



**PROJECT:**

**“Adapting to Climate Induced Threats to Food Production and Food Security in the Karnali Region of Nepal”**

# **Project Inception Report**

**Inception Workshop Held: 26 October 2018, Surkhet, Karnali Province, Nepal**

**Submitted to:**

**Adaptation Fund Board**

**Prepared and Submitted By:**

**Government of Nepal  
Ministry of Forests and Environment  
Singh Durbar, Kathmandu, Nepal**

**UN World Food Programme (WFP)  
Nepal Country Office  
Chakupat, Lalitpur, Nepal**

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### **List of Acronyms**

|        |   |
|--------|---|
| ADB:   | Asian Development Bank                                    |
| AF:    | Adaptation Fund   |
| AFB:   | Adaptation Fund Board                                     |
| CBS:   | Central Bureau of Statistics                              |
| CGIAR: | Consultative Group on International Agricultural Research |
| GLOFs: | Glacial Lake Outburst Floods                              |
| GoN:   | Government of Nepal                                       |
| LPCU:  | Local Project Coordination Unit                           |
| MoFE:  | Ministry of Forests and Environment                       |
| MoU:   | Memorandum of Understanding                               |
| NPC:   | National Planning Commission                              |
| NAPA:  | National Adaptation Plan of Action                        |
| NPSC:  | National Project Steering Committee                       |
| PSU:   | Project Support Unit                                      |
| PPSU:  | Provincial Project Support Unit                           |
| SOP:   | Standard Operating Procedure                              |
| USD:   | United States Dollar                                      |
| WFP:   | World Food Programme                                      |

## **Executive Summary:**

Nepal is highly vulnerable to climate change and is one of the most disaster-prone countries in the world, ranking among the top 20 countries prone to multi-hazard risks. These include phenomena such as earthquakes, floods, landslides, fires, heat waves, cold waves, lightning storms, windstorms, droughts, epidemics and Glacial Lake Outburst Floods (GLOFs). Disasters and climate change effects can lead to severe socio-economic setbacks in a wide range of sectors. Particularly, climatic trends are expected to have a strong impact on all aspects of agricultural production and food security in Nepal. This includes crop production, seasonal variability of production, food availability, and food prices (especially of staples and livestock produce). Diet quality, caloric intake, and seasonality of food consumption could all be impacted by climate-related spikes in food prices and production-related availability. Hence, Nepal's food security is highly sensitive to climate change and climatic shocks. A decline in rainfall from November to April every year has affected winter and spring crops. Wheat and barley yields are particularly susceptible to variability in winter precipitation. Sowing and harvesting times have already shifted due to climate change. Under a lower winter rainfall regime, the western parts of Nepal are experiencing declines in wheat and barley yields, exacerbating food insecurity and poverty.

Nepal's Karnali districts have low population density and are remote and unconnected by infrastructure (roads and bridges). Some higher elevations are habitable only during the summer months. A vulnerability analysis conducted as part of the National Adaptation Plan of Action (NAPA) formulation in 2010 shows that the region is highly exposed to changing temperature and precipitation and all districts face the risk of drought. Some are highly exposed to landslides. All districts show very low adaptive capacity in terms of the robustness of markets and connectivity. Despite the low population density, one district (Mugu) ranks "very high" in overall vulnerability to climate change, while two districts (Kalikot and Dolpa) rank high and others (Jumla and Humla) rank moderate. However, the moderate districts are still vulnerable to changes in precipitation and temperature, and they are considered to be at risk of facing severe drought.

This project has therefore been designed to address these issues of poverty, food insecurity, malnutrition and climate induced threats to food production and food security in the Karnali region. Entitled "Adapting to Climate Induced Threats to Food Production and Food Security in the Karnali Region of Nepal" it was submitted to the Adaptation Fund Board (AFB) by the Government of Nepal through the World Food Programme (WFP) in August 2013, and the funding was approved by AFB in May 2015. The operational agreement between Government of Nepal's Ministry of Forests and Environment and WFP Nepal was signed in May 2018 to implement the project. The project's goal is to increase adaptive capacity of climate vulnerable and food insecure poor households by improved management of livelihood assets and natural resources in the Karnali mountain districts of Nepal. The project has three objectives:

- Strengthened local capacity to identify climate risks and design adaptive strategies
- Diversified livelihood and strengthened food security for climate vulnerable poor households in target areas
- Increased resilience of natural systems that support livelihoods to climate change induced stresses

Approximately 10,850 climate vulnerable poor households (an estimated 65,800 people) in seven Rural Municipalities of three districts are expected to benefit over the four years of project implementation period through two programme components: develop local, district and national capacity to plan, implement and monitor adaptation and risk reduction actions, and build household and community resilience and increase adaptive capacity of climate vulnerable poor in targeted areas

of Mugu, Kalikot and Jumla districts. The Ministry of Forests and Environment (MoFE) and WFP are the executing entities and WFP is the multilateral implementing entity of the project. The total project budget is USD 10,277,160 (over 4 years) which includes USD 9,527,160 from the Adaptation Fund and WFP's contribution of USD 750,000.

Due to the 2015 earthquakes in Nepal at the same time of project approval, a significant delay occurred in project execution after its approval. This was further exacerbated by to the restructuring of state entities in Nepal following the promulgation of the new constitution in September 2015. An agreement (MoU) was finally signed between MoFE and WFP in May 2018 to operationalize the project and start with the implementation MoFE has established a National Project Steering Committee (NPSC) to provide overall strategic policy guidance, and coordination to the project. The first meeting of the NPSC approved the Standard Operating Procedures (SoP), project governing structure and modality for project implementation in line with the new federal governance system of Nepal, and the first-year implementation plan.

Additionally, a Project Support Unit (PSU) has been established in MoFE and the recruitment of project staff is almost completed. Similarly, the Provincial Project Coordination Unit (PPCU) has been established for provincial level coordination of project-related activities and for coordination among the project districts (Mugu, Jumla and Kalikot), as required. The Local Project Coordination Units (LPCUs) will also be established at the Rural Municipality level in December 2018 for community level participatory project planning, implementation and multi-stakeholder coordination and collaboration.

The project inception workshop has been completed with the participation of Federal and Provincial Minister for Forests and Environment, officials of Federal and Provincial Ministry, Chairpersons and chief administrative officers of seven Rural Municipalities from three districts (Jumla, Mugu and Kalikot), journalists and some other organizations. The Inception workshop endorsed the overall project strategy, project management structure, the SoP and first year's implementation plan that was put forward by the National Project Steering Committee. Activities included in the first-year implementation plan will now be implemented.

WFP will first conduct a baseline assessment to establish the necessary detailed baselines to measure indicators set out in the results framework. Monitoring and reporting will be carried out concurrently with project execution. Quarterly technical reports, semi-annual progress reports and annual progress review reports will be coordinated and produced by WFP and MoFE. The data for monitoring will consist of financial, procurement and physical progress as well as compliance with the requirements of the environmental and social assessment and management frameworks. WFP as the MIE (in consultation with MoFE) will provide to the AFB the key reporting, monitoring and evaluation products/functions of the project.

## 1. Introduction

### 1.1 Background:

The climate scenarios study, jointly commenced by Government of Nepal and ICIMOD in 2018, has revealed the accelerated changes in climate in Nepal. According to the report, the average annual precipitation is likely to increase in both the short- term and long-term periods. The average annual precipitation might increase by 2-6% in the medium-term period (2016-2045) and by 8-12% in the long-term period (2036-2065). The average annual mean temperature will continue to rise in future. Mean temperature might increase by 0.92-1.07 °C in the medium-term period and 1.30-1.82 °C in the long-term period. Both the average annual mean temperature and the average annual precipitation will continue to climb until the end of the century. The temperature is projected to increase for all seasons. The precipitation is projected to decrease during the pre-monsoon season. Similarly, the intense precipitation events are likely to increase with extremely wet days (P99) expected to increase at a higher rate than very wet days. Rainy days are likely to decrease in the future.

The above findings suggest that in general climate throughout Nepal will be warmer and wetter in the future periods, except for a decrease in pre-monsoon season. Extreme Indices related to temperature and precipitation suggest that more extreme events i.e. floods, landslides, droughts, hailstorms etc are likely in the future. This is expected to affect the Terai and high-mountains areas of Nepal which are highly prone to floods, landslides and droughts, and different development sectors, such as water, energy, biodiversity, agriculture, and livelihoods. The country needs to prepare for these changes and to design better adaptive options and implement in a more sustainable way.

Nepal is one of the most disaster-prone countries in the world, ranking among the top 20 countries prone to multi-hazard risks, including phenomena such as earthquakes, floods, landslides, fires, heat waves, cold waves, lightning, windstorms, droughts, epidemics and Glacial Lake Outburst Floods (GLOFs). Such recurring extreme weather events in recent years demonstrate that Nepal is highly vulnerable to climate change. Disasters and climate change effects can lead to severe socio-economic setbacks in a wide range of sectors, particularly in agricultural food production Agriculture accounts for 30 percent of gross domestic product in Nepal and employs 51.8 percent of working men and 74.5 percent of working women.

Food security remains a major concern in Nepal. The latest Global Hunger Index rates ranks Nepal 72<sup>nd</sup> out of 119 countries on the GHI. Nepal is nearing the 'moderate' from the 'serious' category, largely due to recent declines in undernourishment, child stunting and child mortality (IFPRI 2017). However, nearly 41% of the population does not have access to minimum calorie intake and some two million people are undernourished (NPC-14<sup>th</sup> Plan). Nepalese living in remote areas, especially those in the mountains, have less access to food than those in the Terai region. The average household spent 53.8% of their income on food in 2016. Geographically, wasting rates are higher in the Terai region, whereas stunting is higher in the Mountains region. These rates are associated with poor sanitation and hygiene in the Terai influencing wasting, and poor access to nutrient dense foods and dietary diversity in the Mountains influencing stunting.

According to the Multidimensional Poverty Index 2018, 28.6% of Nepal's population is multi-dimensionally poor (NPC, 2018). The major contributing factors to multidimensional poverty (MP) are malnutrition and insufficient years of schooling. About 7% of Nepalis living in urban areas are multi-dimensionally poor compared to 33% in rural areas. MP is highest in Provinces 6 and 2 (50%), followed by Provinces 5 and 7 (30%). Provinces 3, 4, and 1 have the lowest MP at 12%, 14%, and 20%, respectively.

