

# Sharing of Key Findings

## Study on Forest Carbon Ownership



**Commissioned by**  
**REDD Implementation Centre**  
**Ministry of Forest and Soil**  
**Conservation**  
**Babarmahal, Kathmandu**

**Environmental Resources Institute (ERI) Pvt Ltd**  
**In association with NEEDS and RDSC**  
**Ekantakuna, Lalitpur**

# Background and Methodology

# Objectives

To establish a solid cross-sectoral understanding for defining forest carbon ownership and usufruct rights.

# Study questions - 1

- What are the existing legal frameworks and provisions regarding forest carbon ownership and usufruct rights? How are these linked to land ownership and forest tenure arrangement?
- What are the strengths and gaps within the existing policy framework for forest carbon ownership and usufruct rights?
- Who is eligible to acquire forest carbon rights under different forest management modalities? Are carbon rights assigned to the land or forest owners or users only?

# Study questions - 2

- What would be the impacts of carbon ownership and usufruct rights on communities' livelihoods if payments for environmental services schemes (including carbon) exists?
- Which existing institution will be the most appropriate for management and enforcement of forest carbon rights?
- What would be the implications for the design and implementation of incentive based mechanisms for REDD+ and how can these be put into place during the readiness phase?

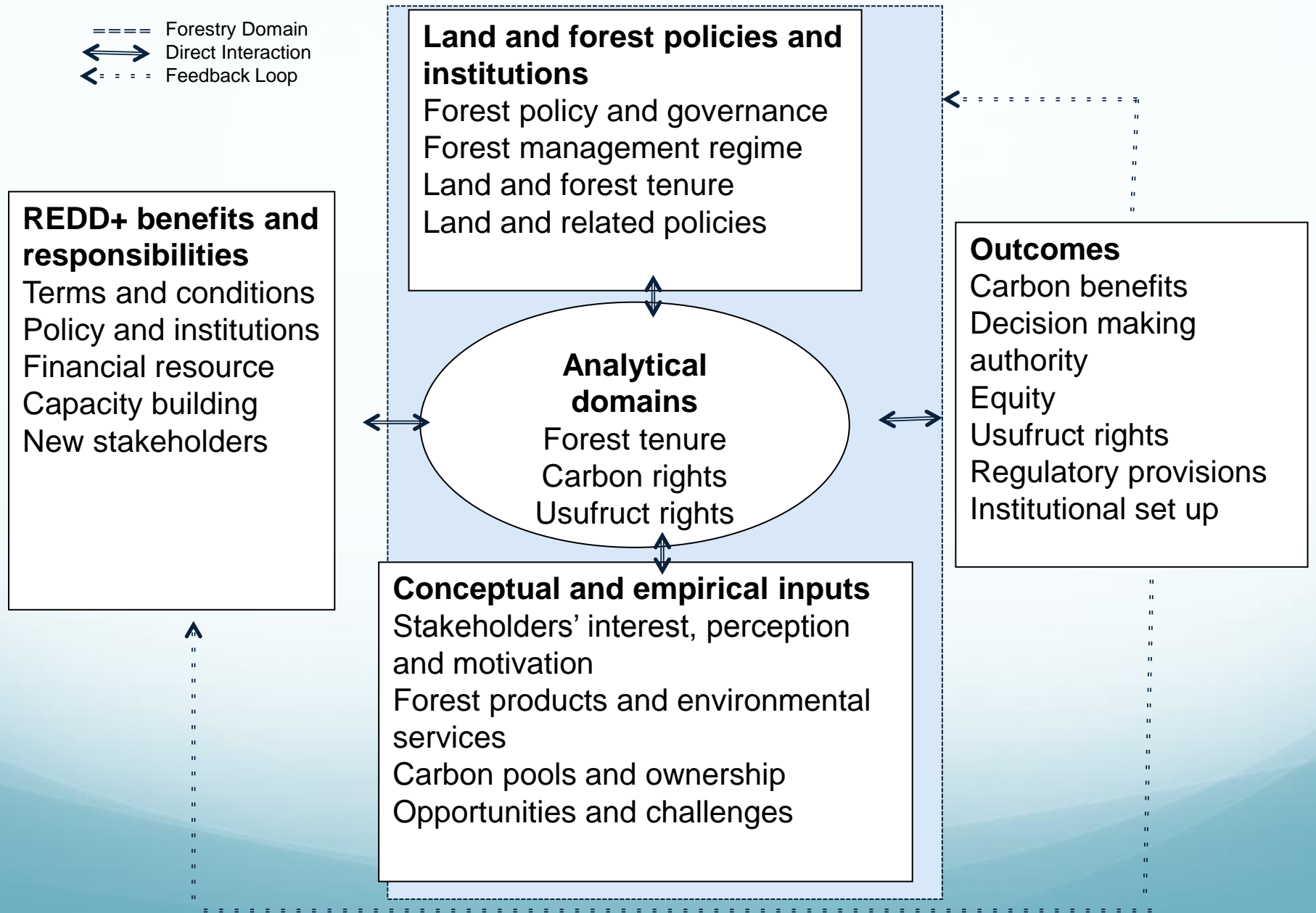
# Specific tasks

- Review and assess relevant documents
- Review of existing REDD+ pilot initiatives
- Review of international experiences on forest carbon ownership
- Consult different stakeholders at different levels
- Analyze information, data and stakeholders' perspectives
- Identify central entity to regulate the use and sales of REDD+ carbon rights
- Formulate strategies to adapt the regulatory framework

