



POVERTY-ENVIRONMENT INITIATIVE (PEI) NEPAL

PROGRAMME FRAMEWORK

January 2010

By

National Planning Commission,
Ministry of Local Development,
UNDP Nepal, UNDP/UNEP PEI



PEI Nepal Brief

The Poverty-Environment Initiative (PEI) in Nepal will support poverty reduction and inclusive development by integrating pro-poor climate and environmental concerns into development planning and economic-decision making. The PEI is not designed as a stand-alone project as such but rather it aims to provide a programmatic framework for targeted support to national and local level planning, budgetary and economic decision making processes through ongoing UNDP supported programmes, in particular, the Institutional Strengthening Support to National Planning Commission for Inclusive Planning and Monitoring (NPC) and the Local Government Community Development Programme (LGCDP). At the national level, the PEI will help strengthen the NPC's capacity to integrate pro-poor climate and environment concerns in the national planning, budgeting and monitoring processes. Similarly, at the local government level, it will provide technical support to the Ministry of Local Development (MoLD), and select District Development Committees (DDC) and Village Development Committees (VDC) to integrate pro-poor climate and environment priorities into local level planning and budgeting process with a particular focus on rural infrastructure. The proposed timeframe for PEI in Nepal is 35 months from February 2010 to December 2012. The PEI Programme Framework will complement the existing project documents of the above two projects, which will include the stipulated PEI activities in their respective Project Annual Work Plans (AWPs).

UNDAF Outcomes/Indicators: Environment and energy mainstreamed into national and local development planning with a focus on gender, social inclusion, and post conflict environmental rehabilitation./Government allocates resources to mitigate environmental impacts of infrastructure projects.

Expected Outcomes/Indicators: Environment and energy mainstreamed into national and local development planning with a focus on gender, social inclusion, and post conflict environmental rehabilitation./Government allocates resources to mitigate environmental impacts of infrastructure projects.

Expected Outputs/Indicators: Policy frameworks developed for environmental mainstreaming, water governance, and green accounting. /Separate tools for environmental mainstreaming for national and local levels developed.

| | | | |
|--------------------------------|--|--------------|--|
| Programme period | February 2010 – December 2012 | | |
| Program | a) Strengthen capacity of NPC for integrating PEI | | |
| Components: | b) Strengthen capacity of local governments for integrating PEI | | |
| | TOTAL BUDGET | US\$300,000 | |
| | Allocated Resources | | |
| | • Government | In-Kind | |
| | • PEF | US\$ 200,000 | |
| | • UNDP (TRAC) | US\$100,000 | |
| Project ID | Integrated with ongoing NIM projects, hence no separate project ID | | |
| Project Duration | 1 February 2010 – 31 December 2012 (35 months) | | |
| Management Arrangements | National Implementation (NIM) | | |

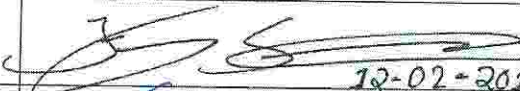
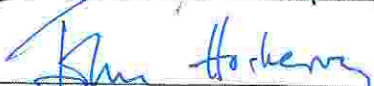
| | | |
|--------------------------|--|---|
| Agreed by UNDP Nepal CO: |  | Anne-Isabelle Degryse-Blateau Country Director |
| Agreed by UNDP-UNEP PEI: |  | 9-02-10 |

Table of Contents

| | |
|--|----|
| ACRONYMS | 4 |
| 1 SITUATION ANALYSIS | 5 |
| 1.2 Need for Pro-Poor Environment and Climate policies..... | 6 |
| 1.2 Institutions, Plans, Policies and Budgets that affect Pro-poor Environment Outcomes..... | 7 |
| 1.2.1 National Level Planning and Budgeting..... | 7 |
| 1.2.2 Local level planning and budgeting | 8 |
| 2. STRATEGY | 10 |
| 2.1. Goal..... | 10 |
| 2.2. Objectives..... | 10 |
| 2.2.1 Integrate climate adaptation into national and local level planning and budgeting..... | 10 |
| 2.2.2 Strengthen local government own source revenue collection and sharing of natural resources based revenues | 10 |
| 2.2.3 Improve expenditure of local government on rural Infrastructure..... | 10 |
| 2.3. Key outputs and activities | 12 |
| 2.3.1. Output 1: NPC capacity is strengthened to integrate pro-poor environmental measures in the national planning, budgeting and monitoring processes..... | 12 |
| 2.3.2. Output 2. Pro-poor environmental priorities are integrated in the DDC/VDC level planning process, financial management and rural infrastructure development practices. | 13 |
| 2.4. Risk Analysis and Risk Management Strategy | 15 |
| 3. MANAGEMENT ARRANGEMENTS | 15 |
| 4. MONITORING AND EVALUATION..... | 16 |
| 5. LEGAL CONTEXT | 17 |
| 6. RESULTS AND RESOURCE FRAMEWORK..... | 19 |
| ANNEX 1. RISK ASSESSMENT MATRIX | 24 |
| Annex 2 List of relevant on-going initiatives in nepal | 28 |
| Annex 3 Terms of Reference: pei advisor | 31 |
| Annex 4. Terms of Reference: Project Assistant | 35 |
| Annex 5 Draft Terms of Reference: Poverty Environment Learning Group..... | 37 |
| Annex 6 Project Document – LGCDP | 37 |
| Annex 7 Project document NPC Project..... | 37 |

ACRONYMS

| | |
|---------|---|
| ADB | Asian Development Bank |
| CBNRM | Community-Based Natural Resource Management |
| CSUWN | Conservation and Sustainable Use of Wetlands in Nepal |
| DED | District Environment Desk |
| DEES | District Environment Energy Section |
| LGCDP | Local Government Community Development Programme |
| LRP | Livelihood Recovery for Peace Project |
| MEDEP | Micro Enterprise Development Programme |
| MLD | Ministry of Local Development |
| NAPA | National Adaptation Programme of Action |
| NPC | National Planning Commission |
| NRM | Natural Resource Management |
| PEI | Poverty-Environment Initiative |
| REDP | Rural Energy Development Programme |
| UNDP | United Nations Development Programme |
| UNDP CO | UNDP Country Office |
| UNEP | United Nations Environment Programme |
| WTLCF | Western Terai Landscape Conservation Project |

1 SITUATION ANALYSIS

1.1 Contribution of Climate and Environment to Poor's Livelihoods and National Economy

Poor people's heavy dependence on natural resource base

Over 86% of Nepal's total population live in rural areas (as of 2001)¹. Land, forests, minerals and water remain the key natural resources in Nepal for human survival, livelihoods and climate change adaptation. Rural populations especially the poor, landless, indigenous people and women rely heavily on forests and land resources for their livelihoods. More than 80% of Nepalese derive their livelihoods from forests. Around 86% of total energy for cooking and 40 % of fodder comes from forests. 66% of the total gainfully employed population is engaged in the primary sector including agriculture, forestry, and fishery (2001 census). The share of the primary sector in the Mountain region is 81%, compared with 68% and 60% in the Hill and Terai regions, respectively². While Nepal is endowed with social, agriculture and biological diversity, it experiences chronic poverty which is more severe in rural areas than urban areas.

Natural capital's large contribution to the national economy

Low-income countries are highly dependent on natural resources and their share of natural capital is larger than their produced capital. Natural capital is an important share of the country's total wealth in Nepal (31% of the national wealth)³, clearly suggesting that adequate management of ecosystems and natural resources would be key to sustainable economic development and poverty reduction. It is estimated that the total contribution of environment-related income to Nepal's economy may well be over 50%. Agriculture, combined with forestry and fisheries, accounts for more than 38% of the country's GDP⁴. In addition, significant portions of the power, water, manufacturing, trade, and tourism sectors are also dependent on the environment in one form or another. A study on "Forestry Sector Potential and Constraints" shows that the forestry sector contributed about 14 percent of the total GDP of Nepal in 1994 (Kanel 1999). Eco-tourism is one of the major income earners in the national economy accounting for more than 3.5% of the total GDP and about 25% of the total foreign exchange earning. The Government of Nepal collected NRs 556.8 million as revenue from tourism in the year 2006/07 (Shrestha 2008).

Vulnerability of poor people and national economy to climate change

Nepal's development is already affected by current climate variability and extreme weather events and with future climate change, especially the vulnerable populations of Nepal will be exposed to greater climate risks. Significant shares of public development activities are under climate risk (just under 200 million USD of official development assistance – more than half of total development aid in Nepal are potentially affected by climate change)⁵. Nepal's vulnerability to climate change is compounded with other socio-economic and environmental factors including increasing pressure on natural resources and land, population growth and governance. The main climate-related risks in Nepal are: (i) the Glacial Lake Outburst Floods (GLOF); (ii) impacts on livelihoods and economy from extreme weather with impacts for millions of people; (iii) consequences for economic sectors like hydropower and agriculture; and (iv) derived longer-term consequences on health (food security, and water and vector-borne diseases).⁶ There are also opportunities for Nepal to access international funds through international mechanisms such as CDM and REDD (Reducing Emissions from Deforestation and Degradation) by undertaking mitigation efforts. This potential can be realized especially by investing in renewable energy and protecting and enhancing carbon

¹ ADB, Environmental Assessment of Nepal, 2006

² ADB, Environmental Assessment of Nepal, 2006

³ World Bank, Where is the wealth of nations, 2006

⁴ Nepal, Country Environmental Analysis, World Bank, 2008

⁵ OECD, mainstreaming adaptation into development planning, 2004

⁶ DANIA, climate change screening of Danish development cooperation in Nepal, 2008

sinks in forests and agriculture through sustainable forest and land management that will also support local communities' livelihoods.

1.2 Need for Pro-Poor Environment and Climate policies

Insecure tenure for land based income generation opportunities

Of the total land, about 21 % is under cultivation with an average holding size of 0.96 ha. About 29 % of households are landless (Khadka 2009). Out of total land holdings, 1.4 % landowners own 14 % of arable land. About 9 % of total cultivated land is under tenancy system (Upreti and Adhikary 2006). Semi-feudal land ownership system, highly skewed distribution of land, continued fragmentation of land and lack of people responsive land use policy are the pertinent issues for ensuring access to and control over land by the poor and socially disadvantaged groups (ibid: 27). Securing tenure rights for the poor is critical as one of the means to provide sustained incentives to the poor to invest in the forest land they receive.

