



Nepal
Initiation Plan

Project Title:	Feasibility of Strategic Options and REDD+ Finance Architecture for implementation of Nepal's REDD+ Strategy and Plan
Expected UNDAF / CPD Outcome(s):	UNDAF/CDP Outcome 2: Vulnerable groups have improved access to economic opportunities and adequate social protection
Expected CPAP Output	UNDP Output 2.4.2 Capacities of MoFSC's and local communities enhanced for effective management of natural resources and biodiversity
Initiation Plan Start Date	September 2015
Initiation Plan End Date	June 2016
Executing Entity	UNDP – Nepal Country Office

Brief Description

The Government of Nepal recognizes reducing emissions from deforestation and degradation of forests (REDD+) as one of the most viable options for financing sustainable forest management while ensuring multiple social and environmental benefits rendered by REDD+ interventions. Nepal, supported by the Forest Carbon Partnership Facility (FCPF) of the World Bank, has been implementing REDD Readiness Plan (R-PP) since 2011 which will culminate in June 2015. Government of Nepal has requested UN-REDD National Programme to support implementation of the REDD+ Strategy through better institutional capacity and structural arrangements. As a result, UNDP supported government in preparation and submission of an Expression of Interest to UN-REDD Programme for a full-fledged National Programme, which if successful will be implemented in 2016 for three years.

In 2012 UN-REDD Programme provided Targeted Support (TS) in two specific areas – Drivers of Deforestation and Degradation of Forests and REDD+ Financing Mechanisms. Following the outcomes of the earlier support, the new package of TS from UN-REDD Programme in Nepal aims at developing two assessment outputs – on prioritizing Policy and Measures (PAMS) and REDD+ financing options which would be incorporated into the REDD+ Strategy that government is in the process of finalization. In addition, this TS will also provide support for institutional and structural enhancement in the Ministry of Forests and Soil Conservation and the REDD Implementation Centre (RIC) enabling better capacity to implement REDD+ Strategy and preparation of the UN-REDD National Programme document upon the successful appraisal of the expression of interest submitted in January 2015.

Programme Period: September 2015- June 2016	Atlas Award ID: 00087356 Output ID : 00094386	Total resources required \$ 345,000 Total allocated resources: \$ 345,000 UN-REDD Programme \$ 345,000
CPAP Programme Component: _____	PAC Meeting Date: 28 August 2015	

Agreed by	Name	Title	Date	Signature
UNDP Nepal	Jamie Mc Goldrick	Resident Representative	August 31, 2015	

I. BACKGROUND INFORMATION

The Government of Nepal (GoN) recognizes REDD+ as one of the most viable options for financing sustainable forest management while ensuring multiple social and environmental benefits rendered by REDD+ interventions. On this basis, GoN has categorized REDD+ as a high priority programme for the country. Following this decision, REDD+ has successfully secured policy-level commitment in the national periodic plans, and its progress has been monitored and reported by key government agencies including the National Planning Commission, Ministry of Science, Technology and Environment (the UNFCCC focal point for Climate Change), Council of Ministers in addition to the lead thematic ministry – Ministry of Forests and Soil Conservation (MoFSC).

Nepal, supported by the Forest Carbon Partnership Facility (FCPF) of the World Bank, has been implementing its REDD Readiness Plan (R-PP) since 2011. This has helped raise momentum, garnered lateral support from other bilateral and multi-lateral development partners and influenced policy formulation in support of expected interventions through a future international REDD+ mechanism. In 2012, the Government of Nepal formally requested Targeted Support (TS) from the UN-REDD Programme in the two following areas of REDD+ Readiness: (i) national level fund management arrangements; and (ii) strategies for addressing drivers of deforestation and forest degradation (D&D), with special attention paid to issues related to transparency, accountability and corruption.

This TS was able to successfully advance knowledge (through a publication, “Understanding drivers and causes of deforestation and forest degradation in Nepal: potential policies and measures for REDD+” and a discussion paper on National REDD+ Fund Management in Nepal) and instigate necessary cross-sectoral dialogues on strategy options for addressing drivers of land cover change and potential options for REDD+ fund management at a national level. At the request of the Government of Nepal, another TS to be supported by UNDP¹ was recently agreed to continue with the process of dialogue on these two critical issues in order to reach consensus on specific REDD+ actions that are socially, economically and environmentally viable, and on REDD+ fund management arrangements that can effectively, efficiently and equitably incentivise the implementation of the REDD+ actions nationally and sub-nationally.

Government of Nepal had committed and is required by the agreement reached between the World Bank and the Government to finalize the National REDD+ Strategy by end of August 2015. Recognizing that the government would need further support in strengthening institutional capacity; prioritize the policies and measures identified in the REDD+ Strategy and plan the implementation of the Strategy at national and sub-national levels, government with technical assistance from UNDP submitted an expression of interest (Eoi) requesting UN-REDD Programme for a full-fledged National Programme. Hence, this initiation plan will have two aspects: a) Provide technical inputs in the form of specific chapters (on Policy and Measures and national level REDD+ financing mechanisms) in the upcoming National REDD+ Strategy and b) support government in preparation of the full scale proposal document for UN-REDD National Programme upon selection of Nepal’s Eoi for further processing. It will further support the RIC in coordination of REDD+ activities implemented by various partners and preparing for implementation of REDD+ strategy at national and sub-national levels.

II. PURPOSE

In line with the initial work undertaken under the first round of UNDP- supported targeted support, the objective of this second phase of Targeted Support (TS) is to provide Nepal with a set of methodologies to identify and assess REDD+ strategic options for Policies and Measures, to monitor their implementation and performance; to link this performance to a national REDD+ finance mechanism that will form an integral part of Nepal’s REDD+ strategy; provide harmonised support and technical inputs to support implementation of National REDD+ Strategy and preparation of the national document for a full-fledged UN-REDD’s National Programme.

¹ In addition to UNDP’s support, both FAO and UNEP have also been requested by the Government of Nepal to provide support in monitoring of policies and measures together with an institutional review and natural capital accounting respectively. This TS described here will coordinate closely with the support provided by FAO and UNEP. See the official request [here](#)

Under the current circumstances when the World Bank's FCPF is coming to an end in August 2015, this Initiation Plan holds methodological as well as strategic significance in the current REDD+ related work in Nepal. The timing and relevance of this Initiation Plan is particularly important because a) the Outputs of this Initiation Plan will form an integral part of the National REDD+ Strategy, the landmark policy document which would provide guidance to implement REDD+ options meeting the requirements mandated by the climate convention; and b) after the end of World Bank's support, UNDP along with other UN-REDD Programme partner agencies (FAO and UNEP) would be the key agencies to provide technical and institutional support to the government.

