



Government of Nepal  
**Ministry of Environment**  
**Strengthening National Capacity on Climate Change**



**Terms of Reference**

**Preparation of the Climate Change Strategy and Framework for Climate Change Fund**

**1. Introduction**

The Climate Change Risk Atlas 2010 ranks Nepal as the 4<sup>th</sup> most vulnerable country worldwide, indicating the extreme vulnerability that the country faces. More than 4,000 people died in Nepal over the last ten years due to climate induced disasters, which caused economic losses of about USD 5.34 billion. Every year more than 1 million people are directly impacted by climate induced disasters such as drought, landslides and floods. Similar events and their frequency are likely to increase in the future.

As a Party to the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol, Nepal is implementing number of climate change related activities in the recent year. The Government of Nepal has issued the Climate Change Policy, 2011 that includes number of policies to address the impacts of climate change, and make the development climate-friendly and resilient. The policy outlines number of policies on broad thematic areas such as: (i) climate adaptation and disaster risk reduction; (ii) low carbon development and climate resilience; (iii) access to financial resources and utilization; (iv) capacity building, people's participation and empowerment; (v) study and research; (vi) technology development, transfer and utilization; and (vii) climate friendly natural resource management . The Policy also includes strategies and working policies as well. These policies should be made operational by developing clear and concrete strategies.

The National Adaptation Programme of Action (NAPA), as approved by the Government of Nepal in September 2010, includes number of programmatic most urgent and immediate adaption actions. The Government of Nepal has considered NAPA as the development agenda. In addition, the Government is also developing projects under the Pilot Programme for Climate Resilience (PPCR). The Government is developing projects to implement priority adaptation actions, as mentioned in the NAPA document, such as on community-based adaptation, flood and GLOF management, and ecosystem-based adaptation. Similarly, the Government has started preparation of the Second National Communication, identification of technology needs to address climate change impacts, and expanded REDD related activities. In order to promote low carbon development path, several activities are initiated to scale-up of renewable energy as well. In addition, local governments, non-governmental organizations, academe, and private sector are also implementing climate change related activities.

Nepal is implementing several activities related to reducing poverty, promoting energy development and improving its efficiency, developing infrastructures etc. through the establishment and operation of funds. There are number of funding windows within and outside the UNFCCC and KP regimes. As the impacts of climate in Nepal are becoming prominent, it is necessary to tap the technical and financial resources to address the on-going and emerging

threats of climate change. Hence, it is felt necessary to establish a fund that provides ample opportunities to channelise funding effectively for climate change activities.

The Government of Nepal, Ministry of Environment (MoE) has received support from the Embassy of Denmark in Nepal to implement climate change activities. The MoE prepared, through this support, the status report while participating the 15<sup>th</sup> session of the Conference of the Parties to UNFCCC and 5<sup>th</sup> session of the Conference of the Parties serving as the Meeting of the Parties (CMP) to the KP. In addition, this funding was also used to prepare and publish the Status of Climate Change in Nepal. The MoE has felt an urgent need for preparing Strategy for *Climate Change Strategy* and *Framework for Climate Change Fund* from this support within the broader framework of the Climate Change Policy, 2011. This strategy is expected to streamline all climate change activities in Nepal and include negotiation approaches and will contribute to future climate change negotiations as well. Similarly, the framework for climate change fund will provide a basis to channelize funding on climate change activities received from different sources in the country.

The Ministry of Environment intends to prepare the Climate Change Strategy and Framework for Climate Change Fund by procuring consulting services. The key output of this study will be the final reports on: (i) Climate Change Strategy; and (ii) Framework for Climate Change Fund.

## **2. Objective of the study**

The primary objective of the assignment is to prepare a Climate Change Strategy and Framework for Climate Change Fund within the broader framework of the Climate Change Policy, 2011.

## **3. Scope of Work**

There are two components under this assignment: (i) preparation of the Climate Change Strategy; and (ii) preparation of the framework for Climate Change Fund.

The scope of the study for both components will include but shall not be limited to the following:

### **(a) Preparation of the Climate Change Strategy**

The consultant shall review but not limited to the following:

- Climate Change Policy, 2011;
- Documents and initiatives related to NAPA and its implementation, LAPA framework, national communication, technology needs, capacity building, climate resilience, emission reductions from deforestation and forest degradation, status report on climate change negotiations etc;
- National policies related to climate change and/or other policies and strategies contributing to address the impacts of climate change;
- Climate change related strategies of the donors and development partners supporting Nepal on climate change programmes and projects;
- Convention and Protocol provisions, including relevant decisions of the Conference of the Parties to the UNFCCC and Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol;
- State of Nepal's negotiation including status paper for climate change negotiations and negotiation approaches;

- Programmes, projects and initiatives contributing to address the impacts of climate change; and
- Implementation modalities of relevant strategies.

