Green Climate Fund Readiness Programme

CAPACITY DEVELOPMENT PLAN
FOR
NATIONAL DESIGNATED AUTHORITY (NDA)

January 2017
<table>
<thead>
<tr>
<th>ACRONYMS</th>
<th>Definition</th>
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<tr>
<td>CC</td>
<td>Climate Change</td>
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<td>CCC</td>
<td>Climate Change Council</td>
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<td>CFST</td>
<td>Climate Finance Steering Committee</td>
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<td>CFU</td>
<td>Climate Finance Unit</td>
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<td>CCNN</td>
<td>Climate Change Network Nepal</td>
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<td>Fund</td>
<td>Green Climate Fund</td>
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<td>GCF</td>
<td>Green Climate Fund</td>
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<td>GCF - RP</td>
<td>Green Climate Fund Readiness Programme</td>
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<tr>
<td>FNCCI</td>
<td>Federation of Nepalese Chambers of Commerce and Industries</td>
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<td>GoN</td>
<td>Government of Nepal</td>
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<tr>
<td>IECCD</td>
<td>International Economic Cooperation Coordination Division</td>
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<td>MoF</td>
<td>Ministry of Finance</td>
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<td>NAP</td>
<td>National Adaptation Plan</td>
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<td>NDA</td>
<td>National Designated Authority</td>
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<td>NIE</td>
<td>National Implementation Entity</td>
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<td>NPC</td>
<td>National Planning Commission</td>
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<td>PMU</td>
<td>Project Management Unit</td>
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<td>SH</td>
<td>Stakeholders</td>
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<td>TC</td>
<td>Technical Committee</td>
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<tr>
<td>ToR</td>
<td>Terms of Reference</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
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<td>UNEP</td>
<td>United Nations Environment Programme</td>
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</tbody>
</table>
TABLE OF CONTENTS

1. INTRODUCTION ................................................................................................................................................. 1

2. MANDATE AND AUTHORITY OF NDA .................................................................................................................. 2
    2.1 MANDATE OF THE NDA ................................................................................................................................. 2
    2.2 ROLES AND RESPONSIBILITIES OF NDA WITH RESPECT TO CLIMATE FINANCE .................. 2
    2.3 REQUIRED CAPABILITY OF NDA TO PERFORM THE EXPECTED ROLES .................................. 3

3. NDA CAPACITY NEEDS ASSESSMENT WITH RESPECT TO GCF ............................................................... 4
    3.1 NDA: MINISTRY OF FINANCE .......................................................................................................................... 4
    3.2 IDENTIFYING GAPS ........................................................................................................................................ 4

4. CAPACITY DEVELOPMENT PLAN OF NDA: PRIORITY ACTIVITIES ............................................................. 6

5. CONCLUSION .......................................................................................................................................................... 15

REFERENCES .............................................................................................................................................................. 16

ANNEX A: ROLES AND RESPONSIBILITIES OF NDA WITH RESPECT TO CLIMATE FINANCE AND GCF .................................................................................................................................................. 17
1. INTRODUCTION

The Green Climate Fund (GCF) is an operating entity of the Financial Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC). Green Climate Fund is established to promote paradigm shift towards low-emission and climate-resilient development pathways by providing support to the developing countries. It is expected to channel a large share of international climate finance commitment of developed countries to mobilize US $ 100 billion by 2020. GCF is open for contributions from governments, the private sector and others. GCF supports projects, programmes, policies and other activities in all the developing country parties to the United Nations Framework Convention on Climate Change. GCF is one of the biggest funding mechanisms available within UNFCCC for least developed countries like Nepal to address climate change challenges more systematically and effectively.

To respond to the challenges posed by climate change, the Government of Nepal (GoN) has placed the necessary policies and its supporting framework. Moreover, as a country extremely vulnerable to climate change, access to climate finance has to be sustainable to ensure reduced climate vulnerability of the country and the people. For this to happen, Nepal needs to establish a sustainable climate finance mechanism that enables the country to systematically access and efficiently manage, sequence and monitor existing and additional climate finance.

In 2015, the Ministry of Finance was nominated as the National Designated Authority (NDA) and the Joint Secretary and Chief of the International Economic Coordination Cooperation Division (IECCD) was nominated as a Focal Person for the NDA. As the focal point for GCF, the MoF operates as the core interface between a country and the Fund and is expected to communicate country’s strategic priorities for financing low-emission and climate-resilient development across its economy.

