

June 30, 2011

Comments from Germany on Nepal's Strategic Programme for Climate Resilience

Dear Patricia and Andrea,

Pls find attached Germany's comments for the NEPAL SPCR.

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Summary

We would like to congratulate the Government of Nepal (GoN), especially the Ministry of Environment (MoE), for designing and presenting a sophisticated SPCR document. The SPCR document contains a sound vulnerability assessment, which is especially remarkable considering the lack of comprehensive data and projections on climate change in Nepal, and a highly diverse mountainous landscape posing daunting obstacles to a precise assessment and planning process. The identified key climate change risks (water quality and quantity, disasters, food security and ecosystem health/biodiversity) are well justified. Links with existing development policies in Nepal (*Five-Year-Plans, National Adaptation Programme of Action* etc.) and activities of other development partners are well documented. Each of the proposed components responds to the identified climate change risks. We particularly welcome the SPCR's commitment

to strengthen capacities and institutions to integrate climate change risk management into development planning;

to combine disaster risk management with improving the hydro-meteorological monitoring network of Nepal;

to develop weather insurances in Nepal.

Overall, there are no major objections from our point of view.

However, we suggest adding clarifications on the **implementation capacities of the GoN**. The SPCR document outlines significant needs for and challenges of building capacity and ensuring coordination within the GoN, particularly under the lead of the newly established MoE. The SPCR document should address, how, under such circumstances, the successful, effective, and efficient implementation of the substantial PPCR funds (110 Mio. US\$) would be ensured, especially in view of the rather tight timeframe.

In addition, we suggest elaborating further on aspects of **sustainability**. Components 1 and 2 require the GoN to take over and continue activities independently after the PPCR will have phased out. The GoN will need to commit long-term funds to ensure the sustainability of Components 1 and 2. This especially applies for maintaining the planned real-time hydro-meteorological monitoring and early warning systems under the *Department for Hydrology and Meteorology* (DHM).

Furthermore, we suggest taking the recommendations made below (see **bold** highlights) into account during the following steps of programme preparation.

Comments on Individual Projects / Measures

Component 2: Building Resilience to Climate Related Hazards

This component lies at the strategic heart of the SPCR and could potentially have extensive positive and synergetic effects on the other components and on programmes beyond the PPCR (climate-sensitive development planning, disaster risk management, food security, agro-business, water management, natural resource management, transport, tourism etc.). Being designed around the arguably weak and neglected *Department for Hydrology and Meteorology* (DHM), Component 2 faces significant challenges in terms of and implementation capacities and sustainability. DHM will require substantial continued technical assistance to first systematically upgrade the network of hydro-meteorological stations and then maintain it. Currently, DHM is understaffed and underfunded for this task. In the long run, PPCR cannot fill this gap. The challenge to absorb the proposed budget of 41 million US\$ for Component 2 within four years will be considerable, given the limited experience and capacities of DHM in implementing interventions of that complexity and financial magnitude.

We recommend that much attention be given to strengthening DHM technically and institutionally within the landscape of government organizations. We also recommend that the GoN commit increased long-term funding for staff and maintenance costs to enable DHM to keep its upgraded services operational for many years after PPCR has phased out. Ideally, this commitment should be conditional for completing the preparation phase of Component 2.

It remains somewhat unclear to us who, in the long run, will be the insurance provider. The project proposal does not discuss cooperation with insurance companies. It would seem unlikely to us, though, that government ministries would be best positioned as insurance providers. The proposal does mention, however, that “NGOs may also play an important role”. While they, working at the grassroots level, certainly have an important role in implementing micro-insurance/finance programmes, they can probably not act as a substitute for an insurance company in the long run. **Before this background, we recommend that the questions of whether and how there will be cooperation with insurance companies be discussed at a much greater level of detail during the coming steps of programme preparation.**

On the technical side, a major obstacle to real-time data transmission will be mobile phone network reliability. In large parts of Nepal, reception is unstable, while satellite-based telemetry alternatives are rare and expensive. **We recommend giving particular attention to this problem in the programme preparation phase.**

Component 3: Mainstreaming Climate Risk Management in Development

Regarding Activity 1.3 “Establish climate change risk management screening system for development projects”, **we recommend pursuing the establishment of a standardized climate risk management approach, which should be mainstreamed into all GoN development planning procedures.** To ensure sustainability in the light of high staff turnover in the public administration of Nepal, **we suggest creating a consultant market with consultants and trainers (of trainers) knowledgeable in the championed climate risk management approaches. The names of consultants and trainers should be published by the MoE so that other government institutions and also development partners could locate and hire them.**

Component 4: Building Climate Resilient Communities through Private Sector Participation

We particularly appreciate the value/supply chain perspective taken in this component, rather prominently for instance in the *Investment Project-1: Public and private sector collaboration to enhance food security through promoting climate resilient agriculture.*

Comments on Cross-Cutting Issues

Participation

We highly appreciate the extensive efforts of the GoN, especially the MoE, and the participating MDBs in allowing for non-exclusive participation of various stakeholders throughout the planning process so far. We encourage all parties involved to maintain a high level of participation in the preparation and implementation phase. **With regard to information dissemination, we would appreciate a more systematic and proactive approach.**

Gender

Women have been identified as particularly vulnerable to the negative impacts of climate change in Nepal. Gender aspects have been widely taken into account in the analytical parts of the SPCR. **We recommend developing gender-sensitive impact indicators in the preparation phase especially in Components 1, 2, and 5, as women will be both key target groups and crucial stakeholders for a successful implementation.**

Learning

The SPCR document has a short dedicated paragraph on knowledge management, which could provide more details. We understand responsibilities will be shared between the MoE Climate Change Unit and PPCR staff within the MDBs. Knowledge management initiatives have also been initiated under Nepal's NAPA including a *Climate Change Knowledge Management Centre* again under the MoE. **Considering the limited capacities and inexperience in knowledge management in the MoE, and especially in the newly established *Climate Change Unit*, we recommend**

paying particular attention to designing a harmonized knowledge management regime, customized for all five components;

aligning carefully with NAPA knowledge management while avoiding unnecessary additional work load on the MoE;

building on the MDBs established skills in knowledge management to substantially support the MoE in this task.

Synergies with German Climate Change Related Engagement in Nepal

We highly appreciate the very professional attitude towards an open and participatory process and sound donor harmonization. GIZ was in contact with the MoE and participating MDBs on various occasions throughout the process of SPCR preparation, has contributed its global expertise in weather and crop insurances, and GIZ staff have participated in the SPCR *Final Programming Mission in February 2011*. The SPCR document (on its pages 35 and 43) highlights relevant links to the ongoing German support

in the sub-national governance programme (SUNAG), which plans activities in the field of climate risk management, and

to the Department for Hydrology and Meteorology in the field of automatic climatic and environmental monitoring as part of the German support to the Kailash Sacred Landscape Initiative.

The German side has offered to continue the active cooperation, through GIZ, during the preparation phase, especially in Components 2, 3 and 4.