

Mid Term Report

World Bank FCPF Grant on REDD Readiness

Submitted to:

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Submitted by:



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Ministry of Forests and Soil Conservation**

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List of Acronyms

ACOFUN	Association of Collaborative Forest Users of Nepal
ANSAB	Asian Network for Sustainable Agriculture and Bio-resources
BSP	Biogas Sector Partnership
CCBA	Climate, Community & Biodiversity Alliance
COFSUN	Community-Based Forestry Supporters' Network
DANAR	<i>Dalit</i> Alliance for Natural Resources
DD	Drivers of Deforestation
DFID	Department for International Development
DFRS	Department of Forest Research and Survey
DoF	Department of Forests
EIA	Environmental Impact Assessment
ESMP	Environmental and Social Management Plan
FCPF	Forest Carbon Partnership Facility
FCTF	Forest Carbon Trust Fund
FD	Forest Degradation
FECOFUN	Federation of Community Forestry Users, Nepal
FRA	Forest Resource Assessment
FY	Fiscal Year
GEF	Global Environmental Facility
GHG	Green House Gases
GoN	Government of Nepal
HIMAWANTI	Himalayan Grassroots Women's Natural Resource Association
ICIMOD	International Center for Integrated Mountain Development
IPCC	Intergovernmental Panel on Climate Change
MoFSC	Ministry of Forests and Soil Conservation
MoSTE	Ministry of Science, Technology and Environment
MRV	Monitoring Reporting and Verification
MW	Mega Watt
NBSAP	National biodiversity Strategy and Action Plan
NEFIN	Nepal Federation of Indigenous Nationalities
NPC	National Planning Commission
NRs	Nepalese Rupees
REDD+	Reducing Emission from Deforestation and Forest Degradation and the conservation, sustainable management of forests, and enhancement of forest carbon stocks
REL	Reference Emission Level

RL	Reference Level
RPAN	Readiness Plan Assessment Note
RPP	Readiness Preparation Proposal
RWG	REDD Working Group
SBI	Subsidiary Body for Implementation
SBSTA	Subsidiary Body for Scientific and Technological Advice
SDC	Swiss Agency for Development and Cooperation
SESA	Strategic Environmental and Social Assessment
SNV	Netherlands Development Organization
TAL	Tarai Arc Landscape
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Agency for International Development
WWF	World Wide Fund for Nature

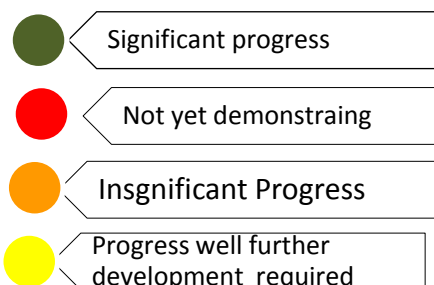
Executive Summary

A large number of developing countries including Nepal consider REDD+ as a potential opportunity and viable source of sustainable finance for investment in forest management, forest conservation, and forest restoration to enhance multiple benefits of REDD+, including but not limited to biodiversity conservation, watershed management, enhanced resilient capacity and poverty reduction. Government of Nepal (GoN) has considered REDD+ as one of the highest priority programs (referred as P1), and its progress are monitored by multiple agencies including sector Minister, National Planning Commission and the council of ministers office. Furthermore, GoN has included in her current Three Years Plan's (2013-2015) working policy to take necessary action to develop institutional infrastructure to capture potential benefits of REDD+ implementation. For last three years, Nepal has been carrying out various initiatives with financial support from the World Bank/FCPF grant of worth US\$ 3.4 million to become ready for implementing REDD+. In this endeavor GoN has also contributed by providing matching budget of USD 0.055 million (in addition to staff deputation and office space) which is nominal in volume but very meaningful to indicate ownership in the process.