Hence, the current TS aims to achieve the following Outcomes:

- Increased effectiveness of National REDD+ Strategy options in addressing drivers and causes of deforestation and forest degradation through a cross-sectoral approach;
- Increased understanding of options, mechanisms, and capacities required for effective, equitable, and transparent management of REDD+ finance; and
- Increased understanding about various components of Nepal's REDD+ strategy and capacities for implementation of the strategy in coherence with REDD+ priority option for Policy and Measures and financing mechanisms

III. EXPECTED OUTPUT

Output One: REDD+ Strategy Options: A set of prioritised policies and measures (PAMs) identified to address already identified drivers of deforestation and forest degradation.

Based on the findings of the previous Targeted Support² on identifying drivers of deforestation and forest degradation, the general objective of this work is to generate an initial set of prioritised candidate policies and measures (PAMs) to address those identified deforestation and forest degradation drivers. It is expected that the initial set of prioritised candidate PAMs are by no means comprehensive. This work will also design an approach for prioritising PAMs, which can then be used and improved throughout the implementation of REDD+.

The limitation of the previous study report on drivers of deforestation and forest degradation is the lack of association between drivers and emissions data, as such data was not available at the time. However, the RIC has now established its initial forest reference emissions levels, and the latest Forest Resources Assessment (FRA) data is now available. Therefore, it is possible to associate the identified drivers to emissions data.

Deliverables

1. Work plan, outline including key issues to be covered, methodology, a consultation plan, and detail implementation plan finalized
2. A set of criteria for identifying and prioritizing PAMs, validated by stakeholders
3. Relevant information collected on the indicators from various data sources
4. A set of prioritized PAMs, validated by stakeholders
5. A list of recommendations on how to implement prioritized PAMs through the existing policy and institutional framework, linking to the work on REDD+ fund management

Output Two: REDD+ Fund Management at the National Level: An effective and result-based fund management system for REDD+ finance closely aligned with government's public financial management system designed

The general objective of the work is to assess options for and design an effective, efficient, and equitable system to manage REDD+ investments and results-based payments, which is closely aligned with Nepal's existing public

² Please access the report [here](#).

financial management system. The findings and recommendations of this work will be integrated into the on-going national REDD+ strategy process. During the Initiation Plan, following activities will be undertaken:

- a) Understand and map out the positions of stakeholders, opportunities and limitations inherent in the Nepalese legal and institutional framework, concerning the design of REDD+ financial management, relevant experiences from other countries, on-going initiatives and planned work in the field of REDD+, Green Climate Fund readiness and other relevant climate finance related work in Nepal
- b) Propose at least three fund management options that present a complete analysis of the potential / candidate fund management options including the institutional arrangement, suggestive capacity development plan and fund flow mechanisms in close alignment with national public financial management system of Nepal.

Deliverables

1. Work plan, outline including key issues to be covered, methodology, a consultation plan, and detail implementation plan finalized
2. Report from a study visit on findings and recommendations for the fund development work in Nepal and circulated to key stakeholders for their feedback (a study visit is optional at the moment, as there are currently no relevant suitable case study countries identified for Nepal)
3. Assessment and first draft of the proposed fund management concept note discussed during the REDD+ Working Group meeting
4. Improved drafts following consultation meetings including consultation reports (national and local) produced and shared
5. Final draft incorporating meeting findings produced

Output 3: Structure and systems: Institutional capacity for implementation of REDD+ strategy in place

Based on the analytical work described above in Output 2, and inclusion of the proposed fund management concept in the national REDD+ strategy the work will support the government with design of the selected fund management option by developing operational manuals, investment plans, capacity development plan, institutional structure and arrangement and any other document required to operationalize the selected option. While the Design Work will be based on the financing mechanism endorsed in output 2, it will also reflect upon and incorporate the financing and reporting requirements outlined in the Green Climate Fund specific to REDD+.

Deliverables:

1. Facilitate the implementation of REDD+ Strategy Implementation process
2. Training manuals and operational guidelines to facilitate implementation of REDD+ Strategy
3. Full scale proposal developed if the EoI submitted for National Programme is selected for next round
4. Capacity development plan to enhance institutional capacity and structure of RIC to initiate implementation of REDD+ Strategy

IV. MANAGEMENT ARRANGEMENTS

Implementation Arrangement: The Project Initiation Plan will be directly implemented by **UNDP Country Office** in Nepal in close collaboration with the REDD Implementation Centre (RIC) under the Ministry of Forests and Soil Conservation of Nepal. The **UNDP/UN-REDD** Regional and Global Advisors will provide additional technical oversight. Standard UNDP procedures for Direct Implementation (DIM) will apply in project implementation.

The **RIC** will provide necessary leadership, coordination support, and guidance in the implementation of the project activities. To deliver Output 2 on REDD+ financing mechanisms and public financing procedures, the project will work closely with the **Ministry of Finance** through RIC.

Project Management: Within UNDP Country Office’s overall programme structure, the Targeted Support of the UN-REDD Programme will be implemented as an “Initiation Plan” project by UNDP Nepal and will feature with a unique project ID in the UNDP Atlas system under the title – “Feasibility of Strategic Options and REDD+ Finance Architecture for implementation of Nepal’s REDD+ Strategy and Plan”. Funds allocated for UN-REDD+ TS will be allocated under this separate project ID. The prevailing rules and procedures prescribed by UNDP’s Programme and Operations Policies and Procedures (POPP) for implementing an Initiation Plan, which are implemented as name suggests in anticipation of full size project, will guide the implementation, procurement and recruitment of expertise envisioned by the project document.

Project Coordination Committee (PCC):

The Head of RIC will chair the PCC and members will include representatives from UNDP and MoFSC. Other members can be added during implementation of the project as per the need. Specific roles and responsibilities of PCC are given below:

The main purpose of the PCC is to provide guidance to the project team through regular PCC meeting organized at least once in every quarter and as per the need. The TS Coordinator (see Annex 1) will act as the Member Secretary of the PCC. The decision of the PCC meetings will be minuted and signed. Main responsibilities of the PCC will include: (i) endorsement of annual and quarterly work plan and budget of the project (ii) providing strategic guidance in implementation of the project activities (iii) support in coordination of REDD+ initiatives/ activities implemented by different partners in Nepal and (iv) review of quarterly and annual project progress.

