Improving climate adaptation governance in Nepal and Laos

by Nicola Nixon, Bishnu Adhikari and Derin Henderson

16 July 2025

Community consultation in Dang village, Mahaxay district, Khammouane province, Laos
Photo Credit: The Asia Foundation

In June, the OECD's Development Assistance Committee (DAC) convened the Civil Society Days forum in Paris. Held every two years, the forum aims to strengthen dialogue, collaboration and mutual understanding between the OECD and civil society organisations on a wide range of policy issues. Among many pressing topics right now, the OECD has recently put a lot of work into supporting DAC members to improve their efforts to support "climate change adaptation governance more effectively". The convoluted name is enough to suggest that this is complex stuff.

In contrast to climate mitigation, which works at a global level and has targets and emissions accounting models, adaptation to the impacts of climate change is highly — perhaps entirely — context-specific. The ability of communities to adapt to climate change depends, therefore, not just on new technologies or the ever-increasing proliferation of funding mechanisms, but on whose perspective and knowledge counts in addressing climate vulnerabilities and risks, and on how local governance systems can enable or restrict effective action. Therefore, the effectiveness of adaptation efforts relies heavily on the extent to which the political dynamics of governance from national to local levels are navigated.

The Asia Foundation's (TAF) experience through the Subnational Governance Program (2017–2027) in Nepal, and the Community-Based River Basin Management (2018–2027) project in the Lao People's Democratic Republic (Lao PDR), offers insights into how climate adaptation unfolds through the often-incremental work of negotiating power, navigating institutions and enabling local agency.

Both Nepal and Lao PDR are highly climate-vulnerable countries. In Nepal, changing rainfall patterns, glacial melt and increasingly erratic monsoons have led to more frequent floods, droughts and landslides. In many parts of the country, vulnerable communities — especially women, landless farmers and members of marginalised communities — are often hardest hit by climate-induced disasters and

the slow-onset impacts of climate change. In Lao PDR, climate risks are compounded by extensive hydropower development, deforestation and shifting weather cycles that disrupt rural livelihoods and exacerbate flood and drought events. In the Xe Bang Fai River basin — a river vital for flood regulation, sediment transport and seasonal hydrology for farming for around a quarter of a million people — communities face mounting pressure on wetlands and water systems from both climate change and human interventions.

In both countries, the governance systems are deeply constrained from addressing these issues.

Nepal's 2015 federal constitution devolved significant authority to local governments but many municipalities were initially left under-resourced, under-skilled for the necessary tasks and politically fragmented. Ten years on, elected officials find challenges in prioritising long-term climate-resilient planning and prefer relatively immediate and visible infrastructure projects that highlight their political power, at the expense of affected communities' concerns. In general, the participation of communities in governance, particularly women and those from marginalised groups, tends to be of lesser priority and even tokenistic.

In Lao PDR, meanwhile, environmental governance is highly centralised. Decisions around water, land use and natural resource management are made at the national or provincial level, with limited community input. Community roles are often limited to compliance rather than participatory decision making.

> Land belongs to local government, forest grown in the land belongs to province government, and the trees in the forest belong to federal government. — Surendra Raj Pandey, Chief Minister, Gandaki Province, Nepal

In Nepal, the Subnational Governance Program team worked with municipalities, civil society and community actors across two provinces to build inclusive local governance systems that could enable — not bypass — climate-responsive planning. Rather than frame adaptation as a technical agenda, it was embedded in existing governance processes by working with relevant officials at all levels of government. Through support for participatory planning, social audits and grievance redress systems, communities have been able to shape local budgets and development priorities.

Crucially, over several years, municipal leaders began to see that inclusive governance was not a distraction, but a way to enhance political legitimacy and public performance. Mayors and ward chairs who initially viewed participatory planning as time-consuming began to see its value in generating trust, mobilising

co-financing and demonstrating responsiveness to constituents — especially after disasters. Climate priorities — such as flood control, resilient agriculture or safe water access — were introduced into local plans because local actors advocated for them, not because they were imposed from outside. This made adaptation locally owned and contextually grounded.

Community members gather to interact with municipal officials in Birendranager municipality, Western Nepal

In the Lao PDR context where formal community engagement is limited, the Community-Based River Basin Management project used technical entry points — like water quality monitoring and hazard mapping — to open space for joint planning and community voice. By working with provincial and district agencies to train staff in groundwater and surface water monitoring, community geographic information system mapping and gender-sensitive hazard and vulnerability assessments, interest and engagement with climate vulnerabilities increased. At the same time, TAF facilitated community participation in hands-on exercises to identify flood zones, assess risks and co-produce community vulnerability maps.

Through this shared learning process, community members became co-owners of knowledge, not just sources of data and “beneficiaries” of policies. District officers, initially cautious about participatory approaches, began to see communities as valuable partners in flood preparedness and wetland protection. Perhaps most importantly, the project helped establish the Healthy River Network — now a long-term, multi-stakeholder coalition in which government officials, communities and civil society meet regularly to discuss risks and coordinate action. In a hierarchical governance system, this created a politically safe space for horizontal collaboration and vertical feedback.

The outcomes of both initiatives point to important shifts in governance practice that matter for climate resilience at the community level.

Both cases highlight that effective climate adaptation is not just about building more resilient local infrastructure and providing government agencies with improved technical skills. It is about supporting politically feasible changes to the institutional arrangements that make adaptation possible and locally legitimate. The most climate-vulnerable communities are often those with the least power in decision-making. Enabling their involvement in local decision-making requires more than participation: it requires shifts in how local governance institutions operate and whose voice is considered credible.

By implication, climate finance and policy must go hand-in-hand with governance reform if adaptation is to be locally led and sustainable. As the impact of the climate crisis continues to be felt inequitably within and between countries, global efforts to enable adaptation must start from understanding how power is distributed and how decisions are made locally, and from there, to how communities can act together to be more resilient. It raises the question of whether this kind of approach can help bridge the pervasive gap between nationally determined contribution commitments and local action plans. Because even in constrained settings like these, change is possible when governance initiatives are politically smart, locally grounded and built on trust.

An earlier version of this blog was delivered as a presentation at the OECD Civil Society Days in June 2025.

Disclosures:

The Subnational Governance Program in Nepal is supported by the Australian government. The Community-Based River Basin Management projects in the Lao People's Democratic Republic are supported by the McConnell Foundation.

Author/s:

Nicola Nixon
Nicola Nixon is Senior Director, Governance, at The Asia Foundation, based in Hanoi. She is a visiting fellow of the School of Regulation and Global Governance at The Australian National University.

Bishnu Adhikari
Bishnu Adhikari is Governance Director at The Asia Foundation (Nepal).

Derin Henderson
Derin Henderson is The Asia Foundation's Environment Program Director based in Laos. Derin directs and manages environment and climate change action program activities in Cambodia, Laos, and Vietnam.

Link:
https://devpolicy.org/improving-climate-adaptation-governance-in-nepal-and-laos-20250716/