



ECONOGENESIS: Understanding the Economics of Climate Change and Loss & Damage

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1 Introduction

ECONOGENESIS is a FCDO funded CLARE Research project that focuses on the **economics of climate change**. The project covers:

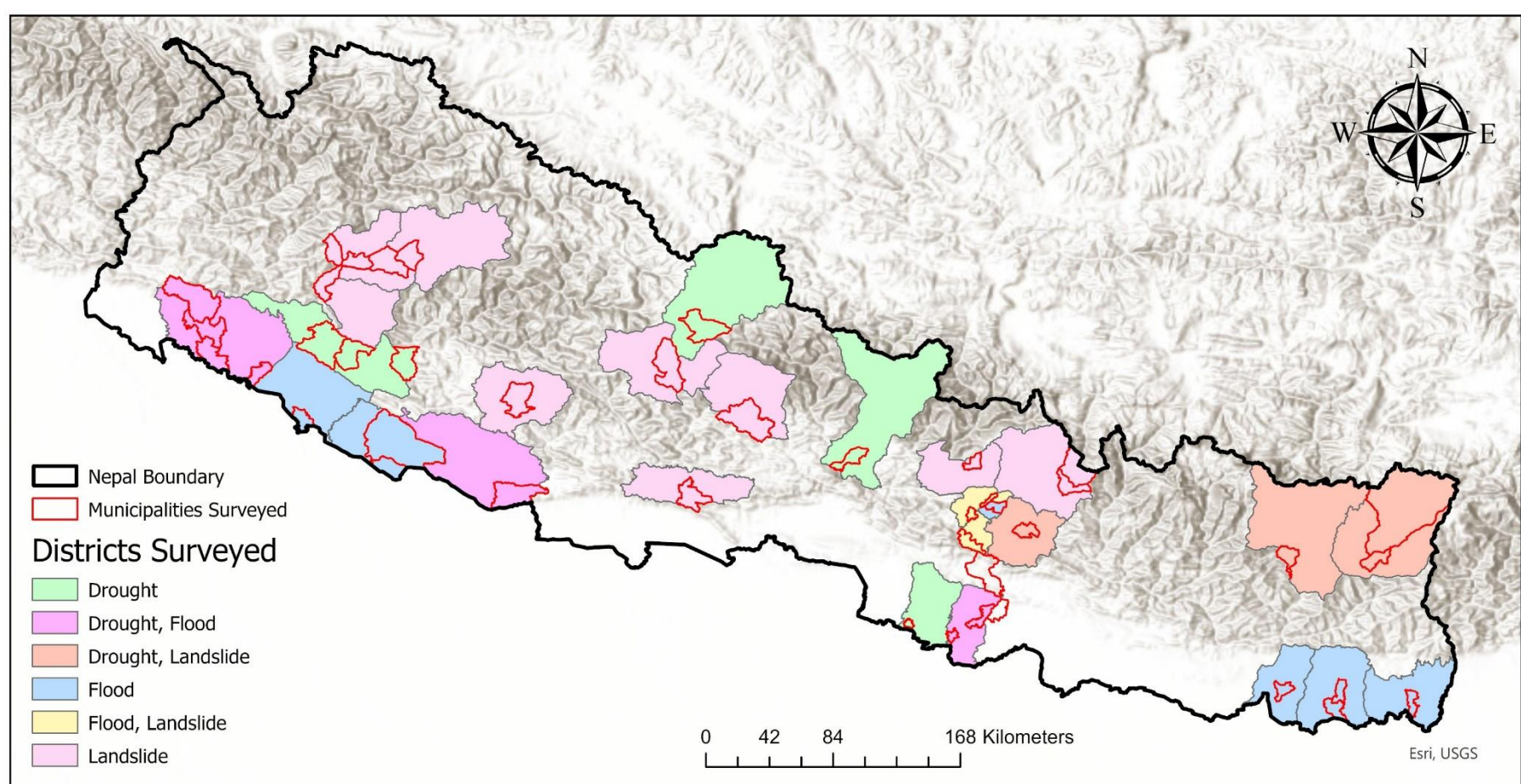
- Assessment of the economics costs of climate change – including distributional pattern
- Analysis of costs and benefits of adaptation
- Development of bankable adaptation projects

The Nepal NAP/NDC3 adaptation needs is US\$ 2 billion/year which is much higher than the adaptation finance flows. More public finance is needed, but private finance is also needed to fill the gap.