Role of REDD Implementation Centre (RIC): The project will be implemented in close collaboration with the RIC with respect to planning and implementation of activities agreed by the PCC as reflected in project work plans. The RIC will designate an officer level staff to work as a focal point for the project, who will work closely with the TS Coordinator. S/he will support in developing project work plan and budget, coordinate with other projects being implemented by RIC for better synergy and avoiding duplication. The RIC will be closely involved in finalizing the ToR for various activities/consultancies to be supported by the project and participate in selection process of consultants and companies as needful. The RIC will also be closely involved in monitoring of project implementation, ensuring quality of work conducted by various consultants or company hired by UNDP for delivery of project activities.

The project will support the RIC in review of various studies already conducted and/or which are in the pipeline, participation of RIC staff in monitoring visits, learning and review meetings, stakeholder meetings, national/sub-national level workshops and meetings and exchange visits related to REDD+ implementation in Nepal. The detail plan of such activities will be reflected in annual and quarterly plans of the project. The RIC will provide office space for project staff and needed support to organize meetings/workshops/seminars related to project activities.

In the **UNDP Country Office**, under the delegated authority of the UNDP Resident Representative, Head of Programmes (Deputy Country Director -Programme) will be the Executive for the Initiation Plan under the Direct Implementation Modality (DIM). **Energy, Environment, Climate and Disaster Risk Management Unit** (EECDRM Unit) will be the focal unit for technical as well as coordination purposes. Under the supervision of the Head of Programmes, **the Head of EECDRM Unit** will provide overall technical and management oversight to the project.

Project Assurance and Coordination: The Environment Analyst of the EECDRM Unit of UNDP with support from **Climate Change Policy Analyst** will take the role of **Project assurance** for the entire project and provide technical and management support on daily basis. The Project Assurance will work closely with the **TS Coordinator** hired under the TS project and will provide i) quality assurance to the project and ii) technical backstopping and support to the TS Coordinator in coordination of UNDP component of the Targeted Support with other components of

UN-REDD programme and UNDP supported initiatives. The Project Assurance will represent UNDP in the meetings and consultations and liaise with the regional and global offices on UN-REDD related matters. The Project Assurance will also support the TS Coordinator in preparing report and knowledge management. The TS Coordinator will assume the responsibilities of the Project Manager and work under the supervision of UNDP and the guidance from the Head of RIC. S/he will ensure that the project produces the results specified in the project document to the required standard of quality and within the specified constraints of time and cost. The TS Coordinator will prepare quarterly and annual reports using UNDP standard report format.

Responsible Parties: One international and two to three national experts will be hired to support deliver each of the expected outputs (see Annex 1). The activities will be directly overseen and guided by the Head of RIC, UNDP Nepal and UNDP/UN-REDD global and regional advisors. The TS Coordinator, who will be recruited by the UNDP to sit in the RIC office to support the coordination and integration of Initiation Plan activities in the national REDD+ readiness process, will ensure coordination between the two consultant teams in delivering the expected outputs explained in Section III above.

Project Support: A Project Associate/Assistant will be recruited by the project to provide logistical, administrative, and financial management and reporting support to the project. The project assistant will support the RIC and work under the direct supervision of the National Coordinator.

V. MONITORING

The UNDP Programme and Operation Policies and Procedures, (POPP) for the Initiation Plan will provide guidance for monitoring requirements. The monitoring function would include following up on management actions, keeping track of progress benchmarks, visiting project sites (if any), preparing progress and technical reports, annual reports, processing budget revisions, requisite financial reports, and making arrangements for evaluation and audit.

The quarterly and annual progress reports shall be submitted by the TS Coordinator using UNDP standard report format available.

An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change. A Risk Log shall be activated in Atlas and regularly updated every quarter by reviewing the external environment that may affect the project implementation. A project Lessons-learned Log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project.

Furthermore, in order to maintain the UNDP's commitments to the UN-REDD Programme and to ensure that all the standards and requirements prescribed under the UN-REDD Programme are met and are consistent, strict quality assurance measures need to be undertaken. This is achieved through the quality assurance functions performed by the Country Office and the Specialized Technical Services provided by the UNDP/UN-REDD team. More specifically, the UNDP/UN-REDD team will ensure that the following UN-REDD Programme specific mandatory requirements are fulfilled:

- UN-REDD Programme operational guidance is applied during the implementation of the TS
- Any changes contemplated with respect to the project objectives and outcomes will be discussed with and approved by the UNDP and UN-REDD team before being endorsed by RIC.
- Funds managed by UNDP will be audited in accordance with UNDP Financial Regulations and Rules and audit policies.

VI. RESOURCE MOBILIZATION

UN-REDD Programme has agreed to provide financial support for implementation of this Initiation Plan. The total financial support received to undertake the planned activities is USD 345,000.

Fund Flow Arrangement

Annual Work Plan

Intended Outcomes: Increased understanding about various components of Nepal's REDD+ strategy and capacities for implementation of the strategy in coherence with REDD+ priority option for Policy and Measures and financing mechanisms				
Outcome Indicators:				
1. Policy and Measures prioritized and integrated into the National REDD+ Strategy.				
2. Effective, efficient, and equitable system to manage REDD+ investments and result-based REDD+ payments, aligned with Nepal's existing public financial mechanism.				
3. Institutional coordination and structural realignment suggested for effective implementation of National REDD+ Strategy				
Applicable Key UNDP CPAP 2014-17 Output:				
UNDP Output 2.4.2: Capacities of MoFSC's and local communities enhanced for effective management of natural resources and biodiversity				
Applicable UNDAF Outcomes and output(s):				
UNDAF/CDP Outcome 2: Vulnerable groups have improved access to economic opportunities and adequate social protection				
Partnership Strategy: Partnerships established with governments, the private sector, civil society, donors, UN agencies and departments				
Project title and ID (ATLAS Award ID): Feasibility of Strategic Options and REDD+ Finance Architecture for implementation of Nepal's REDD+ Strategy and Plan				
Programme Period: 2015-2016 (until Jan 2016)				
INTENDED OUTPUTS	BASELINE & OUTPUT TARGETS	INDICATIVE ACTIVITIES	RESPONSIBLE PARTNERS	INPUTS & Costs (USD)
Output 1: REDD+ Strategy Options- A set of prioritized policies and measures (PAMs) identified to address already identified drivers of	Baseline Q32015: Drivers of deforestation and forest degradation identified in the first UNDP supported REDD+ Targeted Support		UNDP, RIC	88,729

The UNDP Financial Rules and Regulations will apply for fund management and making expenditures by the project. Funds will be released to vendors and third parties according to the approved AWP. The TS Coordinator will be responsible for compilation and collation of the Financial Reports and will coordinate the preparation of financial reports with the finance section of the country office.

