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# **Incentives and Constraints to Climate Change Adaption and Disaster Risk Reduction – a Local Perspective**

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This paper has been commissioned by the Commission on Climate Change. Its purpose is to function as food-for-thought for the work of the Commission. The Commission is not responsible for views expressed in this paper.

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# **Incentives and constraints to climate change adaptation and disaster risk reduction –a local perspective**

Ian Christoplos, January 2008

## **Core Message**

**Effective mainstreaming of adaptation to climate change and associated disaster risks in local development strategies is contingent on awareness of the prevailing incentives and constraints experienced by local actors.**

## **Purpose of this policy brief**

This policy brief provides guidance in how to ensure that support to climate change adaptation and disaster risk reduction (CCA/DRR) is cognisant of the dynamics of local decision-making at provincial, municipal and community levels. A framework is proposed to help development actors to understand the pressures, obstacles and incentives confronted by local actors as they decide on their own courses of action in dealing with climate change. Much attention has been paid to the need for high level 'buy-in' and political will for mobilising measures to address climate change. This policy brief is intended as a reminder that 'buy-in' is required at lower levels as well, and that sustainable outcomes require respect and understanding of the ways that these politicians and 'buyers' consider new perspectives and policies.

This analysis draws primarily on experience not directly related to CCA/DRR. In other sectors much has been learnt about how local actors deal with change, including both long-standing constraints and new opportunities. This needs to inform CCA/DRR planning, particularly as a counterbalance to the normative expectations that drive much current thinking. Experience in the reform of development cooperation as part of the Paris Declaration on Aid Effectiveness (which has become the most important international vehicle for enhancing the quality of development cooperation) has repeatedly and unequivocally shown that aid alignment must be based on locally determined prioritisation, pacing and sequencing. In light of this, development cooperation is moving away from projects, to focus more on broader programming that is a part of national and local institutional structures. This policy brief suggests how the CCA/DRR agenda could also move to become a more integral part of ongoing local development processes.

## **Implications of local perspectives**

CCA/DRR incentives and constraints derive from how institutional, organisational and individual perspectives are framed at a local level. The priorities of farmers, town councils, businesses, local media and micro-entrepreneurs must be the starting point if effective

incentives are to be found to influence how they address climate change. It will also be essential to understand the capacities of these local actors to undertake different courses of action, including how they choose to use their limited resources when confronted by a myriad of short- and long-term challenges and high levels of uncertainty.

There is a tendency to start off on the wrong foot in this regard. The role of local actors and institutions in CCA/DRR is often portrayed by metaphors of technology transfer. They are seen to provide the 'last mile' of linkages necessary to achieve 'our' aims. They are expected to 'apply' the technological advances advocated by scientists studying climate change. Difficulties arise in 'implementation' since CCA/DRR inevitably involves 'transferring' a greater awareness of the uncertainty of future development trajectories. In a democratic society CCA/DRR is not about involve delivery of change. It is instead about stimulating debate. It is a matter of adding yet another set of concerns to ongoing local efforts to address a myriad of problems and 'mainstreaming' agendas, from gender equality to human rights to HIV/AIDS. In order to identify potential entry points for CCA/DRR, it is essential to look at how people are juggling these various priorities. CCA/DRR ambitions are often too high. Elaborate, multifaceted programmes may reflect the complexity of the CCA/DRR problem, but they are unlikely to find a place within the existing plans of overburdened local officials and civil society organisations.

Many local actors do indeed carry out a technology transfer role, but this is rarely their dominant concern. Even organisations that were explicitly created to carry out technology transfer functions, such as agricultural extension, are today more engaged in facilitating and brokering market relations and management advice. More appropriate technologies from a CAA/DRR perspective will only become part of extension-farmer discussions if they also increase competitiveness and are easily integrated into existing farm enterprises. Links between extension and research (which is assumed to be the most important bearer of new CCA/DRR concepts) have in many countries withered away long ago. Rebuilding such links will require a rethink of how research should engage at local level and a long-term approach that reflects lessons from the weak sustainability of research-extension linkage projects in the past.

### **Decentralisation and new roles at the front line**

In order to relate CCA/DRR recommendations to local realities, global trends toward decentralisation must be taken into account. Local decision-makers are increasingly able to actually make decisions. Decentralisation is probably good for CCA/DRR since it puts decision-making in the hands of those who are directly experiencing climate change and disaster risks. Information, such as agro-meteorological data (paired with strengthening of local capacities to understand and use this information) and transparency regarding development planning have proven effective in enabling them to make better informed decisions. Public information and debate is also vital as local government is becoming more accountable to its

constituencies than to a distant and weak national government. Pressures for CCA/DRR must come from below.

