

Climate change, environmental degradation and natural hazards are among the most pressing challenges states are facing. Stable climate and well-functioning ecosystems are often understood as public goods,¹ with their protection and preservation expected from states. The capacity and will of states to anticipate, absorb and adapt to these challenges while mitigating related social inequalities strongly influences the states' legitimacy and public acceptance. In addition, robust governance institutions are crucial for securing development gains in a changing climate. Including the topics of climate change (C), disaster risk (D), and the environment (E) in governance programming and supporting states in addressing these challenges most effectively and efficiently is essential.

This Thematic Integration Brief (TIB) provides a non-exhaustive compilation of the interrelations between governance and C/D/E. The brief:

- enhances the understanding of potential C/D/E risks related to governance
- highlights possible impacts of governance on C/D/E
- offers practical entry points on how to integrate governance and C/D/E.

¹ Carney, M., [Global Governance to Support Climate as a Public Good](#). Revue d'économie financière, No 151(3), 185-203, 2023.

Interconnections at a Glance



Risks for governance systems from C/D/E

Governance systems face C/D/E risks through both sudden events and gradual developments. In countries with fragile governance systems and existing crises, C/D/E can increase the risks to stability and **exacerbate development challenges**.²

- C/D/E can **challenge governance capacities and strategies** by diverting attention and funds to C/D/E concerns at the expense of other public goods or longterm development and good governance programmes.³
- Addressing C/D/E, particularly short-term effects, may lead to a rapid inflow of large amounts of funds. Without adequate structures in place to effectively absorb and dis-burse these funds, the **risk of corruption** is high. Furthermore, climate and environment policies tend to primarily affect economic sectors that are generally prone to corruption (e.g. infrastructure or energy).⁴
- C/D/E challenges, especially when coinciding with other crises, such as conflict, poverty, a pandemic or mass displacement, can pose **risk to the political stability** of a country. This is particularly the case where resource scarcity that comes a consequence of climate change and environmental degradation is not adequately dealt with.⁵
- Dealing with C/D/E often requires the **collaboration of numerous affected stakeholders**, including public and private actors at national and subnational levels, ministries, and even multiple countries. Without structures and trust, this collaboration can be a challenge.



Impacts of governance on C/D/E

Good governance is the **basis for implementing effective measures** to address the impacts of C/D/E. While formal democratic institutions are not necessarily a guarantee of inclusive and accountable governance systems,⁶ functioning democratic systems are crucial for effective and legitimate C/D/E policy.

- Functioning democratic institutions that are based on **participation, non-discrimination and the representation of marginalised groups and minorities, the rule of law, and public oversight and transparency** offer advantages in the formulation and implementation of inclusive, legitimate and effective C/D/E policy, and **strengthen accountability** of political leaders.⁷
- Decentralised governance systems with the financial capacity and knowledge allow for **locally appropriate solutions** to challenges related to C/D/E.⁸
- The elimination of corruption helps to ensure that C/D/E **policies are responding to public rather than private interests**.⁹
- **Inclusive digitalisation** in a well-managed governance system can contribute to increased transparency and accountability, the empowerment of diverse and disadvantaged groups in society, and the fight against corruption,¹⁰ all of which can support effective C/D/E policy.
- Effective and inclusive policies for the sustainable use of natural resources are key to **counter further depletion and degradation**, reduce the exposure to natural hazards and secure the livelihood of large parts of the population, particularly marginalised and at-risk groups, such as women, children, older persons, indigenous persons, migrants, and persons with disabilities.¹¹ Hence, working on C/D/E policies is political.

2 DAI, [Climate Change Governance: Six Lessons Learned](#), 2023; Adelphi et al. [A New Climate For Peace: Taking Action on Climate and Fragility Risks](#), 2015.

3 This might even be to the detriment of marginalised groups and minorities; e.g. in India, funds to fight COVID-19 were taken from "special purpose funds": [Emergency Use of Public Funds: Implications for Democratic Governance](#).

4 Basel Institute on Governance, [Is the climate crisis a corruption crisis?](#), 2015.

5 Infras, [SDC Climate foresight analysis: Global and regional risks and hotspots](#), 2023; DAI, [Climate Change Governance: Six Lessons Learned](#), 2023; Adelphi et al., [A New Climate For Peace: Taking Action on Climate and Fragility Risks](#), 2015; World Bank, [Social Dimensions of Climate Change](#), 2023.