Having ratified the Paris Agreement in 2016, Nepal is now eligible to access funds from GCF but the processes and various stages offers new challenge to the country to access the fund while the current national capacity to access, absorb and monitor the climate finance especially GCF effectively is inadequate. More so, the level of awareness of the status of the climate finance/GCF, its financing priorities and the NDA responsibilities is low and non-existent. And thus, with its new mandate and increased responsibilities as the NDA, MoF/IECCD is required to have the necessary capacities to fulfill its responsibilities and accomplish it expected functions as mandated by the GCF.

Thus in view of efficient functioning and execution of the its role as the NDA, it is pertinent that a clear mapping to understand gaps within the NDA in terms of knowledge, skills and expertise is undertaken towards preparation of a comprehensive capacity development plan.

The report is therefore prepared based on numerous interaction and discussions organized held with the NDA along with Officials of the International Economic Coordination Cooperation Division and all relevant stakeholders towards developing a strategy for capacity development. The report looks at various institutional arrangements existing and proposed, towards strengthening their roles as the NDA.
2. MANDATE AND AUTHORITY OF NDA

2.1 MANDATE OF THE NDA

As National Designated Authority for Nepal of the Green Climate Fund, Ministry of Finance, International Economic Cooperation Coordination Division (MoF/IECCD) leads and oversees the GCF process in Nepal in coordination the Fund and national stakeholders. As a part of the readiness programme, the NDA is responsible for in-country institutional strengthening, including strengthening capacities for national in country and coordination with the Fund.

NDA is mandated to:

- Place within the ministry or authority conversant with the country’s national budget, economic policies and their interrelation with climate change-related priorities and development plans. As MoF is primarily responsible for this function in Nepal, NDA is rightly placed within MoF that will allow mainstreaming climate finance in the national planning and budgeting system;

- MoF/IECCD to coordinate and enable the concerned ministries and agencies in Nepal such as National Planning Commission (NPC), line ministries, development partners and private sector for harmonized policy and coherence in planning and implementation of climate finance related activities in Nepal. NDA to influence in the planning process if required to ensure that the activities supported by GCF are fully aligned with the national priorities and plan;

- IECCD to ensure that all the relevant sectors and actors of Nepal are engaged in the GCF process and their plans related to climate finance are aligned with the national climate change policies and strategies. NDA is mandated to develop and follow an appropriate mechanism for stakeholders coordination and collaboration;

- NDA to represent Nepal in international forum and conventions related to climate finance including GCF; and

- NDA is authorized to provide nomination letters to those potential and eligible national implementation entities who are under the GCF accreditation process. Provide grant letters of no-objection for projects/programmes. NDA is authorized to provide no objection letter for funding proposals during the process of approval from the GCF Board.

2.2 ROLES AND RESPONSIBILITIES OF NDA WITH RESPECT TO CLIMATE FINANCE

NDA is expected to perform two types of roles in GCF processes: first, general in managing the GCF process in Nepal such as strategic oversight of the fund, coordination with relevant stakeholders etc and second, specific related to the NIE accreditation and funding proposal development.

NDA is expected to perform following general roles and responsibilities in GCF process:
i. Provide leadership on the deployment of readiness and preparatory support funding in Nepal;

ii. Provide broad strategic oversight aligned to national priorities;

iii. Convene national stakeholders including public, private and civil society stakeholders;

iv. Facilitate accreditation process for National Implementation Entities (NIEs) and provide nomination letters to be eligible for Direct Access Accredited Entities;

v. Facilitate GCF funding proposals development process and the implementation of GCF funded projects/programmes in Nepal; and

vi. GCF programmes/projects management in Nepal.

Please see Annex 1 for detail roles and responsibilities of NDA.

2.3 REQUIRED CAPABILITY OF NDA TO PERFORM THE EXPECTED ROLES

As per mandate of the GCF and as underlined in the scope, the NDA should possess or attain adequate knowledge of Nepal’s national priorities, strategies, and plans for climate finance and should be able to contribute to and drive national development strategies and plans accordingly. Further, NDA should be familiar with both Nepal’s climate change policy, priorities and country’s response to climate change challenges (mitigation and adaptation efforts). In order to perform its roles effectively, NDA is expected to be familiar with institutions and stakeholders in Nepal potential for GCF accreditation and funding proposal development. NDA should possess a capacity to facilitate and coordinate country coordination mechanisms and manage multi-stakeholder engagement for SHs consultations. MoF/IECCD, as the NDA in Nepal, to ensure that MoF/IECCD does not act alone, but rather has to engage other line ministries, stakeholders, accredited entities in GCF strategic partnership.

