

**UNITED NATIONS ENVIRONMENT PROGRAMME
PROJECT ACTION SHEET**

UNEP Priority: Medium Term Strategy Thematic Priority - Climate Change

Strategic Program for GEF IV: Enabling Activities

Project Title: Nepal: Preparation of the Second National Communication under UN Framework Convention on Climate Change (UNFCCC)

Project Number: IMIS: GFL-2328-2724-4769
PMS: GF/2010-04-06

Sub-Project Number: IMIS: GFL-2328-2724-4A52
PMS: GF/2010-04-67

Geographical Scope: National: Nepal

GEF Implementing Agency: UNEP

Project Executing Partner: Ministry of Environment


Duration of the project: 34 months

Commencing date: July 2009

Completion date: April 2012

This Action Sheet, which is transmitted with a copy of the project document, lists the actions required in connection with the implementation of the project. It constitutes the authority from the UNEP to the Budget and Financial Management Service (BFMS) to effect the disbursements listed therein.

Signature:



John Noisette
Chief, Corporate Services Section (CSS),
UNEP

Date:

14.7.09

Date:
July 2009

Actions:
Record commitments as follows:

Responsible Office:
CSS/PRDB

	2009	2010	2011	Total
GFL	141,200	161,500	102,300	405,000

**Project Cooperation Agreement (PCA) for the Expedited Enabling Activity (EEA)
Nepal: Preparation of the Second National Communication under the framework
Convention on Climate Change**

This PROJECT COOPERATION AGREEMENT (PCA) and its Annexes (this “Agreement”) is made:

BETWEEN: The United Nations Environment Programme (hereinafter referred to as “UNEP”), an international inter-governmental organization established by the General Assembly of the United Nations, represented by its Director, Division of Global Environment Facility Coordination, and having its office at P.O. Box 30552, Nairobi 00100, Kenya.

AND: Ministry of Environment (MoE) of Nepal is a non-profit governmental organization and (hereinafter referred to as “the Executing Agency”) represented by Mr. Purushottam GHIMIRE, Joint-Secretary and Chief of the Environment Division, Ministry of Environment.

Hereinafter collectively referred to as “The Parties”.

Purpose

1. The Agreement sets forth the terms and conditions of the cooperation between The Parties for the execution of the project: *Nepal - Preparation of the Second National Communication within the framework of the implementation of the UNFCCC* described in the project document appended as **Annex 1**. The project was approved by the Global Environment Facility (GEF) Chief Executive Officer (CEO) in the letter dated 16th April, 2004 appended as **Annex 2**.
2. The main objective of the project is to prepare the Second National Communication of Nepal under the United Nations Framework Convention on Climate Change. To this end, it outlines the set of activities and output to be undertaken over three years and which will lead to the aforementioned Communication following the initial one of submitted to the Climate Convention on 1st September, 2004.
3. As a GEF Implementing Agency, and in accordance with the GEF Instrument, UNEP is accountable to the GEF Council for GEF-financed activities and to ensure that these are carried out in accordance with UNEP and GEF policies, criteria and procedures.
4. The Executing Agency affirms that it is a non-profit governmental organization and non-partisan and that it has the capacities required to carry out the activities outlined in this Agreement, and that the activities under this Agreement shall be carried out without discrimination of any nature.

Interpretation

5. All Annexes to this Agreement shall be considered an integral part of this Agreement.
6. Definitions of terms used in this Agreement are provided in **Annex 3**.

Duration

7. This Agreement shall come into force upon signature by The Parties from the date of the latest signature, and shall remain in force for a period 36 months ending 30 June 2012, unless terminated earlier pursuant to paragraphs 76 to 85 of this Agreement. However, project effectiveness shall be the date of receipt by the Executing Agency of the first instalment of funds.

Cooperation

8. The Parties agree to cooperate with each other at all times and maintain close working relationships in order to achieve the objectives and outcomes of the project.

9. The Parties shall carry out their respective responsibilities in accordance with the provisions of this Agreement.
10. The Executing Agency shall determine and communicate to UNEP the person appointed as having the authority and responsibility for the project execution on its behalf.
11. Contact details for correspondence on substantive and technical matters as well as on administrative and financial matters are as set out in **Annex 4**.
12. The Executing Agency may only use the name and emblem of the United Nations or UNEP with prior written consent of UNEP.
13. UNEP shall facilitate access to information, advisory services, technical and professional support available to UNEP and shall assist the Executing Agency to access the advisory services of other United Nations Organizations, whenever necessary.
14. The Parties shall cooperate in any public relations or publicity exercises, as and when necessary.

Cost of the project

15. The total cost of the project is US\$450,000 of which US\$405,000 is GEF financing and the balance is co-financing as described below.

Cost to the GEF Trust Fund:	US\$405,000
In-kind contribution from the Executing Agency:	US\$ 45,000
Total cost of the project:	US\$450,000

16. For a detailed budget breakdown of GEF Funds refer to Appendix 1 of the project document appended as **Annex 1**.

Terms and obligations of UNEP

17. UNEP shall:
 - a) Provide, in its role as GEF Implementing Agency, project oversight to ensure that GEF policies and criteria are adhered to and that the project meets its objectives and achieves expected outcomes in an efficient and effective manner. Project supervision is entrusted to the Director of the Division of Global Environment Facility Coordination (DGEF), who discharges this responsibility through the assigned UNEP/DGEF Task Manager and Fund Management Officer (refer to **Annex 4**). Project supervision missions by the Task Manager and/or Fund Management Officer are included as part of the project supervision plan appended as **Annex 5**. As described in the project document, the Task Manager represents the Director of DGEF on the project steering committee;
 - b) Perform the liaison function between UNEP and the GEF Secretariat;
 - c) Report on the progress against milestones outlined in the CEO approval letter, appended as **Annex 2**, to the GEF Secretariat;
 - d) Inform the GEF Secretariat whenever there is a potentially substantive co-financing change (i.e. one affecting the project objectives, the underlying concept, scale, scope, strategic priority, conformity with GEF criteria, likelihood of project success, or outcome of the project); and
 - e) Review and provide comments on manuscripts to the Executing Agency before publication of National Communication report under this project
 - f) Terms and obligations of the Executing Agency
18. The Executing Agency shall:
 - a) Undertake to be bound by the terms and obligations specified below, and shall accordingly ensure that the personnel performing project-related activities under the present Agreement comply with these obligations;
 - b) Not seek nor accept instructions regarding the activities under the present Agreement from any Government or other authority external to UNEP with the exception of the government of Nepal;

- c) Refrain from any conduct that would adversely reflect on the United Nations and shall not engage in any activity which is incompatible with the aims and objectives of the United Nations or the mandate of UNEP;
- d) Comply with the requirements outlined in the document “UNEP public information disclosure policy”, and not use information that is considered confidential without the authorization of UNEP. In any event, such information shall not be used for individual profit. The Executing Agency’s focal point for this project may communicate with the media regarding the methods and scientific procedures used by the Executing Agency. However, UNEP clearance is required for the use of the name UNEP in conjunction with project activities in accordance with paragraph 12 of this Agreement. This obligation shall not lapse upon termination of the present Agreement unless otherwise agreed between The Parties.

Personnel Administration

19. The Ministry of Environment, Science and Technology Department, as the Executing Agency, will be responsible for the implementation of the project in accordance with the objectives and activities outlined in Section II of this document. UNEP, as the GEF Implementing Agency, will be responsible for overall project supervision to ensure consistency with the GEF and UNEP policies and procedures, and will provide guidance on linkages with related UNEP and GEF funded activities. The UNEP/DGEF Coordination will monitor implementation of the activities undertaken during the executing of the project. The UNEP/DGEF Coordination will be responsible for clearance and transmission of all financial and progress reports to the Global Environment Facility.
20. Prior to contracts, sub-contracts, or letters of agreement being entered into by the Ministry of Environment, Science and Technology will submit to UNEP/DGEF Coordination copies of all these documents. Within ten working days, UNEP/DGEF Coordination will review, provide guidance and give the Ministry of Environment, Science and Technology substantive clearance on the technical content of these contracts, sub-contracts and letters of agreement.
21. In the recruitment of project personnel, a selection panel/committee will conduct the evaluation of the candidates, and based on the recommendations the Ministry of Environment, Science and Technology will issue contracts.
22. The Executing Agency shall be solely and completely responsible and accountable for all services performed by its personnel, agents, employees, or contractors (hereinafter referred to as “Personnel”).
23. Personnel of the Executing Agency, its contractors or anyone else working for the Executing Agency in the execution of the project or otherwise, are not employees of UNEP and are not covered by the privileges and immunities applying to UNEP and its staff pursuant to the Convention on the Privileges and Immunities of the United Nations. UNEP shall not accept any liability for claims arising out of the activities performed under the Agreement, or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by the Executing Agency’s Personnel as a result of their work pertaining to the project under this Agreement.
24. The Executing Agency shall ensure that its Personnel meet the highest standards of qualification and technical and professional competence necessary for the achievement of the objectives and results of the Project, and that decisions on employment related to the Project shall be free of discrimination of any nature. The Executing Agency shall ensure that all Personnel are free from any conflicts of interest relative to the project activities.
25. The terms of reference for the respective senior project personnel to be recruited are as set out in Appendix 2 of the project document appended as **Annex 1**.
26. ¹In the event that government employees are assigned or seconded to the project, the terms of

¹ This paragraph is only applicable for Government-executed projects

reference and contractual conditions shall be disclosed, including the amount and source(s) of remuneration and the time allocated to perform the duties assigned within the framework of the project.

Procurement

27. Procurement of goods and consulting services financed by GEF funds shall be subject to rules and regulations of the Executing Agency but should meet internationally acceptable standards.
28. In its procedures for procurement of goods, services or other requirements with funds made available by GEF as provided for in the project document, the Executing Agency shall follow the standard UN practices.
29. Before the commencement of procurement, the Executing Agency shall furnish the project procurement plan to be reviewed at the project inception meeting and cleared by UNEP. Procurement of additional items not included in the above-mentioned plan and costing above US\$ 1,000 shall be cleared by UNEP. The same principle of clearance by UNEP shall apply to service contracts or agreements to be procured that are not in the original procurement plan and costing above US\$ 5,000. Within 2 weeks, UNEP shall review, provide guidance and/or give the Executing Agency clearance.
30. The Executing Agency agrees to utilize the funds and any supplies and equipment provided by UNEP in strict compliance with the project document.
31. Procurement shall be undertaken only during the project implementation period.
32. The Executing Agency shall maintain complete and accurate records of non-expendable equipment purchased with GEF project funds and a duly authorized official of the Executing Agency shall take periodic physical inventories. Within 1 month of the year ending 31 December, i.e. on or before 31 January, the Executing Agency shall provide UNEP annually with the inventory of such non-expendable equipment as at 31 December, using the format appended as **Annex 6A**.
33. During the duration of the project, the Executing Agency shall be responsible for the proper custody, maintenance and care of all non-expendable equipment as well as items of attraction (items costing less than US\$ 1,000, but with a useful life of more than a year) purchased with GEF funds. The Executing Agency shall, for the protection of such equipment and materials during implementation of the project, obtain appropriate insurance in such amounts as may be agreed upon between The Parties and incorporated in the project budget.
34. In cases of damage, theft or other losses of property made available to the Executing Agency, the Executing Agency shall provide UNEP with a comprehensive report, including police report, where appropriate, and any other evidence giving full details of the events leading to the loss of the property.
35. During the duration of the project, the equipment can only be disposed with the authorization of UNEP. Within 2 months of the project completion date or upon termination of this Agreement, the Executing Agency shall submit a final inventory of equipment to UNEP and a proposal for the disposal/transfer of the said equipment using the format appended as **Annex 6B**, unless otherwise agreed upon between The Parties.

Cash advances

36. Banking details shall be provided to UNEP on the Third Party Form appended as **Annex 7A**.
37. In accordance with the project budget, UNEP shall provide all cash advances in US dollars up to the maximum amount of US\$405,000. **The first instalment of US\$ 40,500 shall be advanced to the Executing Agency within 2 weeks following signature of the present Agreement.**
38. The second and subsequent instalments shall be advanced to the Executing Agency within 2 weeks after a financial report and other agreed-upon documentation, as referenced in paragraphs 44 to 57 of this Agreement, has been received by UNEP showing satisfactory progress of activities and adequate management and use of GEF resources. Requests for subsequent cash

advances shall be made using the formats appended as **Annex 7B**.

39. The Executing Agency shall make all reasonable efforts to comply with the reporting requirements, failing which, UNEP may withhold further disbursements or may suspend the project until such time the Executing Agency meets its financial and operational obligations.
40. The final disbursement, normally amounting to 5% of the total GEF-approved budget, will be made upon submission and acceptance of the final report, outputs, final audited expenditure statement, co-finance report and final inventory of non-expendable equipment together with signed transfer agreement (if applicable). The absence of the above reports will result in the final payment being withheld.

Responsibility for cost overruns

41. Under this Agreement, total expenditures incurred by the Executing Agency shall not exceed the GEF-approved budget as set out in paragraphs 15 and 16 of this Agreement. The Executing Agency shall notify UNEP about any expected variations on the project. The Executing Agency shall be authorized to make variations not exceeding 10 per cent on any one line item of the project budget provided that the total allocated for that specific budget component by UNEP is not exceeded. Any variations exceeding 10 per cent on any one line item that may be necessary for the proper and successful execution of the project shall be subject to prior consultations with and approval by UNEP. In such a case, a revision to the project document amending the budget shall be issued by UNEP. Otherwise, cost overruns shall be the responsibility of the Executing Agency.

Management cost

42. Project management costs for the Executing Agency shall not exceed 10 per cent in total for the GEF-approved project budget in accordance with GEF rules. Any increase in management costs as a result of extending the duration of the project shall be the responsibility of the Executing Agency.

Financial cost

43. UNEP shall not be liable for the payment of any expenses, fees, tolls or any other financial cost not outlined in the project document or project budget unless UNEP has explicitly agreed in writing to do so prior to the expenditure by the Executing Agency.

Unspent balance

44. Should there remain a balance from the total GEF-approved budget after completion of the project; the unspent funds shall be returned within 2 months of the termination of the present Agreement or the project completion date.

Maintenance of records

45. The Executing Agency shall keep accurate and up-to-date records and documents in respect of all expenditures incurred with the funds made available by UNEP to ensure that all expenditures are in conformity with the provisions of the project document. For each disbursement, proper supporting documentation shall be maintained, including original invoices, bills, and receipts pertinent to the transaction.
46. Upon completion of the project or termination of this Agreement, the Executing Agency shall maintain all records pertinent to the project for a period of at least 3 years unless otherwise agreed upon between The Parties.

Reporting requirements

47. All reporting for the project shall be in English.
48. Progress reports: Within 1 month of the end of reporting period, i.e. on or before 30 April, 31 July, 31 October and 31 January, the Executing Agency shall submit to UNEP quarterly progress reports as at 30 June and 31 December using the format appended as **Annex 8**.

49. Final report: Within 2 months of the project completion, or termination of the present Agreement, the Executing Agency shall submit to UNEP a final report and a list of outputs detailing the activities taken under the project, lessons learned and any recommendations to improve the efficiency of similar activities in the future, using the format appended as **Annex 9**.
50. Financial report: All financial reporting shall be in US dollars, and any exchange differences accounted for within the total GEF-approved US dollar project budget. Within 1 month of the end of the quarter to which they refer, i.e., on or before 30 April, 31 July, 31 October and 31 January, the Executing Agency shall submit to UNEP quarterly expenditure reports and explanatory notes on the expenditures reported using the formats appended as **Annex 10**.
51. A signed final statement of accounts shall be dispatched to UNEP within 3 months of completion of project activities. The final statement of accounts shall be prepared using the format appended as **Annex 10**.
52. Details of expenditures shall be reported in line with the project budget as set out in Appendix 1 of the project document appended as **Annex 1**. Reports are as at 31 March, 30 June, 30 September and 31 December.
53. The purpose of the financial report is to request a quarterly advance of funds, to list the disbursements incurred on the project by budgetary component on a quarterly basis so as to monitor project progress and to reconcile outstanding advances and foreign exchange loss or gain during the quarter.
54. The financial report shall contain information that forms the basis of a periodic financial review and its timely submission is a prerequisite to the continuing funding of the project. Unless the financial report is received, UNEP will not act upon requests for advances of funds.
55. Basis of accounting: The financial report has been designed to reflect the transactions of a project on a cash basis, and thus shall include only disbursements made by the Executing Agency and not commitments.
56. Income: The Executing Agency shall credit any miscellaneous income to the project accounts as a receipt of funds against agreed project requirements. Miscellaneous income shall include, inter alia, proceeds or receivable from the sale of any item or property provided under the project governed by this Agreement, as well as any bank interest earned or accrued on project funds remitted by UNEP and which have been deposited or temporarily placed in an interest-bearing account. The use of such miscellaneous income during the course of the project for project-related activities requires prior consultation with and written authorization by UNEP.
57. Refund: Any refund received by the Executing Agency from a supplier/third party shall be reflected in the financial report as a reduction of disbursements on the component to which it relates.
58. Co-financing report: Within 1 month of the end of the reporting period for the GEF fiscal year of 30 June, i.e. on or before 31 July, the Executing Agency shall submit to UNEP, an annual co-financing report for the project as at 30 June showing amount of cash and in-kind co-financing realized compared to the amount of co-financing committed to at the time of the project approval in accordance with Appendix 2 of the project document appended as **Annex 1**. Co-financing reporting shall be by source using the format appended as **Annex 11**.
59. The Executing Agency shall inform UNEP whenever there is a potentially substantive co-financing change.
60. Third party co-financing reporting: The Executing Agency shall ensure that the legal instruments prepared with its project partners require partners to report, on an annual basis, the actual co-financing received versus committed at the time of project approval

by the GEF, and provide assurances that the identified in-kind resources be:

- a) Dedicated uniquely to the GEF project;
- b) Valued as the lower of cost or market value of the required inputs they provide for the project;
- c) Monitored with documentation available for any evaluation or project audit.

61. Consolidated reporting: All reports described above shall be consolidated reports and therefore include information from any third party sub-project(s).

Audit requirements

62. All financial reporting in the audit report shall be in US dollars.

63. UNEP reserves the right to request an audit.

64. The total expenditures incurred during the year ending 31 December, wherein GEF funding is clearly identified, shall be endorsed by a duly authorized official of the Executing Agency and audited by an independent audit authority or by a government auditor) and dispatched to UNEP within 180 days, i.e. on or before 30 June. The audit report and recommendations shall include such comments as the auditor may deem appropriate in respect of GEF funded operations and in particular, shall clearly indicate that in their opinion:

- a) GEF funds were covered by the scope of the audit;
- b) Proper books of account have been maintained;
- c) All project expenditures are supported by vouchers and adequate documentation;
- d) Expenditures have been incurred in accordance with the objectives outlined in the project document;
- e) The expenditure reports provide a true and fair view of the financial condition and performance of the project.

65. On completion of the project, a final audited statement of account containing signatures and audit opinion as required above shall be dispatched to UNEP within 6 months.

66. If requested, the Executing Agency shall facilitate an audit by the United Nations Office of Internal Oversight Services, or any person duly authorized by UNEP. Shall they wish to do so, the United Nations Board of Auditors may also carry out an audit of the project accounts.

Responsibility for claims

67. The Executing Agency shall indemnify, hold, and save harmless, and defend at its own expense, UNEP, its officials and persons performing services for UNEP, from and against all suits, claims, demands and liability of any nature and kind, including their cost and expenses, arising out of acts or omissions of the Executing Agency or its employees or persons hired for the management of the present Agreement and the project

68. The Executing Agency shall be responsible for, and deal with all claims brought against it by its personnel, employees, agents or subcontractors.

Publications, acknowledgements, logos and emblems

69. At the appropriate time the Executing Agency shall submit to UNEP for review and comments on the national communication prior to its publication.

70. To accord proper acknowledgement to the GEF for providing funding to the project, any publications prepared or produced pursuant to this Agreement will give appropriate credit

to GEF in addition to UNEP and shall include the logo of GEF in addition to that of UNEP as stipulated under paragraph 12 of this Agreement. Any citation on project publications of projects funded by GEF resources shall also accord proper acknowledgement to GEF.

71. The GEF logo shall appear on, amongst others, project hardware purchased with GEF funds.
72. In no event will authorization of the name or emblem, or any abbreviation thereof, of GEF or UNEP, be granted for commercial purposes.
73. Should the Executing Agency be solely responsible for publishing arrangements, UNEP shall receive at least 8 copies of the Second National Communication Project as the published work or electronic material or film or other as relevant in each of the languages, for its own purposes.

Intellectual property rights

74. For the purpose of this Agreement, intellectual property would mean information, ideas, inventions, innovations, art work, data, designs, literary texts and any other matter or thing whatsoever as may be capable of legal protection or be subject to legal rights and shall include patents; information which is of a kind that has been communicated in such a manner as to give rise to a duty of confidentiality; copyright vesting in literary works (including but not limited to computer programs); dramatic works, musical works, broadcast, published editions and other types of performance; registered trademarks; unregistered trademarks used or intended for use in business registered designs and designs capable of being registered; biological organism varieties and the rights of breeders of such varieties; layout design of integrated circuits; databases; and any other rights resulting from intellectual activity in the industrial, commercial, scientific, literary and artistic fields.
75. UNEP and the Executing Agency shall agree upon the question of copyrights and all other related rights in any material produced under the provisions of this Agreement.