# Methodological approaches, tools and objectives

Method	Tool
Desk review	Documents such as policies, laws, case studies, journal articles, project reports, available from different sources
Focus Group Discussions	Structured and semi-structured check list/questionnaires
Interview with experts and key informants	Structured and semi-structured questionnaires
Stakeholder consultation	Structured and semi-structured questionnaires
Final sharing and validation meeting	Draft Report

# Analytical model







# Understanding on Forest Carbon

# Definition of carbon rights - 1

- No internationally accepted operational definition of carbon rights. Many countries are yet to define carbon and associated rights.
- Most definitions comprise two fundamental concepts:
  - property rights to sequestered carbon that is contained in land, trees, and/or soil; and
  - rights to benefits that arise from the transfer of these property rights (e.g., emissions trading schemes).

# Definition of carbon rights - 2

- Carbon rights - intangible assets created by legislative and/or contractual arrangements that recognizes separate benefits arising from the sequestration of carbon in the biomass.
- Carbon rights owner can:
  - sell the carbon credits directly in the market, or
  - transfer the rights to sell carbon credits to an intermediary or agent (a practice which is common in many existing forest carbon projects).
- Carbon rights is equally crucial in the context of non-market REDD+ mechanisms for designing the benefit sharing mechanism (e.g., defining beneficiaries, benefit types, benefit sharing process, etc.)

# Definition of carbon rights - 3

- Defining carbon rights, a new and unprecedented type of property rights (Streck, 2008), that commoditize carbon as a form of property is crucial for devising incentive-based policy instruments aiming to safeguard forest-based public goods and services by valuing them and paying people to protect them (Bruce *et al.*, 2010).
- It could be used to encourage forest managers to earn money by keeping their forests intact while selling carbon credit (Fletcher *et al.*, 2009).
- It is equally important for carbon buyers for security of their investment in REDD+ (Knox *et al.*, 2012).

# Definition of carbon rights - 4

- Nepal's Forest Act 1993, National Parks and Wildlife Conservation Act 1973 or any other law does not include any provision regarding forest carbon rights.
- There is an immediate need to define carbon rights and identify or devise authorized entity to trade carbon credits either in market or in non-market settings as the country is preparing for REDD+.



# Tenure and bundle of rights

Tenure consists of the following bundle of rights:

- Access – right to enter or pass
- Withdrawal or use – right to benefit
- Management – right to make decision over the land/forest over which r access, withdrawal or use
- Exclusion – right to refuse access and use
- Due process and compensation – right to legally challenge
- Duration – a length of time to exercise the rights
- Alienation – right to transfer

# Legislative and Policy Measures

# Policy measures - 1

## Forest Policy 2071

- Policy – ensuring judicious distribution arising from conservation of bio-diversity and resources as well as environmental services; and
  - adopting mitigation and adaptation measures for mitigating negative effects of climate change.



# Policy measures - 2

Working policies:

- appropriate mechanism and legal arrangement to be made for identification and payment of environmental services;
- ambit of carbon sequestration will be expanded through sustainable management of forests;
- necessary support to be provided to those programs that reduce carbon emission from forest areas and products;

# Policy measures - 3

Working policies:

- certain portion of the royalty earned from sell and use of forest products to be invested in forest conservation activities including forest fire control;
- mobilization of resources obtained from carbon sequestrated in forest areas, carbon trade, Forest Development Fund and payment of environmental services to be made effective.

# Policy measures - 4

## **Thirteenth Plan 2071:**

### Forest and Soil Conservation Sector -

- Objectives – ensuring environmental services by conservation and management of forest, biodiversity and watersheds
- Working policies –appropriate arrangements to be made for distribution of income to be received from ecosystem services with the stakeholders that have been actually contributing in forest conservation.

# Policy measures - 5

- National Biodiversity Strategy and Action Plan 2014

## Priority actions -

- Implementation of PES and REDD+ where feasible including:
  - i. devising mechanism for sharing the benefits from such projects, and
  - ii. ensuring participation of all the stakeholders in decision-making process
- At least 5 percent of the forest ecosystems to come under REDD+ implementation by 2020

# Legal framework -1

- Interim Constitution of Nepal 2007 – guarantees the right of every person to acquire, own, sell and otherwise dispose of property, subject to the existing laws (article 19(1)).
- Draft Constitution of Nepal – obtain occupational benefit and carry out other transaction related to property ( article 30(1))
  - Guarantees the right of every person to live in a healthy and clean environment as a fundamental right (article 35(1))
  - Right to get compensation from polluter for environmental pollution or degradation in accordance with law (article 35(2)).