Similarly, NDA is expected to have basic understanding of the work of other relevant multi-lateral, and bilateral organizations operating in Nepal and also the information of regional and global funding mechanisms and institutions for climate change. The NDA should also retain an overview of all funding proposals relating to Nepal and facilitate available information on the projects and programmes through appropriate media and relevant networks, including in local languages as possible. The NDA should be able to maintain regular communication with the GCF Fund. The NDA is expected to disseminate and share GCF process, key requirement, key challenges and operational procedures of the Fund to the national actors and stakeholders.

The NDA should be familiar with the operations of other funds within the Nepal. Based on Nepal’s capacities, the NDA should also drive and coordinate relevant coordination mechanisms and multi-stakeholder engagement, as needed and appropriate.

In order to ensure consistency with the national priorities, strategies, and plans of Nepal, the NDA should have the ability to interact and coordinate with the designated authorities of other climate funds as applicable and appropriate.
3. **NDA CAPACITY NEEDS ASSESSMENT WITH RESPECT TO GCF**

### 3.1 NDA: MINISTRY OF FINANCE

Under the strategic direction and guidance of Joint Secretary, a small team of Under Secretary and Section Officers is given responsibilities to work as focal officials of NDA.

The Ministry of Finance is designated as the National Designated Authority (NDA) for the Fund in Nepal while the Joint Secretary and Chief of the International Economic Cooperation Coordination Division is the focal person for the Fund. IECCD as a focal agency for development partnership in Nepal, has a functional relationship with the development partners working in Nepal. The NDA has a good understanding of national and international agreement, trend and issues on aid and its various dimension and effectiveness. The Joint Secretary is supported by a team of Under Secretaries (8) and Section Officers (12) with each Under Secretary assigned a sectoral responsibilities supported by the Section Officers.

The Under Secretary assigned to oversee Global Funds i.e. Global Facility for Disaster Risk Reduction (GFDRR), Global Environment Facility (GEF), Green Climate Fund (GCF), Climate Investment Fund (GIF) also leads the Green Climate Fund Readiness Programme in the capacity of the National Project Director and oversees the implementation of readiness programme including strengthening the institutional capacity of MoF to operate as the NDA.

In late 2016, an assessment of the MoF/IECCD was undertaken identify gaps and need assessment to effectively function as the NDA. As an outcome, a need for a governance mechanism was identified along with proposal of establishment of three-tiered institutional setup i.e. with the NDA towards providing policy guidance and ensuring effective functionality.

### 3.2 IDENTIFYING GAPS

Climate change and climate finance is not a new concept to the NDA. However, the Green Climate Fund is different. As a relative newer concept of climate finance mechanism under the UNFCCC as well as the key role of National Designated Authority are expected to play. More so, with emphasis on country-driven process, the NDA are expected to facilitate, and coordinate countries access, manage and provide oversight on GCF but also strengthen national capacities. Under-lining the broader scope GCF and climate finance, the following are identified as sectoral gaps of MoF/IECCD:
<table>
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<th>S.NO</th>
<th>COMPONENT</th>
<th>IDENTIFIED GAPS</th>
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</table>
| 1. | Knowledge gaps in terms of national climate change policy and broader climate finance | i. Lack of adequate knowledge on national priorities, strategies and plans thus NDA has to depend upon the other agencies such as NPC and line ministries for this.  
ii. Since, NDA has limited knowledge on national plans & priorities that might hinder to ensure the role of aligning the GCF funding with national priority and plans.  
iii. Lack of familiarity with Climate Change Policy (2011), national CC priorities and the ongoing mitigation and adaptation efforts.  
iv. No in-depth understanding and information of the programme and institutions involved in climate change sector. NDA is equipped only with general information of the institutions and stakeholders involved in climate change related work in Nepal.  
v. Not enough information and understanding on multilateral, bilateral, regional and global funding mechanisms and institutions on climate change. |
| 2. | Climate finance strategies and guidelines | i. Lack of clear strategy & guidelines on climate finance that would provide clear guidance to NDA on climate finance.  
ii. Lack of relevant guidelines and methodology to monitor and oversight the climate change related programmes by NDA. |
| 3. | Documentation and knowledge management | i. Lack of organized and well-documented information and data related to climate finance in Nepal including Climate finance MIS.  
ii. Maintaining institutional memory at NDA for smooth operation of the NDA. |
| 4. | Operational and functionality | i. Not all climate finance related activities of the stakeholders (NGOs, INGOs, Projects) are under the GoN/MoF channel.  
ii. Need for additional human resource to support the overstretched staffs.  
iii. Trained human resources on climate change issues and |
More importantly, the lack of a dedicated team of staffs within NDA and their capacity to oversee climate finance as a whole is the key gap in terms of implementation. More so, in view of the broad scope of work defined for the NDA by the Fund, lack of trained human resources on climate change and climate finance and the retention of the knowledgeable officials at NDA is a major challenge.