Suspension and termination

76. The Parties hereto recognize that the successful completion and accomplishment of the purposes of a technical cooperation activity are of paramount importance, and that UNEP may find it necessary to terminate the project, or to modify the arrangements for the management of the project, should circumstances arise that jeopardize successful completion or the accomplishment of the purposes of the project.
77. UNEP shall consult with the Executing Agency if any circumstances arise that, in the judgment of UNEP, interfere or threaten to interfere with the successful completion of the project or the accomplishment of its purposes. The Executing Agency shall promptly inform UNEP of any such circumstances that might come to its attention. The Parties shall cooperate towards the rectification or elimination of the circumstances in question and shall exert all reasonable efforts to that end, including prompt corrective steps by the Executing Agency, where such circumstances are attributable to it or within its responsibility or control.
78. At any stage of the project cycle, participating country, UNEP or the GEF Secretariat may recommend suspending or terminating the project for several reasons including *force majeure*, changes in national priorities, poor implementation performance, and lack of compliance with financial or reporting obligations, leading to a conclusion that the project can no longer meet its objectives.
79. Following receipt of a recommendation for suspension or termination, and after

appropriate consultations, UNEP may suspend or terminate the project by written notice to the Executing Agency. In the event of termination, such notice shall be provided at least 3 months prior to the effective date. If it is a suspension, UNEP shall indicate to the Executing Agency the conditions under which it is prepared to authorize project activities to resume.

80. If the cause of suspension is not rectified or eliminated within the timeframe, as agreed between UNEP and the Executing Agency, after UNEP has given notice of suspension to the Executing Agency, UNEP may, by written notice at any time thereafter during the continuation of such cause: (a) terminate the project; or (b) terminate the management of the project by the Executing Agency, and entrust its management to another institution. The effective date of termination under the provisions of the present paragraph shall be specified by written notice from UNEP.
81. The Executing Agency may terminate the present Agreement in cases where a condition has arisen that impedes the Executing Agency from successfully fulfilling its responsibilities under the present Agreement, by providing UNEP with written notice of its intention to terminate the present Agreement at least 3 months prior to the effective date of termination.
82. The Executing Agency may terminate the present Agreement only after consultations have been held with UNEP, and shall give due consideration to proposals made by UNEP in this respect. The Parties shall also cooperate in assessing the consequences on the other partners and beneficiaries of the project, and develop and agree upon an exit strategy to minimize negative consequences.
83. Upon receipt of a notice of termination by either party under paragraphs 79 and 82 of this Agreement, The Parties shall take immediate steps to terminate activities under the present Agreement, in a prompt and orderly manner, so as to minimize losses and further expenditures. The Executing Agency shall undertake no forward commitments and shall return to UNEP, within 1 month of the effective date of termination, all unspent funds, provided by UNEP unless UNEP has agreed otherwise in writing.
84. In the event of any termination by either party under paragraph 83 of this Agreement, UNEP shall reimburse the Executing Agency only for the costs incurred to manage the project in conformity with the express terms of the present Agreement. Reimbursements to the Executing Agency under this provision, when added to amounts previously remitted to it by UNEP in respect of the project, shall not exceed the total UNEP allocation/contribution for the project.
85. In the event of transfer of the responsibilities of the Executing Agency for the management of a project to another institution, the Executing Agency shall cooperate with UNEP and the other institution in the orderly transfer of such responsibilities and equipment procured using project funds.

Force majeure

86. In the event of and as soon as possible after the occurrence of any cause constituting *force majeure*, the party affected by the *force majeure* shall give the other party notice and full particulars in writing of such occurrence if the affected party is thereby rendered unable, in whole or in part, to perform its obligations or meet its responsibilities under the present Agreement. The Parties shall consult on the appropriate action to be taken, which may include suspension of the present Agreement by UNEP or termination of this Agreement, with either party giving to the other at least 1 month written notice of such termination.
87. In the event that the present Agreement is terminated owing to causes constituting *force*

inforce, the provisions of paragraphs 83 and 84 of this Agreement shall apply.

Dispute settlement

88. The Parties shall try to settle amicably through direct negotiations, any dispute, controversy or claim arising out of or relating to the present Agreement, including breach and termination of the Agreement. If these negotiations are unsuccessful, the matter shall be referred to arbitration in accordance with United Nations Commission on International Trade Law Arbitration Rules. The Parties shall be bound by the arbitration award rendered in accordance with such arbitration, as the final decision on any such dispute, controversy or claim.

Privileges and immunities

89. Nothing in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations and UNEP.

Notification and amendments

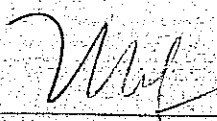
90. Any part of this Agreement may be modified or amended only by written agreement between The Parties.

91. Should it become evident during the implementation of the project that an extension beyond the agreed expiry date as set out in paragraph 7 of this Agreement is required to achieve the objectives of the project, The Parties shall consult with each other with a view to agree on a revised completion date. In the event that the duration of the project is extended, paragraphs 38 and 39 of this Agreement shall apply. Upon reaching an agreement, The Parties shall immediately conclude an amendment to the Agreement to this effect.

92. The terms and conditions stipulated in the amendment shall be appended to and be construed as an integral part of this Agreement.

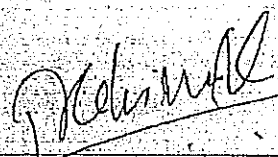
IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have on behalf of The Parties hereto signed the present Agreement on the day below written.

For:
United Nations Environment Programme

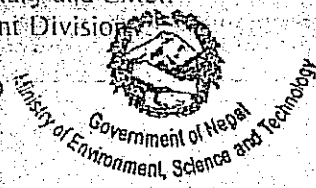
By: 
Ms. Maryam Niamir-Fuller
Director
Division of GEF Coordination UNEP

Date: 8-07-09

For:
Government of Nepal
Ministry of Environment

by: 
Mr. Purushottam GHIMIRE
Joint-Secretary and Chief
Environment Division

Date: 3 July 2009



LIST OF ANNEXES TO THE PROJECT COOPERATION AGREEMENT (for EEA)

Annex 1	Project Document (Appendices are listed as part of Annex 1)
Annex 2	CEO approval letter
Annex 3	Definition of terms
Annex 4	Contact details
Annex 5	Project supervision plan
Annex 6A	Inventory of non-expendable equipment template
Annex 6B	Equipment transfer letter template
Annex 7A	Third Party Form template
Annex 7B	Cash advance template
Annex 8	Progress report template
Annex 9	Final report template
Annex 10	Quarterly expenditure statement template
Annex 11	Cofinance template

LIST OF APPENDICES TO THE PROJECT COOPERATION AGREEMENT

Appendix 1 : Budget in UNEP format

Appendix 2 : Terms of Reference

Annex 1 :

UNITED NATIONS ENVIRONMENT PROGRAMME

PROJECT DOCUMENT

SECTION I: PROJECT IDENTIFICATION

- 1.1 Title of Sub-Programme:** Climate Change – Enabling Activities
- 1.1 Title of Sub-Project:** **Nepal:** Preparation of Second National Communication under the United Nations Framework Convention on Climate Change (UNFCCC)
- 1.2 Main Project Number:** GFL/2328-2724-xxxx
PMS: GF/2010-09-xx
- 1.3 Sub-programme title:**
GEF strategic long-term objective: Climate Change
Strategic programme for GEF IV: Enabling Activity
- 1.4 UNEP Priority :** Climate Change
- 1.5 Geographical Scope:** National: Nepal
- 1.6 Mode of Execution:** External
- 1.7 Project executing organization:** Government of Nepal
Ministry of Environment
Sigaha Durbar, Kathmandu, Nepal
Tel: 00977-1- 4211586
Fax: 00977-1-4211754
- 1.8 Duration of project:** 34 Months
Commencing: July, 2009
Completion: April 2012

Cost of Project:	US\$	%
GEF Funding	405,000	90
Co-financing		
Government contribution In-Kind	45,000	
Sub-total	45,000	10
Total	450,000	100

(Note: The total approved amount by the GEF Secretariat on 23 October, 2007 was US\$1,600,000 to cover four countries)

Brief Summary: The Second National Communication (SNC) of Nepal is the continuation of previous work. The project enables Nepal to present the information in a consistent, transparent and comparable as well as flexible manner, taking into account specific national circumstances. In brief, the project aims to: (i) assist Nepal with the enabling activities necessary to undertake an improved national greenhouse gas (GHG) inventory; (ii) plan for actions for the mitigation of climate change and adaptation to its potential impacts of climate change; and (iii) prepare the country's Second National Communication (SNC) to the Conference of the Parties (COP) of the UN Framework Convention on Climate Change (UNFCCC). All principle aspects of the "Guidelines for the Preparation of National Communication from Parties Not Included in Annex I to the Convention" will be taken into consideration while preparing the SNC. Data gaps will be covered and reliability improved as far as possible. The main components of the SNC formulation project are: (a) evaluation of national circumstances; (b) updating of the inventory of GHGs for the year 2000; (c) assessment of needs, barriers and opportunities for both adaptation and mitigation technologies and methodologies and to build capabilities to be able to perform such activities; (d) assessment of potential impacts of climate change in selected areas of Nepal and prioritization of adaptation measures; and, (e) preparation and submission of the SNC of Nepal. In addition, public awareness activities and stakeholder consultations will be undertaken as the cross-cutting activities during the overall course of this exercise therefore, the preparation of the Second National Communication would enhance general awareness and knowledge on climate change-related issues in Nepal, and support to the process of national planning and policy formulation.

SECTION II: BACKGROUND AND PROJECT CONTRIBUTION TO OVERALL UBPROGRAMME IMPLEMENTATION

1. BACKGROUND

1.1 Geography and Climate

1 Nepal, a country in South Asia, lies between 26°22' and 30°27' N latitudes and 80°04' and 88°12' E longitudes. The east-west stretch of the country is about 885 km while the north-south width varies from 145 to 241 km. The country is surrounded by India in the south, east and west side and the lofty mountains on the north joined with Tibet Autonomous Region of China. Nepal has an area of 147,181 sq. km. Nepal has the highest mountain range in the world – the Himalayas including the Mount Everest.



2 The country can be divided into three ecological belts: (1) The perpetually snow covered area: Himalayan region and Inner Himalayas where the highest peak of the world, the Mount Everest (8,848 meters) is situated. It covers 15% area of the country. (2) The hills and mid mountain region: It covers 68% area of the country. The Mahabharata range including several valleys of varying width and altitudes such as Kathmandu, Pokhara and Surkhet valleys. (3) Terai: This region is located at the southern most part of the country and comprises of 17% of the total area of the country.

3 Nepal has monsoon dominated climate. In a relatively small horizontal distance of less than 200 km, there is a large altitudinal variation of more than 8000 m. There are three distinct climatic regions in Nepal: (1) Sub tropical: The Terai, the Inner Terai and lower foot hills have a subtropical climate. In this region, there are three seasons – the hot and dry summer from March to June followed by the rainy season from July to October and the cool winter season from November to February. The annual mean temperature is between 20-25 degrees Celsius. The average rainfall is between 1100 – 3000 mm. There are some pockets with more than 6000 mm of annual precipitation. (2) Temperate: The area between Mahabharata range and the Himalayas has a temperate climate. Summers are warm and winters are cool. Annual mean temperature is 10 – 20 degree Celsius and the average annual precipitation is 275 – 2300 mm. (3) Alpine: The Himalayas and the Inner Himalayas have Alpine type of climate – dry and arid. Winters are severe while summers are cool and short. The annual average precipitation in this region varies from less than 500 mm to more than 2000 mm, which in general remains relatively high over east and low over west.

4 The average annual rainfall of the country is about 1530 mm. But there are sharp spatial and temporal variations in rainfall. The pattern of rainfall distribution varies in both north-south and east-west directions. The monsoon rain is more intense in the east and gradually declines westwards, while the winter rain falls heavily in the north-westwards and goes on declining to south-east. The rainfall pattern and the existing rugged and mountainous topography have resulted in the existence of rich natural biodiversity in Nepal. Moreover, around 39.6% of country's total land is forest land of which about 19% is managed as the protected area.

5 Nepal has more than 6,000 rivers, which provide a dense network of rivers with steep topographic conditions. All the river systems drain from north to south towards the Ganges. The four major river systems, viz. the Mahakali, Karnali, Narayani (Gandaki) and Saptakosi, all originate from the main Himalayan ranges and cut through the mountain ranges to form deep river valleys. The other medium rivers originating from the Mahabharat ranges are Kankai, Kamala, Bagmati, West Rapti and Babai. The southern rivers rising from the Siwalik range have little water during dry season, but they cause flash floods during monsoon. Although the total average annual runoff from all these river

systems is estimated at about 225 billion cubic meters (BCM), only about 15 BCM has so far been utilized for economic and social purposes. .

1.2 Economy

6 Poverty in Nepal has persisted for decades, despite the implementation of ten periodic plans. According to the recent Human Development Report 2007/2008, the country of 27.1 million people ranks 142 among a total of 177 countries. Nepal has an annual per capita Gross Domestic Product (GDP) of around US\$ 320 in 2007 and is one of the least developed countries. The overall GDP growth rate during the fiscal year 2006/07 was 2.58%, whereas it was 4.11% during the previous fiscal year 2005/06 (ibid). Poverty is widespread with around 30.9% of the total population living below the prescribed poverty line. Agriculture is the main source of livelihood for a majority of the population and more than 80% of the population is engaged in agriculture, which is still the largest sector of the economy, having a share of around 40% of the GDP.

7 The hydropower potential in Nepal is estimated to be 83,000 MW, of which 42,000 MW is economically feasible. A total of 560 MW of hydro-electricity has been generated in the country which is less than one percent of total potentials. At present 40 percent of the population has access to electricity but the gap between urban access (87%) and rural access (27%) is very large. The contribution of hydroelectricity to the overall energy production is very minimal, just about one percent of the total energy consumption. Despite large hydropower potential, Nepalese are the lowest per capita electricity users in South Asia (around 70 kilowatt-hours per year). Besides, biomass and solar power are other major indigenous energy resource bases in the country. Also there exist some sporadic deposits of natural gases and coal reserves, which are very small in quantity and still not exploited commercially. Till date, the biomass sector dominates the overall energy supply and consumption (about 87% of total energy consumption).

8 Owing to active tectonic activities, highly rugged mountain topography and highly concentrated monsoon precipitation, Nepal is naturally in a very dynamic state. Moreover, high population density, subsistence economy and mass poverty have exacerbated the environmental degradation processes in the country. Recent climate change has serious implications in these processes.

1.3 Global Climate Change and Nepal

9 The average temperature of the earth's surface has risen by 0.74 °C since the late 1800s. It is expected to increase by another 1.8°C to 4°C by the year 2100 - a rapid and profound change - if necessary action is not taken timely. Even if the minimum predicted increase takes place, it will be larger than any century-long trend in the last 10,000 years. The principal reason for the mounting thermometer is a century and a half of industrialization: the burning of ever-greater quantities of oil, gasoline, and coal, cutting of forests, and the practice of certain farming methods. These activities have increased the amount of "greenhouse gases" in the atmosphere, especially carbon dioxide, methane, and nitrous oxide. Such gases occur naturally - they are critical for life on earth; they keep some of the sun's warmth from reflecting back into space, and without them the world would have been a cold and barren place. But in augmented and increasing quantities they are pushing the global temperature to artificially high levels and altering the climate. Eleven of the last 12 years are the warmest on record, and 1998 was the warmest year. Climate change is a global problem and the least developed countries, particularly the poorest people are suffering the most from its impacts. The observations show that Nepal's average annual temperature is increasing by 0.06°C per year. The temperatures in the high mountain areas are increasing with higher rates.

10 Owing to the diverse topography and regional differences, Nepal falls under the special category under UNFCCC considering both the adverse impacts of climate change and the impact of implementation of response measures. The principle 4.8 of the UNFCCC states:

In the implementation of the commitments (Article 4), the Parties shall give full consideration to what actions are necessary under the Convention, including actions related to funding, insurance and the transfer of technology, to meet the specific needs and concerns of developing country Parties arising from the adverse effects of climate change and/or the impact of the implementation of response measures, especially on countries with areas: (i) prone to natural disasters; (ii) fragile ecosystems, including mountainous ecosystems; and (iii) landlocked countries.

11 Under this principle, Nepal has an opportunity to seek cooperation from the global communities for the national capacity building, technology transfer and additional new investments for promoting adaptation and mitigation measures in order to minimize the risks posed by climate change in achieving sustained high economic growth and poverty reduction.

1.4 Initiatives and Achievements of Nepal on Climate Change Issues

12 Nepal has been taking keen initiatives and is actively involved on climate change matters in the recent years. It is reflected in its long-term strategies and development plans such as Sustainable Development Agenda, Millennium Development Goals, Three-Years Interim Plan (2008-2010), and on other obligatory activities as a party to UNFCCC.

1.4.1 Sustainable Development Agenda for Nepal (SDAN), 2003

13 SDAN is a fifteen-year long development agenda of the Government of Nepal that has, for the first time, accepted the fact that climate change is real, already taking place, and certain to proceed in future decades. It has realized the need of incorporating the environmental issues into the development plans with focus on climate change. The over-arching goal of the SDAN in Nepal is to expedite a process that reduces poverty and provides to its citizens and successive generations not just the basic means of livelihood, but also the broadest of opportunities in the social, economic, political, cultural, and ecological aspects of their lives. The document has recognized the vulnerability of Nepal to losses and damages from climate change, natural disaster and environmental degradation. It also recognizes that agricultural system of Nepal is heavily dependent upon the timing and quantity of monsoon rains.

14 The document SDAN further states that temperatures are likely to increase more in high mountain areas than elsewhere. Glaciers and snowfields will recede and may even disappear, reducing Nepal's dry season river water source. During the dry season, drinking water, irrigation, and hydropower depend mainly upon melt-water from glaciers. In addition, receding glaciers often leave behind growing glacier lakes that can break through terminal moraines causing catastrophic floods. Climate change may affect the monsoon cycle, melt Himalayan glaciers, and threaten the survival of Nepal's biodiversity. Global climate change will also likely shift monsoon precipitation patterns in ways that will threaten Nepal's current agricultural practices, as well as threaten infrastructure. Changing temperature and moisture patterns will also threaten biodiversity, especially in mountain areas where migration of species is physically restricted.

1.4.2 National Capacity Needs Self Assessment (NCSA), 2008

15 In the late 1990s, the GEF Council, recognizing the increasing importance of assisting developing countries to increase their capacity to participate in global environmental management, launched the Capacity Development Initiative (CDI). The goal of this partnership between the GEF Secretariat and the UNDP was to assess common capacity needs among countries and design a strategy to meet them. As a first step in implementing the CDI recommendations, the GEF Council approved funding for countries wishing to undertake "national self-assessments of capacity building needs". The purpose was to support a country-driven consultative process of analysis and planning that will determine national priorities and needs for capacity development to protect the global environment under the following three UN Conventions:

- a) UN Framework Convention on Climate Change (UNFCCC)
- b) Convention on Biological Diversity (CBD)
- c) UN Convention to Combat Desertification (UNCCD)

16 The Government of Nepal (GON) and UNDP country office in Nepal signed the NCSA Project document on 28 August 2006 and its implementation was started in March 2007 and completed by December 2008. The Ministry of Environment, Science and Technology is the implementing ministry for NCSA Project and the focal point of UNFCCC and UNCCD. Similarly, the Ministry of Forests and Soil Conservation (MFSC) is the focal point and NCSA implementing partner of CBD.

17 The NCSA Project undertook stocktaking exercises, thematic profiles preparation and analysis of cross cutting issues. The NCSA has prepared three thematic assessment reports on capacity development on Climate Change, Biodiversity and Land Degradation including a report on cross cutting issues in these three thematic areas, an action plan on cross-cutting capacity needs on three Rio

Conventions and its implementation strategy.

1.4.3 Participation in Other Multilateral Environmental Agreements

18 Nepal is a Party to a number of other conventions, treaties, agreements and is affiliated with number of organisations related to climate change and environmental protection. She is also a Party to the Vienna Convention for the Protection of Ozone Layer and its Protocol, Convention on International Trade in Endangered Species of Wild Fauna and Flora, Ramsar Convention, Basel Convention, Persistent Organic Pollutants and so on. Nepal is a member of the World Trade Organization, in addition to other international and regional organizations.

1.4.4 Other Activities

19 Nepal has undertaken and initiated various activities such as:

- a) GHGs inventory for energy sector was conducted based on 1990 data under US Country Studies Program in October 1994.
- b) The then Ministry of Population and Environment (MoPE) formulated environment related conventions in 1999, and identified potential linkages between UNCCD, CBD and UNFCCC in 2000.
- c) The then MoPE prepared the first national communication report and shared with the Parties in 2004.
- d) From 2006 onwards, public awareness activities have been expanded on climate change regime.
- e) MoEST has implemented the National Self Capacity Needs Assessment (NCSA) Project since March 2007 with the assistance of the GEF/UNDP where climate change is one of the major components. This project, completed by December 2008, has prepared action plan on capacity building needs and implementation strategy on three Rio Conventions – UNFCCC, UNCCD and CBD.
- f) MoEST has started the implementation of the National Adaptation Program of Action (NAPA) since January 2009 with the assistance of the GEF/UNDP, DfID and DANIDA. This project has three components: (i) preparation of the NAPA, (ii) development of knowledge management and learning platform, and (iii) also development of multi-stakeholder framework to address climate change.
- g) In order to expedite CDM projects, MoEST has issued the CDM projects approval procedures that include the composition of the 11-member Steering Committee, and 6-member Technical Advisory Committee to seek the policy guidance and technical inputs on PINs and PDDs of the CDM projects. It also conducts the stakeholder consultations and evaluates the CDM project based on approved sustainable development criteria.
- h) MoEST has initiated climate change policy formulation process in 2008.
- i) MoEST has constituted a 23-member Climate Change Network (CCN) to coordinate activities and share information. The CCN has been constituted to: (i) identify working areas on climate change amongst the government, NGOs, private and donor organizations; (ii) conduct policy/field level research and studies and implement activities based on the capacity and expertise; (iii) promote CDM related activities, and launch public awareness and capacity building programs; (iv) develop position papers for the Parties meeting and enhance negotiation capacity; and (v) also develop Climate Change Clearing House for easy information sharing. The CCN has identified thematic areas for collaborative actions on: (a) carbon financing, (b) adaptation and mitigation, (c) carbon sinks, (d) financial mechanism, (e) knowledge management.
- j) MoEST has received fund to assess technology needs from GEF/UNEP. Under this project, activities related to (i) identification of technology needs; (ii) capacity building to assess technology needs, modalities to acquire and adapt them, design, evaluate and host projects; (iii) capacity building for participation in systematic observation networks; and (iv) preparation of programmes to address climate change, will be launched.