Audit

The project shall be subject to audit in accordance with UNDP procedures, rules and regulations.

<p>deforestation and forest degradation</p>	<p>Targets for 2015:</p> <p>1.1 Workplan prepared and finalized</p> <p>Targets for 2016 (till June):</p> <p>1.2 Criteria and indicators developed for the prioritisation of REDD+ PAMs</p> <p>1.3 REDD+ PAMs identified and prioritised</p> <p>1.4 Recommendations developed for implementation</p>	<p>1.1.1 Prepare a detailed work plan describing a specific methodology, work flow, structure of deliverables, output delivery timeline, consultation plans, specific roles and responsibilities of experts, etc.</p> <p>1.2.1 Facilitate discussions among key experts and stakeholders to identify and agree on prioritisation criteria;</p> <p>1.2.2 Identify information sources.</p> <p>1.3.1 Identify candidate PAMs based on information on drivers, emissions data and SESA</p> <p>1.3.2 Assess candidate PAMs based on identified criteria and indicators.</p> <p>1.3.3 Facilitate a discussion among key experts and stakeholders to analyse and prioritise PAMs.</p> <p>1.4.1 Develop a recommendation for implementing prioritised PAMs through the existing policy and institutional framework, linking to the work on REDD+ fund management</p>		
<p>Output 2: REDD+ Fund Management at the National Level: An effective and result-based fund management system for REDD+ finance closely aligned with government's public financial management system designed</p>	<p>Baseline Q3 2015: Preliminary assessment of the financing options conducted in 2013 during the first UNDP supported Targeted Support</p> <p>Targets for 2015:</p>	<p>2.1.1 Inception including:</p> <ul style="list-style-type: none"> • Interviews and bilateral meetings with key stakeholders • Desk review • Finalization of work plan • Assist government in setting up a fund management working group 	<p>UNDP, RIC</p>	<p>163,551</p>

	<p>2.1. Work plan, outline including key issues to be covered, methodology and consultation plan finalized</p> <p>Targets for 2016 (till June):</p> <p>2.2. Visit and report on findings relevant to the fund development work in Nepal (optional – there are currently no suitable case study countries identified)</p> <p>2.3. Assessment and first draft of the proposed fund management concept note to be discussed during REDD+ Working Group meetings</p> <p>2.4. Improved drafts including consultation reports (national and local)– depending on</p>	<ul style="list-style-type: none"> • Prepare and participate in an inception meeting <p>2.1.2 First meeting of the working group (preferably back-to-back with inception meeting)</p> <ul style="list-style-type: none"> • Prepare and present methodology • Prepare a meeting report based on feedback <p>2.2.1 Study visit to relevant country in the region about exchange of knowledge on REDD+ (optional – there are currently no suitable case study countries identified)</p> <ul style="list-style-type: none"> • Liaise with host country officials to organize necessary meetings • Prepare background documentation • Participate in visit • Together with participating government officials draw lessons learned relevant to the Nepalese context from the visit and prepare report including recommendations for the design options <p>2.3.1 Prepare 1st version of the document presenting the fund management options and proposed option based on analyses and stakeholder discussions</p> <p>2.3.2 Organize second meeting of the Working Group</p>		
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	<p>work plan possibly to break broken down into two payments successive draft versions if given several meetings and iterations of the documents will be required</p> <p>2.5. Final draft incorporating meeting findings</p> <p>2.6. Design Phase including similar activities (consultations, meetings, workshops and drafting) except for the study visit</p>	<p>2.4.1 Organize third meeting of the Working Group in which the clear vision of the feasible financing options are shared</p> <p>2.4.2 Organize stakeholder consultation/validation workshop</p> <p>2.4.3 Prepare report and update document</p> <p>2.4.4 Present issues identified during stakeholder consultation workshop</p> <p>2.5.1 Present and validate document during last meeting of Working Group</p> <p>2.5.2 Approve next steps including for the design phase of the TS</p>		
<p>Output 3: Structure and systems: Institutional capacity (structure, operational system and capacity development plan) for implementation of REDD+ strategy in place</p>	<p>Baseline Q32015: A REDD Implementation Centre is established as a permanent institutional structure in MoFSC and coordination mechanisms such as REDD+ Apex Body, REDD+ Working Group and CSO/IPO Alliance have been established.</p> <p>Targets for 2016 (till June):</p> <p>3.1 Expert review for the numerous REDD+ assessments provided</p>	<p>3.1.1 Provide technical support to the RIC and help in assessing /finalizing research documents and assessments reports that contribute to REDD+</p> <p>3.1.2 Support RIC in review of UNREDD+ related study report</p>	UNDP, RIC	44,500

	<p>3.2 Full scale proposal developed if the Eol submitted for National Programme is selected for next round</p> <p>3.3 Institutional capacity and structure of RIC supported to initiate implementation of REDD+ Strategy</p>	<p>3.2.1 Provide full support to the RIC in developing a UN-REDD National Programme Document aligned with the support area identified in the Eol.</p> <p>3.3.1 Support RIC and liaise with relevant stakeholders including Ministry of Finance in advocating for most effective, efficient and result-based REDD+ financing mechanism and fund flow mechanism identified in Phase 1.</p> <p>3.3.2 Prioritize the options identified in the REDD+ Implementation Strategy</p> <p>3.3.3 Prepare implementation plan, operational guidelines and manual and M/E tool to facilitate implementation of REDD+ Strategy</p> <p>3.3.4 Provide trainings to the RIC staff and REDD+ stakeholders on REDD+ Implementation Strategy and REDD+ Strategy</p> <p>3.3.5 Support for enhanced connectivity (internet facility) to RIC to manage exchange of knowledge, documents and facilitate on-line discussion</p> <p>3.3.6 Support RIC and liaise with UNDP's regional and global projects on climate finance, mainly Green Climate Fund Readiness Programme</p> <p>3.3.7 Support the RIC to coordinate between various streams of work supported under UN-REDD Programme partner agencies – UNEP and FAO and ensure synergy between them</p>	
Project Management Cost	National Coordinator Project Assistant		14,915 5,664

