

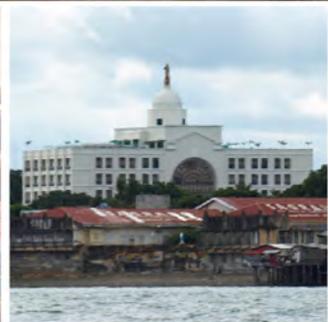


**USAID**  
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TECHNICAL REPORT

# GOVERNING FOR RESILIENCE

AN ANNEX TO THE USAID CLIMATE-RESILIENT DEVELOPMENT FRAMEWORK



**MAY 2015**

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# GOVERNING FOR RESILIENCE

## AN ANNEX TO THE USAID CLIMATE-RESILIENT DEVELOPMENT FRAMEWORK

May 2015

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# ACRONYMS

DFID	United Kingdom Department for International Development
DRG	democracy, human rights, and governance
EC	Environmental Clearance
EIA	environmental impact assessment
NGO	nongovernmental organization
OECD	Organisation for Economic Co-operation and Development
PEA	political economy analysis
PSIA	Poverty and Social Impact Analysis
SEA	strategic environmental assessment
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

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# EXECUTIVE SUMMARY

The relationships among climate, development, and governance present both familiar and new challenges to development practitioners. Most, if not all, developing countries face governance weaknesses that hinder climate-resilient development. Addressing governance considerations is critical for ensuring that climate-resilient development activities, particularly those supported by donors and external partners, are more sustainable.

This annex serves as a topic-specific elaboration of the United States Agency for International Development (USAID) climate-resilient development framework (USAID, 2014d). The purpose of this governance annex is to explain how governance is essential to climate-resilient development and identify opportunities to incorporate relevant governance considerations into climate-resilient development planning.

Issues of governance must be considered throughout the climate-resilient development framework. As defined by the United Nations Development Programme (UNDP, 1997), governance refers to:

*The exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.*

These elements of governance shape how decisions are made, how power is exercised, and on whose behalf. As such, governance is more comprehensive than “government.”

Development practitioners view governance from different perspectives, depending on which stage of the framework practitioners are currently addressing. For example, during the scoping stage of the framework, practitioners might view elements of governance, such as lack of enforcement, as non-climate stressors that hinder the achievement of development goals; during the assessment stage, the same practitioners might view the same elements in terms of their effect on adaptive capacity. In some instances, effective governance can support efforts to include climate considerations in development planning; in others, weak governance can be a significant impediment to successful adaptation.

Development practitioners can take advantage of a wide range of resources and tools to assess and account for governance issues that have implications for climate-resilient development. This annex, which discusses those resources and tools, is structured as follows:

- *Section 1* introduces readers to the annex and explains its purpose and relationship to other USAID documents
- *Section 2* introduces the concept of governance and explains how it relates to the five stages of the climate-resilient development framework
- *Section 3* explains how climate-resilient development can provide an opportunity for improving overall governance
- *Section 4* suggests resources for further reading; many of these resources are cited throughout this annex, but additional resources are included that may be of interest to development practitioners
- *Appendix A* provides sets of sample questions to help development practitioners account for relevant aspects of governance as they proceed through the climate-resilient development framework

- *Appendix B* identifies several key resources that development practitioners can refer to for guidance on conducting thorough governance and/or political economy assessments
- *Appendix C* provides information on a variety of approaches for improving governance in support of climate-resilient development.

USAID believes that considering governance throughout the development planning process leads to better outcomes for the people who rely on development. Incorporating governance into climate-resilient development can help ensure that efforts to achieve development goals will not be undermined by, for example, insufficient enforcement of regulations, inadequate communication with key stakeholders, or poor coordination across government agencies. At the same time, development initiatives that identify and foster policies, laws, and institutional mechanisms that promote and facilitate adaptive governance can significantly strengthen climate resilience.

# I. INTRODUCTION



## I.1 WHY SHOULD I BE CONCERNED ABOUT CLIMATE CHANGE AMONG SO MANY OTHER IMPORTANT ISSUES?

Climate change affects human health, agriculture, urban development, and many other sectors. These effects can put development goals, such as increasing economic growth, reducing poverty, enhancing access to education, improving child health, combating disease, and sustaining the environment, at risk. The development goals of countries and communities should thus guide climate adaptation decisions. Conversely, incorporating climate considerations into development planning and implementation will help development practitioners make the best use of limited resources to support sustainable development over the long term by ensuring the enduring impact of contemporary investments. We call this a “development-first” approach.

## I.2 WHAT IS CLIMATE-RESILIENT DEVELOPMENT?

Climate-resilient development is development that enables people to cope with current climate variability and adapt to future climate change. Development that considers climate impacts will help preserve development gains and minimize damages related to those impacts. Climate-resilient development is *not* about implementing development activities in a completely new way; it is about considering climate-related risks during development planning to improve outcomes and enhance sustainability. Climate risks cannot be eliminated, but negative effects on people and economies can be reduced or managed. Climate-resilient development, therefore, helps minimize the consequences and costs of climate impacts so they do not hinder progress toward development goals.

The United States Agency for International Development (USAID) has developed a framework to help development practitioners and other relevant stakeholders systematically include climate considerations in development planning and implementation. This climate-resilient development framework takes a “development-first” approach: it begins with the desired development outcomes and then assesses how climate risks may affect the achievement of those goals. In this way, the framework builds on the conventional project cycle management framework that development institutions use to manage their projects and programs. The framework is illustrated in Exhibit 1 and consists of five stages: (1) scope, (2) assess, (3) design, (4) implement and manage, and (5) evaluate and adjust. For more information on the framework, its stages, and the tasks involved in each stage, please refer to *Climate-Resilient Development: A Framework for Understanding and Addressing Climate Change* (USAID, 2014d), as well as its companion documents listed at the end of this section.



**EXHIBIT I. USAID’S CLIMATE-RESILIENT DEVELOPMENT FRAMEWORK.**

### **1.3 WHY SHOULD I READ THIS ANNEX?**

The relationships among climate, development, and governance present both familiar and new challenges to practitioners. Most, if not all, developing countries face governance weaknesses that hinder effective development. Development initiatives that do not realistically assess and respond to governance challenges often fail to realize or sustain their intended outcomes— or, worse, result in unintended and even harmful outcomes.

This holds true for climate-resilient development initiatives as well. Successful implementation of the framework requires practitioners to understand when and how governance and the political economy of a country or location may either contribute to or undermine the achievement of climate-resilient development goals. Integrating climate considerations into development decision-making requires attention to the

institutional, policy, legal, and political barriers that could undermine adaptive capacity or stand in the way of implementing adaptation options. The impacts of climate stressors on livelihoods, resources, ecosystems, and economies can also exacerbate governance weaknesses. Conversely, climate resilience can be significantly strengthened through development initiatives that identify and foster policies, laws, and institutional mechanisms that promote and facilitate adaptive governance. Addressing governance considerations is critical for ensuring that climate-resilient development activities, particularly those supported by donors and external partners, are more sustainable.

This annex explains how governance is essential to climate-resilient development and identifies opportunities to incorporate relevant governance considerations into climate-resilient development planning. It also includes information and resources that development practitioners can use to evaluate options for improving governance in support of climate-resilient development.

Multiple audiences will benefit from reading this annex:

- *Development practitioners* will learn how to ensure that governance and political issues are taken into account when incorporating climate considerations into development planning and implementation. This should be of particular interest to USAID Missions and partner organizations (e.g., in-country development practitioners and project proponents) working in sectors that are highly vulnerable to climate impacts, including water, natural resources, agriculture, health, and disaster risk reduction.
- *Climate adaptation specialists* will benefit from a more thorough understanding of how governance can support or impede adaptation and how elements of governance can be taken into account in designing and implementing more effective and sustainable adaptation actions.
- *Governance specialists* will learn how climate variability and climate change can threaten or present opportunities for governance-related programs and how to tailor those efforts to account for climate impacts and implications. They will also have a better understanding of how to support climate-resilient development initiatives using their governance expertise.

In short, this annex is a useful resource for a range of development professionals and stakeholders with a variety of objectives, whether those objectives are primarily focused on achieving development goals, adapting to climate impacts, or improving governance more broadly. Note that the term “development practitioners” is used as shorthand throughout the annex to refer to all of these audiences.

## **1.4 HOW DOES THIS ANNEX RELATE TO THE CLIMATE-RESILIENT DEVELOPMENT FRAMEWORK?**

This annex provides information on how governance relates to the five stages of the climate-resilient development framework and the tasks involved in each of those stages. The annex elaborates on the framework and serves as a companion document to *Climate-Resilient Development: A Framework for Understanding and Addressing Climate Change* (USAID, 2014d).

This annex also complements several other companion documents to the main USAID framework document. In particular, the information here supports the governance-related portions of *Climate Change and Water: An Annex to the USAID Climate-Resilient Development Framework* (USAID, 2014b) and *Climate Change and Coastal Zones: An Annex to the USAID Climate-Resilient Development Framework* (USAID, 2014a). It can also be used in conjunction with two other topical annexes, *Climate Change Vulnerability Assessment: An Annex to the USAID Climate-Resilient Development Framework* (USAID, 2014c) and *Working with Marginal Populations: An Annex to the USAID Climate-Resilient Development Framework* (USAID, 2014g).

# 2. GOVERNANCE IN THE CONTEXT OF CLIMATE-RESILIENT DEVELOPMENT



## 2.1 WHAT IS GOVERNANCE?

As defined by the United Nations Development Programme (UNDP, 1997), governance refers broadly to:

*The exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.*

Governance determines how resources are accessed, used, distributed, and managed. Importantly, this includes both formal governance arrangements and informal, or customary, practices and institutions. Governance is more comprehensive than “government,” and embraces the networks of influence that impact decision-making in society, including civil society, the private sector, and nongovernmental organizations (NGOs). In short, governance encompasses the full range of policies, laws, regulations, institutions, customs, and beliefs that shape how decisions are made, how power is exercised, and on whose behalf.

Good governance – governance that occurs in the context of a democratic political system; represents the will and interests of the people; and includes the principles of participation, inclusion, and accountability – is a critical ingredient for achieving development objectives. Conversely, poor governance can be a significant barrier to achieving development objectives efficiently, if at all. In general, democratic governance promotes the rule of law and helps ensure that political, social, and economic priorities build on broad societal consensus and that the voices of the poorest and the most vulnerable influence decisions about the allocation of development resources and public services. Key principles of good governance include participation, inclusion, and accountability. Other important aspects of good governance include transparency, equity, efficiency, and effectiveness (see the “Principles of good governance” text box).

## PRINCIPLES OF GOOD GOVERNANCE<sup>a</sup>



- *Participation and inclusion* require that stakeholders and the public have opportunities to participate actively in decision-making, as well as access to fair and responsive dispute-resolution procedures
- *Accountability* refers to the systems, procedures, and mechanisms that ensure that public officials and institutions uphold their responsibilities; accountability imposes restraints on authority
- *Transparency* describes an environment in which governments and public officials engage in the clear disclosure of rules, plans, processes, and actions in a form that everyone can access and that promotes accountability by providing the public with information about what the government is doing
- *Equity* means that all members of society have an equal opportunity to access resources to support their wellbeing, to participate in decision-making, and to maintain sustainable livelihoods
- *Efficiency and effectiveness* are necessary to ensure that countries and communities achieve desired objectives as quickly as possible with minimal duplication and waste

a. These principles build on definitions from several resources, including Benjamin and Fulton (2011), the USAID democracy, human rights, and governance (DRG) strategy (USAID, 2013b), the United Nations Water Governance website (<http://www.watergovernance.org/whatiswatergovernance>), and the Institute on Governance website (<http://iog.ca/>).

## 2.2 HOW DO CLIMATE VARIABILITY AND CHANGE AFFECT GOVERNANCE?

Development practitioners are keenly aware of the role governance plays in the achievement of development goals. Incorporating climate considerations into development planning requires them to pay additional attention to familiar governance considerations:

- *Governance systems* have always had to cope with a degree of uncertainty and complexity. Climate stressors bring additional challenges associated with uncertainty, in terms of the nature, timing, scale, intensity, and rate of change, as well as how climate stressors will interact with other social, environmental, economic, and political drivers of change. Additionally, the scientific complexity and uncertainty surrounding climate

stressors means that decision-makers will need to base decisions on limited or incomplete information (USAID, 2012a).

