

CLIMATE FINANCE OPTIONS FOR NEPAL



CLIMATE FINANCE OPTIONS IN THE CONTEXT OF NEPAL

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ACRONYMS AND ABBREVIATIONS

AAP	Annual Action Programmes
ADB	Asian Development Bank
AEPC	Alternative Energy Promotion Centre
AF	Adaptation Fund
ASAP	Adaptation for Smallholder Agriculture Programme
ASHA	Adaptation for Smallholders in Hilly Areas Project
BMUB	German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety
CDM	Clean Development Mechanism
CER	Certified Emission Reductions
CIF	Climate Investment Funds
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
CSOs	Civil Society Organizations
CTF	Clean Technology Fund
DAE	Direct Access Entity
DCI	Development Cooperation Instrument
DECC	Department of Energy and Climate Change
DEFRA	Department for Environment, Food, and Rural Affairs
DFID	Department for International Development
DFID	Department for International Development
DLS	Department of Livestock Services
DOA	Department of Agriculture
EA	Enabling Activity
EDF	European Development Fund
ER-P	Emission Reduction Programmes
ERPAs	Emission Reduction Payment Agreements
ERPD	Emissions Reduction Project Documents
ESMS	Environmental and Social Management System
ESP	Environmental and Social Policy
ESS	Environment and Social Standard
FAO	Food and Agriculture Organization
FAO	Food and Agriculture Organization
FCGO	Financial Comptroller General Office
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
FNCCI	Federation of Nepalese Chambers of Commerce and Industries
FPD	Full Project Document
FSP	Full-Sized Project
FY	Fiscal Year
GCCA+	Global Climate Change Alliance Plus
GCF	Green Climate Fund
GCPF	Global Climate Partnership Fund
GEEW	Gender Equality and the Empowerment of Women

GEF	Global Environment Facility
GEWE	Gender Equality and Women Empowerment
GGGI	Global Green Growth Institute
GIZ	The Deutsche Gesellschaft für Internationale Zusammenarbeit
GPGC	Global Public Goods and Challenges
GRP	Global Resilience Partnership
HBTL	Himalayan Bio Trade Pvt.
IAE	International Access Entity
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
ICF	International Climate Finance
ICIMOD	International Centre for Integrated Mountain Development
IDA	International Development Association
IECCD	International Economic Cooperation Coordination
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IKI	International Climate Initiative
IMF	International Monetary Fund
ISET	Institute for Social and Environmental Transition
IUCN	International Union for Conservation of Nature
JP	Joint Programme
KVDA	Kathmandu Valley Development Authority
LDC	Least Developed Country
LDCF	Least Developed Countries Fund
LoCAL	Local Climate Adaptive Living Facility
LULUCF	Land Use, Land-Use Change and Forestry
LWR	Lutheran World Relief
MaWRiN	Managing Watersheds for Enhanced Resilience of Communities to Climate Change in Nepal
MDBs	Multilateral Development Banks
MEAs	Multilateral Environmental Agreements
MFSC	Ministry of Forest and Soil Conservation
MIE	Multilateral Implementing Entities
MOAC	Ministry of Agriculture and Cooperatives
MoALD	Ministry of Agriculture and Livestock Development
MoEST	Ministry of Environment, Science and Technology
MoFE	Ministry of Forest and Environment
MoPE	Ministry of Population and Environment
MPPW	Ministry of Physical Planning and Works
MPTF	Multi-Partner Trust Fund
MRV	Measurement, Reporting, and Verification
MSP	Medium-Sized Project
MUAN	Municipal Association of Nepal
NABIN	New and Affordable Building Materials Promoting Sustainability in Nepal
NAPAs	National Adaptation Programmes of Action
NAPs	National Adaptation Plans
NARC	Nepal Agricultural Research Council
NCCSP	Nepal Climate Change Support Programme

NCF	Nordic Climate Facility
NDA	Nationally Designated Authority
NDCs	Nationally Determined Contributions
NGOs	Non-Governmental Organizations
NIEs	National Implementing Entities
NNRFC	National Natural Resources and Fiscal Commission
NTNC	National Trust for Nature Conservation
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
PIF	Project Identification Form
POPs	Stockholm Convention on Persistent Organic Pollutants
PPCR	Pilot Program for Climate Resilience
PPG	Project Preparation Grant
PUNOs	Participating United Nations Organizations
RB-COSOPs	Results-Based Country Strategic Opportunities Programmes
RCs	Resident Coordinators
REED	Reduce Emission from Deforestation and Forest Degradation
RELS	Reference Emission Levels
RIE	Regional Implementing Entities
R-PIN	Readiness Plan Idea Note
SCCF	Special Climate Change Fund
SCF	Strategic Climate Fund
SDG	Sustainable Development Goals
SECAP	Social, Environmental and Climate Assessment Procedures
SEPC	Social and Environmental Principle and Criteria
SIDS	Small Island Developing States
SRC	Stockholm Resilience Centre
SREP	Scaling Up Renewable Energy in Low-Income Countries Program
UN CBD	United Nations Convention on Biological Diversity
UNCCD	United Nations Convention to Combat Desertification
UNCDF	United Nations Capital Development Fund
UNCTs	United Nations Country Teams
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
UN-SWAP	United Nations System-wide Action Plan
USAID	United States Agency for International Development
WB	World Bank
WCN	Wildlife Conservation Nepal
WWF	World Wildlife Fund

CLIMATE FINANCE

Today climate finance is imperative and central to achieve low-carbon and climate-resilient development. The definition of climate finance is yet to be agreed upon internationally. But climate finance can be referred to as the financial resources including public climate finance committed by developed countries, mobilized to fund actions that mitigate and adapt to the impacts of climate change. Climate finance is a relatively new concept but is growing both internationally and domestically in the last two decades. The genesis of climate finance started with the adoption of the United Nations Framework Convention on Climate Change (UNFCCC) in 1992. The Convention urged developed countries to provide new and additional financial resources to developing countries to combat climate change.

The global climate finance architecture is complex and always evolving. There are four main windows for channeling climate finance includes multilateral institutions- both within and outside of the UNFCCC and Paris Agreement financial mechanism; bilateral institutions; non-governmental grants; and national and regional funds from developing countries themselves.

Though climate change is a global issue, its impacts are mostly localized and largely contextual with the geographic location and socio-economic conditions. Nowadays, the adverse impacts of climate change are seen across the nation and also outside the nations. Among them, Nepal is one of the most vulnerable countries to climate change because of its fragile geography, low income, and resources dependent population, and weak institutional and technical capacity. Nepal as one of the Least Developed Country (LDC) always face cash crunch and needs additional funds for implementing national climate related plans and policies and commitment towards net-zero emission, adapt to the impacts of climate change and build resilience trajectory.

In 2009 Copenhagen Accord, developed countries pledged to provide approximately USD 100 billion by 2020. This was later reaffirmed in Paris Agreement in 2015 to set a new collective goal by 2025 by scaling up from a wider variety of sources, instruments and channels in a progression beyond previous efforts. Nepal has received some portion of climate finance and is eligible to access that climate finance as well.

Climate finance information in Nepal are scattered, overlapping and duplication due to lack of proper systematic tracking and transparency of finance. Nepal is accessing climate finance mainly via multilateral and bilateral agencies. Besides, there other potential sources where Nepal can access finance. Hence, it is imperative for the government and stakeholder to updates on climate finance availability and understand the financial need particularly in the COVID-19 pandemic scenario and our nation's endeavors towards net-zero emission and climate resilient development.

Thus, this book aims to provide an initial orientation to the available funds that are relevant to Nepal for financing climate related programs and projects. This book has only explored potential multilateral and bilateral fund sources and briefly come-up with sources' background, geographic focus, investment areas, funding conditions and modalities, application procedures, safeguards and gender, projects in Nepal and contact point. Further information on the fund of interest can be accessed through the web links provided.

FUNDS IN SUMMARY

S.N	Name of Fund	Types of Programs/ Projects Supported		Nature of Fund			Type of Access		Safeguards	
		Mitigation	Adaptation	UN-System	Multilateral	Bilateral	Direct	International	Gender	Others
1	Adaptation Fund (AF)		x	x			x		x	x
2	Adaptation for Smallholders Agriculture Programme (ASAP)		x				x		x	x
3	Climate Investment Funds (CIF)	x	x		x			x	x	x
4	Forest Carbon Partnership Facility (FCPF)	x			x		x		x	x
5	Global Climate Change Alliance+ (GCCA+)	x	x			x	x	x	x	x
6	Global Climate Partnership Fund (GCPF)	x				x	x	x		x
7	Global Environment Facility- Trust Fund (GEF)	x	x		x			x	x	x
8	Green Climate Fund (GCF)	x	x	x			x	x	x	x
9	Global Green Growth Institute (GGGI)	x	x		x		x		x	x
10	Global Resilience Partnership (GRP)		x			x		x		
11	International Climate Finance (ICF)	x	x			x		x	x	
12	international Climate Initiative (IKI)	x	x			x	x	x		x
13	Joint Sustainable Development Goals Fund	x	x		x			x	x	x
14	Least Developed Countries Fund (LDCF)	x	x	x				x	x	x
15	Nordic Climate Facility (NCF)	x	x			x	x	x	x	x
16	Special Climate Change Fund (SCCF)	x	x	x				x	x	x
17	UN REDD	x			x			x	x	x

ADAPTATION FUND [AF]

Background

The Adaptation Fund (AF) was established under the United Nations Framework Convention on Climate Change (UNFCCC) in 2001 at the 7th Conference of Parties meeting in Marrakech, Morocco and was officially launched in 2007. It was the first fund in international climate finance arena which operationalized a direct access modality, which allows direct funding to national entities without any international intermediary organizations. National Implementing Entities (NIEs) can directly access financing and manage climate adaptation and resilience projects. The AF is financed through a share of proceeds from Clean Development Mechanism (CDM) project as well as voluntary pledges of contributing governments, non-governmental or individual contributors. It is capitalized through the share of proceeds that amounts to 2% of the value of CER (Certified Emission Reductions) issues each year for CDM project.

Objective: The main objective of AF is to increase resilience through concrete adaptation projects and programmes that reduce the adverse effects of climate change in communities, countries, and sectors.



Fund Size

US\$ 814 million has been allocated to climate adaptation and resilience projects and programmes, including 118 concrete localized projects in the most vulnerable communities of developing countries around the world with 28 million total beneficiaries.



Geographical Focus

The Adaptation Fund focuses on developing countries that are parties to the Kyoto Protocol and are particularly vulnerable to the adverse effects of climate change.