	Supplies, etc		2,085
	Sub-Total		22,664
	Total		319,444
GMS (8%)			25,556
GRAND TOTAL BUDGET			345,000

Annex: 1 Terms of Reference

a) Terms of Reference – TS Coordinator

POST TITLE:	UN-REDD TS Coordinator
AGENCY/PROJECT NAME:	UN-REDD Programme/UNDP Nepal
DURATION:	October 2015 till June 2016
COUNTRY OF ASSIGNMENT:	Nepal

1) GENERAL BACKGROUND

The 2012-2013 UN-REDD Targeted Support on drivers of deforestation and forest degradation and REDD+ fund management successfully advanced knowledge and instigated cross-sectoral dialogues on strategy options for addressing drivers of land cover change and potential options for REDD+ fund management at a national level.

The process of dialogue on these two critical issues needs to continue in order to reach consensus on specific REDD+ actions that are socially, economically and environmentally viable, and on REDD+ fund management arrangements that can effectively, efficiently and equitably incentivise the implementation of the REDD+ actions nationally and sub-nationally.

This second proposed phase of Targeted Support follows directly on from the first phase by addressing the same strategic elements of REDD+ readiness for Nepal. i.e. to:

1. Increase the effectiveness of National REDD+ Strategy options in addressing drivers and causes of deforestation and forest degradation through a cross-sectoral approach; and
2. Increase an understanding of potential options for effective, equitable, and transparent management of REDD+ finance.

The 2014 Targeted Support will directly contribute to addressing critical knowledge and capacity gaps described in the Mid-term Report to the FCPF, in order to complete the National REDD+ Strategy process in Nepal.

The UN-REDD Targeted Support Activity Coordinator will work with the RIC of the Forest Department and other relevant national counterpart institutions, while the position will be located in the RIC office, to manage the delivery of the Targeted Support outputs and activities (see Annex 1).

2) OBJECTIVES OF THE ASSIGNMENT

Main objectives of this assignment are: i) to assist in the management of Targeted Support activities on behalf of UNDP, UNEP and FAO in Nepal to ensure harmonized support by the UN-REDD Programme; and ii) to support in mainstreaming Targeted Support results into Nepal's REDD+ Readiness work led by the RIC.

3) SPECIFIC RESPONSIBILITIES

- Develop annual and quarterly work plans and operational budgets and ensure timely submission of these documents to the Head of RIC and UN-REDD agencies for review and approval;
- Prepare and finalize necessary terms of reference for the procurement of required services to deliver expected outputs;
- Coordinate the implementation of activities with national counterparts and UN-REDD agencies;
- Supervise the work of service providers (limited to UNDP led activities);
- Manage and monitor the Targeted Support budget and ensure timely delivery of budget as per work plans (limited to UNDP led activities);
- Organize stakeholder consultation meetings and workshops to discuss and validate outputs;
- Manage stakeholder feedback and provide responses in consultation of the Head of RIC and UN-REDD agencies, as and when required;
- Mainstream Targeted Support results into the work of the RIC and national REDD+ Readiness process;
- Capture and share lessons and knowledge through the Targeted Support implementation with relevant stakeholders in the country and regionally;
- Prepare monthly and quarterly progress reports on operational and substantive aspects; and
- Identify and monitor issues and risks regarding the delivery of the Targeted Support.

4) DURATION OF ASSIGNMENT, DUTY STATION AND EXPECTED PLACES OF TRAVEL

The expected duration of this assignment is 9months, starting from October this year. This assessment is Kathmandu based and might require to travel to rural locations within Nepal.

5) DELIVERABLE

- Annual and quarterly work plans and operational budgets.
- Monthly and quarterly progress report (including delivered outputs, progress towards delivering outputs, expenditures, issues and risks, etc.).
- Terms of reference for the procurement of required services.
- Lessons-learnt and knowledge products.
- End of assignment reports.

6) PROVISION OF MONITORING AND PROGRESS CONTROLS

The UN-REDD Targeted Support Activity Coordinator will work under the direct supervision of the Head of the RIC and UNDP CO Programme Officer with technical guidance from UN-REDD regional and global advisors.

7) DEGREE OF EXPERTISE AND QUALIFICATIONS

Education:	University degree, preferably a postgraduate qualification in a relevant field
Experience:	At least seven years working experience in the field of project management, related to forestry, climate change, environment, and rural development. Knowledge of REDD+ and the national REDD+ Readiness processes in Nepal is highly desirable. Good knowledge of project cycle management including financial management, budgeting, administration, procurement, monitoring, and evaluation, and reporting.
Language:	Proficient in English, spoken and written, in addition to Nepali.

b) Terms of Reference – Technical Experts

For Output One

National Experts

This work will require approximately 90 days over the total duration of work. The submission of an initial work plan will be due after 30 working days of commencement.

The team of National Experts will be tasked to lead all discussions with national stakeholders, including the conceptualization and implementation of workshops. The team will be especially tasked to lead the work on non-carbon emissions related aspects that include social, governance, economic and ecological issues related to this work. The team is responsible for the production of key written deliverables, agreed between the team and International Consultant in consultation with the RIC and UNDP.

International Consultant

The work will require 50 days of the international consultant over the total duration. The international consultant will be home-based and carry out three missions to Nepal.

The International Consultant will assume conceptual leadership in close coordination with the team of National Experts, RIC and UNDP. This includes the work plan preparation. The International Consultant will particularly focus on the emissions and spatial aspects of the work. S/he will ultimately be responsible for packaging of all written deliverables. The International Consultant will, as appropriate, provide guidance to the team of National Experts to contribute to the delivery of key results.

Qualifications

National Experts (a team of National Experts):

The contracted Team should have a lead expert with at least an advanced degree in forestry, forestry governance, or related field. The priority will be given to an entity with relevant experience in research in the area of forest governance, combined with experience in facilitating multi-stakeholder consultations at national and local levels. Demonstrated ability in assessing laws and policies related to economics, governance and social impacts of forest management is highly desirable.

