs and budgets,

- To institutionalize GESI in development and implementation process of the local level climate adaptation plans,
- To facilitate improved access of women and marginalized groups in climate resilience and women friendly technologies,
- To utilize climate finance, considering GESI principles and Social Justice

The action plan aims to adopt gender responsive and social inclusive strategies in six sectors namely, i) Agriculture and food security ii) Forest, biodiversity and watershed conservation iii) Water resources and energy iv) Disaster risk reduction and management v) Public health, drinking water and sanitation xi) Rural and urban settlements xii) Industry, transport and physical infrastructure, and xiii) Tourism and natural and culture heritage.

This strategy and action plan acknowledges that women and marginalized groups are severely affected though they are not responsible for climate change and thus formulate gender responsive and social inclusive indicators, as a part of monitoring and evaluation, including carrying out gender assessments, gender audits for climate adaptation and food security, nutrition and livelihood programs targeted for women and marginalized communities.

**4.3.4.5 Second Nationally Determined Contribution (NDC), 2020:** addressed the shortcomings of the Intended Nationally Determined Contribution (INDC) 2016 as it made specific reference to gender and made targets explicitly gender sensitive, both in the mitigation and adaptation components by identifying GESI as a crosscutting area. Nepal's Second Nationally Determined Contribution mandates "equal access to women, children, youth, Indigenous Peoples and marginalized groups during participation, decision-making and benefit-sharing," and that by 2030 all local governments prepare and implement climate adaptation plans "focusing on women, differently abled, children, senior citizens, youth, and Indigenous Peoples.

Further, it also called for the integration of GESI in the NDC targets and in the development of an action plan for its integration. Significant efforts are being made to mainstream GESI particularly in areas such as clean energy generation, mini and micro hydropower, sustainable forest management, and promotion of sustainable agriculture. Some actions include the setting up of quotas for women and marginalized communities in community user groups, including at the executive level, targeting them for training and, in some cases, for financial and in-kind support.<sup>7</sup>

**4.3.4.6 National Adaptation Plan (2021-2050):** sets out short-term priority actions to 2025, as well as medium-term priority programs to 2030 and long-term adaptation strategic goals to 2050 that aim to assist Nepal to better integrate actions and strategies to address climate risk and vulnerability in development planning and implementation.

It recognizes women, Indigenous Peoples, and persons with disabilities as "vulnerable to current and projected climate hazards." The objectives reference vulnerable communities, people, populations, and groups, and highlight that reduced access to safe drinking water increases the climate risk of "vulnerable groups," including persons with disabilities. The objectives also reference engaging with Indigenous Peoples in participatory watershed conservation, Indigenous knowledge-centered tourism, gender equality programs, and people-centered early warning systems.

**4.3.4.7 National Framework on Climate Induced Loss and Damage, 2021:** emerged as a response to the growing need to address climate impacts, following the increased frequency of extreme events within the country. Loss and damage, which focuses on the residual impacts of climate change that cannot be avoided through adaptation or mitigation, has become a central issue in global climate discussions. Nepal, through the National Climate Change Policy 2019, acknowledged the potential for climate-induced loss and damage and began framing policy solutions to address this challenge. The framework, developed in 2021, aims to identify and assess climate risks, with a particular focus on vulnerable sectors and communities, and provide financial support, including insurance and compensation mechanisms.

<sup>7</sup> Goodrich, C. G., Gurung, D. D., & Bastola, A. (2021). *State of gender equality and climate change in Nepal*.

## Box 1

The Conference of the Parties (COP) and the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA), through decisions 2/CP.27 and 2/CMA.4, established new funding arrangements for assisting developing countries that are particularly vulnerable to the adverse effects of climate change, in responding to loss and damage.

(<https://unfccc.int/loss-and-damage-fund-joint-interim-secretariat>)

## Box 2

At COP 28, a historic agreement was reached on the operationalization of a new dedicated fund under the UNFCCC to address loss and damage due to climate change. This is the first time such a decision was made on the first day of the conference. The agreement builds on the previous year's COP 27 decision to establish a fund aimed at supporting vulnerable countries and communities. By the end of the conference, commitments exceeding USD 600 million were secured, with USD 661 million pledged to date. Additionally, progress was made on operationalizing the Santiago Network for Loss and Damage, with the UN Office for Disaster Risk Reduction and the UN Office for Project Services agreeing to host its secretariat. This platform will provide technical assistance to the countries most affected by climate change.

Source: UNFCCC, COP 28. UNFCCC Loss and Damage Fund

The Paris Agreement (Box 1) set the stage for international cooperation on climate-induced loss and damage, particularly through the establishment of a funding mechanism for vulnerable countries. This is further emphasized in the decision at COP 28 (Box 2), where the operationalization of a dedicated loss and damage fund was finalized. The pledge of over USD 661 million at COP 28 reflects the international commitment to supporting developing countries like Nepal that are particularly vulnerable to climate impacts.

### 4.3.5 Directives of Supreme Court

Nepalese Supreme Court has performed a significant role since 1954 (2010 B.S.) has made several decisions and directive orders regarding the environmental justice. Nepal has largely taken a policy-based approach in addressing climate change and has not yet passed any binding climate legislation. In 2018, the Supreme Court of Nepal directed the government to pass a national climate law<sup>8</sup>.

