



Building Climate Resilience of Watersheds in Mountain Eco-Regions

Country / Region: **Nepal** | Project Id: **XPCRNPO25A** | Fund Name: **PPCR** |

Comment Type	Commenter Name	Commenter Profile	Comment	Date
Comment 1	Ina von Frantzius	Germany	<p>On 30 June 2011 we had sent our comments on Nepal's Strategic Programme for Climate Resilience, followed on 23 May 2013 by our comments on the request for the use of additional PPCR resources for Component 1: Building Climate Resilience of Watersheds in Mountain Eco-Regions. Thus, having already commented extensively on Component 1, we will make reference to our earlier comments, where appropriate. The immediate focus and intended outcome of Component 1 – improving communities' access to more reliable water resources in climate-vulnerable mountain watersheds – seems very appropriate. We welcome how the project proposal builds on findings and key recommendations from the national strategies and plans, e.g. the National Adaptation Programme of Action (NAPA), on reports and assessments under relevant conventions, and especially on the experiences gained by the Department of Soil Conservation and Watershed Management of the Ministry of Forests and Soil Conservation. Also, the choice of watersheds in six districts in the Far Western Development Region is in principle entirely appropriate in order to increase the resilience of vulnerable communities to climate change. We do however feel that the proposed project design – being a PPCR project of aboveaverage financial volume – is rather unspecific with regard to increasing climate resilience. We are furthermore rather concerned about the project's contribution to integrating climate risk and resilience into core development planning. We would therefore request POSTANSCHRIFT Postfach 12 03 22 53045 Bonn Germany ZUGANG Dahlmannstraße 4 53113 Bonn TEL +49 (0)228 - 99 535 - 3749 FAX +49 (0)228 - 99 535 - 3500 Ina.von-frantzius@bmz.bund.de www.bmz.de CONTACT RD'in Ina von Frantzius OUR REF:: Bonn, 02 Aug 2013 consideration of our recommendations and further clarification on a number of issues (see bold highlights below) within the first three month of project implementation. Individual Comments on the Proposed Project The project aims at establishing a "new (!) watershed planning approach", to be "adopted by 75% of trained Department of Soil Conservation and Watershed Management staff". The proposal states that "watershed planning and management, like water resource planning and management, is best done on the basis of hydrologic areas." While we would not want to question this, we would like to point out that the boundaries of "hydrologic areas" in most cases do not coincide with the boundaries of administrative units (communes, districts, etc.), which usually form the basic spatial units for core (mainstream) development planning. Before this background, experience in the past has shown that, more often than not, watershed planning is conducted in isolation from core development planning. We see a potential conflict here with the PPCR's key objective "to pilot and demonstrate ways to integrate climate risk and resilience into core development planning". It appears that this issue is not being discussed in the documents made available for commenting. We would therefore request (i) a more in-depth discussion on how the "new watershed planning approach" relates to core development planning at the district and community levels, and (ii) further clarification on what provisions are being taken to ensure that the "new watershed planning approach" is being integrated with core development planning, and on the safeguards being put in place to ensure modification of the project design in case such integration turns out not to be feasible. We consider this all the more important since the "Report and Recommendation of the President" points out that this is "the first large-scale intervention by ADB in watershed management in Nepal" and that "in the [country's] current watershed management strategy there is the lack of attention to institutional arrangements ... [and that] links to other programs, particularly to water resource management and agricultural development, have not been provided." With regard to the PPCR's specific requirement expressed in its Core Indicator A2.1, i.e. the "Degree of integration of climate change in national, including sector planning", it also remains unclear to us to what extent and how the</p>	Aug 05, 2013