We present here early insights on two important aspects of the project (see Methodology for details on full project outputs):

- Economic cost, and loss and damage that households bear from climate induced hazards
- Potential bankable adaptation projects that private sector could implement

3 Study Area



2 Objectives

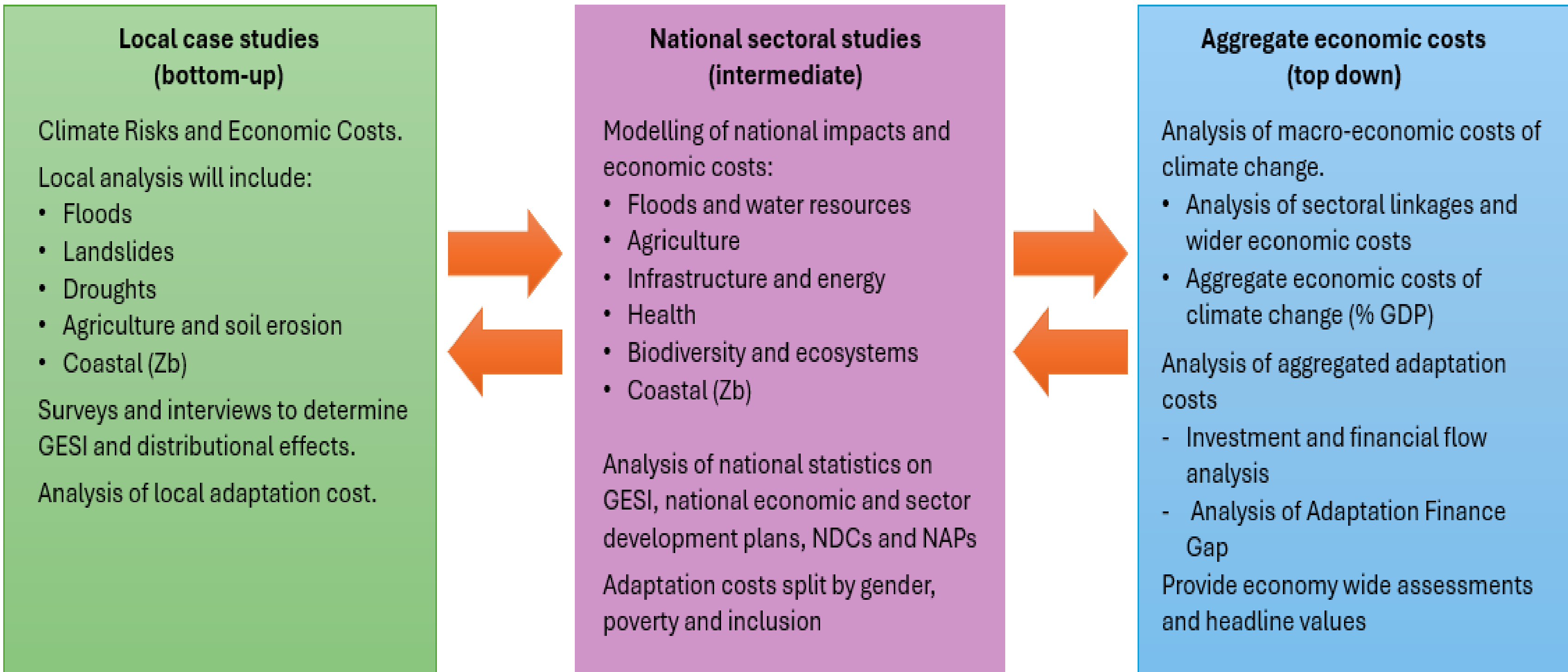
The overall objective of the Project is to provide a new analysis of the economics of climate change, the costs of adaptation, and bankable adaptation finance projects, including new knowledge on gender equality and social inclusion (GESI) effects.