## 4.4 CLIMATE FINANCING AND GENDER RESPONSIVE BUDGETING IN NEPAL

### 4.4.1 Climate Financing Status

Nepal faces significant challenges in accessing climate finance despite having various laws, policies, and strategies to establish climate funds. The country relies heavily on funding from international institutions that includes grants, loans, and technical assistance, to support its climate actions.

Key Financial fund/mechanisms established by laws are as follows :

1. Environmental Protection Fund, established under the Environment Protection Act, 2019, is designed to tackle pollution and other environmental issues. However, the allocation and disbursement of funds are constraint by the weak political will power and inadequate priority on the issues of the government.

<sup>8</sup> Advocate Padam Bahadur Shrestha vs Prime Minister and Office of Council of Ministers and Others, Case No. 074-WO-0283, Supreme Court of Nepal, 25 December 2018 (2075/09/10 BS).



2. Disaster and Emergency Fund: Provisioned by Disaster Risk Reduction Management Act, 2017, this fund aims to provide resources for disaster preparedness, response, recovery and rehabilitation.
3. Domestic Budget Allocation: The government allocates a portion of its national budget every year through climate budget code. However, this allocation is often limited due to competing priorities and fiscal constraints.
4. Nepal has been a recipient of international climate finance through UNFCCC mechanism, including the Green Climate Fund (GCF), Global Environment Facility (GEF), and Adaptation Fund (AF) and others climate related international fund. Accessing these funds requires complex compliance and high capacity of government agencies.
5. Various multinational agencies such as the World Bank Group (WBG), Asian Development Bank (ADB), European Institution, and United Nations agencies, provide financial and technical support for climate-related projects in Nepal. However, loans come with the conditionality which if not used productively makes the country dependent on foreign aids in the long run. Between 2012-2020, Nepal received about USD 4.41 billion in climate finance resources through various international, bilateral, and multilateral sources for climate change adaptation and mitigation<sup>9</sup>. Country with the annual budget size of USD 13.88 billion, the amount of external finance resources is substantial. The government spent 1.70 billion USD in debt servicing, including principal repayment and interest in the fiscal year 2022-23. The figure is a rise of around 83% from the previous fiscal year, according to the Public Debt Management Office (<https://kathmandupost.com/023/09/28>). The financing provisions outlined in Nepal's climate change policies and strategies are not legally binding thus not effective in implementation.

#### 4.4.2 Gender responsive climate change budget in Nepal

Gender Responsive Budgeting (GRB) was introduced by the Government of Nepal in the fiscal year 2007/08 to integrate gender considerations into national planning. The budgeting system classifies the annual budget into

three categories: directly gender responsive (over 50% benefiting women), indirectly gender responsive (20-50% benefiting women), and neutral (less than 20% benefiting women). Key indicators for GRB include capacity building, increased participation in planning, benefit sharing, employment access, workload reduction, and improved quality time for women, all aimed at enhancing their adaptive capacity to climate and disaster impacts.

At the federal level, the proportion of directly gender responsive budget allocation has steadily increased since 2017, reaching over 40% in the current fiscal year. UNDP-UNIFEM report on Nepal's gender budgeting revealed a lack of mechanisms to monitor gender-responsive activities, a gap that persists today<sup>10</sup>. Although gender audits are now part of budget processes in sectors like agriculture and tourism, there's minimal analysis of the long-term impact on women, such as in education where high dropout rates for girls continue due to overlooked socio-economic barriers. Additionally, weak coordination among key actors, including climate and gender focal persons, and unclear roles for women-focused departments, hamper the effective institutionalization and impact of gender-responsive budgeting. Provincial implementation of GRB shows varying trends and inconsistencies, with Sudurpaschim province leading with 95% gender responsive budget tagging, while Bagmati province has a lower allocation of 40%. Challenges include limited understanding among officials, technical capacity gaps, insufficient coordination between ministries, and a tendency to prioritize infrastructure over GRB at the local level. Strengthening monitoring systems, enhancing coordination, and GRB with Climate Budget Coding are essential steps for ensuring effective, gender-inclusive climate adaptation. These improvements enable more efficient use of resources, prevent duplication, and ensure that funds marked as gender-responsive genuinely support women and vulnerable groups in adapting to climate impacts. Monitoring systems provide accountability, while coordination across ministries ensures consistency and efficiency in GRB implementation. Aligning GRB with climate budget coding further ensures that climate-related funds support resilience and adaptation specifically benefiting women, creating a more inclusive framework that advances both climate resilience and gender equality in Nepal.<sup>11</sup> a

<sup>9</sup> Oxford Policy Management (2022). *Capitalizing Green Finance for Nepal*

<sup>10</sup> UNIFEM, (2008). *Gender Assessment and Gender Budget Audit in Seven Ministries (Compilation of synopsis of executive summary and conclusion & recommendations of the studies)*. Retrieved from: <https://mof.gov.np/grbc/unifem%20seven%20ministry.pdf>

<sup>11</sup> MoF. (2023b). *Consolidated Financial Statements (Federal, Provincial and Local Government) Fiscal Year 2021/22*. Government of Nepal, Ministry of Finance, Kathmandu, Nepal.