"new watershed planning approach" specifically takes climate change into account. We would therefore request further clarification on the degree of integration of climate change aspects into the "new watershed planning approach", or in other words on what sets the "new watershed planning approach" apart from conventional watershed management planning. In our comments of 23 May 2013, we had welcomed the inclusion of the impact indicator "Livelihoods improved and CC resilient for communities within CC vulnerable watersheds", and had raised questions related to its tracking and the inclusion of gender aspects. The Government of Nepal, in its response dated 9 June 2013, explained that this would be clarified in the design and monitoring framework, wherein the indicator now reads: "Population in project villages is generally food secure" (without a baseline being listed). While food security is certainly one important aspect of climate resilience, we consider the present version of the indicator less ambitious than its original formulation. In a project of this size and focus, we would expect and we strongly recommend making attempts at quantifying resilience that go beyond the mere tracking of food security status. As a point of departure for further consideration, the dimensions listed as "effects" in the problem tree (see "Report and Recommendation of the President"), namely "deteriorated ecosystems", "reduced livelihood opportunities", "decrease in public health" could readily be used. Related to our earlier recommendation on gender-disaggregation of impact indicator(s), we note that the design and monitoring framework does not provide such disaggregation, which we feel is not entirely in agreement with the response dated 9 June 2013. A Gender Equity and Social Inclusion (GESI) Plan has been put in place, which we welcome very much, which is, however, predominantly output-focused. Also, an output level indicator reading "At least 33% female ... representation ... in community development group committees; at least one woman in a leadership role" has been included (without a baseline). These are certainly steps in the right direction, but no replacement for reflecting gender issues at higher levels of the projects hierarchy of objectives, i.e. at the impact level. We would therefore like to repeat that we recommend developing gender-sensitive indicators not only at the output and outcome levels, but at the impact level. On the other hand, we very much appreciate the project's evidence-based approach with regard to water resources. The project is aiming to develop and agree a "method to monitor project interventions on watershed hydrology" (an indicator under output "Knowledge-based approaches ..."). Also, there are indicators at the output and outcome levels tracking the actual improvement of access to water resources and enhancing their reliability ("Domestic water ... increased ...", "Time women and children spend ... reduced ...", "Yield of water sources ... stable or increased"). One among these indicators is gender-sensitive, but by itself is not sufficient to conclude that climate resilience in Nepal's mountain communities has been improved for female beneficiaries. (See recommendation in previous paragraph.) Comments on Cross-Cutting Issues Participation and Learning We very much welcome the involvement of relevant stakeholders from both government and non-government in the development of the project as well as the emphasis on participation during the upcoming implementation and on generating lessons learned for other areas inside and outside the country. Synergies with other donors – in particular German – Climate Change Related Engagement in the Country / Region The Government of Nepal, in its response dated 9. June 2013, stated that our earlier comments on "Synergies ..." would be referenced in the section(s) on the knowledge management component. As we cannot verify this in the documents made available for commenting, we repeat our earlier comments here: In our comments on the SPCR document we had already highlighted relevant links to the ongoing German support in Nepal. Regarding the vulnerability of livelihoods to climate change and variability, we would like to add further information on the Kailash Sacred Landscape Conservation and Development Initiative (KSLCDI), implemented in collaboration with the International Centre for Integrated Mountain Development (ICIMOD). KSLCDI is a long-term collaborative programme around the Kailash Sacred Landscape transboundary area in China, India, and Nepal. Its five-year period plan (2012-2016) aims to contribute to the sustainable development of the Kailash Sacred Landscape by applying ecosystem management approaches and building on the strengths of the region while considering climate change impacts. KSLCDI is working in some of the districts (Baitadi, Bajhang) where the Building Climate Resilience project will operate. We therefore consider exchange of experiences as highly useful and recommend that cooperation be established.