In terms of income poverty, national statistics in 2016 showed that 25.2% of the population were below the poverty line and 12.5% of people who were employed lived on less than 1.90 USD per day

(ADB, 2017). However, poverty is much higher in some areas of the country. While urban poverty was 15.5% in 2011, rural poverty was 27.4% and this was even greater in Mountain regions at 42.3%. Additionally, this was increased from 32.5% in 2004.

Poverty is highest in the Karnali province and Far-west province including in the project areas and the pace of reduction/improvement is verly slow, as it was 63.9% in 1996, and 41.0% in 2004, it rose to 45.6% in 2011 (ADB, 2017). Nepal’s three ecological regions have differing levels of food availability and utilization. In the hills and mountains, lack of arable land, roads and markets restrict food availability causing widespread food deficits.

Nepal’s food security is highly sensitive to climate change and climatic shocks.<sup>1</sup> Data from the Central Bureau of Statistics (CBS) shows that over the last decade around 31,000 ha of land owned by some 5% of all households, have become uncultivable due to climate related hazards, mostly drought, landslide and flood. In the eastern Tarai unusually low rainfall in 2005/2006 associated with an early monsoon resulted in crop losses of almost 30%.<sup>2</sup> Similarly, the cold wave of 1997/1998 also had negative impacts on agricultural productivity resulting in losses of up to 38% in chickpeas and lentils and 28% in potatoes.<sup>3</sup> A decline in rainfall from November to April every year also affected winter and spring crops. Of all crops grown in the mountainous districts, wheat and barley are particularly susceptible to variability in winter precipitation. Consultations done in the field show that sowing and harvesting times have already shifted due to climate change. Under a lower winter rainfall regime, the western parts of Nepal are already experiencing declines in wheat and barley yields every year, exacerbating food insecurity and poverty. Climatic trends therefore have an impact on all aspects of production and food security in Nepal. This includes crop production, seasonal variability of production, food availability, and food prices (especially of staples and livestock produce).<sup>4</sup> Diet quality, caloric intake, and seasonality of food consumption could all be impacted by climate-related spikes in food prices and production-related availability.

According to a recent CGIAR study (see below), rural livelihoods as a whole are particularly vulnerable to climatic changes and shocks. This includes farming, cash cropping, herding and farm labouring, all of which contribute to increasing family income and reducing poverty. Since household income is strongly co-related with food security and food consumption, the combination of low productivity in agriculture and higher food prices due to climate related stresses, could undermine gains in poverty reduction and nutrition.

| Income source        | Climate sensitivity  |
|----------------------|--|
| Cash crops/livestock | Changes in rainfall patterns are expected to decrease both the quantity and quality of water available for crop and livestock production, resulting in lower quality crop yields, as well as lower livestock, meat and milk quality.     |
| Own farm/forest      | Agriculture in Nepal might be affected by erratic rainfall patterns, which could reduce growing season and yields.   |
| Agriculture labourer | Agricultural labour is likely to be affected by seasonal and long-term changes in rainfall patterns. Labour availability under climate change is likely to become unpredictable, potentially lowering income for agricultural labourers. |

Source: Climate Risk and Food Security in Nepal 2012, WFP and CGIAR

<sup>1</sup> Krishna Krishnamurthy et al: Climate Risk and Food Security in Nepal: Analysis of Climate Risk on Food Security Components 2012. WFP and CGIAR

<sup>2</sup> Ibid

<sup>3</sup> Ibid, quoting NARC statistics

<sup>4</sup> Ibid

## **Adapting to effects of climate change in the Karnali region**

Nepal's Karnali area has been experiencing the worst poverty and food security impacts of climate change. At one time in the past, the area's location on the trade route between Nepal and Tibet ensured prosperity, when salt from the high Tibetan lakes was traded for grain from Nepal. However, this trade collapsed in the 1970s and low productivity due to climatic factors (mostly drought) and conflict have left the region in poverty.

The region is comprised of five districts - Humla, Jumla, Dolpa, Mugu and Kalikot and is named after the Karnali River, which originates from the Himalayan districts of Mugu and Humla and eventually flows into the Indian Ganges River. The region is bordered by Tibet (China), and defined by its mountainous terrain, highly variable precipitation, and high vulnerability to natural disasters. Karnali rates 48.1 on the Human Poverty Index (HPI-1)<sup>5</sup> and is the most impoverished region in Nepal.

The terrain in Karnali varies from high Himalayan mountains to river valleys dissecting the lower hills. Due to steep terrain, there is very little cultivable land, and the soil is poor and eroded. Food production, as estimated by WFP in 2010, is sufficient for only 3 to 6 months of the year. At higher altitudes only one crop is possible for the year. Except in Jumla (a relatively better-connected district) irrigation is non-existent.<sup>6</sup>

The majority of households rely on subsistence farming as their primary source of livelihood. Farmers in Karnali commonly sow rice, maize and millet as summer crops, while wheat and barley as popular winter crops. Traditional crops such as native barley and oats are still important. Karnali households depend on a mix of their own subsistence agriculture, harvesting of timber and non-timber forest products (NTFPs), daily wage labour, seasonal migration to the Tarai districts or India, and government and international food aid.

Karnali districts have low population density and are remote and unconnected by infrastructure (roads and bridges). Some higher elevations are habitable only during the summer months. A vulnerability analysis conducted as part of the NAPA formulation in 2010 shows that the region is highly exposed to changing temperature and precipitation and all districts face the risk of drought. Some are highly exposed to landslides as well.

All districts show very low adaptive capacity in terms of the robustness of markets and connectivity. Despite low population density, one district (Mugu) ranks "very high" in overall vulnerability to climate change<sup>7</sup>, while two districts (Kalikot and Dolpa) rank high and others (Jumla and Humla) rank moderate. However, the moderate districts are still vulnerable to changes in precipitation and temperature, and they are considered to be at risk of facing severe droughts. This project therefore has been designed to address these issues of poverty, food insecurity, malnutrition and climate induced threats to food production and food security in the Karnali region.

### **1.2 Project objectives and a brief description:**

The project entitled "Adapting to Climate Induced Threats to Food Production and Food Security in the Karnali Region of Nepal" was submitted to Adaptation Fund Board by Government of Nepal through World Food Programme (WFP) AF in August 2013, and the funding was approved by AF Board

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<sup>5</sup> The United Nations Development Program's Human Poverty Index (HPI-1) is measured on the scale of 0-100 where 0 is least impoverished.

<sup>6</sup> National Planning Commission – National Food Security Monitoring Task Force Food Security Atlas of Nepal (NeKSAP)

<sup>7</sup> National Adaptation Programme of Action, Nepal, Ministry of Science, Technology and Environment (MoSTE)

in May 2015. The operational agreement between Government of Nepal's Ministry of Forests and Environment and WFP Nepal was signed in May 2018 to implement the project.

### 1.3 Project's goal:

Increasing adaptive capacity of climate vulnerable and food insecure poor households by improved management of livelihood assets and natural resources in the Karnali mountain districts of Nepal.

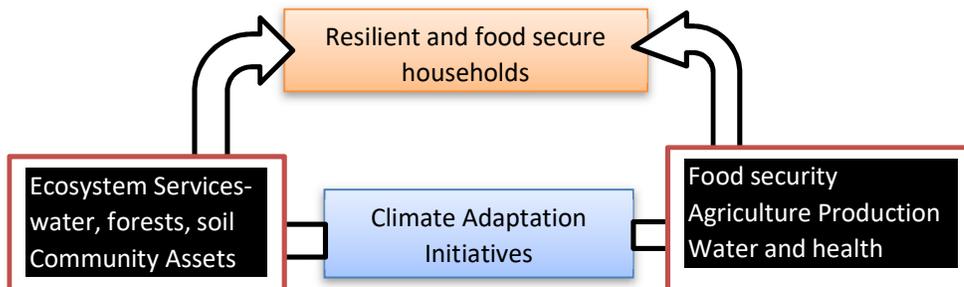
### 1.4 Objectives:

- Strengthened local capacity to identify climate risks and design adaptive strategies
- Diversified livelihood and strengthened food security for climate vulnerable poor households in target areas
- Increased resilience of natural systems that support livelihoods to climate change induced stresses
- Programmatic components:
  - Component 1: Develop local, district and national capacity to plan, implement and monitor adaptation and risk reduction actions
  - Component 2: Build household and community resilience and increase adaptive capacity of climate vulnerable poor in targeted areas of Mugu, Kalikot and Jumla districts.

### 1.5 Strategy:

Food insecurity negatively correlates with adaptive capacity. Rural agricultural livelihoods in the project area depend on the health of forest, land and water resources. It is therefore vital, in such climate vulnerable communities, to enhance agro-ecosystem services that increase production, reduce food insecurity and also directly generate income and energy for rural people. The project strategy is to improve household adaptive capacity and food security to current and future climate risks by:

- 1) Improving natural resources and building community assets; and
- 2) Developing climate resiliency in livelihoods and social sectors



### 1.6 Implementation arrangement:

- ✓ Type of implementing entity: Multilateral Implementing Entity
- ✓ Implementing entity: WFP
- ✓ Executing entities: Ministry of Forests and Environment, and WFP

### 1.7 Budget:

Total: USD 10,277,160 (over 4 years) – 15% management/administrative cost.