- *Population growth, pollution, urbanization, and globalization of markets* are non-climate stressors that are frequently addressed in development efforts. Climate change, and the ways in which climate stressors interact with these non-climate stressors, presents an added imperative for improving governance in order to achieve climate-resilient development.
- *Meaningful stakeholder participation*, a critical component of most development efforts, is essential in assessing vulnerabilities to climate stressors and planning for adaptation. Climate impacts vary across localities and even among communities in the same locality where community members may have differential access to social capital or other adaptive capacities (see USAID, 2014g). Development practitioners thus need to engage with local stakeholders, who often possess detailed knowledge (including traditional knowledge) related to local climate impacts, historical adaptations, and evolving vulnerabilities that may be unavailable to government representatives or international institutions. In addition, engaging stakeholders in the implementation, monitoring, and evaluation stages can help ensure that decision-makers are held accountable for their actions.
- *Climate vulnerabilities and adaptive responses* are often cross-sectoral and cross-jurisdictional in nature. Management and decision-making approaches, on the other hand, are often “stove-piped” with institutions and policies that fail to coordinate both within and across sectors. Furthermore, both local government institutions (to improve participatory and representative governance) and national government institutions (as the primary locus of adaptation policy-making, regulatory oversight, capacity building, and external support) have an important role to play in mediating between individual and collective responses to climate impacts. Governance in support of climate resilience thus calls for more effective mechanisms for cross-sectoral and cross-jurisdictional governance throughout policymaking, planning, and implementation.

The links between climate and governance highlight the need for development practitioners to more fully understand the relevant governance capacities and weaknesses that might impact climate-resilient development initiatives. There are many useful resources for practitioners to draw on for conducting governance assessments and improving governance in support of climate-resilient development (see Appendices B and C to this annex).

## **2.3 HOW DOES GOVERNANCE RELATE TO THE CLIMATE-RESILIENT DEVELOPMENT FRAMEWORK?**

Governance is embedded throughout the climate-resilient development framework. Development practitioners will view elements of governance from different perspectives. Similarly, governance-related issues might have different implications – depending on which stage of the climate-resilient development framework a country or community is in. Exhibit 2 provides an overview of governance implications for the tasks associated with each of the framework stages.

Governance-related issues are highly contextual and vary significantly from country to country, and even among localities. How a practitioner incorporates elements of governance into the climate-resilient development framework will thus need to be tailored to local conditions. This annex is intended to inform how development practitioners think about and account for governance in their unique situations.

TASK/ASPECT	GOVERNANCE IMPLICATIONS
 <p data-bbox="386 327 570 373">Frame the planning process</p> <hr/> <p data-bbox="386 457 570 504">Identify inputs and enabling conditions</p> <hr/> <p data-bbox="386 537 570 604">Consider the impacts of climate and non-climate stressors</p>	<ul data-bbox="602 237 1386 432" style="list-style-type: none"> <li>• Elements of governance can support or impede efforts to identify relevant development goals (e.g., by constraining stakeholders' abilities to provide input or because of ineffective cross-sectoral coordination)</li> <li>• In prioritizing development goals, development practitioners should consider how elements of governance could support or impede the achievement of those goals over time</li> <li>• When framing the planning process, improving governance itself may be a key development goal</li> </ul> <hr/> <ul data-bbox="602 447 1386 514" style="list-style-type: none"> <li>• Elements of governance can serve as enabling conditions for climate-resilient development and can shape development inputs (e.g., effective land tenure systems can facilitate the use of permitting to control development and use of resources)</li> </ul> <hr/> <ul data-bbox="602 529 1399 625" style="list-style-type: none"> <li>• Climate stressors can exacerbate poor governance (e.g., diverting limited institutional capacity to address emergencies rather than addressing key regulatory issues)</li> <li>• Elements of governance can be non-climate stressors that hinder the achievement of development goals (e.g., policies that encourage development in flood zones)</li> </ul>
 <p data-bbox="386 682 570 728">Assess exposure to stressors</p> <hr/> <p data-bbox="386 751 570 798">Assess sensitivity to stressors</p> <hr/> <p data-bbox="386 821 570 867">Assess adaptive capacity to respond</p>	<ul data-bbox="602 661 1386 737" style="list-style-type: none"> <li>• Poor governance can increase exposure to climate stressors and other non-climate stressors (e.g., failure to prevent peri-urban development in floodplains can expose new populations to flooding impacts)</li> </ul> <hr/> <ul data-bbox="602 751 1386 798" style="list-style-type: none"> <li>• Poor governance can increase sensitivity to stressors (e.g., failure to enforce forest protection policies can exacerbate downstream flooding)</li> </ul> <hr/> <ul data-bbox="602 812 1386 888" style="list-style-type: none"> <li>• Governance can influence factors that determine adaptive capacity (e.g., financial resources, access to technology, information, skills, infrastructure, effective institutions, and equity in access to resources or decision-making)</li> </ul>
 <p data-bbox="386 976 570 1022">Identify adaptation actions</p> <hr/> <p data-bbox="386 1108 570 1155">Select evaluation criteria</p> <hr/> <p data-bbox="386 1199 570 1266">Analyze options and select a course of action</p>	<ul data-bbox="602 913 1386 1073" style="list-style-type: none"> <li>• Elements of governance shape the processes used to identify potential adaptation actions (e.g., certain adaptation options may not be politically palatable, or there may be ineffective mechanisms for engaging critical stakeholders)</li> <li>• Adaptation actions that may improve governance (or that include governance improvement components) might be a necessary first step to enable or sustain interventions</li> </ul> <hr/> <ul data-bbox="602 1087 1399 1184" style="list-style-type: none"> <li>• Governance can have implications for criteria that practitioners use to evaluate adaptation actions (e.g., overly complex policies can limit the flexibility of adaptation actions, while insufficient political support can lower the feasibility of adaptation actions)</li> </ul> <hr/> <ul data-bbox="602 1199 1386 1274" style="list-style-type: none"> <li>• Development practitioners can weigh evaluation criteria according to how they are affected by governance (e.g., development practitioners might emphasize criteria that are highly sensitive to governance challenges to identify the most plausible course of action)</li> </ul>
 <p data-bbox="386 1381 570 1428">Ensure flexibility</p>	<ul data-bbox="602 1360 1386 1436" style="list-style-type: none"> <li>• Elements of governance (e.g., the adaptive management capacities of implementing institutions or frameworks for monitoring, assessment, and information-sharing) contribute to the flexibility of implementation and management processes</li> </ul>
 <p data-bbox="386 1549 570 1596">Gather quality data</p> <hr/> <p data-bbox="386 1654 570 1701">Attribute performance</p>	<ul data-bbox="602 1522 1399 1598" style="list-style-type: none"> <li>• Governance can have implications for how effectively development practitioners are able to account for changing climate conditions in the evaluation stage (e.g., regulatory requirements and institutional capacity for data collection and management support efforts to track changes in vulnerability)</li> </ul> <hr/> <ul data-bbox="602 1619 1386 1715" style="list-style-type: none"> <li>• Governance can support or impede performance attribution (e.g., inappropriate policies, poorly designed programs, or corrupt practices can obscure or undermine the benefits of adaptation actions and the failure may be attributed to the adaptation action)</li> </ul>

**EXHIBIT 2. SUMMARY OF GOVERNANCE IMPLICATIONS FOR THE DIFFERENT STAGES OF THE CLIMATE-RESILIENT DEVELOPMENT FRAMEWORK.**

### 2.3.1 SCOPE

The scoping stage establishes the development context and assesses vulnerability at an appropriate level of detail to support initial planning. It involves three tasks: (1) framing the planning process, (2) identifying development inputs and enabling conditions, and (3) considering the impacts of climate and non-climate stressors.<sup>1</sup> Elements of governance<sup>2</sup> play various roles in this stage of the climate-resilient development framework, depending on the task.

- *Framing the planning process.* This task involves identifying development goals and the critical requirements needed to meet those goals. When framing the planning process, development practitioners should consider governance from multiple perspectives:
  - *Governance implications for identifying and prioritizing development goals.* In prioritizing goals, development practitioners should consider how elements of governance could support or impede the achievement of those goals. For example, having effective institutions or mechanisms for engaging a broad range of stakeholders can support efforts to identify priority development goals; the absence of effective institutions or mechanisms for such involvement can impede these efforts. Development practitioners might prioritize goals that involve adaptation actions that are feasible within the current governance context. Governance and political economy analysis (PEA) tools are often useful at this stage to identify where potential issues or options might arise (see Appendix C).<sup>3</sup>
  - *Improved governance as a development goal.* When framing the planning process, development practitioners might consider improving governance or certain aspects thereof (e.g., stakeholder participation, policy development, legal frameworks, enforcement, institutional capacities) as priority development goals. In some cases, improved governance may be a necessary precursor to addressing the climate impacts related to other development goals. For example, many countries struggle with overlapping and even conflicting resource rights stemming from co-existing customary and legislative systems, lack of implementation and enforcement of legislative reforms, and historical user conflicts. Climate-resilient development may depend on programs and projects that strengthen and clarify resource tenure systems to ensure that the appropriate incentives are in place for effective and sustainable management.

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1. For definitions of the terms “input,” “enabling condition,” “climate stressor,” and “non-climate stressor” from the perspective of the climate-resilient development framework, please refer to the main framework document (USAID, 2014d).

2. As used in this document, “elements of governance” include policies, laws, regulations, institutions, and customary practices that shape how citizens and groups participate in government, how decisions are made, how power is exercised, and on whose behalf.

3. A PEA explores the interaction of political and economic processes in a society; the distribution of power and wealth between different groups and individuals; and the processes that create, sustain, and transform these relationships over time. PEA enables an understanding of pressures for or against development efforts and reforms, such as reducing corruption or decentralizing service delivery. PEA can occur at the country, sector, or project level (USAID, 2013b).

## IMPROVING GOVERNANCE FOR CLIMATE-RESILIENT DEVELOPMENT IN JORDAN'S WATER SECTOR

The Government of Jordan is working with USAID on an Institutional Support and Strengthening Program. The program addresses legal and institutional barriers in an effort to improve efficiency and capacity in the water sector, as well as create an enabling environment for adaptive management to respond to increasing climate and non-climate stressors. Activities include institutional assessments that analyze key sector constraints to water sector management; studies that assess the value of water, and provide decision-makers with a common reference for evaluating tradeoffs in the sector; and legal analysis to assess options and barriers to addressing deficiencies in current laws and regulations to strengthen water legislation.

Source: ISSP, 2013.



Photo credit: USAID.

- *Identifying development inputs and enabling conditions.* Policies, laws, regulations, institutions, and customary practices often serve as the enabling conditions for climate-resilient development. Examples include sectoral laws or policies that directly or indirectly support development goals and the capacity (and willingness) of key government ministries or local governments to work as effective and accountable stakeholders. Further examples include the existence of relevant land rights and other resource tenure rights, the presence of meaningful accountability measures for relevant decision-makers (e.g., opportunities for civil society to provide oversight and informed critiques of government), and the ability of local communities and civil society to have a voice in making relevant decisions. The likelihood for success increases where enabling conditions are in place, and greater challenges may arise when certain enabling conditions are absent or weak. The analysis of enabling conditions should consider different levels of governance across a range of sectors.

## IDENTIFYING GOVERNANCE-RELATED ENABLING CONDITIONS IN JAMAICA

In 2012, Jamaica's Ministry of Water, Land, Environment, and Climate Change convened a stakeholder workshop to plan the development of a national climate change policy framework. Workshop participants identified conditions that enable the effective use of development inputs. The lack of clear, coherent policies to guide how Jamaica should address climate change was a central theme of the workshop. Other, more specific governance issues were also identified, including the need for proper legislation, effective zoning, and better enforcement of regulations. Identifying these enabling conditions informed the development of potential adaptation options.

Source: USAID, 2012b.



Photo credit: Yoon Kim, Engility Corporation.

- *Considering the impacts of climate and non-climate stressors.* Climate and non-climate stressors can exacerbate weak governance, for example, by diverting limited resources toward addressing emergencies rather than addressing key regulatory issues. Elements of governance can also be considered as non-climate stressors that hinder the achievement of development goals (e.g., by undermining enabling conditions). Examples include weak or fragmented sectoral laws, government ministries lacking capacity in critical areas, ineffective sectoral coordination, corruption, or policies that inadvertently increase vulnerability to climate impacts (e.g., by incentivizing development in flood zones).

## **INCORPORATING GOVERNANCE INTO THE SCOPING STAGE**

To support climate-resilient development, development practitioners should fully account for elements of governance when framing the planning process and when identifying inputs, enabling conditions, and stressors. This can be achieved by:

- Identifying and involving key institutions and stakeholders (e.g., government agencies, traditional leaders, community or civil society organizations, user associations) and analyzing the relevant capacity needs, resources, and power relationships that define stakeholder and institutional relations
- Identifying relevant decision-makers and determining the level at which policy, planning, and programming decisions are made
- Identifying potentially affected populations, especially vulnerable or marginal populations, and their needs; understanding their role in governance, and in carrying out adaptation actions; and understanding how decisions might affect these populations
- Mapping policies, laws, regulations, plans, and strategies in the relevant sectors to determine whether they include provisions that pertain to climate resilience (e.g., mandates for monitoring changing climate conditions and information-sharing among agencies responsible for climate-sensitive resources)

Such scoping activities can also provide an opportunity for development practitioners to begin identifying potential adaptation actions that focus on improving governance. Comprehensive governance assessments and PEAs provide a more nuanced understanding of key challenges and opportunities. Appendix A provides a set of sample questions that development practitioners can use to help them incorporate elements of governance into the scoping stage. Appendix B provides additional information on resources and tools available to development practitioners to help conduct detailed governance assessments and PEAs.