Lack of pro-poor focus in the renewable energy support policy

Nepal relies heavily on traditional energy sources (e.g. firewood). Nepal accounts for the lowest share of commercial energy (around 500 kWh per capita per year) among all South Asian countries. Based on the fuel type, biomass provided 86% of the total energy consumption, petroleum 9%, electricity 2% and renewable energy 1% of the total energy consumed (Winrock 2008). Of the 3940 VDCs, only 339 are fully electrified and another 1077 partially electrified. About 1,669,782 of 4174,457 households (40%) have access to electricity. Seven percentage of people with electricity access use alternative energy such as solar power, biogas and micro hydro. Despite improvements in the energy supply through micro-hydro, solar, biogas and briquettes, the majority of rural people and majority of poor are still dependent on firewood as their primary energy source. This high dependence on wood without adequate forest management and replanting of trees has resulted in deforestation, topsoil erosion, flooding and other negative environmental consequences. Since early 1990s, the government of Nepal has promoted various renewable energy programs with the main objectives of strengthening the rural economic system; improving the quality of rural life by supplying energy and increasing the opportunity of employment; and contributing to environmental sustainability.

However, there is an urgent need for designing pro-poor incentive mechanisms in energy development programs to enable the poor and forest resource dependents to benefit from such programs. Moreover, the likelihood of the exclusion of the landless, in-migrants and the poor in the program is high, unless energy promotion technologies and subsidies of the government are not linked with social equity. Micro-hydro development is promoted with 70 % of the budget from the central government and 30 % to be mobilized locally. There is a lack of capacity at the VDC level to prevent elite capture and spend a certain minimum amount of the local budget directly targeting the poor.

Need for pro-poor benefit sharing in the natural resource sector

Legislative inconsistencies exist in the management of environment and natural resources in particular, those found in the Local Self-Governance Act (1999) which mandates the transfer of environmental responsibilities to local government bodies on the one hand, and sectoral policies that retain authority at the national level on the other hand. However, there have been some significant successes in natural resource management, most notably in community forestry. Nepal's community forestry programmes have been considered as one of the successful cases of community-based natural resource management initiatives. Nepal's unique experience shows that local people's indigenous knowledge, strong and efficient local organisation for decision-making, local control over resources and rights of using benefits together with supporting national policies are conditions for sustainable resource management. However, certain constraints exist for CBNRM to effectively contribute to poverty reduction. Field studies have reported that community programs have not benefited the poorer local community members as much as they could or should.

For example, of the US\$10 million cash income generated from the community forests in Nepal, only 3% has been targeted to pro-poor activities (Kanel and Niraula, 2004).

Need for pro-poor urban environmental policies

Although Nepal is one of the least urbanized countries in the world, its rate of urbanization has increased dramatically and now stands as the highest in South Asia. It is estimated that the total urban population in 2006 had reached approximately 3.8 million of the total population of 25 million. The government predicts that by 2011, 24% of the total population will be living in urban areas (NPC/MoPE 2003). Urbanization is expected to continue rapidly and the urban economy's contribution to the national economy is estimated to be around 60% of GDP (Nippon Jogesuido Sekkei 2002)⁷. However, this rapid urbanization has led to negative environmental impacts on the populations in urban centers including squatter settlements, inadequate water supply, lack of waste water and hazardous waste management, inappropriate collection and disposal of municipal solid waste, water pollution, and air pollution. For urban areas in Nepal, environmental health costs were estimated to be nearly US\$51.2 million in 2005, which is 0.7% of Nepal's GDP (World Bank 2008).

1.2 Institutions, Plans, Policies and Budgets that affect Pro-poor Environment Outcomes

1.2.1 National Level Planning and Budgeting

National Planning Commission

The National Planning Commission (NPC) coordinates the preparation of periodic national plans. NPC sets the main objective of the plan, and determines macro level targets along with growth targets and total investment requirements that lead to necessary financing plan. Further, it advises the government in its effective implementation and also conducts monitoring and evaluation of development interventions. The respective ministries draft the sectoral plans with suggestions from sector- expert groups and the respective NPC members.

NPC issues budget ceilings and guidelines to sectoral ministries and District Development Committees (DDCs). The Ministries in turn send out guidelines and ceilings to their departments, who instruct their District level offices to prepare work plan budgets. The District offices annual work plans get approved by the district councils and the relevant Department collates the annual budget request to send it to ministry for submission at NPC and MOF. Submissions are followed by discussions and consultations within NPC, based on which budget is approved at a broader level. Once this is done then the concerned ministry has to work in detail with the MOF for determining budget allocation for each budget line of the Red Book (Budget book showing the detail of the allocation by budget line is called as red book).

Three year Interim Plan (TYIP)

National Planning Commission (NPC) of Nepal is currently leading the process of developing the next Periodic Plan to succeed the existing Three Year Interim Plan (TYIP) due to end in 15 July 2010. The proposed Plan is designed to be a three-year plan with a five-year perspective. The Plan development process has begun with the preparatory works to frame an Approach Paper for the Plan. To develop this Approach Paper, NPC has constituted seven Thematic Groups for key planning areas covered in the Plan, which include: Agriculture and Food Security; Education Health; Water and Sanitation; Energy; Roads; Governance and Community Development; Gender; Environment (including Climate Change Adaptation) and Income Poverty/Employment and Social Protection.

Institutional Strengthening Support to NPC for Inclusive Planning and Monitoring (UNDP-supported, implemented by NPC, 2009-2012)

⁷ ADB, Environmental Assessment of Nepal, 2006

This UNDP project supports the National Planning Commission to make its planning and monitoring systems inclusive as well as to support the NPC to strategize to meet the MDG goals. It aims to produce this result by i) making the current planning and monitoring processes, tools and system inclusive and in line with MDG goals; ii) making the processes of national level data collection and analysis gender and social inclusion responsive; and iii) developing institutional capacity of the NPC, CBS and select ministries with a focus on strengthening planning and monitoring systems, institutionalization of inclusive processes and formats, and training of relevant personnel.

1.2.2 Local level planning and budgeting

The Local Self-Governance Act (LSGA), 1999

LSGA makes local bodies responsible to formulate their respective plans with active involvement and participation of local people, focusing on the special needs of the poor. It makes 20 percent representation of women at village and ward level development committees mandatory. The Local Self-Governance Regulations (LSGR), on the other hand, provides for the inclusion of poor and excluded in development activities, for prioritization of projects and programs for women and the excluded. At the DDC level, the LSGR stipulates that the DDC can form sub-committees to address needs of women and the disadvantaged with engagement of NGO, CBO, civil societies and experts.

Local government bodies

Nepal has a well defined and structured decentralised governance system with strong and institutionalized local government bodies, the DDCs and the VDCs. While the conflict over the past decade resulting in the absence of elected representatives for nearly 7 years have weakened the institutions that became robust and functional after restoration of democracy in 1990, they are still units where people have faith and await political process to elect the representatives. The VDCs and DDCs are well resourced with annual central grants and collection of local resources. Major political parties have expressed strong commitment to decentralization and accountability to ensure a decentralized, accountable, people-oriented, and democratic self-governance system, and to address the needs of disadvantaged groups and remote regions and communities. The Government is committed to increasing the volume of fiscal transfers to local bodies and has increased the size of VDC block grants. The Government is also moving ahead to consider performance-based allocation of resources to DDCs and other local bodies as a basic measure to improve good governance.

Local government planning

A VDC (made up of 9 wards) formulates a Village Development Plan which is reviewed and approved by the VDC council. The approved Village Development Plan is channeled through the *Elaka* (cluster of villages) to the respective DDC. The DDC formulates a District Development Plan (DDC Annual Plan) which is approved by the DDC Council, represented by party alliance representatives, civil society organizations, line agencies and DDC officers.

A new directive on Integrated Planning was introduced as a result of 1999 Local Self Governance Act. The DDC is expected to prepare plan formulation guidelines for VDCs and organize a pre-planning workshop at DDC level. LSGA brought positive changes in terms of VDC's access to budget resources and transparency in planning and decision-making process. Minimum Conditions and Performance Measures and public hearings at VDC level have proved to be effective incentive measures to enhance local accountability and performance in planning and budgeting. However the concept of true integrated planning still needs to be understood and practiced at the DDC and VDC level. A Project by SDC/NSCFP aims to improve capacity of VDCs in such integrated planning. The Project has supported a bottom-up participatory approach of preparing an integrated village development plan called a Village Level Development Plan (VLDP).

Decentralized budget allocation

Local government programs are funded through the decentralized budget allocated to the respective DDCs and these funds are envisaged to grow considerably. In addition VDCs receive block grants directly from the Central Government with discretion to utilize the funds for projects and programs that are not otherwise funded. VDCs typically utilize block grants for infrastructure projects, primarily rural roads. The present Government has increased the ceiling of block grants (now referred to as expanded block grants – EBG) and also introduced a performance based allocation system (minimum conditions and performance measures – MCPM) in a bid to promote good governance and need-based service delivery at the local level. Funds are also separately provided via the Ministerial budgets – but in future a larger proportion of these funds are likely to flow directly to the District level through reforms now being implemented by the NPC.

Local Governance and Community Development Programme (LGCDP 2008-2012)

LGCDP is a national programme, financially supported by a broad range of development partners (DP), is implemented by the Ministry of Local Development (MLD). The over-arching goal of LGCDP is to contribute towards poverty reduction through inclusive, responsive and accountable local governance and participatory community-led development. This four-year multi donor programme initiative is being implemented in selected District Development Committees (DDCs) and Village Development Committees (VDCs) since July 2008. The approach is to gradually roll out to all the VDCs, DDCs and municipalities over the programme period. The LGCDP funding envelope is over US\$ 600 million where the government contributes more than 50% of this sum. The projected plan is to provide top-up grants to 900 VDCs in 2008/2009, 2000 VDCs in 2009/10, 3000 VDCs in 2010/11 and to all eligible VDCs by 2011/12.

Briefly, the LGCDP intervenes in four strategic areas:

- active and effective participation of the communities in the local development process and hold local governments accountable for the services and resources;
- build the capacities of the local bodies for financing arrangements to promote effective delivery of basic infrastructure and services;
- assist in the development of the overall policy and enabling regulatory framework for devolution and local governance, community development, social empowerment and safety net;
- develop an institutional mechanism to strengthen upward and downward accountability.

Local governance in the transition to a federal structure

The task of restructuring government to function as a federal system rests with the Constituent Assembly (CA). While there is general consensus amongst political parties over the concept of a federal state, the challenge will be in reaching consensus amongst multiple parties on the detailed arrangements, particularly on matters relating to division of rights, responsibilities and access to resources between the center and local entities. The legal basis of decentralized governance is encapsulated in the Local Self-Governance Act of 1999. The current Three-Year Interim Plan (TYIP) (2008-2010) also emphasizes decentralization as the means of ensuring inclusive growth and good governance. The government has already increased the ceiling of fiscal transfers (i.e., block grants) to local government as a sign of commitment towards decentralization. However many fundamental issues (e.g., criteria for electing representatives to local bodies, institutional structure and regulations that apply to line agencies at the local level, revenue sharing arrangements related to effective implementation of a federal structure, etc) remain to be addressed.