**(b) Preparation of the Framework for Climate Change Fund**

The Consultant shall review, but not limited to the following:

- Climate Change Policy, 2011;
- Existing Nepalese funds such as Environment Protection Fund, Poverty Alleviation Fund, District Energy Fund, Road Fund etc and their organizational structure and governance;
- Published and unpublished documents related to climate change such as NAPA, LAPA, PPCR, SNC, REDD, TNA, capacity building, country status report on climate change negotiations etc; and
- Funding mechanisms within and outside the UNFCCC and KP regimes;

The Consultant will explore potential sources of funding for the Climate Change Fund. It shall also propose the institutional structure, major roles and responsibilities (functions) fund flow mechanism, governance and/or operational modalities, procedural guidelines etc. for the Climate Change Fund.

For both of the above components, the consultant shall:

- a. Interview with the senior government officials, and representatives of the local governments and relevant private sector and civil society organizations;
- b. Interact with the donor and development partners supporting activities related to climate change;
- c. Interact and consult with independent experts and relevant stakeholders;
- d. Interact with the officials of existing funds;
- e. Prepare a draft report for both components;
- f. Participate and present the draft report in the consultation programme organized by the Ministry of Environment; and
- g. Finalise the Climate Change Strategy, and Framework for Climate Change Fund by incorporating the inputs of the national consultation programme(s).

The consultant shall manage for the necessary expert(s) separately for both components for the assigned task.

**4. Proposed Participants for the Stakeholder Consultations**

The stakeholder consultation is expected to be attended by the representatives of the concerned government institutions, non-governmental organizations, funds managing institutions, media/journalists, academia, private sector, donors, multilateral organizations, and individuals working in the field of climate change.

**5. Budget**

A total of NRs. 20,00,000/ (Rs. Twenty laks only), including VAT, has been earmarked for the preparation of the Climate Change Strategy and Framework for Climate Change Fund. For easy reference, the consultant is encouraged to submit the financial proposal at the range not

exceeding NRs. 15,00,000/ (Fifteen lacs only) for the preparation of the Climate Change Strategy, and NRs. 5,00,000/ (five lacs only) for the preparation of the Framework for Climate Change Fund. However, the financial proposal will be evaluated in total amount.

## **6. Proposal**

The consultant is required to submit the technical proposal to demonstrate its sound knowledge, technical skills and capability as required by the nature of the work of the assignment and understanding of the requisite tasks set forth in the scope of work. The consultant shall furnish appropriate study approach and methodology in its proposal for the execution of the services sought through this ToR. The work program on a weekly basis shall show the total professional man-months required for delivering the proposed services. Together with the organization chart, a manning schedule shall be submitted, indicating clearly the estimated duration of all personnel to be engaged in the work of both components separately. The consultant shall state the particulars, designation and years of relevant experience of each professional to be involved in the task of both components.

The consultant shall submit the separate technical and financial proposals in separate sealed envelopes and then both proposals should be enclosed in one sealed envelope for submission. Cost indicated in the financial proposal shall be deemed to cover all expenditures including stakeholder consultations and taxes, as applicable, as per the financial laws of Nepal.

The consultant shall submit its registration certificate, tax clearance certificate, and duly signed CV of the experts (in blue ink) to be involved in this study of both components which shall be annexed in the technical proposal.

## **7. Evaluation of the Technical and Financial Proposal**

The technical and financial proposals shall secure 80 and 20 points respectively. Evaluation criteria for the technical proposal shall include: (i) methodology, (ii) understanding of the climate change issues to be considered in this study, (iii) knowledge and experience of the proposed experts, and (iv) detailed work schedule to complete the work within the given time period. The weightage for the evaluation criteria will be obtained from the Climate Change Management Division of the Ministry of Environment upon request.

## **8. Duration of the Study and Submission of the reports**

The total duration of the study for both components is two and half months from its date of agreement. The consultant should submit two copies of draft report within two months from the date of agreement. After the consultation seminar and official comments of the Ministry, the consultant should finalise and submit the status report within next 15 days, meaning that total time allocated for this study is two and half months. This is a time-bound assignment and there is no possibility for extension of the study period, in general.

## **9. Mode of Payment**

The Ministry will provide payment equivalent of 40 percent of the total agreed amount after the submission and approval of the draft report and the remaining 60 percent will be paid after the approval of the final report. The Ministry may provide 20 percent of the total agreed amount

within a week of the contract agreement if the consultant submits bank guarantee of equal amount. If this 20 percent is provided in advance to initiate the activity, the Ministry will provide only 20 percent of the agreed amount after the approval of the draft report.

#### **10. Key Deliverables**

The key deliverables are two separate final reports on: (i) climate change strategy; and (ii) framework for climate change fund. The consultant shall submit 5 copies of the draft report within two months from the date of agreement. The consultant shall also prepare and distribute the executive summary (also in Nepali language) of the report to the participants attending the stakeholder consultation programme. The consultant shall submit five copies of the final report to the Ministry within 15 days from the date of comments provided to the consultant. The consultant shall also submit an electronic copy of both draft and final reports of both components.

*17 August 2010, Wednesday*