4. **CAPACITY DEVELOPMENT PLAN OF NDA: PRIORITY ACTIVITIES**

The capacity development plan is prepared based on the need assessment of the NDA assessing its existing capability and desired capacity with respect to the expected role as the NDA. The activities proposed are expected to address the capacity gaps of NDA in achieving its desired capacity identified during the capacity need assessment. The capacity development activities are categorized as short (6 months), medium (6 months to 1 year) and long term (>1 year) at both individual and organizational level while activities ranges from software skill such as development of system/procedures and MIS for NDA to hardware components such as establishing Climate Finance Unit and appropriate logistical arrangements.

The initial six months is focused more on systems, procedures and institutional development of NDA while in the medium term, emphasis will be on enhanced understanding of climate finance process, National Implementation Entities (NIEs) and evaluation of funding proposal development. The climate finance issues is expected to mainstream in GoN/MoF regular plans within two years thus the NDA’s capacity should be built in such a way that it would be able to perform its role effectively in the climate finance sector on its own. Institutional strengthening of NDA is taken as crucial while developing the capacity development plan of NDA. The plan needs to be reviewed in every six months time to make necessary adjustment and response to the changing needs and priorities.
The priorities activities and the process/action points for NDA capacity development is presented below:

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<th>SN</th>
<th>Activities</th>
<th>Process/Action points</th>
<th>Coordinating Responsibility</th>
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</table>
| 1.  | Capacity development need assessment of NDA (1 Event)                     | • Need Assessment workshop engaging MoF/IECCD and Local Stakeholders  
• Workshop  
• Facilitation support by consultant                                                                                                                                  | MoF/IECCD/GCF-RP PMU         |
| 2.  | Define Institutional Setup on Governance Mechanism to operate as an NDA.  | (Climate Finance Steering Committee, Technical Committee and Climate Finance Unit)  
• Development of GCF governance structure for Nepal after review of international practices and learning in close consultation with relevant stakeholders.  
• Approval of the governance structure by MoF                                                                                                                               | IECCD/GCF RP PMU            |
| 2.1 | Establish **Climate Finance Steering Committee**                          | • Development of ToR of the steering committee and approval by MoF  
• Orientation to the committee member on their roles  
• Regularize the meeting of the technical committee  
• Meeting minutes of CFSC are prepared, shared and recorded                                                                                                                     | MoF/NDA/CF Unit             |
| 2.2 | Establish **Technical Committee** for GCF                                | • Development of ToR of the technical committee and approval by MoF  
• Orientation to the technical committee member on their roles  
• Regularize the meeting of the technical committee  
• Meeting minutes of TC are prepared, shared and recorded                                                                                                                    | MoF/NDA                     |
| 2.3 | Establish **Climate Finance Unit within MoF NDA**                        | • Development of ToR of CF Unit and approval by MoF  
• Allocation of dedicated staff in the Unit  
• Orientation to the CFU staff on their roles and responsibilities  
• CFU develops its annual work plans  
• Monthly meeting of the Climate Finance Unit  
• Minutes of Meetings of CF Unit are prepared, shared and recorded                                                                                                               | MoF/NDA                     |
### 3. Awareness and Knowledge Dissemination on GCF and its Processes

#### 3.1 Enhance understanding of NDA and climate finance unit on NIE process to enable them to facilitate NIEs selection process effectively

- Orientation to NDA team on NIE accreditation process and role of NDA on this
- Development of criteria and process for NIEs selection
- Call for EoIs
- Eligibility check and initial assessment of the EoIs by the technical committee with support from technical expert (consultant)
- Recommend to the GCF Board for further assessment and decision process

### 2. Orientation on Climate finance, GCF process and NIEs selection process to wider MoF team - 1 event (1 day)

- Workshop
- Facilitation support by consultant

### 4. Orientation to the climate finance unit on GCF governance structure, roles and responsibilities of the CF Unit, GCF tool kits

- Workshop
- Consultant inputs

### 5. Enhance capacity to enable NDA to be able facilitate the process of funding proposal development for GCF

- Orientation to NDA team on GCF funding proposal development process and requirement, role of NDA on this
- Development of broad criteria and process for idea note for GCF funding
- Call for submission of expression of interest by national organizations for Idea Note for GCF funding proposal development
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<th>3.6</th>
<th><strong>Enhance capacity of NDA/CF Unit to coordinate with wider stakeholders on climate finance issues and mainstream CC issues in national planning and budgetary system (to ensure that the national plan and budget system is CC sensitive)</strong></th>
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| - Eligibility check and initial assessment of the EoIs by the Technical Committee with support from technical expert (consultant)  
- Recommend to the GCF Board for further assessment and decision process |
| NDA/PMU |