## 4.5 GAPS IN LEGISLATION, POLICIES AND STRATEGIES

A review of the previously mentioned laws and policies from a climate justice standpoint identified a numbers of gaps, which can be grouped into three categories:

- i) deficiencies in the legislative framework and policies,
- ii) slow and insufficient implementation of existing laws and policies, and
- iii) a lack of capacity among service providers, particularly in local governments

### a. Absence of an Integrated Climate Change Law:

There is no climate change law in Nepal. Climate change provisions are scattered in the legislation of sectoral ministries. Precisely for this reason, the Supreme court gave directives to the Nepal Government to make an integrated law. Limited funding, inadequate technical expertise, and weak inter-agency coordination are the factors behind the slow and insufficient implementation of climate related policies. Additionally, overlapping responsibilities among government bodies create bureaucratic delays, which reduce policy effectiveness and continuity, especially in the face of frequent political changes that disrupt long-term planning<sup>12</sup>.

Key elements of climate justice are either missing or not clearly integrated into Nepal's current climate-related laws and policies also remain fragmented across sectoral laws resulting in conflicting mandates, poor accountability, and weak enforcement. The general belief is that poor, vulnerable, and marginalized communities should receive disaster preparedness training and support for rescue, relief, rehabilitation, and resettlement following disasters. Unfortunately, these groups are often viewed only as recipients of support rather than as individuals or communities with rights to protection from climate-induced disasters. Additionally, corporations and manufacturers are frequently not held accountable for pollution, affecting land and water sources. While addressing climate change and its consequences through a climate justice lens is highly empowering, understanding of government agencies remains low.

### b. Environment Protection Act (EPA) 2019:

The Act, while acknowledging climate adaptation planning,

fails to legally mandate institutions to prioritize vulnerable groups (e.g., women, *Dalit*, Indigenous Peoples) in resource allocation or decision-making, perpetuating systemic inequities. It weakly enforces the “polluter pays” principle, allowing industries and extractive operators (e.g., Chure sand miners) to evade penalties for environmental degradation. Compensation mechanisms remain discretionary rather than rights-based, leaving marginalized communities—such as flood-displaced families in the Terai or Indigenous groups losing forest livelihoods—without guaranteed restitution. These gaps undermine climate justice, enabling unchecked environmental harm and leaving Nepal's most vulnerable populations disproportionately exposed to climate risks.

**c. Forest Act and Rules:** fall short to incorporate the climate justice perspective while conserving and managing forest for poor, women, and marginalized group stressed by the adverse impacts of the climate change. The only provision in these regulations targeting poor and forest-dependent local communities is leasehold forest, aimed at income generation through forest-based enterprises, but this is framed from a livelihood perspective. The Act outlines provisions for managing ecosystem services such as carbon sequestration and emission reduction. However, despite these progressive elements, the Act exhibits certain limitations. It lacks clarity on the ownership of carbon credits and mechanisms for equitable benefit-sharing, particularly among local communities and marginalized groups. Furthermore, while the Act focuses on environmental conservation, it pays limited attention to human rights principles, including the participation and protection of Indigenous Peoples, women, *Dalit*, and other vulnerable populations disproportionately impacted by climate change. Additionally, although the Act references climate-related issues, it does not fully align with broader national climate frameworks such as the National Climate Change Policy, 2019, which prioritizes inclusive and equitable approaches to resilience. Finally, despite promoting community-based forest management, the Act retains significant centralized authority, which may restrict the decision-making power and operational autonomy of local governments and communities in managing forests and implementing adaptive strategies.

### d. The Disaster Risk Reduction Management Act, 2017

is progressive in recognizing the needs of the poor, women, marginalized groups, *Dalit*, and senior

<sup>12</sup> Regmi, B.R., & Star, C. (2015). *Enhancing the Local Governance of Climate Change Adaptation in Nepal*. *Environmental Hazards*, 14(3), 188-201. *anges that disrupt long-term planning* (Regmi et al., 2015).

citizens in disaster management planning and mandates local governments to handle disaster management, including climate change. The establishment of Local Disaster Risk Management Committees is significant, providing easier access for local communities, including the poor, to marginalize local representatives. However, local governments inadequate funds for rehabilitation and resettlement, and cultural considerations and livelihood linkages are often overlooked, leading to many failed resettlement programs. There are many cases where resettlement programs failed. In eastern Nepal, the Kamala River Basin has witnessed patterns of displacement and return migration among marginalized groups due to climate-induced flooding and river erosion.

*The Dalit and Indigenous Peoples residing along the Kamala River in Sindhuli and Udayapur districts have experienced repeated floods that damage homes and farmland, forcing temporary relocation. In response, local governments provided emergency shelters and food aid but lacked resources for comprehensive livelihood support. Without stable income sources or agricultural land in resettlement areas, many families returned to their vulnerable riverside villages, even as flood risks persisted. Limited employment, inadequate infrastructure, and the lack of long-term support in the resettlement areas have led these communities to prioritize familiar livelihoods over safety. This case illustrates the persistent gap in integrating sustainable livelihood options into relocation efforts, particularly for marginalized groups in Nepal's eastern region*<sup>13</sup>.

*Similarly, in Manahari Rural Municipality, Makwanpur, communities displaced by floods were resettled in areas like Nayabasti and Pratappur. However, these new settlements were established on unregistered public lands that are also prone to flooding.*<sup>14</sup> A resident from Nayabasti expressed, "We were afraid of the river in our previous settlement, but now we've been forced to live beside another one that floods our area almost every year." While precise dates of each household's relocation vary, the bulk of the resettlement efforts intensified post-2017, following Nepal's Disaster Risk Reduction and Management Act, 2017, which empowered local governments to take lead roles in disaster response and resettlement planning.