Decentralisation related public administration reforms are affecting room for manoeuvre in CCA/DRR. The trend in reforms of local government (as well as in businesses and many civil society organisations) is to start with pragmatic, functional analyses of who should and could shoulder different responsibilities both within and also among their organisations. These analyses pay particular attention to prevailing recurrent cost constraints. Leaner central bureaucracies and 'empowered', but often over-burdened, frontline staff are common outcomes. Ignorance about these changes has often led CCA/DRR advocates to propose implementation structures that call for governments to greatly (re)expand their range of responsibilities and tasks. Implicit nostalgia for past 'statist' approaches has stood in the way of alignment with local and national reforms regarding who will do what in the future.

The modalities by which local government and other organisations relate to the population are also increasingly driven by demands from individuals and more market related mechanisms. Provision of cash or vouchers and privatisation are creating markets which (hopefully) enable people to choose what services they prefer from local government, businesses or NGOs. Services are being contracted out. The growing interest in micro-insurance is an example of where risk reduction efforts have embraced these new modalities by shifting responsibilities from state relief and welfare agencies to more sustainable market-based mechanisms. This impacts on the accountability and incentives for local organisations to adopt CCA/DRR initiatives. New technologies can no longer be merely 'provided' to these former 'beneficiaries'. Demands will need to come from the clients and customers of service providers, rather than from government directives. Regardless of one's views on the benefits of these forms of 'new public management', it is essential to realise that the institutional landscape for local development has profoundly changed.

### **Markets and local decision-making**

One aspect of these changes is that the demand for services is increasingly related to what local people perceive as contributing to increasing the competitiveness of their farms and firms. Their interest in adapting to climate change is linked to what is going to keep their businesses profitable in the future. Even if retaining a minimal level of food security is their main concern, they are primarily striving to obtain that security through market-related enterprise and wage labour rather than subsistence farming. Natural resource management is about finding ways to combine short-term bottom lines with longer-term sustainability. Indeed, agricultural extension and private enterprises are already proactive in adapting their strategies to rising commodity prices. The need for drought-resistant seed varieties is something that should be part of their business strategy –not part of a project. The challenge for development efforts is to make certain that these market actors have an enabling environment in which to adapt their businesses based on accurate and

appropriate information and investment incentives that reflect the challenges and opportunities of CCA/DRR.

Regulation is part of this environment. A potentially disturbing outcome of greater market orientation is the trend toward unregulated commoditisation of vital, common natural resources. Local governors are making deals with large international private firms to transform forests into plantations and are selling trading rights for products that are essential to biodiversity. The impact of this is difficult to predict. These changes are creating new livelihoods for many of the world's poorest people and may have positive as well as negative impacts on adaptation to climate change. It is important to stress that the scale of these investments is massive and this is part of the context for natural resource management today. Investments that are not commonly associated with CCA/DRR, such as anti-corruption efforts, may provide the most relevant incentives for local actors to defend the public interest.

### **Capacity development as the central entry point**

These are the types of pressures that are moulding the strategies of local actors as they build their capacities for CCA/DRR. The core question is how to contribute to a process that is largely 'out of our hands'. The Paris Declaration on Aid Effectiveness places strong emphasis on capacity development, and also notes that countries themselves must be given far greater leeway to determine which capacities they want to develop. They need capacities to set the aid agenda, and in order to ensure that CCA/DRR is on their agendas it is essential to first invest in capacities to make informed decisions.

Regrettably, capacity development has proven to be the Achilles' heel of development cooperation. Despite attention to the importance of capacities, the track record of developing local capacities is generally bleak. This will undoubtedly prove to be even more of an obstacle with regard to CCA/DRR, given the complexities and uncertainties of the issues at stake. Long-term commitments and partnerships are absolutely essential.

The capacity deficit is most notable with regard to fragile states, countries hit by major natural disasters or HIV/AIDS, 'poor performers' and regions experiencing chronic conflict. Particularly in these areas, informal socio-political and economic relations tend to dominate the institutional landscape. Weak capacities lead to weak adaptation to climate change and ineffective risk reduction, just as the effects of climate change and disasters can weaken capacities further. A central priority for development efforts must be to prevent such downward spirals. Negative impacts of climate change and natural hazards have a multiplying effect on bad governance, as evidenced by the increasing incidence of conflicts that are intertwined with natural disasters. 'Political will' may be seen as vital to address CCA/DRR, but it should not be assumed that these are societies that can mobilise the long-term perspectives, consensus and social capital that must provide the foundation for such will. Disaster affected areas that are grappling with a collapse of tax revenues, such as New Orleans after Katrina or the Maldives after the tsunami, are unlikely to scale up their ambitions

at the same time as they are laying off much of their civil service. There is no magic bullet to deal with these challenges, but the starting point must be realism about the political economy of 'political will' in countries facing disasters, conflict and general decline.