# Legal framework - 2

- Forest Act 1993 – defines different terms and forest management regimes – carbon rights, environmental services yet to be defined
  - CFUGs are required to develop, conserve, use and manage the forest handed over to them and may sell and distribute forest products according to an operational plan, at a price determined by the users group itself (section 25(1)).
  - Thus CFUGs hold a proprietary right to the respective forest. They do not have, however, a land title over the community forest land.
  - Section 67 – Government land ownership

# Legal framework - 3

- Forest Act amendment Bill 207<sup>1</sup> – detailed definition of forest area– rangeland, snow covered or uncovered mountain, ponds, wetlands, river, river bank, *parti* or *ailani* land
- Environmental services– benefits received from forest ecosystems such as carbon sequestration, biodiversity, ...
- Arrangement relating to management, utilization and dividend/benefits of environmental services to be as prescribed in the regulations (section 67B).
- National Parks and Wildlife Conservation Act 1973  
Government may designate any area as national park, reserve or conservation area (section 3(1)).

# Legal framework - 4

## Land (measurement and survey) Act 2019

- Land includes – every kind of land including house, garden, orchard, tree, lake and pond
- Land owner – person with land ownership right over land as per prevailing law of Nepal
- Government land – roads, railway and government building and premises, forest, degraded forest, river, pond, lake, and other land as specified by publishing notice



# Legal framework - 5

## **Land (measurement and survey) Act 2019**

- Public land – roads, wells, pond, grazing land, cemetery, temples, public recreation area and play ground which do not belong to any individual and that can be used by public

## **Local Self Governance Act 2055**

- Public property such as public drainage, sewerage, bridges, ponds, temples, public rest houses, inns, water spouts, taps, wells, grazing fields, ghat, and roads not subject to any proprietary right of any individual and not within the ownership of GoN or DDC (section 68 (1)(b); and 134;)