*Also, in Madi Municipality, Chitwan, floods have repeatedly inundated villages such as Bankatta, Amiliya, Simara, Dhobaha, and Ratani. In August 2017, over 216 houses were severely affected, and approximately 800 bighas of agricultural land were submerged, devastating local livelihoods. Temporary shelters were established in schools and community buildings, but the lack of long-term livelihood support led many families to return to their original, flood-prone villages.*<sup>15</sup> To tackle these recurring issues, initiatives like the "One River-One Community" project were introduced to improve flood disaster management and set up maintenance systems for infrastructure, particularly along the Raktani River corridor. Yet, many residents feel that the efforts have not addressed the root causes.

- e. The Local Government Operation Act, 2017:** has overlooked core issues related to climate change and raises only peripheral issues. As per the act, the local government will promote low carbon development and environment friendly projects (Chapter 3: the local market management, environment protection and biodiversity conservation) but ignores climate adaptation measures per se, leaving municipalities unprepared for escalating hazards like floods and landslides.
- f. Climate Resilient Gender Strategy, 2018:** While the strategy promotes gender quotas in climate programs, it ignores intersectional vulnerabilities faced by Dalit women, landless Indigenous groups, and other multiply marginalized populations. By focusing narrowly on numerical representation without addressing systemic barriers like caste discrimination, patriarchal norms, or unequal land rights, the strategy fails to empower women in contexts where their vulnerabilities are compounded by socio-economic and cultural inequalities. For example, Dalit women farmers—often denied land ownership—remain excluded from decision-making on climate adaptation, perpetuating cycles of poverty and exclusion.
- g. National REDD+ Strategy, 2018:** The strategy frames women and marginalized communities as passive beneficiaries of forest-based carbon

<sup>13</sup> Sharma, A., & Uprety, B.K. (2016). Vulnerability and Adaptation of Marginalized Communities in Eastern Nepal: A Case of the Kamala River Basin. *Climate Change and Society*, 11(1), 74-89.

<sup>14</sup> Shrestha, B. (2023). Exploring Migration and Disaster Nexus: Case Study from Manahari Rural Municipality. Retrieved from [https://www.academia.edu/125515648/Exploring\\_Migration\\_and\\_Disaster\\_Nexus](https://www.academia.edu/125515648/Exploring_Migration_and_Disaster_Nexus)

<sup>15</sup> Republica. (2017, August 24). Floods affect 216 houses in Chitwan; 15,000 students. Retrieved from <https://myrepublica.nagariknetwork.com/news/floods-affect-216-houses-in-chitwan-15-000-students>

projects rather than rights-holders with agency. It overlooks how REDD+ initiatives—such as restricting forest access to meet carbon targets—can disproportionately harm Indigenous women who rely on forests for subsistence, medicine, and cultural practices. Without safeguards to ensure equitable benefit-sharing (e.g., revenue from carbon credits) or participatory governance, these groups risk further marginalization, undermining both climate goals and social justice.

**h. National Climate Change Policy, 2019:** Despite mandating that 80% of international climate funds be allocated locally, the policy lacks binding enforcement mechanisms. No institution monitors compliance, leading to funds being diverted to federal bureaucracies or large-scale infrastructure projects with limited community input. For instance, marginalized municipalities in climate-vulnerable regions like Karnali rarely receive targeted financing for adaptation, exacerbating disparities in resilience-building.

**i. National Framework on Climate Induced Loss and Damage, 2021:** The National Framework aims to address the impacts of climate change on the most affected sectors and communities by providing financial support, including insurance and compensation schemes. It includes methodologies for assessing loss and damage and proposes various responses such as insurance, assisted migration, resettlements, and compensation. However, it faces two key challenges in assessment process: an inability to attribute impacts to specific weather events and the lack of a globally accepted approach to assessing climate change-induced loss and damage. Additionally, the limited capacity of government agencies further hinders the effective delivery of these measures. Furthermore, the framework's focus on compensation schemes rather than the rights of affected communities is an important point. While the framework recognizes the urgent need for financial and technical assistance to those impacted by climate change, it frames these responses within the context of compensation for loss and damage rather than a rights-based approach. This distinction highlights the need for Nepal to ensure that those most affected are not only compensated but also empowered through a rights-based framework that acknowledges their

vulnerability and ensures justice in response to climate impacts. Challenges persist in the operationalization of the framework and its connection to the international climate finance mechanisms. Despite the promises of funding, effective access to and management of these resources within Nepal remains a challenge. The country's current climate policy still largely centers on adaptation and mitigation, with less emphasis on loss and damage. In addition, the technical capacity and institutional readiness to implement such a framework require further strengthening to ensure the effective distribution of resources and support to the most affected communities. Despite these challenges, the framework is a crucial tool for supporting vulnerable and marginalized groups if implemented effectively.

**j. Agriculture Policy, 2004:** While targeting marginal farmers, the policy neglects climate-resilient safeguards like crop insurance, drought-resistant seeds, or subsidies for soil conservation. Smallholders—particularly Dalit and Indigenous farmers in drought-prone areas—face recurring crop failures due to erratic rainfall and pests yet lack access to affordable insurance or adaptive technologies. This gap traps them in debt cycles and food insecurity, worsening their climate vulnerability.