The Grant was based on the Government's R-PP and the World Bank's Readiness Plan Assessment Note (RPAN) and the Grant is to support work by the REDD Cell that is scheduled to be complete before December 31, 2013. Besides FCPF grant, funding was also pledged from various bilateral donors such as DFID/SDC, Finland, USAID and Japanese government to support Nepal's endeavor to REDD+ readiness. The Grant Agreement between the World Bank and Government of Nepal commits the REDD Cell to preparation of a progress report around the time that half of the planned project life is over or when around half the grant has been utilized. Therefore, the Mid-Term Report (MTR) aims to take stock of progress made, identify needs and possibilities for changes in implementation, and make recommendations. Preparation of the MTR includes inventory of REDD Activities in Nepal, collection of REDD-related documents, documentation of REDD Cell activities, collection of stakeholder opinions, and senior management and policymaker review.

The review of the midterm progress in RPP implementation reveals that there has been satisfactory progress achieved in national REDD arrangement and management, Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance, and National Forest Monitoring Systems. The achievements made in Consultation, Participation, Outreach, REDD+ Strategy Options, Social and Environmental Impacts, information System for Multiple Benefits, Other Impacts, Governance, and Safeguards related activities are progressing steadily and are flagged as behind the schedule.

Components	Sub Components	Progress Status
1. Organization and Consultation		
	1a. National Readiness Management Arrangement	
	1b. Stakeholder Consultation and Participation	
2. Prepare the REDD Strategy		
	2a. Assessment of Land Use, Forest Policy and Governance	
	2b. REDD Strategy Options	
	2c. REDD Implementation Framework	
	2d. Social and Environmental Impacts	
3. Develop Reference Scenario		
4. Design Measurement, Reporting and Verification		
	4a. Emissions and Removals	
	4b. Other Benefits and Impacts	
5. Design a Program Monitoring and Evaluation Framework		



The inadequate financial support for capacity building by bi-lateral donors (mainly from Multi Stakeholder Forestry Program) and understaffing and high turnover of REDD Cell staff including the chief are few bottlenecks behind weak progress in those sub components. Huge gap between the amounts pledged by the donor partners in R-PP implementation and actual funding available for identified activities in consultation and outreach component of the R-PP remain overarching issues even at near closure of the project agreement period. However, it has been widely acknowledged by REDD+ stakeholders that low input in capacity building at grass root level has substantially limited the scope of meaningful participation of local stakeholders in REDD+ readiness process.

An estimated amount of approximately USD 4.4 million (NRs 38 million) would have been required on top of the USD 3.4 which has been made available from FCPF Readiness Fund for full implementation of R-PP identified activities. Unfortunately, various activities identified in R-PP are yet to be implemented to achieve desired progress in REDD readiness process due to inadequate funding made available by donor partners. It is, therefore, expected that project extension till end of June 2015 will provide good opportunity to implement remaining critical activities envisioned in RPP by left over funds of FCPF grant of worth US\$1.7 million. However this US\$ 1.7 million amount does not include the budget allocated for those activities which are expected to accomplish by 16TH July of 2014 as per approved red book and revised procurement plan targets. Therefore, current ongoing activities which will be accomplished between December, 2013 and 16th July 2014 will not be covered by above mentioned US\$ 1.7million.

This extension is essential for Nepal for two basic reasons – first, to make Nepal ready for REDD+ implementation at national level, and second, to develop performance based REDD+ piloting at jurisdiction based sub-national level in Terai Arc Landscape to access potential opportunity under FCPF Carbon Fund. Since, REDD Cell now has fully fledged staffing with their enhanced capacity and confidence to take leadership in REDD+ readiness processes in both technical aspect and procurement management, Government of Nepal strongly believes that these twin objectives will be achieved during the extended period.

The MTR concludes with request from the Government of Nepal to the World Bank/FCPF for an extension of current project for additional 18 months effective from 1 January 2014 to make the country capable of implementing phase 2 of REDD+ as envisioned in the Cancun agreement of UNFCCC.