6 SDC, [Democratic Governance](#), 2025, see Policy Note on [Governance in Authoritarian Contexts](#), 2022.

7 International IDEA, [Democracy and the Challenge of Climate Change](#), 2021; SDC, [Cross-Cutting Governance](#), 2025.

8 Development Asia, [How Subnational Governments Can Strengthen Resilience to Climate Change](#), 2023; SDC, [Cross-Cutting Governance](#), see Report on [Locally-Led Cooperation \(LLC\) – SDC's pathway for action](#), 2025.

9 World Bank, [To tackle climate change, take on corruption Climate action and corruptions risks](#), 2021.

10 Roberts et al., [Key Issues in Digitalisation and Governance](#), 2022. Bern: SDC Governance Network; SDC, [Digital Governance](#), 2025.

11 SDC, [The SDC's Guidance on Governance](#), 2025.

1. Introduction to Governance

Governance is the political process through which authority is created and exercised. SDC conceives governance as the way in which core authority functions are performed, goods are produced and distributed, and power is exercised and negotiated by governmental, non-governmental and private actors closely interconnected from the subnational to the national to the global level.¹²

Good governance is understood by SDC as a governance system that contributes to building and maintaining peace, promotes sustainable development, focuses on the wellbeing

of all people, leaves no one behind, and respects the diversity of citizens' ideas of a good life.¹³

The SDC approach to governance¹⁴ falls into three thematic areas – democratic governance, decentralisation and local governance, as well as anti-corruption and asset recovery. SDC applies governance principles as a lever and a cross-cutting theme, and responds to governance opportunities and challenges from digitalisation.¹⁵ The main analytical tools are on political economy¹⁶ and conflict-sensitive programme management,¹⁷ both of which are applicable across sectors.

2. Interactions between Governance and C/D/E

Risks of C/D/E for governance

Challenges related to C/D/E impact every country, but the least developed countries and fragile states – frequently affected by conflict and other challenges – endure the consequences most acutely. From 2004 to 2014, for example, the 30 most vulnerable states experienced 58 percent of all fatalities resulting from disasters caused by natural hazards.¹⁸

Climate change, disaster risks and environmental degradation present challenges to governance and political systems on multiple levels. These challenges are both related to extreme weather and environmental related events requesting immediate response (e.g. flash floods or storms), but also to slow onset developments (e.g. sea-level rise, desertification). The following sections highlight different types of governance challenges, as well as opportunities, arising from C/D/E.

12 SDC, [What is Governance for SDC?](#), 2021.

13 SDC, [The SDC's Guidance on Governance](#), 2020.

14 SDC, [The SDC's Guidance on Governance](#), 2020.

15 SDC, [Transversal approaches of governance](#), 2025.

16 SDC, [Tools on Political Economy](#), 2024.

17 SDC, [Toolbox: Conflict Sensitive Programme Management CSPM](#), 2023.

18 Overseas Development Institute, [When disasters and conflict collide: Facts and figures](#), 2016.

Governance strategy and capacity

- The need to address C/D/E challenges **can reduce the capacity of the state to carry out core duties**, such as providing protection and other public goods needed for sustainable development, in the short and long terms.¹⁹
- Extreme weather events and disasters can **jeopardise long-term efforts to develop good governance structures**. Funds intended for long-term governance efforts, such as legal and constitutional reforms, may be needed to respond to emergencies.²⁰
- The costs of C/D/E are usually **externalised** and remain insufficiently integrated into political planning and decision-making. This can result in inadequate climate policy.
- The effects of C/D/E, particularly those that require a rapid response, may give those in power a reason to **maintain the status quo** rather than continue efforts of democratisation. This, in turn, favours a response to C/D/E that is **not based on democratic principles** and does not benefit all parts of society.

Public funding and corruption

- Once financial resources – whether from state budgets or development aid – are made available for C/D/E challenges, they need to be effectively **deployed**. In an extreme weather event, in particular, a large amount of funds may enter a country in a very short time. Furthermore, funds intended for **rapid disbursement** may circumvent normal decision-making processes and checks to save time.²¹ If states lack **established structures with functioning control mechanisms** to absorb and allocate these funds quickly and effectively, the risk of corruption is increased.
- In addition, responses to climate change and environmental degradation are linked to **economic sectors that are generally exposed to a high risk of corruption**, such as infrastructure, energy, mining, and forestry.²²