- k) MoEST is also undertaking the UNDP NY funded Awareness Raising and Assessment of Investment and Financial Flows on Climate Change to assess the investment and financial flows on climate change.
- l) MoEST will start shortly the implementation of the project named *Strengthening Capacity for CC and the Environment* with the financial assistance of the Asian Development Bank. This project will help in establishing and strengthening dedicated institution, preparing an action plan for mainstreaming environmental protection and climate change into sub-national administration and raising awareness and capacity building.
- m) MoEST has prepared the stocktaking report for the preparation of the Second National Communication with UNEP/GEF assistance.

1.5 Preparation of the Proposal for Second National Communication

20 This proposal has been prepared using the GEF Operational Procedures for the Expedited Financing of National Communications from non-Annex I Parties. The proposal was drafted along with the preparation of the stocktaking report. In order to collect inputs from the stakeholders, MoEST organised a national workshop for stocktaking and stakeholders' consultation 22 October 2008. The draft stocktaking report and the draft proposal were presented. Representatives from various Government departments, educational and research institution, representatives of the different political parties and people of different parts of the country, I/NGOs including former members of the INC project team participated the workshop. The proposal was revised in accordance with the comments/suggestions received during the workshop. The followings were the main concerns/ comments/ suggestions/ recommendations from the stakeholders:

- (a) Close coordination to be maintained with climate change projects like National Adaptation Programme of Action (NAPA) so as to ensure the optimum utilization of available resources;
- (b) Intensive focus on capacity building through training, knowledge sharing and awareness raising programmes from the initial phase of the SNC project;
- (c) Identification of the most suitable climate models for Nepal and carrying out projections accordingly.
- (d) Emphasis on preparation of carbon budget;
- (e) Identification of climate change impacts, specially on women, youth, poor, disadvantaged and marginalized communities;
- (f) Identification of climate change impacts on ecosystems and biodiversity, particularly on certain species;
- (g) Production of the SNC report in national language as well; and
- (h) Provision of better and bigger capacity data processing and storage facilities for upgrading, networking and interconnectivity of the various data base systems of the Department of Hydrology and Meteorology with similar data bases of other national and regional institutions.

21 National experts extensively reviewed the major results and outcomes of the INC project, the NCSA, as well as other existing climate change activities and prepared a comprehensive Stocktaking Exercise Report. They highlighted specific issues, problems, constraints, gaps and further needs in GHG inventory; analysed mitigation options; assessed vulnerability and adaptation (V&A) assessment, climate friendly technologies, technology transfer and capacity development, research and systematic observation, and education, training and public awareness, and proposed further activities for the SNC.

22 Four Task teams covering the areas of GHG Inventory and mitigation; vulnerability and adaptation; communication, education and public awareness; and climate-friendly technologies were formed to further discuss the details of the proposed activities for the SNC, and the estimated cost for each proposed activity. The results of the discussions were then presented by the group leaders and reviewed by all participants during the workshop.

23 The matrix that was used to assist in stocktaking of activities financed under the GEF enabling

activities and other efforts is attached as Table 4. The cells marked with “x” simply means that some activities had been undertaken under the INC, the NCSA and other past and existing activities, but new and additional activities are still needed. Blank cells mean that no activities have been undertaken so far.

2. PROJECT OBJECTIVE AND STRATEGY

2.1 Project Objective

24 The proposed project aims to strengthen the technical and institutional capacity of Nepal in mainstreaming climate change concerns into the country’s sectoral and national development planning processes. It is primarily for the purpose of preparing and submitting its SNC to the UNFCCC thereby meeting its obligations to the said convention.

2.2 Project Strategy

25 In the SNC, Nepal will especially address the lack of data and information on emissions in some of the important sectors not included in the first INC; establish new and important information for the analysis and elaboration of projections regarding the behaviour of the emissions and absorption of GHGs. The general description of steps, as they appeared in the INC was developed after consideration of Nepal’s experiences and that of other institutions that cooperated in this respect. There were several gaps that need to be filled-up in the SNC. The strategy will focus mainly on the following:

- a) Use of current climate vulnerability and adaptation as a starting point for the baseline analysis.
- b) Explicit inclusion of adaptation to *climate variability* and extreme events, as well as longer-term average *climate change*
- c) Development, testing and application of an analytical framework for strengthening *adaptive capacity* to assess vulnerability and to prepare for adaptation
- d) Specific examination of *current development activities*, especially those activities that increase vulnerability to climate variability and change, or which are maladaptive
- e) Integration of adaptive strategies, policies and measures into development plans and activities of national-scale policies.
- f) Identifying multiple interventions from the local to the national scale
- g) Exploring the linkages between these interventions at different spatial and temporal scales
- h) Elaborating how varying levels of current vulnerability will characterize different sectors in the future
- i) Specifically examining how local-scale interventions can best influence national policy and formulation.

26 The proposed project will apply existing framework that will demonstrate how policy for adaptation can be integrated into national sustainable development for four sectors: water resources, agriculture, human health and forestry. This project will build upon the vulnerability and adaptation assessments of the Nepal’s INC and will develop its capacity to move further. Vulnerability and adaptation assessments will include considerations of parameters to be carried out by identifying the goals towards the sustainable development, including environmental soundness, social justice, economic productivity and political viability. In that sense, this project will include the missing areas during INC and other study stages so far.

27 The framework of the proposed project shall include the efforts towards the assessment of needs for both adaptation and mitigation technologies and methodologies and to identify barriers and opportunities for the development and transfer of these technologies. One component of the proposed project is to build capabilities to be able to perform such activities. Taking these initial steps will lead to the ability to further the implementation of technology transfer under the conditions stipulated by the Article 12, paragraph 4 of UNFCCC for applying and proliferating environmentally sound technologies, know-how, practices and processes addressing the climate change consequences.

28 Data from systematic observation are required for detecting and predicting climate change. Such data are needed to enable observation of the current climate, extreme events, and early warning of future climate change. Assessing both current and future climate conditions is central to national planning for adaptation measures. The proposed enabling activities will allow Nepal to assess, identify priorities and undertake practical steps to prepare a national plan for research and systematic observation of climate change, including climate variability and extremes.

29 The Project will enhance creation of public awareness. It is an important tool to facilitate the development and to assure the success of the whole project and the application of the UNFCCC at the national level.

3 GAPS, CONSTRAINTS AND NEW/PRIORITY AREAS OF WORK

30 Most of the information used in the following sub-sections was obtained from the Initial National Communications (INC), National Capacity Needs Self-Assessment (NCSA) thematic report, and the stocktaking exercise carried out with funding from UNEP/GEF for the formulation of the proposal for the SNC.

3.1 National Circumstances

31 Nepal has been declared as a Federal Democratic Republican country. The Constituent Assembly has been formed to draft the new constitution of the country. The country is in the process of restructuring. In the changed political context, the reporting requirements provided by the new UNFCCC guidelines (decision 17/CP.8) and the critical review of the INC, the information provided so far on national circumstances need entire review on national and regional development priorities, objectives and circumstances, on the basis of which the adverse impact of the climate change will be addressed. Information will also be provided on institutional arrangements relevant to the preparation of national communications on a continuous basis. Nepal INC lacks country development context, including national development priorities indicating whether climate change is addressed under the country's development agenda and sector profile including policy and legal framework relevant to the National Communication (NC). Health and gender issues are the other sectors which are not adequately addressed in Nepal's INC.

32 Changes in many of the economic sectors that are relevant to the NC during the years 1990-2000, requires the need to update the sector profiles, especially for energy, transport, agriculture, land use change and forestry, industrial processes and waste considering in a time frame of 10 years. Hence, the national circumstances will be elaborated in the SNC. The priorities/new areas of work under the SNC include the updating information on baseline climate data, population statistics, key socio-economic sectors of the national economy and relevant indicators, environment and climate change policy and institutions.

3.2 National Greenhouse Gas Inventory

33 The INC recognizes existence of many gaps in knowledge, data and information. It also recognizes the importance of continued research for further quantification of GHG emissions and the requirement of research for further information closer to local conditions and circumstances. It states that further basic research, field observations and testing are needed to improve the quality of the data to reduce uncertainties and to enhance understanding of the relationship of the emissions with production activities. The INC also stresses on research and studies to derive local emission factors to obtain more refined emission values in the Nepalese context.

34 In the SNC, Nepal has to especially address the lack of emission information in some of the important sectors not included in the INC; establish new and important information for the analysis and elaboration of projections regarding the behaviour of the emissions and absorption of GHGs to establish targets for net emissions of GHGs.

35 In some agencies, while data are available, there is a dearth of manpower to regularly conduct inventory and update data. This is because the inventory is not included in their regular functions and mandates. There is, therefore, a need to institutionalize the inventory process within the various participating agencies. Specifically, a statistical framework and database information system for the inventory will be established. A linkage mechanism to enable academia to continuously feed into this database information system should likewise be established. The new priority areas are as follows:

- (a) Strengthen human, technical and institutional capacities to conduct a national GHG inventory;
- (b) Assess the level of uncertainty associated with inventory data. To reduce the uncertainties of calculations, carry out activities such as collection of sectoral data, checking of data quality and establishment of central data bank;
- (c) Develop country specific GHG emission factors in the field of transport, industrial process, agriculture and forests to improve consistency and accuracy of the inventory. Emphasis to be given especially for rice, livestock and land use change and forestry;
- (d) Select a methodology (tier) of the IPCC Guidelines that is relevant for Nepal, GHG inventory year and conduct the GHG inventory (It is likely that Tier 1 default methodologies, default emission factors, and default activity data will be the most relevant due to the current limitation of local data). Use local or regional emission factors and activity data when available;
- (e) Include information on indirect gases: Carbon Monoxide (CO), Oxides of Nitrogen (NO_x), non-methane volatile organic compounds (NMVOCs), Oxides of Sulphur (SO_x) to ensure completeness of the inventory;
- (f) Explore opportunities and arrangements for data management systems for the preparation of national GHG inventories on a continuous basis; and
- (g) Provide intensive national training workshop to train the Greenhouse Gas Inventory Working Group on the 2006 IPCC Guidelines.

3.3 Greenhouse Gas Mitigation Assessment

36 The INC carried out projections of GHG emissions along with emphasis on the main sources of emission of two gases CO₂ and CH₄. Trends of emission of these gases from three energy sub-sectors (residential, commercial and industrial), from two agriculture sub-sectors (rice and livestock) and from forestry are projected to 2030/31. The INC has used a combination of approaches among which LEAP has been used in analyzing energy demands, energy use forecast, GHG emission etc. for the residential and transport sector. Mitigation options performed in INC relied mainly upon desegregated analysis or methods using emission coefficients which were dependant on a variety of parameters including the type of end-use device, as against using overall emissions from each fuel type included in the GHG inventory report. As a Party to the Kyoto Protocol, Nepal has established institutional mechanism to host GHG mitigation project activities under the CDM. The MoEst is the DNA for CDM project activities in Nepal. However there are gaps and constraints that are to be addressed to ensure funding opportunities from Annex 1 Parties. The new priority areas are as follows:

- (a) Enhancing awareness of all stakeholders of appropriate mitigation technologies and practises;
- (b) Strengthening human, technical and institutional capacities to conduct a national mitigation assessment for key sources and sinks of GHGs;
- (c) Carrying out a mitigation assessment, which will generate information on the potential social, economic and environmental costs, benefits and impacts of implementing various technologies and practises to reduce climate change impacts; and
- (d) Formulation and prioritisation of programmes containing measures to mitigate climate change impacts, especially in the field of hydropower and alternative energy and making hydropower attractive and economically feasible alternative to fossil fuel.

37 The working group will be trained on the most feasible analytical tools by organising a national mitigation workshop.

38 The GHG inventory and the mitigation assessment will use the same base year 2000. Emissions projections will be assessed to about 2050 and the mitigation analysis will be conducted for the same period. There is also a need to update and revise all details and assumptions made under the INC. With the recent political development and adoption of many new strategies and actions plans by the Government of Nepal, the baseline and mitigation scenarios used in the Mitigation Report in the INC will be updated and improved.

39 Selection of mitigation options will be done through a multi criteria analysis. For this purpose criteria will be set and a selection process will be based on weighting and ranking system. Criteria for weighting and ranking will be developed through consultations with different stakeholders.

40 Having identified suitable mitigation measures a programme and strategy for the implementation of those mitigation options found cost-effective and meeting national sustainable development objectives will be developed. Barriers, institutional framework and monitoring and evaluation issues will be addressed in the implementation programme and strategy.

3.4 Vulnerability (Impacts and Adaptation) Assessment

41 The INC made a first attempt to assess the potential impacts of climate change on four selected sectors: agriculture, water resources, bio-diversity and, health. In Nepal's INC, the baseline climate scenario was developed from the data series of 80 stations in Nepal for the period 1981 to 1998, utilizing the temporal and spatial distribution of available data series. The series included monthly data of maximum and minimum temperature, solar radiation and precipitation. The models used in the study were RCM, CCCM and GFD3. Studies carried out with these models and their projections show that there is a rise in average annual temperature in the range of 20 to 40 °C over Nepal when CO₂ is doubled. The overall temperature in the country was found to be rising at the rate of 0.41 °C per decade. The overall average precipitation trend indicated that the precipitation over Nepal is decreasing at the rate of 9.8 mm per decade on annual basis. Using the GCM simulation models, solar radiation throughout Nepal was found decreased.

42 In the INC, four important sectors were included in the vulnerability and adaptation (V&A) assessments, namely: agriculture, water resources, biodiversity, and health. However, the studies were quite limited to pilot areas and the results need to be validated. The INC recommended for more V&A studies to be undertaken.

43 Adaptation measures and strategies were initially identified based on the vulnerability assessments made in the various sectors to cope with the impending impacts of climate change. The measures were derived from various sector consultations, as well as, a review of existing policies and measures within the respective sectors. These measures were not subjected to prioritization and hence their viabilities were not verified. With regard to the existence of appropriate and sustainable institutional frameworks and arrangements to carry out activities relating to the conduct of V&A, they are generally inadequate. Poor institutional memory with regard to climate change and high turnover of skilled personnel in the institutions constitute a major concern on the effectiveness of the working group.

44 There were not particular studies about the impacts of climate change on women, children, poor and marginalized people. The IPCC studies and other international experiences suggest that the disadvantaged and marginalized groups of the people, particularly, women, children and the poor will be the hardest hit by the climate change.

45 The V&A study under the INC was sector based and contained little information on integration across sectors of the economy. In the SNC study integrated assessment will be conducted using appropriate analytical tools. Outputs from the various assessment exercises are validated at the community level. Priority/ new areas of work in this sector are outlined below:

- a) Review of climate change scenarios for Nepal applying the best performing model;
- b) Analysis of the available meteorological data records during the last several decades to identify trends in temperature, precipitation, solar radiation, wind and others. Analyse the available data on climate extreme events;
- c) Assessment of future climate change impacts in key vulnerable sectors (agriculture, water resource, biodiversity/forest, human health, etc.). Describing links between climate, environment and socio-economic baseline conditions in the most vulnerable sectors;
- d) Assessing the impacts of climate change on snow and glaciers and mountain eco-system with special emphasis on potential GLOF hazards and their impacts;
- e) Identification of other long-term high priority adaptation strategies and measures;

- f) Synthesising information and contribute to the preparation of a national adaptation plan of action (NAPA) under process;
- g) Enhancing technical capacities and skills of the experts through trainings, workshops and internships; and
- h) Carrying out economic analysis of adaptation measures in different economic sectors especially on energy, health, water resources, forestry and agriculture.

3.5 Technology Transfer and Acquisition

3.5.1 Technology Transfer

46 Nepal is using both traditional and modern technologies to address climate change. The Stocktaking report has documented number traditional technologies which could be improved in due course of time. The INC recognizes technology transfer as an important mechanism to assist Nepal in addressing climate change. The INC has anticipated further GEF support to provide the opportunity for Nepal to assess and identify appropriate technologies required for adaptation purposes. Accordingly, Nepal has received funding from UNEP/GEF to conduct technology needs assessment. This assessment will equally contribute to the SNC preparation. The stocktaking exercise identified gaps and constraints that include the lack of national capacity in technology needs assessments, prioritization, planning, implementation, monitoring and evaluation for both adaptation and mitigation technologies. The NCSA Project has also stressed the importance of technology development and transfer.

47 The Second National Communication aims to fully utilise the outcomes of the technology needs assessment (TNA), and focus the needs assessment in environmentally sound technologies (ESTs), creation of the enabling environments for the acquisition, adoption and development of these technologies, and establishment of appropriate mechanisms for technology transfer. Further a national programme and implementation strategy will be prepared that would include the following major components, taking into consideration the findings of the TNA:

- a) Establish an enabling environment, including appropriate legal and institutional frameworks, for the promotion and facilitation of the acquisition, exchange and development of environmentally sound technologies; and
- b) Establish a database of environmentally sound technologies that includes mitigation and adaptation technologies, making use of international data bases and clearing houses such as those housed at the UNFCCC and UNEP.

3.5.2 Capacity Building on Technology Transfer

48 The focus will be on fostering the execution of pilot projects that employ environmentally sound technologies. In this regard, technology transfer in the private sector could be effective by developing demand-driven clean technologies and understanding the alternative technologies and their feasibility. This will be documented, published and spread in workshops and mass media. This will be very helpful to support the sustainable development agenda and contribute to the ultimate goal of the Convention. The following are the immediate needs:

49 A national programme and implementation strategy will be prepared that would include the following major activities.

- a) Refinement of technology needs as identified in TNA study
 - Evaluate technological options and recommend priorities, in the light of the adaptation and mitigation options;
 - Identify barriers to the development and transfer of technologies;
 - Identification of practical steps to be undertaken to remove the barriers; and
 - Evaluate the linkages and contribution of these technologies to cost-effective adaptation and abatement within the national development goals.
- b) Identification of modalities or financial mechanisms for technology transfer

- Train key personnel in techniques to evaluate climate friendly technologies and their use in Nepal and develop strategies that assist in early adoption;
- Develop a forum for abatement and adaptation discussions and provide support and access to technology options; and
- Capacity building to assess technology needs, modalities to acquire and absorb them, design, evaluate and host projects

3.6 Research and Systematic Observations.

50 Systematic observations of hydro-meteorological data are in place for established hydro-met stations. Occasional research is carried out and data are interpreted on climate change. The major gaps and constraints in research and systematic observations are:

- a) Scanty hydrological and meteorological observations, particularly on high mountain regions of the Himalayas;
- b) Inadequate attentions to the use of modern tools and techniques such as satellite remote sensing, modification and development of regional climate model suitable for mountainous region and down scaling of existing simulated data fields, data base management and establishment of information clearing house, impact and vulnerability assessment, analysis of mitigation and adaptation options, policy research, and adoption of holistic approach in research; and
- c) Inadequate funds, modern scientific equipments and technical man power on research activities though INC has recommended for establishment of a national level climate change study and research centre, it has not yet been materialized.

Major areas of focus include:

- a) Assessment of the adequacy of observation networks (meteorological, hydrological, environmental, etc);
- b) Technical, human and financial resources required to upgrade the system;
- c) Technical, human and financial resources required for the strengthening of climate and climate change research in major research institutions with particular focus on proposed climate change study and research centre;
- d) Assessment of regional climate models and selection of appropriate model suitable for mountainous region;
- e) Assessment of vulnerability and adaptation options in different sectors – water resources, agriculture, forest/biodiversity and health; and
- f) Documentation and analysis indigenous knowledge, skill, technologies and practices in reducing climate change risk.

51 It will then be necessary to prepare and adopt a national programme and strategy for research and systematic observation, and early warning system with special focus on water induced disasters including GLOF. The programme and strategy will contain some regional and global benefits and will aim to achieve the following:

- a) Replacement and upgrading of the conventional equipment with digital equipment and use of remote sensing techniques to minimize human interaction and also to provide continuous and timely recording of the meteorological, hydrological and climatological elements and phenomena;
- b) Rehabilitation and expansion of the existing station networks for more representative monitoring of weather, climate and other environmental issues;
- c) Provision of better and bigger capacity data processing and storage equipment for the upgrading, networking and interconnectivity of the various data base systems of the Department of Hydrology and Meteorology with similar data bases of other national and regional collaborating institutions;

- d) Strengthening the human resources and capacity of the institutions involved in the collection, processing and maintenance of data and information related to meteorology, hydrology and climatology;
- e) Improvement of the data collection, analysis and management process with emphasis on data quality control and quality assurance, and enhancing trend analysis of key environmental elements such as temperature and rainfall;
- f) Strengthen the climate information networking with relevant national, regional and international organizations;
- g) Strengthen key national level research institutions for assessing vulnerability and analyzing mitigation and adaptation options;
- h) Initiation of high altitude research activities focusing on snow, glacier and glacial lakes; and
- i) Assessment and devise appropriate early warning system – flood and drought.

3.7 Education, Training and Public Awareness

52 Inadequate attention to vertical and horizontal integration of education curricula, incorporation of preparedness strategies and activities to reduce the risk in the curricula, coordinated efforts in implementing awareness raising activities, incorporation of climate change issues in training and extension activities, involvement of natural resource users group at local level in social mobilization and awareness creation activities, sensitization/orientation to policy/decision maker, and use of print and electronic medias are some of the constraints for effective implementation of education, training and public awareness programs.