2. STRATEGY

2.1. Goal

PEI Nepal's overall goal is to support poverty reduction and inclusive development by integrating climate and environmental concerns and opportunities of the poor into development planning and economic-decision making.

2.2. Objectives

PEI will aim to achieve the following four specific objectives. PEI will seek to mobilize further resources from development partners to expand the scope to additional thematic areas and localities.

2.2.1 Integrate climate change into national and local level planning and budgeting

Nepal has embarked on a broad consultation process to develop its National Adaptation Plan for Action (NAPA) which is coordinated by the Ministry of Environment with a number of thematic groups. However the outputs of this process need to be "mainstreamed" into the overall national periodic plan and local level plans at the DDC and VDC level.

2.2.2 Strengthen local government own source revenue collection and sharing of natural resources based revenues

Local government bodies (DDCs/VDCs) levy taxes on many products from the natural resource base. DDCs/VDCs collect revenue from quarries and sale of mining products e.g., sand, stones, gravel/pebbles. In most cases such quarries have been environmentally detrimental as they are located mostly along the river banks near the highways and important bridges and have been operating without due attention to potential environmental impacts. Since the poor have their settlements in environmentally vulnerable sites and are affected by landslides, unsustainable extraction of construction materials push the poor towards increased vulnerability. Secondly, the water courses of such rivers change due to quarrying and cause flooding and siltation in farmlands and settlements. Thirdly, such practices impose a risk of damage to public amenities (e.g., roads, bridges, irrigation channels). Although most of the DDCs in *terai* and inner *terai* generate significant income from sand, stone and gravel, there is no socially disaggregated data showing the percentage of such income invested on poor, vulnerable and *dalits*. Nor can be found any record of investment on environmental restoration of quarry sites. DDCs/VDCs urgently require to enhance their understanding of poverty-environment linkages in planning and budgeting of development programs.

There are many issues that complicate natural resource levies. Contradictions between some natural resource legislation in terms of resource entitlement and management lead to unsustainable extraction of resources. For example, the Local Self-Governance Act (LGSA), 1998 and the Forest Act, 1993 contradict with each other. According to the LGSA, the Village Development Committee (VDC) is the owners of all forest products within its areas. The Forest Act, 1993 on the other hand provides the District Forest Offices power over the forests and forest products including regulation of Forestry User Groups.

2.2.3 Improve expenditure of local government on rural Infrastructure

A number of studies have indicated that one of the key reasons for rural poverty is physical isolation of the areas resulting in poor access to markets, services and economic opportunities. Only 30% of the rural population has access to all-weather roads and more than 60% of this network is concentrated in the lowland (*Terai*) areas of the country⁸. Consequently rural roads are often the highest development priority of communities and local governments. The Government of Nepal has

⁸ World Bank, Country Environmental Analysis Nepal, 2008

accordingly prioritised accessibility as key requirement to address rural poverty. Construction of rural roads in Nepal is taking place at an unprecedented scale. The level of investment in development of rural roads has significantly increased over the past ten years. A number of rural road based projects and programmes are currently in implementation process with total budget of more than US\$ 400 million spent in nearly four years. Similarly the District Development Committee (DDC) spends on average more than NRs 40 million per year on roads while each Village Development Committee (VDC) spends on average NRs one million per year on rural roads. In the context of decentralization, budgetary allocations to VDCs and DDCs have increased almost 6 fold in some cases. A significant portion of VDC budgets (60-90%) are spent on rural infrastructure development, mostly on rural roads.

Sustainability of rural transport infrastructure development has emerged as one of the key issues for rural development in Nepal. The concept of “Green Road” or labour based environment friendly and participatory (LEP) policy is widely understood at the central level as a sustainable way of constructing rural roads in Nepal as it combines environment friendly construction methods, environmental management, local employment and income generation, participatory approach and optimum utilization of local resources. However, most of the rural roads financed by local government bodies are clearly built in an unsustainable way mainly adopting the conventional heavy-machine based transport development approach due to different factors including inadequate policy, guidelines, incentives, lack of understanding and lack of assessment of benefits and costs of different construction approaches. There has been an alarming rate of increase in the construction of these unsustainable roads during the past years. The heavy machine-based approach to road construction has not resulted in social benefits (e.g. employment) and caused environmental degradation and hazards (e.g. forest degradation, soil erosion, land slides, slope failures, debris flow). Some studies show that Nepal is losing the value of USD 1 to 2 billion due to the lack of proper maintenance work in overall road network. Moreover, per km cost of construction of road by conventional method estimated at NRs 5 to 8 million is expected to increase almost twice considering price increase of fuel, construction equipments and materials.⁹

2.2.4 Improved consistency between local government and community based natural resource management

Over time, an impressive number of actors emerged and established to assist and support the community-based approaches to NRM formalized through appropriate policy in Nepal. The establishment of the Federation of Community Forestry User Nepal (FECOFUN) and the Himalayan Grassroots Women's Association in Natural Resource (HIMAWANTI) in 1995, the Nepalese Federation of Forest Resources User Groups (NEFUG) in 2000 and the Association of Water User, Nepal (WUA) has supported networking building between CBNRM institutions and between government and CBNRM institutions. Financed by donors, these actors have been able to deliver various services (policy advocacy, formation of groups, preparation of forest management plans and constitutions of forest user groups), knowledge and skills (training, social mobilisation, public awareness) and information dissemination (policy and legal frameworks) at different levels.

Community Based Natural Resource Management (CBNRM) models have created various opportunities for local communities to plan and implement micro-enterprises, community development and forest management activities. However, community based approaches in Nepal have had certain limitations. In many cases, initiatives are implemented under a ‘project’ mode. Consequently, the scope of activities initiated through projects is confined to specific issues (e.g., provision of electricity, managing a forest resource). Similarly, opportunities for scaling up good practices are missed due to the project-based modality of operations. In some cases, as the programme has evolved the respective beneficiaries have attempted to expand the scope of activities beyond their initial mandates. Another limitation is that some community based management initiatives have benefited selected members and excluded others, very often the poor and

⁹ Abhiman Das Multi, Ministry of Physical Planning and Works, Nepal, Journal of Sustainable Development, November 2009

marginalized segments of communities. In other cases, people are members of multiple committees leading to overlap and duplication.

2.3. Key outputs and activities

2.3.1. Output 1: NPC capacity is strengthened to integrate pro-poor environmental measures in the national planning, budgeting and monitoring processes.

The next national periodic plan is currently being prepared and is at its initial stage providing very timely opportunities for PEI to facilitate the integration of pro-poor environmental considerations in this key national development planning process. The on-going UNDP project, Strengthening of Planning and Monitoring Capacity of NPC (SPMC/NPC) is supporting the National Planning Commission to make its planning and monitoring systems inclusive as well as to support the NPC's strategic planning to meet the MDG goals. The project mainly focuses on social and gender inclusion but needs further strengthening of the project's focus on the environmental dimension of national development, e.g. the important contribution of the environment to national economy and poverty reduction, the environmental priorities of the poor, need for investing in sustainable natural resource management as a way to sustain economic development and poverty reduction. Therefore, PEI's targeted support is urgently required to help the government identify the key poverty-environment priorities to be included as national development priorities and improve its budgeting and monitoring processes to better capture the important dynamics of the ecosystem change and poverty reduction in the national planning system. PEI's targeted support as described below will be delivered through the existing UNDP SPMC/NPC project.

By targeting this key national development planning process, PEI will aim to address the key gaps identified in the natural resource management policy, planning, implementation and budgeting processes as elaborated in the section I of this document on the situation analysis. The key gaps to be addressed at the national level will include the national poverty-environment monitoring system, national level budgetary allocation to pro-poor natural resource management and coherence between different sectoral priorities and policies.

Improving NPC's understanding and tools for integrating pro-poor environmental measures in the next periodic plan

PEI will provide technical support to the NPC and its inter-sectoral task forces involved in the preparation of the MDGs needs assessment and the drafting of the next periodic plan in order to facilitate the integration of pro-poor environmental measures in the next periodic plan and the NPC planning and monitoring process. PEI will help raise awareness and understanding of the key poverty-environment priorities in Nepal targeting the policy makers and planners involved in the national planning process. PEI will provide timely technical input to the approach paper which will provide a strategic overall framework of the next development plan and subsequent plan documents through undertaking policy-relevant analysis to develop, prioritize and cost priority pro-poor environmental policy measures and sectoral targets and programmes. Pro-poor environmental and climate change concerns will be highlighted with particular focus on creating more focused pro-poor and pro-environment incentives and increasing coherence between the inter-related natural resource management sector policies. PEI will take part in the capacity needs assessment of the NPC and help implement selected capacity building activities which may include the development of NPC guidelines or check-list to ensure the integration of pro-poor sustainable natural resource management.

Reviewing national development budgetary process and financing mechanisms

Another important area of support from PEI will focus on budgeting and financing for pro-poor environmental investment. It is important to ensure the prioritized policy measures are adequately budgeted and financed. Thus, PEI will explore the practical ways to support the integration of pro-poor sustainable natural resource management into the budgetary process, for instance, by undertaking Public Expenditure Review on environment, assessing the potential for environmental

fiscal reforms, improving the budgetary guidelines/formats and the NPC's approval process of development projects to be included in the budget. This PEI component will build on the on-going MDG needs assessment and costing process supported by the UNDP SPMC/NPC project.

Incorporating the Poverty-Environment indicators in the national poverty monitoring system

Finally, PEI will help develop capacity of the NPC, in particular, the poverty monitoring unit, to demonstrate the impact of policy measures on the poverty and environmental status of the target populations and to guide adjustments in policies and budget and resource allocation to enhance pro-poor environmental outcomes through the development and integration of the poverty-environment indicators in the NPC poverty monitoring system.

2.3.2. Output 2. Pro-poor environmental priorities are integrated in the MLD, DDC and VDC level planning process, financial management and rural infrastructure development practices.

PEI will deliver its technical support through the existing LGCDP programme which has a very wide scope of interventions nation-wide. PEI can mitigate its risk of being affected by the country's political instability by partnering with this major local governance programme as the country's decentralization and local governance support processes are unlikely to be highly vulnerable to political instability. PEI has a unique role to play in this local governance support process as the current LGCDP programme and related initiatives provide limited support in the area of environmental management mainly focusing on social and environmental safeguards. PEI can clearly add value to this process by raising key local stakeholders' understanding of the challenges and opportunities in pro-poor natural resource management and supporting the development and application of practical planning, implementation and monitoring tools to integrate environmental sustainability at the local level. LGCDP also offers a significant opportunity to scale-up and replicate proven sustainable natural resource management and integrated planning practices across the country. PEI support to local governance will be provided as described below.