**k. Solid Waste Management Rule, 2013:** The rule focuses on waste segregation but ignores Greenhouse Gas (GHG) reduction targets and the rights of informal waste pickers (e.g., Dalit communities in Kathmandu). By failing to integrate waste pickers into formal systems or compensate them for health risks, the policy perpetuates their economic precarity. Additionally, the absence of methane-reduction strategies from landfills undermines Nepal's climate mitigation efforts

**l. Climate Finance:** Nepal has accessed significant climate finance from various international sources, though gaps remain in reaching the ambitious funding needs outlined in its climate commitments. Between 2012 and 2020, Nepal received approximately USD 4.4 billion<sup>16</sup> through international, bilateral, and multilateral funding mechanisms. Key projects have been funded by the Green Climate Fund (GCF), including adaptation initiatives such as enhancing resilience in the Gandaki Basin and building climate resilience in the Churia region. The GCF alone provided nearly USD 49.2 million for clean cooking solutions and USD 47.3 million for resilience projects, among other allocations.<sup>17 18</sup>

<sup>16</sup>OPM. (2022). *Capitalising Green Finance for Nepal*, Oxford Policy Management Limited.

<sup>17</sup><https://www.undp.org/nepal/projects/climate-finance>

<sup>18</sup>OPM. (2022). *Capitalizing Green Finance for Nepal*, Oxford Policy Management Limited.



Effective climate action requires legislative frameworks that facilitate adequate financing mechanisms for climate justice on climate adaptation and mitigation activities/intervention. Where, several legislative gaps persist, hindering the mobilization, allocation, and utilization of climate finance.

One significant gap is the lack of coherence and integration between climate policies, guidelines and frameworks, where there is insufficient legal framework governing climate finance. Nepal's climate policies and frameworks, including the National Climate Change Policy (2019) and sector-specific strategies, suffer from fragmentation and a lack of integration, which hinders effective climate finance governance. The policy structure is dispersed, with responsibilities shared across multiple ministries without a cohesive legal framework, impacting resource tracking, accountability, and coordination. For example, the National Climate Change Policy mandates that 80% of international climate funds should be allocated at the local level, yet there is no specific institution to enforce or monitor this allocation consistently<sup>19,20</sup>. Furthermore, the absence of a national climate finance strategy results in delays and inefficiencies, as Nepal lacks the institutional infrastructure to ensure strategic alignment with its National Adaptation Plan (NAP) and Nationally Determined Contributions (NDCs), highlighting an urgent need for a comprehensive Climate Finance Act to unify and streamline these efforts<sup>21</sup>. The legislative framework is often not clear on funding priorities, and the distribution of climate funds, and clearly not define the funding for priority areas and people.

#### 4.6 IMPLEMENTATION/ENFORCEMENT CHALLENGES

Implementation/enforcement challenges are attributed to the following factors:

- Competing legal provisions among federal, provincial and local governments for example, disasters are under the jurisdiction of all three tiers of government.

Such area (not unpacked clearly) complicates the coordination and cooperation among government agencies who are there to implement the laws and policies and deliver for reducing carbon emission and implement adaptation measures.

- Inadequate inter-ministry coordination at both horizontal level (conservation and development ministry at the federal level) and vertical level (federal, provincial and local) slows down the process and progress-mitigation carbon emission and climate adaptation which is multifaceted issues.
- Capacity gaps are more pronounced in subnational governments, particularly at the provincial and local level. Poor understanding of the climate vulnerability, likely effects of climate change on agriculture, food security, public health, infrastructure, livelihood and forest, roles of adaptive capacity and common and differential impacts on diverse groups also make local government weakly prepared against climate induced disasters. For example, only 15% of municipalities have functional Environment and Disaster Management Units (EDMUs).<sup>22</sup>
- Nepal is a data deficient country. Data on loss and damage are hardly updated. Similarly spatial and temporal data on the climate induced hazards, their loss and damage may be scattered across government levels but due to the overlapping jurisdiction, data is not aggregated/updated at the country level.
- The climate budget tagging exercise is undertaken late in the budgeting cycle and only provides a descriptive categorization of expenditure patterns, rather than prioritizing programs based on evaluation through climate lens. Moreover, tagging system does not indicate if an activity clashes with the climate objectives. While MTEF (Medium Term Expenditure Framework) guidelines require planning based on national climate targets, information systems do not document the contribution of activities to climate targets. Ex post reviews of projects on climate outcomes are not conducted.

<sup>19</sup> <https://www.undp.org/nepal/projects/climate-finance>

<sup>20</sup> OPM. (2022). *Capitalising Green Finance for Nepal*, Oxford Policy Management Limited.

<sup>19</sup> <https://www.undp.org/nepal/projects/climate-finance>

<sup>20</sup> OPM. (2022). *Capitalising Green Finance for Nepal*, Oxford Policy Management Limited.

<sup>21</sup> Rai, N., Acharya, S., Bhushal, R., Chettri, R., Shamshudoha, M., Kallore, M. E., ... & Tesfaye, L. (2015). *Political economy of international climate finance*.

<sup>22</sup> National Disaster Risk Reduction and Management Authority (NDRRMA). (2023). *Nepal Disaster Report 2022: Status of Local Disaster Preparedness*. Kathmandu: Government of Nepal.

- Limited understanding, prioritization and mainstream gender issues remain significant challenges. Despite tagging 40% of the federal budget as “gender-responsive,” audits reveal funds are often allocated to gender-neutral infrastructure projects (e.g., roads, dams) rather than initiatives reducing women’s climate vulnerabilities (e.g., clean energy, healthcare). Gender-Disaggregated Data is absent in 70% of climate projects, hindering evidence-based policymaking<sup>23</sup>.
- Limited capacity in government bodies to manage climate finance due to lack of expertise, insufficient national budget allocation, and overdependence on international funding. Low institutional capacity to navigate complex accreditation processes for climate financing.
- Inadequate monitoring skills and knowledge related to climate change adaptation measures.
- Weak enforcement of climate-related laws, often due to non-mandatory provisions and ineffective implementation.
- Lack of clear inter-agency coordination mechanisms in legislation, leading to duplication of efforts.