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<th>4.</th>
<th><strong>Guidance Documents and Manual Preparation</strong></th>
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<tr>
<td>4.1</td>
<td><strong>Develop GCF Toolkits for Nepal</strong></td>
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</table>
| - Develop a GCF Toolkits that outlines GCF processes based on review of the existing documents on GCF  
- Consultation and inputs from various stakeholders  
- Review and approval of the Toolkits by Technical Committee and NDA  
- Orientation to NDA/CF Unit on the GCF Toolkits  
- GCF Toolkits published and shared widely by NDA with support from GCF RP PMU |
| IECCD/GCF RP PMU |

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<th>4.2</th>
<th><strong>Enhance understanding and knowledge through interactive learning and exposure to global programmes</strong></th>
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| - Enhance understanding and knowledge of CF Unit and TC members (8 participants) on GCF process specifically on GCF governance structure, NIEs selection and funding proposal development process through exposure visit (5-7 days)  
- Exposure visit in Ghana  
- UNDP/UNEP to provide support for this |
| MoF/NDA/UNDP |
### Medium term (6 months - 1 year) – Enhancing understanding on climate change/climate finance issues and NIEs/funding proposal development, and institutional strengthening of NDA/climate finance unit

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<th>S.No</th>
<th>Activities</th>
<th>Process/Action Points / Event</th>
<th>Coordinating Responsibility</th>
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</table>
| 1.   | **Enhance understanding of NDA and CF Unit to be able coordinate with the selected organization/s for the further process of NIEs selection through an exposure visit to NDA Indian (selected NIE and NDA team members – 6 members) – 4 days event** | • Detail orientation to NDA on the NIEs selection process and GCF’s requirement  
• Sharing of the process and learning of other countries  
• Exposure visit to India NIE – Rural Development and Agriculture Bank  
• UNDP/UNEP to provide support for this | MoF/UNEP |
| 2.   | **Support potential organizations for funding proposal development for GCF funding – direct access** | • Orientation to the selected organization/s on the requirement and process of funding proposal  
• Sharing of the learning and practices on funding proposal from other countries  
• GCF RP to provide technical support for this | NDA/UNEP |
| 3.   | **Development of CF MIS system in NDA** | • Assess the CF data/information need of NDA  
• Mapping of the Climate change related projects, budget and institutions and prepare a database accordingly with support from a consultant  
• Place necessary software and computer in the CF Unit  
• Develop MIS system for CF with support from an expert consultant  
• Allocate responsibility to an Officer of CF Unit for MIS database management including monitoring and reporting | NDA/GCF RP PMU |
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<th>Participation of NDA/Climate Finance Unit in the international events related to climate finance and GCF (2 events)</th>
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<td>• Identify the relevant event by NDA in coordination with MoPE and GCF RP PMU eg. some potential events are:</td>
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<td>– 4th World Congress on Climate Change, 19-21 Oct 2017, Rome Italy</td>
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<td>– UNFCC Climate Change conference – Bonn, 6-17 November, 2017</td>
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<td>– Innovate 4 Climate: Finance and Markets Week, May 22-26, 2017, Barcelona, Spain</td>
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<td></td>
<td>• Ensure that the necessary preparation is made beforehand to make the participation meaningful</td>
<td>MoF/NDA/UNDP</td>
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<td>• Report back the key outcomes and learning of the event to NDA verbally as well as in written.</td>
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<th>Development of a system of preparing bankable projects/funding proposals for GCF and other donors</th>
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<td>• Develop at least 5 bankable projects/funding proposals in the priority sector as identified by climate change related policies with support from GCF RP</td>
<td>MoF/NDA</td>
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<td></td>
<td>• Request sector ministries to come up with two funding proposals for GCF and other funding</td>
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## Long term (more than 1 year (1-2 years)) – Institutionalization of climate finance in MoF system with a functional climate finance unit in NDA (with a dedicated team of staff) responsible for climate finance process