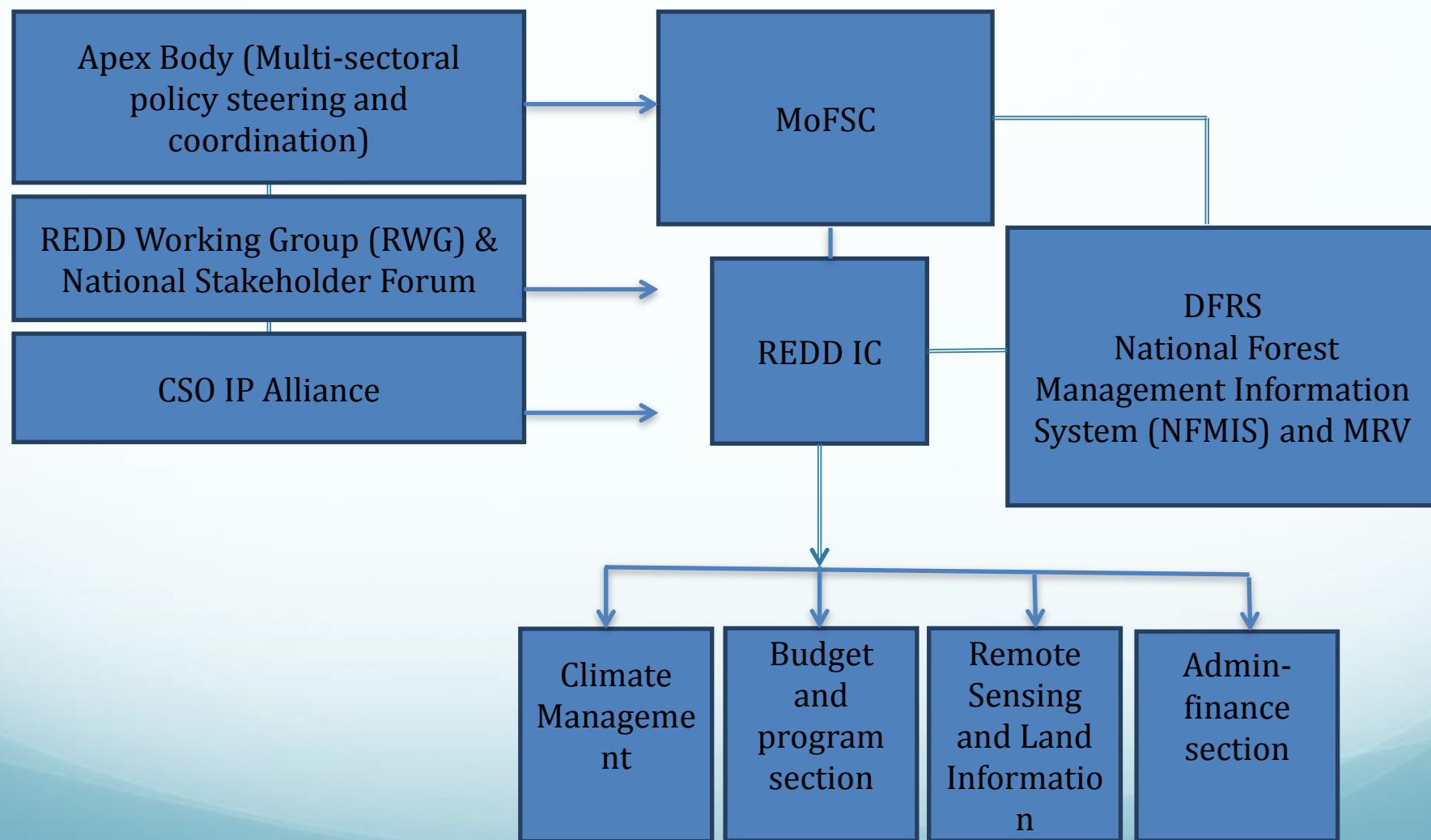
# Legal framework - 6

## Land Acquisition Act 1977

- Authorizes government to acquire any land, and as much land as it determines to be necessary, for public purposes (section 3).
- It is required to pay compensation to be decided by a four-member committee (section 13(2)).
- No requirement that compensation amount be determined according to market value, nor that compensation be disbursed within a specified time (section 16(2)(a)).
- Appeals concerning the amount of compensation are to be submitted to the MOHA (15 days), and its decision is final (section 25(7)).

# Existing Institutional Framework and Policy Gap

# Existing institutional structure for implementation of REDD+



# Major gaps - 1

- **Conceptual understanding:**
  - It is said REDD+ would destabilize forest governance and exacerbate the persistent efforts of governments and corporations to exert increasing control over forests, lead to reverse recent trends of forest devolution
  - There is possibility of subtle recentralization of forest governance power by the state forest authority and negative sufferings of forest dependent poor from REDD+ project
  - REDD+ pilot project in Nepal not only reinforced the existing conflicts in the forest managing communities but also induced new ones.

# Major gaps - 2

- Better understanding on the interconnections of institutional, socio-economic and biophysical dimensions of resource systems is needed to know the implications of REDD+ in tropical forest areas.
- **Policy and legal frameworks:**
  - Forest carbon sequestration has neither been defined as a forest product nor environmental service.
  - Consequently, the ownership right to such carbon and benefit sharing arrangements yet to be defined.
  - Clarity over carbon rights essential in the long run to address the underlying D&D and to equitably and efficiently distribute benefits.

# Major Gaps - 3

- Sectoral laws set out, amongst other things, the mandates and powers of institutions responsible for managing or regulating an economic sector (Denier et al., 2014).
- There is an overlap among jurisdiction of different agencies over the same resource such as forest products
- **Institutional gap:**
  - One of the principal roles of the institutions is to strive for fulfilling the objectives of different laws, policies and programs that they have been administering and implementing.
  - Conservation and sustainable use of forest is yet to be mainstreamed and integrated in development sectors

# Major Gaps

- There are other institutions that need to be established for implementation of different aspects of REDD+ such as - MRV, Carbon Registry, Carbon Payment, GRM, etc.
- There is still weak technical knowhow as well as dedicated unit and human resource(s) to manage REDD+ programme and activities at regional, district and sector level.
- Institutional and technical infrastructures required at DNPWC and protected area authorities to implement REDD+ is not enough.



# Strategy for regulatory framework and institutional arrangement for REDD+

# Strategy for regulatory framework - 1

- **Holder of enforceable rights to use forest and transfer ER title**
  - State has the title over the land of national forest, protected areas and the different kind of forests managed by communities
  - Communities enjoy the usufruct rights provided by different legislations and the right to property guaranteed by the Interim Constitution is not absolute
  - As per GoN (Allocation of Business) Regulations 2013 mandate, power and functions of the MoFSC include demonstration and dissemination of forest, plant, wildlife, biodiversity, climate change related with forest sector, watershed and soil conservation

# Strategy for regulatory framework - 2

- **Holder of enforceable rights to use forest and transfer ER title**
  - Warsaw Framework invites Parties to designate a national entity or focal point to serve as a liaison and for coordination for the full implementation of activities, elements and different policy approaches
  - National entities or focal points of the Parties may nominate their entities to obtain and receive results-based payments
  - FCPF Carbon Fund Methodological Framework's criterion 30 requires that the Emission Reduction Program Entity to demonstrate its authority to enter into an ERPA and its ability to transfer title to ERs to the Carbon Fund
  - MoFSC should have the enforceable rights to use forest and transfer the ER title as required for carbon trading. It must also be required to comply with the ERPA and ensure effectiveness, efficiently and equity while implementing REDD+ including benefit sharing.

