

PILOT PROGRAM FOR CLIMATE RESILIENCE

Summary - Project Approval Request

1. Country:	Nepal	2. CIF Project ID#:	(Trustee will assign ID)
3. Project Title:	Building Resilience to Climate-Related Hazards		
4. Type of PPCR Investment	Public		
5. Funding Request for Project/Program::	<i>Grant:</i> US\$16 million	<i>Credit:</i> US\$15 million	
6. Approved Preparation Grant	<i>Amount (USD):</i> N/A ¹	<i>Date:</i> N/A	
7. Implementing MDB:	World Bank		
8. Other MDB Involvement	<i>MDB:</i> ADB	<i>Type of Involvement:</i> ADB is the MDB responsible for the Mainstreaming Climate Change Risk Management in Development Project. One of the objectives of this project is ensuring results and knowledge management across the five SPCR Program Components.	
9. National Project Focal Point:	Mrs. Meena Khanal, Joint Secretary, Ministry of Environment, Science and Technology		
10. National Executing Agency for project:	1) Department of Hydrology and Meteorology Dr. Rishi Ram Sharma, Acting Director General 2) Ministry of Agriculture Development Mr. Shib Nandan Prasad Shah, Under Secretary		
11. MDB PPCR Focal Point and Project Task Team Leader (TTL):	<i>Headquarters-PPCR Focal Point: Kanta Kumari Rigaud</i> <i>kkumari@worldbank.org</i>	<i>TTL: Claudia Sadoff</i> <i>csadoff@worldbank.org</i>	

¹ A PPG of USD 500,000 was approved at the time of SPCR endorsement in June 2011. However, this was not utilized by the Government of Nepal as other sources of funding were used to prepare the project. The amount of the PPG was added to the overall grant allocation of the project.

12. Project Description:

The Project has four components:

A. Institutional strengthening, capacity building and implementation support of DHM;

This component aims to strengthen DHM's legal and regulatory framework, improve its institutional performance as the main provider of weather, climate and hydrological information for the nation, build capacity of personnel and management, ensure operability of the future networks, and support project implementation.

B. Modernization of observation networks and forecasting;

This component aims to modernize DHM observation networks, communication and ICT systems, improve hydrometeorological numerical prediction systems and refurbish DHM offices and facilities.

C. Enhancement of the service delivery system of DHM;

The objective of this component is to enhance the service delivery system by strengthening a public weather service and national climate service that provides weather and impact forecasts, and information services for vulnerable communities and the key weather dependent sectors of the economy.

D. Creation of an agriculture management information system (AMIS).

The objective of this component is to provide critical and timely agro-climate and weather information to farmers in order to increase productivity and reduce losses from meteorological and hydrological hazards.

13. Objective

The main objective of the proposed project is to increase resilience to climate-related hazards by improving the accuracy and timeliness of weather and flood forecasts and warnings for vulnerable communities countrywide; as well as develop agricultural information management system services to help farmers mitigate climate-related production risks.

This would be achieved by establishing multi-hazard information and early warning systems, upgrading the existing hydrometeorological system and agricultural information management system, and enhancing capacity. Activities funded through the project would help improve decision-making and planning in key climate vulnerable and water resources dependent sectors particularly agriculture, health, water and disaster management, and contribute to building climate resilience for communities at risk.

14. Expected Outcomes:

Weather shocks undermine growth, food security and the livelihoods of vulnerable communities and women in particular. By strengthening Nepal's capacity to predict and cope with weather and hydrological extremes, the project will contribute to making Nepal's communities and economy more resilient to climate change thereby enabling sustained growth and poverty alleviation.