Investment Areas

The Adaptation Fund only finances those programmes that primarily cover food security, agriculture, water management, and disaster risk reduction.



Funding Conditions

A country access fund from the AF must meet these following conditions:

- * Should be developing countries that are parties to the Kyoto Protocol and particularly vulnerable to the adverse effects of climate change.
- * Should be low-lying coastal and other small island countries and countries with fragile mountainous ecosystems, arid and semi-arid areas, and areas susceptible to floods, drought, and desertification.
- * Should meet the AF's financial standards, environmental and social safeguards, and gender policy.

Financing Modalities

The AF provides 'grant' to developing countries. A country can access funds by two different tracks from the AF:

- ✳ **Direct access track:** National Implementing Entities nominated by the country's Nationally Designated Authority (NDA) or focal point can directly access funds from the AF to implement adaptation projects and programmes.
- ✳ **International access track:** International agencies, including United Nations agencies, multilateral development banks, and regional institutions can access funds from the AF to implement adaptation projects and programmes in a particular country. These agencies are called Regional Implementing Entities and Multilateral Implementing Entities.

Application Procedures

The accreditation with the Adaptation Fund is valid for five years with the possibility for renewal through re-accreditation

- ✳ Organizations with access to funding for AF projects are national implementing entities (NIE), regional implementing entities (RIE) or multilateral implementing entities (MIE).
- ✳ The Accreditation Panel reviews and assesses the application on fiduciary standards, ability to comply with the Environmental and Social Policy (ESP) and the Gender Policy of the fund.
- ✳ The panel can request additional information/clarifications from the organization including recommendation that the organization receive technical assistance to improve its capacity.
- ✳ The panel makes the recommendation to the AF Board.
- ✳ AF Board announces their final decision on the accreditation of entity.

Safeguards and Gender

Safeguards

The Adaptation Fund has its own **Environmental and Social Policy (ESP)** which was adopted by the Fund in 2013. It was amended in March 2016. It ensures that projects and programmes supported by the Fund promote positive environmental and social benefits and mitigate or avoid adverse environmental and social risks and impacts.

Gender

Gender is presented as being a strategic priority for the AF. It has a formal **Gender Policy and Action Plan** that was adopted in 2016 and amended in 2021. It is also in line with the Paris Agreement on Climate Change. It aims at mainstreaming equal access to all fund projects and programmes among women and men while building their resilience and capacity to adapt to climate change impacts.

Project(s) in Nepal

The Adaptation Fund has approved only one project in Nepal in 2015. The implementing entity is the UN World Food Programme and the executing entities are the Ministry of Environment, Science and Technology and Ministry of Federal Affairs and Local Development. Below table provides an outline of the project.



PROJECTS

Adapting to climate-induced threats to food production and food security in the Karnali Region of Nepal

IMPLEMENTING PARTNERS

UN World Food Programme



IMPLEMENTING ENTITIES

¹Ministry of Environment, Science and Technology (MoEST), ²Ministry of Federal Affairs & Local Development




APPROVED DATE

Jan 4, 2015



BUDGET

US \$9,527,160

Contact Points

Adaptation Fund Board Secretariat
 c/o Global Environment Facility
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 1818 H Street NW
 Washington DC 20433, USA
 Phone: +1 202 473 0701
 Website: <https://www.adaptation-fund.org/>

¹ At the time of contract, it is the Ministry of Environment, Science and Technology, now it is the Ministry of Forest and Environment
² At the time of contract, it is the Ministry of Federal Affairs and Local Development, now it is the Ministry of Federal Affairs and General Administration

ADAPTATION FOR SMALLHOLDERS AGRICULTURE PROGRAMME

Background

The Adaptation for Smallholder Agriculture Programme (ASAP) was launched by the International Fund for Agricultural Development (IFAD) in 2012. It is the world's largest climate change adaptation programme for smallholder farmers. The ASAP is a multi-year and multi-donor financing window that provides a new source of co-financing to scale up and integrate climate change adaptation across IFAD's approximately US\$1 billion per year of new investments.

Objective: The objectives of this programme are to channel climate and environmental finance to smallholder farmers, to scale up climate change adaptation in rural development programmes and to mainstream climate adaptation into IFAD's work.



Fund Size

ASAP has received US \$316 million in contributions from 12 bilateral donors. It has helped five million vulnerable smallholders in 41 countries cope with the impact of climate change and build more resilient livelihoods. ASAP's first two phases (ASAP 1: 2012-2017 and ASAP 2: 2018-2020) have already been completed and has proposed ASAP enhancing for Smallholder Agricultural Programme from 2021 targeting US\$500 million mobilization to benefit more than 10 million people.



Geographical Focus

It operates in Africa, the Middle East, Eastern Europe, South Asia and Latin America.



Investment Areas

ASAP funds activities that focus on coping with the impact of climate change and build more resilient livelihoods through:

- * Policy engagement
- * Climate risk assessment
- * Women's empowerment
- * Private-sector engagement
- * Climate services
- * Natural resources management and governance, and
- * Knowledge management.



Funding Conditions

Country eligibility is established by the IFAD Programme Management Department and follows regular IFAD procedure and policy for grant financing. The eligibility for ASAP financing goes beyond ODA eligible countries, but recipient countries are restricted to IFAD developing Member

Financing Modalities

ASAP fund provides grants, loans and co-financing as a climate and environmental finance to smallholder farmers.

Application Procedures

ASAP operates slightly differently to other funds as ASAP grants are joined with IFAD baseline investments which are implemented by government entities. The programming of ASAP funds follows the IFAD project design cycle and is fully aligned with regular IFAD procedures and safeguards. Therefore, ASAP does not employ specific application procedures like other funds (such as issuing calls for proposals) that can be accessed by NGOs or CSOs directly. Results-Based Country Strategic Opportunities Programmes (RB-COSOPs), which are jointly developed with governments, are a typical point of departure for an ASAP investment, highlighting climate change adaptation as a strategic decision for IFAD operations in a specific country.

Safeguards and Gender

ASAP follows the IFAD's policies on targeting (2008), indigenous peoples (2009), gender equality and women's empowerment (2012) for overall guidance to help staff and consultants integrate these issues into project design and implementation.

Safeguards

IFAD began **Social, Environmental and Climate Assessment Procedures (SECAP)** in 2015. The SECAP details how it addresses the social, environmental and climate impacts of its projects and programmes as well as assigned a risk category for environment and social standards (A, B, C), and for climate vulnerability (high, moderate, low). IFAD Country Programme Managers and technical staff responsible for developing and providing implementation support to funded projects and programmes are in charge of implementing the SECAP.

Gender

IFAD complies with the United Nations commitments on gender mainstreaming, including the United Nations System-wide Action Plan (UN-SWAP) on gender equality and the empowerment of women. In 2012, the Executive Board approved IFAD's policy on **Gender Equality and Women's Empowerment**. It has three core principles:

- * Gender equality as a means of strengthening the development effectiveness of all IFAD-supported operations;
- * Gender equality as a value for IFAD as an organization; and
- * Gender equality as a matter of justice

Project(s) in Nepal

IFAD has invested US\$ 353.84 million in 18 projects of Nepal. There is only a single project investment from ASAP but Nepal is one of the potential countries for ASAP interventions and scaling up.



PROJECTS

Adaptation for smallholders in Hilly areas Project (ASHA)

IMPLEMENTING PARTNERS

IFAD



EXECUTING AGENCIES

Ministry of Forests and Environment (MoFE)



APPROVED DATE

Sep 13, 2014



BUDGET

US\$15 m

Contact Points

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CLIMATE INVESTMENT FUNDS [CIF]

Background

The Climate Investment Funds (CIF) is the multilateral climate fund that work exclusively with multilateral development banks (MDBs). It was established by the World Bank in 2008. The CIF consists of two trust funds: i) **The Clean Technology Fund (CTF)**, which empowers transformation in developing countries by providing resources to scale up low carbon technologies with significant potential for long-term greenhouse gas emissions savings. Its total value is US\$ 5.4 billion and ii) **The Strategic Climate Fund (SCF)**, which provides financing to pilot new development approaches or scale-up activities aimed at a specific climate change challenge or sectoral response. The SCF currently finances three such programmes: The Forest Investment Program (FIP), Pilot Program for Climate Resilience (PPCR), and Scaling Up Renewable Energy in Low-Income Countries Program (SREP).

Objective: This fund aims to support developing and middle-income countries with resources to implement programmes to adapt to and mitigate the impact of climate change and help reduce their greenhouse gas emissions.



Fund Size

14 countries have contributed over US\$ 8 billion to this fund, for mitigation and adaption actions in developing and middle-income countries.



Geographical Focus

The CIF funds both national and regional projects in selected countries. It provides resources to 72 developing and middle-income countries worldwide, including Nepal, to take climate change actions.



Investment Areas

The CIF has been investing its resources in energy (Clean Energy Fund), climate resilience (PPCR), transport (SREP), and forestry sectors (FIP).



Funding Conditions

All developing countries that are party to the UNFCCC are eligible for CIF funding. The applicant country accesses the CIF through the MDBs in their regions that administer the CIF whereas private and public entities execute the project's implementation. The CIF Trust Fund Committee approves and transfers the CIF fund to the MDBs.

Financing Modalities

The CIF disburses grants, highly concessional loans, and risk mitigation instruments to recipient countries through multilateral development banks (MDBs).

Application Procedures

If a country decides to apply for any of the CIF funds, it has to go through the MDBs in the region. The sub-committee responsible for the respective programmes (CTF, FIP, PPCR, and SREP) then assesses the proposal and makes the funding decision, with inputs from supported by experts. If approved, the funds are allocated to the regional MDBs for transferring to the applicant country.

Safeguards and Gender

Safeguards

The **Environmental and Social Management System** aims to avoid, minimize and mitigate impacts of investments on environment and affected people and maximize opportunities for environmental and social benefits.

Gender

The CIF is committed to mainstreaming gender in CIF policy and programming in support of gender equality in climate-resilient, low-carbon development investment. The CIF **Gender Action Plan** -Phase 3 is intended to continue with the CIF Gender Programme.

Project(s) in Nepal

The Climate Investment Fund has been investing through Pilot Programme for Climate Resilience (PPCR), the Scaling Up Renewable Energy Programme (SREP), and Forest Investment Plan (FIP) in Nepal. PPCR finances 6 projects with a cumulative value of US\$91 million in grants and concessional financing. The SREP supports 2 projects implemented by Alternative Energy Promotion Centre (AEPCC) with a total value of US\$40 million. The FIP is financing one project worth US\$24 million. The details of these projects are in the table below.



