Co-financing Letters

2. Co-financing Letter – Ministry of Agriculture and Forests ($11.935 million)
4. Co-financing Letter - National Center for Hydrology & Meteorology ($0.242 million)
Ms. Adriana Dinu  
Executive Co-ordinator,  
UNDP – Global Environmental Finance

Subject: Letter of commitment of Co-financing for the GCF Project

Dear Madam,

The Gross National Happiness Commission (GNHC), Royal Government of Bhutan is pleased to support the project “Supporting Climate Resilience and Transformational Change in the Agriculture Sector in Bhutan”, which is being developed in partnership with the United Nations Development Programme in accessing funding from GCF Secretariat.

The GNHC through Local Development Division (LDD) will support the implementation of farm roads and Gewog Connectivity (GC) roads in the districts, and would like to commit USD 19.866 million. The commitment of the cost include shape correction, granular sub-base, lined V shaped drains & stone pitched drains, cross drainage, water bound macadam, asphalt concrete, maintenance and operational cost for the farm roads and GC roads identified in the project landscape.

We would like to thank UNDP for spearheading the project development and look forward to GCF support on critical slope stabilization to meet the financing gap to improve long term resilience and sustainability of market access infrastructures to improve livelihood.

(Thinley Namgyel)

GCF NDA in Bhutan & Secretary, GNHC
Ms. Adriana Dinu,
Executive Coordinator,
UNDP-Global Environment Finance

Subject: A letter of commitment for Co-financing for GCF project

Dear Madam,

The Ministry of Agriculture and Forest (MoAF) is very pleased to be the major beneficiary and partner of the project "Supporting Climate Resilience and Transformational Change in the Agriculture Sector in Bhutan" being developed by United Nations Development Programme as an Implementing Entity for accessing funding from GCF Secretariat.

The Ministry is the country's custodian for renewable natural resources and the natural environment. Besides, the Ministry is also mandated to develop agriculture, livestock and forests for the benefit of the Bhutanese people, achieve food security and enhance rural livelihood.

Nonetheless, the sector face and will continue to face many challenges, one of which is the impacts of climate change. The impacts such as rainfall variability, intensity of climate induced disasters, lack of capacity render the Sector very vulnerable. Given such challenges, one of the key initiatives for the Ministry is to reduce vulnerability and enhance resilience to the impacts of climate change to achieve its goals and objectives. Therefore, this project is very critical for the Ministry.

The proposed interventions would be instrumental in transforming the agriculture sector by reducing vulnerability and enhancing resilience by ensuring the availability of water, climate proofing of infrastructures like irrigation canals and roads to ensure access to market in order to improve the livelihood of communities.

The MoAF as a key implementing partner of the proposed project would like to commit equivalent to USD 11.935 million. The contribution will be in the form of staff, equipment, utility and the time that will be spend on the Operation and Maintenance of farm roads and irrigation canals as well as management of project.

We would like to thank UNDP for spearheading the project development and GCF for the opportunity to submit this proposal and look forward to the GCF support and positive outcome to meet the financing gap that is currently hampering the works that the Ministry has embarked on improving the resilience and improving the livelihoods.

The Ministry would like to assure our support and cooperation in development and taking this project forward.

Sincerely

(Rinzing Dorji)
## Co-financing figures for GCF from MoAF

<table>
<thead>
<tr>
<th>SL No.</th>
<th>Description</th>
<th>Qty.</th>
<th>Period</th>
<th>Rate million</th>
<th>Amount in Nu.</th>
<th>Amount in USD</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Maintenance of irrigation schemes</td>
<td>255.86</td>
<td>15</td>
<td>0.015</td>
<td>57.5685</td>
<td>0.886</td>
<td>Cost estimated in keeping with minimal damages after climate proof works. Labour contributions by the communities and material contributions by the government</td>
</tr>
<tr>
<td>2</td>
<td>Routine Maintenance of farm roads (KM)</td>
<td>170.24</td>
<td>15</td>
<td>0.025</td>
<td>63.84</td>
<td>0.982</td>
<td>Cost estimated in keeping with minimal damages after climate proof works. Labour contributions by the communities and material contributions by the government</td>
</tr>
<tr>
<td>3</td>
<td>Watershed management routine maintenance of the protected water sources</td>
<td>8</td>
<td>15</td>
<td>0.10</td>
<td>12,000</td>
<td>0.185</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>WUA Bylaws updates</td>
<td>16</td>
<td>15</td>
<td>0.10</td>
<td>24.00</td>
<td>0.369</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Market infrastructure and cold storage management</td>
<td>10</td>
<td>15</td>
<td>0.20</td>
<td>30.00</td>
<td>0.462</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>2,883</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Support to GCF project Management