Comment 2 Anna Bobin United Kingdom

The UK approves this project and is content to endorse the allocation of resources, subject to the following issues being addressed in implementation, and some answers being provided within the first 3 months of project implementation. The project does not refer to NAPA priority action. The NAPA process has been highly regarded in Nepal both by the Government and local communities for its good

Aug 05, 2013



consultation process and therefore it is important that the documents specify which component of the NAPA this project supports. The project also does not make any reference to the LAPA Framework – this is a unique policy Nepal has come up with to implement NAPA priority actions at a local level. The project indicates that it will develop tools and methods at local level – it will be important to ensure that this is coordinated with existing tools rather than duplicating by inventing new ones. In terms of project management, Nepal has a clear climate policy guideline on 80% project budget to be set aside for community and 20% for capacity building and management. This guideline of Climate Change Policy needs to be stated clearly in the project concept note. We also note the Government of Nepal's decision not to request any PPCR concessional credits for this project. However we understand that \$25m concessional loan was originally requested and therefore we would like to know what specifically will be different about the project now that both the scale and type of finance has changed. In previous comments we requested that the answers be reflected in the project proposal when it is submitted but this point has not been addressed. Food security is a huge problem in the proposed project districts. Since watershed management in those districts has direct implications for food security, it is surprising that the project does not have any outcomes/indicators on this. We would be keen to better understand what evidence the district selection is based on. In general, watershed management and access to water is a "source of conflict" in Nepali villages. Such conflicts will only grow in the event of climate change. The project should address conflict resolution approaches for water sharing (both drinking and irrigation water). We are pleased to see that the project incorporates a knowledge management component with the aim of generating lessons learned and good practice. We also welcome the focus on women and disadvantaged groups.

Comment 3	Anna Bobin	United Kingdom	Dear colleagues, · The UK welcomes this component of the SPCR and is content to endorse the allocation of an additional \$5m grant resources to this project. · We also note the Government of Nepal's decision not to request any PPCR concessional credits for this project. However we understand that \$25m concessional loan was originally requested and therefore we would like to know what specifically will be different about the project now that both the scale and type of finance has changed. We would like to see the answers reflected in the project proposal when it is submitted. · It will be important to manage the implementation carefully. The roles and responsibilities of Ministry of Forests, Ministry of Local Development and Ministry of Environment need to be set out clearly and agreed early on. Coordination will be difficult but is very important to the success of the programme. · In terms of monitoring and evaluation it will be important to consider that there are other large scale climate programmes with which PPCR will need to coordinate and collaborate. Otherwise, the impact or additionality of PPCR might not be clear at the end of it. · We welcome the fact that other donors and the Government of Nepal are planning to contribute their own resources into this project which demonstrates their commitment.	May 22, 2013
Comment 4	Fiona Lord	Australia	Australia endorses the proposed allocation of \$5 million in grant resources to the project under Nepal's SPCR, 'Building Climate Resilience of Watersheds in Mountain EcoRegions'. - We agree with the comments from the UK, that it would be useful to better understand the Government of Nepal's withdrawal of its request for concessional financing for this project and that the project design document should reflect the implications of the change in scale and type of finance. - Australia would be interested to better understand the instruments and tools that the ADB proposes to work with in supporting communities to develop the methodology for watershed management plans taking into consideration climate change. Australia is currently supporting the uptake of best-practice water resources management tools and practices in South Asia, through the CSIRO and it would be useful to link up our efforts. - Australia is also interested in how the proposed water management community engagement will incorporate gender considerations. We suggest that the project design incorporates disaggregated gender data, which will require baseline analysis and monitoring. AusAID's indicators for gender equity in water management, which could be incorporated into the project design are: · percentage of water and sanitation management committees which have at least 50% women members; AND · percentage of water and sanitation management committee members overall who are women. - Australia is also interested in who the audience for the knowledge products being developed? Key regional stakeholders that could promote these knowledge products and share the lessons of improved watershed management include the International Centre for Integrated Mountain Development (ICIMOD) and the South Asia Water Initiative (SAWI). Uptake of these lessons for others in DSCWM is also important (as outlined in the concept note).	May 23, 2013
Comment 5	Abigail	United States	The United States supports the allocation of an additional \$5 million in grant	May 23,



Demopulos

resources to Nepal's "Building Climate Resilience of Watersheds in Mountain Eco-Regions" project. We look forward to receiving the Project Appraisal Document in August. We will make a final decision on our position on the overall project at that time. • Like our colleagues in the UK and Australia, we would like clarification about how the decision not to seek concessional financing will affect the overall scale of the project. • We look forward to learning how many additional projects will be financed with the new grant resources and how many additional project beneficiaries there will be. • We note and appreciate the co-financing from the Nordic Development Fund and the Government of Nepal.