PROJECTS	IMPLEMENTING PARTNERS	EXECUTING ENTITIES	BUDGET	APPROVED DATE
Nepal Biogas Extended Program	World Bank	Alternative Energy Promotion Centre (AEPC)	US \$ 7.9 million	August 2014
Building Climate Resilience of Watersheds in Mountain Eco-Regions	Asian Development Bank (ADB)	Department of Soil Conservation and Watershed Management	US \$23.537 million	06/08/2013
Building Climate Resilient Communities through Private Sector Participation/Expansion of IFC-PPCR strengthening Vulnerable Infrastructure Project	International Finance Corporation (IFC)	³ Ministry of Environment	US \$23.09 million	10/09/2012
Building Climate Resilient Communities through Private Sector Participation/Strengthening Vulnerable Infrastructure Project	International Finance Corporation (IFC)	Private Sector	N/A	12/05/2015
Building Resilience to Climate-Related Hazards	The International Bank for Reconstruction and Development (IBRD)	Department of Hydrology and Meteorology	US \$ 31 million	27/08/2012
Forest Investment Program	The International Bank for Reconstruction and Development (IBRD)	Ministry of Forest and Soil Conservation	US \$24 million	04/02/2020
Mainstreaming Climate Change Risk Management in Development	Asian Development Bank		US \$5.15 million	13/10/2011
Nepal: Business Models for Private Sector-Led Mini-Grid Energy Access Project	The International Bank for Reconstruction and Development (IBRD)		US \$7.61 million	21/07/2017
South Asia Subregional Economic Cooperation Power System Expansion Project: Rural Electrification through Renewable Energy	Asian Development Bank (ADB)	Alternative Energy Promotion Centre (AEPC)	US \$31.20 million	12/05/2014

Contact Points

Climate Investment Funds
 1818 H Street NW, Washington D.C. DC.US 2006
 Phone: +1202-458-1801
 Website: <https://www.climateinvestmentfunds>.

³ At the time of contract, it is the Ministry of Environment, now it is the Ministry of Forest and Environment



FOREST CARBON PARTNERSHIP FACILITY [FCPF]

Background

The Forest Carbon Partnership Facility (FCPF), launched in 2008, is a World Bank program as well as a global partnership of governments, businesses, civil society, and indigenous people. It consists of two funding mechanisms i.e. **The FCPF Readiness Fund** and **The FCPF Carbon Fund**.

Objective: This program aims to support developing countries in tropical and subtropical to reduce emissions from deforestation and forest degradation, forest carbon stock conservation, manage forests sustainably, and enhance forest carbon stocks.



Fund Size

The total budget is US\$1.3 billion (including contributions and commitments from 17 donor countries), out of which US\$400 million is for the Readiness Fund and US\$900 million for the Carbon Fund.



Geographical Focus

FCPF is a global fund that supports projects in developing countries in three subtropical or tropical regions of Africa, Asia, and Latin America. The African region consists of 18 countries, Latin America 18 countries, and the Asia-Pacific region has 11.



Investment Areas

The major focus area of the fund is forest management via. **The FCPF Readiness Fund** and **The Carbon Fund**.



Funding Conditions

Only developing countries that are members of the World Bank can participate in the FCPF. Currently, the FCPF has 47 countries.

The conditions for participation in the Readiness Fund:

- a) **Being an Eligible REDD country:** It should be located in tropical or sub-tropical areas and a borrowing member state of the International Bank for Reconstruction and Development (IBRD) or International Development Association (IDA).
- b) **Relevance of country in the REDD context:** Priority is given to those countries that have significant forest area and carbon stock, high importance of forests in the national economy, and have high current deforestation or forest degradation rates.

c) **Quality of the Readiness Plan Idea Note (R-PIN):** Evaluation of R-PIN quality include the extent of programme ownership by the government and relevant stakeholders, coherence with national or sectoral strategies, and feasibility to reduce deforestation and forest degradation.

d) **Geographic and biome balance:** Selection takes into account the need to balance experiences and learning across different continents and the world's main forest biomes.

e) **Variety of approaches:** Consideration is given to approaches that can contribute to the learning objective of FCPF.

The conditions for participation in the Carbon Fund

Only FCPF participant countries that have successfully participated in the Readiness Fund may be selected, voluntarily, to participate in the Carbon Fund.

Financing Modalities

The Readiness Fund is grant-based. Within the Carbon Fund, funds are delivered in exchange for emission reductions (results-based finance).

Application Procedures

For the Readiness Fund:

In the first step, interested eligible countries have to submit a Readiness Plan Idea Note (R-PINs) to the FCPF. In the next step, the selected countries have to prepare their Readiness Plan, which is a framework for those countries to set a clear plan budget and schedule to undertake REDD+ activities. Next, the FCPF's governing body reviews and assesses Readiness Plans and on that basis, decides on the allocation of FCPF grants to countries.

For the Carbon Fund:

Only the FCPF participant countries that have made considerable progress towards REDD+ readiness submits programme proposals. Then, the project documents (ERPD) are assessed according to criteria such as potential for generating high-quality sustainable emissions reductions and social and environmental benefits; the scale of implementation; consistency with emerging compliance standards under the UNFCCC and other regimes; potential to generate learning value for the FCPF and other participants; clear and transparent 'benefit sharing' mechanisms with broad community support and transparent stakeholder consultations. ERPD is then selected by the Carbon Fund and World Bank after review.

Safeguards and Gender

Safeguards

The FCPF Readiness Fund delivery partners are expected to follow the World Bank's overarching safeguard policies, which fall under the following relevant categories: environmental assessments; natural habitats; forests; physical cultural resources, involuntary resettlement; and indigenous people. The safeguards that are put in place aim to ensure that REDD+ activities take into account a range of policies and rights relevant to conservation, and stakeholders, and their access to sustainable livelihoods. These safeguards include **Safeguard Information System, Strategic Environment and Social Assessment, and Environmental and Social Management Framework.**

Gender

The World Bank's Gender Strategy applies. The FCPF is committed to implementing programmes that "seek to establish pathways that enhance and recognize women as transformational agents in the management and

conservation of forests.”⁴In addition, the FCPF has developed **several gender guidance documents, including on gender integration in Carbon Fund Emissions-Reduction Programmes (ER-P)**, with correspondents in several countries including Costa Rica, Ghana, Lao PDR, Nepal, and Uganda.

Project(s) in Nepal

Nepal is eligible to participate in the FCPF and is already implementing the readiness project. Nepal formed a National REDD+ Coordination Committee in FY 2020 to oversee the implementation of the country's national REDD+ strategy.

PROJECTS	IMPLEMENTING AGENCIES	EXECUTING AGENCIES	BUDGET	APPROVED DATE
REDD+ Himalaya: Developing and using experience in implementing REDD+ in the Himalayas	The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	Ministry of Forest and Soil Conservation (MFSC) and ICIMOD	€300,000	2013-2020
Nepal REDD+ Readiness Preparation Support Project	The World Bank	Ministry of Forest and Environment (MoFE)	US\$5.2 Million	Duration (2017 – 2019)
Nepal Emission Reduction Program in the Terai Arc Landscape: Carbon Fund	The World Bank	Ministry of Forest and Environment (MoFE)	US\$ 45 million	January 21, 2021

Contact Points

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Focal Points of Nepal

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 Washington, DC 20433, USA

⁴ <https://www.forestcarbonpartnership.org/gender>



GLOBAL CLIMATE CHANGE ALLIANCE [GCCA+]

Background

The Global Climate Change Alliance Plus (GCCA+) is a European Union flagship initiative established in 2007 to support adaptation, mitigation, and disaster risk reduction for building resilience to climate change.

Objective: The main aim of this alliance is to facilitate the transition to a climate-resilient, low-carbon future in line with the 2 degree Celsius target commitments resulting from the Paris Agreement on Climate Change.



Fund Size

The GCCA+ commitments total € 750 million over the period 2007-2020, making it is one of the largest climate initiatives in the world. Its budget has increased from € 317.5 million in the first phase (2007-2014) to € 429 million in the second phase (2014-2020). The GCCA+ initiatives contribute toward achieving the overall target of at least 20% of the EU budget spends on climate action by 2020.



Geographical Focus

The GCCA+ provides support to poor and most vulnerable countries particularly the Least Developed Countries (LDCs) and Small Island Development States (SIDS). Its initiatives promote national, regional, and global projects and programmes that support climate actions. The GCCA+ programme has been supporting over 80 national programmes in Asia, Africa, the Caribbean, and the Pacific. It has also been providing support to middle-income countries since 2016.



Investment Areas

The GCCA+ programme supports current and expected climate change needs and work to build climate resilience in three main areas of intervention:

- * Mainstreaming climate change into poverty reduction and development effort;
- * Increasing resilience to climate-related stresses and shocks
- * Supporting the creation and implementation of concrete adaptation and mitigation strategies, plans, and actions.



Funding Conditions

The applicant or interested stakeholders can directly contact GCCA+ and begin discussing potential projects but the application should follow the criteria mentioned below:

- * The country has already received budget support through the EU or other donors.
- * There is an EC delegation with sufficient capacity to prepare and follow up the implementation of the GCCA+ programme.
- * The country should be involved in negotiations under the UNFCCC.

Financing Modalities

The financing modalities of GCCA+ are grant, Official Development Assistance, and technical assistance.

Application Procedures

The cycle of GCCA+ operations follows the 'European Commission Project Cycle Management' principles for effective implementation of EU external assistance.

The funding proposal and approval process comprise the following steps:

- ✳ Submission of concept note
- ✳ A tentative list of Annual Action Programmes (AAP) is compiled and scrutinized by the Sustainable Energy and Climate Change Unit.
- ✳ An informal consultation process is launched on the AAP.
- ✳ Selected countries are informed.
- ✳ Screening of Action Documents takes place
- ✳ After the adoption of the AAP the necessary contracting for implementing of the projects.

Safeguards and Gender

Safeguards

The GCCA+ does not have a formal environmental and social safeguard but it operates in line with the **Thematic Programme on Global Public Good and Challenges**. The Thematic Programme on Global Public Good and Challenges aims to contribute to poverty eradication, social cohesion and sustainable development, acting on the solution of global problems through global development outcomes that are inclusive and sustainable.