1. Introduction

In recent years, forests have been recognized for their role in mitigating climate change through carbon sequestration. Reducing Emission from Deforestation and Forest Degradation, and enhancing forest carbon stock in developing countries has been emerging as a new performance based instrument under the United Nations Framework Convention on Climate Change (UNFCCC) negotiations. The instrument aims to mitigate climate change effects by cutting carbon dioxide emissions originating from the destruction of forests. A large number of developing countries including Nepal consider REDD+ as a potential opportunity and viable source of sustainable finance for investment in forest management, forest conservation, and forest restoration to enhance multiple benefits of REDD+, including but not limited to biodiversity conservation, watershed management, enhanced resilient capacity and poverty reduction.

Government of Nepal (GoN) has considered REDD+ as one of the highest priority programs (P1). GoN has categorized development activities into three categories - P1, P2 and P3. Priority one program is monitored by different tiers including the sector Minister, National Planning Commission and office for council of ministers. REDD program is also well internalized in the national planning process. To this end, government has shown commitment through its three year plan that an institutional arrangement will be made to raise the financial sources for REDD activities in the country.

Nepal has received FCPF grant of worth US\$ 3.6 million in 2011 for becoming readiness to implement REDD+. The Grant was based on the Government's R-PP and the World Bank's Readiness Plan Assessment Note (RPAN) and the Grant is to support work by the REDD Cell that is scheduled to be complete before December 31, 2013. Besides the grant from the World Bank, various other donor agencies such as DFID/SDC, Finland, USAID and the Japanese government, also committed to support Nepal's endeavor to REDD readiness (GoN, 2010).

The Grant Agreement between the World Bank and Government of Nepal commits the REDD Cell to preparation of a progress report around the time that half of the planned project life is over or when around half the grant has been spent. The Mid-Term Report aims to take stock of progress made, identify needs and possibilities for changes in implementation, and make recommendations. The report mainly answers **"How is REDD readiness in Nepal going?"**. Preparation of the MTR includes inventory of REDD activities in Nepal, collection of REDD-related documents, documentation of REDD Cell activities, collection of stakeholder opinions, and senior management and policymaker review.

2. Key Recent Developments in Nepal

Since the inception of REDD and implementation of RPP in Nepal, various political, economic and social changes have emerged. These changes are in and outside the forestry sector, and they could have an influence on Nepal's ability to perform on REDD. The following sections describe some of the developments and their possible effect on REDD implementation in Nepal.

2.1 Political Developments

Nepal is in the phase of political transformation, and the country is drafting a new constitution. Therefore, there are many uncertainties in terms of future governance and institutional structure for forestry sector. The tenure of the constituent assembly has been over and election for new constituent assembly is going to take place in near future. With new constitution and federal structure of the country, it is anticipated that there will be some change in forest governance system. Three tiers of government structure has been envisioned and agreed by major political parties- central, provincial and local level governments. In new government set up, the revenue collection and distribution mechanisms is likely to be changed, and the new mechanism may influence the benefit distribution of REDD benefits as well. However, governance in Community based forest management regimes would be further devolved by making local government more responsible in forest monitoring and regulation.

2.2 Economic and Social Situation

Nepal's economy is passing through a critical phase characterized by poverty and stagnation. The macroeconomic indicators demonstrate that the country suffers from slow growth rate of 4.6 percent in 2010/11 against the 5.5 percent growth rate predicted in the three years Interim Development plan (NPC, 2010). In addition to this, the country's economy is characterized by high cost economy, continuous growth in remittance and service sector, subsistence level of agriculture economy and increasing trade deficit. More than 74 percent of the total population derives their livelihood from agriculture, which is expressed by high number of unemployment, mounting rural indebtedness and high incidence of poverty. A large proportion of the population (25.16%) still lives below the poverty line.

The extent of remittances from temporary overseas workers has reached as high as 23 percent of GDP; remittance has been main source in reducing poverty over the years. Investment in agriculture which is the government's priority sectors has been minimal and limited to 3.2 percent of the total budget allocation. High level of international migration for work overseas is constraining the supply of male agricultural labor, affecting the demand for agricultural land and is leading to feminization of agriculture. Both will have impacts on REDD.