# Strategy for regulatory framework - 3

- **Authorized entity to explore the REDD+ benefits of forests**
  - As ERs is very likely to be rewarded in Nepal on the basis of national reference level, and government has land title over all the forests except private forest, the MoFSC should have the authority to explore and receive the REDD+ monetary and co-benefits
  - This arrangement should be reviewed when forest reference level or baseline at community/project level is established.
  - As a prerequisite, either the forest law or REDD Strategy should determine how the monetary and co-benefits to be accrued from emission reductions will be equitably shared among the communities contributing to REDD+ outcomes.

# Strategy for regulatory framework - 4

- **Rights to clear the land and harvest timber and non-timber products**
  - User groups have different rights including the right to harvest different forest product, authority to independently determine the price and sell the forest products
  - Forest products harvesting has to be in accordance with the provisions of the operational plan
  - These rights need to be entrusted to the national entity or focal point to enable it to regulate the use and sale of REDD+ carbon rights through transfer of ERs title and sharing of benefits among the communities managing forests.

# Strategy for regulatory framework - 5

- Ensure that communities right to manage, harvest, utilise, and sell timber and non-timber forest products is not curtailed as long as these practices contribute to conservation of forest, sustainable forest management . . . .
- Ensure that REDD+ carbon benefits and co-benefits from sale of carbon rights is fairly and equitably shared with and among forest managing and forest dependent communities.
- **Policies, laws and institutions to adapt to encompass forest carbon ownership**
  - As a precursor to successful implementation of REDD+ – programme, forest policies and legislation should clearly define carbon ownership right and benefits sharing

# Strategy for regulatory framework - 6

- Legislation should unambiguously stipulate that the usufruct rights of the communities includes the right over the forest carbon and the associated benefits accrued
- Forest and land tenure's role in promoting effectiveness, efficiency and equity in REDD+ need to be realized by policy makers and parliamentarians
- One of the benchmarks for initiatives such as REDD+ to be effective is it needs an institutional framework.
- Such institutional framework should at least consist of clearly spelt out powers and functions; have inclusive representation and a well functioning decision making body, secretariat and adequate financial budget to perform the tasks assigned to them.

# Strategy for regulatory framework - 7

- As long as the existing institutions such as REDD IC do not have the legal mandate and autonomy, they will neither be able to function effectively nor ensure REDD+ outcomes.
- The REDD+ related law should also include ways to ensure that people cannot take advantage of its provisions.
- In order for REDD+ to be effective, conflicting provisions and the overlapping jurisdiction of different agencies over the same resource such as forest products needs to be settled.
- Rather than enacting a separate law for providing legal measures, institutional arrangement, roles and responsibilities of different institutions , sustainable utilization of forest resources and equitable benefit sharing , related provisions should be included in the Forest Act 1993 by amending it.



# Strategy for regulatory framework - 8

- **Ways to ensure benefit for forest-dependent communities**
  - For REDD+ to be successful in incentivizing behavior that leads to reduce net emissions (while also avoiding harm and potentially creating benefits to forest-dependent communities), the right to benefit from sequestered carbon and reduced emissions must be clearly delineated (Knox et al., 2012).
  - Thus it is essential to address the concerns and behaviors of opportunity cost bearers since the success of REDD+ initiative is contingent on alteration and maintenance of their land use behaviors.
  - define the three elements of a REDD+ benefit sharing system – the types of benefits that arise through REDD+; the actors (including the beneficiaries) between whom benefits are shared; and the cross-cutting formal and informal rules that govern how benefits are shared

# Strategy for regulatory framework - 9

- **Ways to ensure benefit for forest-dependent communities**
  - Benefits accruing from the five carbon pools and carbon sequestration potential of the land should be duly shared with communities that have been managing forests.
  - Forest carbon ownership right should not be divided on the basis of carbon pools.
  - Transaction cost of management of carbon benefit and financing should be least.
  - It would be better to create a separate fund for management of the carbon finance.
  - Central treasury – channeling it to communities time consuming; unlikely to get the whole amount and relegated to low priority vis-a-vis infrastructure development

# Strategy for regulatory framework - 10

- **Ways to maintain democratic rights under federal state structure**
  - Sustainable use of forests and equitable sharing of the benefits is yet to be guaranteed by the constitution as a fundamental right of the citizens.
  - Transparency, accountability and participation also need to be duly integrated in the forest policies, legislation and institutional arrangement.
  - Fundamental duty to protect the forest. It is also important to ensure permanence - the long-term viability of reduced emissions from a REDD project (s).
- Impacts of the carbon ownership and usufruct rights on livelihoods
- Implications for the design and implementation of incentive based mechanisms for REDD+

# Strategy for regulatory framework - 10

- **Impacts of the carbon ownership and usufruct rights on livelihoods**
  - The local-level land use plans promoted under REDD+ are likely to alter how much land a farmer would access and where.
  - Different groups of the poor will be affected differently.
  - It would be fair if the carbon ownership right is allocated to the communities that have been conserving forests.
  - It would be wise to implement REDD + in a manner that enhances the livelihood opportunities at the same time increases REDD+ outcomes.