Gender

The GCCA+ has focused on gender while implementing GCCA funded project activities. It also recognized women as key actors in agricultural value chain, in securing water, collecting food, fuel and managing other household resources. In total, GCCA+ has **33 gender-related actions** such as training of women in the energy sector, gender mainstreaming in climate, capacity building, and micro-finance. The evaluations of GCCA+ programmes include a **G-marker (Gender Equality Policy Marker)** which is an accountability tool used to "track resource allocations of donors for promoting gender equality".

Project(s) in Nepal

The GCCA+ initiatives have supported a few projects in Nepal as listed below. These projects have supported to build capacity of government to adopt climate change policies and actions and to increase national capacity in mainstreaming climate change into key policies, government institutions and the budget process.

PROJECTS	IMPLEMENTING PARTNERS	EXECUTING AGENCIES	BUDGET [IN US\$]	APPROVED DATE
Nepal Climate Change Support Programme (NCCSP): building climate resilience	UK's Department for International Development (DFID) United Nations Development Programme (UNDP)	⁵ Ministry of Science, Technology and Environment	US \$ 19.54 M (€15.5 M)	01/01/2012 to 31/07/2016
Local Climate Adaptive Living Facility (LoCAL II)	United Nations Capital Development Fund (UNCDF)		US \$4736520 (€4000000) (Global)	12/01/2012 to 12/01/2017

Contact Points

Global Climate Change Alliance (GCCA)

European Commission

E-mail: info@gcca.ec

Webiste: <https://www.gcca.eu/>

⁵ At the time of contract, it was the Ministry of Science, Technology and Environment, now it is the Ministry of Forest and Environment

GLOBAL CLIMATE PARTNERSHIP FUND [GCPF]

Background

The Global Climate Partnership Fund (GCPF) is an investment company under Luxembourg law. It was established in 2009 by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and KfWEntwicklungsbank that is managed by response Ability Investments AG, Zurich.

Objective: GCPF focuses on sustainable investments in clean energy projects with a positive impact on the climate. GCPF mainly provides financing to local financial institutions, which provide sub-loans for energy projects that benefit small and medium-sized business and private households in particular. GCPF also finances energy projects directly.



Fund Size

GCPF offers dedicated funding in the form of senior or subordinated debt; mid to long-term financing; total facilities usually amounting to US \$ 10 million- US \$ 30 million, with flexible funding schedules and financing of up to 49.9% of tier 1 capital and/or up to 25% of total assets. In case of direct funding projects, it invests primarily in the form of senior debt. Typical, deal size of between US \$ 5 million to US \$ 15 million with maturities of up to 15 years. It has invested in 26 countries and has been committed US \$ 656 million capital from investors.



Geographical Focus

GCPF focuses on non-OECD (Organization for Economic Co-operation and Development) countries which are expected to account for the vast majority of growth in global energy demand over the coming decades. They have invested in 26 countries from Asia, Latin America, Africa, Eastern Europe, Caucasus and Middle East.



Investment Areas

GCPF prioritizes countries with most significant GHG emissions and the greatest potential to increase efficiency. It also invests in Energy Efficiency and Renewable Energy projects that target small and medium-sized businesses and private households.



Funding Conditions

The basic conditions for the GCPG funding are as follows:

- * Only the Renewable Energy and Energy Efficient projects across a range of loan sizes and sectors are eligible for GCPF funding
- * All projects financed by the Fund should reduce carbon emissions by 20%
- * Projects should comply with the requirements of GCPF's Environmental and Social Management System
- * Projects should align with IFC performance standards and
- * The Fund may only invest in non-high-income countries, as defined by the World Bank.

Financing Modalities

GCPF only provides loans/ credits with return targets to the eligible projects either through local financial institutions and/or directly.

Application Procedures

Not Available

Safeguards and Gender

Safeguards

All the GCPF funded projects must comply with a set of **Environmental and Social Management System (ESMS)** criteria defined in GCPF's ESMS. It monitors these criteria before and during investment phase and takes corrective actions where necessary.

The Environmental and Social System Management screening process focuses on four main areas listed below:

- ✧ Human rights
- ✧ Labor conditions
- ✧ Environmental impacts and impacts on communities
- ✧ Stakeholder engagement

The external audits of the ESMS are carried out periodically to identify any gaps in its scope or content.

Gender: Not Available

Project(s) in Nepal

Till date there are no projects in Nepal from GCPF fund. But GCPF fund is one of the potential climate funds for Nepal as Nepal endeavors to be net-zero emission country by 2050 and willing to move towards renewable energy trajectory.

Contact Points

Global Climate Partnership Fund
14, Boulevard Royal, L-2449, Luxembourg
E-mail: info@gcpf.lu
Website: <https://www.gcpf.lu/>



GLOBAL ENVIRONMENT FACILITY- TRUST FUND [GEF]

Background

Global Environment Facility (GEF) is a partnership for international cooperation where 184 countries work together with international institutions, civil society organizations and the private sector. GEF was established on the eve of the 1992 Rio Earth Summit. The GEF serves as a “financial mechanism” to five conventions: United Nations Convention on Biological Diversity (UN CBD), United Nations Framework Convention on Climate Change (UNFCCC), Stockholm Convention on Persistent Organic Pollutants (POPs), United Nations Convention to Combat Desertification (UNCCD), and Minamata Convention on Mercury. It is the longest standing dedicated public climate change fund. The GEF also administers several funds established under the UNFCCC including the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF).

Objective: The objective is to assist in the protection of the global environment and to promote environmentally sustainable development.



Fund Size

Resources for the GEF Trust Fund are replenished every four years. The countries that wish to contribute to the GEF Trust Fund pledge resources through a process called the ‘GEF Replenishment.’ The Fund is currently in its seventh replenishment cycle, GEF-7 is US \$ 4.1 billion for 2018-2022.



Geographical Focus

GEF is a global fund that is accessible to all the developing countries and eastern European countries on specific cases. GEF provides resources to the projects at national and regional level.



Investment Areas

The focus of GEF is to protect global environment, it has a wide investment portfolio related to environment. The funds for programming are allocated across the GEF’s five focal areas: biodiversity, climate change, international waters, land degradation, and chemicals and waste. The other programming lines are non-grant instrument, Corporate Programmes. GEF activities have prioritized both climate mitigation and adaptation activities. Mitigation will address renewable energy, energy efficiency, policy, sustainable transport and management of land use, land-use change and forestry (LULUCF), while for adaptation, support will be provided to developing countries to become climate resilient by promoting both immediate and longer-term adaptation measures.



Funding Conditions

All the projects and programs must fulfill the following criteria to be eligible for GEF funding.

- * **Eligible country:** Countries may be eligible for GEF funding in one of two ways:
 - ◆ If the country has ratified the conventions the GEF serves and conforms with the eligibility criteria decided by the Conference of the Parties of each convention or

- ◆ If the country is eligible to receive World Bank (IBRD/or IDA) financing or if it is an eligible recipient of UNDP technical assistance through its target for resource assignments from the core (specifically TRAC-1 and/or TRAC-2).
- ✧ **National priority:** The project must be driven by the country (rather than by an external partner) and be consistent with national priorities that support sustainable development.
- ◆ **GEF priorities:** To achieve the objectives of multilateral environmental agreements, it is required that the GEF supports country priorities that are ultimately aimed at tackling the drivers of environmental degradation in an integrated fashion.
- ◆ **Financing:** The project must seek GEF financing only for the agreed incremental costs on measures to achieve global environmental benefits.
- ◆ **Participation:** The project must involve the public in project design and implementation, following the Policy on Public Involvement in GEF-Financed Projects and the respective guidelines.

Financial Modalities

It provides a grant that needs to be matched by co-financing, concessional loans, equity and guarantees. Apart from these, the GEF provides funding through four modalities, each modality requires different proposal submittal and approval processes:

- ✧ Full-sized Project (FSP): GEF Project Financing of more than US\$ 2 million
- ✧ Medium-sized Project (MSP): GEF Project Financing of less than or equal to US\$ 2 million
- ✧ Enabling Activity (EA): Project for the preparation of a plan, strategy, or report to fulfill commitments under a Convention
- ✧ Programme: longer-term and strategic arrangement of individual yet interlinked projects that aim at achieving large-scale impacts on the global environment.
- ✧ Small Grants Programme: GEF project Financing of maximum US\$ 50,000

Application Procedure

GEF implementing agencies prepare and submit the project concept in cooperation with the host country. The activity must align with the national priorities. The Project Identification Form (PIF) is prepared and submitted to the GEF Secretariat for approval with an endorsement letter from the national focal point of the host country. Once the GEF Council clears a PIF, a project preparation grant is provided to ready the intervention. Approved PIF is then submitted to the biannual GEF Council for inclusion in a work programme and later GEF's CEO endorses the document. The GEF implementing agency takes the project forward in consultation with the host country's focal point.

Safeguards and Gender

Safeguards

The Policy on **Environmental and Social Safeguards** was approved by the GEF Council in December 2018 and aims to support the effective implementation of the project and programme level documentation and reporting requirements set out in the policy by GEF Partner Agencies, the GEF Secretariate, GEF Operational Focal Points in recipient countries, executing partners and other stakeholders. The policy sets out "mandatory requirements for identifying and addressing environmental and social risks and impacts in GEF-financed projects and programmes; and for documenting, monitoring and reporting on associated measures throughout the project and programme cycles, and at the portfolio level."⁶

Gender






The GEF Policy on **Gender Equality** was approved by GEF Council in November 2017. The objective of the Policy is to expose the "guiding principles and mandatory requirements for mainstreaming gender across the GEF's governance and operations with a view to promoting gender equality and the empowerment of women and girls in support of the GEF's mandate to achieve global environmental benefits"⁷.

⁶ <https://climatefundsupdate.org/the-funds/special-climate-change-fund/>

⁷ <https://climatefundsupdate.org/the-funds/special-climate-change-fund/>

Project(s) in Nepal

GEF has invested in 22 projects in Nepal covering focal areas such as biodiversity, land degradation, chemicals and waste, persistent organic pollutants, and climate change. The below list only covers funded projects on climate change. The total funding is US \$36,085,925 whereas total co-financing US \$164,527,319.