The prime foundation of Nepalese economy consist of : (a) hydropower – Nepal has a potential of 83, 000 MW, however only 0.9 percent has been generated so far and domestic demand is estimated to be 1,200 MW for FY 2012/13 (Dahal, 2012). High potential of hydropower of the country could enhance the prosperity in the entire South Asian region, if water resources of the country are optimally utilized. (b) Tourism- Nepal has enormous potentials to develop as a regional hub with global destination for tourist from all over the world. (3) Biodiversity- Diverse ecosystem and species have tremendous potential for economic gain. (c) Human resources – increasing remittance through foreign employment has been the main basis for reducing poverty in the rural area. (d) Agriculture production- high possibility exists for agriculture development especially for high value crop through agribusiness and commercialization (Dahal, 2012).

2.3 Forest Policy Developments

Since the country has initiated REDD readiness, numerous policies and strategies supporting the implementation of REDD+ have either been developed or are in the process of development. The major policies include:

National Biodiversity Strategy Action Plan revision (2013) - Ministry of Forests and Soil Conservation (MoFSC) is revising the National biodiversity Strategy Action Plan (NBSAP), and preparing the Fifth National Report to the Convention on Biological Diversity. The main objectives of the NBSAP National Report is to identify the driver of biodiversity loss, setting national target, designing capacity development plan, and developing indicators and monitoring approach. The revised strategy will emphasize on promoting and harmonizing Aichi targets for biodiversity conservation with REDD+ safeguards.

Climate Change Policy (2011) - As a commitment of the Nepalese government to UNFCCC, the government has enacted Climate Change Policy (2011). The main goal of the policy is to improve livelihood of the people by mitigating and adapting adverse impacts of climate change. In addition, the policy aims implementing low carbon emission development path. Government of Nepal has already initiated to prepare Low Carbon Emission Development Strategy (LCEDS), which is expected to be finalized by December 2013.

Through this policy government asserts its commitment towards national and international agreements related to climate change. One of the interesting provisions of the policy is that it ensures at least 80 percent of the total climate change fund will be allocated to the local community.

Forest Encroachment Control Strategy, 2012- Government of Nepal has endorsed Forest Encroachment Control Strategy to restore illegally occupied forests back to the natural condition. The strategy further envisions expanding forest cover by passive and active means of

restoration in illegally occupied forests. For effective implementation and better coordination, an inter-ministerial committee is already in place. The committee is chaired by the honorable Minister for Forests and Soil Conservation. Other members of the committee include representatives from Home Affairs, Local Development, Land Development and management, physical infrastructure and transport, forests and soil conservation ministers. Likewise, the strategy has provisioned central level forest encroachment control mechanism at the Ministry of Forests and Soil Conservation. The members of the committee are secretaries of various ministries including Inspector General of security agencies. At district level, Chief District Officer coordinates entire forest encroachment control activities.

National Forestry Sector Strategy(2013)- Development of long-term National Forest Sector Strategy has been taken as one of the priority actions in current three year plan (2014-2015). MoFSC is conscious to harmonize between National Forestry Sector Strategy and National REDD Strategy.

Land use policy (2012) - In order to halt the unsystematic use of land, Government of Nepal has endorsed Land Use Policy, 2012 prepared by The Ministry of Land Reform and Management in coordination with the National Planning Commission. The main objective of this policy is to classify the entire land of the country and put them into proper use for long time horizon. The policy foresees that all development activities shall comply with the land use plan that have been classified into seven categories—agricultural, forests, residential, commercial, public, industrial, and others.

This policy also do have provisions of adopting land pooling concept to acquire land for development projects (MoLRD, 2012). It has also envisioned establishment of the Land Use Management Department, which will have experts from agriculture, irrigation, environment, urban development and management sectors. This policy will support to extend the forest cover and will halt further conversion of forests land to other land use systems caused by unplanned development activities.