2013

Comment 6

Annette Windmeisser

Germany and Spain

On 30 June 2011 we have sent our comments on Nepal's Strategic Programme for Climate Resilience. Regarding Component 1 of the SPCR we appreciate that additional resources will be used to implement further subprojects in order to provide additional beneficiaries with water supply (for drinking and irrigation) during the dry months. We welcome how the project proposal builds on findings and key recommendations from the national strategies and plans, e.g. the National Adaptation Programme of Action (NAPA), reports and assessments under relevant conventions, and especially the experiences gained by the Department of Soil Conservation and Watershed Management (DSCWM) of the Ministry of Forests and Soil Conservation. Also, the choice of the six districts in the Lower West Seti and Budhi Ganga watersheds is well suited in order to address the negative impacts of forest and rangeland degradation while using natural infrastructure to increase resilience of communities to climate change. We have no objections to the implementation of the project. We however would like to see our concern regarding the delay in project preparation and some recommendations (see bold highlights below) answered or respectively incorporated during project implementation. Individual Comments on the Proposed Project We would like to commend the GoN for quickly preparing the proposal, after the approval in nov12 of the allocation of additional resources. On the other hand, we note that the project is significantly delayed. The project is scheduled to be submitted for SC approval in September 13 and is already under the red light. Reasons given are "unforeseen financing plan changes and additional co-financing that had to be sought". At the same time, the Government has decided not to request any PPCR concessional credits. We would seek clarification about these unforeseen changes in the financial plan and about the measures that are being taken to increase co-financing. Furthermore, it would be interesting to know if the increase in the allocation of funds to this project is expected to cause additional delays in the project submission. We very much welcome the involvement of relevant stakeholders in the development of the project (government and non-government) as well as the emphasis in generating lessons learned for other areas in and outside the country. We also welcome the inclusion of the impact indicator "Livelihoods improved and CC resilient for communities within CC vulnerable watersheds". However, we recommend providing Page 3 of 3 further information on how this will be measured. Further we recommend that the indicator is also disaggregated by gender. As already mentioned in our previous SPCR comments, we recommend developing gender-sensitive impact indicators in the preparation phase especially for this Component, as women will be both key target groups and crucial stakeholders for a successful implementation. We consider it important to take into account gender aspects especially regarding the mentioned activity 1.3. "Clarify the roles of watershed stakeholders and their rights in relation to watershed management, and improve watershed management governance". Synergies with other donors – in particular German – Climate Change Related Engagement in the Country / Region In our comments to the SPCR document we have already highlighted relevant links to the on-going German support in Nepal. Regarding the vulnerability to climate change and variability for livelihoods, we would like to add further information on the Kailash Sacred Landscape Conservation and Development Initiative (KSLCDI) in collaboration with the International Centre for Integrated Mountain Development (ICIMOD). KSLCDI is a long-term collaborative programme around the Kailash Sacred Landscape (KSL) transboundary area in China, India, and Nepal. Its five-year period plan (2012-2016) aims to contribute to the sustainable development of the KSL by applying ecosystem management approaches and building on the strengths of the region while considering climate change impacts. Although the KSLCDI is not working in the districts of the PPCR project, cooperation and exchange of experiences would be useful and might be established in order to optimize the utilization of natural resources from various altitudes (top of the mountains down to the valleys and plains).

May 25, 2013