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**SUOMI
FINLAND**

MEMORANDUM OF UNDERSTANDING BETWEEN

..... XX PROVINCE MINISTRY

AND

**MINISTRY OF FEDERAL AFFAIRS AND
GENERAL ADMINISTRATION**

For the Implementation of:



**LOCAL ADAPTATION
TO CLIMATE CHANGE
LACC PROJECT**

Date:

Venue:

MEMORANDUM OF UNDERSTANDING

GENERAL

The Local Adaptation to Climate Change (LACC) Project is being implemented through a joint financial investment by the Government of Nepal and the Government of Finland, along with co-financing support from the European Union. A bilateral agreement between Nepal and Finland was signed on May 21, 2024, to facilitate the implementation of this project.

In accordance with the approved Project Document, the project aims to support climate resilience and mitigation efforts across the three tiers of government (Government of Nepal, Sudurpashchim and Karnali Provinces, and selected local governments). The project will focus on land use planning and management, integrated water resource management, forest resource management, environmental conservation and management, climate change adaptation, and disaster risk management. Locally proposed programs, approved by the Project Supervision Board, will be implemented at the local level to contribute directly to these objectives.

This Memorandum of Understanding (MoU) is signed between Ministry of Physical Infrastructure Development, Sudurpashchim Province/ Ministry of Water Resource and Energy Development, Karnali Province (hereafter referred to as "the Province Ministry") and the Ministry of Federal Affairs and General Administration (hereafter referred to as "the Federal Ministry") for the implementation of the Local Adaptation to Climate Change (LACC) Project until 2029, under the terms and conditions outlined below.

ROLES AND RESPONSIBILITIES OF THE PROVINCE MINISTRY

The Province Ministry shall act as the Programmatic Agency of the LACC Project at the provincial level and assume the following responsibilities to support effective implementation of the project in alignment with federal, provincial, and local government structures:

- a. The Province Ministry shall serve as the programmatic lead agency for the LACC Project within the province and shall ensure the alignment of project interventions with provincial policies, programs, and plans through effective coordination with relevant ministries, departments, and stakeholders.
- b. The Province Ministry shall establish a Provincial Coordination Committee (PCC) as per the provisions in Projects' Operational Guideline (Karyabidhi)-2082, chaired by the Province Secretary, to guide and monitor project implementation. The PCC shall convene at least twice per year, once prior to the finalization of the Annual Work Plan and once following the annual progress reporting, and shall provide programmatic guidance, promote alignment with thematic departments, and ensure synergy with other ongoing initiatives within the province.
- c. The Province Ministry shall ensure the provision of co-funding to LACC Project local governments each fiscal year through the Province Line Ministry Budgetary System (PLMBIS), as a conditional grant for all LACC sectors or for selected sectors and shall allocate adequate resources for the operation of the Project Coordination Office (PCO).
- d. The Province Ministry shall coordinate and facilitate the local levels in the planning and implementation of annual budgets and programs,
- e. The Province Ministry shall ensure inter-agency coordination and cooperation with the provincial government in project implementation,

- f. The Province Ministry shall facilitate effective coordination and communication among the Province Ministry, local governments, and the Project Support Unit (PSU), and shall ensure active participation in all relevant project management and coordination forums to support smooth implementation.
- g. The Province Ministry shall establish the Project Coordination Office (PCO) as defined by Project Document which shall work as Secretariat of the Province Coordination Committee (PCC). Until the organizational structure and temporary positions of the PCO are approved, the PCO /Secretariat shall be operated through the existing structure of the Provincial Ministry.
- h. The province PCO shall review the province level annual progress of the project, provide constructive feedback and guidance on it.
- i. The province PCO shall facilitate the monitoring, evaluation, and reporting for achieving time-bound project results,
- j. The province PCO shall coordinate and facilitate the implementation of the decisions made by the Technical Coordination Committee and the Supervisory Board for effective project implementation.
- k. The Province Ministry shall ensure that PCC facilitates learning and continuous improvement by sharing feedback and lessons learned, and by promoting coordination across federal, provincial, and local levels of government for integrated project management.
- l. The Province Ministry shall ensure representation of the Province Secretary as member of the Supervisory Board while the Province Project Coordinator and other designated staff shall participate in all relevant project governance and coordination mechanisms.
- m. The Province Ministry shall coordinate with other relevant programs and stakeholders within the province and shall ensure timely communication of PCC decisions and project updates to the Project Supervisory Board, and the local level Project Management Committees.

ROLE AND RESPONSIBILITIES OF THE FEDERAL MINISTRY

The Federal Ministry shall undertake the following roles and responsibilities for the effective implementation and coordination of the LACC Project in accordance with the provisions of this Memorandum of Understanding and relevant bilateral agreements:

- a. The Federal Ministry shall coordinate among the three tiers of government federal, provincial, and local as well as among inter-agency bodies, to ensure coherent implementation of project activities.
- b. The Federal Ministry shall facilitate and coordinate institutional structures and mechanisms as stipulated in the provisions of the bilateral agreements entered with development partners.
- c. The Federal Ministry shall establish and manage the Project Coordination Unit which also serves as Secretariat of the National Project Director, ensuring it functions as the central coordination and oversight body for the project at the national level.
- d. The Federal Ministry shall provide necessary support and facilitation to local governments for the effective implementation of programs and activities under the LACC Project.
- e. The Federal Ministry shall ensure timely coordination and follow-through on decision-making processes arising from the Project Supervision Committee and shall oversee the implementation of such decisions at all levels of government.
- f. The Federal Ministry shall coordinate and maintain regular communication with the European Union and the Government of Finland to ensure alignment, transparency, and the effective implementation of the LACC Project in accordance with donor requirements and national priorities.

- g. The Federal Ministry shall provide overall oversight, coordination, technical facilitation, monitoring, and strategic guidance to all implementing entities for the efficient and effective execution of the project.
- h. The Federal Ministry shall facilitate the mobilization of financial resources, the allocation of budgets, the selection of programs, and the implementation of activities as outlined in the bilateral agreements and endorsed in annual project work plans.

INTEGRAL COMPONENTS OF THE MOU

The agreements made by the local governments with the Federal Ministry, the decisions, guidelines and manuals of the Project Supervisory Board, and the project-related decisions made by the Federal Ministry from time to time shall be considered an integral part of this Memorandum of Understanding (MoU).

FINAL DECISION BY THE MINISTRY

If any clause or provision of this **Memorandum of Understanding (MoU)** requires modification, amendment, or removal, it shall be clarified further in accordance with the provisions of the **bilateral agreement and project document**. In case of any obstacles during project implementation, the **Ministry of Federal Affairs and General Administration** shall resolve the issues based on the recommendations made as per the decisions of the **Supervisory Board**.

On behalf of Province Ministry	On behalf of Federal Ministry
Signature: _____ Name: Position: Province Secretary Office stamp	Signature: _____ Name: Position: Secretary Office stamp
Witness: Signature: _____ Name: Position: Office stamp	Witness: Signature: _____ Name: Position: Office stamp
Witness: Signature: _____ Name: Position: CTA/TL Project stamp	