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<tr>
<th>S.No</th>
<th>Activities</th>
<th>Process/Action Points / Event</th>
<th>Coordinating Responsibility</th>
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</thead>
</table>
| 1.   | Participation of NDA/climate finance unit/GCF Secretariat in the international events related to climate finance and GCF (2 events) | • Identify the relevant event by NDA in coordination with MoPE and GCF RP PMU for e.g. some potential events are:  
  – International conference on Earth Science and Climate Change  
  – World Congress on Climate Change  
  – UNFCC COP  
• Ensure that the necessary preparation is made to make the participation meaningful  
• Report back the key outcomes and learning of the event to NDA verbally as well as in written | MoF                          |
| 2.   | Enhance institutional capacity of Climate Finance Unit to facilitate the process of funding proposal development for GCF | • Development of broad criteria and process for idea note for GCF funding  
• Call for submission of expression of interest by national organizations for idea note for GCF funding proposal development  
• Eligibility check and initial assessment of the Expression of Interests (EoI) by the Technical Committee with support from technical expert (consultant)  
• Recommend to the GCF Board for further assessment and decision process | NDA/CF Unit UNEP            |
| 3.   | Oversight and monitoring of the GCF funded projects in Nepal by NDA together with other stakeholders | • Develop Monitoring System for GCF funded programmes  
• Organize national level sharing events on GCF funded projects annually  
• Documentation of the achievements and learning and sharing widely | NDA/NIEs                    |
4. **Orientation to NDA/Climate Finance Unit on Climate Change, Climate Finance and GCF process**
   - Comprehensive Three-Day Training OR participation in training on Climate Finance and GCF Process for NDA
   - Consultant inputs
   - NDA

5. **Update and continue CF MIS for Nepal**
   - Update the MIS regularly at-least in every six months
   - Publish a newsletter on ‘Climate Finance In Nepal’ on quarterly basis
   - Provide information to the relevant ministries and institutions on Climate Finance issues as requested
   - Increase public access on Climate Finance related information through MoF website
   - NDA/CF Unit

6. **Regularize the meetings of CFSC and TC**
   - Climate Finance Steering Committee and Technical Committee meets as and when required
   - Review the ToR and function of the both committees on yearly basis
   - CF Unit meets on monthly basis
   - NDA/CF Unit

7. **Mainstreaming the climate finance plans and programmes in regular programme of MoF**
   - Annual plan and budget of CF Unit is reflected in MoF annual plan
   - MoF
5. CONCLUSION

Nepal is now eligible to access funds from GCF. As National Designated Authority for Nepal of the GCF, MoF/IECCD is expected to lead and oversee the GCF process in Nepal in coordination the Fund and national stakeholders. GCF initiatives is new for Nepal and the current national capacity to access, absorb and monitor the climate finance especially GCF effectively is inadequate. Thus, with its new mandate and increased responsibilities as the NDA, MoF/IECCD is required to have the necessary capacities to fulfill its responsibilities and accomplish it expected functions as mandated by the GCF.

The NDA capacity development plan is prepared based on the need assessment of the NDA assessing its existing capability and desired capacity with respect to the expected role as the NDA. The lack of a dedicated team of staffs within NDA and their capacity to oversee climate finance as a whole is the key gap in terms of implementation. In view of the broad scope of work defined for the NDA by the Fund, lack of trained human resources on climate change and climate finance and the retention of the knowledgeable officials at NDA is a major challenge.

The capacity development activities are categorized as short (6 months), medium (6 months to 1 year) and long term (>1 year) at both individual and organizational level while activities ranges from software skill such as development of system/procedures and MIS for NDA to hardware components such as establishing Climate Finance Unit and appropriate logistical arrangements. Institutional strengthening of NDA is taken as crucial while developing the capacity development plan of NDA. The initial six months is focused more on systems, procedures and institutional development of NDA while in the medium term, emphasis will be on enhanced understanding of climate finance process, National Implementation Entities (NIEs) and evaluation of funding proposal development. The climate finance issues is expected to mainstream in GoN/MoF regular plans within two years thus the NDA’s capacity should be built in such a way that it would be able to perform its role effectively in the climate finance sector on its own.

The plan needs to be reviewed in every six months time to make necessary adjustment and response to the changing needs and priorities.
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ANNEX A: ROLES AND RESPONSIBILITIES OF NDA WITH RESPECT TO CLIMATE FINANCE AND GCF

NDA is expected to perform two types of roles in GCF processes: one general in managing the GCF process in Nepal such as strategic oversight of the fund, coordination with relevant stakeholders etc and another specific related to the NIE accreditation and funding proposal development.

NDA is expected to perform following general roles and responsibilities in GCF process:

i. Provide leadership on the deployment of readiness and preparatory support funding in Nepal:
   - With receiving readiness support, MoF as NDA is expected to facilitate the provision of readiness support such as capacity development of NDA, development of system and procedure for GCF, establishing and leading the GCF governance mechanism for Nepal, selection of NIEs and funding proposals to other stakeholders related to GCF such as line ministries, private sector, financial institutions and civil societies. For this, NDA should develop stakeholders engagement framework as well as GCF governance mechanism with defining the role and space of stakeholders in GCF process and convene stakeholders coordination at national level. NDA to communicate the GCF provisions and requirements to the concerned national stakeholders.
   