- Adaptation Fund grant: USD 9,527,160.00 (92% programme and 8% management cost)
- WFP contribution: USD 750,000.00 (management cost)

### 1.8 Project period: 4 years

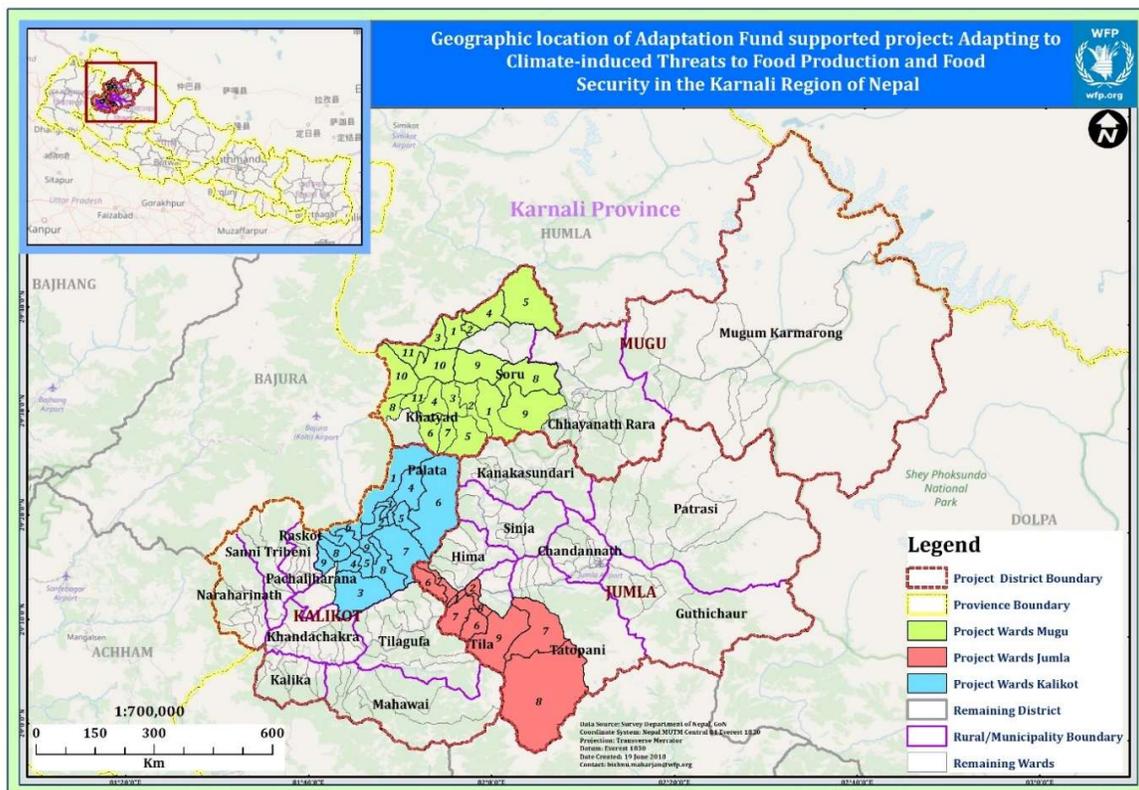
**1.9 Beneficiaries:** Approximately 10,850 climate vulnerable poor households (estimated 65,800 people) through different activities (total households of the project area).

**1.10 Project location map and detail information of geographic coverage:**

Table 1: Project location and beneficiaries

| Province                | District | Municipality                     | HHs          | Male         | Female       | Total         |
|-------------------------|----------|----------------------------------|--------------|--------------|--------------|---------------|
| Karnali                 | Mugu     | Soru Rural Municipality          | 4050         | 12261        | 11755        | 24,016        |
|                         |          | Khatyad Rural Municipality       |              |              |              |               |
|                         | Kalikot  | Palata Rural Municipality        | 4140         | 12948        | 12597        | 25545         |
|                         |          | Pachaljharana Rural Municipality |              |              |              |               |
|                         | Jumla    | Tila Rural Municipality          | 2660         | 8249         | 7989         | 16238         |
|                         |          | Tatopani Rural Municipality      |              |              |              |               |
| Hima Rural Municipality |          |                                  |              |              |              |               |
| <b>Grand total</b>      |          | <b>7</b>                         | <b>10850</b> | <b>33458</b> | <b>32341</b> | <b>65,799</b> |

Map 1: Project location map



## 1.11 Major project activities:

Table 2: Project activities

| Component  | Activities   |
|--|--|
| <b>Component 1:</b><br>Develop local, district and national capacity to plan, implement and monitor adaptation and risk reduction actions.   | Design, implementation and monitoring of local adaptation strategies.  |
|  | Local level food security and climate adaptation planning.   |
|  | Integration of local adaptation plans in to sectoral and local-government planning processes.  |
|  | Integrate climate resilience to planning processes and development projects of key sectoral ministries.  |
| <b>Component 2:</b><br>Build household and community resilience and increase adaptive capacity of climate vulnerable poor in targeted areas. | Conduct periodic assessment and document project lessons for wider dissemination at all levels.  |
|  | Provide increased income opportunities for vulnerable households, especially during agricultural lean-season, through building physical and natural livelihood assets. |
|  | Increase local availability of and access to food and nutrition through better storage and value-addition at local level.  |
|  | Improve and adapt current crop and livestock management practices to increased climate risks.  |
|  | Increase income through livelihood diversification using local resources.  |
| Introduce renewable energy-based systems to support women-led enterprises.   |  |

## 2. Inception workshop overview:

### 2.1 Objective of the inception report:

- Provide an update on the project management plan, implementation progress and communicate the key issues to the Adaptation Fund Board and stakeholders,
- Document the Standard Operating Procedure (SoP), project's governance/management structure and first year's implementation plan, as endorsed by the stakeholders through the Inception Workshop.

### 2.2 Description of the inception workshop process:

The project inception workshop took place on 26 October 2018, in Surkhet, Nepal. The Federal Minister for Forests and Environment, Mr. Shakti Bahadur Basnet launched the project amidst various stakeholders. Provincial Minister for Forests and Environment of Karnali Province Mr. Nanda Singh Budha was also present. The secretary, joint-secretaries and other officials of Federal Ministry of Forests and Environment, Chief secretary of Karnali Provincial Government, secretary and other officials of Karnali provincial ministry of Industry, Tourism, Forests and Environment, Chairpersons and Chief administrative officers of seven project Rural Municipalities from three districts (Jumla, Mugu and Kalikot), journalists and some other organizations attended the workshop. Additionally, there was participation from local-government of the same project districts where an UKaid funded and UNDP executed climate change project is being implemented to seek collaboration and programmatic synergy. Altogether around 85 participants attended the workshop. The Inception workshop endorsed the overall project's strategy, project management structure, the SoP and first year's implementation plan of the project that was put forward by the National Project Steering Committee. The detailed Note for the Record (NfR) of the workshop is attached in Annex II. The structure/content of the inception workshop is given below:

**Date:** 26 October 2018

**Location:** Hotel Siddhartha, Surkhet, Karnali Province, Nepal

**Participants:**

- Minister, Secretary, Joint-secretaries and other officials from Federal and Provincial Ministry of Forests and Environment,
- Officials from other Line Ministries,
- Chairpersons and Chief Administrative Officers from Rural Municipalities (local-government) from Project districts – Jumla, Kalikot and Mugu,
- WFP Deputy Country Director and officials of WFP,
- Journalists and representatives of civil society organizations working in food security and climate change sector.

**Objectives:**

- ❖ To discuss with key stakeholders the project objectives, strategy, interventions and governing mechanisms and agree on the project design,
- ❖ To provide an overarching policy and strategic guidance for the project in line with the new federal governance system of Nepal,
- ❖ To discuss and endorse the Standard Operating Procedures (SoP), First year's implementation plan, and budgets including the project implementation arrangements/modality;
- ❖ To facilitate project implementation, monitoring/review and reporting of project activities/results and coordination/collaboration with concerned stakeholders.

**Workshop proceedings:**

| Activity   | Responsibility   |
|--|--|
| 1. Welcome and meeting overview <ul style="list-style-type: none"><li>▪ Welcome and initiation of the workshop</li></ul>   | Dr. Maheshwar Dhakal, Joint-secretary, MoFE  |
| <ul style="list-style-type: none"><li>▪ Chairing the workshop</li><li>▪ Introduction of participants</li><li>▪ Review of the workshop objectives and agendas</li></ul> | Dr. Bishwa Nath Oli, Secretary, MoFE   |
| 2. Briefing on the project design, objective, strategy, interventions, budget, management structure, SoP and first year's implementation plan                          | Mr. Krishna Jogi, Country Programme Coordinator, WFP   |
| 3. Brief sharing on the progress and plan of Nepal Change Support Programme (NCCSP) - implemented by UNDP with UKAid's funding support.                                | Mr. Anil K.C., National Project Manager, NCCSP   |
| 4. Discussion on the project, it's SoP and first year's implementation plan and Budget   | All participants, facilitated by Dr. Maheshwar Dhakal, Joint-secretary, MoFE                               |
| 5. Addressing the questions/comments from the participants on the project, SOP and Work plan   | Mr. Krishna Jogi, Country Programme Coordinator, WFP   |
| 6. Endorsement of the SoP and Work Plan  | All participants   |
| 7. Closing remarks   | <ul style="list-style-type: none"><li>▪ Mr. Bijaya Singh, Assistant Country Director, UNDP Nepal</li></ul> |

| Activity          | Responsibility  |
|-------------------|---|
|                   | <ul style="list-style-type: none"> <li>▪ Mr. Ryan Pittock, Deputy Country Director, WFP Nepal</li> <li>▪ Mr. Ram Prasad Thapaliya, Chief Secretary, Karnali Province Government</li> <li>▪ Mr. Nanda Singh Budha, Minister for Industry, Tourism, Forests and Environment, Karnali Province</li> <li>▪ Mr. Shakti Bahadur Basnet, Minister for Forests and Environment, Federal Government</li> </ul> |
| 8. Workshop close | Dr. Bishwa Nath Oli, Secretary, MoFE  |

### 3. Actions to date:

The project was submitted to Adaptation Fund (AF) by Government of Nepal and WFP in August 2013, and the funding was approved by AF Board in May 2015. The grant agreement was then signed between AF and WFP. Based on the Multilateral Implementing Entity arrangement and considering some shortfall of resources for management costs, WFP Headquarters approved to allocate an additional USD 750,000 to the project in June 2016.

On 25 April 2015, around the time of project approval, Nepal experienced a devastating magnitude 7.6 earthquake. This was followed by more than 300 aftershocks. The earthquakes caused deaths of over 9,000 people and widespread damage with over 900,000 houses either fully or partially damaged. The Government of Nepal and WFP Nepal were fully involved in earthquake emergency response until mid-2016. Due to this, the Government and WFP could not start the execution of the project.