Political stability

- Many regions in the world are facing **multiple overlapping crises** that exacerbate societal inequalities and divisions. When non-climatic shocks, such as a war, an economic crisis or a pandemic, collide with climate-related and environmental crises, fragile governance systems are put at even higher risk and already existing poverty and food security challenges can be aggravated.²³
- Climate change is also leading to **resource scarcity** that can disrupt economies and cause migration and displacement. These developments need to be addressed by allocating available resources in a fair and equitable way, promoting new economic opportunities, protecting displaced and other affected people, and engaging internationally to find solutions at the global level. Ineffective responses to these developments can result in **instability**, undermine the **legitimacy of a government** and increase the potential for **conflict**.²⁴

Multi-level and multi-actor governance

- C/D/E challenges are complex and multi-layered. They require not only the collaboration across government levels and ministries, but also the coordination of public and private **stakeholders**, including civil society organisations representing the rights of marginalised groups. This coordination may be challenging and delay progress, especially if no structures for such exchanges exist.
- The consequences of C/D/E, such as a scarcity of natural resources, affect not only individual countries, but can also create **transboundary challenges**. The intergovernmental cooperation needed to address these challenges adds another layer of complexity to the issue.²⁵

19 This might even be to the detriment of the marginalised groups and minorities; e.g. in India, funds to fight COVID-19 were taken from “special purpose funds”: [Emergency Use of Public Funds: Implications for Democratic Governance | Global Challenges](#).

20 There are numerous examples of this in practice, e.g. the shift of funds after the floods in Pakistan in 2022, or Haïti, where recurrent natural hazards hamper the state’s ability to invest in long-term solutions and governance structures.

21 Basel Institute on Governance, [Is the climate crisis a corruption crisis?](#), 2023.

22 Basel Institute on Governance, [Is the climate crisis a corruption crisis?](#), 2023.

23 Infras, [SDC Climate foresight analysis: Global and regional risks and hotspots](#), 2023. DAI, [Climate Change Governance: Six Lessons Learned](#), 2023; Adelphi et al., [A New Climate For Peace: Taking Action on Climate and Fragility Risks](#), 2015.