 PROJECT TITLE	 IMPLEMENTING AGENCIES	 EXECUTING AGENCIES	 BUDGET	 APPROVED DATE
Climate change enabling activities expedited financing (additional financing for capacity building in priority areas): GEF-3, Project Approved	UNEP (United Nations Environment Program)	⁸ Ministry of Population and Environment (MoPE)	US \$100,000	21/Nov/2002
Kathmandu Sustainable Urban Transport (SUT) Project: GEF-4, Project Approved	ADP (ADB)	⁹ Ministry of Physical Planning and Works (MPPW)	US\$2,520,000	29/Nov/2010
Renewable Energy for Rural Livelihood (RERL):	UNDP	AEPC	US \$3 million	4/Mar/2014
Enabling Activities for the Preparation of Initial National Communications Related to the UNFCCC: GEF-1, Completed (1998-2015)	UNEP	Department of Hydrology and Meteorology, Ministry of Science and Technology	US \$310,000	3/Mar/1998 31/May/2015

Contact Points

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Website: <https://www.thegef.org/>

Political Focal Point

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Operational Focal Point

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⁸ At the time of contract, it was the Ministry of Population and Environment, now it is the Ministry of Forest and Environment

⁹ At the time of contract, it was the Ministry of Physical Planning and Works, now it is the Ministry of Physical Infrastructure and Transportation



GREEN CLIMATE FUND [GCF]

Background

Green Climate Fund (GCF) was established at the 16th meeting of Conference of Parties of United Nations Framework Convention on Climate Change in Cancun, Mexico in 2010 and adopted in 2011. The GCF is an operating entity of the financial mechanism of the UNFCCC and serves the Paris Agreement. It is the world's largest multilateral climate fund that supports developing countries in achieving a reduction of their greenhouse gas emissions and enhancement of their ability to respond to climate change.

Objective: This fund aims to promote the paradigm shift towards low emission and climate-resilient development pathways by providing support to developing countries.



Fund Size

As of April 2021, the GCF has raised the total pledged amount of US\$ 10.3 billion from 45 countries, 3 regions, and 1 city. The GCF has approved 173 projects with a total value of US\$30.3 billion including GCF financing and co-financing of which US\$ 8.4 billion has already allocated to projects approved by the GCF Board and US\$ 5.6 billion will enter to implementation once the funded activity agreement with the accredited entity become effective.



Geographical Focus

The GCF supports projects, programmes, policies, and other activities in all the developing country which are parties to the UNFCCC. The Least Developed Countries (LDCs), Small Developing Countries Island States (SIDS) and African countries are considered as climate-vulnerable by the GCF and has allocated at least 10% of the fund for these three groups.



Investment Areas

In the context of sustainable development, GCF invests in programmes and projects that help to address low-emission and climate-resilient development pathways. GCF seeks to have an impact within eight mitigation and adaptation result areas. Those result areas are:

- * Health, food, and water security
- * Livelihoods of people and communities
- * Energy generation and access
- * Transport
- * Infrastructure and build environment
- * Ecosystems and ecosystem services
- * Buildings, cities, industries, and appliances
- * Forest and Land use

The fund aims to maintain the 50:50 balance of adaptation and mitigation, maintain a minimum allocation floor of 50% of adaptation funding for developing countries.



Funding Conditions

The GCF funding is channeled via accredited national, sub-national, regional and international entities. Based on the criteria, developing countries appoint a National Designated Authority (NDA)

which acts as the interface between the government and GCF. The NDA nominates an organization in country for the accreditation process. Once the organization gets accreditation, it will convert concepts into action by implementing projects. Till May 2021, a total of 103 entities were accredited to GCF. Countries may also access GCF resources through multiple entities simultaneously.

Financing Modalities

The Governing Instruments of GCF has differentiated three kinds of access modalities as Direct Access Modalities, International Access Modalities, and modalities for enhancing access. GCF may provide financing in the form of grants (with or without repayment contingency), concessional loans with low-interest rates, equity, and guarantees.

Application Procedures

Direct Access Entities and **International Access Entities** are two types of modalities to access the fund. In direct access entities modality, national, sub-national, or regional organizations nominated by National Designated Authority (NDA) or focal point of the developing country can access funds from the GCF. United Nations agencies, multilateral development banks, international financial institutions, and regional institutions are considered as International Access Entities and do not need to be nominated by developing country's NDA or focal point. Recipient countries may apply for funding through the international access entity (IAE) or direct access entity (DAE) that is accredited with the fund. These entities are responsible for presenting funding application to GCF, and then overseeing, supervising, managing, and monitoring the GCF-approved project and programmes. Accredited entities develop funding proposal, in close consultation with NDA or focal point, based on the differing climate finance needs of the individual developing country. The entities will have to meet the following fit-for-purpose criteria for accreditation.

- ✳ Fiduciary functions: shapes how the implementing entity or intermediary will operate using the fund's resources (eg.grants, concessional loans, equity, guarantees)
- ✳ Size of project/activity within a programme: micro, small, medium, and large.
- ✳ Environment and social risk category: high risk, medium, and low/no.

Programme and Projects activity approval process step by step:

- ◆ Step 1: Submit a concept note
- ◆ Step 2: Submission of a funding proposal to GCF secretariat
- ◆ Step 3: GCF secretariat assessment
- ◆ Step 4: GCF board decision
- ◆ Step 5: Legal arrangement for approved proposals

Safeguards and Gender

Safeguards

GCF ensures that climate finance it allocates to developing countries does not harm local communities or environment, including indigenous people who live in areas where GCF projects are implemented. While implementing its project, GCF will effectively and equitably manage the environmental and social risks and impacts. To ensure and maximize environmental and social benefits of GCF funded activities, the GCF board meeting in 2018 adopted two policies: **The Environmental and Social Policy and Indigenous Policy**

Gender

The GCF has a formal **Gender Policy** and multi-year **Gender Action Plan**. It is the first climate fund to mainstream gender perspectives from the outset of its operations as an essential decision-making element for the deployment of its resources. The gender mainstreaming is central to the GCF's objectives and guiding principles, including engaging women and men of all ages as stakeholders in the planning and implementation of activities to be financed. To operationalize the Gender Policy, GCF has prepared a framework called Gender Action Plan of the GCF 2020-23. It provides to the Board with the information required to exercise its oversight responsibility for the Gender Policy and Gender Action Plan, as a mandate by the governing instrument for the GCF.

Project(s) in Nepal

GCF has approved two projects in Nepal. The total financing from GCF is US \$ 66.7 million. Similarly, it has also supported 2 readiness activities with a total budget of US \$ 3.8 million.

PROJECTS	IMPLEMENTING PARTNERS	EXECUTING AGENCIES	BUDGET	APPROVED DATE
Improving Climate Resilience of Vulnerable Communities and Ecosystems in the Gandaki River Basin, Nepal	Ministry of Forests and Environment National Trust for Nature Conservation (NTNC)	International Union for Conservation of Nature (IUCN)	Total Budget: US \$ 32.7m of which GCF Grant is US\$ 27.4m	21 August 2020
Enhancing the resilience of ecosystems and vulnerable communities by adopting climate-resilient land-use practices	Ministry of Forests and Environment	Food and Agriculture Organization (FAO)	Total budget: US\$ 47.3m of which GCF grant is US \$ 39.3m	14 November 2019

Contact Points

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Phone: +82 32 458 6059 (KST)
Website: <https://www.greenclimate.fund/>

Contact in Nepal

National Designated Authority
International Economic Cooperation Coordination Division, Ministry of Finance
Phone: + 977-014211837

Direct Access Accredited Entities:

Alternative Energy Promotion Centre (AEPC)
Mid Baneshwor, Katmandu, 01-4498013/4498014
National Trust for Nature Conversation (NTNC)
Khumaltar, Lalitpur Nepal, GPO Box: 3712, Kathmandu, 44600, Nepal



GLOBAL GREEN GROWTH INSTITUTE [GGGI]

Background

Global Green Growth Institute (GGGI) was first launched as a think tank in 2010 by Korean President Lee Myung-bak. It was later converted into an international treaty-based and inter-governmental organization in 2012 at the Rio+20 Summit in Brazil. GGGI follow five core values as Integrity, transformational, Inclusive, Boldness, and Excellence that provide guiding framework on its activities.

Objective: It is dedicated to supporting and promoting strong, inclusive and sustainable economic growth in developing countries and emerging economies.



Fund Size

Not available



Geographical Focus

GGGI works with its partner organizations in the public and private sectors to support developing countries and emerging economics in mainstreaming green growth in their economic development plans. It works through three complementary and integrated work streams- Green Growth Planning and Implementation, Investment and Policy Solutions and Thought Leadership. GGGI has 41 members and has operations in 48 countries.



Investment Areas

The GGGI primarily focuses on six thematic areas:

- * Forest (Sustainable) Landscape
- * Green Building and Industry
- * Gender and Inclusive Development
- * Sustainable Transport
- * Waste and
- * Solar Energy



Funding Conditions

Not available

Financing Modalities

GGGI provides a grant to its partner organizations.

Application Procedures

The Director-General is accountable for approving or rejecting proposals, in accordance with GGGI's Delegation of Authority. Application procedure of GGGI project starts with an invitation from the Donor to submit proposal terms as opportunity identification. It helps to establish strategic alignment with GGGI's Strategic Objectives and eligibility for the call.

Then partners are required to submit a Concept Note prior to submission of a detailed Project Proposal.

Safeguards and Gender

Safeguards

GGGI has placed different plans and strategies to implement its commitment to international standards for environmental and social sustainability to minimize the potential risks to people and environment by maximizing the positive impacts. GGGI has approved and is implementing **Sustainability and Safeguards Rules** to benefit programmes and projects avoiding unnecessary harm to the environment and people.

Gender

In line with its **Gender Equality Strategy 2016-2020**, GGGI programmes and projects will be gender-transformative in their conceptualization, design and implementation. GGGI will seek to identify and integrate different needs, constraints, contributions and priorities of women, men, girls and boys into its programming. GGGI has ensured the participation of both women and men in its projects and programmes from design to implementation phase¹⁰.

Project(s) in Nepal

GGGI is working in Nepal to strengthen government institutions, improve the regulatory environment, implementation capacity, and financing at all levels, particularly at the sub-national level where poverty is concentrated, to support the implementation of green growth policies and plans.

PROJECTS	IMPLEMENTING PARTNERS	IMPLEMENTING ENTITIES	BUDGET	APPROVED DATE
Green Sanitation Services Program, Phase I		Ministry of Water Supply, Ministry of Forests and Environment, Mahaxmi Municipality, Bharatpur Metropolitan City	US\$ 264,232	1 March, 2019 to 31 March, 2021

Contact Points

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¹⁰ GGGI's Sustainability and Safeguards Rule, approved in 2014 and effective from 2018



GLOBAL
RESILIENCE
PARTNERSHIP

GLOBAL RESILIENCE PARTNERSHIP [GRP]

Background

The Rockefeller Foundation, the United States Agency for International Development (USAID), and the Swedish International Development Cooperation Agency (Sida) are the founders of the Global Resilience Partnership (GRP), that was established in 2014.