## PROPERTY RIGHTS, RESOURCE TENURE, AND CLIMATE-RESILIENT DEVELOPMENT

Climate impacts are often mediated through natural ecosystems, resource uses, and resource use systems (Quan and Dyer, 2008). Consequently, resource tenure issues can play an important role in adaptation policy and planning. Property rights and resource tenure systems are the institutions and rules that determine ownership and allocation of natural resources. These governance systems may be impacted by climate, but also can help adapt to climate impacts (USAID, 2010). Potential climate impacts on tenure regimes include:

- Climate stressors and associated policy responses that cause changes in the value of land and resources and may drive disputes among users
- Climate-induced migration of people that may require tenure regimes to accommodate and re-allocate rights

The following approaches may be applicable in addressing these climate impacts on property rights and resource tenure systems:

- *Clarifying and strengthening resource tenure regimes.* Many countries still have overlapping and even conflicting resource rights stemming from co-existing customary and legislative systems, lack of implementation and enforcement of legislative reforms, and historical user conflicts. Climate-resilient development will be enhanced by programs and projects that strengthen and clarify these systems in an equitable and conflict-sensitive manner and provide secure land rights.
- *Ensuring stakeholder participation.* As resource rights and availability come under scrutiny, livelihoods will be at stake. Meaningful involvement of communities, marginal populations, and local and national institutions will be necessary to ensure that new policies, laws, rules, resource tenure systems, and institutional mechanisms are inclusive, equitable, and accountable.
- *Mainstreaming resource tenure considerations to ensure climate-resilient development.* The implications for changing patterns of resource rights and tenure are far-reaching and should be incorporated into development decision-making to ensure climate resilience. Tracking, analyzing, and identifying effective practices will be helpful for future efforts.

Sources: Quan and Dyer, 2008; USAID, 2010; USAID, 2014f.

### 2.3.2 ASSESS

This stage involves carrying out a more detailed assessment of the vulnerability of key inputs and the system identified in the scoping stage. Vulnerability assessments account for three factors: exposure to stressors, sensitivity to stressors, and adaptive capacity to respond to stressors.<sup>4</sup> There are governance implications for each of these factors:

- *Exposure to stressors.* In addition to being non-climate stressors, poor governance can increase exposure to other stressors. For example, inadequate enforcement of coastal land-use policies (e.g., zoning restrictions) can increase the exposure of shoreline populations to extreme weather events (e.g., floods).

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4. For definitions of the terms “vulnerability,” “sensitivity,” “exposure,” and “adaptive capacity” – as they are used in the context of the climate-resilient development framework – please refer to the main guidance document (USAID, 2014d) or the Vulnerability Assessment Annex (USAID, 2014c).

- *Sensitivity to stressors.* Poor governance can also increase sensitivity to stressors. For example, policies that support the use of water-intensive agricultural crops in arid areas might increase the sensitivity of those crops to climate stressors such as drought or a delayed rainy season.

### **IMPACT OF GOVERNANCE ON CLIMATE VULNERABILITY IN ILOILO, THE PHILIPPINES**

The water sector in Iloilo is highly vulnerable to climate impacts. Several key climate stressors contribute to this vulnerability, including warming temperatures, drought and longer dry seasons, precipitation changes, typhoons, and sea level rise. In addition, several non-climate stressors directly impact water security in the region. For example, conflicting authorities and mandates at the national level, the lack of enforcement capacity, ineffective local and national politics, and opaque decision-making processes impede effective management of water resources. In addition, these impediments can exacerbate vulnerabilities to climate. For example, the fragmented system of authority undermines efforts to respond to changes, such as those caused by sea level rise and extreme weather events.



Source: USAID, 2013a.

Photo credit: Jason Vogel, Stratus Consulting Inc.

- *Adaptive capacity to respond to stressors.* Factors that influence adaptive capacity include financial resources, access to technology, information, skills, social capital, infrastructure, effective institutions, and equity.<sup>5</sup> Governance frameworks influence each of these factors, either directly or indirectly. For example, effective local institutions can enhance a locality's capacity to respond to stressors with sufficient and timely information and resources. On the other hand, weak governance can impair adaptive capacity, such as when ineffective integration across government agencies can impede the efficient mobilization of resources to the people who need them, constraining a community's ability to respond to climate stressors.

### **INCORPORATING GOVERNANCE INTO THE ASSESSMENT STAGE**

Identifying weaknesses or gaps in policies, laws, administrative regulations, customary practices, or institutional arrangements that can contribute to climate vulnerability or impede the success or sustainability of adaptation interventions is crucial for climate-resilient development. To fully account for potential governance implications of climate vulnerability, development practitioners should identify elements of governance that exacerbate exposure and sensitivity to stressors or undermine adaptive capacity. Key indicators might include:

- Lack of effective mechanisms for meaningfully engaging relevant stakeholders, including members of disadvantaged populations, in climate-related decision-making<sup>6</sup>

5. Equity concerns whether different sectors of the population in a society – for example, women, or racial, ethnic, and religious minorities – have equal access to resources, or whether they experience marginalization or exclusion (USAID, 2014d). Inequities that impede access to resources that people might use to reduce the adverse impacts from climate stressors can reduce certain populations' adaptive capacities.

6. More information on engaging vulnerable populations is available in *Working with Marginal Populations: An Annex to the USAID Climate-Resilient Development Framework* (USAID, 2014g).

- Lack of institutional and stakeholder capacity for collecting, administering, and disseminating climate-relevant information and data
- Ineffective or fragmented sectoral laws that contribute to poor resource management and to increased scarcity, competition, or overall resource degradation
- Ineffective enforcement of existing resource protection and management requirements
- Ineffective coordination among relevant sectoral institutions and among levels of government
- Policies or legal requirements that increase exposure to climate impacts or increase sensitivity to climate impacts (e.g., incentives for activities that influence a population’s ability to avoid exposure to climate stressors, such as policies that encourage development in vulnerable locations)

Appendix A provides a set of sample questions that development practitioners can use to ensure that elements of governance are fully incorporated into the assessment stage. For more information on resources for assessing adaptive capacity, see *Climate Change Vulnerability Assessment: An Annex to the USAID Climate-Resilient Development Framework* (USAID, 2014c).

### 2.3.3 DESIGN

The design stage focuses on identifying, evaluating, and selecting actions to reduce the impact of climate and non-climate stressors. It involves the following tasks: (1) identifying adaptation actions, (2) selecting evaluation criteria, and (3) analyzing options and selecting a course of action. Elements of governance can play multiple roles in determining the portfolio of adaptation actions that development practitioners consider, prioritize, and ultimately implement:

- *Identifying adaptation actions.* When identifying potential adaptation actions, practitioners can view governance from different perspectives:
  - *Identifying governance implications for adaptation action identification.* Governance can be considered in terms of how it influences processes for identifying adaptation actions. Locally appropriate adaptation actions can be identified through a number of approaches, including stakeholder consultations, workshops, and coordination with local organizations. Governance can influence the effectiveness of each of these approaches. For example, inadequate mechanisms for engaging with citizens and other stakeholders can hinder efforts to identify adaptation actions that are most important to key local stakeholder groups.<sup>7</sup> Poorly defined, overlapping, or deficient resource rights and tenure systems can also be barriers to identifying appropriate adaptation actions, making it difficult to understand which parties might be affected by the actions, and how. In addition, poor coordination across local government agencies and between local and national governments can constrain efforts to leverage experience in identifying appropriate adaptation actions in other locations.
  - *Understanding how local politics will influence the implementation and/or sustainability of adaptation actions.* While some actions may be ideal from a programmatic or a community perspective, there may be a lack of political will to implement them. There may be historical factors that result in perceptions of certain

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7. Appendix B provides information on tools that help assess the effectiveness of different elements of governance, including mechanisms for engaging with stakeholders. Appendix C contains additional information on stakeholder participation.

approaches as favoring one group at the expense of another. These can sometimes be addressed by incorporating improved governance as a priority adaptation focus area.

- *Improving governance as a priority adaptation action focus area.* Implementing adaptation actions that are aimed at improving governance (or that include governance improvement components) might be a necessary first step to support later actions. Institutional and legal reforms in developing countries can create the enabling environment to support successful adaptation actions. For example, countries can bolster climate-resilient development by strengthening and clarifying resource tenure systems to ensure that the appropriate incentives exist for effective and sustainable management.

It is important to recognize, however, that situations that development practitioners encounter are not always conducive to the reforms listed above. If the political, social, and economic conditions are not in place, capacity-building efforts may not support development reform.

Development practitioners can consider a range of approaches to improve governance in support of climate-resilient development. These actions might include:

- Improving stakeholder participation in decision-making
- Enhancing inter-sectoral, inter-governmental, and inter-institutional coordination and cooperation in establishing policies in climate-sensitive sectors (e.g., water and agricultural sectors)
- Supporting the development and implementation of knowledge-sharing platforms that raise awareness of climate risks and adaptation actions
- Improving compliance and enforcement capacity of government agencies to reduce baseline vulnerability or exposure to climate risks.

See Section 3 and Appendix C for more information on types of approaches to improving governance in support of climate-resilient development.

- *Selecting evaluation criteria.* Using a consistent set of evaluation criteria is critical for systematically evaluating adaptation actions. The main guidance document for the climate-resilient development framework includes a suggested list of evaluation criteria.<sup>8</sup> Elements of governance have implications for each of these criteria. For instance, governance can influence the *feasibility* of adaptation options. As noted above, a key consideration when evaluating the feasibility of an adaptation action is whether there is sufficient political support to implement and enforce it. If an adaptation action requires a considerable amount of sustained political support, for example, it might not be feasible in locations where there is high political turnover, corruption, or substantial opposition to adaptation-related investments. Elements of governance also have implications for the *flexibility* of adaptation actions. For example, overly-rigid legal mechanisms can limit the flexibility of adaptation actions if those options are dependent on short-term adjustments to evolving conditions (e.g., changes to water resource allocation mechanisms during droughts).
- *Analyzing options and selecting a course of action.* To help prioritize adaptation actions and determine next steps, development practitioners might choose to weigh evaluation criteria differently based on elements of

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8. USAID suggests three criteria that are likely to be useful in any context: effectiveness, feasibility, and cost; and five criteria that may be useful depending on the priorities of the people who are evaluating adaptation actions: unintended consequences, additional benefits, implementation timing, flexibility, and robustness (USAID, 2014d). Governance is a key condition in feasibility. See *Evaluating Adaptation Options: An Annex to the USAID Climate-Resilient Development Framework* (USAID, 2014e) for more detail on evaluation criteria.

governance. For example, if political support for adaptation actions is particularly strong in a locality, it might be appropriate to weigh the feasibility criterion higher.

Upon selecting a course of action, development practitioners should also be prepared to recognize and take into consideration changes in elements of governance that could threaten or support implementation of specific adaptation actions. For example, practitioners often need to prepare for periodic turnover in local and national government officials following elections.

## **INCORPORATING GOVERNANCE INTO THE DESIGN STAGE**

To support climate-resilient development, practitioners should fully account for elements of governance when identifying adaptation actions, selecting evaluation criteria, analyzing options, and selecting a course of action. Examples of governance-related activities that can support efforts to identify and design potential adaptation actions include:

- Engaging diverse stakeholders who can provide input into the adaptation action identification process.
- Determining whether implementing an adaptation action will first require policy changes or other adjustments to the legal or regulatory framework. If adjustments will be needed, first determine whether sufficient political will and resources are available (or can be leveraged) to undertake the necessary reforms.
- Determining whether strengthening and clarifying resource tenure systems would support the implementation of adaptation actions.
- Coordinating information-sharing and strategic planning across government agencies and among governments at different levels.

### **CONFLICTING NATIONAL POLICIES IMPEDING ADAPTATION ACTIONS IN NAMIBIA**

Namibia adopted a National Policy on Climate Change in 2011. The policy sets forth several objectives, including the goal of integrating climate change effectively into sectoral policies and development frameworks to reflect the cross-cutting nature of climate change. However, the country's national climate policy faces a number of challenges to achieving this integration, which can impede the implementation of adaptation actions. Zeidler et al. (2012) describe that many of the policy's objectives conflict with existing sector-specific priorities. For example, the policy's goal of improving the sustainability of water resource consumption conflicts with the National Agricultural Policy, which prioritizes water use for irrigation purposes. Development actions that include a component to identify and address such conflicts could help reduce the risk that adaptation actions will be undermined.

Source: Zeidler et al., 2012.

Examples of governance-related criteria that development practitioners might use to evaluate adaptation actions include:

- Do the adaptation actions contribute to efforts to achieve other development objectives that might be of immediate importance to decision-makers and other leaders?
- Do key institutions or government agencies possess the capacity (e.g., resources, time, staff, knowledge) to play an effective role in implementing the adaptation action? Do they also possess the political incentives to play an effective role in implementation?

- Are there community or government leaders who may be unlikely to support reforms?
- Do adaptation actions require more effective coordination or integration among existing institutions, agencies, or stakeholders?
- Will it be necessary to build the capacity of civil society to undertake effective advocacy for changes in governance or behavior needed to ensure that the adaptation action is effective, accountable, and sustainable?
- Are there champions or leaders whose involvement can be leveraged in support of the adaptation action?
- Do existing institutions have the capacity to facilitate stakeholder participation in the implementation of the adaptation action?