Rangeland Policy (2012) – In order to regulate the use of rangeland, Ministry of Agriculture Development has enacted Range Land Policy, 2012. Objectives of the policy include enhancing productivity of rangeland, conserving biodiversity and thereby uplift the livelihood of dependent community.

Forest Products Sales Authority (2013) – Government of Nepal has endorsed the concept of Forest Product Sales Authority developed by MoFSC. There will be a clearly defined roles and responsibility between Authority and Forest Offices, which will help in improving the existing governance system of timber sales and distribution by practicing a transparent and competitive practice. Authority will replace existing role of Timber Corporation of Nepal, Forest Product

Development Board, and District Forest Products Supply Committee as a business entity rather than a government protected entity. Forestry professionals will be made responsible for technical work such as forest management, silviculture, forest protection and law enforcement. Their traditional role of trade will be taken by the Authority. To implement the authority, MOFSC has submitted a draft bill to the Ministry of Justice for getting approval to submit it to the parliament for final adoption.

3. Nepal's REDD+ Program

As an initiative to implement REDD+ in Nepal, Readiness Preparation Proposal (RPP) was developed after consultation with stakeholders at different levels. The R-PP provides Nepal's roadmap for developing and implementing the REDD Strategy. The R-PP encompasses all readiness preparation activities planned for year 2010-2013. R-PP envisages the readiness program into five components and corresponding nine sub components, which include Organization and Consultation, Development of a National REDD Strategy, Development of Reference Scenario, Design a Monitoring System, and Design a Program Monitoring and Evaluation Framework.

Total estimate for R-PP implementation was estimated US \$7.654 million, which was supposed to be covered by GoN and various donor agencies. Table 1 depicts the earmarked budget by different donor agencies including GoN for Readiness activities. The World Bank is the prime contributor of the Nepal's REDD readiness, followed by DFID/SDC. Nepalese government's commitment is the least.

Table 1. Commitment pledged by different donor agencies during R-PP formulation for its implementation

SN	Agency	Amount (US\$)
1	Government of Nepal	335,000
2	FCPF, The World Bank	3,595,400
3	DFID/SDC (Multi-Stakeholder Forestry Program)	1,447,500
4	Government of Finland (for FRA project)	780,000
4	Government of Japan	360,000
6	USAID (Hariyo Ban Program)	1,136,600
	Total	7,654,500

Source: RPP (2010)

4. Implementation status of activities by component

4.1 Organization and consultation

National Readiness Management Arrangement

For the proper implementation of REDD+, Government of Nepal (GoN) has established three tiered institutional mechanism consisting of an Apex Body, a REDD Working Group and a REDD Forestry and Climate Change Cell. Figure 1 depicts the institutional arrangement for REDD readiness.