Objective: The main aim of this fund is to identify and scale locally-driven, high-impact, innovative solutions that will build the resilience of hundreds of millions of people in the Sahel, Horn of Africa, and South & Southeast Asia.



Fund Size

GRP has committed US\$ 150 million.



Geographical Focus

The GRP works in three geographical regions of the Sahel, Horn of Africa, and South and Southeast Asia. Through a network of regional hub, its source, test, and scale innovative solutions that tailored to local needs.



Investment Areas

The GRP is focused on bringing together people and organizations from across sectors to collaborate on innovative solutions to the resilience challenges in the three focus regions including nature-based solutions, low-cost infrastructure, technology for agriculture and climate change, inclusive finance, and empowering marginalized groups.



Funding Conditions

The GRP provides funds only to the Sahel, Horn of Africa, and South & South Asia regions. It is looking for a group of multi-disciplinary and multi-sectoral individuals or organization with depth and breadth of experience to be its local and regional stakeholders.

Financing Modalities

The Global Resilience Challenges is a three-stage grant competition that is led by the GRP.

Stage I (Terms of Resilience): GRP asks to submit their pre-proposal with a problem statement, vision, and plan for taking a multi-disciplinary and multi-sectoral approach to solving the resilience challenges across the three regions.

Stage II (Problem and Solution Development and Implementation Plan): The applicant will receive funding with up to US\$200,000 per team to further develop the problem statement and examine the root causes of the challenges in their regions as well as suggest/advise scalable solution and implementation plan for their concepts.

Stage III (Solution and Implementation): This is the final stage where the most transformative solution will be funded with up to US\$1 million to implement and scale up this solution in each region.

Application Procedures

Applicants from the eligible countries can submit their proposals online. Applicants must include the six components given below:

- * List of Team Members (1page)
- * Pre-Proposal (2 pages)
- * Summary of team's strengths and relevant experience (1 page)
- * National budget, up to \$200,000 (1 page)
- * Letter of Commitment from each Team Member
- * Resume or CV for each team member (maximum length of resumes and CVs not to exceed two single-sided pages per team member)

Safeguards and Gender

The safeguards and gender mentioned only in GRP values

Project(s) in Nepal

Nepal is eligible to apply for a project under GRP. Lutheran World Relief (LWR) and ISET International and ISET Nepal have been funded under GRP.

PROJECTS	IMPLEMENTING PARTNERS	EXECUTING ENTITIES	BUDGET	APPROVED DATE
Nepal-India Trans-Boundary Resilience	Lutheran World Relief (LWR)	Not Available	Not Available	Not wAvailable
Gorkha Earthquake Recovery in Nepal	ISET International and ISET Nepal	Not Available	Not Available	Not Available

Contact Points

Global Resilience Partnership
 Stockholm Resilience Partnership
 Stockholm Resilience Centre
 Stockholm University, Kraftriket 2B|SE-10691
 Email: info@globalresiliencepartnership.org
 Website: <https://www.globalresiliencepartnership.org/>

INTERNATIONAL CLIMATE FINANCE [ICF]

Background

The UK Government has set up the International Climate Finance (ICF) which is the primary instrument for funding international action on climate change. The ICF is managed by three governmental departments viz., Department for International Development (DFID), Department of Energy and Climate Change (DECC), and Department for Environment, Food, and Rural Affairs (DEFRA).



Fund Size

It had set up to provide £3.87 billion of climate finance from 2011 to 2016. In a replenishment round, the government pledged another £5.8 billion to ICF between 2016-2021, aiming for a balance between mitigation and adaptation. It has further committed to doubling international climate finance to at least £11.6 billion between 2021 to 2026. The ICF will allocate the fund between adaptation (50 percent), low carbon development (30 percent), and forestry (20 percent).



Geographical Focus

The ICF is a global fund aimed to drive urgent action to tackle climate change by supporting low carbon growth and adaptation in developing countries.



Investment Areas

ICF programmes focus on the following areas – a) adaptation, b) low-carbon development, c) forests and d) global action.



Funding Conditions

The ICF initially established a list of 32 priority countries from the internationally agreed list of ODA-eligible countries, also including some middle-income countries that offer major opportunities to mitigate climate change.

Financing Modalities

Capital contributions/concessional loans and grant finance are the funding portfolio of ICF. The majority of contributions to multilateral funds are in the form of concessional capital loans whereas grants are used primarily as a mechanism for bilateral contributions.

Application Procedure

The ICF does not accept applications directly. Proposals are developed either by DIFD country office or the three governmental departments in cooperation with partners. The contact list for country offices or regional departments can be found online.

Safeguards and Gender

Safeguards: Not Available

Gender

Gender Action Plan is in line with Lima Work Programme that committed to meeting women's and girls' needs and priorities and advancing gender equality through climate finance. Apart from Lima Work Programme, it is also in line with the **UK's International Development Act (Gender Equality) 2014**.

Projects in Nepal

As one of the Least Developed Countries, Nepal is eligible to access the ICF funds. Nepal already has few ongoing projects under ICF.

PROJECTS	IMPLEMENTING AGENCIES	EXECUTING AGENCIES	BUDGET	APPROVED DATE
Nepal Climate Change Support Programme (NCCSP): Building Climate resilience	United Nations Development Programme (UNDP) and DFID	¹¹ Phase I: Ministry of Science, Technology and Environment (MoSTE) Phase I-TE: MOFE	Phase I: £7 million Phase I-TE: \$2.67 million	Phase I: 2013-2017 Phase I-Transition Extension (TE): 2018-2019
Nepal Multi-Stakeholder Forestry Program	Government of Finland, Swiss Development and Cooperation, Department for International Development (DFID)	RIMS Nepal - Resource Identification and Management Society in consortium with ERI and HICODEF	£20 million	2011-2016

Contact points

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¹¹ At the time of contract, it was the Ministry of Science, Technology and Environment. Now it is the Ministry of Forest and Environment

INTERNATIONAL CLIMATE INITIATIVE (IKI)

Background

The International Climate Initiative (IKI) is one of the most important instruments of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) for international financing of climate protection and biodiversity which was established in 2008. The Paris Agreement and the Convention on Biological Diversity (CBD) are the foundation for cooperation with IKI and it operates within the framework of the UNFCCC and CBD.

Objective: It aims to finance climate change mitigation and biodiversity conservation in developing and newly industrializing countries.



Fund Size

IKI allocated grants of approximately € 200 million per year.



Geographical Focus

This fund finances climate protection and biodiversity conservation in developing and emerging countries as well as in transition countries. The IKI has committed over 750 climate and biodiversity projects in more than 60 countries with a total funding volume of over €4.5 billion (2008-2020).



Investment Areas

IKI has been investing its resources in four thematic areas

- * Mitigation of greenhouse gases emissions
- * Adaptation to the impacts of climate change
- * Conserving natural carbon sinks/REDD+
- * Conserving biological diversity



Funding Conditions

The IKI has set four funding areas (mitigation of greenhouse gases emissions, adaptation, conserving natural carbon sinks/REDD+ and conserving biological diversity) for implementing its projects.

The IKI supports through two pillars of funding that is thematic and country-specific selection procedure. Both use the idea competition to select innovative ideas. In addition, it also provides funds through IKI Small and Medium Grants.

Thematic Selection Procedure

This selection process is usually called once a year. The funding amount per project can range from €5-30 million.

Country-Specific Selection Procedure

Within IKI country-specific selection procedures, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) jointly with its respective partner ministries agree on cooperation topics, generally two, for bilateral projects. The funding volume provided by IKI usually amounts to €12-15 million per project and funding duration is usually a period of five to seven years.

IKI Small Grant

IKI Small Grants have been supporting small projects as well as funding institutions in developing and newly industrializing countries since 2019 and promoting their capacity development and it comprises two funding lines 'Funding Institutions' and 'International Calls'.

IKI Medium Grants

The programme explicitly aims to strengthen civil society actors and their international networks. The funding amount of IKI is € 300,000- 800,000 and the funding duration is 24-36 months.

Financing Modalities

The financing modality of IKI is grant.

Application Procedures

The IKI selection is based on two-stage procedures.

Stage 1: In the first stage, the project outline must be prepared based on the project template provided by IKI which is available on the IKI website.

Stage 2: After being selected by IKI in the first stage, the applicant should submit a formal funding application in the given template as per instructions given by the IKI programme office. Based on the project application received, the BMU evaluates and decides on funding.

Safeguards and Gender

Organizations willing to carry out a project within the IKI framework are required to take environmental and social standards into account right from the planning stage. It has to be ensured that the measures carried out by the projects do not have any negative effects on the people, their living conditions, and nature. IKI safeguards are based on the **Performance Standards on Environment and Social Responsibility** of the International Finance Corporation (IFC) and the Green Climate Fund (GCF). Projects are classified into risk categories A (high risk), B (Medium risk), or C (low risk).

Project(s) in Nepal



PROJECTS	IMPLEMENTING PARTNERS	EXECUTING AGENCIES	BUDGET	APPROVED DATE
Biodiversity Finance Initiatives (BIOFIN II)	UNDP		€40,000,000 (Global).	01/2018-12/2025
Ecosystem-based approaches to adaptation: strengthening the evidence and informing policy	¹² Ministry of Environment and Natural Resources	IUCN	€2,215,355.14 (Global)	07/2015 – 12/2022
Strengthening the capacity of the waste sectors in Bhutan, Mongolia and Nepal by means of a circular economy concept aimed at reducing greenhouse gases (GHGs) and short-lived climate pollutants (SLCPs)	¹³ Ministry of Environment Leadership for Environment & Development Nepal. (LED Nepal)	UNEP	€2,000,000	06/2017-12/2021
Support Programme on Scaling up Climate Ambition on Land Use and Agriculture through NDCs and National Adaptation Plans (SCALA)	FAO	UNDP	€20,000,000 (Global).	11/2019-12/2015
NDC Support Programme	UNDP		€44,000,000 (Global)	01/2017-12/2023
Climate Governance Integrity: Safeguard the Climate and Climate Finance against Corruption	Transparency International, Nepal	Transparency International	€4,472,229 (Global)	08/2015 – 12/2021

Contact Points

Future - Environment - Society (ZUG) gGmbH

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¹² At the time of contract, it was the Ministry of Environment and Natural Resources. Now, it is the Ministry of Forest and Environment

¹³ At the time of contract, it was the Ministry of Environment. Now, it is the Ministry of Forest and Environment

JOINT SUSTAINABLE DEVELOPMENT GOALS FUND

Background

The Joint SDG Fund is an inter-agency, pooled mechanism for strategic financing and integrated policy support. The timeframe of the Joint SDG Fund is 2nd June 2017 to 31st December 2030.