WFP in coordination with its headquarters and the (then) Ministry of Population and Environment (MoPE) jointly drafted a Memorandum of Understanding (MoU) to be signed between Government of Nepal and WFP to operationalize the project. WFP submitted a final draft of the MoU to MoPE in May 2017 following the normal procedure in the government system for clearing of MoUs from Ministry of Finance and other relevant line ministries. However, due to restructuring of the MoPE in late 2017, the focal point for AF in MoPE - the Climate Financing Unit - was dissolved in October 2017 which badly affected the regular follow-up with other relevant ministries from MoPE side. Additionally, due to the decades long protracted political instability in Nepal, there was frequent transfer of government officials (civil employees) in the Ministries creating a leadership vacuum and lack of institutional memory. This context also adversely affected the smooth process of finalizing the MoU.

In the process of federalization in Nepal after promulgation of the new constitution in September 2015, the number of ministries has been reduced from 30 to 20 through the merger of some of the ministries. By 2018, the former MoPE has ceased to exist. Now, the environment/climate change portfolio is covered by the newly restructured Ministry of Forests and Environment (MoFE) since March 2018. The divisions/sections within the ministries have also been restructured and the government employees have been adjusted/integrated in three levels of government – federal, provincial and local. However, the civil employees’ adjustment process has not been completed yet and there continues to be a massive change in the governance structure and working people in the federal set-up. This has also tremendously affected the MoU process. Due to these changes and hurdles, the MoU was finalized by the Government only on 5 April 2018 and signed between MoFE and WFP on 21 May 2018. The other activities and process completed to date in the run up to the design of the Inception Workshop and implementation of the project are mentioned below:

Table 3: Activities completed to date

| S.N. | Activities  | Date                                      | Outcome/decisions   |
|------|---|---|---|
| 1    | Signing operational agreement (MoU) between Ministry of Forests and Environment (MoFE) and WFP to operationalize the project  | 21 May 2018                               | Paved the way for project implementation  |
| 2    | Drafting of Standard Operating Procedure (SoP) for project implementation in line with new federal governance system of Nepal | June-September 2018                       | SOP was drafted jointly by MoFE and WFP   |
| 3    | Preparation of first year's implementation plan   | June-September 2018                       | First year's implementation plan was developed  |
| 4    | Establishment of National Project Steering Committee (NPSC)   | September 2018                            | National Project Steering Committee (NPSC) has been established by MoFE for overall steering, strategic policy guidance, and coordination of the project.   |
| 5    | First meeting of National Project Steering Committee  | 7 October 2018                            | Approved the SOP, first year's implementation plan, Terms of Reference of NPSC and other governing structures and authorized the Project Support Unit (PSU) and WFP for implementation, monitoring/review and reporting of project activities/results and coordination/collaboration with concerned stakeholders. |
| 6    | Establishment of Project Support Unit (PSU)   | October 2018                              | MoFE has established PSU to facilitate the implementation of Project activities and achieve the Project outputs as specified in the Project document.   |
| 7    | Recruitment of project staff  | From August 2018                          | The field-based project staff have been recruited by WFP and deployed to the field. The Project Coordinator (Programme Policy Officer) to be based in PSU is under recruitment.   |
| 8    | Technical meetings between MoFE and WFP   | Several meetings from May to October 2018 | The SOP, first year's implementation plan and project implementation modality, preparation of inception workshop and other issues related to project implementation were thoroughly discussed between MoFE and WFP officials. The coordination and collaboration between MoFE and WFP has been enhanced.          |
| 9    | Inception Workshop  | 26 October 2018                           | The project has been kicked-off. The project's SOP including the implementation modality and first year's implementation plan have been endorsed.   |

#### **4. Project governing structure:**

##### **4.1 Role of Implementing and Executing Entities:**

###### **MoFE:**

The Government of Nepal (GoN): Ministry of Forest and Environment (MoFE) acting as the 'executing entity (EE)', shall lead all GoN activities - with the Ministry of Federal Affairs and General Administration (MoFAGA) in a support role - with due diligence to achieve maximum outputs on the project deliverables. MoFE, as the focal ministry, will retain overall responsibility for the coordination and implementation of all the components of the project including the activities in accordance with the agreed project document and annual work plan and budget. Similarly, MoFE will closely coordinate with MoFAGA and other GoN ministries and agencies present in the Karnali region and/or relevant to the project.

###### **WFP:**

WFP will act as 'multilateral implementing entity (MIE)' and co-executing entity. WFP will be responsible for the overall management of the Project, including management and other technical support services with regard to project execution, procurement and financial services, monitoring and reporting to the AFB. Hence, WFP acts as trust fund custodian with the WFP Country Director acting as Trust Fund Manager. WFP is responsible for the reporting, monitoring, evaluation, and financial management and oversight processes of the project, and ensuring the project meets WFP and AF rules and regulations. WFP will facilitate joint planning, supervision, monitoring and evaluation and provide overall oversight of the activities under its responsibility. In addition, it will coordinate, support and contribute to the development and implementation of strategies that shall meet the overall objectives of the project.

##### **4.2 Project management /coordination mechanisms:**

The project implementation arrangement will be aligned with federal governance structure and will adhere to the new institutional setup of the local governments. Programme activities will be prioritized and reflected in the annual work plan following the agreed planning process at the national and sub-national levels. Implementation and monitoring of the activities will be carried out based on the frameworks and standards set by the national and sub-national governments. Annual Project Review meeting will be organized in the presence of federal and provincial level ministers, members of parliament representing project districts, members of various project steering and coordination committees, and other stakeholders to review the progress and plan the activities for the subsequent year. The project management, coordination and oversight mechanisms will be as below:

###### **National Project Steering Committee (NPSC):**

MoFE, as the executing entity, shall establish a National Project Steering Committee ("NPSC") to provide overall strategic policy guidance, and coordination to the project. Notwithstanding WFP's roles and responsibilities as implementing entity of the Project, the NPSC will be the highest decision-making body of the Project and will as such direct the overall implementation of the Project. The NPSC may also facilitate the process of policy review and advocacy and take part in joint monitoring and evaluation. Joint monitoring may happen one to two times a year or as deemed necessary and may involve a wide range of stakeholders including civil society, beneficiaries, and private sector. The NPSC would remain the formal decision-making body for the overall management and implementation of the project. The secretary of the MoFE serves as the chairperson of the NPSC. The composition of the NPSC is as follows:

1. Chair: Secretary, MoFE
2. Member: Joint-secretary, MoFAGA
3. Member: Joint-secretary, Ministry of Agriculture and Livestock Development (MoALD)
4. Member: Joint-secretary, Ministry of Energy, Water Resources and Irrigation (MoEWRI),

5. Member: Joint-secretary, Ministry of Finance (MoF)
6. Member: Joint-secretary, National Planning Commission (NPC)
7. Member: Secretary, Ministry of Industry, Tourism, Forests and Environment, Karnali Province
8. Member: Country Director, WFP Nepal
9. Member-secretary: Joint-secretary, Head of Climate Change Management Division, MoFE

The NPSC will also invite relevant other stakeholders as observers. The NPSC will meet at least once a year and extraordinarily if called for by the chair. The NPSC will also meet to review the Project inception report, the mid-term and final evaluation reports, the project completion report and the final financial report.

The roles and responsibilities of NPSC will be as below:

- Provide the oversight of and policy guidance for the Project activities;
- Approve Annual Work plans and budgets;
- Review and approve annual progress and financial reports;
- Approve the project implementation arrangements/modality, guidelines/standards, if any;
- Discuss and approve any proposals for the overall steering of the Project, based on monitoring reports provided by the Project Team;
- Coordinate with multi-sectoral agencies for coherent and harmonized project management, as required.

#### **Project Support Unit (PSU):**

MoFE will establish a Project Support Unit (PSU) within the ministry which will be headed by Joint-Secretary/Chief of Climate Change Management Division of MoFE and supported by a Programme Manager (Under-Secretary), as assigned by MoFE and will report to the NPSC through the Project inception report, annual project performance reports, mid-term and final evaluation reports, Project completion report and financial reports. The Programme Manager will coordinate with MoFE, MoFAGA and WFP to support project implementation based on technical guidance from the PSU, Climate Change Management Division of MoFE, and the overall direction from the NPSC. As per clause 4.7 and 4.8 of MoFE-WFP agreement signed on 21 May 2018, besides the Programme Manager, the PSU will also consist of one Project Coordinator (WFP staff seconded to PSU/MoFE), to facilitate the implementation of Project activities and achieve the Project outputs as specified in the Project document. The Project Coordinator will work with the Environment Management Section under the targeted Municipality and Environment Management Division of MoFAGA to facilitate implementation of the project activities in the targeted municipalities of the three project districts (Mugu, Kalikot and Jumla). The PSU also includes other technical staff from climate change management division of MoFE. The external consultants can also be hired, as required, to be financed from project funds.

The major roles and responsibilities of PSU include:

- Coordinate and collaborate with other stakeholders to implement the annual work plan of the Project (prepared in participation with the beneficiary communities and approved by the NSPC).
- Ensure national level and sub-national coordination and collaboration with other governmental and non-governmental bodies to facilitate data exchange.
- Coordinate with the provincial and local level project management structure/mechanism for coordinated and coherent project implementation.
- Support the preparation of reports and monitoring of field activities.
- Coordinate between donors/development partners working in the same areas for the same or complementary purposes. Ensure that resources of various donors/partners are employed in a mutually reinforcing manner to provide the best support possible to the local governments.
- Facilitate the project execution in any way possible.

### Provincial Project Coordination Unit (PPCU):

The Ministry of Industry, Tourism, Forest and Environment of Karnali Province will be the focal point for provincial level coordination for project-related activities and for coordination among the project districts (Mugu, Jumla and Kalikot), as required. Secretary of the Ministry of Industry, Tourism, Forest and Environment will lead the provincial Project Coordination Unit. The relevant focal points from other ministries will be coordinated by the PPSU at provincial level. The Unit and the ministry will carry out the monitoring of the project activities from provincial level. The MoFE- PSU and WFP Sub-Office, Surkhet will coordinate, communicate and engage with the provincial ministry as appropriate.