Appendix A provides a more comprehensive set of sample questions that development practitioners can use to ensure that they fully incorporate elements of governance into the design stage.

### **INCORPORATING GOVERNANCE INTO THE IDENTIFICATION AND ANALYSIS OF ADAPTATION ACTIONS FOR THE WATER SECTOR IN ILOILO, THE PHILIPPINES**

Based on a participatory analysis of the water security situation in Metro Iloilo and the Tigum-Aganan Watershed, development practitioners identified 22 preliminary adaptation actions for the Metro Iloilo community and funding partners to consider to address both climate stressors and non-climate stressors. They evaluated each action based on several criteria, including ways in which the governance and political context might impact effective implementation or sustainability. For example, a recommended adaptation action was to develop capacity for information-based management decisions among local decision-makers. One of the factors affecting the feasibility of this option was whether the integration of information necessary to conduct this option might trigger political backlash if the data did not support politically popular decisions.

In addition, practitioners identified a number of governance-specific interventions that would support the other actions. These included improving compliance and enforcement of water-quality goals, promoting improved land-use planning for water security, improving water-sector accountability and coordination, and building civil society's capacity to advocate for water security.

Source: USAID, 2013a.

### **2.3.4 IMPLEMENT AND MANAGE**

The implementation and management stage puts the selected adaptation actions into practice, building upon established practices and taking into consideration the climate change and variability dimension. When considering climate resilience, development practitioners will need to think about whether and how projects and project outcomes can be sustained as the climate changes throughout the implementation stage. One way to address this challenge is by employing a flexible, adaptive approach to implementation and management. Such an approach encourages the incorporation of new information and uses that information to support institutional and organizational learning. In this way, adaptive management approaches facilitate more timely and effective responses to shifting conditions, and help identify new opportunities that increase the likelihood of success. Incorporating stakeholders in the implementation and management stage may augment the effectiveness of adaptation actions; active stakeholder participation in this stage can help ensure that decision-

makers are held accountable for implementing the selected adaptation actions according to agreements made with the stakeholder community.

Governance plays a critical role in determining the flexibility of the implementation and management processes. For example, efforts to manage a project that is affected by continual changes in climate can be impaired if the laws or policies that determine how the project is to be implemented are overly rigid (e.g., resource tenure systems that do not allow for adjustments when resource availability changes).

### **GOVERNANCE EFFECTS ON IMPLEMENTATION IN PAKISTAN**

Flexibility in governance arrangements is a key requirement for the effective implementation of adaptation actions. To enhance flexibility, one can provide local authorities with policy implementation guidance that they can use to tailor adaptation actions to meet their unique conditions. When national governments adopt policies that specify in detail how adaptation actions are to be implemented at the local level, the actions can become more rigid and less resilient to climate stressors.

This is the case in Chitral, Pakistan, where national-level water policies proposed as adaptation actions have been poorly implemented at the local level. The breakdown has occurred because the national government did not allow sufficient local input or provide the necessary support at the local level to effectively implement the national policy guidelines.

Source: ICIMOD, 2013.

## **INCORPORATING GOVERNANCE INTO THE IMPLEMENTATION AND MANAGEMENT STAGE**

Activities that can help incorporate elements of governance into the implementation and management stage include:

- Identifying local organizations or institutions that can help provide information on how conditions are changing on the ground and would warrant shifts in adaptation actions, including changes in communities' exposure or sensitivity to stressors or changes in adaptive capacity
- Identifying ways in which changes in political and economic conditions might necessitate shifts in adaptation action approaches
- Anticipating stakeholder changes that might require modifications to how adaptation actions are implemented (e.g., local and national elections, turnover in staff of relevant agencies)
- Monitoring national and local governance developments (e.g., changes in policies, elections, new laws, institutional reforms) that have the potential to contribute to or constrain adaptation actions

Appendix A provides a set of sample questions that development practitioners can use to ensure that elements of governance are fully incorporated into the implementation and management stage. Additionally, tools to facilitate governance and PEA, as well as stakeholder identification and analysis, are described in more detail in Appendices B and C.

## **INTEGRATING WATER GOVERNANCE ACROSS LEVELS OF GOVERNMENT IN PANAMA**

To help improve local stakeholder participation and strengthen overall water governance in the Panama Canal basin, the country has established and integrated 6 advisory councils and 30 local committees. The local committees include representatives of community organizations, thus providing each local committee with a strong understanding of local conditions and practices. These committees report to the advisory councils, which coordinate activities across their respective local committees. Each council has an associated technical group that provides assistance to the local committees on engineering, environmental, economic, and legal issues. The councils report to the Panama Canal governing body. This high degree of integration across levels of government can enhance the flexibility of adaptation actions. For example, having clear and efficient means of communication between local committees with a strong understanding of local conditions and practices and higher governing bodies can help with efforts to shift the adaptation option in response to new information (e.g., new information about local communities' exposure and sensitivity to climate stressors) and changing conditions on the ground.

Sources: Panama Canal, 2012; World Water Forum, 2012.

### **2.3.5 EVALUATE AND ADJUST**

The evaluation and adjustment stage involves analyzing implementation progress and adjusting the strategy, program, or project as needed, as well as providing additional support to improve performance. Evaluation using the climate-resilient development framework generally follows a conventional development approach. However, climate-resilient development does require development practitioners to pay careful attention to how changing climate conditions affect certain aspects of the evaluation process (e.g., data gathering, performance attribution).

Governance can have implications for how changing climate conditions are considered in the evaluation stage. For example, well-designed and well-equipped monitoring systems (e.g., meteorological agencies) can support efforts to collect, manage, and disseminate data on indicators that can explain how exposure to climate stressors has changed over time. Having such data is critical for assessing the performance of adaptation actions that are intended to reduce this exposure. Low institutional capacity to collect and process these data can impede efforts to evaluate the performance of adaptation actions.

Elements of governance can also support or impede performance attribution. For example, adaptation actions that might otherwise have produced clear and attributable benefits might appear to have failed if they are undermined by inappropriate policies, poorly designed programs, or corrupt practices. The evaluation stage therefore presents an opportunity for development practitioners to (1) learn more about how governance can influence adaptation actions; (2) attribute changes in the performance – for better or for worse – to elements of governance, rather than to the innate effectiveness of the adaptation action; and (3) adjust their plans accordingly. Conversely, understanding the changing governance landscape in a country (e.g., evolving politics) can sometimes present new opportunities for more effective implementation, thus realizing the potential for successful adaptation actions.

## IDENTIFYING GOVERNANCE-RELATED BARRIERS TO CLIMATE-RESILIENT DEVELOPMENT IN ETHIOPIA, UGANDA, AND MOZAMBIQUE

The Africa Climate Change Resilience Alliance is a consortium made up of Oxfam UK, the Overseas Development Institute, Care International, Save the Children, and World Vision International. To determine what types of governance barriers impeded efforts to integrate adaptation into district-level development planning processes, the alliance collected information from several research sites in Ethiopia, Uganda, and Mozambique. Researchers found the following common governance barriers:

- *Limited local ability to identify priorities and allocate spending (relevant to the design stage of the climate-resilient development framework).* In theory, each of the three countries promotes decentralized decision-making. However, the central government has the authority to make key decisions. In Uganda, for example, the central government allocates spending according to nationally designated priority programs, which all have a single-sector focus. As a result, few opportunities and little support exist for the types of multidisciplinary actions and coordination mechanisms required for effective adaptation. This rigidity of prioritization and allocation of resources also constrain local government capacity to respond effectively to new shocks or to gradually increasing climate stressors (e.g., changes in rainfall patterns).
- *Lack of agency and ownership in responding to uncertainty and change (relevant to the implementation and management stage).* Local planning processes were rigid and not amenable to considering future change. Rather than accounting for predictable or unexpected shocks or changes, the districts reported taking a “normal year” approach to a five-year planning cycle. Even where local contingency plans are encouraged at the national level, the central government does not allocate funding for the process. When emergencies or contingencies do arise, the central government channels funding through its own agencies, bypassing district actors and leaving them with little incentive or capacity to plan for or respond to climate-related risks.
- *Lack of consideration for appropriate adaptation outcomes in performance evaluation programs (relevant to the evaluation and adjustment stage).* Issues related to adaptation or disaster risk reduction were not included in the performance evaluation of a district’s success in achieving development goals. Evaluation criteria emphasize outputs rather than outcomes, with a strong focus on single-sector performance, thus doing little to encourage consideration of climate impacts or even the type of cross-sectoral coordination that would increase adaptive capacity at an institutional level.



Photo credit: USAID Central Africa Regional Program for the Environment.

Source: ODI, 2013.

## **INCORPORATING GOVERNANCE INTO THE EVALUATION AND ADJUSTMENT STAGE**

Activities that can help to incorporate elements of governance into the evaluation and adjustment stage include:

- Working with stakeholder groups to develop consistent frameworks for evaluating performance, including clear and measurable indicators. These indicators might include elements related to governance, such as changes in the following:
  - Potential for shifts in the political climate that could influence adaptation actions
  - Clarity of resource tenure systems and changes in prevalence of corruption
  - Institutional capacity for responding to climate-related risks
  - Incentives for different stakeholders involved in the adaptation action’s implementation
  - Frequency and effectiveness of communications to key audiences
  - Amount of funding allocated to climate-resilient development.
- Assessing whether there is a legal or administrative mandate for monitoring and evaluation, and determining whether the responsible agency or authority has the technical, financial, and human capacity to comply with the mandate.
- Potentially revisiting the set of evaluation criteria that is used to identify priority adaptation actions in the design phase, based on new information about adaptation action performance.

Appendix A provides a set of sample questions that development practitioners can use to ensure that they incorporate elements of governance into the evaluation and adjustment stage.

# 3. CLIMATE-RESILIENT DEVELOPMENT AS AN OPPORTUNITY FOR IMPROVING GOVERNANCE



The previous section focused on the ways in which governance can be considered at each stage of the climate-resilient development framework, and how development practitioners can incorporate governance considerations into climate-resilient development planning. This section briefly describes potential avenues for leveraging this planning process to identify ways to improve governance in support of climate-resilient development.

Although there is no blueprint for the “right” way to achieve governance that supports climate-resilient development, lessons to date indicate that a climate-resilient approach should build on existing knowledge regarding good governance practices. The approach should include elements that:

1. Foster broad-based, institutionalized participation of diverse stakeholders in adaptation decision-making, implementation, and monitoring and evaluation
2. Emphasize policies, laws, management practices, and institutional mechanisms that are flexible and can better cope with uncertainty and change
3. Foster effective inter-sectoral, inter-governmental, and inter-institutional coordination and cooperation
4. Facilitate institutional and social learning and knowledge exchange

More detail on each of these elements and specific tools for implementing them is provided in Appendices B and C.

Of course, these elements of adaptive governance would be broadly beneficial with or without climate change. They not only contribute to building systemic adaptive capacity that will enhance climate-resilient development, but also enable the sustainable implementation of a broad range of development goals. As such, there is the potential for significant co-benefits when climate-resilient development focuses on improvements

to governance. For example, building capacity to enforce zoning laws for the express purpose of keeping people from building in flood-prone zones can contribute to broader efforts to prevent unplanned development. Similarly, improving coordination mechanisms among climate-sensitive sectors such as water, forestry, fisheries, agriculture, and health not only facilitate adaptation planning and implementation but also support integrated development planning and management more broadly. Exhibit 3 indicates some examples of climate-resilient governance initiatives associated with each of the five elements of good governance identified in Section 2.1.



**EXHIBIT 3. EXAMPLES OF CLIMATE-RESILIENT GOVERNANCE INITIATIVES ASSOCIATED WITH THE FIVE ELEMENTS OF GOOD GOVERNANCE.**

## **ADAPTIVE CO-MANAGEMENT: AN INSTITUTIONAL FRAMEWORK FOR PROMOTING CLIMATE-RESILIENT DEVELOPMENT**

Adaptive co-management systems combine the dynamic learning approach of adaptive management with the collaborative approach of co-management to foster inclusive and adaptive governance (Olsson et al., 2004). Adaptive co-management relies on the collaboration of multiple stakeholders operating at different levels and often in networks, from local to national and international (Id.). Adaptive co-management systems are based on the recognition that different kinds of knowledge, expertise, and values can be valuable inputs to creating effective resource management structures, as are the institutional and organizational structures for facilitating the necessary knowledge-sharing and stakeholder collaboration. The adaptive aspect stresses the need to see this collaborative and place-based process as an iterative one, in which individuals, groups, and institutions use collective memory and understanding to pursue collective goals on an experimental basis and actively monitor and learn from the results of such experimentation.

Earlier co-management initiatives focused on the creation of sustainable, resource-based livelihood options through formalizing decentralized, collaborative management, and decision-making structures. Adaptive co-management systems offer an opportunity to shift the focus to resilient livelihood strategies that are capable of adapting to climate changes over time (Armitage et al., 2007).