Improving selected guidelines and directives of MLD

While PEI's support through the LGCDP mainly focuses on the sub-national level, technical assistance will be provided to improve MLD's selected guidelines and directives which can be instrumental in influencing local government bodies' planning and financial management processes nation-wide, since LGCDP covers the entire DDCs and VDCs within Nepal. Relevant guidelines and directives (e.g. directive on integrated planning, monitoring guidelines, minimum conditions and performance measures, block grant guidelines) will be reviewed to assess their poverty and environment impacts at the local level and their potential to scale-up proven practices in integrated village development planning, environmental management and sustainable livelihood options (e.g. promoting sustainable community-based enterprises building on the relevant on-going initiatives such as MEDEP and REDP). Lack of integrated planning has led to inappropriate priority setting of development interventions and has been one of the causes of low investment in sustainable natural resource management at the national and local level. Successful integrated planning will help improve the shortcomings of the current planning processes which are often led without clear vision and strategic framework and that suffer from weak coordination among line ministries e.g. road, mining, agriculture, DDC/VDC and civil society actors. Based on the technical analyses above, specific policy tools and improvement measures will be proposed for the reviewed guidelines and directives drawing on the lessons learned and best practices.

Providing evidence to influence local government's investment in unsustainable rural road construction

There is an urgent need to reverse the current trend of local government's investment in unsustainable rural road construction and influence the rural infrastructure development strategies and practices. Sustainable rural infrastructure development and adequate allocation of already constrained local resources is critical to improve the poor's well-being and maintain environmental sustainability. PEI will undertake an economic analysis of local government investments in rural

road construction at VDC level to assess the costs and benefits of alternative road construction approaches (i.e. unsustainable versus labour based environment friendly and participatory construction) including social and environmental concerns. This analysis aims to make the economic case for adopting sustainable approaches to rural infrastructure development to maximize social benefits and minimize negative environmental impacts. The process of undertaking this economic analysis and the results of the study will be used to influence local development planning and budgeting processes. Based on this economic analysis, specific policy recommendations will be developed to facilitate the mainstreaming of poverty and environment considerations in rural infrastructure development policies in partnership with MLD-led Rural Transport Infrastructure Sector Wide Approach (SWAp) Programme.

Training local governments at targeted districts and villages on integrating pro-poor environmental considerations in local planning and budgeting process

PEI will capitalize on a strategic entry point provided by a set of the LGCDP activities which aim at strengthening the MLD proposed District Environment Desk (DED). DED is envisioned to form a poverty-environment platform at the district level comprising different sectoral desks such as the District Environment and Energy Section (DEES). PEI will provide technical input to the development of manuals such as the Planning and Budgeting Manual and Scheme Implementation Manual and training of trainers at district and VDC level targeting both the DED and other sectoral structures such as the DEES. PEI's technical input will focus on promoting integrated planning, developing poverty-environment mainstreaming guidelines/check-list to be used by DESS and DED and raising awareness on key pro-poor environmental issues including sustainable rural road construction practices. Practical training sessions will be delivered to the DED and DEES in PEI pilot districts on practical tools on integrated planning such as participatory planning guidelines, environmental and economic assessment, scenario development, climate risk assessment, participatory budgeting, monitoring and evaluation.

Training communities, VDCs and communities organisations on integrated development planning process

PEI will also support the capacity development of communities and community organizations to actively voice their environment and livelihood concerns and priorities in the local planning and budgeting processes in targeted districts and villages. PEI will strategically target Social Mobilizers who will be placed through the LGCDP programme and train Social Mobilizers in PEI pilot districts on integrating pro-poor environmental concerns in the development planning process including key environmental issues, climate risk assessment, scenario development, community-based climate change adaptation, integrated planning and participatory budgeting, monitoring and evaluation. Technical support will be provided to design and production of public awareness and communication materials highlighting best practices on the role of communities in promoting local governance accountability, sustainable natural resource management practices and sustainable livelihood options.

Developing incentives and measures to improve access to fiscal resources for investing in sustainable natural resource management by local governments, communities and private sector

Although local communities rely heavily on the natural resource base for their livelihoods and that management of the communities' natural capital is key to sustaining local development, substantial portion of local government expenditure is spent on road construction, often, unsustainable construction practices and sustainable natural resource and environment management continues to receive very low priority.

Considering the local governments' very limited financial resources, it is important to facilitate their access to fiscal resources in order to help increase their investment in sustainable natural resource management and sustainable livelihood options for the poorer segment of the local population. PEI will assess the impacts of the existing DDC/VDC block grants on the local environment and natural resource base. Specific recommendations will be proposed to improve the existing DDC/VDC block grant formula to better target the neediest communities and provide

incentives to local governments to increase their investment in sustainably managing ecosystem services and in supporting the private sector investment in developing sustainable livelihood options.

In many cases of local governments, revenue from natural resources accounts for a substantial portion of local government revenue streams. Local governments are currently generating internal revenues from natural resources in the forms of tax, royalty and VAT, often, in an uncoordinated and inefficient way and the revenue generated is often not equitably shared without effectively targeting the poor and vulnerable groups. PEI will analyze the current practices of generating revenues, e.g. taxation, royalties, fees on marketable natural resources and sharing benefits from natural resources in PEI pilot VDCs. PEI support will be provided to improve understanding of targeted VDC officials and community user groups (specifically targeting marginalized groups) on maximising revenues from natural resource management including those from rural energy investment and benefit sharing mechanisms including the payment for ecosystem services. Policy recommendations will also be made to help scale-up good revenue generation practices and benefit sharing mechanisms including the payment for ecosystem services.

Across the two main outputs, PEI will try to incorporate climate change concerns as part of the broad poverty-environment related issues in order to reduce vulnerability of the poor and increase their resilience to current and projected impacts of climate change on their livelihoods.

2.4. Risk Analysis and Risk Management Strategy

PEI Nepal's main risk factor is the political instability which may undermine the delivery of the proposed interventions. PEI's main entry points are both at the national and sub-national level. The national level policy support is perceived to have higher exposure to political instability. In order to address this risk factor, PEI's support to the national level planning process will be delivered through the on-going UNDP-supported project (Institutional Strengthening Support to NPC for Inclusive Planning and Monitoring). NPC's strong buy-in and commitment to PEI objectives is also considered a risk mitigation factor. PEI will have a strong focus on the sub-national level decentralized planning process which is expected to be sustained without major political risk. PEI's sub-national level activities will all be implemented through the existing multi-donor LGCDP programme with the budget of more than 400 million USD which is the flagship decentralization policy of the government. Through PEI's institutional partnership with LGCDP, the risk of PEI implementation affected by the political instability can be mitigated. An assessment of risks and mitigation measures are presented in ANNEX 1.

3. MANAGEMENT ARRANGEMENTS

The key implementing partners for the PEI will be the National Planning Commission (NPC) and Ministry of Local Development (MoLD). For implementation, partnership will be built with two UNDP-supported projects, namely Institutional Strengthening Support to NPC for Inclusive Planning and Monitoring project (NPC-project) for PEI-Output 1 and Local Governance and Community Development Programme (LGCDP) for the PEI-Output 2. All PEI activities under Output 1 and Output 2 will be included in the annual work plans of the NPC project and LGCDP respectively.

Project Executive Board (PEB): There will not be a separate Project Executive Board for PEI. The PEI Outputs 1 and 2 will be managed by the PEBs for NPC project and LGCDP respectively. The Assistant Resident Representative (ARR) from Energy, Environment and Disaster Risk Reduction (EEDRR) Unit will be invited to two PEBs to provide technical inputs. The annual work plans (AWP) of both projects will be approved by their respective PEBs. In the case of LGCDP, AWP will be submitted to the National Advisory Committee (NAC) for LGCDP for final approval

and endorsement. The PEB of both the projects will be responsible for the management oversight of PEI outputs.

Project Personnel: One full-time PEI Advisor and one PEI assistant will be contracted by UNDP to specifically steer and provide technical inputs to PEI activities. The advisor will share office with LGCDP/MoLD. The advisor will provide inputs as per the agreed plan of action for each PEI Outputs which will be finalised together with two project managers and UNDP ARR/PO. The advisor will provide about 50% of his/her time to LGCDP, about 30% to NPC project and about 20 % to UNDP country office. The advisor will report to NPMs of the two projects regarding his/her inputs to the projects and progress on PEI component on a weekly basis. In addition the advisor will report to ARR and PO of UNDP EEDRR Unit on a monthly basis. The advisor's day to day duty and responsibility will be defined by the ToR. The advisor will work closely with environment and poverty focal points of NPC, MoLD and with the projects technical specialists and advisors. The project will recruit short-term national and international experts if judged necessary for successful implementation of each output.

Project Assurance: The programme officer from the Energy, Environment, and Disaster Risk Reduction (EEDRR) Unit will be responsible for the assurance of the PEI components of the project. The key events (mainly review, planning and monitoring) for the participation of the ARR and PO will be identified and agreed with the respective projects.

At the central level a Poverty Environment Learning Group will be established to provide advocacy and advisory services on key poverty-environment issues identified through the PEI supported analyses. Members of the Group include eminent individuals representing different government agencies including NPC, MoLD, and Dollidar, NGOs, private sector, academia and development partners including the UN. The Poverty and Learning Group will meet annually. (to be discussed further and linked with the MoLD's national)

Financial Flow: PEI global fund from the Poverty Environment Facility will provide the fund to UNDP CO through the Chart of Accounts. The fund for the approved PEI activities for Outputs 1 and 2 will be directly disbursed to the respective vendors/projects.

4. MONITORING AND EVALUATION

The project is to be reviewed and reported in accordance with standard procedures and common UNDP monitoring and evaluation practices for National Execution projects. Each output will be monitored within the framework of the LGCDP and the Institutional Strengthening Support to NPC for Inclusive Planning and Monitoring project.

Within the Annual cycle:

- **Quarterly Monitoring and Reporting:** On a quarterly basis, a quality assessment shall record progress towards the completion of key Outputs Based on the above information, a quarterly progress report (QPR) shall be submitted by both the Project Manager to the PEB and to UNDP-CO. The QPR will have a specific chapter on the progress of the PEI-Outputs. Based on this report the PEI advisor will prepare a separate report (consisting of both Output 1 and Output 2 components) and submit it to UNDP-CO and UNDP/UNEP - PEI team at the Regional Centre in Bangkok
- **Quarterly meeting of the Project Executive Board:** The PEB of both the projects will meet in the beginning of each quarter to review quarterly progress and to endorse the quarterly work

plan of the following quarter. The PEB will provide overall guidance and oversight to the PMU, and monitor the overall performance.