<table>
<thead>
<tr>
<th>SL No.</th>
<th>Description</th>
<th>Qty.</th>
<th>Period</th>
<th>Rate million</th>
<th>Amount in Nu.</th>
<th>Amount in USD</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture staff</td>
<td>10</td>
<td>6</td>
<td>2.88</td>
<td>28.80</td>
<td>0.443</td>
<td>LS: 40,000/month<em>12 months</em>6 years per staff (salary +DSA)</td>
</tr>
<tr>
<td>2</td>
<td>Livestock staff</td>
<td>40</td>
<td>6</td>
<td>2.88</td>
<td>115.20</td>
<td>1.772</td>
<td>As above</td>
</tr>
<tr>
<td>3</td>
<td>Research staff</td>
<td>100</td>
<td>6</td>
<td>2.88</td>
<td>288</td>
<td>4.431</td>
<td>As above</td>
</tr>
<tr>
<td>4</td>
<td>Watershed staff</td>
<td>3</td>
<td>6</td>
<td>2.88</td>
<td>8.64</td>
<td>0.133</td>
<td>As above</td>
</tr>
<tr>
<td>5</td>
<td>Marketing staff</td>
<td>25</td>
<td>6</td>
<td>2.88</td>
<td>72.00</td>
<td>1.108</td>
<td>As above</td>
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</tr>
<tr>
<td>6</td>
<td>Forests staff</td>
<td>20</td>
<td>5</td>
<td>2.88</td>
<td>57.60</td>
<td>0.386</td>
<td>As above</td>
</tr>
<tr>
<td>7</td>
<td>Office space for 146 staff in centre, different geowgs and dzongkhags</td>
<td>126</td>
<td>5</td>
<td>0.144</td>
<td>18.144</td>
<td>0.279</td>
<td>Office space @Nu. 24,000 per officer per year*6 years=144000.00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>0.044</td>
<td>18.144</td>
<td>0.279</td>
<td>9.052</td>
</tr>
</tbody>
</table>

Overall for MoAF: 2.883 + 9.052 = 11.935
Mr. Pradeep Kuurukulasuriya  
Executive Coordinator & Director,  
Global Environmental Finance  

Subject: Commitment of Co-Financing for the GCF – Funded Project title “Supporting Climate Resilience and Transformational Change in the Agriculture Sector in Bhutan”  

Dear Mr. Kuurukulasuriya,  

The Ministry of Works and Human Settlement (MoWHS) is pleased to be a part of the project “Supporting Climate Resilience and Transformational Change in the Agriculture Sector” which is being developed by United Nations Development Programme as an implementing entity for accessing funding from GCF Secretariat.  

The proposed intervention would be instrumental in enhancing the road sector by focusing on slope stabilization techniques to ensure construction of climate resilient road infrastructure to support market access.  

The MoWHS as one of the key implementing partner of the proposed project would like to commit USD 2.54 million in – kind covering the project life. The cost includes operation and maintenance cost for the landslide areas, survey and design, staff salary, office set up and mobility during the project implementation.  

In addition to, MoWHS would like to commit USD 12.31 million for post project support to ensure sustainability of the infrastructure for uninterrupted market access. The commitment includes monsoon restoration of all access roads in 8 project districts, routine maintenance of farm roads and GC roads and the maintenance of landslide areas.  

We would like to thank UNDP for spearheading the project development and look forward to GCF support and positive outcome to meet the urgent financing gap that is hampering the works that the Ministry has embarked on improving the resilience and improving the livelihood.  

Thank you.  

(Tenzin)  
Director General  
DoR, MoWHS  

SASEC PROJECT DoR; Thimphu  
Tele Nos: (975 02) 322237
Subject: A letter of commitment for Co-financing for GCF project

Dear Mariam,

The National Center for Hydrology & Meteorology (NCHM) is very pleased to be the part of the project ‘Supporting Climate Resilience and Transformational Change in the Agriculture Sector in Bhutan’ being developed by United Nations Development Programme as an Implementing Entity for accessing funding from GCF Secretariat.

The NCHM former named Department of Hydro Met Services (DHMS) under the Ministry of Economic Affairs is in process of delinking from the parent Ministry with approval from the Cabinet, RCSC and Ministry. The main objective of NCHM being autonomous body is to cater cross sectoral services. The NCHM is one of the nation’s center with main responsibility to monitor, collect and provide services related to weather, climate and water. One of the key mandates of the NCHM is to develop and provide result-based decision support service for weather and climate incidents and events that threaten lives and livelihoods with coordination and collaboration with relevant stakeholders and Agriculture is one of the key sectors.

NCHM to some extend has capacity to provide certain services however we are challenged with availability of hardcore professionals in the field of weather and climate. Besides the sectors who has hands on the services, the NCHM provides, has limited capacity to utilize these services in their planning and decision making.

The proposed interventions would strengthen the center in providing the weather and climate services to agriculture sector in order to improve the livelihood of communities. The proposed project will also address the capacity of agriculture sector to utilize the services provided by NCHM.

The NCHM as one of the implementing stakeholder of the proposed project would like to commit USD 0.242 million as in-kind contribution covering the project life. The cost includes the Operation and Maintenance cost for the hydro meteorological station network as well as staff cost involved during the project implementation.

We would like to thank UNDP for spearheading the project development and look forward to the GCF support and positive outcome to meet the financing gap that is currently hampering the works that the NCHM has embarked on improving the resilience and improving the livelihoods.

Sincerely,

(Karma Tsering)
Director

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Web site: www.moea.gov.bt