Adaptive co-management experiments have shown there are several issues that must be accounted for in structuring successful systems. For example, there are increasing pressures (many of them climate-related) to diversify livelihoods and income sources as a mechanism for improving resilience. This may be accomplished by engaging in market-based economic opportunities where possible, and also through diversifying traditional, local livelihoods (Armitage et al., 2007). There is a need to nest these arrangements in other levels of governance that can encourage sustainable responses to these drivers, which might otherwise encourage unsustainable or maladaptive practices (Id.).

Moreover, entrenched political and economic incentives at all levels require careful attention to avoid exacerbating existing resource and livelihood conflicts and entrenching existing inequalities and vulnerabilities. Keeping these dynamics in mind, USAID has an opportunity to foster adaptive capacity through building the livelihood capacities and assets necessary for effectively responding to climate and non-climate pressures. This includes augmentation of social capital through the capacity-building of participatory local organizations and networks that can engage in adaptive decision-making and implementation, as well as fostering policies that are supportive of effective adaptive co-management.

Improving climate resilience can also support improved governance by reducing the impacts of climate stressors on governing institutions. Climate impacts increase the stress on governing institutions, which impairs their capacity to manage other challenges. Governing institutions in communities that are more resilient to climate variability and change will therefore have more capacity to focus on other development objectives.

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USAID. 2014e. *Evaluating Adaptation Options: An Annex to the USAID Climate-Resilient Development Framework*. United States Agency for International Development.

USAID. 2014f. *Program Brief: TGCC*. United States Agency for International Development. July 1. <http://usaidlandtenure.net/content/program-brief-tgcc>.

USAID. 2014g. *Working with Marginal Populations: An Annex to the USAID Climate-Resilient Development Framework*. United States Agency for International Development.

World Water Forum. 2012. *Regional Process of the Americas. Good Governance to Integrated Water and Resources Management (IWRM): VI World Water Forum*.

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# 5. SUGGESTED RESOURCES

This section presents a list of recommended resources for further reading on the topics discussed in this annex. Many of these resources are cited throughout the annex.

*Resources on DRG:*

Benjamin, A. and S. Fulton. 2011. *Effective National Governance – A Key to Sustainable Development*. Discussion draft of paper presented at the First World Congress on Justice, Governance and Law for Environmental Sustainability.

Quan, J. and N. Dyer. 2008. *Climate Change and Land Tenure: The Implications of Climate Change for Land Tenure and Policy*. International Institute for Environment and Development – Land Tenure Working Paper 2. Available: <ftp://ftp.fao.org/docrep/fao/011/aj332e/aj332e00.pdf>.

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USAID. 2014. *Program Brief: TGCC*. United States Agency for International Development. July 1. <http://usaidlandtenure.net/content/program-brief-tgcc>.

*Companion documents to the USAID climate-resilient development framework:*

USAID. 2014a. *Climate Change and Coastal Zones: An Annex to the USAID Climate-Resilient Development Framework*. United States Agency for International Development. December.

USAID. 2014b. *Climate Change and Water: An Annex to the USAID Climate-Resilient Development Framework*. United States Agency for International Development. December.

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USAID. 2014e. *Evaluating Adaptation Options: An Annex to the USAID Climate-Resilient Development Framework*. United States Agency for International Development.

USAID. 2014f. *Working with Marginal Populations: An Annex to the USAID Climate-Resilient Development Framework*. United States Agency for International Development.

*Case studies of the climate-resilient development framework in action:*

USAID. 2012. *Climate Change: Towards the Development of a Policy Framework for Jamaica*. United States Agency for International Development, Washington, DC. November.

Available: <http://www.usaid.gov/sites/default/files/documents/1865/Jamaica-workshop-report.pdf>.

USAID. 2013. *An Assessment of Water Security, Development, and Climate Change in Iloilo, Philippines and the Tigum-Aganan Watershed*. United States Agency for International Development. February 19.

*Example of a project focused on addressing legal and institutional barriers to improving water governance:*

ISSP. 2013. Institutional Support and Strengthening Program. Jordan. Available: <http://www.isspjordan.org/>.

*Examples of implications of weak governance on adaptive capacity:*

Crane, T.A. 2013. The Role of Local Institutions in Adaptive Processes to Climate Variability: The Cases of Southern Ethiopia and Southern Mali. Oxfam Research Report.

Debsu, D.N. 2013. Local Institutions, External Interventions, and Adaptations to Climate Variability: The Case of the Borana Pastoralists in Southern Ethiopia. Oxfam America Researcher Backgrounder Series.

ICIMOD. 2013. *Policy and Institutions in Adaptation to Climate Change: Case Study on Responding to Water Stress in Chitral, Pakistan*. International Centre for Integrated Mountain Development.

Available: [http://lib.icimod.org/record/28329/files/WP\\_13-2.pdf](http://lib.icimod.org/record/28329/files/WP_13-2.pdf).

*Resources for identifying and overcoming governance barriers to climate-resilient development:*

Bauer, A., J. Feichtinger, and R. Steurer. 2011. The Governance of Climate Change Adaptation in Ten OECD Countries: Challenges and Approaches. Institute of Forest, Environmental, and Natural Resource Policy, Vienna.

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Robledo, C., J. Blaser, S. Byrne, and K. Schmidt. 2008. Climate Change and Governance in the Forest Sector: An Overview of Issues on Forests and Climate Change with Specific Consideration of Sector Governance, Tenure, and Access for Local Stakeholders. Rights and Resources Report.

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Termeer, C., A. Dewulf, H. van Rijswijk, A. van Buuren, D. Huiteima, S. Meijerink, T. Rayner, and M. Wiering. 2011. The regional governance of climate adaptation: A framework for developing legitimate, effective, and resilient governance arrangements. *Climate Law* 2:159–179.

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*Examples of improving water governance through training and other governance-focused adaptation actions:*

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Available: [http://awsassets.panda.org/downloads/50\\_12\\_wwf\\_climate\\_change\\_v2\\_full\\_report.pdf](http://awsassets.panda.org/downloads/50_12_wwf_climate_change_v2_full_report.pdf).

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UNDP. 2011. *Fighting Corruption in the Water Sector: Methods, Tools, and Good Practices*. United Nations Development Programme. October 31.

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Dixit, A., H. McGray, J. Gonzales, and M. Desmond. 2012. Ready or Not: Assessing Institutional Aspects of National Capacity for Climate Change Adaptation. WRI, Washington, DC.

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*Annual report of the Panama Canal that includes a description of basin water management approaches:*

Panama Canal. 2012. *Annual Report 2012*. Available: <http://www.pancanal.com/eng/general/reportes-anual/2012/pdf/ingles.pdf>.

*Background paper that describes best practices for improving water governance through integrated water and resources management:*

World Water Forum. 2012. *Regional Process of the Americas. Good Governance to Integrated Water and Resources Management (IWRM): VI World Water Forum*.

Available: [http://www.unesco.org/uy/phi/fileadmin/phi/infocus/Foro\\_Mundial\\_del\\_Agua\\_2012/6\\_GOOD\\_GOVERNANCE\\_TO\\_INTEGRATED\\_WATER\\_AND\\_RESOURCES\\_MANAGEMENT\\_IWRM.pdf](http://www.unesco.org/uy/phi/fileadmin/phi/infocus/Foro_Mundial_del_Agua_2012/6_GOOD_GOVERNANCE_TO_INTEGRATED_WATER_AND_RESOURCES_MANAGEMENT_IWRM.pdf).

*Resources on integrating governance to support disaster response and other adaptation actions:*

Corfee-Morlot, J., L. Kamal-Chaoui, M.G. Donovan, I. Cochran, A. Robert, and P.J. Teasdale. 2009. *Cities, Climate Change and Multilevel Governance*. OECD Environmental Working Papers N° 14. OECD Publishing, Paris.

DeCosse, P.J. and A.H. Mazumder. 2012a. Re-visiting the context for co-management. In *Protected Area Co-management Where People and Poverty Intersect: Lessons from Nisborgo in Bangladesh*, P.J. DeCosse, P.M. Thompson, I.U. Ahmad, R.A. Sharma, and A.H. Mazumder (eds.). USAID, Washington, DC.

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Adger, W.N., K. Brown, D.R. Nelson, F. Berkes, H. Eakin, C. Folke, K. Galvin, L. Gunderson, M. Goulden, K. O'Brien, J. Ruitenbeek, and E.L. Tompkins. 2011. Resilience implications of policy responses to climate change. *WIREs Climate Change* 2:757–766. doi: 10.1002/wcc.133.

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Tompkins, E. and W.N. Adger. 2004. Does adaptive management of natural resources enhance resilience to climate change? *Ecology and Society* 9(2):10.

*Resource on understanding social learning in the context of climate change:*

SEI. 2009. *Social Learning about Climate Adaptation: Global and Local Perspectives*. Stockholm Environment Institute. Working Paper. Available: [http://www.sei-international.org/mediamanager/documents/Publications/Policy-institutions/social\\_learning\\_wp\\_091112.pdf](http://www.sei-international.org/mediamanager/documents/Publications/Policy-institutions/social_learning_wp_091112.pdf).

*Resources on governance barriers to climate adaptation:*

Biesbroek, G.R., K. Termeer, P. Kabat, and J. Klostermann. Undated. Institutional Governance Barriers for the Development and Implementation of Climate Change Adaptation Strategies. Working Paper for the International Human Dimensions Program Conference *Earth System Governance: People, Places and the Planet*.

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*Resources on decentralizing decision-making to improve governance:*

Agrawal, A. 2008. *The Role of Local Institutions in Adaptation to Climate Change*. The World Bank, Washington, DC.

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*Resource on integrating adaptation efforts across government:*

AMCOW. 2012. Status Report on the Application of Integrated Approaches to Water Resources Management in Africa. African Ministers' Council on Water, Abuja, Nigeria.

*Resources on environmental impact assessments:*

OECD. 2006. *Applying Strategic Environmental Assessment: Good Practice Guidance for Development Co-operation*. Organisation for Economic Co-operation and Development.

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*Resource on increasing regulatory compliance capacity:*

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*Other USAID resources:*

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# APPENDIX A: SAMPLE QUESTIONS FOR IDENTIFYING GOVERNANCE IMPLICATIONS

This appendix provides a series of sample questions that development practitioners may wish to use to verify that they are accounting for elements of governance at each stage of the climate-resilient development framework. These questions complement the discussion in Section 2 of how governance relates to the framework. They are intended to be illustrative.

## A.1 SCOPE

Accounting for elements of governance in the context of *enabling conditions* for climate-resilient development involves asking questions such as the following:

*Laws, regulations, plans, policies, and strategies*

- What are the relevant policies, laws, regulations, plans, and strategies in the relevant sectors? Do these instruments include provisions relevant to climate stressors or climate-resilient governance? For example, you might explore the adaptive management approaches, mandates for monitoring and information-sharing, or stakeholder participation requirements.
- What additional government policies are relevant to assessing climate vulnerabilities and resilience in the sectors? For example, if you are examining agriculture, you might explore national development plans, as well as laws/policies in related sectors such as water, environment, land use, and land tenure.
- Are key legal authorities such as policies, laws, and administrative regulations clear and well-coordinated? Is the necessary legal or other decision-making authority available at the appropriate national, sectoral, local, or other level? Are there gaps that could affect the development initiative?
- Are key laws effectively administered and enforced? Are the “rules of the game” in the sectors clear in terms of who makes decisions, when, and how? Is decision-making generally predictable, or is it more arbitrary and ad hoc?
- What mechanisms exist for coordination or cooperation among levels of government in the relevant sectors? Are they functioning?
- What entity/institutions have relevant authority over the issues being addressed? What is the mission and jurisdiction of those entities?
- What is the relationship between formal (e.g., legal) and informal (e.g., customary) authorities within the sectors? Are there multiple or conflicting sources of power? Do laws account for customary rights and

practices, or is there a potential for conflict among different sources? Which is more authoritative in practice?

- Do the relevant government agencies have the appropriate institutional capacity in appropriate areas? For example, you might consider capacity with respect to management, finance, stakeholder and community outreach, technical ability, or data collection and analysis.
- Are any of the following instruments relevant to the development initiative, and are they currently in effect?
  - USAID Country Development Cooperation Strategy
  - World Bank Poverty Reduction Strategy Paper
  - National Adaptation Programme of Action or national adaptation plan
  - National or sectoral vulnerability assessments, hazard assessments, or relevant mapping/modeling project documents
  - National climate laws, policies, or plans/strategies
  - National, regional, or local development policies, strategies, or plans
  - Strategic environmental assessment (SEA) relevant to the sectors
  - Existing governance or PEAs, either national or sectoral<sup>9</sup>
  - Other relevant policy or legal frameworks pertaining to climate governance or adaptation.

#### *Decision-making processes*

- At what level are sectoral policy, planning, and programming decisions made? Who are the relevant decision-makers? Has decision-making authority in the relevant sectors been decentralized and, if so, what is the status of that process?
- Are engaged and cooperative policymakers and government officials available and willing to serve as champions for key issues – or at least to support appropriate technical solutions to problems?
- How are relevant decisions made? For example, is it participatory or a “top-down” approach? How well-accepted are the rules for decision-making and policymaking?
- What are the relevant historical legacies, including past projects and social conflicts, which might influence how decisions are made? Do ideological factors exist that influence policy and decision-making?