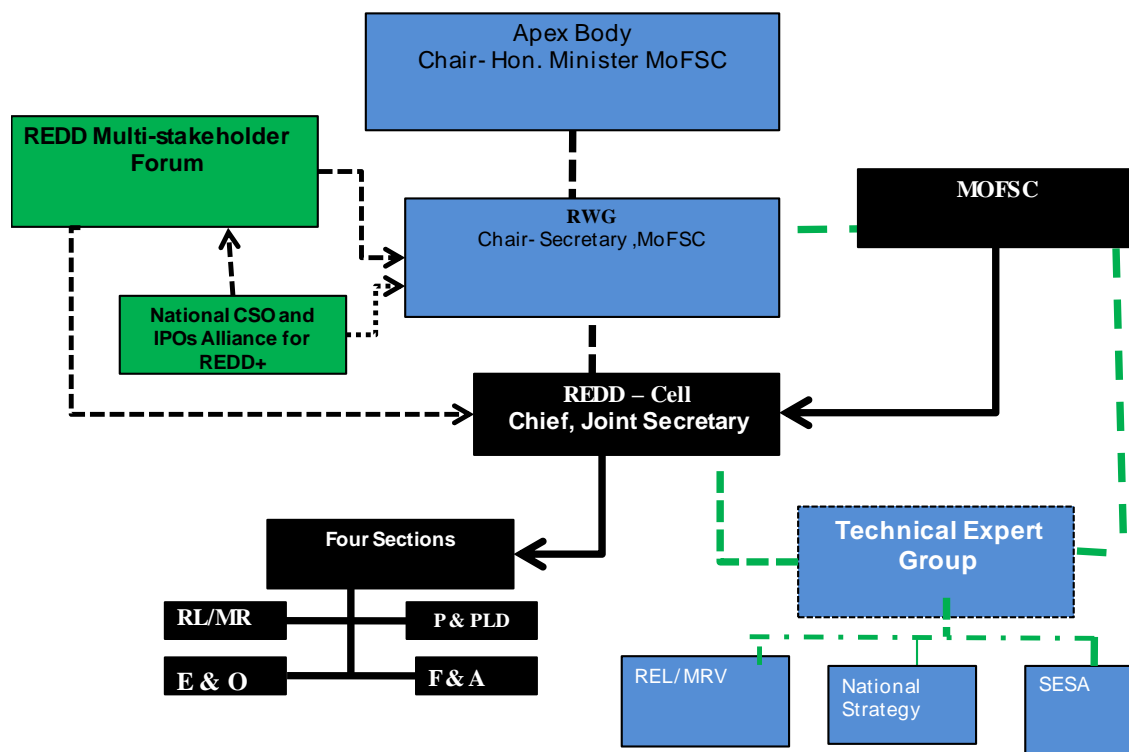


Figure 1. Institutional Structure of REDD Governance

- 1) **The Apex Body** is an inter-ministerial institution that ensures multi-sectoral coordination and cooperation for planning and implementation of REDD activities at the highest level. It is chaired by the Minister, MoFSC, who is responsible for the overall coordination of REDD activities, and includes inclusiveness. Apex body encompasses top level officials from eleven government ministries, representatives from private sector, public sector and civil society organizations, and the National Planning Commission. Each of the 11 ministries has been requested to select two representatives from private sector and civil society organizations working in the field of the particular ministry to

represent in the Apex Body. This makes the Apex Body of total 49 members. Eleven ministries of the government include members from the Ministry of Finance, Ministry of Environment, MoFSC, Ministry of Tourism and Civil Aviation, Ministry of Energy, Ministry of Agriculture and Cooperative, Ministry of Land Reform and Management, Ministry of Local Development, the Ministry of Physical Planning and Works, and the Ministry of Science and Technology and Ministry of Industries.

- 2) **A REDD Working Group (RWG)** has been formed under the leadership of Secretary, MoFSC, which ensures representation of different forestry related stakeholders. Currently, RWG comprises of 12 members, among them nine members represent government and the rest three represent non-governmental sectors. The responsibilities of the RWG is to provide technical, and institutional support to the REDD Cell. Besides, the RWG provides innovative ideas, monitor program activities and facilitate preparing a comprehensive REDD strategy.

REDD Cell invites RWG members along with possible agenda beforehand. CSO and IPs representatives make in-house discussion on the issues which they suppose to discuss in the RWG meeting. Issues or agenda are discussed in transparent manner. Decisions so far decided during the RWG are well disseminated among the RWG members before getting duly signed by chair (Secretary of Ministry of Forests and Soil Conservation) of RWG. If any substantial changes in policies or new policies are required Apex body meeting is called.

- 3) The **REDD-Forestry and Climate Change Cell (REDD Cell, in short)** established as an extended arm of the Ministry of Forest and Soil Conservation is the lead institution to undertake REDD readiness activities in Nepal. The REDD Cell is headed by a joint-secretary¹-level staff of the ministry. The REDD Cell is responsible for coordinating the readiness process at the national and sub-national levels among diverse stakeholders. The REDD Cell is comprised of three sections:

- I) The **Policy and Program Development (P&PD) Section** is responsible for developing REDD-related forestry policies and monitoring their implementation. The section chief, which is an under-secretary² level staff of the government, proposes programs related to REDD readiness, including the development of

¹ A joint secretary is the second ranking position after the secretary in the government system of Nepal. All five departments of MoFSC are headed by a joint secretary level staff.