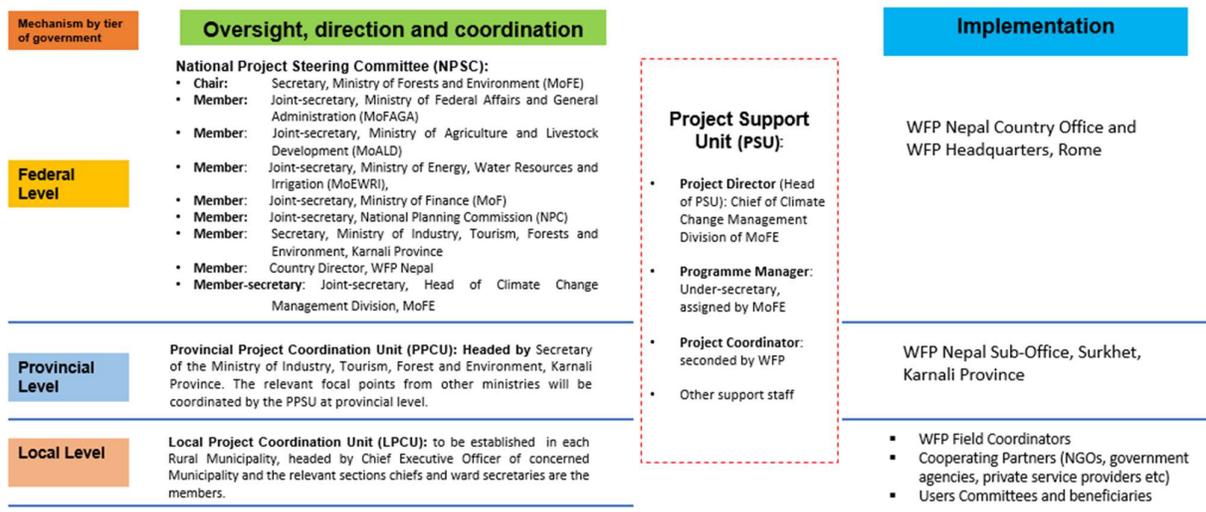
### Local Project Coordination Units (LPCUs):

The local project coordination unit will be established in the Rural/Urban Municipality. The Municipal Mayor/Chairperson and other representatives will provide overall guidance for project planning and implementation and ensure multi-stakeholder engagement and provide feedback to MoFE-PSU and WFP with regards to project execution. The LPCU will be led by Executive Officer of concerned Municipality and the municipality infrastructure development and environment management section will act as the focal point for Project coordination. The municipal level infrastructure development, environment and disaster management committee will also be consulted during project planning, implementation and monitoring. The WFP Field Coordinator (Programme Associate) will provide technical backstopping support to the LPCU/local-government and facilitate the work of the LPCU providing secretariat support.

The roles and responsibilities of LPCU includes:

- ensure the alignment and synergy of project activities with local-government’s policies, priorities and plans and procedures.
- endorse the project activities and recommend for inclusion into local-government’s annual plan/programme.
- conduct regular review, monitoring and coordination of project activities and integrated mobilization of resources from different sources.
- coordinate and consult with local-level civil society organisations, private sector, community user groups, community-based organisations, indigenous and ethnic groups, and research and academic institutions etc, during project planning and implementation.

The diagram of coordination and interaction among the above mentioned institutional mechanisms is presented below:



### 4.3 Project staff arrangements:

The MoFE assigns relevant government staff to support project implementation including a Programme Manager. In addition, a number of project staff are recruited by WFP as given below. As per clause 6.1 and 6.2 of MoFE-WFP agreement, the staff required by the project are recruited in accordance with WFP Regulations and Rules.

Table 4: Project staff

| S.N. | Position title  | No of position | Grade/level | Duty station                  |
|------|---|----------------|-------------|-------------------------------|
| 1    | Project Coordinator (programme policy officer – climate change) | 1              | SC 8        | MoFE/PSU                      |
| 2    | Field Coordinator (programme associate – climate change)        | 6              | SC-6        | Field (district/municipality) |
| 3    | Others as required by the project                               |                |             |                               |

WFP Strategic Programme Manager, managing the WFP Nepal Country Strategic Plan (CSP) 2019-2023 Strategic Outcome 3 (resilience building and strengthening food systems), will represent and lead the project management from WFP's side.

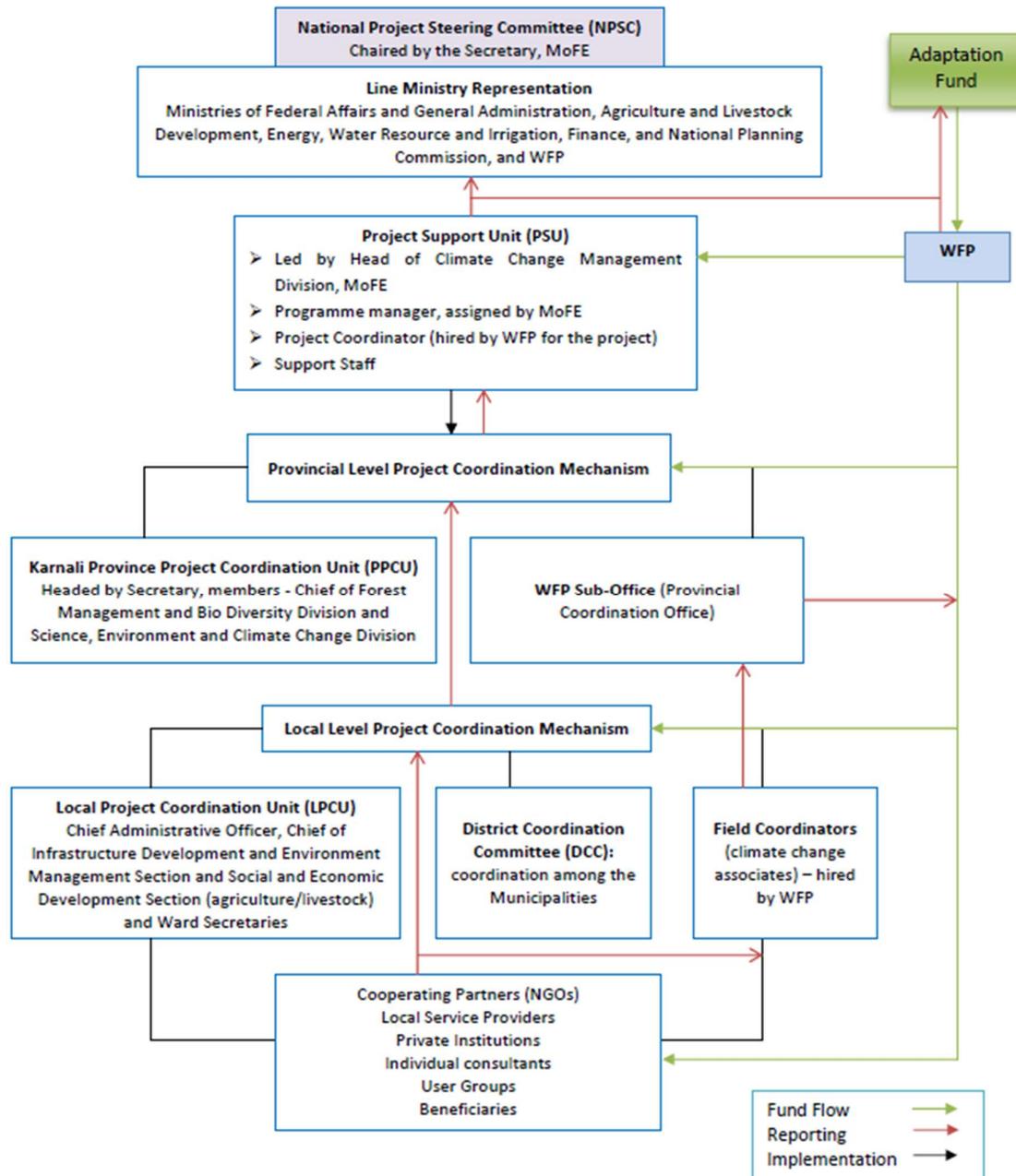
### 4.4 Monitoring, evaluation and reporting:

The Overall responsibility for monitoring and evaluation (M&E) will rest with WFP. WFP will conduct an assessment to establish necessary detailed baselines to measure indicators set out in the results framework. The survey will use household questionnaires administered by an external research institute. M&E will be carried out concurrently with project execution. Quarterly technical reports, semi-annual progress reports and annual progress review reports will be coordinated and produced by the WFP Project Coordinator and Programme Manager, with inputs and guidance from MoFE, MoFAGA, WFP and concerned local-governments. The data for monitoring will consist of financial, procurement and physical progress as well as compliance with the requirements of the environmental and social assessment and management frameworks. WFP will share the M&E tools, methods/techniques and products (reports) with all relevant stakeholders (including the GoN).

WFP as the MIE (in consultation with MoFE) is responsible for providing to the AFB the key reporting, monitoring and evaluation products/functions of the project. These include:

- A project inception report, submitted no later than one month after the inception workshop.
- Annual Project Performance Reports (PPRs) on the status of project implementation, including disbursements made. These follow the standard AF PPR template, and need to be submitted no later than two months after the end of each project year. These will be produced by the WFP Project Coordinator with the assistance of the Programme Manager and MoFE through the PSU.
- A project completion report within six months after project completion.
- A mid-term and final evaluation report, prepared by an independent evaluator selected by WFP. The mid-term evaluation report should be submitted within six months of the mid-point of Project implementation. The final evaluation report needs to be submitted within nine months after Project completion.
- A final audited financial statement, prepared by an independent auditor within six months of the end of the financial year during which the Project is completed.