24 World Bank, [Social Dimensions of Climate Change](#), 2023.

25 See, e.g. Mirziyoev Sh. M., [Water Diplomacy in Central Asia](#), 2022.

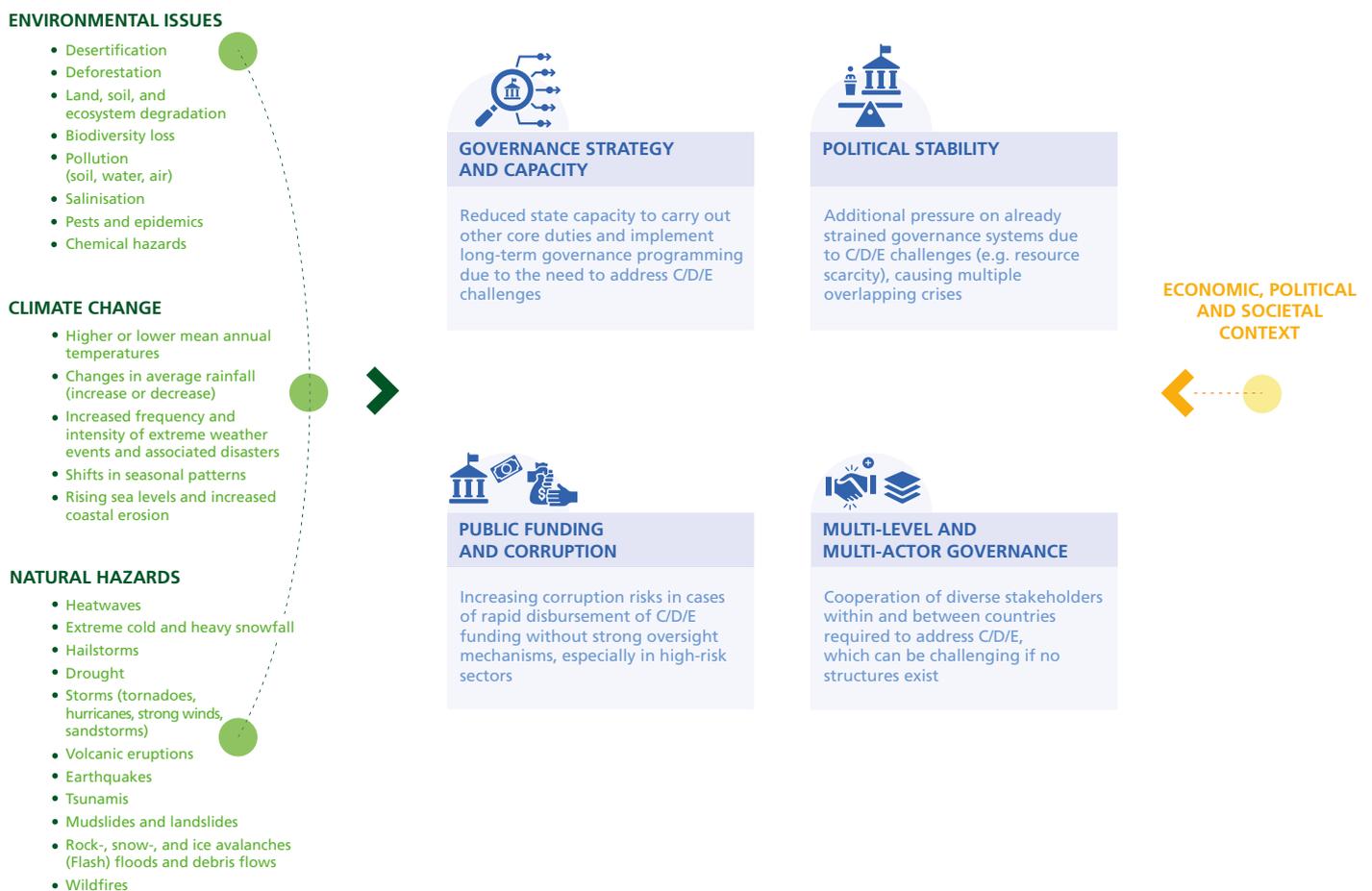
Opportunities

The need to address C/D/E issues can be seen as an opportunity to **develop and strengthen national, regional or local governance structures and capacities**. Capacity-building in the civil service, for example, can improve the delivery of services – an important governance function across sectors. The development of national monitoring structures, as required by the Paris Agreement,²⁶ helps to ensure accountability and transparency of climate change mitigation and adaptation, and can support governments in other strategic areas. Addressing C/D/E challenges offers opportunities to reduce social inequalities by embedding

gender equality and social inclusion in governance reforms, capacity-building and monitoring systems. This opportunity exists, however, only if certain well-functioning governance structures are already in place to enable states to address these challenges effectively.

Finding common solutions to transboundary challenges is often a particular challenge, but in some cases the achievement of co-operation and dialogue may also have the potential to strengthen cross-border relationships (e.g. the Blue Peace Initiative).²⁷

Figure 1: Risks of C/D/E on governance



26 Enhanced Transparency Framework of the Paris Agreement, see here: [The Paris Agreement](#).

27 SDC, "Blue Peace prevents conflicts and contributes to greater stability", 2023.

Impacts of governance on C/D/E

Good governance has the potential to make a positive contribution to addressing C/D/E challenges. With weak governance structures, however, states may not be able to respond to challenges, and may even exacerbate them.

Functioning democratic institutions

- In governance systems that are based on **participation, non-discrimination, the rule of law, and public oversight and transparency**, the opportunities for holding political leaders **accountable** for inaction on climate change, environmental degradation and disaster risks are generally stronger than in systems without these features. Participatory processes, independent media and the free flow of information increase **public awareness** of policies and programmes thereby strengthening **legitimacy** and providing the public with leverage to pressure governments to deliver on their promises.²⁸ Governance systems with weak accountability, checks and balances, or human rights implementation, risk failing to address C/D/E challenges in an effective, expedient manner.
- Cooperation among non-governmental institutions, interest groups, and civil society organisations representing marginalised groups, promotes **trust in and acceptance of C/D/E policies**.²⁹ Such collaboration provides an opportunity for states to put into practice the latest scientific, indigenous, and local knowledge.³⁰
- **Marginalised groups and minorities**, such as people in poverty, persons with disabilities, migrants, women, or older persons are generally more exposed to C/D/E risks due to structural discrimination.³¹ **Participatory and inclusive** institutions increase the probability that these groups' rights are upheld.³²
- Importantly, however, **democratic institutions are neither set in stone nor a guarantee for just and effective climate policy**.³³ Risks to democracy arise when democratically elected leaders undermine the checks on their power, destroying well-functioning systems of media, courts, and anti-corruption controls.³⁴ Even autocracies can have formal signs of democracy with façade democratic institutions

in place. What is needed for democratic regimes to be legitimate is a system that is accountable and responsible for the provision of goods and services to the population and that acknowledges the need to act on C/D/E.

