

August 30, 2012

Comments from United Kingdom on the Approval by Mail: Nepal: Building Climate Resilient Communities through Private Sector Participation (IFC)

Dear Patricia

The UK welcomes and approves the project under Nepal's SPCR "Building Climate Resilient Communities through Private Sector Participation", but we ask that the Government of Nepal and the IFC respond to and address the following points explicitly during project implementation, particularly on the results framework and links to other relevant private sector led initiatives in Nepal:

- **Results:** The project proposal lacks a coherent results framework. There are no baselines, targets or specific indicators; we would like the Government of Nepal and the IFC to present the results framework for this project as early as possible in implementation.
- **Promoting Climate Resilient Agriculture:** We welcome the progress /initiative focusing on climate information, in particular, the links to the early warning work in the SPCR. However, there is little recognition of the other private sector led agricultural projects in Nepal, supported by the US, DFID, ADB and the World Bank, which could provide the momentum to scale up this work. In addition, the project would benefit from taking into account lessons from other commercial agricultural projects in Nepal and as a result, from being clear that it will focus on areas such as the use of FM radio and SMS information linked to agricultural supplies advertising. The project could be strengthened by rationalising the numerous sub-components in order to have greater impact and clarity – for example, clarity on the role of the private sector in irrigation.
- **Strengthening Vulnerable Infrastructure:** The hydro component is very much needed, but it is unclear who the partner is and how results will be used – will they be for the public good or for the Government of Nepal? Again, there is no recognition of the links/overlaps to other projects - the World Bank SAWI project – or how it links to the numerous private sector investment projects. It would be useful to know if the project is linked to other World Bank/IFC projects, or the SREP component on small (10MW) hydro in Nepal. It would also be useful to have some background on the projected leverage of private sector finance for this component – the evidence base for this figure, and who has been consulted in the private sector.
- **Feasibility Study for Low Cost Climate Resilient Housing:** This component could be strengthened in terms of clarifying the project deliverables to demonstrate that it is a complete diagnostic of what current construction industry practice is, how it could be made more climate resilient and whether it would be sellable/profitable to do so in the low cost housing market. Additionally, the audience also needs to be clarified.

Best

Jane
United Kingdom

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