Issue and Risk Logs for the PEI Outputs shall be activated in ATLAS and updated by the Country Office and Project manager to facilitate tracking and resolution of potential problems or requests for change.

Annually:

- **Annual Progress Report (APR):** Annual Progress Reports (APR) shall be prepared by the Project Managers. The APR will have a specific chapter on progress of PEI-Outcomes. The APR will be shared with government entities and UNDP Country Office. Based on the APRs of both projects and QPRs, PEI advisor will prepare a separate annual report (consisting of Outputs 1 and 2) and submit it to UNDP CO and UNDP/UNEP - PEI team in the Regional Centre in Bangkok.

Final Report and External Review:

- Towards the end of 2011 and external review of the PEI-component will be conducted. The review will assess the progress and contribution of PEI and provide recommendations for future poverty and mainstreaming strategy and programmes for UNDP and its partners.
- At the end of the project period, the two projects will submit a final completion report and based on these reports, PEI advisor will prepare and submit a combined final report.

Audit clause: Audits will be carried out in accordance with UNDP's rules and regulations.

Monitoring and Evaluation Framework:

Within three months of hiring, the PEI advisor will develop a detailed M&E framework, linked to the M&E framework of the LGCDP and the NPC project, and ensure that work plans include the necessary data collection activities to establish baseline and to track progress on a regular basis, and if needed the "expert review" to assess whether consideration of the poor and the environment is one, greater than before and two, "adequate".

5. LEGAL CONTEXT

This document, together with the CPAP signed by the Government of Nepal and UNDP which is incorporated by reference constitutes together a Project Document as referred to in the Standard Basic Assistance Agreement and all CPAP provisions apply to this document.

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of (country) and UNDP, signed on (date).

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or

entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

6. RESULTS AND RESOURCE FRAMEWORK

| Relevant intended outcome as stated in the Nepal Country Programme Action Plan (CPAP) 2008-2010: 4.1 Environment and energy mainstreamed into national and local development planning with a focus on gender, social inclusion and post-conflict environmental rehabilitation | | | | |
|--|---|---|---------|---|
| Outcome indicators as stated in the CPAP, including baseline and targets: Indicator: Government allocates resources to mitigate environmental impacts of infrastructure projects Baseline 2007: No such allocation made Target 2010: Government allocates resources to mitigate environmental impacts of infrastructure projects Additional outcome indicators for PEI Indicator: Pro-poor climate environment measures included in national and sub-national planning, budgeting and monitoring processes. Baseline 2007: Planning process at national and sub-national levels without adequate consideration on the poor and environment Target 2010: Pro-poor environment priorities reflected in the next national periodic plan and sub-national planning process | | | | |
| Relevant intended outputs as stated in the Nepal Country Programme Action Plan (CPAP) 2008-2010: 4.1.5 Capacity at the national and local level enhanced for increased access to and sustainable use of [natural] resources (including wetlands). 4.1.3 Policy frameworks developed for environmental mainstreaming, water governance and economics of natural resources 4.1.1 Equitable access to energy services expanded to remote areas 4.1.4 Implementation of MEAs, in particular in the areas of climate change, biodiversity and desertification, supported 4.1.2 Capacities at the national and local level enhanced for integrated landscape conservation planning | | | | |
| Applicable Key Result Area (from 2008-11 Strategic Plan): Key result area 4.1 Mainstreaming Environment and Energy | | | | |
| Partnership Strategy: UNDP-UNEP PEI working with the LGCDP and the NPC support project targeting national and sub-national development planning processes. Through the existing initiatives, PEI will work closely with the National Planning Commission and the Ministry of Local Development as well as the selected DDCs and VDCs. | | | | |
| Project title and ID (ATLAS Award ID): Poverty Environment Initiative (PEI) Nepal (ID to be assigned) | | | | |
| INTENDED OUTPUTS | Output Targets (year) | INDICATIVE ACTIVITIES | PARTIES | INPUTS (US\$) |
| Output 1: NPC capacity is strengthened to integrate pro-poor environmental measures in the national planning, budgeting and monitoring processes. Indicator: Increased public expenditure on climate and environment | | | | |
| Sub-output 1.1. NPC improved its understanding and tools for integrating pro-poor environmental measures in the next national | 2010 -Proposed policy measures included in the next periodic plan -At least 2 training sessions delivered to | 1.1.1. Undertake analyses, e.g. economic analysis, ecosystem assessment, to inform the approach paper and subsequent draft plan documents 1.1.2. Support for the development/improvement of NPC guidelines/check-list/formats for integrating pro-poor sustainable natural resource management 1.1.3. Awareness raising of poverty-environment linkages and sustainable | NPC | Nat'l consultants Workshop Printing |

| | | | | |
|--|---|---|------------|--|
| <p>periodic plan.</p> | <p>NPC members and thematic groups <u>2011</u> -At least 2 technical studies undertaken -NPC guidelines/checklist/formats revised -At least 2 training sessions delivered to NPC members and line agencies</p> | <p>natural resource management targeting NPC officials and task forces involved in the formulation of the next periodic plan</p> | | |
| <p>Sub-output 1.2. National development budgetary process and financing mechanisms are reviewed to address pro-poor natural resource management priorities.</p> | <p><u>2010</u> -Budgetary formats reviewed -Prioritization criteria revised -Funding requirement in the environment and natural resource sector identified through the MDG needs assessment/costing <u>2011</u> -Public environment expenditure reviewed and financing mechanisms identified <u>2012</u> -Selected financing options adopted by the Government</p> | <p>1.2.1. Support for integration of pro-poor sustainable NRM into the budgetary process by providing technical analyses, e.g. Public Expenditure Review on environment, environmental fiscal reforms and improving the budgetary guidelines/formats and the NPC approval process of development projects to be included in the budget, 1.2.2. Review of options for financing mechanisms for sustainable NRM and development of recommendations for financing options</p> | <p>NPC</p> | <p>National consultant Workshop Printing</p> |

| | | | | |
|---|--|--|-----------------------|---|
| Sub-output 1.3. Poverty-environment indicators are incorporated in the national poverty monitoring system. | <u>2011</u> -NPC monitoring system reviewed -At least 2 training sessions delivered on P-E indicators to NPC <u>2012</u> -Selected P-E indicators included in the monitoring system | 1.1.1. Improve the macro-level indicators used by the NPC poverty monitoring unit to strengthen monitoring and evaluation of pro-poor environmental outcomes (including the use of gender disaggregated data and indicators) 1.1.2. Provide training for NPC poverty monitoring unit for data collection and analysis on poverty-environment linkages and sustainable natural resource management | NPC | National consultant Training events |
| Sub-total Output 1. | | | | \$80,000 |
| Output 2. Pro-poor environmental priorities are integrated in the DDC and VDC level planning process, financial management and rural infrastructure development practices. Indicators: <ul style="list-style-type: none"> - Increased quality of VDC funded rural road construction projects - Increased VDC expenditure targeted on pro-poor climate and environmental activities | | | | |
| Sub-output 2.1. MLD's selected guidelines and directives are improved to enhance their pro-poor and pro-environmental impacts at the local level. | <u>2010</u> -At least 1 assessment on the guidelines/directives produced -Economic analysis on rural roads undertaken <u>2011</u> -Policy recommendations on the MLD guidelines and on rural infrastructure development promoted <u>2012</u> -Revised MLD guidelines and rural infrastructure development policy | 2.1.1. Review relevant guidelines and directives (e.g. directive on integrated planning, monitoring guidelines, minimum conditions and performance measures, block grant guidelines) to assess their pro-poor and pro-environmental impacts at the local level. 2.1.2. Based on the analysis above, propose specific measures to improve the reviewed guidelines and directives with a view to scale-up proven practices, e.g. integrated village development planning, sustainable livelihood options. 2.1.3. Undertake an economic analysis of local government investments in rural road construction at VDC level to assess the costs and benefits of alternative road construction approaches (i.e., unsustainable versus labour based environmentally friendly and participatory construction) including social and environmental concerns 2.1.4. Provide policy recommendations on rural infrastructure development in partnership with MLD-led Rural Transport Infrastructure Sector Wide Approach (SWAp) Programme | MLD | National consultant Workshop Contractual services Printing |
| Sub-output 2.2. Local governments at targeted districts and villages are trained to incorporate | <u>2010</u> -Pro-poor climate and environment criteria included in the | 2.2.1. Support the development of training materials targeted to the district level environmental officers, e.g. District Environment and Energy Section (DEES), District Environment Desk, on integrated planning and rural infrastructure development practices. | MDL, LGCDP DEES | National consultants Printing Training events |

| | | | | |
|---|---|--|---|---|
| <p>pro-poor environmental measures in their planning process.</p> | <p>DDC/VDC planning and budget manual/guidelines <u>2011</u> -At least 2 training provided to district officers in PEI pilot districts on P-E issues and the mainstreaming guideline <u>2012</u> -Revised training materials and guideline</p> | <p>2.2.2. Support the development of the guideline/check-list to mainstream pro-poor environmental measures to be used by district level environmental officers 2.2.3. Provide training to the district level environmental officers in pilot districts on practical tools on integrated planning such as a participatory planning guideline, economic assessment, scenario development, participatory budgeting, monitoring and evaluation</p> | | |
| <p>Sub-output 2.3. Communities and community organisations are trained to integrate pro-poor environmental concerns in local planning and budgeting process.</p> | <p><u>2010</u> -IEC materials on pro-poor climate and environment issues developed <u>2011</u> -Pro-poor environment and climate issues included in Social Mobilisation training module -Pilot selected mainstreaming tools in selected DDC/VDCs <u>2012</u> -Training module revised/updated</p> | <p>2.3.1. Train Social Mobilisers on integrating pro-poor climate and environmental concerns in the development planning process including key environmental issues; participatory climate risk assessment, scenario development, integrated planning; participatory budgeting, monitoring and evaluation 2.3.2. Pilot selected planning tools building on the regional best practices (e.g. participatory climate risk assessment, community-based adaptation planning and options, scenario development, participatory budgeting, monitoring and evaluation) in selected districts/villages 2.3.3. Support design, production and dissemination of public awareness and communication materials on poverty-environment issues such as: - Best practices on the role of communities in promoting local governance accountability - Local poverty-environment linkages - Sustainable natural resource management practices and sustainable livelihood options - Integrated planning and participatory budgeting, monitoring and evaluation</p> | <p>LGCDP Social Mobilisers, VDC, Community Organisations</p> | <p>National consultant Printing Training events</p> |