Decentralisation

- The impacts of climate change, environmental degradation, and natural hazards vary widely within countries. A fully centralised approach to governance risks not doing justice to these regional and local variations.
- Subnational and local decision makers are usually more aware of the problems and needs in their areas. **Decentralisation processes**, including the provision of necessary human and financial resources and competencies, strengthen subnational and local governments and thereby ensure that responses to C/D/E challenges are **adapted to subnational contexts**.
- Decentralised governance systems are more likely to involve **local civil society** in political processes, thereby increasing the effectiveness of C/D/E policies and programmes.³⁵

Corruption

- Corruption is a major obstacle to political, economic and social development. It diverts public resources from public to **personal interests**,³⁶ and results in fewer resources being allocated to climate change mitigation and adaptation, the restoration of environmental degradation or disaster risk reduction.
- Corruption in climate change programmes may not be limited to illegal practices, but may extend to the undermining of effective climate policies through legal means facilitated by conflicts of interest and excessive lobbying. This phenomenon can be described as **regulatory capture**,³⁷ implying that formal legal structures are used to preserve private interest, such as the continuation of fossil fuel subsidies, at the expense of the public good and environmental integrity.

28 International IDEA, [Democracy and the Challenge of Climate Change](#), 2021.

29 SDC, [The SDC's Guidance on Governance](#), 2021.

30 IPCC, [Summary for Policymakers](#), 2022.

31 IPCC, [Climate Change 2022: Impacts, Adaptation and Vulnerability](#), Chapter 8, 2022.

32 World Bank, [Climate Change and Governance: Opportunities and Responsibilities](#), 2019.

33 SDC, [Governance in Authoritarian Contexts](#), 2022.

34 Freedom House, [Freedom in the World 2025](#), 2025.

35 Development Asia, [How Subnational Governments Can Strengthen Resilience to Climate Change](#), 2023.

36 Basel Institute on Governance, [What is corruption?](#), 2025.

37 CFA Institute, [Regulatory Capture](#), 2019.

- Eliminating corruption on all levels contributes to decisions being taken, funds being spent, and policies being implemented based on **public interests** – the fight against climate change, environmental degradation, and disaster risks.³⁸ According to global estimates, about USD 100bn could be saved annually if climate-related corruption risks were eliminated.³⁹

Digital governance⁴⁰

- Digital transformation raises ethical concerns – around data privacy, ownership, and misuse of personal information – that require strong safeguards. Moreover, the environmental footprints of digital technologies are significant throughout their entire life cycles. Production and disposal of digital tools impose environmental costs that disproportionately affect developing countries.⁴¹ All of these concerns can be challenges for the governance systems.
- Digitalisation, including so called artificial intelligence,⁴² provides opportunities for development. States with the capacities to make use of the digital transformation, can use it to contribute to increased transparency and accountability, the empowerment of societal groups, and the fight against corruption.⁴³ These outcomes, in turn, may contribute to fair and effective climate policy.
- States with the financial and human capacities to apply digital tools⁴⁴ are better able to make use of the vast amount of internationally available data to support climate policy, and can make use of **international systems to monitor emissions**.
- **Inclusive digitalisation** policies that follow universal design standards can help reduce the digital divide and make sure everyone can access and understand information about C/D/E risks. Digital crowdsourcing tools can be used by the population to collect and share data on disasters,

which in turn allows for a more targeted state response.⁴⁵ If accessible to all, these opportunities can strengthen digital participation, including spaces for citizens to monitor progress and hold governments accountable, all of which are good governance principles.⁴⁶

- Strong digital governance systems have improved data availability on all governance levels, and representation of marginalised groups through inclusive collection methods and disaggregated analyses. These systems contribute to effective evidence-based policymaking,⁴⁷ and can lead to **better monitoring of disaster risks** and, ideally, the minimisation of these risks.

Responsible management of natural resources

- The exploitation of natural resources is crucial to the economies of many countries in the Global South. At the same time, it can cause severe environmental damage. States with weak governance face a **high risk of unsustainable exploitation and use of natural resources, as well as an unfair distribution of the benefits**. Weak capacity, lack of knowledge and conflicting interests among the responsible authorities enable this situation.⁴⁸
- Effective and inclusive policies for the sustainable use of soil, water, forests, biomass and national water bodies help counter **further depletion and degradation**, reduce the exposure to natural hazards and secure the livelihoods of large parts of the population, particularly marginalised and disadvantaged groups.⁴⁹
- Good governance activities can ensure that states and companies properly implement **international standards on resource extraction to avoid negative environmental impacts**, and can generally increase transparency in the sector.⁵⁰

