

5/5/2017

**[Approved by mail] Request for Extension - Investment Plan for Nepal (FIP) – Approval Notification  
Approved on May 5, 2017**

Dear FIP Sub-Committee members:

We are writing regarding the request from the Government of Nepal to extend the two-year period for submitting their Investment Plan to the FIP Sub-Committee for endorsement.

The time period provided for submission of comments and any objection to the decision has now expired. No objections were received. We are, therefore, pleased to inform that the following decision is approved:

**The FIP Sub-Committee reviewed the request from the Government of Nepal to extend the two-year period for submitting their Investment Plan to the FIP Sub-Committee for endorsement.**

**The Sub-Committee approves the extension, up to the FIP Sub-Committee meeting in December 2017, for submitting the Investment Plan to the Sub-Committee for endorsement.**

**The Sub-Committee requests an update on progress in finalizing the Investment Plan by July or August, 2017.**

Sincerely,

**Mafalda Duarte**  
**Program Manager**  
**Climate Investment Funds**

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5/3/2017

**[Approval by mail] Request for Extension - Investment Plan for Nepal (FIP)  
-Response from the United Kingdom**

Dear Mafalda

On the basis of this explanation the UK can approve the request for an extension. We would appreciate an update by email on progress by July/August 2017

Regards

*Colette*

Colette O'Neil  
Programme Manager  
International Team  
Climate and Environment  
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VMR Conference ID: **402020953** (Colette's VMR details)

VMR Access Code is **6656** followed by the # key



5/2/2017

**[Approval by mail] Request for Extension - Investment Plan for Nepal (FIP)  
- Response to the United Kingdom from the Government of Nepal**

The FIP focal point for Nepal would like to inform the Sub-Committee that the international consultant to support the REDD Implementation Center with the development of Nepal's Investment Plan has been hired. The selection of the local firm is well advanced and will be concluded by mid-May.

In addition, we would also like to inform the Sub- Committee that the World Bank just concluded a FIP technical mission to provide continuous implementation support to REDD IC.

4/28/2017

**[Approval by mail] Request for Extension - Investment Plan for Nepal (FIP)  
-Comments from the United Kingdom**

Dear FIP Sub-Committee members:

We are writing regarding the request from the Government of Nepal to extend the two-year period for submitting their Investment Plan to the FIP Sub-Committee for endorsement. The representative from the United Kingdom has requested an update on activities supporting the IP preparation process.

At this time, the deadline for the no-objection approval will remain May 4, 2017.



The full text of the decision is below:

**The FIP Sub-Committee reviewed the request from the Government of Nepal to extend the two-year period for submitting their Investment Plan to the FIP Sub-Committee for endorsement.**

**The Sub-Committee approves the extension, up to the FIP Sub-Committee meeting in December 2017, for submitting the Investment Plan to the Sub-Committee for endorsement.**

Sincerely,

**Mafalda Duarte**  
**Program Manager**  
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4/20/2017

**[Approved by mail] Request for Extension - Investment Plan for Nepal (FIP)**

Dear FIP Sub-Committee members:

You will recall that in January 2017 the FIP Sub-Committee approved the document entitled, FIP/SC.17/5/Rev.1, *Pipeline Management policy (FIP)*, for effectively managing the pipeline under the Forest Investment Program.

The document notes that new pilot countries accepted into the FIP should submit their investment plans for endorsement within a 24-month (2-year) timeframe from the date of acceptance into the SCF, or as directed by the Sub-Committee. It further states that should any of the pilot countries be unable to submit their Investment Plan (IP) for endorsement within the two-year period, these countries may request an extension, to be presented to the Sub-Committee, who will then determine if an extension can be granted and if so, for what timeframe.

We are writing to notify you that the Government of Nepal is requesting an extension to the two-year period for submitting its Investment Plan to the FIP Sub-Committee for endorsement.

Please find attached the request for an extension and a letter from the Ministry of Environment supporting the extension, for your review and approval.