Research Questions

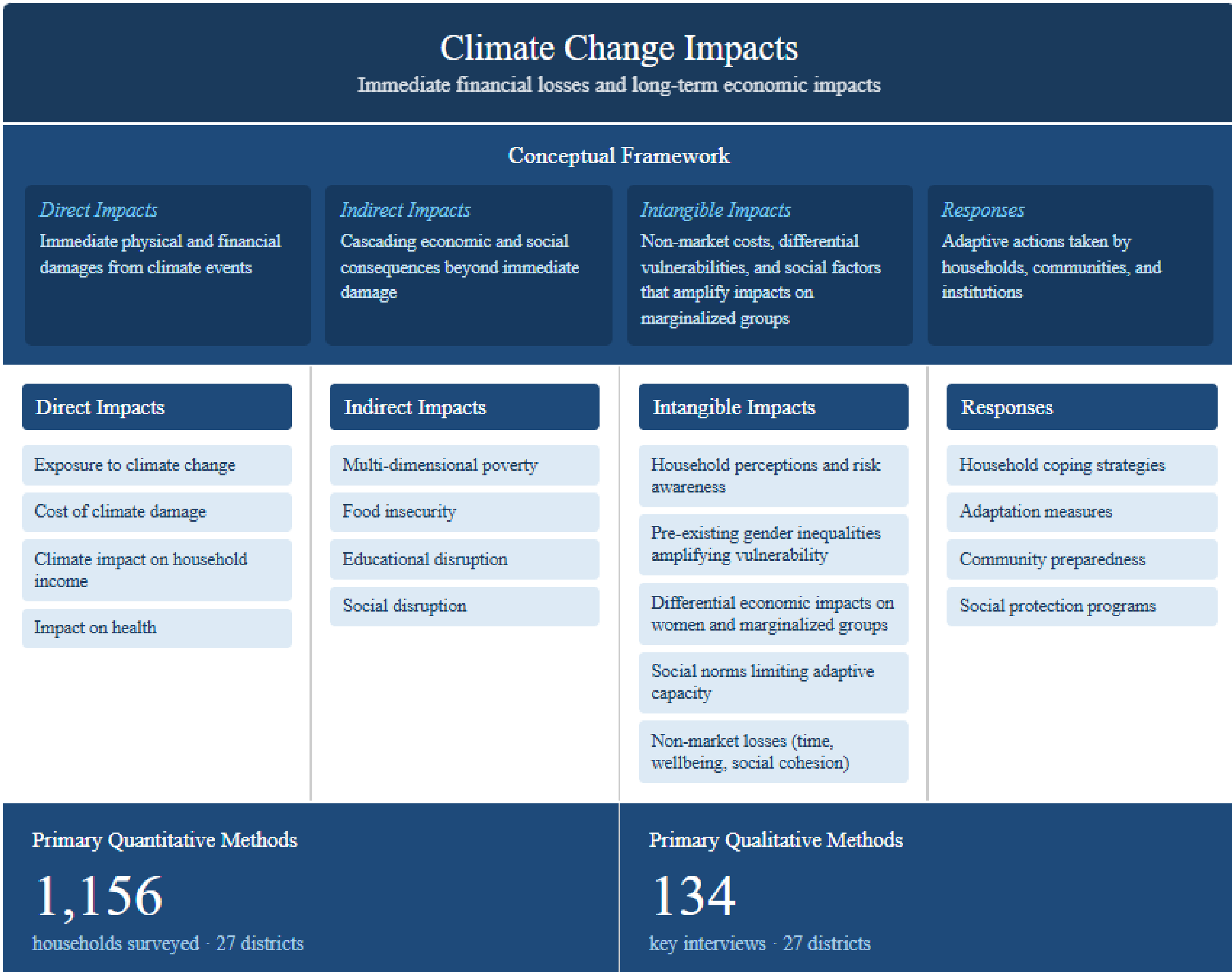
- What are the economic costs of climate change and do these differ by gender and social group?
- What are the costs and benefits of adaptation (and investment needs) and do these differ by gender and social group?
- How can countries take forward adaptation finance solutions and develop bankable adaptation projects, including those that support gender, equality and social inclusion?