53 One of the major activities to be conducted during the implementation of the enabling activity to develop the SNC will be development of a public sensitization and awareness programme and strategy with the broad objectives of raising awareness on climate change and promoting the understanding of and participation in sustainable integrated natural resources management. The output will be a programme containing the following activities:

- a) Strengthening the institutional framework through involvement of print and electronic media and other institutions with the inherent potential to assist in the dissemination of climate change/variability issues. Conducting regular awareness raising and sensitization campaigns to emphasize the importance of climate change and sustainable development;
- b) Development of a national early warning system and disaster preparedness strategy, in order to maximize safety measures for all and curb any negative impacts of climate change related incidents;
- c) Analysis of climate change aspects in the existing courses, and integration of basic climate science into existing courses and curricula;
- d) Incorporation of climate change issues in training and extension activities;
- e) Involvement of local bodies, natural resource users groups, CBOs, NGOs, print and electronic media in sensitization, social mobilization and awareness creation;
- f) Develop a website on climate and climate change; and
- g) Development of outreach material for the advocacy of climate change.

3.8 Capacity Building

54 Capacity constrains include the inadequate skills for vulnerability assessment; understanding and execution of cost-benefit analysis tools for the assessment of mitigation and adaptation measures; and also developing of full projects that will meet the complex funding mechanisms. There is also limited capacity in negotiating climate change issues

55 Major priority activity is the preparation of a capacity building programme and implementation strategy that would accomplish:

- a) Strengthening of the capacity of the national climate change focal point to effectively participate in the implementation of the Convention and its Kyoto Protocol process;
- b) Development and enhancement of the technical capacities and skills of the national experts through training on negotiation skills, climate and biophysical modelling at institutions of higher learning through fellowships and/or internships and regular participation in regional and international meetings, conferences and seminars for exchange of experiences and information; and
- c) Implement capacity building activities taking into consideration the other climate change activities to augment the benefits.

3.9 Networking and Information Sharing

56 Science networks exist at the regional and global levels that can play an important role in the development of scientific and technical capacities of developing countries such as Nepal. These roles include mobilization and provision of scientific and technical skills and information and training of Nepalese scientists in specific aspects of environmental management. The NCSA study, stocktaking exercise and stakeholders' consultation point to the urgent need for networking the scientific and technical institutions at the regional and global levels.

57 Specific activities to be undertaken to determine and develop a report that provides the required information and networking and information sharing include:

- a) Assessment and cataloguing of all national, regional and global institutions and agencies that promote, encourage and offer networking (staff exchange visits, internship, training and attachments, etc.) programmes; and
- b) Development of a programme and strategy for establishing and enhancing these networking activities on a continuous and sustainable basis.

3.10 Constraints, Gaps, Financial and Technical Assistance Needs

58 The implementation of the enabling activity to develop the Second National Communication of Nepal will attempt to bridge the existing gaps on the implementation of climate change regime. It is possible that this might leave some gaps and financial and technical assistance will be needed to implement the programmes developed and presented in the SNC. An in-depth re-analysis of the preparation process will be conducted to identify these constraints, gaps and financial and technical assistance needed for the implementation of programmes contained in the SNC.

4 OBJECTIVES, OUTPUTS, ACTIVITIES AND INDICATORS

4.1 Development Objective

59 The development objective of this proposal is to enable Nepal to prepare and submit its Second National Communications to the COP of the UNFCCC as required by Article 12 of the Convention and based on the COP 8 Guidelines for National Communications of Non-Annex I Parties (decision 17/CP.8).

4.2 Immediate Objectives, Outputs, Activities and Indicators

4.2.1 National Circumstances

Immediate Objective 1:

60 Creation of the institutional framework required for the preparation of the Second National Communication

Expected Output 1

61 An operational institutional framework is in place for the preparation of the Second National Communication

Proposed Activities for the achievement of Output 1

- (a) Provision of Office premises and setting up of the Project Management Office (PMO);
- (b) Appointment of a National Project Director and other staff of the PMO;
- (c) Formation of the Steering Committee and the Working Groups on project components; and
- (d) Development the annual and quarterly work plans.

Immediate Objective 2:

62 Provide a detailed and representative description of the national circumstances of Nepal in the SNC.

Expected Output 2

63 A detailed and representative description of the national circumstances of Nepal is included in the Second National Communications.

Proposed Activities for the achievement of Output 2

- (a) Compile, validate and use information gathered during stocktaking exercise and stakeholder consultations in the description of the national circumstances;
- (b) Describe and present national and sub-regional development priorities and programmes based on information contained in the National Development Plan, sectoral policies and programmes of Nepal, and other climate change initiatives such as NAPA;
- (c) Describe the ways and means in which the development priorities and programmes presented in activity will be affected by climate change and/or document potential impacts of climate change;
- (d) Provide recommended steps to be taken at the national and sub-regional levels to address possible impacts of response measures on the Nepalese economy;
- (e) Describe steps to be taken at the national level for the preparation of future National Communications of Nepal to the UNFCCC;
- (f) Identify gaps, update and add data and information

4.2.2 National Inventory of Greenhouse Gases

Immediate Objective 1:

64 Develop and communicate to the Conference of the Parties a National Inventory of anthropogenic emissions by sources and removals by sinks of all greenhouse gases (GHGs) from Nepal for the year with the best activity data set.

Expected Output 1

65 A strategy to improve first National Inventory of the INC and institutionalize the process of the inventory on a continuous and sustainable basis is developed and implemented.

Proposed Activities

- (a) Identify the major sectors and institutions holding data and information required for inventory development process;
- (b) Assess their institutional and technical capacities to fully participate in the inventory development process;
- (c) Identify areas where data gaps and capacity issues are lacking or inadequate and improve them; and
- (d) Institutionalise arrangements for continuous and sustainable inventory system

Expected Output 2

66 An improved national inventory of greenhouse gas emissions by sources and removal by sinks of Nepal is presented in the Second National Communication.

Proposed Activities

- (a) Strengthen human, technical and institutional capacities to conduct a national GHG inventory. Conduct training workshop on the practical use of the 2006 National Greenhouse Gas Emission Inventories Guidelines with special emphasis on the Good Practice Guidance (GPG) requirements
- (b) Assess level of data availability for each key GHG emission category of the economy;
- (c) Assess the level of uncertainty associated with inventory data and carry out activities such as collection of sectoral data, data quality check and establishment and/or strengthening of central data bank;
- (d) Develop country specific GHG emission factors in the field of transport, industrial process, agriculture and forest to improve consistency and accuracy of the inventory. Emphasise especially for rice, livestock and land use, land use change and forestry sectors;
- (e) Select a methodology (tier) of the IPCC Guidelines that is relevant for Nepal, GHG inventory year and conduct the GHG inventory; and use local or regional emission factors and activity data when available;
- (f) Include information on indirect gases: CO, NO_x, NMVOCs, SO_x to improve the completeness of the inventory.
- (g) Explore opportunities and arrangements for data management systems for the preparation of national GHG inventories on a continuous basis;
- (h) Prepare the National Inventory Report (NIR) describing:
 - i. Procedures and arrangements undertaken to collect and achieve the data and information;
 - ii. Methodologies used to develop the inventory;
 - iii. Areas, where data may be further improved and proposed cost-effective national or regional plans and programmes to develop or improve country-specific or regional emissions factors and activity data.
 - iv. Anthropogenic emissions by sources of Carbon Monoxide (CO), oxides of Nitrogen (NO_x), non-methane volatile organic compounds (NMVOCs), hydro-fluorocarbons (HFCs), and oxides of sulphur (SO_x);
 - v. Level of uncertainty associated with inventory data, their underlying assumptions, and the methodologies used for estimating these uncertainties.

4.2.2 Steps Taken or Envisaged by Nepal to Implement the Climate Change Convention (Mitigation)

Immediate Objective

67 Develop and communicate to the COP major steps taken or envisaged by Nepal in implementing the Climate Change Convention.

Expected Output 1

68 A programme and strategy containing measures to mitigate climate change is developed and included in the Second National Communication of Nepal to the UNFCCC.

Proposed Activities

- (a) Based on the analysis of source category conducted during the inventory process identify the leading emitter/remover of greenhouse gases;
- (b) Conduct training for the Working Groups on mitigation assessment
- (c) Develop national emissions trends particularly for key sources categories;
- (d) Assess opportunities or measures for reducing emissions or enhancing sinks in the identified categories;
- (e) Identify and utilize cost-effective/efficient and cost-benefit assessment tools to rank and prioritise the opportunities or measures to reduce emissions or enhance sinks;
- (f) Develop a programme containing measures to mitigate climate change; and
- (g) Prepare the Report on the mitigation assessment.

4.2.3 Strategy Containing Measures to Adapt to Climate Change

Expected Output

69 A programme and strategy containing measures to adapt to climate change is developed.

Proposed Activities

- (a) Acquire, adopt and utilize appropriate methodologies and guidelines for assessing and/or updating vulnerability of the major sectors of the economy of Nepal to climate change;
- (b) Conduct a workshop to train the Vulnerability Assessment Working Group on the tools, methodologies and guidelines;
- (c) Assess vulnerability of the national economy to climate change and develop climate change adaptation measures suitable for Nepal with due consideration to subsistence economy and gender issues;
- (d) Assess vulnerability of the water resources with special emphasis on mountain ecosystem, flood and drought hazards, snow and glacier including glacier lake outburst floods;
- (e) Update and refine programme/projects containing measures to adapt to climate change as contained in NAPA document;
- (f) Prepare and/or update the Report on the vulnerability and adaptation assessment describing in detail:
 - i. Approaches, methodologies and tools used, taking into consideration the NAPA;
 - ii. Baseline and climate change scenarios used in the assessment of impacts of, and vulnerability and adaptation to, climate change;
 - iii. Uncertainties inherent in these methodologies and tools used; and
 - iv. Evaluation and monitoring of, strategies and measures for adapting to climate change, in the use of policy frameworks, such as national adaptation programmes, plans and policies for developing and implementing adaptation strategies and measures.

4.2.4 Information Relevant to the Achievement of the Objective of the Convention and Facilitating the Formulation and Implementation of Sustainable Development Programmes (technology needs assessment)

Immediate Objective

70 Provision of additional information relevant to the achievement of the objective of the convention and facilitating the formulation and implementation of sustainable development programmes

Expected Output 1

71 A report containing information on activities relating to the transfer of, and access to, environmentally sound technologies and know-how, the development and enhancement of endogenous capacities and measures relating to enhancing the enabling environment for development and transfer of technologies is prepared. The report will specifically contain information on the technology needs assessment conducted, the data base on environmentally sound technologies and programme for strengthening the human and institutional capacities of Nepal to adopt and develop relevant technologies, taking into consideration the findings and recommendations of the technology needs assessment, if any;

Proposed Activities

- (a) Determine and develop a list of available endogenous technologies that could be adopted and utilized in the implementation of the Convention;
- (b) Develop a list of potential environmentally sound technologies that could be acquired, adopted and utilized in the implementation of the Convention;
- (c) Determine a set of locally, nationally and regionally-driven criteria (cost-effectiveness, sustainable, overcoming poverty, enhancing adaptive and or mitigation capacity, in line with national development programmes, etc) to be used in analysing and prioritising those technologies offering greatest opportunities and applicability for the implementation of the Convention;
- (d) Using the determined criteria, analyse the lists of technologies identified in (a) and (b) above and develop a prioritised list of technologies that offer the greatest opportunities and applicability in the implementation of the Convention;
- (e) Develop a national programme, a strategy and the legal and institutional framework for the continuous access to sound technologies and further development of endogenous technologies in Nepal. The national programme and strategy will contain information and actions to lift constraints and address specific financial, technical and institutional needs for capacity-building on technology transfer;
- (f) Develop and/or update a national data base of environmentally sound technologies using TNA information, if any.

4.2.5 Climate Change Research and Systematic Observation

Expected Output

72 A report containing information on climate change research and systematic observation, research relating to programmes containing measures to mitigate climate change; programmes containing measures to facilitate adequate adaptation to climate change; and the development of emission factors and activity data is developed.

Proposed Activities

73 For systematic observation on climate and weather, Nepal has a limited hydrological and meteorological observation stations network operated and maintained by the Department of Hydrology and Meteorology. The network includes synoptic weather stations, upper-air stations, agro-meteorological stations, climatological stations, stream-gauging stations, flood forecasting stations and sediment monitoring stations. However, the observation network is much below the WMO standard and the level of operation is also much below the normal because of frequent breakage of instruments and

equipment, inadequate telecommunications facilities and in many stations the lack of electricity supply. Hence the contribution of Nepal in terms of regional and global data exchange is severely limited. The following activities will be undertaken taking into consideration the findings of the previous activities:

- (a) Assess the amount and type of climate and other environmental data that needs to be exchanged between Nepal and, regional and global stakeholders;
- (b) Assess the current human and institutional (scientific, technical, equipment and logistics) capacities available to meet these requirements;
- (c) Identify the gaps in human and institutional capacities required to meet the optimum level of research and systematic observation for regional and global needs;
- (d) Assess the existing agro-hydro-meteorological system for crop early warning and determine steps to improve and strengthen the system and to include other environmental and climate elements water induced disasters (such as droughts, floods, etc.) and improve the status of weather forecasting system in Nepal and the region;
- (e) In the assessments to be conducted in (a) to (d) above determine the risks and barriers inherent in the implementation of the activities, and identify appropriate measures to lift these risks and barriers;
- (f) Develop a programme and strategy containing relevant activities for strengthening the status of research and systematic observation of Nepal and to effectively participate in the regional and global data and information exchange efforts. Similarly, institutional capabilities on determining the impacts and vulnerabilities to climate change will be enhanced.

4.2.6 Education, Training and Public Awareness

Expected Output

74 A report containing information on activities relating to climate change education, training and public awareness prepared.

Proposed Activities

- (a) Review climate change related activities conducted and assess information contained in the stocktaking report;
- (b) Identify gaps and constraints and determine data and information requirements of Nepal to prepare SNC report;
- (c) Compile the gaps (technical and institutional capacities), data and information gathered, including any risks and barriers arising from legal and institutional frameworks; and
- (d) Develop a programme and strategy for the future implementation of education, training and public awareness in Nepal e.g. as review of school curricula including climate change issues, strengthen human, scientific, technical and institutional capacities, develop and disseminate outreach materials, develop a web page on public awareness.

4.2.7 Capacity Building

Expected Output

75 A report containing information on steps taken to implement capacity building activities at national, sub-regional and region levels as contained in the capacity building framework for Non-Annex I Parties is prepared.

Proposed Activities

- (a) Review activities conducted on capacity building and assess information contained in the NSCA and the stocktaking exercise to SNA;
- (b) Identify capacity building gaps and constraints and determine data and information requirements of Nepal to implement the Climate Change Convention.
- (c) Compile the gaps and constraints (technical and institutional capacities), data and

information gathered, including any risks and barriers arising from legal and institutional frameworks;

- (d) Develop capacity and expertise in participation in the Kyoto Protocol process and develop appropriate implementation strategies;
- (e) Develop and strengthen the institutional and human capacity of the Climate Change Focal Point and secretariat to undertake sustained coordination for UNFCCC implementation in Nepal;
- (f) Develop and implement an enabling activity, specifically tailored to develop a comprehensive climate change action plan and integrated implementation strategy;
- (g) Develop and strengthen scientific institutions with the necessary equipment and scientific information; and
- (h) Develop appropriate programmes for informed and improved decision- and policy-making and integration of climate change into national development process.

4.2.8 Networking and Information Sharing

Expected Output

76 A report containing information on the efforts to promote networking and information sharing among and within countries and regions is developed.

Proposed Activities

- (a) Assess the information technology needs of the country in the area of climate change and the environment;
- (b) Using information technology, particularly the internet/electronic media, assess and catalogue all national, regional and global institutions and agencies that keep relevant climate, climate change and other environmental information;
- (c) Develop and operate an electronic clearing house (national climate change website) and establish linkages of this web site with important and relevant national, regional and global web sites;
- (d) Assess and catalogue national, regional and global institutions and agencies that promote, encourage and offer networking (staff exchange visits, internship, training and attachments, etc.) programmes;
- (e) Establish contacts with these institutions and agencies and indicate interest in networking with them;
- (f) Develop a programme and strategy for establishing and enhancing these networking activities on a continuous and sustainable basis; and
- (g) Prepare a report on the efforts achieved during the period of the implementation of the SNC and also other activities envisaged in the future.

4.2.9 Constraints and Gaps, and Related Financial, Technical and Capacity Needs

Immediate Objective

77 Provide, as complete as possible, information on constraints and gaps, and related financial, technical and capacity needs of Nepal in the implementation of the Convention.

Expected Output

78 A report on constraints and gaps, and related financial, technical and capacity needs of Nepal in the implementation of the Convention is prepared.

Proposed Activities

- (a) Review and analyse the gaps and constraints (financial, technical, institutional and capacity) identified in the Initial National Communication and the report of the stocktaking exercise and stakeholder consultations;

- (b) Assess, further, any remaining constraints and gaps, and related financial, technical and capacity needs associated with the implementation of activities, measures and programmes envisaged under the Convention, and with the preparation and improvement of national communications on a continuous basis;
- (c) Provide information on financial resources and technical support from national sources, bilateral and multilateral institutions, and GEF for activities relating to climate change;
- (d) Provide information on how support programmes from Annex II Parties are meeting the specific needs and concerns of Nepal relating to vulnerability and adaptation to climate change.
- (e) Develop and provide a list of projects including pilot and/or demonstration adaptation projects proposed for financing in preparation for arranging the provision of technical and financial support.
- (f) Provide information on:
 - i. Opportunities for the implementation of Adaptation measures;
 - ii. Barriers to the implementation of adaptation measures;
 - iii. Country-specific technology needs and assistance received from developed country Parties and the financial mechanism of the Convention;
 - iv. How they have utilized this assistance in support of the development and enhancement of endogenous capacities, technologies and know-how; and
 - v. Other relevant needs and/or areas for capacity-building.

Table 1: Matrix of Objectives, Activities, Outputs and Indicators

The development objective of this project is to enable Nepal to prepare and submit its Second National Communications to the UNFCCC as required by Article 12 of the Convention and based on the COP 8 Guidelines for National Communications of Non Annex I Parties			
Immediate Objectives	Outputs	Activities	Indicators
1. Creation of the institutional framework required for the preparation of the Second National Communication	<ul style="list-style-type: none"> An operational institutional framework is in place for the preparation of the Second National Communication 	<ol style="list-style-type: none"> Provision of Office premises and setting up of the Project Management Office (PMO) Appointment of a National Project Director and other staff of the PMO Formation of the Steering Committee and the Working Groups on project components; and Development the annual and quarterly work plans 	<ul style="list-style-type: none"> PMO in operation Project Steering Committee and Working Groups in place Operational work plans in place
2. Provide a detailed and representative description of the National Circumstances of Nepal in the SNC.	<ul style="list-style-type: none"> A detailed and representative description of the National Circumstances of Nepal is included in the Second National Communications. 	<ol style="list-style-type: none"> Compile and use amongst others information gathered during stock taking exercise and stakeholder consultations in the description of the National Circumstances Describe and present national and sub-regional development priorities and programmes based on information contained in the National Development Plan, sectoral policies and programmes of Nepal, and other climate change initiatives such as NAPA; Describe the ways and means in which the development priorities and programmes presented in activity will be affected by climate change and/or document potential impacts of climate change; Provide recommended steps to be taken at the national and sub-regional levels to address possible impacts of response measures on the Nepalese economy; Describe steps to be taken at the national level for the preparation of future National Communications of Nepal to the UNFCCC; Identify gaps, update and add data and information 	<ul style="list-style-type: none"> Updated population and socio-economic information and data Updated baseline and climate change scenarios based on work being done by the IPCC A report and a Chapter on the National Circumstances of Nepal

	<ul style="list-style-type: none"> • A strategy to improve first National Inventory of the INC and institutionalize the process of development of the inventory on a continuous and sustainable basis is developed and implemented. 	<ol style="list-style-type: none"> 1. Identify the major sectors and institutions holding data and information required for inventory development process; 2. Assess their institutional and technical capacities to fully participate in the inventory development process 3. Identify areas where data gaps and capacity issues are lacking or weak and improve them; and 4. Institutionalize arrangements for continuous and sustainable inventory system 	<ul style="list-style-type: none"> • Institutionalized sustainable inventory development system
<p>3. Develop and communicate to the COP a National Inventory of anthropogenic emissions by sources and removals by sinks of all greenhouse gases (GHGs) for the year with the best activity data set.</p>	<ul style="list-style-type: none"> • An improved National Inventory of greenhouse gas emissions by sources and removal by sinks of Nepal is presented in the Second National Communication 	<ol style="list-style-type: none"> 1. Strengthen human, technical and institutional capacities to conduct a national GHG inventory. Conduct training workshop on the execution of the 2006 National Greenhouse Gas Emission Inventories Guidelines with special emphasis on the Good Practice Guidance (GPG) requirements 2. Assess level of data availability for each key GHG emission category of the economy; 3. Assess the level of uncertainty associated with inventory data and carry out activities such as collection of sectoral data, data quality check and establishment and/or strengthening of central data bank. 4. Develop country specific GHG emission factors in the field of transport, industrial process, agriculture and forest to improve consistency and accuracy of the inventory. Emphasise especially for rice, livestock and land use land use change and forestry sectors. 5. Select a methodology (tier) of the IPCC Guidelines that is relevant for Nepal, GHG inventory year and conduct the GHG inventory. Use local or regional emission factors and activity data when available; 6. Include information on indirect gases: CO, NOX, NMVOCs, SOx to improve the completeness of the inventory. 7. Explore opportunities and arrangements for data management systems for the preparation of national GHG inventories on a continuous basis. 8. Prepare the National Inventory Report (NIR) 	<ul style="list-style-type: none"> • Updated GHG data base • An agreed Inventory year • Accurate, transparent and complete national Inventory • A National Inventory Report and Chapter in the SNC