38 World Bank, [To tackle climate change, take on corruption Climate action and corruptions risks](#), 2021.

39 Basel Institute on Governance, [Is the climate crisis a corruption crisis? An interview with Brice Böhmer](#), 2023.

40 SDC, [Digital Governance](#), 2021.

41 UNCTAD, [Digital Economy Report](#), Chapter I, 2024.

42 SDC, [SDC Working Aid on Artificial Intelligence](#), 2025.

43 Roberts et al., [Key Issues in Digitalisation and Governance](#), SDC Governance Network, 2022.

44 Equals the “digital in government” according to Roberts et al., 2022.

45 See, e.g. UN Agencies for Digital Technologies, [Crowdsourcing helps mitigate disasters](#), 2022.

46 Equals the aspect “digital participation in governance” according to Roberts et al., 2022.

47 SDC, [The SDC’s Guidance on Governance](#), 2020.

48 SDC, [The SDC’s Guidance on Governance](#), 2020.

49 SDC, [The SDC’s Guidance on Governance](#), 2020.

50 SDC, [The SDC’s Guidance on Governance](#), 2020.

Potential governance challenges in addressing C/D/E

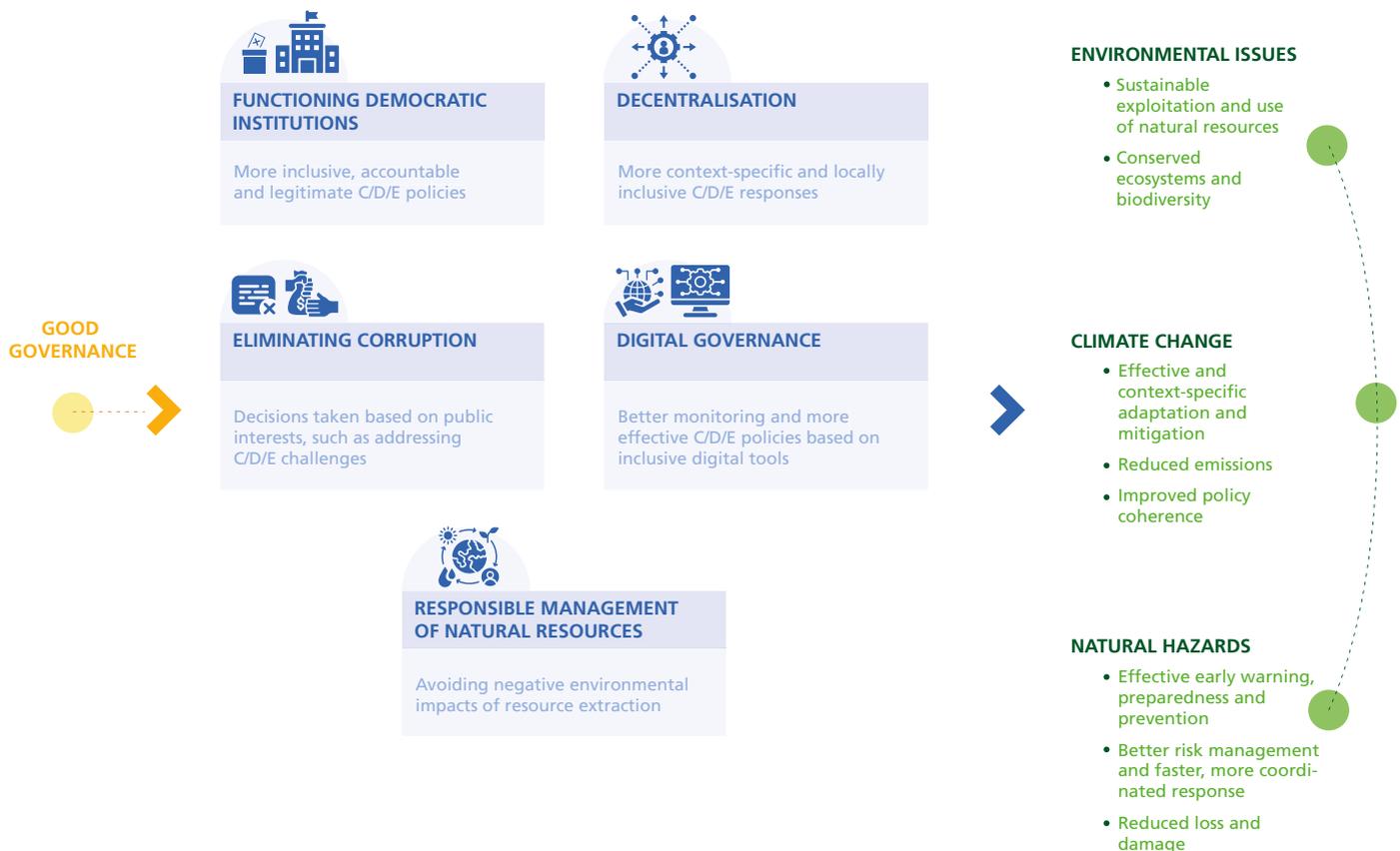
Democratic and decentralised political institutions may also pose challenges for governance related to C/D/E. Power-sharing and inclusive decision-making may **prolong processes** rather than allow for quick responses to urgent problems. This could lead to blame-shifting between political camps. Although minorities tend to be better **represented** in democracies than in authoritarian systems, they may not be equally represented in political institutions. Furthermore, the idea that participatory processes lead to more environmentally friendly policies assumes that the majority of the population wants their country to implement such measures. Depending on the lobbying power of certain interest groups, as well as the general political and economic situation, however, this may not necessarily be the case. People are reluctant to acknowledge the need to change their behaviour if climate mitigation and adaptation is expensive and cumbersome, if the effects of C/D/E are not yet being felt, or if the topic of C/D/E seems too abstract. Authoritarian states, on the other hand, could implement and enforce environmentally friendly policies without the approval of the population.