#### *Stakeholder participation*

- Who are potential additional key stakeholders? For example, you might consider relevant decision-makers in local government, community or civil society organizations, or user associations; traditional leaders; or particularly vulnerable stakeholders who may not have formal representation through other institutions.
- How have the relevant institutions and actors responded to change and crisis in the past? What were the roles of relevant stakeholders?
- What are the interests and incentives facing relevant stakeholder groups, particularly political elites? What are the key decision-makers’ political, professional, and personal affiliations? For example, you might consider ethnic, tribal, and religious groups.

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9. Readers may consider requesting these materials directly from donors or other practitioners; unpublished versions may contain additional useful details.

- Do existing social or institutional networks play an important role or provide a platform for stakeholder participation, or could they play a role? How has stakeholder participation unfolded in past development initiatives – have there been successful models of engagement that might act as models? What lessons might you learn from negative experiences? For example, you might learn that certain stakeholders were neglected or that decision-makers ultimately disregarded the outcomes of the participatory process.
- What is the role of the private sector in resource decision-making? Do effective accountability measures govern the interactions between the government and the private sector?
- Are key segments of the population sufficiently educated about relevant issues?
- Do important NGOs, community-based organizations, or other civil society actors have the capacity to be effective players? What legal guarantees exist for access to information and access to relevant decision-making processes? Are they used effectively, or are portions of society effectively excluded from those processes?

#### *Sectoral integration*

- What are the relationships among relevant sectors, such as agriculture, water, finance, and land-use planning? How important is each sector in national policy? How have the sectors' roles and levels of influence changed over time, and what are the implications for working within those sectors?
- What mechanisms are available for inter-sectoral coordination in policymaking and implementation?

#### *Data availability*

- Are key climate data or other relevant technical information sufficiently complete and accessible to be of use? Are the agencies that house relevant information willing and able to share it with other sectors and stakeholders?

#### *Accountability measures*

- Do accountability mechanisms for decision-making and policymaking exist? Are they functioning?

Accounting for elements of governance in the context of *non-climate stressors* that hinder the achievement of development goals involves asking questions such as the following:

#### *Institutions*

- Are key legal authorities, such as policies, laws, or administrative regulations weak, fragmented, unclear, non-existent, or conflicting? Could they lead to unanticipated consequences that could constrain adaptive capacity? Is there a lack of necessary legal or other decision-making authority available at the national, sectoral, local, or other appropriate level?
- Do the relevant government agencies lack institutional capacity in important areas? For example, you might consider capacity with respect to management, finance, stakeholder and community outreach, technical ability, or data collection and analysis.
- Will existing land or resource tenure and property rights regimes contribute to vulnerability or stand in the way of potential adaptation actions?

### *Governmental jurisdiction*

- Is there overlapping jurisdiction among government agencies or a lack of clear government authority over issues related to sectors or climate?

### *Enforcement*

- Are laws ineffectively administered? Are laws weakly enforced, selectively enforced, or not enforced at all? What are the key factors undermining enforcement?

### *Stakeholder participation*

- Do important NGOs, community-based organizations, or other segments of civil society lack the capacity to be effective advocates for, or representatives of, their constituencies?
- Do key segments of the population lack an understanding of, or interest in, climate issues and impacts?
- Is there a lack of effective procedural guarantees for access to information and participation in decision-making of impacted stakeholders? If guarantees do exist, are there issues with implementation that prevent representative decision-making?

### *Political barriers*

- Are there likely political barriers to achieving the development goal? Examples include:
  - Inertia or intransigence in key government offices
  - Lack of well-placed champions
  - Prevalence of corruption, patronage, or rent-seeking behaviors.
- How do powerful interests control resources or exercise power in relevant sectors? Will this present challenges for achieving climate-resilient development?

## **A.2 ASSESS**

Accounting for elements of governance in the assessment stage involves asking questions such as the following:

- Do past experiences offer lessons regarding the relevant institutional capacities?
- Is there a framework for gathering, interpreting, and using climate data? Are there adequate early warning systems for disasters?
- Are there specific, identifiable weaknesses or gaps in policies, laws, administrative regulations, customary practices, or institutional arrangements that are undermining the adaptive capacity of the governance framework? Are governance weaknesses or gaps undermining the capacity of human or natural systems to adapt in the face of climate impacts? Such gaps or weaknesses might include, for example:
  - Lack of effective mechanisms for meaningfully engaging relevant stakeholders in climate-related decision-making, including disadvantaged populations
  - Lack of institutional and stakeholder capacity for collecting, administering, and disseminating climate-relevant information and data
  - Ineffective or fragmented sectoral laws that contribute to poor resource management and to increased scarcity, competition, or overall resource degradation

- Ineffective enforcement of existing resource protection and management requirements
- Ineffective coordination among relevant sectoral institutions
- Ineffective coordination among levels of government
- Overlap or conflict between customary/social institutions and practices and formal/legal ones
- Specific policies or legal requirements that are maladaptive, such as those that increase exposure to climate impacts through poor land-use regulations or increase sensitivity to climate impacts by providing incentives for maladaptive activities/behaviors
- Lack of institutional capacity to support adaptive management approaches (or specific obstacles to implementing them) or other mechanisms for appropriate response to change
- Corruption or lack of accountability in key sectoral stakeholders and/or institutions.

### **A.3 DESIGN**

Accounting for elements of governance in the design stage, especially while evaluating and prioritizing adaptation actions, involves asking questions such as the following:

#### *Institutions*

- Does the adaptation action require policy changes or other adjustments to the legal or regulatory framework? If so, are the necessary political will and resources available to undertake these reforms, or can they be generated? Is there an “entry point” or ongoing policy process that these changes could be integrated into? Who are the stakeholders that need to be engaged and informed if the desired changes are to be made, and what are their positions related to the desired changes in governance frameworks?
- Can you use existing institutions to access stakeholders and facilitate their participation in the implementation of the adaptation action? What are their capacity-building needs if they are to play this role effectively?

#### *Capacity*

- Does a targeted institution or government agency possess the capacity (resources, time, staff, knowledge, etc.) to play an effective role in implementing the adaptation action?

#### *Coordination*

- Does an adaptation action require more effective coordination or integration among existing institutions, agencies, or stakeholders? And if so, do platforms exist or can they be created to facilitate this?
- At what level (e.g., national, state/province, local) do changes need to be made? How can the development initiative facilitate coordination among these levels?

#### *Stakeholder participation*

- Is there a need to build the capacity of civil society to undertake effective advocacy for changes in governance or behavior to ensure that the adaptation action is effective and sustainable?
- Is there a potential for the adaptation action to create “winners” and “losers?” Who are they?
- Can traditional knowledge and practices inform or improve the adaptation action?
- Will the adaptation action be socio-culturally acceptable? Will it be equally acceptable to all categories of stakeholders?

### *Risks*

- Is there a risk that the adaptation action could result in new or renewed violence or conflict? If so, a *conflict-sensitive* approach may be advisable to avoid unintended consequences; you can seek support from the USAID Office of Conflict Management and Mitigation.
- Is a disaster-risk planning and management framework already in place? If not, how could you encourage the development of risk management plans?

### *Political support*

- Is there political support for climate adaptation generally? If so, how might you harness this to support the action? If not, how might this affect the success of the adaptation action?
- Are champions/leaders available whose involvement you can leverage in support of the adaptation action? Will there be a need to mobilize the citizenry to bring about this policy change? If so, do they have popular leaders who can champion the reform agenda? Are they members of government, parliament, or civil society?

## **A.4 IMPLEMENT AND MANAGE**

Accounting for elements of governance in the implementation and management stage involves asking questions such as the following:

- Are governance-related interventions facilitating implementation of the overall initiative?
- Are governance-related non-climate stressors negatively impacting implementation of the initiative? In what ways?
- Do new governance developments (e.g., changes in policies, elections, new laws, institutional reforms) have the potential to contribute to or derail the adaptation actions chosen or the development initiative more broadly? These may include new developments in national climate policies or agendas, or developments in other climate-related projects with a governance focus.
- Are there instances where implementation is contributing to rights violations?

## **A.5 EVALUATE AND ADJUST**

Accounting for elements of governance in the evaluation and adjustment stage involves asking questions such as the following:

### *Institutions*

- Is there a legal or administrative mandate for monitoring and evaluation? If so, does the responsible agency or authority have the technical, financial, and human capacity to implement effective monitoring and evaluation?
- Are the evaluation criteria used to identify priority adaptation actions in the design phase still appropriate, or do they need to be revised based on new information about elements of governance?

### *Stakeholder participation*

- Does it appear that stakeholders for the strategy, program, or project require more targeted capacity building than was previously realized if they are to play an effective role in implementation?
- What are the incentives for stakeholders to ensure they will carry through with their commitments to reform? Are local managers and partners motivated to properly implement the initiative?
- Are the initiative's detractors being contained or appropriately motivated to allow it to achieve its intended outcome?
- Is the initiative proving to be allied with the right local partners? For example, is it allied with an appropriate level of government or with local officials that have good reputations?

### *Corruption*

- Is implementation of the development initiative interfering with powerful patronage networks? If so, what is the strategy to mitigate any possible harm from or avoid inadvertently contributing to these networks?
- Is corruption being minimized through the utilization of accountability structures? Is the management and expenditure of funds being monitored?

### *Sustainability*

- Can you identify local resources capable of sustaining the initiative beyond the development practitioners' involvement?

### *Outreach*

- Is any outreach/public communication plan proving to be appropriate and effective in the local context? Do the media have sufficient knowledge and context to accurately communicate about the initiative?

# APPENDIX B: GOVERNANCE ASSESSMENT RESOURCES AND TOOLS

This appendix identifies resources that can help development practitioners understand the implications of governance for climate-resilient development in the scoping and assessment stages. These include resources for conducting general governance assessments (Section B.1), PEAs (Section B.2), and adaptive capacity assessments (Section B.3).

## B.1 RESOURCES FOR CONDUCTING GOVERNANCE ASSESSMENTS

Many resources are available to assist development practitioners in conducting governance assessments in the context of applying the climate-resilient development framework. Exhibit B.1 provides several examples of these key resources.

**EXHIBIT B.1. KEY RESOURCES FOR CONDUCTING GOVERNANCE ASSESSMENTS.**

Name	Description	Link
USAID DRG Framework and Resources	<p>This framework was principally designed for USAID Missions to conduct a country DRG assessment to serve as an analytical tool for developing strategies that address the core DRG problem in a country, and to guide the resources to where they will have the greatest impact. The framework features four overall steps: (1) defining the DRG problem, (2) identifying key actors and allies, (3) identifying key institutions, and (4) distilling the strategy.</p> <p>USAID has developed numerous resources for conducting DRG assessments, including sub-sector level DRG assessments.</p>	<p>DRG framework:  <a href="http://www.usaid.gov/sites/default/files/documents/1866/USAID%20DRG_%20final%20final%206-24%203%20%281%29.pdf">http://www.usaid.gov/sites/default/files/documents/1866/USAID%20DRG_%20final%20final%206-24%203%20%281%29.pdf</a></p> <p>Technical publications on DRG and DRG assessments:  <a href="http://www.usaid.gov/node/33416">www.usaid.gov/node/33416</a></p>
UNDP Governance Indicators	<p>This source guide, directed to the non-specialist, explains the collection and use of indicators that measure the state of governance in a country. The guide contains information on dozens of indicator sources.</p>	<p><a href="http://www.undp.org/content/dam/aplaws/publication/en/publications/democratic-governance/oslo-governance-center/governance-assessments/governance-indicators-2nd-edition/governance_indicator_undp_users_guide_online_version.pdf">http://www.undp.org/content/dam/aplaws/publication/en/publications/democratic-governance/oslo-governance-center/governance-assessments/governance-indicators-2nd-edition/governance_indicator_undp_users_guide_online_version.pdf</a></p>

## EXHIBIT B.1. KEY RESOURCES FOR CONDUCTING GOVERNANCE ASSESSMENTS.

Name	Description	Link
Organisation for Economic Co-operation and Development (OECD) Sourcebook on Governance Assessments	This important reference provides a catalogue of governance assessment tools and methods used by donor agencies.	Available in hard copy
World Bank Poverty and Social Impact Analysis (PSIA)	The World Bank's PSIA considers the distributional impact of policy reforms on the wellbeing or welfare of different stakeholder groups – with a particular focus on the poor and vulnerable. In 2012, the World Bank issued a guidance note placing PSIA in the context of climate change.	<a href="http://siteresources.worldbank.org/EXTSOCIALDEVELOPMENT/Resources/244362-1232059926563/5747581-1239131985528/PSIA-Climate-Change.pdf">http://siteresources.worldbank.org/EXTSOCIALDEVELOPMENT/Resources/244362-1232059926563/5747581-1239131985528/PSIA-Climate-Change.pdf</a>

## B.2 RESOURCES FOR CONDUCTING POLITICAL ECONOMY ANALYSES

A PEA explores the interaction of political and economic processes in a society; the distribution of power and wealth between different groups and individuals; and the processes that create, sustain, and transform these relationships over time. PEA enables an understanding of pressures for or against development efforts and reforms, such as reducing corruption or decentralizing service delivery. PEA can take place at the country, sector, or project level (USAID, 2013b).<sup>10</sup>

In the development context, PEA is applied in three principal ways: (1) through *country-level analysis*, which seeks to capture the overall governance situation and the main political economy drivers; (2) via *sectoral and thematic analysis*, which focuses on specific areas and may cover an entire value chain; and (3) by way of *problem-driven analysis*, which focuses on specific projects or policy decisions.

