

August 23, 2012

Comments from United Kingdom on the Approval by Mail: Nepal: Building Resilience to Climate-Related Hazards Project (IBRD)

Dear Patricia

The UK approves the allocation of PPCR funding to the project under Nepal's SPCR entitled "Building Resilience to Climate-Related Hazards". However, we would like to highlight some issues which we think need to be addressed explicitly during project implementation, and raise some questions for the Government of Nepal and IBRD – these can be found in the attachment.

Many thanks

Jane

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UK Comments on Nepal: Building Resilience to Climate-Related Hazards

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Results: The project proposal lacks a coherent results framework. There are no baselines, targets or specific indicators; we would like the Government of Nepal and the IBRD to present the results framework for this project as early as possible in implementation.

Admin costs: We would like to understand more about the activities and expected results from the costs listed as consultancy, workshops, training and operating costs. The proposal divides the project financing as follows: Department of Hydrology and Meteorology (DHM) Civil Works and Goods - US \$19m; **DHM Consulting Services, Training, Workshops and Operating Costs - US \$6m; Ministry of Agriculture Development (MoAD) Goods, Services, Training, Workshop, Operating Costs - US \$6m;** these admin costs are a high proportion of the funding and we would like the Government and IBRD to provide a more detailed breakdown of how the funds will be used. We are also concerned that funds are being used for the "buying of office equipment" (point 66, under "Financial Management") and would like more detail about this, and information to explain the use of funds in this way.

Loan financing: We are very interested to understand better how the Government of Nepal intends to use the credit finance portion of the project – for example, has the Government identified income generating opportunities from the systems which are proposed to be put into place?

Co-ordination with related work: Overall support for the Department of Hydrology and Meteorology (DHM) is critical as Nepal needs more localized monitoring and information dissemination systems. The links made in the proposals to existing DRR work are good, but we would like the project to do more to coordinate with and link to the wider work on climate and weather information, such as climate change knowledge management and other SPCR components.

DFID, for example, is designing a **Climate Science programme** which will develop a regional partnership to build the capabilities in climate science in South Asia, by setting out how to build a regional climate observatory with investments in the basic climate observation infrastructure and in improving observatory services. Services will be strengthened through a shared research strategy; improving access to climate information with support for the development of early warning systems and scenarios as well as better access to data and tools; and in improving the demand supply relationship linking users and providers of climate information. This will yield a more effective and coherent response to climate information needs in South Asia. Nepal's SPCR could be complementary to this: will the project "Building Resilience to Climate-Related Hazards" consider opportunities to synergise information and infrastructure regionally? We would encourage this synergy and hope that DFID's climate science programme and Nepal's SPCR are able to build on one another.

Sustainability: We welcome the focus on sustainability and the project's recognition that information demand is the key to sustainable projects. We would like to have more information on who will use this information, and how they will use it, but recognize this information may be identified better as the project develops.

Agriculture Management Information System (AMIS): We would like to see more development of the AMIS component. Currently, there is little acknowledgement of the work which has already been undertaken to develop MoAD systems, for example the Nepal Food Security Monitoring System (NeKsap), and Poverty Monitoring & Analysis System (PMAS), including the lessons learnt from these projects, and how to make future projects more viable and sustainable.

Risk Management: We are pleased that a Risk Mitigation Action Plan has been developed to reduce the high level of financial management risk identified, and we urge that this is kept under regular review.

Governance and Peace Action Plan (GAP): We welcome the approach to use the GAP to monitor programme management for the climate hazards project to ensure good governance, transparency and accountability. We would like the Government and IBRD to provide more information on the background of the GAP, its application to other projects and whether it is a funded component of the project.