May 10, 2013

Approval by Mail: Nepal: Endorsement of Concept for Additional Resources (ADB)

Dear PPCR Sub-Committee Members:

In November 2012, the PPCR Sub-Committee allocated additional grant resources to PPCR pilot countries and invited each country to prepare, for endorsement by the Sub-Committee, a concept or concepts for programs/projects that further advance the objectives of its SPCR utilizing the additional allocation.

Please find attached a concept note, submitted by the Government of Nepal and the Asian Development Bank, proposing the allocation of USD 5 million in additional grant resources to the project, *Building Climate Resilience of Watersheds in Mountain Eco-Regions*. Communication from the Government of Nepal, confirming the proposed allocation of resources to this project, is also attached.

With this additional grant funding, the Government of Nepal has decided not to request any PPCR concessional credits for this project.

The project proposal, together with a request for funding approval, is expected to be submitted to the PPCR Sub-Committee in August 2013.

The PPCR Sub-Committee is requested to approve the following decision:

> **The PPCR Sub-Committee endorses the allocation of an additional USD 5 million in PPCR grant resources to the project, *Building Climate Resilience of Watersheds in Mountain Eco-Regions,* which has been endorsed under the Strategic Program for Climate Resilience for Nepal.**
>
> **The Sub-Committee also notes the Government of Nepal's decision not to request any PPCR concessional credits for this project.**

For your information the following table summarizes the allocation of PPCR resources for the endorsed SPCR for Nepal, assuming the above decision is approved.

Nepal: SPCR	USD million		
	Grant	Concessional	Total
SPCR allocation (endorsed June 2011)*	50.000	36.000	86.000
Additional grant resources (approved November 2012)	5.000	0.000	5.000
Approved Projects			
Mainstreaming Climate Change Risk Management in Development Project	7.163	0.000	7.163
Building Resilience to Climate-Related Hazards	16.000	15.000	31.000
Building Climate Resilient Communities through Private Sector Participation	2.100	6.600	8.700
Approved Project Preparation Grants			
Building Climate Resilience of Watersheds in Mountain Eco-Regions	0.900	0.000	0.900
Building Climate Resilient Communities through Private Sector Participation	0.300	0.000	0.300
Project Concept Submitted for Endorsement			
Building Climate Resilience of Watersheds in Mountain Eco-Regions	23.54	0.000	23.54
Total SPCR allocation remaining	***4.997***	***14.400***	***19.397***

Figures as of May 7, 2013

* The range of funding agreed for a single country pilot program is USD 40-50 million in grant resources and USD 36 million in other concessional resources

If we do not receive an objection to this proposed decision by close of business on **May 23, 2013**, the decision will be approved.

Sincerely,

Patricia Bliss-Guest
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