| | | | | |
|--|--|--|--|---|
| <p>Sub-output 2.4. Incentives and measures are developed to improve access to fiscal resources for investing in sustainable natural resource management by local governments, communities and private sector.</p> | <p>2010 -DDC/VDC block grant formula revised with PEI input -Technical analysis undertaken on local government revenue generation and benefit sharing from natural resources</p> <p>2011 -Policy recommendations made to MLD, DDC and VDC on revenue generation, benefit sharing and private investment -Recommendations for improved revenue generation and benefit sharing disseminated to PEI pilot DDC/VDC</p> <p>2012 -Specific policy measures to scale-up best practices promoted at national/sub-national levels</p> | <p>2.4.1. Assess the impacts of the existing DDC/VDC block grants on the local environment and natural resource base</p> <p>2.4.2. Provide technical input to the improvement of the existing DDC/VDC block grant formula to better target the neediest communities and to provide incentives to increase investment in natural resource management and environmental protection</p> <p>2.4.3. Provide specific recommendations on improving local government support to enable greater private investment in ecosystem services and sustainable livelihood options</p> <p>2.4.4. Analyze the current practices for generating revenues and benefit sharing from natural resources and rural energy investment at VDC level including taxation, royalties, fees on marketable natural resources and payment for ecosystem services</p> <p>2.4.5. Improve understanding and information of targeted VDC officials and community user groups (specifically targeting marginalized groups) on maximising revenues from natural resource management and equitable benefit sharing options</p> <p>2.4.6. Based on the analysis, formulate policy recommendations to scale-up improved revenue generation including those from rural energy investment and benefit sharing mechanisms including the payment for ecosystem services</p> | | <p>National consultant Contractual services Workshop Printing Training events</p> |
| <p>Sub-total Output 2.</p> | | | | <p>\$120,000</p> |
| <p>Project Management Support (30 months)</p> | | <p>PEI Advisor Project assistant</p> | | <p>\$100,000</p> |
| <p>Grant total</p> | | | | <p>\$300,000</p> |

ANNEX 1. RISK ASSESSMENT MATRIX

| Description of Risks | Ex-Ante Assessment | | | Mitigation Measures | After Mitigation |
|--|--------------------------|-------------------------------|-------------------|--|------------------|
| | Impact (Low/Med/High) | Probability (Low/Med/High) | RISK#1 (I x P) | | |
| - (A) POLITICAL AND POLICY LEVEL - | | | | | |
| (1) Continued transitional political uncertainty at central level | Medium | High | M/H | Continue close working relationship with National Planning Commission for policy discussions and feedback. | M |
| (2) Uncertainty in clarifying new federal system and delay in constitution writing process | High | Medium | M/H | Focus on the grassroots level institutions including VDCs and Wards/Communities which are likely to be least affected by the on-going federal restructuring process. | M |
| (3) Delays due to operationalising federal system particularly budget and funding arrangements | High | Medium | M/H | Ditto | M |
| (4) There is insufficient funding for key development programmes, including LGCDP | High | Medium | M | There will scaling down of development works, and the available budget is likely to be used for most basic and essential activities with still implications on poverty and environmental issues. | L |

| Description of Risks | Ex-Ante Assessment | | | Mitigation Measures | After Mitigation |
|---|--------------------------|-------------------------------|-------------------|--|------------------|
| | Impact (Low/Med/High) | Probability (Low/Med/High) | RISK#1 (I x P) | | |
| (5) Inaction or slower devolution and decentralisation policies | Medium | Medium | M | No feasible mitigation measure possible at this stage, but this risk is possible due to volatile political situation. | M |
| (6) Increased access to resources and enterprise development among rural population may not benefit poor men and women including disadvantaged groups | Medium | Medium | M | Detailed methodology need to be proposed to capture the benefits of services and facilities by rural residents including the rural poor as part of the sector performance assessment. | L |
| (7) The poor may not be able to respond to the economic and other opportunities created by PEI given that they have least productive assets. | Medium | Medium | M | Detailed methodology will need to be proposed to capture how the poor are benefited from the improved policy environment and opportunities from the interventions, and require the Government of Nepal (GON) to provide additional support if necessary. | L/M |
| - (B) INSTITUTIONAL (Including Processes & Systems) - | | | | | |
| (1) Weak monitoring and reporting at the centre and at the district | High | Medium/High | M/H | The monitoring and reporting at the national and DDC level is essential to | M |

| Description of Risks | Ex-Ante Assessment | | | Mitigation Measures | After Mitigation |
|--|--------------------------|-------------------------------|-------------------|---|------------------|
| | Impact (Low/Med/High) | Probability (Low/Med/High) | RISK#1 (I x P) | | |
| level | | | | strengthen feedback mechanism for PEI effectiveness. | |
| (2) Weak commitment to implement policy and guidelines, particularly on governance and pro-poor resource sharing | High | High | M/H | Important to note this risk, and prepare strong monitoring and reporting system to feed to the NPC and to the communities through Public Audit practices. | M |
| (3) NPC, DDC and VDCs not as effective in policy-making, coordination and oversight as expected | High | Low | M | Periodic (six monthly) reviews by PEI to be carried out. Appropriate measures can be undertaken based on the recommendations of the reviews. | L |
| - (C) OPERATIONAL - | | | | | |
| (1) LGCDP and RTI SWAp are not effectively taken up at the local level | High | High | H | This would undermine the effectiveness of PEI. Reports from the review process will be taken up at the higher Steering/Advisory level with recommendations. | L/M |
| (2) Political interference in the procurement and implementation approach selection | High | High | H | This would impact pro-poor rural infrastructure implementation. Feedback from the field will be | M |

| Description of Risks | Ex-Ante Assessment | | | Mitigation Measures | After Mitigation |
|--|--------------------------|-------------------------------|-------------------|--|------------------|
| | Impact (Low/Med/High) | Probability (Low/Med/High) | RISK#1 (I x P) | | |
| process | | | | discussed at the highest level. | |
| (3) Social and environmental safeguards are not evenly applied | High | Medium | M/H | These are key to pro-poor environmentally friendly application of local resources. This will be discussed at the highest level for appropriate implementation. | L/M to M |

ANNEX 2 LIST OF RELEVANT ON-GOING INITIATIVES IN NEPAL

PEI Nepal will be implemented in synergy with the relevant on-going initiatives including those described below.

Livelihood Recovery for Peace (LRP) Project (UNDP as implementing partner, 2009-2014)

The overall objective of this integrated community-based project is to contribute to restoring the foundations for sustainable development by strengthening the capacities of communities and local institutions to achieve sustained livelihood recovery and peace building. The focus is on promoting peace at the local level, improving household/community livelihood, contributing to local economic recovery, enhancing social cohesion and strengthening institutional capacities of GoN and nongovernmental organizations to plan, coordinate, and deliver livelihood initiatives. Because of the negative impacts of disasters and conflicts in Nepal, this project pursues its goal through a disaster risk and conflict prevention lens, whereby conflict and hazard mapping are at the core of the livelihood assessments, strategy development, and implementation processes. The project will target mainly women, youth, conflict-affected, poor, and other socially excluded and disadvantaged communities and households. It will strongly complement other GoN and UNDP projects on micro-enterprise development, rural energy services, disaster risk management, and local governance, and will in fact build partnerships with these projects for effective implementation.

Western Terai Landscape Conservation Project

WTLCP was launched to establish a landscape level management model in the Western Terai Complex of Nepal for safeguarding biological wealth and vital ecological functions. The Dutch Government, through SNV Nepal, provided financial front loading support to the project. In total, the project covers 3,466 sq km in the Bardia, Kailali and Kanchanpur districts of the western Nepal enveloping a national park, a wildlife reserve and buffer zones and adjoining productive landscapes mainly in 52 VDCs. The overall goal of WTLCP is to ensure conservation and sustainable use of globally significant biodiversity in Nepal's Western Terai landscape complex. A multi-sector and multi-stakeholder partnership is developed to effectively address the long-term threats to biodiversity as well as to reorient Nepal's policy and legal frameworks as well as institutional arrangements to adopt a landscape approach of ecosystem management and biodiversity conservation. Several studies were conducted to provide support for project planning and monitoring, which are also part of the national capacity development. The project's achievements include support to the development of MoFSC's Wildlife Damage Relief Policy, and several other initiatives in the areas of biodiversity conservation, landscape approach towards management of biodiversity and empowering communities.¹⁰

Conservation and Sustainable Use of Wetlands in Nepal (CSUWN)

CSUWN is a unique collaboration of the GoN, GEF/UNDP and IUCN Nepal. MoFSC is the implementing agency of the project; whereas IUCN provides technical assistance. Both the demonstration sites of the project are included in the Ramsar status - Koshi Tappu Wildlife Reserve is situated in eastern Nepal and covers together with its buffer zones an area of 348,000 ha; whereas the Ghodaghodi Lake Complex in Kailali district in Far Western Nepal covers 2,563 ha. Approximately 150,000 people from over 25,000 households live in project demonstration areas. The project's goal is to ensure maintenance and enhancement of wetland biodiversity and environmental goods and services for improved local livelihoods of Nepal. The project aims to strengthen national and local capacity in ecosystem management and sustainable

¹⁰ <http://www.undp.org.np>

use of wetland biodiversity in Nepal through policy development and developing sustainable livelihood options for the local people. Project will work in close contact with local user groups, NGOs and government line agencies in the field, emphasizing the social inclusion in the decision making processes.¹¹

Rural Energy Development Programme (REDP) Phase III with UNDP and World Bank support:

REDP is a joint initiative of GoN and UNDP and implemented in 40 districts of Nepal by Alternative Energy promotion Centre (AEPC) of Ministry of Environment, Science and Technology (MoEST). The objective of REDP-III is to build local capacity for sustainable, community-managed, and equitable rural energy service delivery for poverty alleviation, livelihood promotion and environmental protection. The programme operates at (i) community (VDC) level to plan, implement, operate and maintain the community energy systems; (ii) district level (DDCs) to institutionalize rural energy system by building institutions, policy and operational frameworks; and (iii) central level to provide policy support and coordinate based on the lessons learned. REDP assisted in the formulation the Rural Energy Policy (2006).¹² The community-based participatory approach followed by REDP has resulted in energy services in an inclusive manner to all of the participating communities. The results indicate that the holistic approach followed by REDP is able to achieve not just energy and environment related impacts but also impacts on income generation, gender equality, education, and health.¹³ One of the challenges of REDP is to develop an exit strategy and better institutionalize the approach within government structures, such as local government – and this is area where PEI can engage.