4. Develop and communicate to the COP major steps taken or envisaged by Nepal in implementing the Climate Change Convention.	<ul style="list-style-type: none"> • A programme and strategy containing measures to mitigate climate change is developed and included in the Second National Communication of Nepal to the COP of the UNFCCC. 	<ol style="list-style-type: none"> 1. Based on the analysis of source category conducted during the inventory process identify the leading emitter/remover of greenhouse gases; 2. Conduct training for the Working Group on mitigation assessment 3. Develop national emissions trends particularly for key sources categories; 4. Assess opportunities or measures for reducing emissions or enhancing sinks in the identified categories; 5. Identify and utilized cost-effective/efficient and cost-benefit assessment tools to rank and prioritise the opportunities or measures to reduce emissions or enhance sinks; 6. Develop a programme of projects containing measures to mitigate climate change; 7. Prepare the Report on the mitigation assessment 	<ul style="list-style-type: none"> • Updated baseline and mitigation scenarios, • Critical mass of trained staff to conduct mitigation assessment
	<ul style="list-style-type: none"> • A programme and strategy containing measures to adapt to climate change is developed 	<ol style="list-style-type: none"> 1. Acquire, adopt and utilize appropriate methodologies and guidelines for assessing and/or updating vulnerability of the major sectors of the economy of Nepal to climate change; 2. Conduct a workshop to train the Vulnerability & Adaptation Assessment Working Group Task on the tools, methodologies and guidelines; 3. Assess vulnerability of the national economy to climate change and develop climate change adaptation measures suitable for Nepal with due consideration to subsistence economy and gender issues; 4. Assess vulnerability of Nepal's water resources with special emphasis on mountain ecosystem, flood and drought hazards, snow and glaciers including glacier lake outburst floods; 5. Update and refine programmes/projects containing measures to adapt to climate change; 6. Prepare and/or update the Report on the vulnerability and adaptation assessment and taking into consideration the NAPA outputs 	<ul style="list-style-type: none"> • Appropriate tools are selected by the Working Groups, • Critical mass of vulnerability assessors is in place • Viable adaptation options and projects. • Viable disaster management strategies. • A V&A Report and Chapter in the SNC
5. Provision of additional information relevant to the achievement of the objective of the	<ul style="list-style-type: none"> • A report containing information on activities relating to the transfer of, and access to, environmentally sound 	<ol style="list-style-type: none"> 1. Develop a list of available endogenous technologies that could be adopted and utilized in the implementation of the Climate Change Convention; 2. Develop a list of potential environmentally sound technologies that could be acquired, adopted and utilized in the implementation of the Climate Change Convention in Nepal ; 	<ul style="list-style-type: none"> • List of available relevant technologies is prepared • Criteria for analysis, prioritization and application of

<p>convention and facilitation of the formulation and implementation of sustainable development programmes</p>	<p>technologies and know-how, the development and enhancement of endogenous capacities, technologies and know-how, and measures relating to enhancing the enabling environment for development and transfer of technologies</p>	<ol style="list-style-type: none"> 3. Determine a set of locally, nationally and regionally-driven criteria to be used in analysing and prioritising those technologies offering greatest opportunities and applicability for the implementation of the Convention; 4. Using the determined criteria, analyse the lists of technologies identified in (1) and (2) above, develop a prioritised list of technologies that offer the greatest opportunities and applicability in the implementation of the Convention; 5. Develop a national programme, a strategy and the legal and institutional framework for the continuous access to sound technologies and further development of endogenous technologies in Nepal; 6. Develop and/or update a national database of environmentally sound technologies using TNA information, if any; 	<p>technologies are determined</p> <ul style="list-style-type: none"> • National programme, strategy and institutional framework for continuous access to sound technologies are developed
	<ul style="list-style-type: none"> • A report containing information on climate change research and systematic observation 	<ol style="list-style-type: none"> 1. Assess the amount and type of climate and other environmental data that need to be exchanged between Nepal and, regional and global stakeholders; 2. Assess the current human and institutional (scientific, technical, equipment and logistics) capacities available to meet these requirements; 3. Identify the gaps in human and institutional capacities required to meet the optimum level of research and systematic observation for regional and global needs; 4. Assess the existing agro-hydro-meteorological system for crop early warning and determine steps to improve and strengthen the system and to include other environmental and climate elements (such as droughts, floods, etc.) and improve the status of weather forecasting system in Nepal and the region; 5. In the assessments to be conducted in (a) to (d) above determine the risks and barriers inherent in the implementation of the activities, and identify appropriate measures to lift these risks and barriers; 6. Develop a programme and strategy containing relevant activities for strengthening the status of research and systematic observation of Nepal and to effectively participate in the regional and global data and information exchange efforts 	<ul style="list-style-type: none"> • Major convention equipment replaced and upgraded to digital equipment • Strengthened observation networks • Enhanced data collection, processing and achieving capacity • Human resources and institutions capacity strengthened • Draft National strategy for Research and systematic observation prepared. • Climate information networking at regional and international organization strengthened

	<ul style="list-style-type: none"> • A report containing information on activities relating to climate change education, training and public awareness conducted or envisaged is included in the SNC. 	<ol style="list-style-type: none"> 1. Review climate change related activities conducted on this theme and assess information contained in the Stocktaking and Stakeholder Consultations 2. Identify gaps and data and determine information requirements of Nepal to implement the SNC project and also implement the Climate Change Convention. 3. Compile the gaps, data and information gathered, including any risks and barriers arising from legal and institutional frameworks; 4. Develop a programme and strategy for the future implementation of education, training and public awareness in Nepal including reviewing of school curricula, strengthening human, scientific, technical and institutional capacities; 5. Development and dissemination of outreach materials including a web page. 	<ul style="list-style-type: none"> • Compiled gaps and constraints • Web page • Review of information collected during stocktaking and stakeholder consultations
	<ul style="list-style-type: none"> • A report containing information on steps taken to implement capacity building activities at national, sub-regional and region levels as contained in the capacity building framework 	<ol style="list-style-type: none"> 1. Review all activities conducted on capacity building and assess information contained in the NSCA and the Stocktaking and Stakeholder Consultations; 2. Identify capacity building gaps and determine data and information requirements of Nepal to implement the SNC project and also implement the Climate Change Convention. 3. Compile gaps (technical and institutional capacities), data and information gathered, including any risks and barriers arising from legal and institutional frameworks; 4. Develop a programme and strategy for the future implementation of capacity building needs for the implementation of the Convention in Nepal 	<ul style="list-style-type: none"> • National programme and implementation strategy on capacity building; • Report on capacity building achievements and further needs in the SNC
	<ul style="list-style-type: none"> • A report containing information on the efforts to promote networking and information sharing among and within countries and regions is to be developed 	<ol style="list-style-type: none"> 1. Assess the information technology needs of the country in the area of climate change and other development and environmental areas 2. Designate a Climate Change Focal Institution in Nepal 3. Using information technology, particularly the internet/electronic media, assess and catalogue all national, regional and global institutions and agencies that keep relevant climate, climate change and other environmental information; 4. Develop national climate change web site and establish linkages of this web site with important and relevant national, regional and global web sites; 5. Assess and catalogue all national, regional and global institutions and agencies that promote, encourage and offer networking 	<ul style="list-style-type: none"> • Report on efforts to promote networking and information sharing

		<p>programmes</p> <ol style="list-style-type: none"> 6. Establish contacts with these institutions and agencies and indicated interest in networking with them. 7. Develop a programme and strategy for establishing and enhancing these networking activities on a continuous and sustainable basis. 8. Prepare a report on the efforts achieved during the period of the implementation of the SNC and also other activities envisaged in the future. 	
<p>6. Provide, as complete as possible, information on constraints and gaps, and related financial, technical and capacity needs of Nepal in the implementation of the Convention.</p>	<ul style="list-style-type: none"> • A report on constraints and gaps, and related financial, technical and capacity needs of Nepal in the implementation of the Convention is prepared 	<ol style="list-style-type: none"> 1. Review and analyse the gaps and constraints (financial, technical, institutional and capacity) identified in the Initial National Communication and the report of the Stocktaking exercise and Stakeholder Consultations; 2. Assess, further, any remaining constraints and gaps, and related financial, technical and capacity needs associated with the implementation of activities, measures and programmes envisaged under the Convention, and with the preparation and improvement of national communications on a continuous basis; 3. Provide information on financial resources and technical support from national sources, bilateral and multilateral institutions, and GEF for activities relating to climate change. 4. Provide information on how support programmes from Annex II Parties are meeting the specific needs and concerns of Nepal relating to vulnerability and adaptation to climate change. 5. Develop and provide a list of projects including pilot and/or demonstration adaptation projects proposed for financing in preparation for arranging the provision of technical and financial support. 	<ul style="list-style-type: none"> • Report on gaps and constraints including potential adaptation measures, country specific technological needs, endogenous capacities, technologies and know how

5 DEVELOPMENT AND SUBMISSION OF THE SECOND NATIONAL COMMUNICATION OF NEPAL TO THE UNFCCC

5.1: Institutional Framework and Reporting

79 The Ministry of Environment, Science and Technology (MoEST) of the Government of Nepal will serve as the National Executing Agency.

80 A Project Steering Committee (PSC) will be set-up and chaired by the Secretary of the Ministry of Environment, Science and Technology with various experts from different organization including representatives of the civil society, academia, women, and I/NGOs. The PSC will be specifically concerned with the timely implementation of project activities focusing mainly on policy issues.

81 A National Climate Change Committee (NCCC) will be formed under the PSC for technical inputs on various activities under the SNC. The NCCC will be chaired by the chief of the Environment Division. The NCCC will be purely a technical body and would be composed of experts from relevant organizations so as to make it as far as possible a national representative body.

82 A Project Management Office (PMO) will be set-up and housed in the Ministry of Environment, Science and Technology. The MoEST shall designate the National Project Director (NPD) and the National Project Manager (NPM) to implement the project. The PMO will include a Project Assistant/Secretary and an Account Officer.

83 Appropriate monitoring and reporting will be facilitated and made possible through the timely development and provision, by the National Project Director, of quarterly technical and financial reports to the National Climate Change Committee and the Project Steering Committee, at the national level, and to the Senior Task Manager and the Fund Management Officer in UNEP. Terminal Technical and Financial Reports will also be developed and provided by the National Project Director with the support of the NPM.

84 The accounts of the project will be subjected to regular auditing by a reputable auditing firm identified in consultation with UNEP or follow the government auditing system. All audit reports will be provided to the appropriate authorities in UNEP and Nepal.

85 The National Project Director will develop and maintain at the PMO an inventory of non-expendable equipment procured from project funds and will submit copies of such an inventory to UNEP. At the time of submission of the Terminal Report, the National Project Director will submit a consolidated report of the inventory of equipment. The inventory could be physically verified by a duly authorized official of the GEF Co-ordination Division or by the Auditor of the Project.

5.2: Technical Assistance and Support during project implementation

86 UNEP, as the GEF Implementing Agency for the project, will be consulted on all aspects during the implementation of the project. It will be fully informed of all activities through technical progress reports and financial statements and will also be invited to actively participate in all technical and policy workshops related to the project, so that it can provide useful guidance, inputs and contributions to ensure the successful implementation of the project.

87 Technical support from other national, regional or international organizations and consultants will also be sought where and when necessary and appropriate. In particular, training workshop on the application of integrated assessment methodologies, including integrated assessment modelling will be organized at the early project stage with the assistance of both national, and, where appropriate, regional and international consultants. In addition, training workshop on the application of economic models and relevant energy models (including cost-benefit analysis) will be organized with the assistance of both national and, where appropriate, international consultants.

5.3: Compilation and Production of Second National Communication

88 Compilation and production of the Second National Communication will be carried out by and under the technical back-stopping of the National Climate Change Committee and its Working Groups. The

three-year project will commence in March 2009 and end in December 2011. The proposed work schedule is shown in Table 2. Detailed work plans for each component will be developed by the NPM in consultation with the National Project Director. The Steering Committee will approve the annual work plans and the National Climate Change Committee will be consulted as and when necessary on technical aspects of the work plan.

89 A Project initiation workshop and training workshops for each of the Inventory, Mitigation and Vulnerability (Impacts and Adaptation) components of the SNC will be conducted. Monitoring and evaluation of the implementation of the project will be facilitated by the submission of regular reports by the Working Groups which will be synthesised by the National Project Director in the form of quarterly technical reports. The National Project Director will submit these reports to the National Climate Change Committee for review and after which the reports will be forwarded to the Project Steering Committee and UNEP for endorsement.

90 The initial draft of the SNC will be subjected to review at various levels. The subsequent draft will then be subjected to technical review by selected reviewers at the national and regional levels and at UNEP. The final draft will then be brought up at a Validation Workshop where important stakeholders will be consulted for their views and acceptance of the report as a national document. The validated document will then be subjected to a launching ceremony and declared a national document.

91 The Second National Communication of Nepal will be submitted in a single document in the following format:

Executive Summary

Chapter 1: Introduction

Chapter 2: National Circumstances

Chapter 3: GHG Inventory

Chapter 4: Greenhouse Gas Mitigation Assessment

Chapter 5: Vulnerability and Adaptation Assessment

Chapter 6: Technology Development and Transfer

Chapter 7: Research and Systematic Observation

Chapter 8: Education, Training and Public Awareness

Chapter 9: Capacity Building

Chapter 10: Networking and Information Sharing

Chapter 13: Constraints and Gaps, and Related Financial, Technical and Capacity Needs

Chapter 14: Conclusions and Recommendations

Annex: List of Projects for Bilateral and Multilateral Funding

92 A separate summary containing relevant technical and policy relevant information will also be prepared and disseminated at the national level to stakeholders.

6: Linkage with Past and On-Going Enabling Activities

93 The US Country Study Programme implemented in Nepal in mid-1990s witnessed capacity building of some members on assessment of vulnerability to climate change. The expertise of those still active in climate change studies will be tapped and utilised. These capacities were also strengthened during the implementation of the enabling activity to develop the INC.

94 With funding from UNDP, the NCSA Project was started in March 2007 and completed by December 2008. This Project undertook stocktaking exercises, thematic profile preparation and analysis of cross cutting issues, and produced three thematic assessment reports on capacity development on Climate

Change, Biodiversity and Land Degradation including the action plan on capacity needs and implementation strategy. This information will form one of the chapters of the SNC.

95 As a LDC of Party to the UNFCCC, Nepal is currently in a process of developing its National Adaptation Programme of Action (NAPA) and has initiated some activities as outlined in 1.4.4. The findings and recommendations of these activities will be taken into consideration while preparing the SNC.

7: Project Financing, Budget and Justifications

96 As the proposed activities are standard enabling activities required for the preparation of national communication, so the incremental cost for undertaking these activities are also full cost, and hence no incremental cost analysis is required. Thus, the total requested funding of US \$ 405,000 as itemised in Tables 2, 3 and 3a reflect the current real needs and concerns of the country in order to fulfil its commitments for the preparation of its Second National Communication. The proposed budget for each proposed activity has been realistically estimated by the participants during the Stocktaking and Stakeholders Consultation Workshop held on 22 October 2008 and revised as appropriate during project review.

97 Although some capacity has already been built during the process of development of the Initial National Communication further capacity-building, including training, for the project team members, especially those new members, are still very much relevant. Most of the analytical tools, especially the 2006 IPCC Guidelines on Greenhouse Gas Inventories, are new. A significant portion of the funding requested will be used for human and institutional capacity-building or strengthening, with a view to slowly building up solid technical taskforce teams that would be responsible for preparing future national communications in a sustainable manner.

98 As mentioned above, this proposal will facilitate the preparation of the SNC using the decision 17/CP.8, and it will assist Nepal to fulfil its reporting requirements under the UNFCCC. The proposal is also eligible for GEF funding.

99 Upon completion of this project, it will largely contribute to enhance institutional and technical capacity of the country and enable Nepal to better respond to the challenges and opportunities of climate change, as well as to better fulfil its commitments under the UNFCCC.

8: Issues and Risks

100 In order to successfully implement the project, close coordination and consultation between the Project Management Office (PMO), National Climate Change Committee and its Working Groups and relevant stakeholders, including policy and decision makers, are essential. The potential risks which may mask the objectives and goals of the project include:

- (a) Longer time than expected for the collection and analysis of the data required for the various assessments;
- (b) Inadequate or lack of consultations between PMO and stakeholders;
- (c) Inadequate or lack of involvement of policy and decision makers in the formulation of various strategies;
- (d) Inadequate expertise in the execution of the various analytical tools required for the various assessments.
- (e) Inadequate or lack of involvement of policy and decision makers in the formulation of various strategies; and
- (f) Inadequate specialists to run modelling exercises.

9: Rationale for GEF support

101 The SNC will be prepared as per the decision 17/CP.8, and will assist Nepal to fulfil its reporting requirements under the UNFCCC. As GEF is the international entity entrusted to operate the financial

mechanism for the UNFCCC, the proposed activities are eligible for GEF funding.

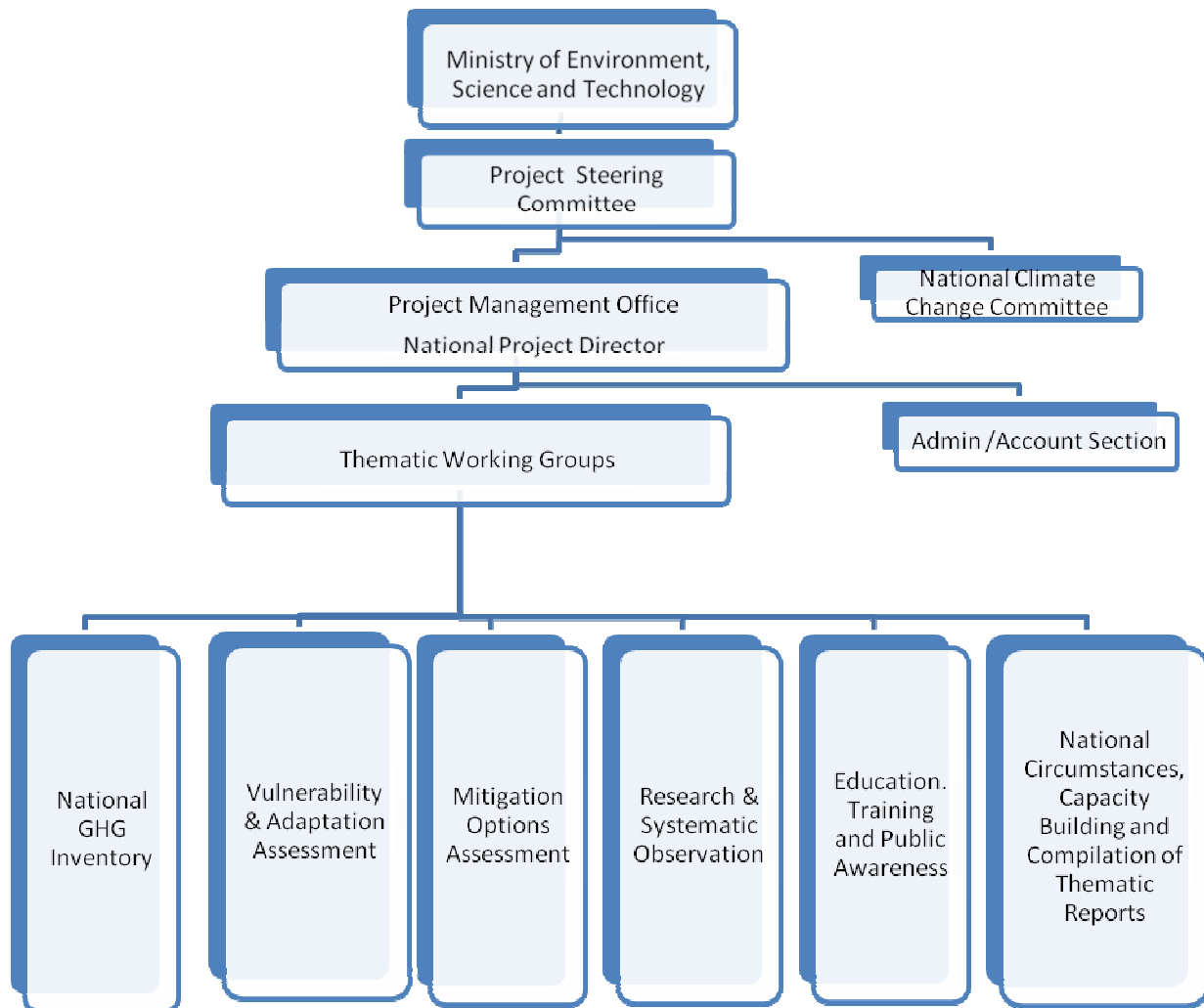
10: Sustainability and Public Participation

102 The Government of Nepal is fully committed to the implementation of the UNFCCC, and hence the goals and objectives of this project. The strengthening of scientific, technical and institutional capacities of Nepal in various aspects of the proposed activities, as well as the leading role taken by the Ministry of Environment, Science and Technology to execute the project would enable the country to fulfil its obligations and commitments to the UNFCCC on a sustainable basis. Indeed, the whole project management structure is designed in such a way that full participation by National Climate Change Committee members in relevant activities are ensured, so that further activities in the future are sustainable.

103 Public participation in certain aspects of the project activities will be encouraged where appropriate and possible. The outreach activities will be created under Education, Training and Public Awareness. Local communities, NGOs and the media will be invited to participate in all national workshops as appropriate.

104 Upon completion of this project, it is expected that further institutional and technical capacity of the country will be considerably strengthened to enable Nepal to respond the challenges and opportunities on climate change, and better fulfil its commitments under the Climate Change Regime.