   - NDA to provide support to the National Implementation Entities (NIEs) on GCF processes. Key aspects of support include share the information related to accreditation procedure to wider stakeholders, guide and support potential NIEs on the accreditation application processes, communication to the prospective/accredited NIEs for funding proposals, orientation to the potential NIEs/NIEs on the funding proposal development process and requirement, share national priorities, provide technical support and guidance to NIEs in preparing funding proposals etc

ii. Provide broad strategic oversight aligned to national priorities:
   - NDA to lead the GCF process in Nepal in coordination with relevant entities – Climate Finance Steering Committee, Technical Committee, Ministry of Population and Environment as UNFCCC NDA and GCF Board.
   
   - NDA to ensure that projects/programmes funded by GCF are aligned with national priorities identified by the Nepal’s policies and plan related to climate change such as National Climate Change Policy, Reduced Emission from Deforestation and Forest Degradation (REDD) strategy, National Adaptation Plan of Action (LAPA), Sustainable Development Goals (SDGs), National Adaptation Plan (NAP). Please see annex 1 for some of the key focus and priorities of national policies related climate change and annex 2 for GCF Strategic Impact Areas and Investment framework.
   
   - NDA to coordinate with and take feedback from MoPE on the idea notes/concept notes/funding proposals submitted by the NIEs/potential NIEs/Entities to ensure that these are fully aligned with the national priorities as identified by climate change related policies and plans.
iii. Convene national stakeholders including public, private and civil society stakeholders:

- **NDA to develop SHs engagement framework and facilitate to engage relevant stakeholders such as** government, private sector, civil societies, and academic institutions in GCF process in order to gather their inputs, bring synergy and create ownership on GCF work as per the SHs engagement framework.

- **Follow a multi stakeholder approach in GCF process and organize multi stakeholder dialogues/workshops on climate finance/GCF to sensitize SHs on GCF process, to create common understanding on the issues and way forward and to create enabling environment for GCF programme in Nepal with developing and adopting SHs engagement framework and GCF governance mechanism.**

- **Disseminate and share the information related to GCF including accreditation and proposal development procedure to wider stakeholders through website and public calls.**

- **NDA to convene learning and sharing events to national stakeholders on climate finance including GCF on annual basic.**

iv. **Facilitate accreditation process for National Implementation Entities (NIEs) and provide nomination letters to be eligible for direct access Accredited Entities:**

- **NDA to facilitate accreditation process for National Implementation Entities on half yearly basic – two application call in a year. Following process shall be followed for this:**
  
  o **Call for expression of interest for NIEs in Nepal on rolling basic - half yearly basic, tentatively in January and July.**

  o **Disseminate and share the information related to accreditation procedure to wider stakeholders through public calls and web sites.**

  o **Make available the application information packet to the interested organizations through website and hard copy.**

  o **Guide and support potential NIEs on the accreditation application processes.**

  o **Conduct eligibility check of the applications received for NIEs against the GCF criteria and process.**

  o **Review the applications on half yearly basic and forward to GCF board for further review and decision making process on half yearly basic. NDA shall take inputs from Technical Committee and experts in reviewing the applications.**

  o **Likewise, NDA to provide the ‘Letters of Nomination1 to the potential accredited entities upon request in order to be eligible to begin the GCF accreditation process on half yearly basic.**

1 http://www.greendclimate.fund/documents/20182/319135/1.4_-_NDA_FP_Nomination_Letter_for_Application.docx/ffe4baa5-af3f-4fca-a68b-d87f67948ba
v. Facilitate GCF funding proposals development process and the implementation of GCF funded projects/programmes in Nepal

- NDA to facilitate GCF funding proposals development process on half yearly basic – two application call in a year. Following process shall be followed for this:
  
  o Call for expression of interest for concept note/funding proposal on rolling basic - half yearly basic tentatively in January and July.
  
  o Disseminate and share the information related to funding proposal procedure to wider stakeholders through public calls and web sites.
  
  o Make available the application information packet to the interested organizations through website and hard copy.
  
  o Conduct eligibility check of the applications received for funding proposal against the GCF criteria and process.
  
  o Guide and support potential NIEs on the funding proposal development processes.
  
  o Review the applications on half yearly basic and forward to GCF board for further review and decision making process on half yearly basic. NDA shall take inputs from Technical Committee and experts in reviewing the applications.