Micro-Enterprise Development Programme (MEDEP) Phase III with UNDP and AUSAID support:

MEDEP was initiated by GoN and UNDP in 1998 and is implemented in 21 districts by Ministry of Industry, Commerce and Supplies (MoICS). The objective of MEDEP III is to expand sustainable livelihood opportunities for socially excluded groups in conflict-affected areas by 2010 as well as enhance employment and income opportunities and access to financial services for youth and excluded groups in partnership with the private sector and civil society organizations. The project focuses on: (i) supporting enterprise development activities in agro-based, forest based products, tourism, and service based enterprises; (ii) capacity building of DDCs, District micro-enterprise group association, business development service providers and other partner organizations; (iii) facilitating development of related policies and implementation of the policy related work; and (iv) value chain development of selected products, about 12 in all.¹⁴ With the expansion of activities in Sindhupalchowk and Kavrepalanchok districts with funding from AusAID, Ministry of Forest and Soil Conservation (MoFSC) has been opted as the co-complementing agency. Successful enterprise development modalities and strategies adopted by MEDEP can be initiated to have synergistic effect in achieving specific goals of the different projects targeting poverty alleviation and employment generation.¹⁵

ADB support for Strengthening Capacity for Managing Climate Change and the Environment:

In response to GoN's request for advisory assistance grant to develop an environmental master plan, Asian Development Bank (ADB) designed the technical assistance (TA) to complement

¹¹ <http://www.undp.org.np>

¹² <http://www.undp.org.np>

¹³ UNDP, 2008, Impacts and its Contribution in Achieving MDGs: Assessment of REDP.

¹⁴ <http://www.undp.org.np>

¹⁵ UNDP, 2008, Scoping Study for MEDEP Phase III.

other climate change initiatives, in particular the NAPA project. The TA aims to strengthen country capacity for environment and climate change management by enabling the Government and other stakeholders to more effectively manage climate change and the environment in general. The expected outcome is agreement on an improved, sustainable institutional framework for managing environment and climate change. The project will facilitate a consensus-building process among Government agencies and others to determine the best approach for enforcing environmental protection and decreasing climate change risk at all levels (national, regional, district, and local/community). MoEST will be the executing body.¹⁶

National Adaptation Programme of Action (MoEST, UNDP, 2008-2010)

National Adaptation Programme of Action (NAPA) to climate change has been recognized as an important priority and a starting point for vulnerability reduction in climate sensitive sectors and sub-regions. UNDP with support from GEF/LDCF, DFID and Government of Denmark is supporting the MOEST for preparation of NAPA to help the government take leadership on harmonised donor approach to address climate change issues in Nepal and the process will be reinforced with additional technical support. The NAPA process will provide the entry point for the creation of a climate change community of practice in Nepal, which will be reinforced by a dedicated Climate Change Knowledge and Learning Centre. Due to limited institutional capacity of the MoEST, UNDP will also support as: (i) technical assistance in the preparation of Nepal's position in climate change negotiations and national/international meetings; and ii) strengthening information infrastructure and mobility of MoEST staff.¹⁷

Support to Participatory Constitution Building in Nepal – SPCBN (UNDP, 2008 -)

The UNDP-supported SPCBN project was launched on May 2008 and aims to support the people of Nepal in building through an inclusive process a constitution that meets their needs. The constitution is currently scheduled for completion in May 2010. Current thinking envisages a federal structure with as many as 15 new sub-national governments to be created, with the division of powers among the national and the provincial governments still having to be agreed. A number of challenges to the establishment of a federal structure in Nepal include ownership, use and income from the nation's natural resources (particularly water), fiscal equity and equalization at the federal level especially in regard to regional states' contributions, and capacity development.

¹⁶ <http://www.adb.org/Nepal/default.asp>

¹⁷ <http://www.undp.org.np>

ANNEX 3. TERMS OF REFERENCE: POVERTY ENVIRONMENT INITIATIVE (PEI) ADVISOR

| I. Post Information | |
|----------------------------|---|
| Post Title: | PEI Advisor |
| Type of Contract: | Service Contract |
| Vacancy Type: | External |
| Application Deadline | 15 February 2010 |
| Time Frame: | 12 months with possibility of extension |
| Start date: | Immediate |

| II. Background |
|--|
| <p>In order to support the efforts of the Government of Nepal in achieving poverty reduction and sustainable natural resource and environmental management, the joint UNDP-UNEP Poverty Environment Initiative (PEI) is launched in Nepal. PEI Nepal seeks to integrate climate and environmental concerns and opportunities of the poor into development planning and economic-decision making processes. The Initiative is not one stand-alone project but has been designed primarily to provide targeted support to ongoing programmes, in particular, the Local Governance Community Development Programme (LGCDP) and the UNDP supported Institutional Strengthening Support to NPC for Inclusive Planning and Monitoring project. PEI Nepal will contribute to institutional and policy improvement in a decentralized governance structure with specific attention to the needs of the poor by providing technical support to integrate the pro-poor environmental priorities in the national planning, budgeting and monitoring processes; and supporting the enhancement of local level planning process and management of natural resource based local government expenditure and revenue. PEI will achieve its goal through delivering the two main outputs. Firstly, PEI will help strengthen the NPC capacity to integrate pro-poor environmental measures in the national planning, budgeting and monitoring processes improving its awareness, tools for planning and monitoring, and budgetary process and financing mechanisms. Secondly, technical support will be provided to integrate pro-poor environmental priorities in the DDC and VDC level planning process, financial management and rural infrastructure development practices. PEI Nepal's implementation period is 35 months starting from February 2010 to December 2012.</p> |
| <p>Under the overall supervision of the Deputy Country Director-UNDP (Programme), direct guidance of the Assistant Resident Representative of EEDRR-Unit-UNDP and in close liaison with National Project Managers of the LGCDP and the NPC support project, the incumbent will be responsible for successful delivery of the PEI Nepal programme. The expected time for the incumbent during the initial implementation period would be: 50% for LGCDP; 30% for NPC project and 20% for UNDP.</p> |

| III. Duties and Responsibilities |
|---|
| <p>1. Programme Development, Planning and Implementation</p> <p>1.1. Strategic guidance and advice to the Government of Nepal to develop effectively and consider poverty-environment in national planning, monitoring and budgetary processes;</p> <ul style="list-style-type: none"> • Provide technical, capacity building and institutional strengthening support to the Government on poverty-environment linkages and the importance of their consideration within national planning and budgetary processes. • Provide policy advice, strategic guidance and knowledge-sharing related to poverty-environment linkages to the Government. |

- Ensure the development of cross-project linkages with other relevant projects and programmes for mutually reinforcing impact.
- Promote information sharing and facilitate dialogue within the donor community by supporting the Government to initiate consultative meetings and prepare briefs and policy papers on poverty-environment linkages.

1.2. Programme management to ensure timely and effective delivery of PEI Nepal outputs;

- Draft necessary strategic documents concerning project implementation, such as policy papers, and work plans etc.
- Ensure the participation and involvement of relevant stakeholders in project activities.
- Ensure the timeliness and quality of the outputs and prepare reports on achievements and challenges faced within the project.
- Ensure delivery of resources and results according to planned targets.
- Provide advice and support to the recruitment of relevant consultants related to PEI activities
- Produce relevant analysis and studies as identified in the Annual Work Plans of PEI Nepal
- Develop and deliver training and awareness raising activities as identified in the AWP of PEI Nepal
- Ensure the development of cross-project linkages with other relevant projects and programmes for mutually reinforcing impact.
- Promote identification and synthesis of best practices and lessons learned for organizational sharing and learning.

2. Mainstream pro-poor climate and environmental issues into UNDP programmes and projects

- Support the development of a programmatic approach to climate change and environment from the existing climate change (mitigation and adaptation) and environment portfolio
- Review of UNDP’s ongoing and planned programmes and projects including ProDocs and AWP
- Engage with other clusters and ensure that relevant activities and modalities to mainstream climate change issues into ongoing programmes and projects are included in the ProDoc and Annual Work Plan (AWP)
- Within three months of hiring, the PEI advisor will develop a detailed M&E framework, linked to the M&E framework of the LGCDP and the NPC project, and ensure that work plans include the necessary data collection activities to establish baseline and to track progress on a regular basis, and if needed the “expert review” to assess whether consideration of the poor and the environment is one, greater than before and two, “adequate”.

3. Advocacy and Partnerships

- Strengthen partnerships/coordination with key stakeholders, particularly the donors, private sector, and the government fora to identify opportunities for joint initiatives with maximum impacts and efficiency,.
- Provide leadership on poverty-environment issues within the UN in collaboration with other key UN partners.
- Perform other duties as assigned by Management

IV. Competencies

Corporate Competencies:

- Demonstrates integrity by modelling the UN’s values and ethical standards
- Promotes the vision, mission, and strategic goals of UNDP
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability
- Treats all people fairly without favouritism

- As strong understanding of political sensitivities and ability to work positively with all partners in a politically dynamic environment

Functional Competencies:

Knowledge Management and Learning

- Demonstrated capacity in knowledge sharing and knowledge management and ability to promote a learning environment in the office through leadership and personal example
- In-depth practical knowledge of inter-disciplinary development issues
- Ability to conduct research and analysis and strong synthesis skills.

Development and Operational Effectiveness

- Ability to lead strategic planning, results-based management and reporting
- Ability to develop innovative approaches to program design, implementation, monitoring evaluation of development programmes and projects.
- Ability to mobilize resources
- Ability to work with minimal supervision

Management and Leadership

- Builds strong relationships with clients, focuses on impact and result for the client and responds positively to critical feedback; consensus-oriented
- Encourages risk-taking in the pursuit of creativity and innovation
- Leads teams effectively and shows conflict resolution skills
- Consistently approaches work with energy and a positive, constructive attitude
- Demonstrates good oral and written communication skills
- Demonstrates openness to change and ability to manage complexities
- Proactive and have the ability to discuss openly with all senior government staff
- Results-orientation and efficiency in a multi-tasking environment
- Capacity to perform effectively under pressure and hardship conditions
- Highly develop inter-personal, negotiation and teamwork skills, networking aptitude, ability to work in multi-cultural environment
- Highly developed inter-cultural communication and skills;

V. Required Skills and Experience

| | |
|-------------|---|
| Education: | Master degree or advanced degrees in environmental management/policy, environmental economics, development or other related fields |
| Experience: | <ul style="list-style-type: none"> • A minimum of 7 years of relevant professional experience working on environment/natural resources management • Experience in conducting policy analysis and providing policy advice on sustainable natural resource management at senior level in low income countries; • Proven record in the writing of research papers, policy analysis and recommendations, reports and publications; • Excellent computer skills, including full working knowledge of standard word processing, spreadsheet and presentation software packages; |

| | |
|------------------------|--|
| | <ul style="list-style-type: none">• Knowledge and professional experience in pro-poor natural resource management is desirable |
| Language Requirements: | <ul style="list-style-type: none">• Excellent oral and written communication skills in English and Nepali is required. |

ANNEX 4. TERMS OF REFERENCE: PROJECT ASSISTANT

| | |
|----------------------|--|
| Position: | Project Assistant (PEI Nepal) |
| Level: | Local Consultant |
| Duty station: | UNDP-CO, Nepal |
| Start Date: | 1 Feb 2010 |
| Duration: | 12 months |
| Supervision: | UNDP CO Nepal and Technical Advisor on Poverty and Environment |

1. BACKGROUND

Main Functions

Under the guidance of the UNDP CO and the Technical Advisor on Poverty and Environment, the incumbent will provide office support and administrative functions to ensure smooth implementation of the programme.