Much of the work to date on climate change and development has assumed a largely apolitical and linear policy process. But a new PEA of climate change and development posits that climate change and development must be viewed in terms of the way ideas, power, and resources are conceptualized, negotiated, and implemented by different groups at different scales. Also, governments will respond and shape their policies based on the growing stream of climate initiatives and finance made available (see Tanner and Allouche, 2011).

Various tools, some of which are identified in Exhibit B.2, have been developed to assist in understanding the relevant political economy. USAID is in the process of developing its own sector-specific PEA guidance, which should facilitate its integration into climate-resilient development planning significantly.

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10. USAID is in the process of piloting a PEA Framework and Field Guidance.

## EXHIBIT B.2. KEY RESOURCES FOR CONDUCTING POLITICAL ECONOMY ANALYSES.

Name	Description	Link
Department for International Development (DFID) Drivers of Change and Politics of Development	In 2003, the United Kingdom’s DFID introduced the Drivers of Change approach, which asks how policy and institutional reforms that benefit the poor emerge and endure, or why they may be blocked. Operating at a country level, this approach takes into account the interplay among key structural/contextual features, institutions, and agents. Drivers of Change studies have now been carried out in many countries. This approach has been further deepened through the DFID Politics of Development framework.	<a href="http://www.gsdr.org/go/topic-guides/political-economy-analysis/tools-for-political-economy-analysis">http://www.gsdr.org/go/topic-guides/political-economy-analysis/tools-for-political-economy-analysis</a>
Swedish International Development Cooperation Agency Power Analysis	Power analysis provides a country-level tool for mapping out the informal political landscape and identifying where real power lies.	<a href="http://www.sida.se/contentassets/83f0232c5404440082c9762ba3107d55/power-analysis-a-practical-guide_3704.pdf">http://www.sida.se/contentassets/83f0232c5404440082c9762ba3107d55/power-analysis-a-practical-guide_3704.pdf</a>
World Bank Problem-driven Governance and PEA	This framework for governance and PEA takes a “problem-driven approach,” emphasizing a focus on specific problems or vulnerabilities and the need to understand political economy drivers through systematic examination.	<a href="http://siteresources.worldbank.org/EXTPUBLICSECTORANDGOVERNANCE/Resources/PGPEbook121509.pdf">http://siteresources.worldbank.org/EXTPUBLICSECTORANDGOVERNANCE/Resources/PGPEbook121509.pdf</a>
UNDP Adaptation Policy Frameworks for Climate Change	This resource is intended to guide the development and implementation of adaptation strategies, with an aim of ensuring the integration of adaptation concerns into the broader goals of national development.	<a href="http://www.preventionweb.net/files/7995_APF.pdf">http://www.preventionweb.net/files/7995_APF.pdf</a>

## B.3 RESOURCES FOR ASSESSING ADAPTIVE CAPACITY OF GOVERNMENT INSTITUTIONS

Numerous resources are available to help development practitioners assess the adaptive capacity of government institutions. For example, the World Resources Institute has developed the National Adaptive Capacity framework to assess adaptive capacity of institutions at the national level to support national adaptation planning, and to assist organizations to invest in targeted capacity building. The tools used within the framework to assess strengths and weaknesses related to adaptive capacity can be targeted at a sector and so could provide a useful tool for development practitioners applying the climate-resilient development framework process. Specifically, the National Adaptive Capacity framework provides a means of assessing how well national-level institutions are performing a core set of critical functions that underpin climate adaptation. For more information, see <http://www.wri.org/project/vulnerability-and-adaptation/nac-framework>.

For more information on resources for assessing adaptive capacity, see *Climate Change Vulnerability Assessment: An Annex to the USAID Climate-Resilient Development Framework* (USAID, 2014c).

# APPENDIX C: POTENTIAL APPROACHES TO IMPROVING GOVERNANCE IN SUPPORT OF CLIMATE-RESILIENT DEVELOPMENT

Governance reform in developing countries can create the necessary enabling environment for successful adaptation actions and outcomes. However, the reform process itself, especially fundamental shifts in institutional frameworks or legal reforms, are often politically contentious, as well as resource- and time-intensive.

Despite these difficulties, there are a range of tools and approaches that can be built into climate-resilient development planning to support improved governance and more effective and sustainable development outcomes. This appendix introduces a number of these tools and approaches, including improving stakeholder participation (Section C.1), improving integration of development activities (Section C.2), facilitating a learning and knowledge exchange (Section C.3), increasing compliance assistance and enforcement capacity for existing laws and regulations (Section C.4), and incorporating adaptation through impact assessment. The appropriateness of any approach to improving governance in support of climate-resilient development will depend on local conditions. For this reason, please view the approaches below as suggestions for consideration rather than a blueprint for action.

## C.1 IMPROVING STAKEHOLDER PARTICIPATION

Assessing vulnerabilities to climate stressors and planning for adaptation presents both an opportunity for meaningful stakeholder participation and a substantial challenge (Gardner et al., 2009). The breadth of the term “stakeholder” is examined in the text box that follows.

Both vulnerabilities and adaptations are highly contextualized: climate impacts vary across localities, and even the same impacts in one community will be felt differently by another community in the same location with fewer sources of social capital or other adaptive capacities. This emphasizes the importance of engaging with local stakeholders who often possess detailed knowledge (including traditional knowledge) related to local climate impacts, historical adaptations, and evolving vulnerabilities that is not always available to governments or to international institutions that are making resource policy decisions. By broadening access to information, data, and knowledge, enhancing stakeholder participation can significantly enhance both the legitimacy and the substantive quality of climate decisions – revealing hidden assumptions and adding to the potential for creative solutions.

Stakeholder participation also provides decision-makers (and other stakeholders) with an awareness of the values and trade-offs associated with identifying and prioritizing vulnerabilities and various adaptation options.

Understanding these often-competing stakeholder concerns is the first step toward balancing them in ways that are acceptable to as many parties as possible. Providing stakeholders with an opportunity to air their concerns and have those concerns addressed also benefits participants by offering them a sense of ownership of the process and reassuring them of the legitimacy of the ultimate decision.

Adaptation often requires behavioral, institutional, or other changes at the local level. Even if stakeholders disagree, they are more likely to support the necessary changes if they have been part of the decision-making process. Addressing stakeholder concerns in an open, transparent manner also builds trust and encourages further cooperation among stakeholders, development staff, and governments. In providing a means for identifying contentious issues and a possible forum to resolve them, development practitioners can also avoid costly delays, or even the re-opening of issues after resources have already been invested.

The increased understanding and ownership that often result from stakeholder participation also provide impetus for stakeholders to become actively involved in implementation, monitoring, and evaluation of adaptation-related activities. This can be an important means for ensuring program and project sustainability, as well as a mechanism for augmenting scarce government resources to realize program or project goals. In addition, improving stakeholder participation in the implementation, monitoring, and evaluation stages of adaptation projects allows individuals and communities to hold implementers (e.g., government and the private sector) accountable for the decisions and actions that were agreed upon with the community of stakeholders.

In short, improving stakeholder participation can be one of the most effective means of strengthening governance in support of climate-resilient development. The following subsections describe approaches for improving stakeholder participation within the climate-resilient development framework.

## WHO ARE STAKEHOLDERS?

A stakeholder is an individual, group, or institution that has an interest, or “stake,” in a development strategy, program, or project, or in an adaptation option. It is important to remember that stakeholders are not always organizations and formal groups; they can also be individuals, communities, and informal networks. They also often include groups that are not aware that they have a stake in the project – they might not understand how the project could be relevant to their concerns or how it might impact the resources being considered. In identifying stakeholders, think about:

- *Resources*: Who possesses relevant information, expertise, or other resources that should inform the identification of vulnerabilities and/or the identification and implementation of adaptation options?
- *Economics*: Who will receive economic benefit or loss as a result of the decisions being made in the development initiative?
- *Mandate*: Who makes decisions that affect the ownership, use, and status of relevant natural resources or other assets that shape vulnerabilities and adaptive capacities? Who officially regulates decision-making with respect to adaptation and resource management?
- *Proximity*: What communities are within the areas of implementation and could be affected by changes in the status of the resource?
- *Values or philosophy*: Who might have strong beliefs about the way climate responses should be managed (e.g., environmental NGOs)?
- *Use and rights*: Who uses or has rights to the assets that shape vulnerabilities and adaptive capacities? Who wishes to, or should benefit, but is unable to do so? Who might be impacted by externalities created by adaptation options?

Other helpful questions to ask include:

- Who are the representatives of those likely affected (e.g., NGOs or customary authorities that might represent community or environmental interests)?
- Who are the “voiceless” for whom special efforts may have to be made (e.g., women, youth, indigenous groups, and those living in informal settlements)?
- Who is responsible for implementing the intended activities (e.g., different levels of government, communities, and user groups)? Whose behavior would have to change for this effort to succeed?

## INTEGRATING GOVERNANCE TO SUPPORT DISASTER RESPONSE IN BANGLADESH

In Bangladesh, the National Plan for Disaster Management explicitly recognizes the need for multi-level governance for effective disaster response. The plan calls for the central government to establish Disaster Management Committees at sub-national levels. These committees are expected to create strategies that include provisions for disaster response, post-disaster recovery, reducing and mitigating disasters, and budgets for each of these programs. The nested hierarchy of Disaster Management Committees is intended to use local knowledge to build a bottom-up approach to disaster mitigation and response, and to ensure higher levels of overall coordination at the local levels.

Sources: UNDP et al., 2010; OECD, 2011.

## **CHALLENGES TO EFFECTIVE STAKEHOLDER PARTICIPATION IN SUPPORT OF CLIMATE-RESILIENT DEVELOPMENT**

- Widespread lack of understanding about climate science and climate change projections and many misconceptions about the nature, extent, and consequences of climate impacts
- Stakeholder focus on short-term planning horizons, which is more likely to result in unsustainable practices
- Climate impact uncertainties may damage stakeholder trust and engagement
- Stakeholder reticence to changing behavior and accepting responsibility to actively participate in decision-making and implementation
- Lack of formal and legitimate representation for marginalized groups

## **STAKEHOLDERS ANALYSIS**

Development practitioners can conduct a stakeholder analysis to identify and characterize the various stakeholders that can support climate-resilient development. Stakeholder analyses aid in generating knowledge about individuals and organizations to understand their behaviors, intentions, inter-relations, and interests.

There is no specific blueprint for conducting stakeholder analyses, but the steps typically involve:

1. Defining the objectives of the analysis (e.g., analyzing stakeholders to solicit their input in scoping development objectives or in identifying adaptation actions)
2. Identifying key stakeholders, especially stakeholders in marginalized or disadvantaged groups<sup>11</sup>
3. Identifying relevant stakeholder information (e.g., the interests, priorities, demographics, and vulnerability of each stakeholder group)
4. Analyzing stakeholder information (e.g., by mapping relevant information across stakeholders to better understand the implications for the relevant stage of the climate-resilient development framework)

## **DETERMINING THE APPROPRIATE LEVEL OF PARTICIPATION**

The most appropriate level of stakeholder participation for a given situation will depend on specific circumstances, the reasons for engagement, and the capacities of the stakeholders themselves. In some instances, it might be appropriate to focus on building awareness and capacity through information dissemination (e.g., relaying information about the risks of coastal development in flood-prone areas). This is not true “engagement,” but it is a critical first step for more involved types of stakeholder participation. In other instances, development practitioners might want to more actively consult with stakeholders to solicit feedback or to glean information from key stakeholder groups (e.g., collect input on exposure to climate stressors). In other circumstances, an even higher level of engagement might be necessary. For example, local farmers may need to be fully involved in decision-making regarding certain agricultural adaptation options in order for them to support and facilitate implementation.

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11. Climate impacts often disproportionately affect those with the fewest resources to cope with such stressors; historically disadvantaged or marginalized groups, including women, youth, the elderly, cultural minorities, and indigenous peoples may be strongly affected. Giving voice to these groups in climate-related decision-making is particularly challenging because they lack formal and legitimate representation. This set of issues is also the topic of *Working with Marginal Populations: An Annex to the USAID Climate-Resilient Development Framework* (USAID, 2014g).