- Process to approve projects/programmes and grant ‘Letter of No Objection’ for GCF funding proposals/projects/programmes

- Review the idea/concept note prior to issuance of the ‘No Objection letters’ in casa of call for idea note for funding proposal development

- Oversight the programme development process as per the GCF requirements

- Development of bankable idea note and funding proposal for GCF and other funding purpose. NDA to call for idea note/concept note for this purpose and maintain a roster of bankable concept note/proposals to be prepared for international climate finance on six monthly basis.

ii. GCF programmes/projects management in Nepal

- NDA to facilitate to provide strategic guidance and technical support to the implementation entities to implement the GCF project in Nepal.

- Facilitate to address policy and operational issues related to GCF project in Nepal.

- Maintain database of the projects funded by GCF and potential bankable proposals for funding.

- Lead in coordination with the line ministries, private sector, civil societies, donors in the process of GCF projects implementation

- Facilitate monitoring of the implementation of the GCF projects by implementation entities in coordination with National Planning Commission.
• Prepare annual progress reports on the implementation of activities under the GCF in Nepal.

• Provide strategic oversight of the GCF funded activities in Nepal to ensure accountability and transparency.

• Ensure that the accredited entities/GCF funded projects are complied with the GCF and national priorities and legal requirement.
**NDA specific roles and responsibilities with respect to NIE accreditation and GCF funding proposal development:**

NDA is expected to perform following roles in the NIE Accreditation, GCF funding proposal development and GCF projects management process:

<table>
<thead>
<tr>
<th>Stage</th>
<th>Roles</th>
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<tbody>
<tr>
<td><strong>NIE Accreditation</strong></td>
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<tr>
<td>Pre-Accreditation</td>
<td>- Call for expression of interest for NIEs in Nepal on rolling basic - half yearly basic tentatively in January and July.</td>
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<td></td>
<td>- Disseminate and share the information related to accreditation procedure to wider stakeholders through public calls and web sites.</td>
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<td>- Make available the application information packet to the interested organizations through website and hard copy.</td>
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<td></td>
<td>- Guide and support potential NIEs on the accreditation application processes.</td>
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<td></td>
<td>- Receive applications for consideration for accreditation from potential NIEs in Nepal.</td>
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<td></td>
<td>- Conduct eligibility check of the applications received for NIEs against the GCF criteria and process.</td>
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<td></td>
<td>- Review the applications on half yearly basic and forward to GCF board for further review and decision making process on half yearly basic. NDA shall take inputs from Technical Committee and experts in reviewing the application.</td>
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<tr>
<td>Review</td>
<td>- Facilitate the communication of nominations of potential NIEs to the GCF Secretariat for further process of accreditation.</td>
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<td>(The GCF accreditation panel conducts the review of the accreditation process based on the already defined fit for purpose criteria and recommend to the GCF Board for final decision)</td>
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<tr>
<td>Validation and final decision</td>
<td>- Facilitate the communication to the NIEs once accredited by the GCF Board.</td>
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<tr>
<td>(The GCF Board make final decision on accreditation based on the recommendation of the accreditation panel)</td>
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<tr>
<td><strong>Funding Proposal Development</strong></td>
<td>- NDA to facilitate GCF funding proposals development process on half yearly basic – two application call in a year. Following process shall be followed for this:</td>
</tr>
<tr>
<td></td>
<td>o Call for expression of interest for concept note/funding proposal on rolling basic - half yearly basic tentatively in January and July.</td>
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<td>o Disseminate and share the information related to funding proposal procedure to wider stakeholders through public calls and web sites.</td>
</tr>
<tr>
<td></td>
<td>o Make available the application information packet to the interested organizations through website and hard copy</td>
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<tr>
<td></td>
<td>o Receive the idea note/funding proposals.</td>
</tr>
<tr>
<td></td>
<td>o Conduct eligibility check of the applications received for funding proposal against the GCF criteria and process.</td>
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<tr>
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<td>o Guide and support potential NIEs on the funding proposal development processes.</td>
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<td>o Facilitate the initial assessment of the idea note/funding proposal submitted by the NIEs/potential NIEs/Entities.</td>
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- Review and select the fair number of idea note for development of funding proposal in case of call for idea note.
- Review the applications on half yearly basis and forward to GCF board for further review and decision making process on half yearly basis. NDA shall take inputs from Technical Committe and experts in reviewing the applications.
- Process to approve projects/programmes and grant Letter of No Objection\(^2\) for GCF funding proposals/projects/programmes.
  - NDA to facilitate to provide strategic guidance and technical support to the implementation entities to implement the GCF project in Nepal.
  - Facilitate the communication to the prospective/accredited NIEs for funding proposals.
  - Provide feedback to the prospective/accredited entities on the design, and, upon approval, grant letters of no-objections.
  - Ensure that the funding proposals are inline with the national priority.
  - Facilitate communication between prospective/accredited entities and the Fund.