#### **4.7 RATIONAL BEHIND FORMULATING INTEGRATED CLIMATE CHANGE ACT**

Climate change elements are scattered among some sectoral laws and policies such as environment protection act and regulation, National REDD strategy, National Framework on Climate Induced Loss and Damage and so on hence are not coherent as needed.

As the elements are scattered in different sectoral acts and regulations, leading to the inadequate / poor response to communities affected by climate change.

80% of the fund (climate fund from international mechanisms) should be spent on climate change

projects at local level as stipulated in NCCP. However, there is no accountable institutions to ensure that this provision is implemented.

Climate change elements are dispersed across various sectoral laws and policies, such as the Environment Protection Act and Regulation, Disaster Risk Reduction and Management Act, Climate Resilient Gender Strategy, National REDD Strategy, and the National Framework on Climate-Induced Loss and Damage and so on. However, these elements lack the coherence necessary for a unified national response to climate change challenges. The fragmentation across different legal and policy frameworks results in an inconsistent and inadequate response to the needs of communities severely impacted by climate change.

One of the key issues is the lack of alignment and integration within these laws and policies, which leads to poor coordination and inefficiencies in addressing climate-related vulnerabilities. These laws and policies fragmentation hamper efforts to deliver comprehensive solutions, leaving many communities at risk, particularly those already bearing the burden of climate-induced disasters.

Moreover, Nepal’s National Climate Change Policy (NCCP) stipulates that 80% of the climate funds received through international mechanisms should be allocated to climate change projects at the local level. However, there is a significant gap in ensuring that this provision is effectively implemented, largely due to the absence of an accountable institution.

Given these challenges, there is a need for an integrated Climate Change Act that consolidates climate change elements associated with sectoral laws and policies, establishes clear accountability mechanisms, and promotes climate justice for the most vulnerable communities.

<sup>23</sup>International Centre for Integrated Mountain Development. (2020). *Gender-inclusive climate action in the Hindu Kush Himalaya*. Kathmandu: ICIMOD.

## LEGAL CASE STUDIES





# LEGAL CASE STUDIES

## A. SUPREME COURT CASE 1

Padam Bahadur Shrestha vs. Office of the Prime Minister and Council of Ministers

**Case Summary:** Advocate Padam Bahadur Shrestha filed a case against the Office of the Prime Minister and Council of Ministers on the grounds of the government's inaction on climate change. Shrestha argued that the government's failure to address climate change adequately violated fundamental rights and international commitments.

### Decision

The Supreme Court of Nepal issued a landmark decision on December 25, 2018. The court highlighted several critical areas that needed immediate attention :

1. The court emphasized the urgent need for actions aimed at climate change adaptation and mitigation, especially in high-risk areas.
2. The court highlight the importance of reducing greenhouse gas emissions.
3. The court urged measures to minimize environmental damage.
4. The court highlighted the need to ensure environmental justice for future generations.

### Court Order

1. The court ruled that there was a pressing need for a distinct law focused on climate change adaptation and mitigation to address these issues effectively.
2. The court mandated the government to expedite the creation and enforcement of an integrated law addressing climate change comprehensively.

## B. SUPREME COURT CASE 2

Pravindra Shakya vs. Office of the Prime Minister and Council of Ministers

**Case Summary:** Pravindra Shakya filed a case against the Office of the Prime Minister and Council of Ministers, challenging the government's climate change policies and their impact on Indigenous and forest-dependent communities. The petitioner argued for greater justice and equitable participation for these marginalized groups, emphasizing the urgent need to address climate change effectively.

### Decision

The Supreme Court of Nepal delivered its decision on April 27, 2023. The court based its ruling on several key points:

1. The court stressed the importance of adhering to the commitments made under Paris Agreement in 2015.
2. The court highlights the need to ensure fair and equitable distribution of resources to indigenous communities dependent on forests. And their meaningful participation in climate change-related decision-making processes.
3. The court recognized the need to uplift the living standards of communities adversely affected by climate change and the court emphasized the need for the equitable distribution of benefits to ensure justice and sensitivity to the needs of all affected groups.

### Court Order

1. The court issued a directive order to make arrangements for environmental protection and the management of carbon trading and transactions.
2. The court directed the government to ensure that all necessary legal and policy arrangements are in place to align with international climate change treaties and agreements, including those related to the Paris Agreement.



## LEGAL REVIEW ACTIONAID OF CASE STUDIES



# LEGAL REVIEW ACTIONAID OF CASE STUDIES

The case studies from Rajapur, Bardiya, Makwanpur, Chitwan, Kathmandu, Godavari, Shankharapur, Siraha, Lahan districts illustrate the severe impacts of climate change on various communities within Nepal. Subsistence farmers like Guleli Chaudhary (Rajapur 1, Himalipur, Bardiya) and Ujala Tharu (Rajapur 4, Sangharsangar, Bardiya) face reduced crop yields due to erratic weather patterns, pest infestations, and droughts, leading to financial instability and increased debt. In urban areas like Kathmandu, irregular rainfall causes flooding and disrupts sanitation, contributing to public health challenges and infrastructural damage. Communities near by rivers, are experiencing recurrent flooding and land erosion, forcing people, to relocate from their permanent land. Across these regions, the problem of adapting to changing climatic conditions often falls heavily on women, who manage households and agricultural responsibilities, exacerbating gender inequalities. The collective experiences highlight an awful need for sustainable adaptation strategies and improved disaster management to mitigate the ongoing and future impacts of climate change on these vulnerable/marginalized communities.