For international consultant (home-based with travel to Nepal):

- Minimum of Master's level education in a relevant subject area.
- At least 10 years of experience in climate-change mitigation and environmental finance, including LULUCF, NAMAs, payments for ecosystem services, CDM, or other carbon finance mechanisms.
- Fluency in English language.
- Excellent drafting skills and capacity to synthesize
- Excellent understanding of the UNFCCC climate negotiations, especially REDD+.
- Experience of environmental management and forestry would be an asset.
- Experience in Nepal would be an asset.

For Output Two:

National Consultants

This work will require approximately 90 days of work for 4 months for the analytical phase. The submission of an initial work plan will be due after 30 working days of commencement.

Two national experts and one international will be required to undertake this task. They will perform the above tasks jointly.

Special tasks for national consultant #1

- Provide advice and input on all public financial management regulations, legal context, ODA management etc. applicable for the design of the national REDD+ fund management arrangements.
- Recommend appropriate financial management modalities.

Special tasks for national consultant #2

- Provide advice and input on all related environmental-finance issues including environmental and climate funds, CDM and voluntary market instruments.
- Provide advice on institutional arrangements relevant to fund management options (REDD+, NAMA, climate change, low emission development etc.)

International consultant

The work will require approximately 40 days of work for 4 months.

The submission of an initial work plan will be due after 30 working days of commencement.

Special tasks for international consultant

- Under the technical supervision of the global REDD+ finance specialist, provide oversight of the work undertaken by the national consultants (liaise regularly with the national consultants, provide input into the documents, help prepare documents based on international experience etc.)

Qualifications

For national consultant #1:

- Master's degree in public finance, financial law or other relevant areas
- At least five years of experience in public financial management and law in Nepal
- Excellent drafting skills and capacity to synthesize
- Fluency in English
- Knowledgeable about public financial management, ODA management, public investment funds, public-private partnerships,
- Experience in REDD+, climate change and/or forestry would be an asset

For national consultant #2:

- Master's degree in natural resource management, environmental economics, environmental law, environmental finance or other relevant areas
- At least five years of experience in environmental finance
- Experience with NAMAs, LEDS, payments for ecosystem services, CDM or other carbon finance mechanisms
- Excellent drafting skills and capacity to synthesize

- Fluency in English
- Experience in REDD+ and forestry

For international consultant (home-based with travel to Nepal):

- Master's degree in natural resource management, environmental economics, environmental law, environmental finance or other relevant areas
- At least 10 years of experience in environmental finance including the design of climate funds, conservation funds, forestry funds or REDD+ funds
- Experience with FCPF Carbon Fund, NAMAs, LEDS, payments for ecosystem services, CDM or other carbon finance mechanisms
- Excellent drafting skills and capacity to synthesize
- Fluency in English
- Experience in REDD+ and forestry
- Understanding of the UNFCCC climate negotiations, especially REDD+
- Experience in the region and in Nepal an asset.

Annex: 2 Methodological Note

a) Methodology for Output 1

Under the general supervision of the head of RIC under the Ministry of Forests and Soil Conservation, and technical supervision from the UNDP County Office, the global UN-REDD Finance Specialist and UNDP/UN-REDD Regional Technical Advisor, the work will be carried out through a combination of desk research, expert discussion, visits and consultation with key stakeholders.

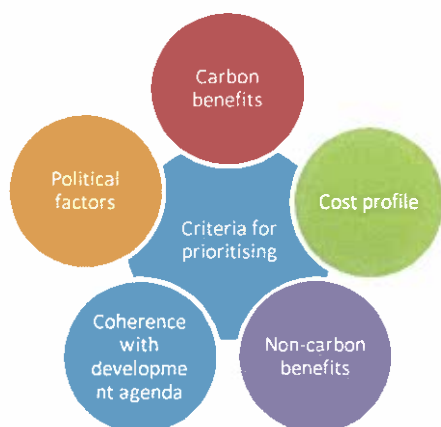


Figure 1: conceptual framework for PAM selection criteria

This work will draw information from a range of existing data sources, among others, historical forest emissions data, national and sub-national development priorities, REDD+ institutional architecture and capacity assessments, and safeguards³ to identify specific criteria and indicators for the identification and prioritisation of PAMs to address the identified drivers of land-use and land-cover change. Throughout the process of identifying the criteria and indicators, various stakeholders including the REDD+ Working Group, CSO/IP Alliance for REDD+, and any other key interest groups (e.g., community forestry

organizations, women's organizations, economic and business associations, etc.) will be consulted to provide their inputs and feedback.

For the purpose of having a clear understanding from the onset, the following definitions are proposed to be applied throughout this work:

- REDD+ strategy – assortment of PAMs and description of implementation arrangements
- Policies & Measures (PAMs) and REDD+ actions – sum of the below
- Policy – principle of action adopted by the government to i) operationalize a REDD+ strategy and ii) address drivers of land-use change
- Measure – a law, a regulation, a programme, a plan of action or a project undertaken to achieve a particular principle of the policy
- REDD+ action – item within a plan of action to i) operationalize a REDD+ strategy and ii) address drivers of land-use change

Figure 1 proposes an indicative framework in which five key information categories are introduced to define criteria and indicators for selecting and prioritising PAMs.

Based on this framework, Table 1 shows one way in which specific indicators for each criterion can be identified and potential PAMs can be evaluated and prioritized.

During this work, more appropriate and context specific criteria might be identified through discussions and consultations with experts and stakeholders. Information linked to the criteria and indicators might be quantitative or qualitative. Both Figure 1 and Table 1 are examples and should therefore provide a good starting point.

³ Please access Nepal's Strategic Environmental and Social Assessment (SESA) report [here](#).

Table 1: Examples of Criteria and Indicators for PAMs prioritisation

	Criterion #1: Carbon benefits	Criterion #2: Cost profile	Criterion #3: Non-carbon benefits	Criterion #4: Coherence with development agenda	Criterion #5: Governance and Political factors
Candidate PAM #1	Indicator #1.1: Amount of carbon reductions	Indicator #2.1: Cost per unit of carbon reductions Indicator #2.1: Cost of policy reform	Indicator #3.1: Job creation Indicator #3.2: Community benefits Indicator #3.3: ecosystems and disaster risk reduction	Indicator #4.1: Alignment with Climate Change Policy Indicator #4.2: Alignment with Environmentally Friendly Local Governance Framework	Indicator #5.1: feasibility of addressing political barriers Indicator #5.2: feasibility of legal or regulatory changes needed Indicator #5.3: Feasibility of required changes towards improved rule of law (such as need for improved enforcement).
Candidate PAM #2	Etc.	Etc.	Etc.	Etc.	Etc.
Etc. etc.					