4 Methodology

The project adopts a multi-level approach and will work at different scales to build-up lines of evidence on climate impacts and adaptation responses, from local to national level.



5 Conceptual Framework of the Survey



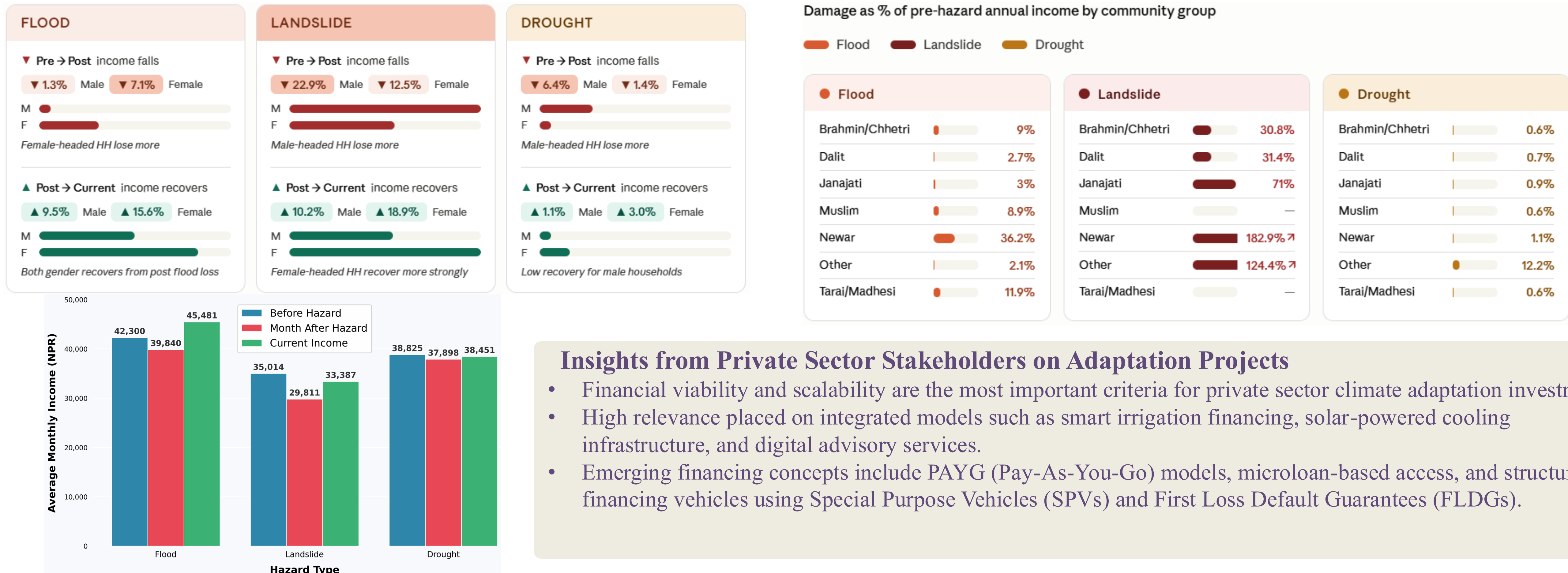
6 Description of accelerators (project) ideas

There are large number of potential areas. We have focused on the following ‘clusters’:

- Irrigation.** This is the most common private project and also focus of NDC/NAP
- Cooling.** This is important for the Terai, and has high commercial potential
- Housing/Infrastructure/ Urban.** These complement the rural agricultural focus.
- Climate smart agriculture.** We find agriculture has highest private potential of all sectors
- Digital solutions.** These are already scaling up in Nepal and offer cost savings.
- Climate services/Insurance.** These are priorities for Nepal, though more difficult.



7 Preliminary Insights



8 Way Forward

- Develop national estimates of climate change impacts and adaptation costs.
- Strengthen climate adaptation and Gender Equality and Social Inclusion (GESI) analysis by addressing critical knowledge gaps.
- Identify and develop five bankable private-sector climate adaptation projects in Nepal to catalyze investment and scale resilient development solutions.

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