## Major challenges due to climate change highlighted in the case studies

- o Farmers facing reduced yields and crop failures due to erratic weather patterns, including unseasonal rainfall and prolonged droughts.
- o The decline in agricultural productivity and frequent crop losses lead to food insecurity
- o Warmer temperatures and changing climate conditions have increased pest infestations, experiencing by farmers.
- o Communities are frequently affected by floods that erode farmland and destroy crops, leading to economic losses and food insecurity.
- o Drying up of traditional water sources, leading to disputes over water rights and increased reliance on ground water extraction.
- o Extended drought periods, have led to water shortages, affecting both drinking water supplies and agricultural irrigation.
- o The rise in temperature and changes in climate have contributing to an increase in diseases like dengue, and floods and inundation lead to poor sanitation and increase risk of water-borne diseases.
- o Communities are often forced to relocate due to the increasing frequency and severity of floods
- o Women facing additional challenges during disasters due to cultural norms, and responsibilities.
- o The constant threat of natural disasters and the resultant economic and social pressures contribute to psychological stress

## LEGAL PERSPECTIVE ON CLIMATE CHANGE IMPACT CASE STUDIES

The case studies demonstrate that comprehensive legal frameworks are urgently needed to address climate change impacts. Policies should focus on compensation, resettlement, agricultural support, water management, public health, urban planning, gender equality and climate justice to protect marginalized communities and enhance resilience against climate change. The legal perspectives provided by the Environment Protection Act, 2019 the Environment Protection Rules, 2020 the Forest Act, 2019 and the National Climate Change Policy, 2019 offer a robust framework for addressing the impacts of climate change. These legal provisions cover essential aspects such as information transparency, adaptation planning, mitigation measures, risk management, technical standards, carbon trading, benefit-sharing, and comprehensive policy guidance.

### Some examples are:

**Property Rights and Compensation:** Under Environment Protection Act 2019, Section 23, ensures transparency and informs stakeholders and communities about climate-related risks and necessary actions. Where, landowners are entitled to compensation for land loss due to natural disasters.

**Agricultural Subsidies and Support:** The legal issue is the lack of government intervention for damaged crops and reduced production. The Agriculture Policy, 2004, provides for agricultural subsidies and support. Strengthening this policy to include disaster relief measures could be beneficial.

**Resettlement and Rehabilitation:** The National Building Code and Disaster Management Act, 2017 should be enhanced to include comprehensive resettlement and rehabilitation strategies.

**Water Rights and Management:** The Water Resources Act, 1992 addresses water rights and management.

**Disaster Management and Relief:** The Disaster Risk Reduction and Management Act, 2017 outlines disaster relief protocols. Where the legal issue is gaps in disaster management and relief efforts.

**Urban Planning and Infrastructure:** The Local Government Operation Act, 2017 and the National Urban Policy should be used to enforce better urban planning and infrastructure standards. Where the legal issue is Urban flooding and inadequate drainage.



## RECOMMENDATIONS AND WAYS FORWARD





# RECOMMENDATIONS AND WAYS FORWARD

## **i. Enact a comprehensive Climate Change Act grounded in climate justice principles in line with the 2018 Supreme Court directive. This Act should:**

- Codify climate justice as a legally enforceable right, ensuring alignment with Article 30 of the Constitution and international environmental and human rights obligations.
- Clearly define institutional mandates across federal, provincial, and local levels for climate finance, adaptation, loss and damage, displacement, and tenure security.
- Mandate Free, Prior, and Informed Consent (FPIC) for all climate-related interventions impacting Indigenous Peoples, Dalit, landless communities, and other historically marginalized groups.
- Establish robust enforcement provisions, including penalties for non-compliance and independent grievance redress mechanisms to guarantee access to justice.
- Grant legal standing to national climate strategies, policies, and plans, making their implementation binding and justiciable.

*(To the Federal Parliament, Office of the Prime Minister, and Law Commission of Nepal)*

## **ii. Reform and harmonize sectoral laws and policies to ensure coherence with federalism and equity-based climate governance:**

- Amend the Forest Act (2019) to delineate responsibilities across tiers of government, ensure just benefit-sharing from carbon markets, and protect the rights of forest-dependent and Indigenous communities.
- Revise the Disaster Risk Reduction and Management Act (2017) to recognize climate-induced displacement and establish legally guaranteed mechanisms for resettlement, compensation, and protection.
- Update the Land Policy (2019) to secure land tenure and inheritance rights for climate-displaced populations, with a focus on Dalit, Indigenous Peoples, women, and the landless.

- Institutionalize a mandatory Climate Justice Audit across all sectoral policies, including agriculture, energy, and water, to ensure equity, accountability, and meaningful participation of vulnerable groups.