Institutional Framework for the Second National Communication Project



Note: The Ministry of Environment, Science and Technology will also designate the National Project Manager, at the Under-Secretary level, to assist the National Project Director to implement the project effectively.

Table 2. Summary budget for proposed activities over three years for the preparation of Second National Communication of Nepal

Proposed activities	Total	2009	2010	2011
	USD	USD	USD	USD
I. National Circumstances	4,000	2,500	1,500	500
II. National Inventory of Greenhouse Gas emissions	52,000	25,000	27,000	0
III. General Description of Steps	142,500	34,000	71,500	37,500
3.1 Vulnerability Assessment and Adaptation	92,500	34,000	46,000	12,500
3.2 Mitigation Assessment	50,000	0	25,000	25,000
IV. Other relevant information (Technology Transfer; Research and Systematic Observation; Education, Training and Public Awareness; Capacity Building; and Information Sharing and Networking)	60,000	26,500	23,000	10,500
4.1. Development and transfer of technologies	5,000	0	3,000	2,000
4.2 Integrate climate change considerations into social, economic and environmental policies and actions	8,000	0	5,000	3,000
4.3. Research, systematic observations and early warning systems	5,000	2,000	3,000	0
4.4. Education, training and public awareness	22,500	12,000	8,000	2,500
4.5. Information and Networking	15,000	10,000	3,000	2,000
4.6. Capacity Building	4,500	2,500	1,000	1,000
V. Constraints and Gaps; related financial, technical and capacity needs	10,000	0	5,000	5,000
VI Technical Assistance	23,000	18,000	5,000	0
VI. Compilation, Production of Communication, incl. Executive Summary and its Translation	18,000	0	0	18,000
VII Project Inception	4,000	4,000	0	0
VIII. Project Management	78,000	28,700	24,700	24,600
IX. Monitoring and Evaluation	12,000			12,000
X. Funds Transfer and Bank Charges	1,500	500	500	500
TOTAL(USD):	405,000	132,500	159,000	113,500

Table 3: Summary of total Project Budget reflecting GEF and Government Contribution			
COMPONENTS OF THE PROJECT	GEF contribution (US\$)	Government Contribution (in kind)	Total Project Budget (US\$)
COMPILATION OF NATIONAL CIRCUMSTANCES	4,000	0	4,000
DEVELOPMENT OF NATIONAL INVENTORY OF GREENHOUSE GAS EMISSIONS AND SINKS	52,000	0	52,000
GENERAL DESCRIPTION OF STEPS TO IMPLEMENT UNFCCC (Adaptation and Mitigation Assessments)	142,500	0	142,500
OTHER RELEVANT INFORMATION (Technology Transfer; Research and Systematic Observation; Education, Training and Public Awareness; Capacity Building; and Information Sharing and Networking)	60,000	0	60,000
CONSTRAINTS & GAPS, RELATED FINANCIAL, TECHNICAL & CAPACITY BUILDING NEEDS	10,000	0	10,000
TECHNICAL ASSISTANCE	23,000	0	23,000
PUBLICATION AND SUBMISSION OF NATIONAL COMMUNICATIONS TO COP	18,000	0	18,000
Project Inception Workshop and Establishment of Institutional Framework	4,000	0	4,000
Project Management	78,000	45,000	123,000
Monitoring and Evaluation	12,000	0	12,000
X. Funds Transfer and Bank Charges	1,500		1,500
TOTAL	405,000	45,000	450,000

Note: The Government of Nepal will provide kind contribution to implement this project which is about 10 percent of the total project cost.

**Table 3a: Costed proposed activities for the preparation of the Second National Communication
(January 2009 - December 2011)**

Activities in the Second National Communication	Amount, USD			
	Total	2009	2010	2011
I. National Circumstances	4000	2500	1500	500
1.1. Compilation, analysis and description of national and as appropriate regional priorities and circumstances including a description of institutional arrangements to ensure continuity in the process of preparing national communications and other national reports relating to climate change. Preparation of report as chapter one of the SNC	4000	2500	1500	500
1.2. Constitution of a Project Management Team:	0	0	0	0
1.2.1 Project Management Office (PMO)				
1.2.2 Technical Expert Groups (TEGs), including development of Terms of References (TORs) of consultants.				
1.3 Establishment of a Project Steering Committee(PSC)	0			
II. National GHG Inventories	52000	25000	27000	0
2.1. Data collection for the years 1995 to 2006 for the estimation of CO ₂ , N ₂ O, CH ₄ , NO _x , CO, NMVC, SO ₂ as well as for HFCs, PFCs and SF ₆ ; using 2000 as the base year for the GHG inventory.	22000	12000	10000	
2.2. Conducting quality control and quality assurance of inventory data based on IPCC Good Practice Guidance and Uncertainty Management in National GHG Inventory, including key category analysis. Data analysis using sectoral and reference approaches based on 1996 IPCC Guidelines on national inventories	4,000	2,000	2,000	
2.3. Establishment and maintenance of a database for CO ₂ , N ₂ O, CH ₄ and other greenhouse gases as appropriate	6,000	3,000	3,000	
2.4. Projection of GHG emission trends up to 2020	2,000		2,000	
2.5. Preparation of the <i>National Inventory Report(NIR)</i> , including identification of follow-up activities	2,000		2000	
2.6. Organisation of three workshops (in the beginning, in the middle and in the end of project) for the Inventory group and stakeholders. Presentation of the NIR at the end-of-project workshop.	8,000	4000	4000	
2.7. Technical capacity-building, including participation in the subregional/regional / international training workshops on GHG inventory	8,000	4,000	4,000	
III. General Description of Steps	143,000	34,000	71,500	37,500
III-(i) Programmes to adapt to climate change	92,500	34,000	46,000	12,500
3.1. Collation of climatological/meteorological data showing trends in climate variability and climate change	10000	5000	5,000	
3.2. Development of the detailed climatic scenarios, mapping of climate change indicators using new climatic scenarios corresponding to the latest GHG emission scenarios (SRES IPCC) for 2030, 2050 and 2080, including the method of statistical interpretation (“downscaling”) of the outputs of General Circulation Models (GCMs)	8000	5000	3000	
3.3. Trend analysis and construction of scenarios for relevant sectors including agricultural development	5000	4000	1000	
3.4. Vulnerability assessments, including modelling, where appropriate	16000	6000	10000	
3.5. Climate change impact assessment, including modelling for all relevant socio-economic sectors such as water resources, coastal zones,	16000	8000	8000	0

Activities in the Second National Communication	Amount, USD			
	Total	2009	2010	2011
agriculture, etc				
3.6. Development of recommendations on zoning for forestry and agricultural needs, water resources etc including identification of risk zones (construction of maps using GIS)	7,500	0	4,000	3,500
3.7. Organisation of two workshops (in the beginning, and at the end of project) for the vulnerability group and stakeholders. Presentation of the draft <i>National Strategy on Adaptation to Climate Change</i> at the end-of-project workshop	10,000	5,000	5,000	
3.8. Capacity-building, including participation in the subregional/ regional/ international training workshops on V&A analysis	10,000	5,000	5,000	
3.9. Development of the National Strategy on Adaptation to Climate Change including the preparation of detailed project outlines in all relevant sectors of the economy for further elaboration in future studies.	10,000		5,000	5,000
III-(ii) Programmes to mitigate climate change, including:	50,000	0	25,000	25,000
3.10. Projection of emission reduction up to 2020 based on improved GHG data for the following sectors: energy, industrial processes, agriculture, land use change and forestry, and waste	5,000		2,500	2,500
3.11. Assessment of mitigation measures in energy efficiency and conservation in industrial, commercial and residential sectors	5,000		2,000	3,000
3.12. Assessment of need for the development of legal and economic instruments to address mitigation measures.	1,000		1,000	0
3.13. Development of measures to mitigate climate change	15,000		7,500	7,500
3.14. Organisation of two workshops (in the beginning, and at the end of project) for the GHG mitigation group and stakeholders. Presentation of the draft <i>National Strategy on GHG Mitigation</i> at the end-of-project workshop	12,000		6,000	6,000
3.15. Capacity-building, including participation in the subregional/ regional/ international training workshops mitigation measures analysis.	12,000		6,000	6,000
IV. Other Relevant Information	60,000	26,500	23,000	10,500
4.1. Integrating climate change considerations into social, economic and environmental policies and actions	8,000	0	5,000	3,000
4.2. Development and Transfer of Environmentally Sound Technologies (ESTs)	5,000	0	3,000	2,000
4.3. Research, systematic observations and early warning systems	5,000	2,000	3,000	0
4.4. Education, training and public awareness	22,500	12,000	8,000	2,500
4.5. Information and Networking	15,000	10,000	3,000	2,000
4.6. Capacity Building	4,500	2,500	1,000	1,000
V. Constraints and Gaps; related financial, technical and capacity needs	10,000	0	5,000	5,000
5.1. Description of constraints, gaps and needs, and measures for overcoming them, etc	5,000		2,500	2,500
5.2. Projects proposed for financing or in preparation for arranging support	5,000		2,500	2,500
VI. Technical Assistance	23,000	18,000	5,000	0
6.1. Provision of technical assistance by regional / international consultants for the organisation of GHG inventory and V&A workshops attended by national experts.	15,000	10,000	5,000	

Activities in the Second National Communication	Amount, USD			
	Total	2009	2010	2011
6.2. Provision of technical assistance for the organization of the training Mitigation Assessment workshop on issues including the application of economic models in Nepal, and cost-benefit analysis with the assistance of regional/international consultant(s)	8,000	8,000		
VII. Compilation, Production of Communication	18,000	0	0	18,000
7.1. Compilation and editing of the Second National Communication	2,000			2,000
7.2. Organization of a national workshop on discussion and presentation of the SNC, collection of stakeholders comments	6,000			6,000
7.4. Publication of the final version of the SNC in English	10,000			10,000
VIII. Project Inception Workshop	4,000	4,000		
IX. Project Management	78,000	28,700	24,700	24,600
8.1. National Project Director	36,000	12,000	12,000	12,000
8.2. Administrative Assistant	18,000	6,000	6,000	6,000
8.3. Accountant (part-time)	2,400	800	800	800
8.4. Annual Audit	4,500	1,500	1,500	1,500
8.5. Staff Travel	7,100	3,000	2,100	2,000
8.6. Equipment: 2 PCs+ laser printer, 1 projector, 1 scanner including consumables and logistic expenses for 3 year	5,000	4,000	500	500
8.7. Communication	5,000	1,400	1,800	1,800
X. Monitoring and Reporting	12,000			12,000
XI. Funds Transfer and Bank Charges	1,500	500	500	500
TOTAL:	405,000	140,200	156,200	108,600

Table 4: **Matrix to assist in stocktaking of activities financed under GEF enabling activities and other efforts**

The boxes marked with “x” simply mean that some activities had been undertaken under the Initial National Communication and the Phase II project. However, new and additional activities that can be fully justified will be undertaken during the process of the preparation of Second National communication, and it will be ensured that there will be no duplication of activities.

Activity in Second National Communications	NAPAs	NCSAs	Phase II	INCs	Other²
II. NATIONAL CIRCUMSTANCES					
Description of development priorities, objectives and circumstances, etc.				X	
Description of existing institutional arrangements for preparing communications continuously		X		X	
III. NATIONAL GREENHOUSE GAS INVENTORIES					
Estimation of national GHG Inventories for '90, '94, 2000, depending on circumstances				X	
Formulation of cost-effective programs to develop country-specific emission factors and activity data					
Description of arrangements to collect and archive data to make inventory preparation a continuous process					
Information on the level of uncertainty associated with the inventory data					
IV. GENERAL DESCRIPTION OF STEPS					
Description of steps taken towards formulating programs containing measures to facilitate adequate adaptation					
Information on vulnerability to the adverse effects of climate change and on adaptation measures being taken					
Information on evaluation of strategies and measures for adapting to climate change					
Policy frameworks, national adaptation programmes, plans and policies for developing and implementing adaptation strategies					
Description of steps taken for formulating programs containing measures to mitigate climate change					
V. OTHER RELEVANT INFORMATION					
Information on integrating climate change considerations into social, economic and environmental policies and actions				X	
Information on transfer of, and access to climate friendly technologies and know-how, development of endogenous capacities; measures to enhance enabling environment for transfer of technologies				X	
Information on Climate change research and systematic observation				X	

Information on CC education, training and public awareness				X	
Capacity Building Activities, Options and Priorities				X	
Information on efforts to promote information sharing and networking				X	
VI. CONSTRAINTS AND GAPS; RELATED FINANCIAL, TECHNICAL, AND CAPACITY NEEDS					
Constraints and Gaps and related financial, technical and capacity needs, and activities for overcoming gaps and constraints for national communications, and climate change measures and programs		X		X	
Financial resources and technical support for preparing national communications provided by themselves, GEF, Annex II Parties, bilateral or multilateral institutions		X		X	
Financial resources and technical support provided by various sources		X		X	
List of projects proposed for financing or in preparation for arranging technical/financial support				X	
Opportunities, barriers for implementation of adaptation measures, including pilot and/or demonstration projects				X	
Country-specific technology needs and assistance received from developed country Parties and the GEF, and how assistance was utilized		X		X	

Note: Other activities on climate change have been mentioned in paragraph 19 of this proposal.

Table 6. Timeline for the implementation of project activities

S N	Activity	Months																																								
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36					
1	Establishment of Project Management Office and Working Groups	█	█	█																																						
2	National Circumstances			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█		
3	National GHG Inventory			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█		
4	Vulnerability, Impacts and Adaptation Assessment			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█		
5	GHG Mitigation Assessment																																									
6	Research and Systematic Observation																																									
7	Education, Training and Public Awareness			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█		
8	Capacity Building and Technology Transfer																																									
9	Project Management	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
10	Compilation and Final Report Preparation of SNC																																									

SECTION III: WORKPLAN AND TIME TABLE, BUDGET AND FOLLOW UP

105 Workplan and Timetable:

Please see Table 6: *(Timeline for the implementation of project activities)*

106 Budget.

Please see Table 3a : *(Budget for Proposed activities for the preparation of the Second National Communication)*

Appendix 1: Budget in UNEP Format

Project Title: Nepal Preparation of Second National Communication under UN Framework Convention on Climate (UNFCCC)

Project No: GFL-2328-2724-xxxx					
PMS: GFL-					
		2009	2010	2011	Total
UNEP BUDGET LINE		US\$	US\$	US\$	US\$
PROJECT PERSONNEL COMPONENT					
1100	Project Personnel				
1101	National Project Director	12,000	12,000	12,000	36,000
1199	Total	12,000	12,000	12,000	36,000
1200	Consultants				
1201	National Circumstances	4,000	500		4,500
1202	Data collection for the years 1995 to 2006 for the estimation of CO ₂ , N ₂ O, CH ₄ , NO _x , CO, NMVC, SO ₂ as well as for HFCs, PFCs and SF ₆ , using 2000 as the base year for the GHG inventory.	12,000	10,000		22,000
1203	Conducting quality control and quality assurance of inventory data based on IPCC Good Practice Guidance and Uncertainty Management in National GHG Inventory, including key category analysis. Data analysis using sectoral and reference approaches based on 1996 IPCC Guidelines on national inventories	2,000	2,000		4,000
1204	Establishment and maintenance of a database for CO ₂ , N ₂ O, CH ₄ and other greenhouse gases as appropriate.	3,000	3,000		6,000
1205	Projection of GHG emission trends up to 2020		2,000		2,000
1206	Preparation of the <i>National Inventory Report(NIR)</i> , including identification of follow-up activities		2,000		2,000
1207	Collation of climatological/meteorological data showing trends in climate variability and climate change	5,000	5,000		10,000

1208	Development of the detailed climatic scenarios, mapping of climate change indicators using new climatic scenarios corresponding to the latest GHG emission scenarios (SRES IPCC) for 2030, 2050 and 2080, including the method of statistical interpretation (“downscaling”) of the outputs of General Circulation Models (GCMs)	5,000	5,000		10,000
1209	Trend analysis and construction of scenarios for relevant sectors including agricultural development	4,000	3,000		7,000
1210	Vulnerability assessments, including modelling, where appropriate	6,000	10,000		16,000
1211	Climate change impact assessment, including modelling for all relevant socio-economic sectors such as water resources, coastal zones, agriculture, etc	8,000	8,000		16,000
1212	Development of recommendations on zoning for forestry and agricultural needs, water resources etc including identification of risk zones (construction of maps using GIS)		4,000	3,500	7,500
1213	Development of the National Strategy on Adaptation to Climate Change including the preparation of detailed project outlines in all relevant sectors of the economy for further elaboration in future studies.		2,500	2,500	5,000
1214	Projection of emission reduction up to 2020 based on improved GHG data for the following sectors: energy, industrial processes, agriculture, land use change and forestry, and waste		5,000	5,000	10,000
1215	Assessment of mitigation measures in energy efficiency and conservation in industrial, commercial and residential sectors		2,000	3,000	5,000
1216	Assessment of need for the development of legal and economic instruments to address mitigation measures.		1,000		1,000
1217	Development of measures to mitigate climate change and write the Report on the mitigation assessment and prepare a draft chapter for inclusion in the SNC for submission to the COP)		7,500	7,500	15,000
1218	Programmes to measure to mitigate climate change		6,000	6,000	12,000
1219	Other Relevant Information Integrating climate change considerations into social, economic and environmental policies and actions		5,000	3,000	8,000
1220	Other Relevant Information (Environmentally sound technologies)		3,000	2,000	5,000

1221	Other Relevant Information (Education, Training and Public Awareness)	12,000	8,000	2,500	22,500
1222	Other Relevant Information (Capacity-Building)	2,500	300	3,000	5,800
1223	Other Relevant Information (Information and Networking)	10,000	3,000	2,000	15,000
1224	Other Relevant Information (Research, systematic observations and early warning systems)	4,000	4,000		8,000
1225	Constraints and gaps, related financial, technical and capacity needs	10,000	7,000		17,000
1299	Total	87,500	108,800	40,000	236,300
1300	Aministrative Support				
1301	Project Administrative Assistant	6,000	6,000	6,000	18,000
1302	Accountant (part time)	800	800	800	2,400
1399	Total	6,800	6,800	6,800	20,400
1600	Travel on official business(above staff)				
1601	Staff Travel (International)	3,000	2,100	2,000	7,100
1699	Total	3,000	2,100	2,000	7,100
1999	Component Total	97,300	117,700	48,800	263,800
TRAINING COMPONENT					
3200	Group meetings				
3201	National GHG Inventories – Organisation of a workshop in the beginning of project) for the Inventory group and stakeholders. Presentation of the NIR at the end-of-project workshop.	4,000			4,000
3202	National GHG Inventories (Organise second national training workshop)		4,000		4,000
3203	Organisation of two workshops (in the beginning, and at the end of project) for the vulnerability group and stakeholders. Presentation of the draft <i>National Strategy on Adaptation to Climate Change</i> at the end-of-project workshop	5,000	5,000		10,000
3204	Capacity-building, including participation in the subregional/ regional/ international training workshops on V&A analysis	5,000	5,000		10,000
3205	Organisation of two workshops (in the beginning, and at the end of project) for the GHG mitigation group and stakeholders. Presentation of the draft <i>National Strategy on GHG Mitigation</i> at the end-of-project workshop		6,000	6,000	12,000

3206	Capacity-building, including participation in the subregional/ regional/ international training workshops mitigation measures analysis.		6,000	6,000	12,000
3207	Technical capacity-building, including participation in the sub regional/regional / international training workshops on GHG inventory.		4,000	4,000	8,000
3208	Technical Assistance – technical capacity-building, including participation in the subregional/regional / international training workshops on GHG inventory as well as engaging regional/international consultants to assist with GHG Inventory, GHG mitigation and V&A training)	18,000	5,000		23,000
3299	Total	32,000	35,000	16,000	83,000
3300	Workshop/Conferences				
3301	Organization of a Project Inception workshop	4,000	4,000		8,000
3302	End of project workshop to review and endorse draft SNC			6,000	6,000
3399	Total	4,000	4,000	6,000	14,000
3999	Component Total	36,000	39,000	22,000	97,000
EQUIPMENT & PREMISES COMPONENT					
4200	Non-Expendable equipment (items over US\$1,500)				
4201	Equipment (PCs + printers) including consumables and logistical expenses for 3 years	4,000	500	500	5,000
4299	Total	4,000	500	500	5,000
4999	Component Total	4,000	500	500	5,000
MISCELLANEOUS COMPONENT					
5200	Reporting Costs (publications, maps, newsletters, printing e.t.c)				
5201	Compilation and publication and submission of SNC to COP including a validation workshop	0		12,000	12,000
5202	Bank charges	500	500	500	1,500
5299	Total	0	0	12,000	12,000
5300	Sundry				
5301	Communication Cost (internet, telephone, fax and courier service)	1,400	1,800	1,800	5,000
5302	Independent Audit	2,500	2,500	2,500	7,500
5399	Total	3,900	4,300	4,300	12,500

5500	Evaluation				
5502	Monitoring and Evaluation			14,700	14,700
5399	Total	0	0	14,700	14,700
5999	Component Total	3,900	4,300	31,000	39,200
Project Total		141,200	161,500	102,300	405,000

Appendix 2

TERMS OF REFERENCE

NATIONAL PROJECT STAFF

NATIONAL PROJECT DIRECTOR

Project background information

The Ministry of Environment, Science and Technology will designate a National Project Director (NPD) at Joint-Secretary level to oversee project implementation. S/he will be responsible for the overall management of all aspects of the project, and will provide technical assistance to the national technical expert groups. The candidate should be highly motivated, enthusiastic, and capable of working independently. S/he should have a strong institutional and policy background. The NPD should have experience and updated information on Initial National Communication on Climate Change and /or in other climate change enabling activities. The ability to work with a wide variety of people from governments, agencies, non-governmental organizations, and research institutions is essential.