# Strategy for regulatory framework - 11

- The Rather than attaching forest carbon ownership with land tenure, allocate carbon ownership right based on the usufruct right
- As per consultations the benefits or funds of REDD+ must flow to the communities that have been managing the forests and also the sharing of the funds should be on equitable basis
- Err on the side of caution before taking any decision while allocating forest carbon ownership right which would serve disincentive to the communities' livelihoods and jeopardize the objectives of REDD+.

# Strategy for regulatory framework - 12

- **Implications for the design and implementation of incentive based mechanisms for REDD+**
  - It would be a major incentive if the law explicitly stipulates that usufruct right entails carbon rights of the communities.
  - Utmost precaution should be taken to ensure the REDD+'s focus on performance-based and incentive oriented mechanisms does not encourage a recentralization of forest land and tenure authority with top-down governance, impose exclusionary carbon-focused forest conservation approaches, and reverse decentralization/devolution

# Strategy for regulatory framework - 13

- If there is fairness and equity in the incentive system people should be more willing to participate in the REDD+ programme and contribute to conservation of forest and enhancement of carbon stock.
- The more there is fairness and equity in the incentive system, the more willingness to participate in REDD+ programme and commitment to contribute to conservation of forest and enhancement of carbon stock.
- If incentives are set more than opportunity costs, it would ensure success of the REDD+.
- Clarify forest carbon right;

# Strategy for regulatory framework - 14

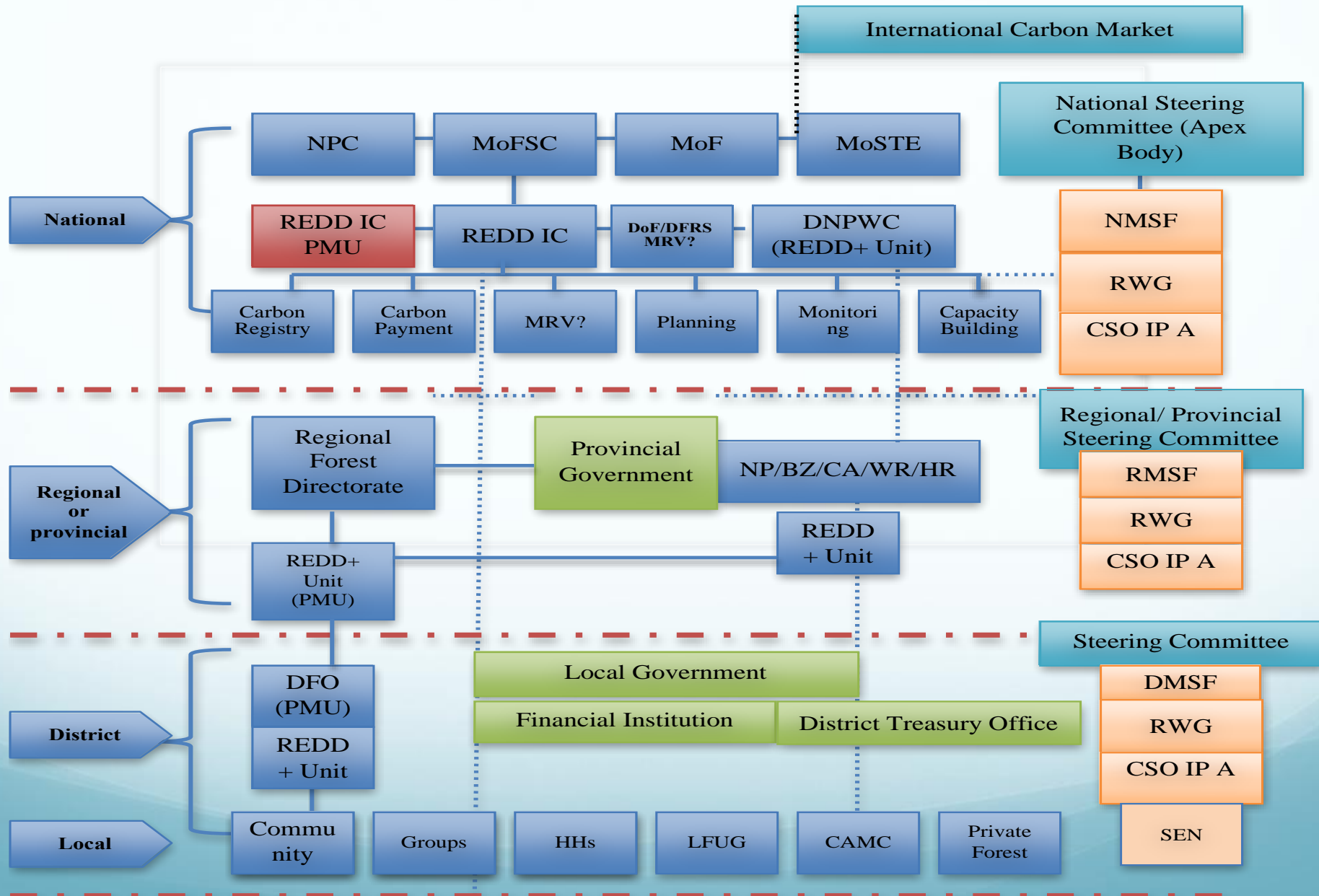
- make incentive payments conditional on delivery of REDD+ outcomes;
- design programme activities to minimize costs of participation while allowing for productive activities to occur alongside REDD+;
- account for multiple benefits in targeting payments or incentives;
- strengthen the enabling legal, policy and governance framework;
- provide a clear institutional framework that sets out clear mandates and facilitates inter-sectoral cooperation; and
- provide clear, transparent, enforceable sanctions for noncompliance, and grievance redress mechanisms.