A decentralised system, if not well implemented in terms of responsibilities and capabilities, can prevent the implementation of effective and efficient C/D/E policies and lead to **fragmented and uncoordinated programming**. In addition, **competition** between different regions might cause individual representatives to prioritise their own constituencies over public interests.

Finally, with democratic elections taking place every few years, politicians may be more interested in their own **re-election** and therefore focus on short-term programmes that yield successes rather than prioritising long-term measures to address C/D/E challenges.⁵¹

Despite these challenges related to democratic and decentralised institutions, the overall positive effects of **good governance through more participatory, legitimate, transparent and accountable** processes and programmes, clearly provide the more favourable conditions to tackle C/D/E risks and outweigh the potential negative effects associated with authoritarian governance systems.

Figure 2: Potential impacts of good governance on C/D/E



51 LPS Alliance, [Climate Governance and Federalism](#), 2023.

3. Key Areas for Action

Addressing the interrelations between governance and C/D/E calls for a comprehensive systemic approach that acknowledges the root causes and strives for durable solutions. The following proposed actions are meant to contribute to such solutions. They offer ideas for governance programmes and projects on how to mitigate the negative impacts of C/D/E on governance systems and to strengthen the positive interrelations and mutual reinforcement between good governance and C/D/E.

General measures

- **Integrate and mainstream C/D/E considerations into all SDC governance programmes, and vice-versa, across sectors** at the national, subnational and local levels. The possibilities include C/D/E-smart public financial management and planning frameworks; C/D/E-smart agriculture programmes; programmes to enable a transition to clean energy; building codes addressing C/D/E; waste management plans to reduce pollution.⁵²
- Ensure good **internal governance of SDC partners**, so that they are non-discriminatory, inclusive, participatory, efficient, effective, transparent, and accountable. If needed,⁵³ support partners in their own organisational development and/or financial management as part of Locally-Led Cooperation⁵⁴ to strengthen the partner in becoming trustworthy and capable of absorbing international funding. Ensure that programming respects to the maximum extent possible the **good governance principles** of effectiveness and efficiency, non-discrimination, inclusion, participation, transparency and accountability. Supporting stakeholders – through advocacy measures, for example – is key.
- Be aware that all programming is affected by politics and by local powers and interests. This implies the need to **think and work politically and to apply adaptive management approaches**.⁵⁵
- **Measure results** of programming using both governance reference indicators⁵⁶ that include indicators on cross-cutting governance and C/D/E reference indicators.⁵⁷

Knowledge and capacities

- Raise awareness of specific **C/D/E risks and how they affect governance programmes at national and subnational levels** in order to respond to challenges in a context-specific manner through the use of techniques such as detailed risk mapping, local context analysis, and tailored data management systems.⁵⁸
- Develop an awareness of who the potential C/D/E **veto points** are, how they might be barriers to change, and how these barriers might be overcome through the use of such approaches as **political economy analysis**,⁵⁹ stakeholder analysis, and inclusive processes.
- To be aware of potential **corruption and regulatory capture**,⁶⁰ strengthen knowledge on existing decision-making processes and financial flows, and on the background, roles and personal interests of stakeholders.
- Support the strengthening of technical knowledge, capacities, and financial resources for **subnational and local governments and communities**⁶¹ so they can address context-specific climate risks.⁶²
- **Support civil society organisations** that actively engage in governance processes to make sure the rights and interests of marginalised and at-risk groups are appropriately considered in climate policy.
- Strengthen the **capacity of state institutions** to be proactive, adaptive and agile; to collaborate with other state and non-state actors; to develop budgets that allow for short- and long-term planning; and to find ways to catalyse system-wide change.⁶³