The diagram of project fund flow, reporting and implementation relationship among different mechanisms and stakeholders is presented below:



## 5. Next steps:

Table 5: First-year implementation plan<sup>8</sup>

| S. N.    | Activity   | Target                       | 2018 |     | 2019 |     |     |     |     |     |     |     |     |     | Responsibility |  |                                 |
|----------|--|------------------------------|------|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----------------|--|---------------------------------|
|          |  |                              | Nov  | Dec | Jan  | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct |                |  |                                 |
| <b>A</b> | <b>Preparatory activities:</b>   |                              |      |     |      |     |     |     |     |     |     |     |     |     |                |  |                                 |
| 1        | Conduct project induction meetings at district/municipal level.  | 4                            |      |     |      |     |     |     |     |     |     |     |     |     |                |  | MoFE, WFP                       |
| 2        | Establish and orient the Local Project Coordination Unit at municipal level.   | 7                            |      |     |      |     |     |     |     |     |     |     |     |     |                |  | MoFE, WFP                       |
| 3        | Procure IT and telecommunications equipment, furniture and other equipment, as required to set-up the PSU and municipal level office for the project.  | 1                            |      |     |      |     |     |     |     |     |     |     |     |     |                |  | WFP                             |
| 4        | Select cooperating/implementing partners (CPs) and sign Field Level Agreements (FLAs)/MoUs   | 4                            |      |     |      |     |     |     |     |     |     |     |     |     |                |  | WFP                             |
| 5        | Carry out community sensitization campaign about the project.  | 7 Rural Municipalities (RMs) |      |     |      |     |     |     |     |     |     |     |     |     |                |  | WFP/ Cooperating Partners (CPs) |
| 6        | Carry out community vulnerability assessment and mapping of localized key risks and adaption needs and prioritization.   | 7 RMs                        |      |     |      |     |     |     |     |     |     |     |     |     |                |  | WFP/CPs                         |
| 7        | Identify the most vulnerable households, communities and geographic areas for concentration of project activities.   | 7 RMs                        |      |     |      |     |     |     |     |     |     |     |     |     |                |  | WFP/CPs                         |
| 8        | Register the identified households as project's primary beneficiaries in WFP's beneficiary and transfer management platform- SCOPE   | 7 RMs                        |      |     |      |     |     |     |     |     |     |     |     |     |                |  | WFP/CPs                         |
| 9        | Baseline survey against the project's log-frame and key impact areas.  | 1                            |      |     |      |     |     |     |     |     |     |     |     |     |                |  | WFP/ research agency            |
| <b>B</b> | <b>Project activities:</b>   |                              |      |     |      |     |     |     |     |     |     |     |     |     |                |  |                                 |
| 10       | Project activities related to capacity strengthening to plan, implement and monitor adaptation and risk reduction actions, and building household and community resilience and increase adaptive capacity, including food/cash-based transfer etc. | 7 RMs                        |      |     |      |     |     |     |     |     |     |     |     |     |                |  | WFP/CPs                         |
| <b>C</b> | <b>Monitoring and reporting:</b>   |                              |      |     |      |     |     |     |     |     |     |     |     |     |                |  |                                 |
| 11       | Quarterly technical report   | 3                            |      |     |      |     |     |     |     |     |     |     |     |     |                |  | WFP/CPs, PSU                    |
| 12       | Joint monitoring from local-government, provincial   | 4                            |      |     |      |     |     |     |     |     |     |     |     |     |                |  | WFP, PSU                        |

<sup>8</sup> See the attached Excel sheet for the detailed First-year implementation plan

| S. N. | Activity   | Target | 2018 |     | 2019 |     |     |     |     |     |     |     |     |     | Responsibility |  |          |
|-------|--|--------|------|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----------------|--|----------|
|       |  |        | Nov  | Dec | Jan  | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct |                |  |          |
|       | government, MoFE, WFP, NPSC and external stakeholders. |        |      |     |      |     |     |     |     |     |     |     |     |     |                |  |          |
| 13    | Semi-annual progress report (SAPR)                     | 1      |      |     |      |     |     |     |     |     |     |     |     |     |                |  | WFP, PSU |
| 14    | Annual review and reflection workshop                  | 3      |      |     |      |     |     |     |     |     |     |     |     |     |                |  | WFP, PSU |
| 15    | Annual Progress Report (APR)                           | 1      |      |     |      |     |     |     |     |     |     |     |     |     |                |  | WFP, PSU |

## 6. Challenges (faced to date as well as foreseen) and mitigation measures

Table 6: Challenges and mitigation measures

| Challenges  | Mitigation measures  |
|---|--|
| Delays in project execution due to: <ul style="list-style-type: none"> <li>- earthquake in Nepal at the same time of project approval in April 2015 and,</li> <li>- the restructuring of state structures in Nepal following the promulgation of new constitution in September 2015.</li> </ul> | The MoU between WFP and Government has been already signed, the Inception Workshop has been completed and currently there is no problem for project implementation.  |
| Prolonged administrative transition in federal governance system; and delays in formulation of new laws and policies at all levels which may hinder the programme implementation process resulting in unnecessary delays.   | Realistic planning of activities; Support the government to fill the capacity gap; Engage with newly appointed government officials of key ministries at all levels.   |
| Local-level political disputes over the contested issues causing localized protests which may hinder the programme implementation process resulting unnecessary delays.   | Regular/systematic monitoring of the emerging socio-political situation and its effects on the project implementation; adoption of the precautionary measures; risk management training to staff.  |
| Local government in project implementation areas may fail to prioritize climate change adaptation in their policies, strategies and plans.  | Work closely with political and bureaucratic leadership of the newly established local-government (Rural Municipalities) and provide technical assistance to ensure that adaptation priorities remain on top of the developmental agenda. This will be done through training, capacity building, and their engagement in supervising the implementation and monitoring of the project. |
| WFP/Partner staff or project beneficiaries are sexually or otherwise exploited or harassed.   | Intensive sensitization, sharing information on a timely manner, effective implementation of Complaint and Feedback Mechanism (CFM) and strict enforcement of zero tolerance policy.   |

## 7. Annexes:

### Annex -1

#### Note for the Record (NFR)

#### 1<sup>st</sup> Meeting of National Project Steering Committee (NPSC)

**Date:** 7 October 2018

**Venue:** Kathmandu, Nepal

**Chair:** Dr. Bishwanath Oli, Secretary, Ministry of Forests and Environment

#### Meeting objectives:

- ❖ To provide an overarching policy and strategic guidance for the first-year project activities;
- ❖ To approve the Standard Operating Procedures (SoP), first-year implementation plan and budgets including the project implementation arrangements/modality;
- ❖ To allow the executing and implementing entities for implementation, monitoring/review and reporting of project activities/results and coordination/collaboration with concerned stakeholders.

#### Agenda/schedule:

| Time          | Activity  | Who  |
|---------------|---|--|
| 17.00         | 1. Charing the meeting  | Dr. Bishwa Nath Oli, Secretary, MoFE   |
| 17.00-17.10   | 2. Welcome remarks  | Dr. Maheshwar Dhakal, Chief, Climate Change Management Division (CCMD), MoFE |
| 17.10-17.20   | 3. Introduction   |  |
| 17.20 – 18.20 | 4. Briefing on the project, presenting SoP and first-year implementation plan | Mr. Krishna Jogi, Country Programme Coordinator, WFP                         |
| 18.20 – 19.20 | 5. Discussion and decision  | Chairperson and NPSC members   |
| 19.20 – 19.30 | 6. Sharing the plan of organizing Project Inception Workshop                  | Dr. Maheshwar Dhakal, Chief, CCMD  |
| 19.30 – 19.40 | 7. Remarks by WFP   | Ms. Pippa Bradford, WFP Country Director                                     |
| 19.40 – 20.00 | 8. Closing remarks  | Dr. Bishwa Nath Oli, Secretary, MoFE   |

#### Summary of discussion:

1. The project's background, rationale, objective, activities and budget and management structure were presented. The draft Standard Operating Procedure (SoP) and first-year implementation plans and budget prepared together by MoFE and WFP were also presented. The NPSC members asked for further elaboration and clarification on some topics which were clarified/further explained. They suggested to align the project activities planning and implementation as per new federal governance system ensuring strong buy-in of local-government. They also advised to minimize the operation/management cost and utilize the resources for climate change adaptation activities and achievement of project's objectives.
2. The meeting acknowledged the unnecessary delays in project implementation after the approval of the project, owing to the 2015 earthquake in Nepal, restructuring of state/governance system

in Nepal since 2016 and government’s lengthy administrative process of MoU clearance etc. The NPSC members made commitment to expedite the implementation process and make the project effective and model intervention for climate change adaptation in Nepal.

3. The draft SoP and first-year work implementation plan was also discussed and the NPSC members suggested that the physical and financial progress reporting be made on timely manner in accordance to government’s “on budget off treasury” fund management system, as the project’s budget has been reflected in national budget system and budget details– red book. They also advised to include the project activities in local-government’s annual and periodic plans to ensure the priority alignment, proper tracking of project interventions/contribution and ownership of government for the project.
4. The meeting suggested to organize the Project Inception Workshop in Provincial Capital of Karnali province bringing the key stakeholders from federal, provincial and local-government together in the changed governance system.
5. The meeting also suggested and allowed the implementing entity to carry out baseline survey to reverify and re-establish the baseline data against the project’s log-frame as the baseline values set during the project design phase in 2013 might have been changed over the last 4-5 years.



Participants in the first meeting of National Project Steering Committee

**Decisions and action points:**

1. The meeting decided to include the Secretary of Ministry of Industry, Tourism, Forests and Environment of Karnali Province as the member of NPSC, acknowledging the spirit of federalism and for smooth coordination and better information sharing among three tires of government in project implementation.
2. The meeting endorsed the ToR of NPSC which has been incorporated in the SoP as well.
3. The meeting approved the draft SoP including the project governing/management structure and first-year implementation plan.
4. The meeting decided to organize the Project Inception Workshop on 26 October 2018 in Surkhet, Karnali province in presence of Minsters of Federal and Provincial Ministry of Forests and Environment and other key stakeholders from three tires of government.