Scope of the assignment

The NPD will manage the project on a day-to-day basis and is accountable to the executing agency for the planning, management, quality control, timeliness and effectiveness of the activities carried out, as well as for the use of funds. The NPD will ensure the regular monitoring and feedback from activities already under implementation. The NPD will be located within the MoEST.

Duties

1. Co-ordinate all project activities with leaders of technical expert groups, and a range of institutions and agencies, including UNEP, IPCC, UNFCCC, GEF, and national institutions to ensure smooth and timely execution of project activities.
2. Prepare a detailed project work plan and approve terms of reference for the project consultants.
3. Liaise with the relevant ministries, national and international research institutes, NGOs, and other relevant institutions in order to involve their staff in the project activities, and to gather and disseminate information relevant to the project.
4. Foster and establish links with related national and regional projects, and other international programmes.
5. Provide elements and data to the Project Secretary for the preparation of the periodic progress reports on project implementation and ensure that all national project outputs are sent to UNEP.
6. Execute the project expenditures according to the project budget.
7. Arrange national workshops and trainings according to the project work plan. Attend, whenever possible, the relevant regional and international workshops, trainings and conferences.
8. Review all materials generated during the project.
9. Ensure the publication and dissemination of the reports identified as project outputs.
10. Liaise and conduct negotiations on co-operation with Government and financing institutions in order to identify and mobilize resources for the follow-up activities.

Qualifications

1. Advanced university degree in the fields related to climate change and/or environmental management;
2. Minimum of 7 years of working experience in the area relevant to the project;

3. Involvement in the preparation of the national GHG inventory, vulnerability and adaptation assessment.
4. Demonstrated ability in managing projects, and in liaising and cooperating with all project stakeholders including government officials, scientific institutions, NGOs and private sector;
5. Familiarity with international organizations operations and structure;
6. Substantial experience in Government and in interdepartmental procedures;
7. Familiarity with international negotiations and processes under the UNFCCC;
8. Fluent written and oral communication in English;
9. Strong communications and interpersonal skills;
10. Excellent computer knowledge (MS Office, Internet); and
11. Nepali citizen.

Duty Station: Kathmandu, Nepal

Duration: Nearly three years.

Note: The NPD will be assisted by the National Project Manager (NPM) which will be appointed by the Ministry of Environment, Science and Technology at Under-Secretary level. Most of the preparatory works assigned to the NPD will be accomplished by the NMP.

ACCOUNTANT

An Accountant will work on a part-time basis under supervision of NPD and in cooperation with PS. The function of the part-time accountant will be to:

1. Perform the work of book keeping;
2. Track payment/invoices/receipts and reconcile the accounts for the project ensuring that the funds are properly spent;
3. Ensure that there is proper accountability of the funds;
4. Prepare the expenditure statements in line with the UNEP budget code;
5. Advise on the appropriate utilisation of funds and sign on the accuracy of the expenditures along with the NPD designated representative.
6. Nepali citizen.

Qualifications

1. A university degree in economics/finance.
2. A minimum of 3 years of relevant experience.
3. Work experience with international organizations.
4. Knowledge of computers and word processing.
5. Excellent English.

Duty Station: Kathmandu, Nepal

Duration: Part-time work based on project assistance needed.

ADMINISTRATIVE ASSISTANT/SECRETARY

The incumbent will work on a full-time basis under supervision of National Project Director (NPD). The function of the secretary will be to:

1. Provide secretarial support to NPD and NPM.
2. Assist the NPD and NPM on co-ordinating all project activities with leaders of technical expert groups, and national institutions to ensure smooth and timely execution of project activities.
3. Assist the NPD and NPM in preparation of a project work plan and in drafting the project progress reports, cash advance statement, expenditure equipment inventory
4. Prepare the periodic progress reports on project implementation and ensure that all national project outputs are sent to UNEP.
5. Assist the NPD to arrange national workshops and trainings according to the project work plan. Attend, whenever possible, the relevant regional and international workshops, trainings and conferences.
6. Identify training needs of the contracted national consultants and other project stakeholders, and identify appropriate courses and trainings for national capacity building.
7. Nepali citizen

Qualifications

1. An advanced scientific university degree in climatic science or other related field.
2. Relevant experiences in the field of climate change
3. Familiarity with national communications, and with international negotiations and processes under the UNFCCC
4. The ability to work with a wide variety of people from governments, agencies, non-governmental organizations and research institutions.
5. Familiarity with computers and word processing
6. Excellent knowledge of Nepal
7. Good command in English.

Duty Station: Kathmandu, Nepal

Duration: Nearly Three years

THEMATIC Working Group ON GHG INVENTORY

Scope of Work

The Thematic Working Group on National GHG Inventory will be formed to carry out the GHG inventory (sources and sinks) in Nepal. The group will consist of experts from relevant ministries, institutions and agencies of government and non-government organizations including academia. The group will ensure that specific tasks relating to the national GHG inventory is carried out in a timely manner and will ensure efficient coordination of outputs of consultants and national institutions. The activities undertaken by the national institutions will contribute to strengthening institutional arrangements for compiling, archiving, updating and managing GHG inventories.

Duties and Responsibilities

Specific duties may be as follows:

1. Undertake national GHG inventories for the year 2000, according to the guidelines for the preparation of National Communications (17/CP.8)
2. Participate in the training workshop on the use of IPCC guidelines, and other relevant subjects;
3. Include information on the other non-direct GHGs according to the data availability.
4. Revise the input data, taking into consideration data gaps and areas needing improvement identified in the stocktaking exercise;
5. Collect/gather available activity data from national sources to fill inventory data gaps;
6. Identify and develop methods for overcoming inventory data gaps if there are no available data;
7. Identify barriers to obtaining existing data for key sources and propose solutions;
8. Archive relevant data for the project duration;
9. Calculate emissions for the year 2000 for all sectors;
10. Describe procedures and arrangements undertaken to collect and archive data for the preparation of national GHG inventories, as well as efforts to make this a continuous process, including information on the role of the institutions involved;
11. Utilize the deliverables under the regional project; and
12. Organize workshop for presentation and discussion on the results obtained from the GHG Inventory.

Qualifications and Skills

The institutions and/or expert individuals contracted for undertaking project activities should meet the following minimum criteria:

1. Sound and broadly-recognized scientific expertise on climate related research in Nepal;
2. Familiarity with the UNFCCC and IPCC technical guidelines; and
3. Prior experience in inventory preparation,

Expected output:

National GHG Inventory, in accordance with the UNFCCC guidelines will be carried out.

THEMATIC WORKING GROUP ON VULNERABILITY ASSESSMENT AND ADAPTATION

Scope of Work

The group will ensure implementation of specific activities outlined below, as well as coordination of the outputs of other consultants engaged outside the institution. The activities undertaken by the national institutions will also strengthen institutional arrangements for systematic climate observation, data management and control, processing and updating of meteorological and hydrological services data.

Duties and Responsibilities

Particular duties may be as follows:

1. Participate in the training workshop on V&A methods and tools available for V&A assessment work;
2. Analyze the climate changes for the period 1961-2000 for existing stations of the following parameters: temperature, precipitation, wind, cloudiness and sunshine hours;
3. Identify the data needs, availability and suitability, and establish datasets baselines of the assessment;
4. Analyze the existing climate data and parameters, by months and years;
5. Prepare climate maps using GIS technology;
6. Review the vulnerability assessment of the following sectors: agriculture, water resources, natural ecosystems, forestry, and human health, including identification of vulnerable areas that are most critical;
7. Integrated assessment of key socio-economic sectors using Integrated Assessment Modelling (IAM);
8. Describe links between climate, and socio-economic baseline conditions of the country in the most vulnerable sectors;
9. Based on the output of the vulnerability assessment, evaluate the feasibility of available adaptation measures to meet their specific needs and concerns arising from the adverse effects from the climate change;
10. Prepare a national adaptation action plan to implement those measures being of highest priority including clear distinction of responsibilities among the relevant stakeholders, timeframe for fulfilment/implementation of the recommended measures, financial means for implementation of the measures, and identification of possible barriers and risks;
11. Liaise and consult with the Technical Task Forces on Capacity Building/Technology Transfer and Research and Systematic Observation on issues relating to technology needs assessment and climatic conditions of Nepal;
12. Organize a workshop to present the results from V&A;
13. Prepare comprehensive report on the vulnerability assessment and national adaptation Action plan; and
14. Prepare a chapter on “Programs containing measures to facilitate adequate adaptation to climate change,” in accordance with the UNFCCC guidelines.

Qualifications and Skills

The institutions and experts contracted for undertaking project activities should meet the following minimum criteria:

1. Sound and broadly-recognized scientific expertise on climate related research in Nepal;
2. Prior experience in vulnerability assessment and adaptation process.

3. Highly qualified scientists working in the fields of climate observation and vulnerability analysis in the specific sectors; and
4. Familiarity with the UNFCCC, and IPCC methodology,

Expected output:

Report on vulnerability assessment and adaptation strategy for the following sectors: agriculture, water resources, forestry and human health is completed.

THEMATIC WORKING GROUP ON MITIGATION OPTIONS ANALYSIS

Scope of Work

The thematic Working Group on Mitigation will be responsible for carrying out GHG mitigation analyses and identifying mitigation options for Nepal. It will ensure timely and effective implementation of specific activities outlined below, as well as coordination with the outputs of other consultants engaged outside the institution.

Duties and Responsibilities

- 1 Based on the results from the GHG Inventory and future development plans, particularly in the energy and land use change and forestry sectors, develop a baseline and mitigation scenarios to abate the increase of GHG emissions;
- 2 Consider the main national economic and social development trends in the analysis, including expected GHG emissions in energy, agriculture, land-use change and forestry and waste management;
- 3 Extend the analysis on the side of energy consumption, including energy consumption in the industry (for heating, for technological processes), in the public sector and in the residential sector;
- 4 Revise the measures contained in the INC according to the latest economic development, including quantitative measures in all sectors;
- 5 Identify, formulate and prioritize programs containing measures to mitigate climate change within the framework of sustainable development;
- 6 Finalize the GHG mitigation analysis using the selected tools and additional background information in order to finalize the cost-benefit analysis of the different measures, develop a series of mitigation scenarios to abate the increase of the GHG emissions;
- 7 Liaise and consult with the Working Group on GHG Inventory and Technology Development and Transfer, and Research and Systematic Observation on matters relating to GHG inventories and on technology needs for mitigation;
- 8 Formulate a final national action plan to abate the GHG Emissions including information cost analysis, assessment of technology options for different mitigation options in various sectors, institutional capacity-building needs to sustain mitigation work, and the related legal and institutional frameworks;
- 9 Organize a workshop to present the results of the GHG Mitigation and draft national action plan; and
- 10 Prepare final report on GHG mitigation and national action plan, including comments from the stakeholders.

Qualifications and skills

1. The institutions contracted for undertaking project activities should meet the following minimum criteria:
2. Sound and broadly-recognized scientific expertise on climate related research in Nepal;
3. Experience in preparing scenarios for GHG mitigation through involvement in the National Communication recommended;
4. Qualified scientists working in the related areas: Energy, Agriculture, Land Use Change and Forestry, Waste; and
5. Familiarity with the UNFCCC, and software modelling tools.

Expected output:

A Completed GHG Mitigation report and National action plan for effective response to the GHG emissions.

1. The proposed activities will be undertaken in appropriate sequence so as to maximize the synergies between each component of the proposed activities, as well as the efficiency and cost-effectiveness for the implementation throughout the project cycle. Some proposed activities that are not related to each other, such as GHG inventory and vulnerability assessment, will be undertaken in parallel following the established guidelines and tools and methodologies.
2. Good practices in project implementation, such as the efficient use of financial and human resources, the engagement of qualified local and regional consultants, public participation throughout the project cycle, is adopted where appropriate.

THEMATIC WORKING GROUP ON RESEARCH AND SYSTEMATIC OBSERVATION**Scope of Work**

The thematic Task Force on Technology Transfer and Research and Systematic Observation will be responsible for carrying out by updating the technology needs for mitigation and adaptation taking into consideration the technology needs assessment if carried out timely; and for assessing the needs and priorities for research and systematic observation in Nepal. The group will ensure timely and effective implementation of specific activities outlined below, as well as coordination with the outputs of other consultants engaged outside the institution.

Duties and Responsibilities

1. Participate in a training workshop on the technology needs assessment and the use of the UNFCCC guidelines on research and systematic observation;
2. Carry out and/or update and refine technology needs for Nepal;
3. Prepare an analysis of the climatic conditions of various stations in Nepal;
4. Liaise closely and consult with the Working Group on GHG inventory, Vulnerability and Adaptation, and Mitigation on issues of relevance, especially on climate data, technologies and capacity-building;
5. Provide substantive input to the work of Vulnerability and Adaptation and Mitigation;
6. Formulate and/or update an action plan for technology needs for mitigation and adaptation including assessment of technology options in various sectors, institutional capacity-building needs, related legal and institutional frameworks;
7. Organize a workshop to present the updated results of the technology needs and research and systematic observation; and
8. Prepare final report on technology transfer issues and research and systematic observation, including comments from the stakeholders.

Qualifications and Skills

The institutions and or expert individuals contracted for undertaking project activities should meet the following minimum criteria:

1. Sound and broadly-recognized scientific expertise on various technologies and climate research in Nepal;
2. Experience in preparing a report on technology, research and systematic observation through involvement in the National Communication preferable;

3. Qualified scientists working on issues relating to climate, weather, meteorology and hydrological services;
4. Familiarity with the methodologies for technology needs assessment and the UNFCCC guidelines.

Expected output:

A completed technology needs for Nepal and a final report on Research and systematic observation including emerging needs and priorities is prepared.

THEMATIC WORKING GROUP ON EDUCATION, TRAINING AND PUBLIC AWARENESS, INFORMATION AND NETWORKING

Scope of work

The group will examine ways to promote climate change education, training and public awareness building on the work already done on this issue during INC activities. The group will ensure timely and effective implementation of specific activities outlined below, as well as coordination with the outputs of other consultants engaged outside the institution.

Duties and responsibilities

1. Compile and analyze information on activities/tasks relating to the implementation of the New Delhi work programme, BAPA and Nairobi Work Programme;
2. Compile and analyze information on activities/tasks relating to the implementation of the capacity-building framework of the UNFCCC;
3. Identify the needs and priorities for education, training and public awareness and capacity-building as they relate to GHG inventory, vulnerability and adaptation assessment, mitigation, technology transfer, research and systematic observation and other emerging priorities;
4. Prepare a draft National plan for implementation of Article 6 of the Convention and the UNFCCC capacity building framework;
5. Identify technology needs for information and networking;
6. Conduct a workshop on ways to promote climate change education, training and public awareness;
7. Prepare a chapter on: (i) Education, Training and Public Awareness, (ii) Information and Networking, (iii) capacity-building for inclusion in the compilation of the SNC.

Expected output:

A final report on education, training and public awareness, information and networking is prepared.

THEMATIC WORKING GROUPS ON NATIONAL CIRCUMSTANCES AND INTEGRATION INTO NATIONAL COMMUNICATION

Scope of work

The Group will be responsible for drafting the Second National Communication with input from the various thematic Working Groups. The group will ensure that all information pertaining to the SNC is compiled and disseminated for review and comment in a timely manner.

Duties and responsibilities

1. Compile the SNC in accordance with the UNFCCC guidelines based on information and or reports provided by the various Groups;
2. Liaise and consult with the various Groups on issues relating to their respective competencies;
3. Promote the integration of climate change concerns and issues into various Group reports;
4. Identify and highlight evolving needs and priorities relating to the preparation of second national communication and the implementation of the Convention;
5. Prepare a final draft of the SNC including executive summary and technical annexes (if any);
6. Conduct a national workshop on the SNC; and

Annex 2: CEO approval letter



Global Environment Facility

Monique Barbut
Chief Executive Officer
and Chairperson

October 23, 2007

1818 H Street, NW
Washington, DC 20433 USA
Tel: 202.473.3202
Fax: 202.522.3240/3245
Email: mbarbut@TheGEF.org

Ms. Carmen Tavera
Acting Deputy Director
Division of GEF Coordination
UNEP
Nairobi, Kenya

Dear Carmen:

I am writing in response to your request of 10 October to approve additional funds to support the preparation of national communications under the UNFCCC. I understand that the original proposal was approved by the GEF in 2004, and at that time, funding for 100 countries was allocated to UNDP and funding for 30 countries was allocated to UNEP. Now, I understand that there has been a shift of countries from UNDP to UNEP and also that several new countries whose participation was not anticipated in 2004 have submitted requests for support for their national communications. I also understand that UNDP and UNEP have made adjustments among themselves to cover the needed shifts of resources to cover countries jumping from one agency to another. However, this still leaves a financing gap.

As you are aware, support to the preparation of non-Annex I national communications is a primary responsibility of the GEF as the entity operating the financial mechanism of the UNFCCC. Therefore, I am today authorizing another US\$1,600,000 to cover the required costs of these national communications plus US\$160,000 (10%) to cover the agency fees associated with the newly funded activities.

I will have our team notify the Trustee of this total approval of US\$1,760,000 and that this funding should be taken from the remaining GEF-3 resources so that it will not be deducted from any country's resource allocation under the RAF.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Barbut", written over a horizontal line.

cc: M. Niamir-Fuller (UNEP); Y. Glemarec (UNDP); S. Gorman (WB)

Annex 3:

Definition of terms

Term	Meaning
Executing Agency	Partner directly managing the project, executing project activities, monitoring project progress, sub-contracting, managing project staff and funds, and carrying out other project management functions.
GEF Implementing Agency	Agency making the funding available and providing oversight during the entire project cycle and being held accountable to the GEF Council for delivering global environmental benefits. Responsibilities include ensuring fiduciary standards are applied, and supervising the development and implementation of projects, including monitoring and evaluation, on behalf of the GEF.
Project completion date	Date when substantive/technical activities carried out under the project are completed i.e. when all activities listed in the project document are satisfactorily completed, the envisaged outputs are produced and enough data is available to allow the Task Manager to prepare the final report.
Project effectiveness	Date of initial funds disbursement by the Implementing Agency.
Co-financing	These are project resources that are committed by the EA itself or by other non-GEF sources at the inception of the project, and which are essential for meeting the GEF project objectives. Meeting co-financing obligations and reporting on them is part of this legal agreement. Resources which are not committed as part of the essential financing package at the outset, but which are mobilized subsequently, are not considered “co-finance” but “leveraged” resources. Such leveraged resources will also be tracked.
Task Manager	DGEF staff assigned to oversee the project execution. He/she reports to the Director of DGEF.
Project implementation period	The period during which the project shall be implemented, starting from the project commencing date and ending on the project completion date.
Project inception meeting	Meeting to be organized when the project execution team is in place, the Steering Committee has been established and project partners sub-contracted. Key outputs of the inception meeting are: refined definition of roles and responsibilities among partners, agreed monitoring plan including key outcome indicators, means of verification, and plan for gathering any additional baseline data.
GEF fiscal year	The fiscal year for GEF is from 1 July to 30 June.
Project management costs	In accordance with GEF rules, project management costs should not exceed 10%. These refer to staff costs needed for project management and administration, and related office infrastructure. Any management costs in excess of the 10% would need to be borne by the EA (in-kind co-financing) or from third party co-financing.
Sub-project(s)	Project activities sub-contracted to a project partner. The EA is responsible for managing the sub-project(s).
Project closure date	Date when UNEP is able to financially close the project in UNEP’s accounting system, which shall be no later than 12 months after the project completion date.
Suspension	Refers to the temporary halt of project activities and financial disbursements. Written notification between The Parties should take place. Re-initiation of activities should also be communicated in writing.
Termination	Refers to the termination of project activities before the expected completion date and before all activities take place. Written notification between The Parties is essential and should be done at least 3 months in advance on intended termination date to allow for the orderly conclusion of activities and withdrawal of personnel.

Annex 4

Contact Details

Correspondence on substantive and technical matters shall be addressed to:

At the Partner	At UNEP
<p>Mr. Purushottam GHIMIRE Joint-Secretary and Chief Environment Division Ministry of Environment Government of Nepal Kathmandu, Nepal Tel: 00977-1-4211586 Fax: 00977-1-4211754 E-mail: puru@most.gov.np</p>	<p>Ms. Maryam Niamir-Fuller Director Division of GEF Coordination P. O. Box 30552 Nairobi 00100, Kenya Tel:+(254-20) 762-4166 Fax:+(254-20) 762-4041 Email:Maryam.Niamir-Fuller@unep.org</p>
<p>Mr. Batu Krishna UPRETY Under-Secretary (Technical) Environment Division Ministry of Environment Government of Nepal Kathmandu, Nepal Tel: 00977-1-4211586 Fax: 00977-1-4211754 E-mail: upretybk@most.gov.np</p>	<p>George Manful Senior Task Manager Division of GEF Coordination P.O. Box 30552 Nairobi 00100 Kenya Tel: +(254-20) 762-5085 Fax:+(254-20) 762-4041 Email: George.Manful@unep.org</p>

Correspondence on administrative and financial matters shall be addressed to:

At the Partner	At UNEP
<p>Mr. Rabi Rana Account Officer Ministry of Environment Government of Nepal Kathmandu, Nepal Tel: 00977-1-4211586 Fax: 00977-1-4211754 E-mail: info@most.gov.np</p>	<p>Chief, Corporate Services Section (CSS) P.O. Box 30552 Nairobi 00100, Kenya Tel:+(254-20) 762-5454 Fax:+ (254-20) 762-3718/3568 Email:css@unep.org</p>
<p>..... Ministry of Environment Government of Nepal Kathmandu, Nepal Tel: 00977-1-4211586 Fax: 00977-1-4211754 E-mail: info@most.gov.np</p>	<p>Martin Okun Fund Management Officer Division of GEF Coordination P.O. Box 30552 Nairobi 00100 Kenya Tel: +(254-20) 762-4079 Fax:+(254-20) 762-4041 Email: Martin.Okun@unep.org</p>

Annex 5

Project Supervision Plan

1. Project Name: **Second National Communication of Nepal to the UNFCCC (2009 -2011)**
2. Main Project Number: IMIS: GFL-2328-2724-XXXX
3. Expected project completion date (last revision or new expected completion date): **May 31, 2011**
4. Project balance:
 - a. Total GEF project budget: **USD 420,000**
 - b. Funds yet to be disbursed: **USD 405,000**
5. Date and venue for project inception workshop/ project steering committee meeting: 09-12 March 2009. **xxxxxxxxxx**.
6. Tentative cost of Task Manager participation in project inception workshop/ project steering committee meeting (travel + DSA): **3,000 USD**
7. Date of actual or planned Mid-Term Review: **To commence in mid 2010**
8. Dates of receipt of quarterly technical and financial project reports from EAs:
 - a. April 2009, July 2009, October, 2009, January 2010, etc
9. **Summary of project status as at 31st March 2009 (max. 300 words)**

The project would consist of three components:

- Component 1: National stocktaking and stakeholder consultations
- Component 2: Climate change enabling activities

Component 1: National stocktaking and stakeholder consultations

Under this component Task Manager has provided technical assistance to Nepal to carry out self-assessment and have prepared the SNC project document. The outputs of this phase include the elaboration of a generic national work-plan within the project document, which is endorsed by the national GEF and UNFCCC focal points. To prepare the detailed project document, preparatory fund of **US\$15,000** was made available to the country for stocktaking and national consultations.