² An under- secretary is the third ranking position after the secretary and joint secretary.

capacity-building programs, to the chief of REDD Cell for discussion and approval.

- II) The **Monitoring, Reporting and Verification (MRV) Section** is responsible for developing reference level, the monitoring and verification system and carbon accounting system. This section is jointly headed by two under-secretary-level staff of the government, each of which is serving as a focal point for MRV and REL work.
- III) The **Extension and Outreach (E&O) Section** takes lead in designing and disseminating REDD information, extension and capacity-building activities for different stakeholders, including the government, civil society, and private sector. In addition, it will provide feedback to the REDD Cell and various stakeholders, to ensure that their concerns are properly addressed during the REDD implementation process.
- IV) The **Finance and Administration (F&A) Section** leads management of the budget, financial reporting to the Bank, and other logistics of the REDD Cell. This unit ensures the legitimacy of financial plans and provides guidance and support to program planning and implementation. To support the section, a procurement management consultant and a financial management consultant has been hired for the readiness period.

Capacity of REDD Cell Staff

REDD Cell started with three under secretary level technical foresters, one midlevel technical forester, one accountant, and two office assistant at R-PP preparation and grant agreement stage. Now the REDD Cell has fully fledged of staffing including one joint secretary, five under–secretary level technical foresters, three forest officers, one account officer, one procurement management consultant, one financial consultant and two office assistants. This not only demonstrates the enhanced capacity of the REDD Cell staff to conduct readiness activities, but also the commitment of the GoN to take ownership in the process and make REDD+ a successful program. REDD Cell staff have been frequently participating in national and international conferences, trainings and workshop not only as a participant but also as a resource persons. This has enhanced capacity and confidence of the staff to take leadership in REDD+ readiness processes.

REDD Cell has also substantially enhanced its capacity to manage the procurement processes following the Bank’s Procurement Guidelines. REDD Cell has procured major consulting services from international firms to conduct studies on REL, MRV, SESA etc. In this process, REDD Cell has learned to handle procurement processes effectively and efficiently according to the Bank’s

procurement guidelines. REDD Cell has had procurement management consultant to facilitate the procurement process and capacitate the REDD Cell staff to handle the procurement process, which has substantially enhanced the in house capacity to manage rest of the procurement. With support of specialists, REDD Cell has now finalized rest of the activities for procurement within next 18 months of the grant extension. As an evidence of the enhanced capacity of the team, the Bank has changed most of the contracts from prior to the post review category.

REDD Multi-stakeholder Forum and REDD+ CSOs &IPOs Alliance

In addition to aforementioned formal institutional arrangement for REDD implementation, there is a REDD multi-stakeholder's forum which functions as the principal outreach and communication platform. REDD Cell frequently organizes the REDD Multi-stakeholder Forum to update the forum participants on the progress of REDD+ Readiness, and seek advice from the participation. The forum includes representatives from the private sector, civil society, media, government organizations, community based organizations, local and international NGOs, donors, academia, research organizations and all other stakeholders interested in REDD activities. REDD plus approach is a recently evolving mechanism, and its approaches and methods are dynamic. REDD Cell has formed Experts Working Group to provide technical backstopping to the RWG. As of now, expert working groups for REL/MRV, SESA/ESMF, and National REDD Strategy have been formed. In addition, a Steering Committee under the leadership of MoFSC secretary has been formed to oversee the studies conducted for REDD readiness. These expert groups are continuously providing technical support to the REDD Cell. See **ANNEX A** for the composition of the committee.

Similarly, CSOs and IPOs working in forestry and REDD+ have formed a platform – REDD+ CSOs & IPOs Alliance, Nepal – to discuss and develop a common understanding on REDD+ on behalf of Civil Society Organizations and Indigenous Peoples Organizations. It was established in 22 September 2009 with the initiation of FECOFUN, NEFIN and other various CSOs who were working on forestry and REDD+. Twenty three organizations including women and Dalits are actively involved in this alliance.