Objective: The Joint Sustainable Development Goals (SDG) Fund, is an innovative instrument to incentivize the transformative policy shifts and stimulate the strategic investments required to get the world back on track to meet the SDGs.



Fund Size

With a total of US\$ 250 million from 15 contributors for 3 years, the Joint SDG Fund is still far short of the annual US\$ 290 million target envisioned by the UN Secretary-General and agreed to the Fund's Funding Compact.



Geographical Focus

The Fund uses a portfolio approach to make sure low-income countries and other countries in special needs are given priority. It covers Africa, Arab States, Asia Pacific, Australia, Europe and Central Asia, Latin America and the Caribbean.



Investment Areas

The Fund supports programmes that work across all 17 Sustainable Development Goals (SDGs) and cross-cutting areas, so that programme countries can accelerate progress towards attaining the SDGs and 2030 Agenda.



Funding Conditions

The funding conditions of SDG are given below:

Funding may be provided to any country or thematic area, recognizing that the UN's policy and financing expertise can add value in a wide range of country settings.

- * It should be reflecting the integrated nature of the SDGs and the implementation principles of the 2030 Agenda
- * It should be based on an inter-agency approach (two or more UN entities involved), that develop and implement the Joint Programme (JP) under the leadership of the Resident Coordinator (RC)
- * It should be aligned with national SDG priorities and the UNDAF, and coordinated with other relevant development activities.
- * It should be aligned with the integrated nature of the SDGs, including environmental sustainability, human rights and gender

- ✳ The proposal is based on country level consultations, and endorsed by the government (the letter of endorsement, preferably from the Ministry of Finance or Economy)
- ✳ Multi-level funding: While the fund is managed and disbursed globally, and unearmarked contributions are preferred, donors may earmark funding at the thematic or regional levels.
- ✳ Joint programmes: Activities supported by the Joint SDG Fund are expected to be implemented through joint programmes, with two or more PUNOs (unless this is not feasible due to country specific conditions) and meet criteria set forth by the Strategic Advisory Group and Operational Steering Committee (note: unless it is not feasible due to country-specific conditions, joint programmes should be implemented following the UNDG guideline note on Joint Programmes).

Financing Modalities

- ✳ All allocations made by the Fund will be in the form of grants to UN agencies.

Application Procedures

The Joint SDG Fund application process starts with the issuance of a “call for concept notes” from the Strategic Advisory Group through the Secretariat. UN Resident Coordinators may submit a concept note to the Secretariat. The appropriate proposals will be solicited through a competitive funding round methodology. Concept note submissions can also include a request for complementary seed funding to develop a full project document. The concept note will outline the idea for the project and its link to UNDAF outcomes. Upon review and selection of the concept note by the Strategic Advisory Group or their delegates, UNCTs will have six months to submit the full project document which should also include a robust risk assessment, and a risk log to manage anticipated exigencies. The Fund Secretariat and PUNOs will be available to support those selected UNCTs with the development of the final project document, in line with the objectives of the Fund, the National Development Plan, the UNDAF and the SDGs.

The project document will be reviewed by the Secretariat, with support from PUNOs, who will engage substantive policy experts from within and outside the UNDS for proposal review. The Secretariat will make a recommendation to the Operational Steering Committee on the suitability of each proposed project document. The Operational Steering Committee body will be ultimately responsible for funding recommendations and will notify the UN Resident Coordinator, through the Secretariat, accordingly. The Operational Steering Committee may in some cases, directly fund ready-to-go joint programmes that meet the criteria without first funding concept notes

Safeguards and Gender

Safeguards

The Joint SDG Fund is aligned with UN programming principle “**Leave No One Behind**”. Leaving no one behind (LNOB) is the central, transformative promise of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs). It represents the unequivocal commitment of all UN Member States to eradicate poverty in all its forms, end discrimination and exclusion, and reduce the inequalities and vulnerabilities that leave people behind and undermine the potential of individuals and of humanity as a whole.

Gender

The Joint SDG Fund Gender marker is aligned with the **UN System Wide Action Plan (SWAP)** Gender score card as the joint programmes proposed to the Fund are jointly managed by UN country teams.

Project(s) in Nepal

Nepal has only one project from joint SDG fund under the portfolio of SDG Finance-Component

PROJECTS	IMPLEMENTING AGENCIES	EXECUTING AGENCIES	BUDGET	APPROVED DATE
Reorienting public finance for SDGs acceleration and leveraging additional resources in Nepal	UNDP, UN Women & UNCDF	MOF, FCGO, NNRFC, MoALD, MUHAN, NARMF, FNCCI, WB, IMF and FAO	US \$999,996	31-Mar-2020

Contact Points

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For Fund Administrative Agent Issues

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LEAST DEVELOPED COUNTRIES FUND (LDCF)

LEAST DEVELOPED COUNTRIES FUND [LDCF]

Background

The Least Developed Countries Fund (LDCF) was established under the UNFCCC in 2001 at the 7th meeting of Conference of Parties in Marrakech, Morocco to meet the adaptation needs of the least developed countries (LDCs). This fund is managed by the Global Environmental Facility (GEF).

Objective: LDCF aims to address the needs of 51 LDCs which are particularly vulnerable to the adverse impacts of climate change.



Fund Size

The cumulative pledges to the Fund amount to US\$1.6 billion.



Geographical Focus

Any Least Developed Countries that are part of the UNFCCC are eligible to receive financial support for adaptation under the LDCF.



Investment Areas

The LDCF focuses on adaptation including agriculture and food security, natural resources management, disaster risk management and prevention, coastal zone management, climate information services, and infrastructure to LDCs. It also supports the preparation and implementation of NAPA.



Funding Conditions

The LDCF provides financing for the least developed countries only. The LDCF does not provide direct access to the government. The GEF partner agency is the only institution that accesses GEF funding directly on behalf of a government recipient. The countries need to work with a GEF partner agency to submit a project proposal. Finance is also available for project preparation.

Financing Modalities

LDCF provides grants that need to be matched by co-financing. The available fund is equally divided among the LDC countries.

Application Procedures

A country NAPA must be completed and sent to the UNFCCC Secretariat for web publication before accessing a fund for an adaptation project from LDCF. Once a completed NAPA has been provided to the UNFCCC secretariat, the LDC becomes eligible for funding the implementation of the NAPA under the LDCF. In the first step, the LDC develops the concept for a project as Project Identification Form (PIF) with the support of GEF accredited implementing agencies. The GEF Operational Focal Point endorses the project concept and submits the concept in PIF to the GEF for approval by the LDCF council. Before submitting the project concept, GEF agencies ensure whether it meets the GEF's fiduciary standards as well as the GEF's environmental and social safeguards and gender mainstreaming and also ensure whether the activity aligns with the national adaptation priorities from the pre-selection process. Once the PIF is approved, the country develops a detailed Full Project Document (FPD). Once completed, the FPD is submitted to the GEF for endorsement. The project can be a Medium-Sized Project (MSP) if the total cost from the LDCF is less than or equal to US\$2 million or can be a Full-Sized Project (FSP). The FSP is reviewed by the LDCF Council hence it takes time to process the project application in comparison to MSP. It is directly approved by the GEF CEO.

Safeguards and Gender

Safeguards

The GEF Policy on **Environmental and Social safeguards** applies to all GEF-financed projects and programmes including LDCF. The GEF Council approved this policy in December 2018. It is mandatory to identify and address environmental and social risks and impacts in GEF- financed projects and programs and for documenting, monitoring, and reporting on associated measures throughout the project and programme cycle.

Gender

The **Gender Equality Action Plan** was adopted in 2011. It aims to provide equal treatment of women and men including equal access to resources and services throughout operations.

Project(s) in Nepal

PROJECTS	IMPLEMENTING PARTNERS	EXECUTING AGENCIES	BUDGET [IN US\$]	APPROVED DATE
Managing Watersheds for Enhanced Resilience of Communities to Climate Change in Nepal (MaWRiN)	World Wildlife Fund-US Chapter	Ministry of Forests and Environment	4,4436,250	06/11/2020
Ecosystem-Based Adaptation for Climate-resilient Development in the Kathmandu Valley, Nepal	United Nations Environment Programme	Kathmandu Valley Development Authority (KVDA)	6,242,700	02/08/2019
Developing Climate Resilient Livelihoods in the Vulnerable Watershed in Nepal	United Developed Countries Fund	Department of Soil Conservation and Watershed Management, Ministry of Forestry and Soil Conservation	7,000,000	22/04/2020
Catalyzing Ecosystem Restoration for Climate Resilient Natural Capital and Rural Livelihoods in Degraded Forests and Rangelands of Nepal	United Nations Environment Programme	Ministry of Environment of Nepal in partnership with Ministry of Forests and Soil Conservation and Ministry of Agriculture and Cooperatives	5,246,475	11/08/2015
Reducing Vulnerability and Increasing Adaptive Capacity to Respond to Impacts of Climate Change and Variability for Sustainable Livelihoods in Agriculture Sector in Nepal	Food and Agriculture Organization	Ministry of Agriculture and Cooperatives (MOAC), Department of Agriculture (DOA) Department of Livestock Services (DLS) and Nepal Agricultural Research Council (NARC), and Department of Hydrology and Meteorology	2,689,498	17/03/2015
Community-Based Flood and Glacial Lake Outburst Risk Reduction	United Nations Development Programme	¹⁴ Ministry of Environment, Science, and Technology (MoEST)	6,300,000	20/03/2013

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¹⁴ At the time of contract, it was the Ministry of Science, Technology and Environment. Now, it is the Ministry of Forest and Environment

NORDIC CLIMATE FACILITY [NCF]

Background

The Nordic Climate Facility (NCF) is a challenge fund set up in 2009 to finance early-stage climate change projects in developing countries. It only finances projects that tackle climate change and promote sustainable development; testing of the viability of business concepts (financial, technical, social, and environmental) and partnerships between public and private organizations; at least one partner should be Nordic.

Objective: It aims to build a portfolio of innovative business concepts which have been tested, proved viable, and are ready to be scaled-up and replicated. It is financed and managed by the Nordic Development Fund (NDF).



Fund Size

Strong project ideas can receive a grant between € 250,000 and €500,000, that is allocated on a competitive basis with thematic calls for proposals. NCF has launched nine calls for Proposals for innovative climate change projects in developing countries. Till date a total of € 41 million in grant financing has been allocated to 99 projects in 21 countries. The implementation of the ongoing projects will continue according to the plan.