The team of experts (see [Annex Two](#)) on prioritising REDD+ PAMs will engage with the RIC, key REDD+ stakeholders including the REDD+ Working Groups and CSO/IP Alliance, and relevant development partners to undertake the below described tasks.

b) Methodology for Output 2

Under the general supervision of the head of RIC under the Ministry of Forests and Soil Conservation, technical guidance of the head of Budget Division of Ministry of Finance, and technical supervision from the UNDP County Office, the global UN-REDD Finance Specialist and UNDP/UN-REDD Regional Technical Advisor, the work will be carried out through a combination of desk research, expert discussion, visits and consultation with key stakeholders.

The work will be broken down to two separate phases. The terms of reference in Annex Two only cover the first phase (analytical work) since the continuation of the activities (design work) will depend on official endorsement of the product of the analytical phase by the Government of Nepal as well as an assessment of the political and institutional context and will be largely undertaken in Phase II.

Analytical work –

- a) to understand and map out the positions of stakeholders, opportunities and limitations inherent in the Nepalese legal and institutional framework, concerning the design of REDD+ financial management, relevant experiences from other countries, on-going initiatives and planned work in the field of REDD+, Green Climate Fund readiness and other relevant climate finance related work in Nepal
- b) propose at least three fund management options that present a complete analysis of the potential / candidate fund management options including the institutional arrangement, suggestive capacity development plan and fund flow mechanisms in close alignment with national public financial management system of Nepal.

Annex 3: Risks

Given the context in which this TS to Nepal will be provided, there are risks associated with the ownership of the expected deliverables by the Government and other key stakeholders. As described earlier, this TS is expected to produce key sections of the National REDD+ Strategy which is currently under development.

Regular and frequent coordination and dialogue with the Strategy development team and RIC will be required to ensure that the TS delivers relevant outputs in the most timely and harmonized fashion. For this reason, the TS Coordinator will be recruited to ensure this aspect. The TS Coordinator will play an important role in soliciting feedback throughout the process and on deliverables from key stakeholders including the REDD+ Working Group and CSO/IP Alliance. These efforts by the TS Coordinator will be expected to ensure strong national ownership of the TS process as well as its technical outputs.

In addition, both the UNDP Country Office and UNDP/UN-REDD Regional Advisor will ensure close coordination and dialogue with the RIC, other relevant government institutions and development partners to assure the overall quality of the process and relevance of the deliverables to the overall REDD+ readiness process of the country.

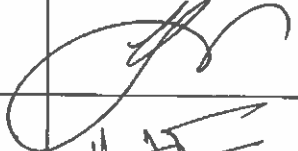




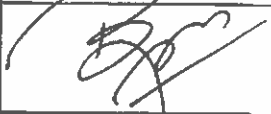




Second Local Project Appraisal Committee Meeting
for
**UN-REDD+ Targeted Support on “Feasibility of Strategic Options and
REDD+ Finance Architecture for implementation of Nepal’s REDD+
Strategy and Plan”**

28 August 2015

REDD+ Implementation Centre, Babar Mahal, Kathmandu

Minute

1. Participants:

S.No	Name	Designation	Organization	Signature
1.	Ms. Sophie Kemkhadze	DCD	UNDP	
2.	Mr. Man Bahadur Khadka	Joint Secretary & Chief	RIC	
3.	Mr. Bishwa Nath Oli	Joint Secretary	MoFSC	
4.	Mr. Damaru Paudel	Section Officer	MoF	
5.	Mr. Ram B. Malla	Planning Officer	MoFSC	
6.	Mr. Bhupendra Thapa	Section Officer	MoSTE	
7.	Mr. Basant Pant	PO	ICIMOD	
8.	Mr. Vijaya Singh	ACD	UNDP	
9.	Mr. Vijaya Pd. Kesari	EPA	UNDP	
10.	Mr. Dipesh Chapagain	Consultant	UNDP	

2. Agenda:

- i. Welcome and objectives by Ms. Sophie Kemkhadze, Deputy Country Director (DCD), UNDP
- ii. Remarks by Mr. Man B. Khadka, Joint Secretary and Chief, REDD Implementation Centre (RIC)
- iii. Presentation on "Feasibility of Strategic Options and REDD+ Finance Architecture for Implementation of Nepal's REDD+ Strategy and Plan" project by Mr. Vijaya Singh, ACD and Head, Energy, Environment, Climate Change and Disaster Risk Management Unit (EECCDRMU), UNDP
- iv. Discussion
- v. Conclusion/closing remarks by:
 - Mr. Bishwa Nath Oli, Joint Secretary, MoFSC
 - Ms. Sophie Kemkhadze, DCD, UNDP

3. Proceedings:

Ms. Kemkhadze (DCD, UNDP) chairing the L-PAC meeting, welcomed all the participants and shared that the purpose of having second Local Project Appraisal Committee (LPAC) meeting was to continue discussion and move the project forward as the issues raised during first LPAC meeting held on 12 March 2015 have already been resolved. She thanked all the participants for their valuable participation in the meeting. She concluded the welcome remarks expressing her hope for project approval recommendation from the meeting.

Mr. Man B. Khadka (Chief, RIC) initiated his remarks saying that this second LPAC meeting was required as there were some procedural problems and issues raised in the last LPAC meeting. He shared that he had series of communication with MoFSC, Ministry of Finance (MoF) and others in the past to resolve the issue and get project extension approval from MoF. He extended his thanks to all those who helped during the process.

Mr. Vijaya Singh (ACD, UNDP) made a presentation about the project and response to the issues raised in first LPAC meeting (Presentation attached as Annex 2).

4. Discussion

Mr. Man B. Khadka (Chief, RIC) initiated the discussion and shared that they have not received any updates on Nepal's EoI submission for full-fledged UN-REDD Programme. Regarding this second REDD+ targeted support programme, he raised his concern that most of the activities designed are related to studies and policy support but not for the local actions. He also mentioned that budget allocated for studies is quite huge and should be re-looked to support other activities. In addition, other institutions (e.g. ICIMOD) are also implementing similar kind of activities, therefore, a strong coordination and synergy between such initiatives needs to be ensured. Mr. Khadka further emphasized that the project should clearly specify and ensure the role of RIC from the very beginning of the project. He also raised his concern on the provision of consultant's participation in learning events. He further suggested that the project could minimize cost by not recruiting a proposed project coordinator. Mr. Khadka suggested not to only limit the scope of the work related to REDD+ financing options up to national level but it should also explore the possibility of REDD financing options at the local level. He further mentioned the project

should support in review of various studies done before and capacity building of RIC. He finally assured that from government side, we want to see this project moving soon.