## **Recommendations**

### ***Linking CCA/DRR tools to capacities demands...***

- ∞ strategies that take into account limits to local capacities to mobilise consensus, 'political will' and good governance due to factors such as conflict and HIV/AIDS
- ∞ consciousness of the need for great caution with mechanisms that involve additional work burdens for local public, private and civil society actors
- ∞ making sure that the complexity of climate change and disaster risk does not lead to unduly and unrealistically complex programming in the field
- ∞ acceptance that there is no 'quick fix' for local capacity development and that short training, workshops and 'awareness raising' can only be effective if they are part of long-term programmatic commitments to institutional and organisational development

### ***Building on decentralisation demands...***

- ∞ attention to what 'they' want from 'us' as the starting point for dialogue, rather than what 'we' expect 'them' to do
- ∞ engaging with local actors to explore which new actors (within and outside of the public sector) should take on different roles in CCA/DRR
- ∞ awareness of uncertainties and ambiguities regarding who has responsibility for what in local decision-making structures, especially with cross-cutting issues such as CCA/DRR

### ***Ensuring that local politics are part of the equation demands...***

- ∞ realising that 'political will' for CCA/DRR is a commodity that is must be generated locally, especially in democratic societies
- ∞ acceptance that broad consensus on CCA/DRR is difficult to achieve in local societies that are ridden with pre-existing conflicts
- ∞ ensuring that technology transfer efforts are aligned with initiatives to 'empower' local elected officials to govern in ways that are responsive to their constituencies

### ***Alignment with the new landscape of local institutions demands....***

- ∞ encouragement of the accountability and integrity of the civil service as the foundation for sustainable change, paired with awareness that informal relations and norms strongly influence the actions of local government and civil society
- ∞ adapting CCA/DRR mechanisms to minimise the transaction costs for local government and frontline public service providers, and realistic inclusion of recurrent costs at local level as part of any investment plans
- ∞ aligning development cooperation plans with the new landscape of private and civil society actors, while also recognising that significant resource flows are still needed to ensure that public goods, such as CCA/DRR, are addressed

***Finding solutions within market relations demands...***

- ∞ Designing interventions concerning natural resource management, agriculture, coastal zone management, etc. that link CCA/DRR goals with local efforts to pursue market opportunities and overcome constraints to trade and investment
- ∞ taking into account the influence that international investors are exerting on local political officials responsible for regulating the use of the natural resource base by strengthening capacities to limit corruption and defend the public interest
- ∞ facilitating greater engagement of market actors, from insurance firms to agricultural input suppliers, in responding to the demands that will be stimulated by local awareness of the risks and opportunities of adapting to climate change
- ∞ factoring in how the struggle for livelihoods, within prevailing market relations, is the 'bottom line' for many, especially the poor

**Conclusions**

CCA/DRR is not just a matter of technology transfer. It involves the creation of an enabling environment for changes in institutions, markets, political relationships and in the public service. This can only be accomplished by addressing the constraints and opportunities facing the organisations that must undertake these changes. Such an enabling environment has been difficult to establish due to ignorance and nonchalance towards these local realities. It is essential to understand the nature of local governance and market relationships before undertaking grand efforts to change them.

The goal conflicts of addressing CCA/DRR at global level are mirrored, in different forms, at local levels. Locally, longer term adaptation to climate change is being dealt with amid medium-term adaptation to changing markets and immediate adaptation to crises in food security. Political and business decisions reflect both the pursuit of opportunities for quick profits and struggles to find ways to pay the salaries of those who need to work to address the medium- and long-term challenges of CCA/DRR. Information and promotion of new technological solutions can influence these decisions, but only if the prevailing

'rules of the game' for local actors are acknowledged as the starting point for any efforts to induce change.

A large proportion of CCA/DRR advice rests on overly optimistic assumptions about how rapidly institutions and institutional infrastructure can be 'built' to take on these pressing challenges. A more pragmatic starting point for change may instead lie in greater attention to how CCA/DRR plans can be more genuinely and profoundly aligned with the efforts of local actors themselves to deal with the changing threats and opportunities that they face.