Geographical Focus

NCF works in multiple regions that are divided into three regions viz. Africa (12 countries), Asia (6 countries), and Latin America (3 countries). It has financed 90 projects in 21 countries.



Investment Areas

The NCF aims to invest in the following areas:

- * To increase low-income countries' capacity to mitigate and adapt to climate change
- * To encourage and promote innovation in areas susceptible to climate change
- * To build partnerships between Nordic and partner country actors
- * To contribute to sustainable development and to the reduction of poverty
- * To leverage additional financing for climate action

NCF has categorized climate change projects as adaptation, mitigation and combination. So far, NCF, of its funds, has invested 24% in adaptation projects, 33% in mitigation projects and 43% in combination (both adaptation and mitigation) projects.



Funding Conditions

NCF has the following funding conditions to access fund:

- * The applicant must have one or more partners as well as an active institution, organization, company, or authority holding a registered place of operations in Denmark, Finland, Iceland, Norway, or Sweden with relevant experience.

- ✳ The applicant must have at least one eligible local partner in the country in which the project is proposed to be implemented.
- ✳ The applicant must have an annual audited turnover, for the past two years, that exceeds twice the NCF funding applied for. If the applicant cannot fulfill this requirement alone, the applicant is allowed to be supported by another Nordic institution, organization, or company.
- ✳ The project proposals should be aligned with national development and climate change plans, strategies, and policies in the country of implementation. Detailed plans and a Logical Framework Matrix will be required for all projects to monitor climate change and development impacts of the project in the final application.

Financing Modalities

NCF is financed through grants, co-financing, or equity investment. Grants are provided mainly for technical assistance.

Application Procedure

NCF will evaluate proposal in two phases with a **Concept Note** (pre-qualification phase) and **Full Proposal** (selected applicants only).

In the Concept Note stage: The NCF applicants submit their concept note online through the NCF application portal which is brief and focusses on the fulfillment of the basic eligibility criteria. Then, the evaluation committee reviews the concept note giving scores and project-specific comments, that are shared with all eligible applicants. The purpose of the pre-qualification phase is to select project proposals to be shortlisted.

In the Full proposal stage, only applicants with shortlisted projects will be requested to submit a final application. The form will be made available on the application platform at www.ncfapplication.org and also accessible via www.nefco.org. Again, all submitted eligible full proposals are scored by the evaluation committee and the highest-scoring proposals are selected for due diligence interviews. Comments on all evaluated proposals are shared with the applicants, and only with shortlisted applicants are called for contract negotiations.

Safeguards and Gender

Safeguards

The NDF **Environmental and Social Policy and Guidelines** was adopted on 8 March 2017. NDF assesses environmental and social impacts of all potential projects as an integrated part of the project identification and screening procedure. Before committing to financing, all projects must comply with the NDF's environmental and social policy and guidelines.

Gender

The NDF's gender policy known as **Gender Equality Policy** was adopted on 24 November 2020. Gender equality is at the core of the Nordic countries' development agenda. The Nordic countries have worked consistently for decades for equal rights of all individuals, regardless of their gender.

Project(s) in Nepal

NCF has funded six projects in Nepal till date which are listed below. The projects are categorized on Mitigation, Adaptation and Combination and invested in the sectors of energy, forestry, industry, building and houses, urban development, and agriculture/fishery in Nepal.

PROJECTS	IMPLEMENTING AGENCIES	EXECUTING AGENCIES	BUDGET	APPROVAL DATE
Biomass Pellet industry: a clean energy solution for Nepal	Arbonaut Ltd. Finland	Bakas Renewable Energy Pvt. Ltd	€ 500,000	15-Jun-20 15-Dec-22
New and Affordable Building Materials Promoting Sustainability in Nepal (NABIN)	DanChurchAid Denmark	Build Up Nepal and Practical Action	€450,000	1-Sep-18 31-Aug-20
Reducing vulnerability to climate change in rural Nepal by supporting local business development based on forest-land-management renewable energy initiatives	Danish Forestry Extension Denmark	Wildlife Conservation Nepal (WCN), Himalayan Bio Trade Pvt. (HBTL) and Bio synergy A/S, Skovdyrkerne	€354,075	6-Feb-17 31-Dec-19
Building Resilience and Climate Adaptive Planning in Urban Centers of Nepal	Arbonaut LTD. Finland	Oxfam and Clean Energy Nepal	€460,299	18-May-16 18-Feb-19
Developing Low-Cost, Community-Based Innovative Solutions to Mitigate and Adapt with Climate Change while Creating Viable Local Business Solutions	Danish Forestry Extension Denmark	Wildlife Conservation Nepal (WCN), Choudhary Biosys Nepal	€360,565	5-Mar-13 5-Nov-16
Promoting Renewable Energy Technologies for Enhanced Rural Livelihoods	FCG Finnish Consulting Ltd Finland	Centre for Rural Technology, Nepal	€341,505	4-Nov-11 4-Mar-14

Contact Points

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SPECIAL CLIMATE CHANGE FUND (SCCF)

SPECIAL CLIMATE CHANGE FUND [SCCF]

Background

The Special Climate Change Fund (SCCF) was established in the 7th meeting of Conference of Parties of the United Nations Framework Convention on Climate Change in Marrakech in 2001.

Objective: This fund aims to support adaptation actions of developing countries and technology transfer projects and programmes that are country-driven, cost-effective, and integrated into national sustainable development and poverty-reduction strategies, and take into account national communication or NAPA and other relevant studies.



Fund Size

The cumulative pledge Fund amounts is more than US\$375 million supporting 87 projects globally.



Geographical Focus

The SCCF fund is for all vulnerable developing countries in Africa, Asia, and the Small Island Developing States (SIDS).



Investment Areas

Adaptation and technology transfer is the key priorities area of the SCCF. However, SCCF funds climate projects under four funding windows:

- * Adaptation
- * Technology transfer
- * Energy, transport, industry, agriculture, forestry, and waste management
- * Economic diversification



Funding Conditions

All developing countries are eligible for the SCCF but the recipient country must be a non-annex 1 country in UNFCCC to apply the fund. It does not provide direct access to the government so the applicant's country has to submit proposal in cooperation with international entities like FAO, UNDP, MDBs that are accredited to the GEF. In addition, grants need to be matched by co-financing.

Financing Modalities

The SCCF financial instrument is the grant and uses the GEF financing modality to fund projects.

Application Procedures

The SCCF project proponent develops a concept for the project and requests assistance from an implementing agency of the GEF. The SCCF project proponent secures the endorsement of the national GEF Operation Focal Point. GEF accredited implementing entities submit their project concept after ensuring that the project aligns with the national priorities for a pre-selection process. Projects over US\$1 million are referred to as full-sized projects (FSP) and those of US\$1 million or below are referred to as Medium-Sized Projects (MSP). In the case of FSP, the steps of the SCCF project cycle include the submission of a Project Identification Form (PIF), and a Project Preparation Grant (PPG), which is optional. After the PIF has been approved by the SCCF council, the GEF agency then works with the project proponent to develop the project fully into a detailed full project document (FPD). After the GEF CEO endorses the project, the funding is released to the implementing agency. In the case of a medium-sized project (MSP), approval from the CEO, means that the proponent can start by submitting a detailed FPD. After the project document is approved by the GEF CEO, implementation can begin.

Safeguards and Gender

Safeguards

The GEF policy on **Environmental and Social Safeguards** applies to all GEF-financed projects and programmes including SSCF.

Gender

The GEF adopted a policy on **Gender Mainstreaming** in 2011 which promotes gender equality by GEFs commitment and minimum standards through its operations. The SSCF also aligns with the GEF gender policy while developing the project design and implementation.

Project(s) in Nepal

No projects funded by SSCF in Nepal

Contact Points

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UN REDD

Background

United Nations programme on Reducing emissions from deforestation and forest degradation (UN-REDD) is a collaborative programme of the Food and Agriculture Organization (FAO), United Nations Development Program (UNDP), and United Nations Environment Program (UNEP). It was launched in 2007 at COP 13 in Bali, Indonesia. It was developed under the mechanism of parties to the United Nations Framework Convention on Climate Change (UNFCCC).

Objective: The aim of this fund is to generate the necessary flow of resources to reduce forest emissions and enhance carbon stocks in forests while contributing to national sustainable development.



Fund Size

The total fund amounts to approximately US\$ 325 million.



Geographical Focus

As of December 2019, this programme has been supporting 65 partner countries across Africa, Asia-pacific and Latin America and the Caribbean.



Investment Areas

The UN-REDD has identified four cross-cutting themes to ensure the outcomes and outputs of the programme will be achieved. The four investment areas are:

- * Forest governance
- * Tenure security
- * Gender equality
- * Stakeholder engagement



Funding Conditions

The 6th UN-REDD programme policy board meeting (2011) has set the following criteria for prioritizing funding allocations for new national programmes:

- * Being a partner country of the UN-REDD programme.
- * Achieving regional balance
- * Enhancing coordination with other initiatives
- * The ability of UN agencies to assist the country
- * REDD+ potential
- * Commitment to applying the principles of the UN-REDD programme

Financing Modalities

Grant is the main financial modality of this fund.

The programmes under the UN-REDD Programme are implemented by FAO, UNDP, and UNEP. National governments, regional development banks, and non-governmental organizations (NGOs) can receive funding through one of the participating UN organizations by acting as executing agencies.

Application Procedures

National governments, regional development banks, and NGOs can receive funding through participating UN organizations, acting as executing agencies. An applicant usually applies at the UNDP country office. If there is no UNDP country office, then the application can be made to FAO or UNEP country offices.

Safeguards and Gender

Safeguards

The UN-REDD has developed the **Social and Environmental Principle and Criteria (SEPC)** as a proposed guiding framework for the issues related to the UN-REDD programme. This guiding framework for the UN-REDD Programme addresses two specific needs:

Addressing social and environmental issues in UN-REDD National Programme and other UN_REDD funded activities.

Supporting countries in developing a national approach to REDD+ safeguard in line with the UNFCCC.

Gender

REDD+ has identified **Gender Equality and Women's Empowerment** as a catalyst for reaching sustainable development. Since 2008, UN-REDD is systematically promoting gender equality in its activities. With the existing social, economic, and cultural inequalities and legal impediments, particularly within the forest sector, women continue to experience ongoing exclusion that limits their ability to fully participate in, contribute to and benefit from REDD+.

Project(s) in Nepal

No projects funded by UN-REDD in Nepal.

Contact Points

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