The FIP Sub-Committee is requested to approve the following decision:

**The FIP Sub-Committee reviewed the request from the Government of Nepal to extend the two-year period for submitting their Investment Plan to the FIP Sub-Committee for endorsement.**

**The Sub-Committee approves the extension, up to the FIP Sub-Committee meeting in December 2017, for submitting the Investment Plan to the Sub-Committee for endorsement.**

If we do not receive an objection to the proposed decision by close of business on *May 4, 2017*, the decision will be approved.

Sincerely,

**Mafalda Duarte**  
Program Manager  
Climate Investment Funds

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May 16, 2017

Mr. Dhananjaya Paudyal  
Joint Secretary  
Foreign Aid Coordination Division  
Ministry of Forests and Soil Conservation  
Singha Durbar, Kathmandu

Dear Mr. Paudyal,


**Re: Approval of Government of Nepal's Request for Extending the Submission Date  
for Nepal FIP Investment Plan**

We refer to your letter dated April 19, 2017 to the Forest Investment Program (FIP) Sub-Committee of the Climate Investment Funds for extending the submission date for Nepal FIP Investment Plan. I am pleased to inform you that the FIP Sub-Committee has approved your request.

I would like to assure you our commitment to support the REDD Implementation Centre (RIC) of your Ministry in successfully completing the Forest Investment Program.

As discussed by our team, we now look forward to receiving the Nepal FIP Investment Plan and discussing in November 2017. Should you have any questions, please contact the Task Team Leader, Andrea Kutter (email: [AKutter@worldbank.org](mailto:AKutter@worldbank.org)) and Drona Ghimire (email: [dghimire@worldbank.org](mailto:dghimire@worldbank.org)).

Sincerely,



Lakuya Kamata  
Country Manager

cc: Mr. Prakash Mathema, Secretary, Ministry of Forests and Soil Conservation  
Dr. Baikuntha Aryal, Joint Secretary, IECCD, Ministry of Finance  
Dr. Sindhu Prasad Dhungana, Joint Secretary/Chief, REDD Implementation Centre  
Mr. Surya Prasad Pokharel, Under Secretary, IECCD, Ministry of Finance  
Mr. Mohan Poudel, Under Secretary, REDD Implementation Centre  
Mr. Subas Parajuli, Section Officer, Ministry of Finance



Government of Nepal  
Ministry of Forests and Soil Conservation

Foreign Aid Coordination Division

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Ref. No. 203



P.O.Box No. 3987  
Singha Durbar, Kathmandu

Date :- 19<sup>th</sup> April 2017

**Subject: Request for Extending the Submission Date for Nepal's FIP Investment Plan**

Dear FIP Sub-Committee,

In May 2015, the FIP Sub-Committee approved the request from the Government of Nepal to participate in the FIP and allocated USD 24 million to co-finance activities that initiate transformational changes in the forest and forest-relevant sectors. In addition, USD 4.5 million were allocated to the FIP Dedicated Grant Mechanism for Indigenous Peoples and Local Communities. Nepal's expression of interest presented a compelling argument for the value the FIP could add to addressing the forest challenge in Nepal. The REDD Implementation Center (REDD IC) in the Ministry of Forests and Soil Conservation (MoFSC) was identified as the Focal Point for FIP.

In May 2015, the FIP Sub-Committee approved the request from the Government of Nepal to participate in the FIP and allocated USD 24 million to co-finance activities that initiate transformational changes in the forest and forest-relevant sectors. In addition, USD 4.5 million were allocated to the FIP Dedicated Grant Mechanism for Indigenous Peoples and Local Communities. Nepal's expression of interest presented a compelling argument for the value the FIP could add to addressing the forest challenge in Nepal. The REDD Implementation Center (REDD IC) in the Ministry of Forests and Soil Conservation (MoFSC) was identified as the Focal Point for FIP.

As you know, a month earlier, in April 2015, an 8.1 magnitude earthquake resulted in a tragic loss of lives and devastating destruction to the Nepalese people's property and livelihoods. For several months, the country's priorities shifted to rescue emergencies and restoration of basic services in severely affected areas of Nepal. During that period, all activities in the Ministry of Forests and Soil Conservation were put on hold.

