

## **SUBMISSION BY NEPAL**

Kathmandu, 31 July 2012

### **Subject: Financial Mechanism of the Convention. Least Developed Countries Fund (SBI)**

Nepal takes this opportunity to submit its views based on the experience of implementing the Least Developed Countries (LDCs) Work Programme, including the preparation and implementation of National Adaptation Programme of Action (NAPA), and accessing funds from the Least Developed Countries Fund (LDCF) as per Decision 5/CP.16 paragraph 5.

1. Nepal acknowledges that the Article 4.9 of the Convention calls on the Parties to take full account of the specific needs and special situations of LDCs in their actions with regard to funding and transfer of technology. The Conference of the Parties, at its seventh session, adopted a package of decisions (decisions 5/CP.7, 7/CP.7, 27/CP.7, 28/CP.7 and 29/CP.7) to support the LDCs in their adaptation actions to climate change. This included establishing LDCF to support the Least Developed Countries Work Programme, and to assist LDCs in carrying out, inter alia, the preparation and implementation of NAPAs.

2. Nepal requests the Global Environment Facility (GEF) acting as an operating entity of the financial mechanism of the Convention entrusted with managing the LDCF, to speed up its efforts in assisting LDCs through LDCF for implementing NAPAs.

3. As per decisions 5/CP.14 and 5/CP.16, and recognizing the draft conclusions of SBI 36 (FCCC/SBI/2012/L.14), GEF should support the implementation of all the elements of the Least Developed Countries Work Programme such as development and transfer of technology, public awareness programmes, training and research, strengthening the capacity of meteorological and hydrological services, and the climate change focal points in addition to the ongoing support in the implementation of NAPAs.

4. While appreciating the progress in voluntary financial contributions to the LDCF, as per decisions 8/CP.8, 3/CP.11 and 5/CP.14, Nepal urges Annex II Parties and other Parties included in Annex I that are in a position to do so, to support LDCs in the implementation of the Least Developed Countries Work Programme including the implementation of NAPAs by making generous contributions to the LDCF.

5. While implementing NAPA, Nepal has experienced several issues that need to be addressed, e.g., the condition of co-financing for adaptation actions from LDC Fund; the complex process for accessing the fund; and the lengthy communication process required for achieving collaboration among Parties, GEF and GEF Implementing Agencies (IAs). Taking into consideration decision 8/CP.8 para. 2, GEF, including its IAs, should speed up the process, remove the co-financing clause, and ensure quick release and disbursement of funds. Similarly, GEF should take necessary decisions to encourage its IAs to take a fast-start approach to support LDCs in a time-bound implementation of NAPA.

6. Since climate change has adversely affected our ecosystems, particularly the fragile mountains and glaciers, this has put immense burden on our people, their livelihoods and the development process as a whole. Nepal emphasizes the need for adequate funding, in addition to the Official Development Assistance, to implement the actions identified by NAPA. We further register our concerns to speed up the NAPA process by taking consideration of paragraph 1 of decision 9/CP.17 and provide information to the LDCs to clarify project baseline. We reiterate the need for simplifying the application process for accessing the LDC Fund.

7. Nepal suggests that GEF should conduct a study to analyse the existing provisions of service charge provided to its IAs in particular for NAPA implementation purposes, and take necessary decision so as to provide more funding to climate vulnerable communities to meet their urgent and immediate adaptation needs.

8. Nepal has witnessed several difficulties while submitting project proposal for NAPA implementation and accessing funds from LDCF. Nepal is of the view that GEF should consider revisiting its decisions regarding its supporting practices to the LDCs. GEF should also honour the prioritized country-driven proposals (spelled out in the NAPA document) submitted for funding through the LDCF. Nepal equally underscores the importance of developing a direct communication between GEF and the concerned Party in case of any confusion during the proposal review process.

9. After the development of NAPA, Nepal has come up with an innovative local planning process called the Local Adaptation Plan of Action (LAPA). The LAPA process provides opportunities to assess site-specific climate vulnerabilities, identify adaptation options, and implement the urgent and immediate adaptation actions with the participation of local communities and households. Nepal is now ready to implement these local adaptation plans in some areas of the country, and we would be happy to share our experiences as we make progress with the implementation of LAPAs. Nepal would like to take this opportunity to request funding for such innovative and country-driven activities so as to enable the vulnerable communities and households to adapt to the adverse impacts of climate change.