Component 2: Climate change enabling activities

A project cooperation agreement is being internalised and will be signed between the Nepal and the UNEP, and the enabling activity funding of up to USD 405,000 will made available to the country. Task Manger will monitor progress in project implementation in accordance with project indicators and the agreed work programme and reviews quarterly technical and financial report submitted by the country. UNEP provides to the GEF secretariat half yearly updates of project status of project implementation. UNEP/Task Manager is developing a network of regional/sub-regional experts to provide technical backstopping to the Fiji national team on all facet of the preparation of the national report.

10. Planned supervision activities:
 - a. Feedback on substantive project technical reports : **quarterly progress reports**
 - b. Feedback to financial reports: **quarterly progress reports**
 - c. Number of expected project revisions: maximum of one **extension**.

- d. Required missions and full justification if over and above steering committee meeting participation (e.g., project inception workshop): **2 missions per over the period of project implementation**
- e. Indicative cost of above-mentioned missions (travel + DSA): **USD 3000/ mission**
- f. Written project outputs to be reviewed during the period (title, approximate length /No of pages): **Technical reports on GHG Inventories in the Energy, Industrial Process, Agriculture, Forestry, and Waste; Vulnerability and Adaptation Assessments, GHG Mitigation assessments; 50-80 pages each**
- g. Retrofitting of M&E plans/indicators (yes/no, and if yes, time to be spent): no
- h. Frequency of written/phone communications with executing agency: Since Nepal has very limited human and institutional capacity, frequent written/ phone communications with executing agency will be undertaken particularly within the first year of project implementation
- i. Preparation of PIR report (yes/no): **yes for the umbrella project**
- j. Planned additional project technical support/training if needed (please describe nature of such support, e.g., use of consultants, training event, etc.) with full justification: This is provided for under the project and within the framework of the National Communications Support Programme
- k. Activities related to project documentation management (mission reports, phone discussions with EA, etc.): **documentation of meetings/ telephone sessions, follow up on deliverables – bi monthly**

11. Project Risk Management:

- a. Half-yearly risk assessment (yes/no): Yearly
- b. For projects rated “Substantial” or “High” risk, risk mitigation plan, implementation or follow up (indicate whether plan exists and status of implementation). **This is to be established. Project requires thorough monitoring since human resource capacity is major constraint).**

12. Project communications and lessons learnt activities (indicate type of activity and time spent on preparation of communications materials, write ups of lessons learnt, presentations at side events, etc. not covered under previously described activities) *See umbrella project document (Upon successful implementation of the project, it will be a need to advertise these achievements)*

INVENTORY OF NON-EXPENDABLE EQUIPMENT PURCHASED
UNIT VALUE US\$ 1,000 AND ABOVE

Project title: _____

Project number: GFL-2328-pppp-nnnn Project implementation period: From _____ To _____
Report as at (ddmmyyyy): _____

Project executing partner: _____

Description (Non-expendable equipment)	Serial No.	Date of Purchase	Original Price (US\$)	Purchased/ Imported from (Name of Country)	Present Condition	Location	Remarks/ Recommendation for disposal

Total (as per Budget Line 4299) -

Description (Items of attraction)	Serial No.	Date of Purchase	Original Price (US\$)	Purchased/ Imported from (Name of Country)	Present Condition	Location	Remarks/ Recommendation for disposal

Total -

The physical verification of the items was done by:

Name: _____
(duly authorized official of project executing partner)

Signature: _____

Title: _____

Date: _____

Equipment transfer letter template



UNITED NATIONS ENVIRONMENT PROGRAMME

Programme des Nations Unies pour l'environnement Programa de las Naciones Unidas para el Medio Ambiente

Программа Организации Объединенных Наций по окружающей среде برنامج الأمم المتحدة للبيئة

联合国环境规划署



Reference: **Project Reference: GFL-2328-pppp-nnnn**

Date:

LETTER OF AGREEMENT/TRANSFER

The United Nations Environment Programme (UNEP) hereby agrees to transfer, free-of-charge, to the (name of executing partner) the items in the appended Annex purchased against the Project (title of project) it being understood that once the transfer has been acknowledged, UNEP shall no longer be responsible for any operating, insurance or maintenance costs of the said items:

On behalf of the United Nations Environment Programme (UNEP)

[Name]
Chief, Corporate Services Section (CSS)
UNEP

Date

On behalf of the Executing Partner

Name & Title
Organization Name

Date

Corporate Services Section
P.O. Box 30552, 00100 Nairobi, Kenya,
Tel: (254 20) 762 5454 . Fax: (254 20) 762 3718/3568 . E-mail: css@unep.org
www.unep.org

Third party form template

THIRD PARTY REQUEST FORM

Any Payee except Vendors and Persons

(Government, Other UN Entities, Field Offices, Specialized Agencies, etc.)

CREATE <input type="checkbox"/>		MODIFY <input type="checkbox"/>	
ID Code:		(To be completed by UNEP)	
Long Name:		Ministry of Environment, Science and Technology	
Short Name:		MoEST	
Address:		Secretariat Complex, Singhdurbar	
City:		Kathmandu	
State or Province:		X	
Country:		NEPAL	
Postal Code:		+977-1	
Contact Name:		Mr. Purushottam GHIMIRE	
Phone number:		+977-1-4211586	
Representing Country:		NEPAL	
BANKING INFORMATION			
Beneficiary Bank Name:	Nepal Rastra Bank	Correspondent Bank Name:	x
Beneficiary Bank Address:	Thapathali, Katmandú, NEPAL	Correspondent Bank Address:	(if applicable) x
Beneficiary Bank Account Name:	Sa. Aa.	Correspondent Bank Account Number:	x
Bank Account Number:	153296	IBAN No:	(if applicable)
Bank ABA/Swift Code:	NRBL, NPKA	Swift Code:	x
State/Province: Postal/ZIP Code: Country:	NEPAL	Country:	x
(Reminder: It is important to indicate complete bank details to enable us to efficiently transfer funds to your accounts. Different countries have different codes. Example: USA - 9 digit ABA, UK – 6 digit Sort code, KEN - 6 digit BICKE)			
*****Please provide information for all boxes highlighted in yellow*****			
<i>To be completed by UNEP</i>	<i>Name</i>	<i>Date</i>	<i>Signature</i>
<i>Requesting Officer</i>	Mr. Purushottam GHIMIRE	3 July 2009	
<i>Chief of Accounts Unit</i>	Mr. Rabi RANA	3 July 2009	
<i>Third Party table maintenance clerk</i>			
<i>Treasury Unit Approving Officer</i>			

CASH ADVANCE STATEMENT
(for projects where only the GEF project grant is channeled through UNEP)

Project title: _____
 Project number: GFL-2328-pppp-nnnn
 Project executing partner: _____

Project implementation period: From: _____ To: _____
 Cash requirements for the period: From: _____ To: _____

GEF APPROVED BUDGET		US\$
For use by project executing partner	A	
For use by UNEP - budget lines (insert numbers)		
Total approved GEF Trust Fund budget		-

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

Cash advances for project received from UNEP to date		US\$
Advance number	Date received	
1	_____	
2	_____	
3	_____	
4	_____	
5	_____	
6	_____	
Total cash advances received to date	B	-
Cumulative expenditures reported to date	C	
Cash balance held by executing partner	D = B-C	-

CASH ADVANCE REQUIREMENT

<u>Estimated disbursements</u> for the next period (as analyzed on the appended schedule)	E	
New cash advance requested	F = E-D	-

BALANCE OF GEF APPROVED BUDGET NOT YET REQUESTED

Total GEF budget approved for executing partner	A	
Total cash advances received to date	B	
New cash advance requested	F	
GEF approved budget not yet requested	H = A-B-F	-

Request approved by _____ Date _____
 Duly authorized official of the project executing partner

For UNEP official use only

	Name	Signature	Date
I certify the figures reported in A, B, C & D and totals above are correct and are properly recorded in IMIS		_____	_____
I confirm that a cash advance of US\$ is appropriate in view of the progress of the project		_____	_____

UNEP DGEF certifying officer

UNEP project Task Manager

DETAILS OF THE ESTIMATED DISBURSEMENTS FOR THE NEXT PERIOD

From: _____

To: _____

BL*	Budget Line description	Expenditure Estimate	Explanation
1101	Project Personnel		
1201	Consultant		
1301	Admin personnel		
1601	Travel on official business		
2101	Sub-contract (UN agency)		
2201	Sub-contract (supporting organization)		
2301	Sub-contract (business entity)		
3201	Group training		
3301	Meeting/Conference		
4101	Expendable equipment		
4201	Non-expendable equipment		
4301	Premises		
5101	Operations and Maintenance		
5201	Reporting		
5301	Sundry		
99	Total (as per E in Cash Statement)	-	

*Budget Lines (BL) in this report shall be exactly as specified in the approved budget of the project.

**United Nations Environment Programme
Quarterly Progress Report
Reporting Period: From... to....**

1. PROJECT GENERAL INFORMATION

Project Title:					
Executing Agency:					
Project partners:					
Geographical Scope:					
Participating Countries:					
Project actual start date		Project intended completion date		Project expected completion date	

2. PROJECT PROGRESS AND RISK MANAGEMENT

2.1 Narrative of project progress during the past semester³

--

2.2 Project implementation progress⁴

Outputs⁵	Expected completion date⁶	Implementation status as of end of reporting period expressed in %	Comments if variance⁷. Describe any problems in delivering outputs

³ Briefly describe progress made during the previous six months highlighting major outcomes/benchmarks achieved during the period.

⁴ Information provided in “Quarterly Expenditure Statement and Explanation of Expenditures Reported” should be in line with output/activity progress reported in this table.

Outputs ⁵	Expected completion date ⁶	Implementation status as of end of reporting period expressed in %	Comments if variance⁷. Describe any problems in delivering outputs
Output 1: (<i>describe</i> ⁸)			
Activity 1: (<i>describe</i>)			
Activity 2:			
Activity 3:			
Output 2:			
Activity 4:			
Activity 5:			
Activity 6:			
Output 3:			
Activity 7:			
Activity 8:			
Activity 9:			
Output 4:			
Activity 10:			
Activity 11:			
Activity 12:			
Output 5:			
Activity 13:			
Activity 14:			
Activity 15:			
Activity 16:			

2.3 Action plan to address any project shortcomings.

This section should be completed if project progress was rated MS, MU, U or HU during the previous by the Mid-term Review/Evaluation.

Problem(s) identified	Action(s) taken	By whom	When
------------------------------	------------------------	----------------	-------------

⁵ Outputs and activities as described in the project logframe or in any updated project revision.

⁶ As per latest workplan (latest project revision)

⁷ Variance refers to the difference between the expected and actual progress at the time of reporting.

⁸ Information on expected date of output completion and progress made is a requirement.

Problem(s) identified	Action(s) taken	By whom	When

2.4 Risk management

If internal or external risks were rated as **Substantial** or **High** during the previous during the Mid-term Review, please indicate what risk mitigation measures were implemented during the period and with what results:

Risk Statement	Action taken	By who	Date	Result

3. MONITORING AND EVALUATION

3.1. Please describe activities for monitoring and evaluation carried out during the reporting period⁹

--

4. INVENTORY OF STAFF, CONTRACTS, MEETINGS AND OUTPUTS

4.1 Staffing details of Executing Partner (Applies to personnel, experts, consultants paid by the project budget)

Functional Title	Nationality	Budget Line (1101, 1102, 1201,1301, etc)

4.2 Sub-contracts¹⁰

Name of contractee	Address	Budget Line (2101, 2201, 2301, etc)

⁹ Do not include routine project reporting. Examples of M&E activities include baseline data collection, stakeholder surveys, field surveys, steering committee meetings to assess project progress, peer review of documentation to ensure quality, mid-term review, etc.

¹⁰ Expand table if necessary

4.3 Meetings¹¹

Meeting type ¹²	Title	Venue	Dates	Convened by	Organized by	Number of participants	Report issued Yes/No	Language	Dated

4.4 List(s) of meeting participants¹³

No.	Name of participant	Nationality

4.5 Documents, other printed materials, videos, and soft products (such as CDs or websites)

No	Type ¹⁴	Title	Author(s) Editor(s)	Publisher	ISBN	Publication date

Name of Project Manager:		Name of Project Manager Supervisor:	
Signature:	Date:	Signature:	Date:

¹¹ Expand table if necessary

¹² Meeting types: Inter-governmental meeting, expert group meeting, project inception workshop, training workshop/seminar, partners consultation workshop, project Steering Committee meeting, other.

¹³ Expand table if necessary

¹⁴ Documents and printed material types are: Report to inter-governmental meeting, technical publication, meeting report, technical/substantive report, brochures, media releases, etc.

FINAL REPORT

1. Background Information

1.1	Project Title:
1.2	Project Number:
1.3	Responsible Divisions/Units in UNEP:
1.4	Project starting date:
1.5.	Project completion date:
1.6	Reporting Period:
1.7	Reference to UNEP Sub-Programme/GEF Strategic Priority and expected accomplishments:
1.8	Overall objectives of the project: (maximum quarter of a page)
1.9	Total Budget (US\$): (specify contributions by donor/s)
1.10	Partners and leveraged resources:
	Describe collaboration with partners. Specify supporting organizations as well as cooperating agencies and state their role.
	List the additional resources leveraged (beyond those committed to the project itself at time of approval) as a result of the project (financial and in-kind)

2. Project Status

2.1	Information on the delivery of the project		
	Activities/Outputs (as listed in the project document)	Status (complete/ongoing)	Results/Outcomes (measured against the performance indicators stated in the project document)
2.2	List lessons learned and best practices		
2.3	State how the project has nurtured sustainability. Is the project or project methodology replicable in other countries or regions? If yes, are there any concrete examples or requests?		

3. List of attached documents

	(For example: publications, reports of meetings/training seminars/workshops, lists of participants, etc.)
--	---

Name and Title of Project Manager:		Name of Division Director:	
Signature:	Date:	Signature:	Date:

Quarterly expenditure statement template

Project No: GFL-2328-2724-xxxx

PMS: GFL-2020-09

		Actual expenditures incurred for year				Cummulative Expenditures for the year	Unspent Balance for year
		Project Budget Allocation for year	Jan-March Qtr 1	April -Jun Qtr 2	July -Sep Qtr 3		
		A	B	C	D	F=B+C+D+E	G=A-F
PROJECT PERSONNEL COMPONENT							
1101	National Project Director						
1201	National Circumstances						
1202	Data collection for the years 1995 to 2006 for the estimation of CO ₂ , N ₂ O, CH ₄ , NO _x , CO, NMVC, SO ₂ as well as for HFCs, PFCs and SF ₆ , using 2000 as the base year for the GHG inventory.						
1203	Conducting quality control and quality assurance of inventory data based on IPCC Good Practice Guidance and Uncertainty Management in National GHG Inventory, including key category analysis. Data analysis using sectoral and reference approaches based on 1996 IPCC Guidelines on national inventories						
1204	Establishment and maintenance of a database for CO ₂ , N ₂ O, CH ₄ and other greenhouse gases as appropriate.						
1205	Projection of GHG emission trends up to 2020						
1206	Preparation of the <i>National Inventory Report(NIR)</i> , including identification of follow-up activities						

1207	Collation of climatological/meteorological data showing trends in climate variability and climate change						
1208	Development of the detailed climatic scenarios, mapping of climate change indicators using new climatic scenarios corresponding to the latest GHG emission scenarios (SRES IPCC) for 2030, 2050 and 2080, including the method of statistical interpretation (“downscaling”) of the outputs of General Circulation Models (GCMs)						
1209	Trend analysis and construction of scenarios for relevant sectors including agricultural development						
1210	Vulnerability assessments, including modelling, where appropriate						
1211	Climate change impact assessment, including modelling for all relevant socio-economic sectors such as water resources, coastal zones, agriculture, etc						
1212	Development of recommendations on zoning for forestry and agricultural needs, water resources etc including identification of risk zones (construction of maps using GIS)						
1213	Development of the National Strategy on Adaptation to Climate Change including the preparation of detailed project outlines in all relevant sectors of the economy for further elaboration in future studies.						
1214	Projection of emission reduction up to 2020 based on improved GHG data for the following sectors: energy, industrial processes, agriculture, land use change and forestry, and waste						
1215	Assessment of mitigation measures in energy efficiency and conservation in industrial, commercial and residential sectors						
1216	Assessment of need for the development of legal and economic instruments to address mitigation measures.						
1217	Development of measures to mitigate climate change and write the Report on the mitigation assessment and prepare a draft chapter for inclusion in the SNC for submission to the COP)						

1218	Programmes to measure to mitigate climate change						
1219	Other Relevant Information Integrating climate change considerations into social, economic and environmental policies and actions						
1220	Other Relevant Information (Environmentally sound technologies)						
1221	Other Relevant Information (Education, Training and Public Awareness)						
1222	Other Relevant Information (Capacity-Building)						
1223	Other Relevant Information (Information and Networking)						
1224	Other Relevant Information (Research, systematic observations and early warning systems)						
1225	Constraints and gaps, related financial, technical and capacity needs						
1301	Project Administrative Assistant						
1302	Accountant (part time)						
1601	Staff Travel (International)						
3201	National GHG Inventories – Organisation of a workshop in the beginning of project) for the Inventory group and stakeholders. Presentation of the NIR at the end-of-project workshop.						
3202	National GHG Inventories (Organise second national training workshop)						
3203	Organisation of two workshops (in the beginning, and at the end of project) for the vulnerability group and stakeholders. Presentation of the draft <i>National Strategy on Adaptation to Climate Change</i> at the end-of-project workshop						
3204	Capacity-building, including participation in the subregional/ regional/ international training workshops on V&A analysis						
3205	Organisation of two workshops (in the beginning, and at the end of project) for the GHG mitigation group and stakeholders. Presentation of the draft <i>National Strategy on GHG Mitigation</i> at the end-of-project workshop						
3206	Capacity-building, including participation in the subregional/ regional/ international training workshops mitigation measures						

	analysis.						
3207	Technical capacity-building, including participation in the sub regional/regional / international training workshops on GHG inventory.						
3208	Technical Assistance – technical capacity-building, including participation in the subregional/regional / international training workshops on GHG inventory as well as engaging regional/international consultants to assist with GHG Inventory, GHG mitigation and V&A training)						
3301	Organization of a Project Inception workshop						
3302	End of project workshop to review and endorse draft SNC						
4201	Equipment (PCs + printers) including consumables and logistical expenses for 3 years						
5201	Compilation and publication and submission of SNC to COP including a validation workshop						
5202	Bank charges						
5301	Communication Cost (internet, telephone, fax and courier service)						
5302	Independent Audit						
5502	Monitoring and Evaluation						
Project Total							

Project No: Co-finance template Annex 11

Project Title: SNC Nepal

OBJECT OF EXPENDITURE		GEF/ GOVERNMENT CONTRIBUTION		TOTAL US \$
		GEF US\$	GOVT/ UNEP US\$	
10	PROJECT PERSONNEL COMPONENT			
1101	Project Coordinator			
1102	Technical consultant 1			
1103	Technical consultant 2			
1301	Financing/accounting support (part time)			
1601	National Travel			
2301	Preparation of Synergies Report			
2302	Surveys/Questionnaires			
2303	Preparation of documentary research and analysis			
3201	Inception Workshop			
3202	Thematic Workshops (2 days each)			
3301	National Meeting			
3302	Meeting to Launch the Final Action Plan			
3303	Media Brief			
4101	Office supplies			
4102	Library acquisitions			
4103	Computer Software			
4201	Computer			
4202	Office equipment (computer desk, etc)			
4301	Office Space			
4399	Total			
5104	Rental & maint. of other office equip			
5105	Rental of meeting rooms & equip.			
5201	Publications/printing			
5202	Translation/editing			
5301	Communications			

Project Title: SNC Nepal

OBJECT OF EXPENDITURE	GEF/ GOVERNMENT CONTRIBUTION		TOTAL US \$
	GEF US\$	GOVT/ UNEP US\$	
5303 Postage			
5401 Hospitality and entertainment			
5499 Total			
5501 Consultant			
99 GRAND TOTAL			