# Proposed Institutional and Benefit Sharing Framework

# Proposed Institutional and Benefit Sharing Arrangement

# Proposed institutional framework



# Proposed benefit sharing arrangement - 1

Management Tenure	Existing Benefit Sharing Arrangement	Carbon Ownership	Cost for Carbon trading	REDD+ Revenue Sharing Modality
Government forest	<ol style="list-style-type: none"> <li>1 Of the total revenue generated from government-managed forests, 10 percent goes to DDC.</li> <li>2 Regarding the 90 percent revenue generated from government-managed forests, there is no guideline or system to know exactly how much revenue generated is used for which purpose by the GoN.</li> <li>3 Of the total income generated from the sale of unclaimed or stray (<i>dariyaburdi</i>) timber, 50 percent goes to DDC. The DDC must use at least 50 percent of that money in forest development.</li> </ol>	<ul style="list-style-type: none"> <li>▪ Forest – GoN</li> <li>▪ Land/soil GoN</li> <li>▪ Other – GoN</li> </ul>	Actual basis	<ul style="list-style-type: none"> <li>▪ GoN - 70%</li> <li>▪ LGB – 10%</li> <li>▪ Local Catchment Area - 20%</li> </ul>
Protected Forest	<ol style="list-style-type: none"> <li>4 Of the total income from PF, 50 percent goes to DFO and 50 percent goes to PFMC.</li> <li>5 Of the total DFO's income, 10 percent goes to DDC. The DDC must at least use 50 percent of the money to forest development.</li> <li>6 Regarding the remaining 90 percent of the DFO's income, there is no guideline or system to know exactly how much revenue generated is used for which purpose by the GoN.</li> <li>7 PFMC must allocate 50 percent income for forest and biodiversity conservation.</li> </ol>	<ul style="list-style-type: none"> <li>▪ Forest – GoN</li> <li>▪ Land/soil GoN</li> <li>▪ Other – GoN</li> </ul>	Actual basis	<ul style="list-style-type: none"> <li>GoN - 50%</li> <li>LGB - 10%</li> <li>PFMC - 40%</li> </ul>

## Proposed benefit sharing arrangement - 2

Community forest	<p>1 According to the Forest Act 1993, at least 25 percent income from the CF must be spent for forest protection and management of community forest.</p> <p>2 Similarly, according to the Community Forest Development Guidelines 2009, of the total income from CF, each CFUG has to spend 35 percent for poor, women, <i>Dalits</i>, and indigenous nationalities (ethnic groups)</p>	<ul style="list-style-type: none"> <li>▪ Forest – CFUG</li> <li>▪ Land/soil – GoN</li> <li>▪ Other – GoN</li> </ul>	Actual basis	GoN - 20% CFUG - 80%
Collaborative forest	<p>3 50 percent of income goes to CoFMG (the total revenue generated is shared on the basis of 50 – 50).</p> <p>4 Of the total income gained, the CoFMG follows the following norm for expenditure:</p> <p>4.1 Management of Collaborative Forest - 40 percent</p> <p>4.2 Poverty reduction, community development and capacity enhancement - 50 percent</p> <p>4.3 Administrative cost- max 10 percent</p> <p>5 50 percent income goes to GoN through DFO. There is no guideline or system to know exactly how much revenue generated is used for which purpose by the GoN.</p>	<ul style="list-style-type: none"> <li>▪ Forest – CoFMG</li> <li>▪ Land/soil – GoN</li> <li>▪ Other – GoN</li> </ul>	Actual basis	GoN - 40% LGB - 10% CoFMG - 50%
Leasehold forest	6 There is no provision for the use of income generated from leasehold forests (in both pro-poor and industrial leasehold forestry).		Actual basis	
	7 Pro-poor	<ul style="list-style-type: none"> <li>▪ Forest – LFMG</li> <li>▪ Land/soil – GoN</li> <li>▪ Other – GoN</li> </ul>		GoN - 10% LFUG – 90%
	8 Industrial (including tourism)	<ul style="list-style-type: none"> <li>▪ Forest – Lessee</li> <li>▪ Land/soil – GoN</li> <li>▪ Other – GoN</li> </ul>		GoN - 50% Lessee – 50%