**List of participants:**

| S.N. | Name                | Organization                 | Position        | Contact No | Email                       | Remarks     |
|------|---------------------|------------------------------|-----------------|------------|-----------------------------|-------------|
| 1    | Dr. Bishwanath Oli  | MoFE                         | Secretary       | 9841217761 | bishwanath.oli@nepal.gov.np | NPSC Chair  |
| 2    | Biju Kumar Shrestha | National Planning Commission | Joint-secretary | 9841223166 | bkshrstha@npc.gov.np        | NPSC member |
| 3    | Purushottam Nepal   | MoFAGA                       | Joint-secretary | 9851123402 | nepalpur@yahoo.com          | NPSC member |
| 4    | Shrikrishna Nepal   | Ministry of Finance          | Joint-secretary |            | sknepal40@mof.gov.np        | NPSC member |

| S.N. | Name                       | Organization   | Position                      | Contact No | Email                      | Remarks               |
|------|----------------------------|--|-------------------------------|------------|----------------------------|-----------------------|
| 5    | Dinesh Kumar Ghimire       | MoEWRI   | Joint-secretary               | 9851181619 | dkgmowr@hotmail.com        | NPSC member           |
| 6    | Ishwor Prasad Rijal        | MoALD  | Joint-secretary               |            |                            | NPSC member           |
| 7    | Pippa Bradford             | WFP  | Country Director              |            | Pippa.bradford@wfp.org     | NPSC member           |
| 8    | Dr. Maheshwor Dhakal       | MoFE   | Joint-secretary               |            | meheshwar.dhakal@gmail.com | NPSC member-secretary |
| 9    | Chandraman Dongol          | MoFE   | Joint-secretary (technical)   | 9841324331 |                            |                       |
| 10   | Laxman Prasad Khanal       | MoFE   | Under-secretary (finance)     | 9851086384 | lpkhanal@nepal.gov.np      |                       |
| 11   | Dr. Ram Prasad Lamsal      | MoFE-<br>Department of Forests and Soil Conservation | Director General              |            |                            |                       |
| 12   | Dr. Sindhu Prasad Dhungana | MoFE   | Joint-secretary               |            |                            |                       |
| 13   | Dr. Arun Prakash Bhatta    | MoFE   | Under-secretary               | 9843505610 | apbhatta@hotmail.com       |                       |
| 14   | Bimal Kumar Acharya        | MoFE   | Under-secretary               | 9841482278 |                            |                       |
| 15   | Ram Hari Pantha            | MoFE   | Under-secretary               | 9851150202 | erpantha@hotmail.com       |                       |
| 16   | Akhanda Sharma             | MoFE   | Under-secretary               | 9841546844 | akhanda10@yahoo.com        |                       |
| 17   | Basantababu Shrestha       | MoFE   | Section Officer               | 9857033719 | basanta2031@yahoo.com      |                       |
| 18   | Ram Prasad Awasthi         | MoFE   | Section Officer               | 9869632868 | ram.awasthi@nepal.gov.np   |                       |
| 19   | Anupa Ghimire              | MoFE   | Section Officer               | 9841844441 | ghimire.anupa@gmail.com    |                       |
| 20   | Naoki Maegawa              | WFP  | Head of Programme             |            | naoki.maegawa@wfp.org      |                       |
| 21   | Krishna Jogi               | WFP  | Country Programme Coordinator |            | krishna.jogi@wfp.org       |                       |
| 22   | Selwyn Heaton              | WFP  | Head Engineer                 |            | selwyn.heaton@wfp.org      |                       |
| 23   | Nilima Chhetri             | WFP  | Business Support Associate    |            | nilima.chhetri@wfp.org     |                       |

## Annex -II

### Note for the Record (NFR)

#### Inception Workshop

**Date:** 26 October 2018

**Venue:** Surkhet, Karnali Province, Nepal

**Chair:** Dr. Bishwanath Oli, Secretary, Ministry of Forests and Environment

**Chief guest:** Hon. Shakti bahadur Basnet, Minister for Forests and Environment

**Special guest:** Hon. Nanda Singh Budha, Minister for Industry, Tourism, Forests and Environment, Karnali Province

#### Workshop objectives:

- ❖ To interact among the key stakeholders about the project objectives, strategy, interventions and governing mechanisms and agree on the project design,
- ❖ To provide an overarching policy and strategic guidance for the project in line with new federal governance system of Nepal,
- ❖ To discuss and endorse the Standard Operating Procedures (SoP), First year's implementation plan, and budgets including the project implementation arrangements/modality;
- ❖ To facilitate the project implementation, monitoring/review and reporting of project activities/results and coordination/collaboration with concerned stakeholders.

#### Agenda/schedule:

| Time        | Activity  | Responsibility  |
|-------------|---|---|
| 9.00-9.15   | 1. Welcome and meeting overview <ul style="list-style-type: none"><li>▪ Welcome and initiation of the workshop</li></ul>  | Dr. Maheshwar Dhakal, Joint-secretary, MoFE   |
| 9.15-10.00  | <ul style="list-style-type: none"><li>▪ Charing the workshop</li><li>▪ Introduction of participants</li><li>▪ Review of the workshop objectives and agendas</li></ul> | Dr. Bishwa Nath Oli, Secretary, MoFE  |
| 10.00-11.00 | 2. Briefing on the project design, objective, strategy, interventions, budget, management structure, SoP and first year's implementation plan                         | Mr. Krishna Jogi, Country Programme Coordinator, WFP  |
| 11.00-11.15 | 3. Brief sharing on the progress and plan of Nepal Change Support Programme (NCCSP) - implemented by UNDP with UKAid's funding support.                               | Mr. Anil K.C., National Project Manager, NCCSP  |
| 11.15-13.15 | 4. Discussion on the project, it's SoP and first year's implementation plan and Budget  | All participants, facilitated by Dr. Maheshwar Dhakal, Joint-secretary, MoFE  |
| 13.15-13.30 | 5. Addressing the questions/comments from the participants on the project, SOP and Work plan  | Mr. Krishna Jogi, Country Programme Coordinator, WFP  |
| 13.30-14.00 | 6. Endorsement of the SoP and Work Plan   | All participants  |
| 14.00-14.45 | 7. Closing remarks  | <ul style="list-style-type: none"><li>▪ Mr. Bijaya Singh, Assistant Country Director, UNDP Nepal</li><li>▪ Mr. Ryan Pittock, Deputy Country Director, WFP Nepal</li></ul> |

| Time        | Activity          | Responsibility  |
|-------------|-------------------|---|
|             |                   | <ul style="list-style-type: none"> <li>▪ Mr. Ram Prasad Thapaliya, Chief Secretary, Karnali Province Government</li> <li>▪ Mr. Nanda Singh Budha, Minister for Industry, Tourism, Forests and Environment, Karnali Province</li> <li>▪ Mr. Shakti Bahadur Basnet, Minister for Forests and Environment, Federal Government</li> </ul> |
| 14.45-15.00 | 8. Workshop close | Dr. Bishwa Nath Oli, Secretary, MoFE  |

#### Summary of discussion:

- The project's background, context, rationale, objective, expected outcomes and the indicators, timeframe, key activities and budget, project implementation area, governing structures, monitoring and evaluation plan etc were shared by WFP. The SOP and the first-years implementation plan was also explained. Participants suggested to align the programme with provincial and local-government's overall priority and plan. They further suggested to allow the selection of community level activities through participatory planning process. They appreciated the objective and strategy of the project and the governing structure aligned with new federal governance system.
- A brief update and the plan was shared by Nepal Climate Change Support programme (NCCSP) which is being implemented by UNDP in coordination with MoFE in the same districts. Participants agreed to implement these two projects as well as other climate change related projects in a coordinated, commentary, coherent and synergetic manner at local-level.
- The provincial minister and local-government chiefs welcomed the project and committed for their cooperation in project implementation, achievement of the intended results and sustainability of the project's gain. They mentioned that the provincial and local-government have acknowledged this project as their own priority project, hence, they are committed for extending the support, cooperation, collaboration and coordination required by the project.
- The federal minister mentioned that he is very keen on this project and its expected results. He and the secretary declared that this is Ministry's priority project and requested the provincial and local-government to accept this project as the government's own project implemented through WFP. He asked the MoFE and WFP officials to utilize the project's resources in tangible and result-oriented activities as much as possible by reducing the administrative/management cost to the extent possible. He also asked to demonstrate a model of climate change adaptation for food security which can be further replicated and scaled up by the government.
- Participants suggested to consider forestation, bio-engineering, promotion of production and use of nutrition-rich indigenous commodities, irrigation through rain-water harvesting, solar energy-based water lifting, drought-resistant farming technology, climate-smart agriculture and other enterprises and sustainable local production, processing and consumption system for self-reliance etc as the project activities.
- Participants advised to focus on/give priority to promotion/utilization of locally produced and available nutrition rich food (cereals, vegetables, fruits and herbs etc) for sustainable food security and nutrition which will enable community members to be self-sufficient, through this project rather than focussing on short-term food for asset and providing food for limited lean period.

- Ministers, secretary and other participants suggested to enhance the monitoring and oversight of project activities, to ensure proper utilization of resources without any irregularities.
- Participants suggested that the local-governments should be in the forefront of project implementation, the implementation procedure should be practical, and all the project activities should be endorsed by the local-government. There should be defined role of federal, provincial and local-government in project execution.

#### Decisions:

- ❖ The workshop agreed on the project design, strategy and plan and made collective commitment to complete the project's implementation within stipulated timeframe and achieve the expected results.
- ❖ The workshop endorsed the SoP including the project governing/management structure and first-year implementation plan and budget.
- ❖ The workshop allowed the executing and implementing entities for implementation, monitoring/review and reporting of project activities/results and coordination/collaboration with concerned stakeholders, based on the project document, the SoP and the guidance/decision of the National Project Steering Committee.

#### List of participants:

| S.N. | Name                  | Organization   | Designation         | Contact Number | Email Address              |
|------|-----------------------|--|---------------------|----------------|----------------------------|
| 1    | Shakti Bahadur Basnet | Ministry of Forest and Environment   | Minister            | 9851168793     | basnetsuresh2014@gmail.com |
| 2    | Nanda Singh Buda      | Ministry of Industry, Tourism, Forest and Environment, Karnali Province        | Minister            | 9851182401     |                            |
| 3    | Maya Bhatta           | Ministry of Industry, Tourism, Forest and Environment, Province No 7, Far West | Minister            | 9858485075     | moitfe7@gmail.com          |
| 4    | Dr Bishwanath Oli     | Ministry of Forest and Environment   | Secretary           | 9841217761     | bn_oli@yahoo.com           |
| 5    | Ram Prasad Thapaliya  | Province Government, Karnali   | Chief Secretary     | 9851243543     | thapaliyaram@gmail.com     |
| 6    | Bishnu Prasad Dhital  | Tila Rural Municipality, Jumla   | Chief Admin Officer | 9848027150     | vishnupddhital@gmail.com   |
| 7    | Ratna Bahadur Khadka  | Narayan Municipality, Dailekh  | Mayor               | 9858067222     | ratnakhadka@gmail.com      |
| 8    | Loknath Sapkota       | Ministry of Industry, Tourism, Forest and Environment, Province No 5           | Under Secretary     | 9847633850     | sapkotal@gmail.com         |
| 9    | Krishna Datta Bhatta  | Ministry of Industry, Tourism, Forest and Environment, Province Karnali        | Under Secretary     |                | bhattakd40@gmail.com       |