Duties and Responsibilities

Secretarial functions:

- Perform a wide range of office support and secretarial functions; use standard word processing package to produce a wide variety of documents and reports; screen phone calls and visitors
- Draft responses to routine correspondence and provide initial response to other communications, where appropriate, in the absence of supervisor.

Administrative functions:

- Provide program support and management for Poverty-Environment Initiative (PEI);
- Compile and monitor information on budgets and expenditures for the PEI;
- Provide ongoing logistical and operational support to PEI Nepal;
- Organize regular PEI Nepal team meetings and provide required secretarial and administrative support;
- Conduct information searches on specific project and programme subjects, mainly through on-line research;
- Facilitate and communicate with UNDP-UNEP PEI Regional Team, UNDP CO, key national implementing partners and provincial stakeholders;
- Maintain both hard and soft-copy documentation of all PEI Nepal-related materials and maintain and up-to-date filing system for both hard and soft documents;
- Provide pre-, in- and post-session secretarial, administrative and logistics support to meetings and workshops organized by PEI Nepal;
- Assist in monitoring and maintaining, including the updating of the list of stakeholders of the PEI Nepal;
- Perform other administrative/substantive duties as assigned 1. Prepare and/or process administrative requests/documents including travel arrangements for the PEI Nepal team and procurement of office supplies and equipments;

- Prepare and regularly update the Annual Work Plan and Budget of the PEI Nepal Programme;
- Undertake project financial closure formalities including submission of terminal reports, transfer and disposal of equipment, processing of semi-final and final revisions, and support professional staff in preparing the terminal assessment reports;
- Prepare reports and documents as per specified formats, project, or programme plans and general reference documents as well as general administrative/financial or specialized tasks related to the project which may be of a confidential nature within the assigned area of responsibility;
- Assist in the timely issuance of contracts and assurance of other eligible entitlements of the projects personnel, experts, and consultants.

Qualifications

Skills and knowledge

- Undergraduate degree; specialized clerical/secretarial courses are desirable.
- Proficiency in MS Word, Excel, Power Point, and web browsers. Knowledge of UN IMIS system would be an advantage. Knowledge of MS Project would be an added advantage.
- Good organization, administrative and communication skills. Ability to meet tight deadlines. Flexible working attitude and good team spirit.
- Nepali: Fluency in the local language for day-to-day business contacts both within and outside the organization.
- English: Good knowledge of English for daily contact and dialouge with the supervisor and/or other foreign professional staff in the office in the course of performing official duties, including response to queries, and to possess sound comprehension in English language drafts and documents.

Experience

- 4 years of progressively responsible experience in administrative and office support functions in an organization;
- Experiences in UN-related projects is an advantage
- Experience with organizing events involving international participants (i.e., workshops, meetings, etc) will be an added advantage.

ANNEX 5 DRAFT TERMS OF REFERENCE: POVERTY ENVIRONMENT LEARNING GROUP

The Poverty-Environment Learning Group is a national forum to discuss, learn and disseminate the lessons on key poverty-environment issues mobilizing government and non-government stakeholders.

The Poverty-Environment Learning Group will constitute a national learning forum for the PEI Nepal. The Group is responsible for:

- Providing advice
- Monitoring the realization of the expected outcomes of the PEI;
- Disseminate the findings of the PEI supported activities and analyses

The members of the Poverty-Environment Learning Group will be selected in consultation with the key stakeholders and will act as PEI champions. They will include:

- Representative of NPC (Co-chair of the Board)
- Representative of MLD (Co-chair of the Board)
- Representative of the Ministry of Environment
- Ministry of Forests and Soil Conservation
- Ministry of Agriculture and Cooperative
- DoLLIDAR
- Representative of UNDP (Supplier)
- Donors
- Senior experts from academia
- Civil society
- Private sector

The Poverty Environment Learning Group is expected to meet at least annually.

Annex 6

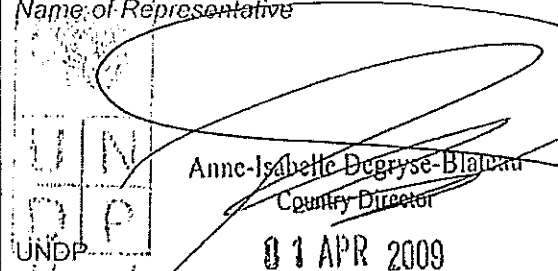
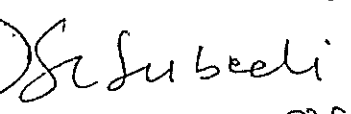
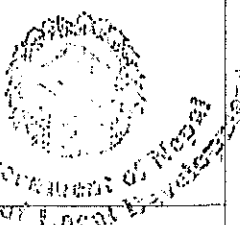
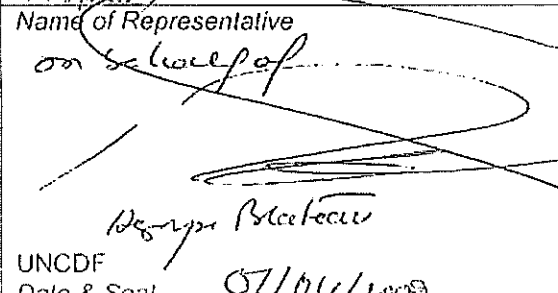
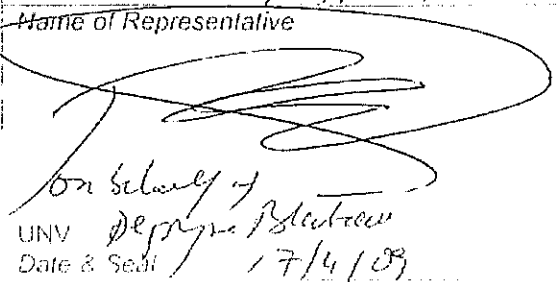
Country: Nepal

Programme Title: Support for the Local Governance and Community Development Programme (LGCDP)

Joint Programme Outcome(s):

UNDAF Outcome B: Socially excluded and economically marginalized groups have increased access to improved quality basic services

| | |
|---|--|
| <p>Programme Duration: 4 years</p> <p>Anticipated start/end dates: 15 July 2008 – 31 December 2011</p> <p>Fund Management Option: Pass-through and parallel</p> <p>Administrative Agent: UNDP</p> | <p>Total estimated budget*: 53,752,604 USD</p> <p>Out of which:</p> <p>1. Funded Budget: 30,519,658 USD</p> <p>2. Unfunded budget: 23,232,946 USD</p> <p>* Total estimated budget includes both programme costs and indirect support costs</p> |
| <p>Sources of funded budget:</p> <ul style="list-style-type: none"> • UNDP 4,700,000 USD • UNCDF 2,250,000 USD • UNV 510,000 USD • UNICEF 13,900,000 USD • UNFPA 9,159,658 USD | |

| UN organizations | National Coordinating Authorities |
|--|--|
| <p>Name of Representative</p>  <p>Anne-Isabelle Degryse-Blatreau Country Director</p> <p>UNDP</p> <p>Date & Seal: 01 APR 2009</p> | <p>Name of Head of Partner: SOM LAL SUBEDI</p>  <p>29-03-2009</p> <p>Ministry of Local Development</p> <p>Date & Seal: Joint Secretary</p>  |
| <p>Name of Representative</p>  <p>Desraj Bhattarai</p> <p>UNCDF</p> <p>Date & Seal: 07/04/2009</p> | |
| <p>Name of Representative</p>  <p>Desraj Bhattarai</p> <p>UNV</p> <p>Date & Seal: 17/4/09</p> | |

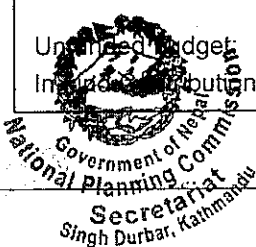
**United Nations Development Programme
Country: Nepal
Project Document**

| | |
|--|---|
| Project Title | Strengthening Planning and Monitoring Capacity of NPC |
| UNDAF Outcome(s): | UNDAF D: Respect, promotion and protection of human rights strengthened for all, especially women and the socially excluded, for sustained peace and inclusive development. |
| Expected CP Outcome(s): <i>(Those linked to the project and extracted from the CPAP)</i> | Central and local government institutions mainstream gender and social inclusion concerns in policies, plans, programme implementation, budgets and monitoring (CP Outcome D.3) |
| Expected Output(s): <i>(Those that will result from the project and extracted from the CPAP)</i> | Planning frameworks, systems and tools developed for gender and socially inclusive MDG based planning and monitoring |
| Implementing Partner: | National Planning Commission |
| Responsible Parties: | |

Brief Description: This project supports the National Planning Commission to make its planning and monitoring systems inclusive as well as to support the NPC to strategize to meet the MDG goals. It aims to produce this result by i) making the national plans and current planning and monitoring processes, tools and system inclusive and in line with MDG goals; ii) making the processes of national level data collection and analysis gender and social inclusion responsive; and iii) developing institutional capacity of the NPC, CBS and select ministries with a focus on strengthening planning and monitoring systems, institutionalization of inclusive processes and formats, and training of relevant personnel.

| | |
|-----------------------------------|-------------------------|
| Programme Period: | 2008-2010 |
| Key Result Area (Strategic Plan): | _____ |
| Atlas Award ID: | _____ |
| Start date: | 9 October 2009 |
| End Date: | 30 September 2012 |
| PAC Meeting Date: | _____ |
| Management Arrangements: | National Implementation |

| | |
|----------------------------|-----------|
| Total resources required | \$954,000 |
| Total allocated resources: | _____ |
| • Regular | \$300,000 |
| • Other: | |
| ○ Donor | _____ |
| ○ Donor | _____ |
| ○ Government | _____ |
| Unallocated budget: | \$654000 |
| Imputed contributions | |

Agreed by (Implementing Partner): *P. K. Shrestha*  Date: 15th Oct, 2009

Agreed by UNDP: *Jorn Sorensen* Date: 17 OCT 2009
 Jorn Sorensen
 Deputy Country Director