In September 2015, Nepal faced acute shortages of fuel, cooking gas, medicines and other supplies because of a two-month long blockade of the main border crossings with India. The blockade and the resultant shortages of fuel and goods also brought the reconstruction efforts following the earthquake to a standstill.

In June 2016, a World Bank scoping mission took place and discussed with the REDD IC the process for developing Nepal's FIP investment plan, including a preliminary timeline for the delivery.

In October 2016, the first Joint Mission took place which formally launched the FIP process in Nepal. A 3-day workshop brought together relevant stakeholders, including government agencies, the private sector, and Indigenous Peoples and local community groups to learn about the features of FIP



Government of Nepal

## Ministry of Forests and Soil Conservation



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Date :-

and brainstorm on the potential use of the allocated resources. The workshop also provided an opportunity to introduce the Dedicated Grant Mechanism for Indigenous peoples and Local Communities (DGM) as integral part of the FIP. It was agreed that the FIP Investment Plan for Nepal will build on the FCPF engagement and integrate the activities listed in the Emission Reduction Program Document (ERPD) that need upfront finance as part of the investment needs for protecting Nepal's forests.

Since October 2016, we have made several advances:

- An inter-ministerial Steering Committee was created to advise REDD IC on the FIP ;
- TORs for a technical and procurement specialists have been finalized and the hiring process initiated. The technical specialist will assist REDD IC with the overall FIP preparation process, including the organization of stakeholder consultations. The procurement specialist will enhance REDD IC's capacity to implement the FIP grant and the additional funding provided through the FCPF Readiness Fund;
- The preparation grant in the amount of USD 250,000 to cover the costs associated with the development of the Investment Plan was approved by the World Bank in December 2016. The first disbursement of this grant is expected soon.

In February 2017, a second World Bank Mission took place to review progress with the FIP and linkages with the FCPF. In that context, we discussed whether the government of Nepal will be able to submit the Investment Plan in time for the June meeting of the FIP Sub-Committee. The mission further discussed the status of the FCPF supported activities as well as the alignment with the FIP. The World Bank team has assured me and the REDD IC that it will provide the necessary support to enable the REDD IC to successfully lead the FIP planning process.

The Government of Nepal sees the FIP as a strategic opportunity to bring together the various REDD+ and other relevant activities through a coordinated and programmatic approach. Therefore, your approval for an extension of the submission deadline for Nepal's Investment Plan will give the teams the necessary time and assurance to finalize the FIP preparation process consistent with the FIP Operational Guidelines. An updated timeline is annexed to my letter.

I would like to thank you in advance for your kind consideration of this request and remain at your disposition for any further clarification. Looking forward to a favorable response.

Sincerely,

Dhananjaya Paudyal,  
Joint Secretary and Chief  
Foreign Aid Coordination Division





Request for an Extension of IP Endorsement Date			
<b>1. Country Name</b> Nepal			
<b>2. Source of Funding</b>		FIPx	PPCR
<b>3. Lead MDB</b> World Bank		<b>4. Name of Lead MDB Focal Points:</b> Abdelaziz Lagnaoui; Andrea Kutter	
<b>5. Partner MDBs</b> -			
<b>6. Country Focal Point</b>  Sindhu Prasad Dhungana, PhD Joint-Secretary and Chief REDD Implementation Centre Ministry of Forests and Soil Conservation, Kathmandu Nepal Phone: +977 1 4239126, Fax: +977 1 4215261 Cell Phone: +977 9860330217 Website: <a href="http://mofsc-redd.gov.np/">http://mofsc-redd.gov.np/</a>			
<b>7. Date of Country Acceptance in the SCF Program</b> May 2015			
<b>8. Date of IPPG Approval</b> December 2016			
<b>9. Date of Scoping Mission</b> June 1 – June 10, 2016		<b>10. Date of Joint Missions</b>  First: October 17 – 28, 2016 Second: February 13-17, 2017	
<b>11. Date of IP Endorsement</b>	Original: June 2017	Proposed: November 2017	
<b>Current Status of IP/SPCR Preparation</b> In June 2016, a World Bank scoping mission took place and discussed with the REDD IC the process for developing Nepal's FIP investment plan, including a preliminary timeline for the delivery.  In October 2016, the first Joint Mission took place which formally launched the FIP process in Nepal. A 3-day workshop brought together relevant stakeholders, including government agencies, the private sector, and Indigenous Peoples and local community groups to learn about the features of FIP and brainstorm on the potential use of the allocated resources. The workshop also provided an opportunity to introduce the Dedicated Grant Mechanism for Indigenous peoples and Local Communities (DGM) as integral part of the FIP. It was agreed that the FIP Investment Plan for Nepal will build on the FCPF engagement and integrate the activities listed in the Emission Reduction Program Document (ERPD) that need upfront finance as part of the investment needs for protecting Nepal's forests.			