15. Key Results and Indicators for Success (consistent with PPCR Core indicators):

Result	Indicator
(a) Increased financial sustainability of DHM operations	Percentage of allocation of public funds in relation to essential operational needs

(b) Increased accuracy and timeliness of weather forecasts	Skill of weather forecasts of 24 hours lead time	
(c) Increased satisfaction of users with DHM services	Composite satisfaction index expressed	
(d) Introduction of an Agricultural Management Information System that systematically streams and archives agriculture relevant hydromet and agromet data and information	Composite satisfaction index expressed	
16. Budget:		
Expenditures²	Amount (USD) - estimates	
DHM: Civil Works and Goods	US\$19 million	
DHM: Consulting Services, Training, Workshops and Operating Costs	US\$6 million	
MoAD: Goods, Service, Training, Workshop, Operating Costs	US\$6 million	
Contingencies (max. 10%)		
Total Cost	US\$31 million	
Co-Financing³:	Amount (USD million):	Type of contribution:
• Government	TBD	In kind (taxes, office space, government staff)
• MDB		
• Private Sector		
• Others (please specify)		
Co-Financing Total		
17. Project/Program Timeframe		
Expected Board: November 30, 2012		
Expected Mid-Term review date: August 15, 2015		
Expected Project/Program closure ⁴ date: February 15, 2018		
18. Role of other Partners involved in project/program: The Pilot Program for Climate Resilience (PPCR) is implemented through a partnership of the World Bank, ADB and IFC. In addition, under this specific project, strong partnerships will be established with WMO, the Global Framework for Climate Services (GFCS), DFID, UNDP, United Nations International Strategy for Disaster Reduction (UN ISDR), Finland (FMI), USAID, ICIMOD and others who have expressed willingness to support priority activities for climate resilience coordination.		

² Expenditure categories should be provided by the MDBs based on own procedures.

³ This includes: in-kind contributions (monetary value), MDB loan or grant, parallel financing, etc.

⁴ Financial closure date

19. Implementation Arrangements (incl. procurement of goods and services):

The project will be coordinated by the Ministry of Environment, Science and Technology and implemented by DHM and MoAD. DHM will implement component A, B, and C, and MoAD will implement component D.

Project implementation arrangements. The GoN is establishing a *Climate Change Coordination Committee*, chaired by the Honorable Minister for Environment and the National Planning Commission (NPC) member responsible for Environment, to provide oversight and guidance for all climate related projects in the country. In addition, for this Project specifically:

- (a) *Overall coordination* for this project and the other four PPCR projects will be provided by the Ministry of Environment, Science and Technology (MoEST) as the focal Ministry for the PPCR.
- (b) An inter-Ministerial *Project Steering Committee* will be established, chaired by the Secretary, MoEST, and including representatives from MOF, National Planning Commission (NPC), DHM, MoAD and other key stakeholders, to provide policy guidance and ensure coordination across Components A, B, C and D.
- (c) *Two Technical Committees* will be established, one chaired by DHM focusing on Components A, B and C, and the other chaired by MoAD focusing on Component D. The Technical Committees will be chaired by Joint Secretaries/Directors General and include relevant technical experts to strengthen project implementation. The two committees will coordinate as needed to support effective implementation of the project.

Project Management Units (PMUs) will be established in each of the two implementing agencies (DHM and MoAD) and will include administrative, financial, procurement, monitoring and evaluation, environment and social specialists as needed. The staffing plan of PMUs will be finalized and agreed upon during appraisal. The PMUs will report to their respective Technical Committees and with the Mainstreaming Climate Change Risk Management in Development Project of the Nepal PPCR to ensure results and knowledge management across the five SPCR Program Components. The General Consultant/System Integrator will provide assistance to DHM and the PMU in developing the detailed technical designs of the future systems. This includes providing assistance to MoAD and the PMU, and helping to link DHM and AMIS operations.

Both DHM and MoAD will follow the government's Financial Administration Regulations, which is adequate to ensure appropriate controls over project transactions. Procurement for the proposed project will be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" published by the World Bank in January 2011 ("Procurement Guidelines"), in the case of goods, works and non-consulting services; and "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" published by the World Bank in January 2011 ("Consultant Guidelines") in the case of consultants' services, and the provisions stipulated in the Legal Agreement.

20. **Other Information:**