*(To the Ministry of Forests and Environment, Ministry of Land Management, and Ministry of Agriculture)*

## **iii. Strengthen governance and accountability in climate finance:**

- Enforce the 80% local allocation rule under the National Climate Change Policy (2019), ensuring targeted investments reach municipalities and frontline communities.
- Establish a national climate finance tracking and accountability system, disaggregated by geography, GESI categories, and sector, and made publicly accessible under open-data principles.
- Prioritize financing for women-led, Dalit-led, Indigenous, and grassroots organizations, recognizing their critical role in advancing locally led, gender-responsive climate action.
- Increase investment in building their in-house capacity to effectively access international climate finance, particularly through mechanisms such as the UNFCCC's Adaptation Fund (AF), Green Climate Fund (GCF), Global Environment Facility (GEF-GETF, GEF-LDCF, SCCF), Climate Investment Funds (CIF), and the Loss and Damage Fund. This investment is crucial to ensure Nepal's active and sustained participation in global climate finance, helping local communities access funds needed for adaptation and resilience, and establishing it as a right not a charity.

*(To the Ministry of Finance and Ministry of Forests and Environment)*

## **iv. Strengthen local-level climate governance and institutional capacity:**

- Scale up and adequately resource Environment and Disaster Management Units (EDMUs) in all municipalities, ensuring they are equipped with skilled staff, dedicated climate budgets, and clear operational mandates.

- Facilitate the co-creation of inclusive Local Adaptation Plans of Action (LAPAs) with the active participation of Women's Rights Organizations, Indigenous Peoples' institutions, climate-displaced populations, and landless groups.

**v. Institutionalize inclusive and rights-based decision-making mechanisms :**

- Adopt participatory budgeting frameworks for climate planning and resource allocation.
- Mandate FPIC for all land use changes and infrastructure projects involving climate-vulnerable communities.

*(To Provincial Concerning Ministries, and Local Governments)*

**vi. Integrate climate fragility and vulnerability data into national disaster management systems:**

- Enhance the BIPAD portal to capture, classify, and map climate-induced disasters (e.g., GLOFs, droughts, heatwaves), and ensure data is disaggregated by gender, caste, disability, and location.
- Link national disaster data with international reporting obligations under the UNFCCC, including for Loss and Damage assessments.

*(To the National Disaster Risk Reduction and Management Authority (NDRRMA) and Ministry of Home Affairs)*

**vii. Institutionalize Gender Equality and Social Inclusion (GESI) in climate governance systems:**

- Appoint and capacitate GESI focal points across all climate-relevant ministries and agencies at federal, provincial, and local levels.
- Integrate GESI audits and equity targets into climate action plans, budget allocations, and reporting tools.
- Ensure systematic collection, use, and publication of disaggregated data to inform inclusive policy responses and programming.

*(To the Ministry of Women, Children and Senior Citizens, Ministry of Forests and Environment, and Local Governments)*

**viii. Ensure access to environmental justice and strengthen accountability frameworks:**

- Establish environmental tribunals or fast-track climate courts to resolve disputes related to ecological harm, illegal extraction, or displacement without consent.

- Promote legal empowerment of communities, particularly marginalized groups, to claim their rights and seek remedies through justice mechanisms.

*(To the Judiciary and Ministry of Forests and Environment)*

**ix. Leverage Indigenous and local knowledge systems in climate action:**

- Institutionalize traditional ecological knowledge (TEK) in national and subnational frameworks including the NAP, REDD+, and watershed conservation.
- Provide policy recognition, technical support, and financing to sustain community-led practices such as agroecology, water harvesting, rotational grazing, and seed preservation.

*(To the Ministry of Forests and Environment, Provincial Ministries, and the Indigenous Nationalities Commission)*

**x. Activate the Environmental Protection and Climate Change Management National Council (EPCCMNC) to function as the apex coordination and oversight body for cross-sectoral climate governance.**

**xi. Mandate climate budget tagging and public expenditure tracking across all ministries, disaggregated by GESI indicators, to enhance accountability and transparency.**

**xii. Embed equity and inclusion indicators in Nepal's Long-Term Strategy for Net Zero and in subsequent Nationally Determined Contributions (NDCs), ensuring all climate progress is measured by its impact on the most marginalized.**

*(Cross-Cutting Responsibilities for All Ministries)*

**xiii. Align international support with inclusive, accountable, and locally led climate action:**

- Tie funding to compliance with Free, Prior and Informed Consent (FPIC), integration of Gender Equality and Social Inclusion (GESI) audits, and measurable commitments to equity and transparency.
- Support municipal and provincial capacity building, and prioritize funding for local civil society organizations (CSOs) and women-led climate initiatives, rather than focusing solely on national institutions.






*(To Development Partners and Donors (GCF, UNDP, ADB, Bilateral and Aid Agencies))*





#### CONTACT DETAILS

-  Apsara Marga, Lazimpat  
Ward No. 3, Kathmandu, Nepal
-  P.O. Box. 6257
-  Tel.: +977(0)1 400 2177
-  Email: [mail.nepal@actionaid.org](mailto:mail.nepal@actionaid.org)  
[nepal.actionaid.org](http://nepal.actionaid.org)

-  [facebook.com/actionaid.nep](https://facebook.com/actionaid.nep)
-  [youtube.com/c/actionaidnepal1982](https://youtube.com/c/actionaidnepal1982)
-  [twitter.com/@actionaidnep](https://twitter.com/@actionaidnep)
-  [instagram.com/actionaidnepal](https://instagram.com/actionaidnepal)
-  [linkedin.com/company/actionaid](https://linkedin.com/company/actionaid)