| S.N. | Name                    | Organization  | Designation                | Contact Number | Email Address              |
|------|-------------------------|---|----------------------------|----------------|----------------------------|
| 10   | Bala Bahadur Bista      | Ministry of Industry, Tourism, Forest and Environment, Province Karnali | Section officer            | 9869113078     |                            |
| 11   | Dakka Bahadur Sahi      | PanchalJharana Rural Municipality                                       | Chief Admin Officer        | 9858900155     |                            |
| 12   | Shiva Prasad            | Rajapur Municipality, Bardiya   | Mayor                      | 9858027167     |                            |
| 13   | Mukunda Prasad Adhikari | Ministry of Forest and Environment                                      | Under Secretary            | 9851170229     | mukundadhikari25@gmail.com |
| 14   | Sudhir Prasad Bhatta    | Ministry of Forest and Environment                                      | Under Secretary            | 9858752037     | bhatta_sudhir@yahoo.com    |
| 15   | Manjur Ahamad           | Ministry of Forest and Environment, Karnali Province                    | Under Secretary            | 9855036787     | ahamadmanjur@gmail.com     |
| 16   | Ajeet Karn              | Ministry of Industry, Tourism, Forest and Environment, Province Karnali | Under Secretary (Forest)   | 9851161007     | ajeet.karn@gmail.com       |
| 17   | Santosh K Jha           | Ministry of Industry, Tourism, Forest and Environment, Province Karnali | Under Secretary            | 9841326776     | santosh.bastipur@gmail.com |
| 18   | Ratan Nath Yogi         | Tila Rural Municipality, Jumla  | Chairperson                | 9858320137     | ratanjumla72@gmail.com     |
| 19   | Mani Chandra Karki      | Khatyad Rural Municipality, Mugu  | Chief Admin Officer        | 9851210663     |                            |
| 20   | Lok Bahadur Singh       | Climate change Resilience Society Network, Karnali                      | Chairperson                | 9858322208     |                            |
| 21   | Ganga Devi Upadhyay     | Tatopani Rural Municipality   | Vice Chairperson           | 9758901262     |                            |
| 22   | Chiring Lama            | Karmaring Rural Municipality  | Chairperson                | 9851019150     |                            |
| 23   | Khada Nanda Chaulagain  | Tatopani Rural Municipality   | Chief Admin Officer        | 9848305560     | khadakchaulagain@gmail.com |
| 24   | Harish Bhusal           | NCCSP   | Engineer                   | 9841505826     | harish.bhusal@nccsp.org.np |
| 25   | Anil KC                 | NCCSP   | NPM                        | 9841535214     |                            |
| 26   | Bir Bahadur Shahi       | NGO   | Chairperson                | 9866969572     |                            |
| 27   | Bijaya Singh            | UNDP  | Assistant Country Director | 9851041653     |                            |
| 28   | Sandeep K Kayastha      | NGO   | Programme Coordinator      | 9852029955     |                            |
| 29   | Jajhi P Pandey          | NGO   | Programme Coordinator      | 9858390388     |                            |
| 30   | Laxman Bam              | NGO   | Chairperson                | 9748152818     |                            |
| 31   | Dr RP Lamsal            | Department of Forests and Soil Conversation                             | Director General           |                |                            |
| 32   | Dr SP Dhungana          | Ministry of Forest and Environment                                      | Joint -secretary           |                |                            |
| 33   | Krishna Sapkota         | Ministry of Forest and Environment                                      | Minister Security Officer  |                |                            |

| S.N. | Name                  | Organization                            | Designation                        | Contact Number | Email Address              |
|------|-----------------------|---|------------------------------------|----------------|----------------------------|
| 34   | Purusottam Pahadi     | Ministry of Forest and Environment      | Minister Secretariat Coordinator   |                |                            |
| 35   | Khima Nanda Bhusal    | Hima Rural Municipality, Jumla          | Chief Admin Officer                | 9851130826     | khimabhusal80@gmail.com    |
| 36   | Ram Singh Rawal       | Tribeni Municipality, Bajura            | Mayor                              | 9741339203     |                            |
| 37   | Ram Hari Pantha       | Ministry of Forest and Environment      | Under Secretary                    | 9851150202     | erhpantha@hotmail.com      |
| 38   | Narendra Kumar Shah   | Shivalaya RM                            | Chairperson                        | 9758002378     | narendrashahi6@gmail.com   |
| 39   | Laxman Prd Khanal     | Ministry of Forest and Environment      | Under Secretary (Account)          | 9857086384     | lpkhanal@nepal.gov.np      |
| 40   | Basanta Babu Shrestha | Ministry of Forest and Environment      | Forest Officer                     | 9857033719     | basanta2031@yahoo.com      |
| 41   | Ram Bahadur Awasthi   | Ministry of Forest and Environment      | Section Officer                    | 9869631868     | awasthiramprasad@gmail.com |
| 42   | Dharma Bahadur KC     | Banphikot, RM West Rukum                | Chairperson                        | 9848035007     | dipak205661@gmail.com      |
| 43   | Tapendra Bdr Rawal    | Tikapur Municipality                    | Mayor                              | 9858421260     | toparadha@gmail.com        |
| 44   | Dhruba R. Acharya     | Tikapur Municipality                    | Chief Admin Officer                | 9858434111     | dhrubacharya@gmail.com     |
| 45   | Khadga Ray Sajural    | Pachaljarna RM                          | Chairperson                        | 9868980222     | k.khadgaray@gmail.com      |
| 46   | Bhojraj Pathak        | MoFE, Province 7                        | Planning Officer                   | 9858424163     | bhoj555@gmail.com          |
| 47   | Narayan Dahal         | NCCSP                                   | Programme Assistannt               | 9841789990     |                            |
| 48   | Bhakta Lama           | Province Government, Karnali            | Under Secretary                    | 9855044350     |                            |
| 49   | Theer Bahadur Karkee  | Province Ministry                       | Under Secretary                    | 9845107330     | theerkarkee@gmail.com      |
| 50   | Rarshu Ram Upadhyay   | Soru Rural Municipality, Mugu           | Chief Admin Officer                | 9848200277     | prupadhyay31@gmail.com     |
| 51   | Sahaj Ram             | Godaha RM Radio                         | Chairperson                        | 9847805896     |                            |
| 52   | Rakesh Paudel         | TV Today Network                        | TV Today                           | 9848075427     | rkshpaudel@gmail.com       |
| 53   | Shyam Kumar Shrestha  | Province Ministry                       | Soil and Water Management Officer  | 9841081528     | shresthakjl@gmail.com      |
| 54   | Narbit Raut           | Kanak Sundari Riral Municipality, Jumla | Chairperson                        | 9758900350     |                            |
| 55   | Ubjan Sahi            | Khatyad Rural Municipality, Mugu        | Chairperson                        | 9851192445     | ubshahi@gmail.com          |
| 56   | Raj Bahadur Shahi     | Hima Rural Municipality, Jumla          | Chairperson                        | 9858320699     |                            |
| 57   | Rakesh Kumar Shah     | MoFE/UNDP NCCSP                         | Engineer                           | 9852038339     | rakesh.shah@nccsp.org.np   |
| 58   | Ramesh Kumar Giri     | Ministry of Forest and Environment      | Forest Officer                     | 9848048960     | giri.rameshkumar@yahoo.com |
| 59   | Hem Raj Bista         | Province ministry, Karnali              | District Forest Officer            | 9858054111     | hemrajbist81@yahoo.com     |
| 60   | Shikhar Chapagain     | MoITFE Karnali                          | District Soil Conservation Officer | 9848048232     | shikharchapagain@gmail.com |

| S.N. | Name                | Organization                       | Designation                   | Contact Number | Email Address            |
|------|---------------------|------------------------------------|-------------------------------|----------------|--------------------------|
| 61   | Padam BK            | UNDP                               | Head of Field Office          |                | padambk@undp.org         |
| 62   | Vijay Kasari        | UNDP                               | Programme Analyst             |                | vijay.kasari@undp.org    |
| 63   | Padam Bahadur Lama  | Simkot Rural Municipality, Humla   | Chairperson                   |                |                          |
| 64   | Manoj Prasad        | NCCSP                              | Climate Resilience Officer    |                | manoj.gha@nccsp.org.np   |
| 65   | Yagya Bahadur Thapa | Province ministry, Karnali         | District Forest Officer       | 9841220158     |                          |
| 66   | Abdul Ansari        | NCCSP Surkhet                      | Field Coordinator             | 9841265051     |                          |
| 67   | Mun Bahadur Rawat   | Forest Office, Jumla               | District Forest Officer       | 9858059555     | munbahadur@gmail.com     |
| 68   | Diwash Neupane      | NCCSP                              | Admin Finance Assistant       | 9841488726     | diwash.neupane@gmail.com |
| 69   | Krita Oli           | Forest Office, Mugu                | District Forest Officer       | 9851259058     |                          |
| 70   | Dipendra Singh      | Forest Office, Kalikot             | District Forest Officer       | 9849304806     |                          |
| 71   | Sharad Bhandari     | Forest Office, Surkhet             | District Forest Officer       | 9844805969     |                          |
| 72   | Dhirendra K Pradhan | Province Ministry, Karnali         | Secretary                     |                |                          |
| 73   | Dr Maheshwor Dhakal | Ministry of Forest and Environment | Joint-secretary               |                |                          |
| 74   | Sushil Khadka       | Nepal Television                   | Journalist                    | 9858062352     |                          |
| 75   | Prakash Adhikari    | Kantipur newspaper                 | Journalist                    | 9858062352     |                          |
| 76   | Ryan Pittock        | WFP                                | Deputy Country Director       |                |                          |
| 77   | Naoki Maegawa       | WFP                                | Head of Programme             |                |                          |
| 78   | Krishna Jogi        | WFP                                | Country Programme Coordinator |                |                          |
| 79   | Sameer Singh        | WFP                                | Communications Officer        |                |                          |
| 80   | Jagdish Pant        | WFP                                | Head of Sub-Office            |                |                          |
| 81   | Rojina Karki        | WFP                                | Field Coordinator             |                |                          |
| 82   | Yagya Pun           | WFP                                | NeKSAP province coordinator   |                |                          |

**Some photographs of Inception Workshop:**



Local government chief speaking in Project Inception Workshop



Participants of the Project Inception Workshop including Ministers and Secretary



Ministers, Secretaries and WFP Deputy Country Directors in Project Inception Workshop