Mr. Damaru Paudel (Officer, MoF), enquired about the project status and staff arrangement.

Mr. Basant Pant (PO, ICIMOD), shared that ICIMOD is implementing a REDD-Himalaya project with similar policy and research activities. Hence, he suggested to work in synergy with different projects and build on the past works.

Mr. Ram B. Malla (Planning Officer, MoFSC), suggested that the project should involve the international consultants only if it is justifiable and match with the new foreign aid policy of Nepal.

Mr. Bishwa Nath Oli (JS, MoF), appreciated that most of the issues raised in the last LPAC meeting are well clarified. He further added that the role of RIC needs to be clarified in the project document and a ToR for project coordination committee (PCC) needs to be developed. Mr. Oli raised a question on the mechanism for quality assurance of the work that will be done by consultants. Recently, Nepal's Council of Ministers has endorsed a guideline which does not permit consultants to participate in international exposure visits, he added. Finally, he concluded with recommendation to include capacity development activities for government officials who will be directly involved in the project. Later in discussion, Mr. Oli opposed the suggestion of having PEB as the project is only for one year. A PCC will be effective rather than forming separate PEB and adding another administrative layer in the system, he clarified.

Mr. Vijaya Singh (ACD, UNDP) responded the questions raised during the discussion. He shared that the current budget is tentative and broadly allocated against the outputs. Modification to include additional activities can be done based on the actual need during the process of finalization of work plan. REDD+ strategy finalization process is still ongoing so the proposed study on PAMS is highly relevant and will provide important inputs to the strategy. Mr. Singh shared that he was not aware of the activities being implemented by ICIMOD, and hence highlighted the strong need for coordination mechanism among stakeholders. UNDP will implement this project as per Direct Implementation Modality (DIM) with close engagement of the RIC and other government agencies. He clarified on the role of RIC in the project and assured that it will be explicitly mentioned in the document. He further clarified that RIC is welcomed to be the part of recruitment and procurement process and providing valuable inputs in finalization of ToRs. Role of PCC will be explained to ensure smooth operation of the project, Mr. Singh added. On the concern regarding exposure visit to consultants, Mr. Singh clarified that UNDP also does not have such provision to send consultants in exposure visits. He committed to review the project document and make necessary amendments to address all the concerns raised by RIC including opportunities for engaging government counterparts in project activities and support their capacity building as far as possible.

Ms. Sophie Kemkhadze (DCD, UNDP), added that there are projects that support service delivery activities as well as intellectual actions such as policy research. This project is about supporting REDD+ strategy formulation through targeted support, therefore studies and research contributing to policies fall under the scope of the project and financial mechanism is an important aspect of strategy implementation. She clarified that UNDP does not implement projects by its own but collaborate with government in

implementation. She emphasized that there should not be a question about RIC driving the project and UNDP implementing it under RIC's guidance. Regarding the question on quality control, Ms. Sophie shared that UNDP has its own comprehensive quality control mechanism for projects. In addition, the role of RIC in assessing the work done by project and providing feedback will be equally important, she added. UNDP has the provision to form project executive board (PEB) to guide project implementation and this can be done if need be. Later in discussion, Ms. Kemkhadze on the proposal of not recruiting project coordinator responded that the cost for a person will not be very high but not having a dedicated person for the project may significantly impact the project's delivery and quality of the work. She further added that the project coordinator will take care of the technical, administrative and coordination role in the project.

5. Conclusion:

Mr. Bishwa Nath Oli (JS, MoF), concluded the LPAC meeting and thanked UNDP for incorporating and clarifying issues raised during first and second LPAC Meetings. He expressed his belief for successful implementation of the project in close coordination with RIC and other major stakeholders. He finally thanked UNDP for bringing this very important project and wished for its success.

Ms. Sophie Kemkhadze (DCD, UNDP), thanked RIC, MoFSC, MoF, MoSTE, ICIMOD and all other members of the LPAC for their valuable contribution in designing the project and its approval from the LPAC. She added that this open exchange in the LPAC meetings will help us to better tune the project document and make a realistic plan. Finally, she concluded the meeting thanking all the participants for their valuable participation.



CHECKLIST FOR APPROVAL OF Project Document

Project Name: Feasibility of Strategic Options and REDD+ Finance Architecture for implementation of Nepal's REDD+ Strategy and Plan

Award ID: 00069781

Output ID: 00084148

Details	Yes	No
Ensure that approved TRAC and non TRAC fund correctly reflected in AWP	YES	
Review AWP and ensure that GMS and DPC cost reflected	YES	
Budget Revision Cover page figures matches with Workplan figures	N/A	
Provide justification for budget revision on the cover page	N/A	
Review that non TRAC fund are being planned as per cost sharing agreement signed with the donor, or ASL provided (in case of TF or TTF)	YES	
Compare with previous budget revision page	N/A	
Ensure that workplan and budgets are approved by Project Board	YES	
Project Document	YES	
LPAC minute	YES	
Work Plan	YES	

The above documents are duly reviewed and AWP, cover page, previous budget revision cover page, relevant quarter work plan, CDR and PRO attached.

Programme Analyst: 

Date: 17/12/2015

Details	Yes	No
Ensure there is no unprogrammed fund		
Ensure there is no cost sharing deficit		
Ensure the budget is as per agreed delivery target		
Ensure that workplan and budgets are as per PEB minutes		

Asst Country Director: 

Date: _____

Details	Yes	No
Cost recovery is correctly captured in the AWP (GMS and DPC)	✓	
ATLAS AWP is prepared as per signed AWP		✓
Atlas Entry of Budget is correct		✓

Prog Fin Asst: 

Date: 18/12/2015

Details	Yes	No
TRAC allocation is as per approved allocation sheet		✓
Revised project budget is as per availability of resources		✓

Prog Mgmt Analyst: 

Date: 18/12/2015

Details	Yes	No
TRAC allocation is as per approved allocation sheet		
Revised project budget is as per availability of resources		

Prog Asst: _____

Date: _____