# Proposed benefit sharing arrangement - 3

Private forest	1 There is no provision for the use of income from private forests. It is considered as private property.	<ul style="list-style-type: none"> <li>Forest – Owner</li> <li>Land/soil – Owner</li> <li>Other – Owner</li> </ul>	Actual basis	GoN - 10% Private forest Owner – 90%
Religious forest	2 Religious groups must spend the income generated from the religious forest to religious purposes only.	<ul style="list-style-type: none"> <li>Forest – RFUG</li> <li>Soil – GoN</li> <li>Other – GoN</li> </ul>	Actual basis	GoN - 10% RFUG – 90%
<b>Buffer Zone</b>				
Buffer Zone Community Forest	3 There is no provision but practice is that the expenditure is made according to BZCF management plan approved by chief conservation officer.	<ul style="list-style-type: none"> <li>Forest – BZCF</li> <li>Land/soil – GoN</li> <li>Other – GoN</li> </ul>	Actual basis	GoN - 50% BZCF – 50%
Buffer Zone Religious Forest (BZRF)	4 Religious groups must spend the income generated from the religious forest to religious purposes only.	<ul style="list-style-type: none"> <li>Forest – BFRF</li> <li>Land/soil – GoN</li> <li>Other – GoN</li> </ul>	Actual basis	GoN - 10% BZRF – 90%
Buffer Zone Private Forest (BZPF)	5 There is no any guideline for the use of income from private forests	<ul style="list-style-type: none"> <li>Forest – Owner</li> <li>Soil – Owner</li> <li>Other – Owner</li> </ul>	Actual basis	GoN - 10% BZPF – 90%
BZ Government Forest	<p>6 Ten percent of the total revenue is allocated to DDC. The DDC must use at least 50 percent of such revenue for forest development.</p> <p>7 Regarding the 90 percent, it goes to the government revenue. There are no guidelines or system to know exactly how much revenue generated from forests and where it is invested.</p>	<ul style="list-style-type: none"> <li>Forest – GoN</li> <li>Land/soil – GoN</li> <li>Other – GoN</li> </ul>	Actual basis	GoN - 50% LGB – 10% BZMC -40%

# Proposed benefit sharing arrangement - 4

National Park, Wildlife Reserve and Hunting Reserve	1	Out of the total revenue generated from National Parks, Wild Life and Hunting Reserves, 30-50 percent income is allocated to the Buffer Zone Management Council (BZMC). It is required to invest this revenue in the following areas:	<ul style="list-style-type: none"> <li>Conservation activities: 30%</li> <li>Community development: 30%</li> <li>Income generating activities: 20%</li> <li>Conservation education: 10%</li> <li>Administrative cost 10%</li> </ul>	2	The remaining amount goes to the government revenue.	<ul style="list-style-type: none"> <li>Forest – GoN</li> <li>Land/soil – GoN</li> <li>Other – GoN</li> </ul>	Actual basis	GoN - 50% BZMC -50%
Conservation area								
CA1 – ACAP – (Agency Managed) e.g. NTNC	3	100% income generated from the use of natural resources is utilized as per the approved plan.				<ul style="list-style-type: none"> <li>Forest – GoN</li> <li>Land/soil – GoN</li> <li>Other – GoN</li> </ul>	Actual basis	GoN - 30% CAMCmt - 70%
	4	Of the total income generated from fine, 50 percent goes to committee treasury and 50 percent is utilized for protection and development works.						
	5	Government does not provide any budget.						
CA2 -KCA	6	Government provides budget for the management of conservation area.				<ul style="list-style-type: none"> <li>Forest – CAMCunl 1</li> <li>Land/soil – GoN</li> <li>Other – GoN</li> </ul>	Actual basis	GoN - 50% CAMCunl - 50%
	7	100% income generated from the use of natural resources is utilized as per the approved plan.						
	8	Of the total expenditure of the user committee, administrative cost must not be more than 25 percent.						
CA3 – Government managed	9	Government provides budget for the management of conservation area.				<ul style="list-style-type: none"> <li>Forest – CAMC2</li> <li>Land/soil – GoN</li> <li>Other – GoN</li> </ul>	Actual basis	GoN - 70% CAMC - 30%
	10	Of the total budget for the community development, Council can expend unto 15 percent for administrative works.						
	11	Income generated from the conservation area goes to government revenue.						

1 Conservation Area Management Council

2 Conservation Area Management Committee

# Issues and Challenges



# Issues and Challenges

- Forest carbon and carbon credit
- Forest tenure and property rights
- Carbon rights and benefits
- Environmental and social safeguards
- Payment of environmental services
- REDD+ and issue of forest dependents
- Cost of transaction
- Operationalizing safeguards
- Carbon right regulatory framework

Thank You

It's Your Turn