52 World Bank, [Climate Change and Governance: Opportunities and Responsibilities](#), 2019.

53 Need can be assessed based on a partner risk assessment or an audit.

54 SDC, [Decentralisation & Local Governance](#), incl. the guidance on Locally-Led Cooperation, 2016 & 2025.

55 SDC, [Tools on Political Economy](#), incl. the Topic Note on Thinking and Working Politically, 2024.

56 Several of the governance ARI/TRI measure transversal governance principles, and one measures policy results.

See here: <https://www.sdc-pge.ch/en/pge-at-sdc>, particularly the Reference Indicators Governance summary table.

57 SDC CDE Network, [Monitoring & Reporting](#), 2025.

58 Development Asia, [How Subnational Governments Can Strengthen Resilience to Climate Change](#), 2023.

59 SDC, [Tools on Political Economy](#), 2021.

60 SDC, [Tools on Anti-Corruption](#), 2022.

61 SDC, [Decentralisation & Local Governance](#), including the guidance on [Locally-Led Cooperation](#), 2025.

62 Development Asia, [How Subnational Governments Can Strengthen Resilience to Climate Change](#), 2023; World Bank, [Social Dimensions of Climate Change](#), 2023.

63 Oxford Policy Management, [How to build institutional capacity to tackle climate change?](#), 2018.

- Make use of the **opportunities of digitalisation**⁶⁴ to strengthen state capacity in using data-based assessments of disaster risks, and to increase the availability and accessibility of such data for the population.

Processes and practices

- Advocate for a clear division of **responsibilities** between national and subnational levels of government in order to enable the institutions to respond quickly to C/D/E emergencies and to develop long-term mitigation and adaptation plans.⁶⁵
- Encourage **cross-sectoral and cross-regional cooperation** to address C/D/E challenges in a holistic way by establishing cross-sectoral C/D/E working groups, for example, or by establishing or strengthening cross-regional committees to exchange experiences.⁶⁶
- Foster the **exchange of knowledge and ideas** on C/D/E among public and private institutions and civil society to understand **differences in risk perception** and to strengthen the inclusion of **state-of-the-art scientific, indigenous and local knowledge**.⁶⁷
- Use **integrated risk management** to reduce vulnerabilities and exposure and to strengthen coping capacities as a way to strengthen governance systems.

Policies and finances

- Policy frameworks and their enforcement through good governance are key to addressing the risks and impacts of C/D/E. Support the translation of **international policy** commitments into national and subnational policy, planning and enforcement.
- Where climate policies result in job losses, advocate for a just transition, and support those affected in finding new livelihoods. Look for mitigation measures with **socioeconomic benefits**, and apply redistributive measures.⁶⁸
- Support ministries of planning and finance in integrating C/D/E risks and policies into **macroeconomic models**, fiscal risk assessments, fiscal plans, and budgets to ensure that C/D/E costs are not unexpected.⁶⁹
- Ensure that state **budgets include both a long-term and a short-term perspective**. States need to be able to address extreme events and emergencies but also have sufficient resources to develop and strengthen their institutions through long-term processes.
- Support national and subnational governments in improving **framework conditions for – and access to – C/D/E finance**. Develop tax and subsidy systems compatible with C/D/E, and mobilise public and private financing. Advocate for the adoption of predictable fiscal transfers that enable subnational authorities to plan and invest in C/D/E.

64 SDC, [Digital Governance](#), including [SDC Working Aid on Artificial Intelligence](#), 2025.

65 Development Asia, [How Subnational Governments Can Strengthen Resilience to Climate Change](#), 2023.

66 Development Asia, [How Subnational Governments Can Strengthen Resilience to Climate Change](#), 2023.

67 International IDEA, [Democracy and the Challenge of Climate Change](#), 2021.

68 International IDEA, [Democracy and the Challenge of Climate Change](#), 2021.

69 World Bank, [Climate Change and Governance: Opportunities and Responsibilities](#), 2019.

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