## **DETERMINING THE APPROPRIATE MECHANISMS FOR STAKEHOLDER PARTICIPATION AT EACH STAGE OF THE CLIMATE-RESILIENT DEVELOPMENT FRAMEWORK**

How stakeholders participate in development decision-making will depend on specific circumstances. In some cases, it might be most effective to solicit input from stakeholders in an open forum (e.g., to collect input on exposure to climate stressors). In other cases, it might be more appropriate to engage targeted groups of stakeholders to obtain input, share initial plans, and discuss opportunities for collaboration (e.g., to identify adaptation actions). Regardless of the approach, decision-makers should handle stakeholder concerns in an open and equitable manner that builds trust and encourages further cooperation.

In addition to designing mechanisms for stakeholder participation in development decision-making, stakeholders should also be involved in the project implementation, monitoring, and evaluation stages. This involvement helps ensure that decision-makers and project implementers are held accountable for the decisions and actions agreed upon in collaboration with the community of stakeholders, and that processes and outputs are transparent.

For additional resources on stakeholder identification, analysis, and engagement, see the suggested resources in Section 4.

## **C.2 IMPROVING INTEGRATION OF DEVELOPMENT ACTIVITIES**

Climate-resilient development depends on effective coordination and integration of development activities and adaptation efforts. This section looks at approaches to strengthening two primary types of integration to support climate-resilient development.

### **INTEGRATION ACROSS SECTORS AND AGENCIES**

Given the cross-cutting nature of climate impacts, interagency coordination is essential to achieve development objectives in the face of climate variability and change. Options to improve coordination may be available under *existing* institutional structures, which new authorities or legislative initiatives can strengthen. Such options might include:

- Appointing inter-agency contact persons (liaisons) to coordinate cross-cutting climate adaptation issues
- Assigning responsibility to each line ministry to consider climate in activities and programs
- Establishing regional coordinating bodies that streamline existing legal authorities and regulatory institutions

Policymakers could also establish *new* structures, organizations, or agencies to improve coordinated planning on climate adaptation. These might include:

- Non-regulatory and information-focused climate services that maintain early warning systems, provide reports on indicators for resource users, and maintain easy-to-use and publicly accessible sources of raw data, records, reports, and other publications
- Committees on climate variability and change that provide greater independence in decision-making related to adaptation and that oversee a program of work that government agencies or industry carry out
- International adaptation secretariats that facilitate cooperation on adaptation strategies across national boundaries

## **INTEGRATION ACROSS LEVELS OF GOVERNMENT**

A number of policy and implementation “gaps” often exist between levels of government that have implications for climate-resilient development. These gaps can include (1) overlapping or unclear allocation of roles and responsibilities; (2) different levels of access to relevant information; (3) lack of technical capacity, staffing, knowledge, or infrastructure; (4) lack of incentives for coordination or cooperation; (5) unstable or insufficient funding streams to effectively implement climate policies and adaptation initiatives; (6) intense competition among institutions for resources and decision-making authority; and (7) a general lack of accountability and representative involvement of civil society and other stakeholders in decision-making.

Adopting multi-level governance approaches can help reduce the impacts of these gaps on the effectiveness of efforts to achieve development goals. Key principles of multi-level governance include:

- Ensuring participatory governance and strategic planning at the relevant scale
- Providing a strong analytical framework for short- and long-term planning
- Ensuring cost-effectiveness and efficiency
- Encouraging experimentation and learning across sectors and levels of governance
- Addressing distributional consequences (accounting for trade-offs among areas or sectors) and procedural equity
- Fostering a long-term planning horizon
- Fostering policy coherence
- Conducting monitoring, evaluation, and reporting on an ongoing basis

Multi-level governance approaches are important for climate-resilient development. Each level of government provides different resources that development practitioners need as they assess, design, implement, and evaluate development activities in the face of changing climate conditions. For example, decentralizing decision-making authority to improve participatory and representative governance may place much of the responsibility for designing and implementing adaptation actions on local institutions. Although these institutions benefit from having the ability to scope development objectives and shape adaptation actions, they often lack sufficient technical and financial capacity for effective implementation (in some instances, national governments can help local institutions build that capacity).

In addition, although multi-level approaches that engage local government institutions can be effective for engaging local stakeholders, local elites (e.g., community leaders) may potentially capture and undermine efforts to solicit and use public input. Therefore, it is critical to have a clear sense of where openings for local engagement are most promising and to support the sorts of processes that leverage these opportunities. It is inadequate to simply assume that because local governments are closer to affected populations, they will be the most effective level of government for developing and implementing adaptation actions.

## **C.3 FACILITATING A LEARNING AND KNOWLEDGE EXCHANGE**

Another principle of climate-resilient governance is to promote *social learning*, a process through which individuals and organizations continuously frame and re-frame relevant issues and develop enhanced understanding and capacities to address common problems that are collective in nature (SEI, 2009). The

complexity and changing nature of climate data, impacts, vulnerabilities, adaptive responses, and capacities all point to the need to incorporate social learning into governance regimes for adaptation. Conditions that tend to foster social learning include openness and transparency of decision-making, participation, dialogue among stakeholders and institutions, and social networks that cut across policy sectors and communities of practice (SEI, 2009). The iterative nature of social learning is critical in light of climate change, as past experiences may no longer be sufficient to ensure adaptive responses to future change.

### **ENHANCING ADAPTIVE CAPACITY THROUGH SOCIAL NETWORKS IN TRINIDAD AND TOBAGO AND THE CAYMAN ISLANDS**

Social relationships and self-organized social networks can support adaptive capacity building and relieve pressure on local government institutions. Adaptation actions that focus on building social cohesiveness can therefore play a key role in places where governance is challenging.

Development practitioners used such an approach in Trinidad and Tobago to improve response capacity for reversing declining fish stocks and degradation of mangroves and coral reefs, the main coastal defenses against storm damage (Tompkins and Adger, 2004). The practitioners brought stakeholders together from different geographic scales and sectors in a process of information dissemination, debate, and deliberation. The process was meant to elicit preferences for management approaches and priorities for action. Out of this process, a self-selected group of stakeholders assumed responsibility for coordinating continued collaborative action.

A similar process in the Cayman Islands resulted in improved disaster-response capacity. These improvements came about largely through behavior changes that resulted from the creation of a National Hurricane Committee, which included diverse stakeholders to raise awareness, define roles and responsibilities for response, and facilitate integration among government departments. Key to the committee's success involved existing social networks, including local churches and international NGOs, which facilitated the building of social capital and generated assistance for risk assessment and response (Tompkins, 2005).

## **C.4 INCREASING COMPLIANCE ASSISTANCE AND ENFORCEMENT CAPACITY FOR EXISTING LAWS AND REGULATIONS**

Even where laws and regulations that support climate-resilient development are in place, countries often face great challenges when it comes to compliance with and enforcement of those requirements. A first step might be creating enforceable requirements that are realistic for the regulated community. However, there are also other areas in which programs can build capacity for improving compliance and more effective enforcement. Broadly, the following components are all critical to successful compliance and enforcement programs:

- *Compliance incentives*: Policies and programs that provide concrete benefits (including financial benefits) to organizations or individuals that meet certain compliance objectives.
- *Compliance assistance*: Encouraging observance of the law through outreach, education, and other promotional activities designed to improve compliance by explaining how to comply with legal and regulatory requirements.

- *Compliance monitoring:* Through inspections, reporting, complaints mechanisms, and other types of citizen monitoring.
- *Enforcement:* Actions taken against violators to compel compliance with the law. Generally, this would be a government authority that could impose sanctions in an administrative or judicial forum.

The International Network for Environmental Compliance and Enforcement has a range of materials that are useful and can be tailored to specific technical assistance and capacity building programs ([www.inece.org](http://www.inece.org)).

## C.5 INCORPORATING ADAPTATION THROUGH IMPACT ASSESSMENT

One tool for mainstreaming climate considerations in conventional development activities is through environmental impact assessment (EIA). Climate information may be necessary to make a socially and environmentally sound decision about a proposed project or policy, and therefore a strong legal argument can be made that the information must be included in the assessment. A useful model for making climate issues a part of an impact assessment may be found in guidance issued by the U.S. government on how to consider projected climate change effects for EIAs under the U.S. National Environmental Policy Act (Sutley, 2010).

The most comprehensively developed and applicable form of an impact assessment with respect to climate change is an EIA. For EIAs prepared under these laws to include climate change impacts on the environment, the legal language must be broadly interpreted to allow for consideration of *exogenous* changes in the environment (i.e., those changes not brought about by the project itself or by other human activities in the region). Many countries' EIA laws are broad enough to include consideration of climate change, but this power may be underutilized or not well understood. Guidance documents from agencies charged with overseeing the implementation of an EIA law can direct those undertaking EIAs to include climate change in their analysis.

The definition of the “environment” itself may determine whether the scope of an EIA analysis is broad enough to include climate change as a factor for consideration. Generally, most definitions contained in national laws are quite broad. The Nigerian EIA law, for example, defines “environment” as “the components of the Earth, and includes land, water and air, including all the layers of the atmosphere; all organic and inorganic matter and living organisms; and the interacting natural systems that include [the above] components.”<sup>12</sup> An “environmental effect” means “any change the project may cause to the environment, whether such change occurs within or outside Nigeria, and includes any effect of any such change on health and socio-economic conditions.”<sup>13</sup> This definition provides significant authority to consider the effects of climate change on projects for which an EIA is required. However, specific guidance on the consideration of climate impacts will be important to ensure that those preparing the EIA actually do consider climate change. The authority to do something is often very different from a willingness to actually do it. The following text box provides an example of the use of EIA in the climate context.

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12. Nigeria, Decree No. 86 of 10 Dec. 1992, art. 63(1) (Supplement to Official Gazette Extraordinary No. 73 Vol. 79, 31st December 1992 – Part A A979).

13. *Id.* art. 63(1).

## OPPORTUNITIES TO CONSIDER CLIMATE CHANGE IN BHUTAN'S EIA LAW

Development practitioners will need to closely examine EIA laws to identify opportunities to include and respond to the effects of climate change on major projects. For example, Annex 3 of Bhutan's Regulation for the Environmental Clearance (EC) of Projects of 2002 requires all ECs (Bhutan's term for EIA) to consider the "*potential* environmental, economic and social impacts of the proposal." Although it does not mention climate change per se, the requirement to look at "potential" impacts of a project could be sufficient to require climate change to be considered in the EC. Further, this law requires ECs to describe the "existing environment" in order to establish a baseline against which the project's impacts and mitigation measures can be assessed. As discussed above, identifying baselines is an essential step in adaptive governance. On the other hand, establishing a baseline based on the "existing environment" only and without regard to how that environment may have already changed and how it will change under future climatic scenarios may not give decision-makers a full understanding of the environmental context of projects in the longer-term.

Other requirements in Bhutan's law may also inform adaptive capacity. An impact assessment must include "direct and indirect *potential* environmental impacts from *all* aspects of the project" as well as "long-term impacts for all phases of the project . . . and cumulative impacts of the project, any other projects, and other work or activity in the immediate surroundings and region." The breadth of this language may be sufficient to incorporate relevant effects of climate change on project viability, cost, or impact within the EC analysis. However, officials may still be inclined to read this language narrowly as only requiring cumulative impacts of other human activity in the region and not necessarily or expressly calling on project proponents to take a hard look at the synergies between project activities and climate change. Bhutan's law might also be interpreted to require evaluation of long-term climate change effects through its provisions on mitigation measures. These provisions require an "implementation schedule that shall ensure that mitigation measures shall be implemented prior to or when appropriate in relation to environmental impacts." This "schedule" introduces a temporal element into impact analysis and mitigation, possibly providing the implicit authority to recognize and mandate adjustments in response to a project's changing ecological context.

Finally, laws that require a SEA are powerful tools for coordinating climate adaptation efforts. A SEA helps integrate environmental considerations into policies, plans, regulations, legislation, and programs, as well as evaluate how those considerations link with economic and social concerns. By guiding the development of high-level government planning and activities, SEA can complement and enhance a project-specific EIA by ensuring that project proposals are set within a fully integrated national-level impacts analysis (OECD, 2006). A SEA uses a range of analytical and participatory approaches that can be adapted to a country's governance context and needs (Id.). SEAs are meant to close gaps in legal frameworks by providing a comprehensive analysis of a country's existing development plans and by establishing procedures for assessing the impact of climate change on higher-level government actions. Kenya defines a SEA as "the process of subjecting public policy, programmes and plans to tests for compliance with sound environmental management."<sup>14</sup>

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14. Environmental (Impact Assessment and Audit) Regulations art. 2 (Legal Notice No. 101, Kenya Gazette Supp. No. 56, June 13, 2003) (Kenya).

## **STRATEGIC ENVIRONMENTAL ASSESSMENT FOR CLIMATE ADAPTATION IN BHUTAN**

In Bhutan, an assessment of the capacity of its national legal frameworks to confront climate change might occur under the Regulation on Strategic Environmental Assessments, which requires that “cumulative and large scale environmental effects are taken into consideration” in government policymaking. These effects are “built up incrementally over periods of time, result from the addition and interaction of multiple activities and stresses, and are pervasive, cutting across policy sectors and ecological boundaries.” By undertaking a SEA, a government gains a holistic view of its capacity to preserve and enhance the sustainable use of its natural resources under future climate change scenarios and mandate adjustments in response to a project’s changing ecological context.

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