Since October 2016, the following advances have been made:

- (a) An inter-ministerial Steering Committee was created to advise REDD IC on the FIP ;
- (b) TORs for a technical and procurement specialists have been finalized and the hiring process initiated. The technical specialist will assist REDD IC with the overall FIP preparation process, including the organization of stakeholder consultations. The procurement specialist will enhance REDD IC's capacity to implement the FIP grant and the additional funding provided through the FCPF Readiness Fund;
- (c) The preparation grant in the amount of USD 250,000 to cover the costs associated with the development of the Investment Plan was approved by the World Bank in December 2016. The first disbursement of this grant is expected soon.

In February 2017, a second World Bank Mission took place to review progress with the FIP and linkages with the FCPF. In that context, we discussed whether the government of Nepal will be able to submit the Investment Plan in time for the June meeting of the FIP Sub-Committee. The mission further discussed the status of the FCPF supported activities as well as the alignment with the FIP. The World Bank team is committed to providing the necessary support to REDD IC to successfully lead the FIP planning process.

The Government of Nepal sees the FIP as a strategic opportunity to bring together the various REDD+ and other relevant activities through a coordinated and programmatic approach. Therefore, FIP Sub-Committee approval for an extension of the submission deadline for Nepal's Investment Plan will give the teams the necessary time and assurance to finalize the FIP preparation process consistent with the FIP Operational Guidelines.

**Next Steps to Justify Request for an Extension and Ensure Endorsement by the Proposed Target Date**

FIP IP Development Step	Timeframe
WB Scoping Mission	☑ Done (June 2017)
1 <sup>st</sup> FIP Joint Mission	☑ Done (October 2016)
FIP IP Preparation Grant approved	☑ Done (December 2016)
2 <sup>nd</sup> FIP Joint Mission	☑ Done (February 2017)
Hire consultants to support REDD IC	February/March 2017
IP Preparation and stakeholder consultations	February – August 2017
Independent Expert Review of draft IP	August 2017
Public disclosure of draft IP	September 2017
Finalize and submit IP to the FIP Sub-Committee/CIF Administrative Unit	October 2017
Review and endorsement of the IP	November 2017



Government of Nepal  
**MINISTRY OF FINANCE**

Government of Nepal  
Ministry of Finance

International Economic Cooperation Coordination Division

SINGHADURBAR  
KATHMANDU, NEPAL

REF: IECCD/MOF/150/WB/2016/17/3733

12 April 2017

Mr. Takuya Kamata  
Country Manager  
The World Bank  
Nepal Country Office, Kathmandu, Nepal

**Subject:** FIP Grant Number TFOA 3862 Forest Investment Project (FIP)

Please refer to the Grant Number TFOA 3862 Forest Investment Project (FIP) regarding the Investment Plan of Forest Investment Project (FIP-IP). In this Connection, I would like to inform you that the Government of Nepal has decided to request World Bank for the extension of the deadline to submit Forest Investment Plan (FIP-IP) to CIF Administrative Unit and FIP Sub-Committee until 31 October, 2017.

I would highly appreciate your kind consideration and co-operation in this regard.

With Best Regards,

Sincerely yours,

Subas Parajuli  
Section Officer