The main objective of the alliance is to advocate for developing justifiable REDD+ framework and mechanism in Nepal, and to empower and build capacity of CSOs and IPOs in the contemporary issues of REDD+. FECOFUN is serving as a secretariat for the alliance and organizing regular meetings/workshops of this alliance to discuss and develop common vision of alliance. This Alliance developed its vision on REDD+ in 2010 and is now revising it considering the new context of REDD+ in Nepal.

Table 2 demonstrates some activities that REDD cell performed under national REDD management and arrangement. REDD Cell has made significant progress in setting up institutional structure its functioning. The frequencies of meetings for RWG was envisioned as bimonthly, which is happening regularly, and the frequency of the meetings of Apex Body was planned to occur twice a year, but only two meetings have happened so far. The reason for this is that policy documents that require endorsement by Apex Body have not been prepared. Once REL, MRV, REDD Strategy, SESA and ER-PIN are finalized, then the Apex Body meetings will be organized regularly as planned in the R-PP.

An independent study carried out to assess REDD+ Readiness in Nepal concluded that RWG and REDD Cell have taken full accountability on national readiness activities in a fairly transparent manner (Dangal et al., 2012).

Table 2. Summary of progresses achieved under component 1a

Sub component	Key Activities Planned	Achievements
1a. National Readiness Management Arrangement		
	Apex body meeting (twice a year)	• Two meetings held from September 2010.
	Stakeholder consultation forum meeting (Quarterly)	• 11 meetings held, 5 in 2011, 4 in 2012, and 2 in 2013
	RWG meeting (bi-monthly)	• Meeting held regularly (9 meetings held as of September 2013).

Stakeholder Consultation and Participation

To promote a transparent, inclusive, accountable, equitable and ecologically sustainable implementation of REDD in Nepal, a Consultation and Participation plan was developed. The plan has to adopt participatory and inclusive process, gender and equity concerns at all levels, along with multi-stakeholder collaboration.

Nepal is yet to demonstrate substantial progress under this sub component. Table 3 shows the progress so far made by REDD cell towards stakeholder consultation and participation. The main reason of lower than expected performance in consultation and outreach is due to delay in the implementation of DFID/SDC funded program, which has the highest commitment under this sub component.

Although donor partners committed the fund for REDD, REDD related programs are not clearly recognized in the Multi Stakeholder Forestry Program project document. REDD cell is now planning to use a part of remaining FCPF grant to those critical and important activities for REDD+ readiness identified under consultation and outreach component. Currently, only REDD Cell is authorized to expend FCPF fund, but consultation and awareness mostly are required at the district and regional level. Therefore allocation of budget at the district and regional levels is being planned during the 18 months of grant extension.

Table 3. Summary of the activities conducted by REDD Cell under subcomponent; consultation and participation

Components	Key Activities Planned in the R-PP	Achievements
1b. Stakeholder Consultation and Participation		
Consultation	Workshops (national, regional and local)-800 events	<ul style="list-style-type: none"> • 415 individuals consulted during various studies conducted under different components.
	Public hearing 240 events	<ul style="list-style-type: none"> • Exact figure not available, but it is a regular process in REDD+ piloted in 105 community forests
	Round table meeting-5 events	<ul style="list-style-type: none"> • Not started yet
	Expert consultations-55 (6 themes)	<ul style="list-style-type: none"> • 30 individuals consulted during studies under various components.
Capacity building	Curricula and training material development-1	<ul style="list-style-type: none"> • Training manual: 2 (Lead trainer & community trainer) • Training Materials: REDD+ Terminology-1
	Support to forestry related institution	<ul style="list-style-type: none"> • Not yet started
	National level trainer/facilitator ToT-1	<ul style="list-style-type: none"> • 3 Training in 2011-2012 (60 participants) to government forest officers (10 days, 7 days, and 5 days)
	District level lead trainer/facilitator training (general & thematic)-25 events	<ul style="list-style-type: none"> • 1 thematic training on forest carbon measurement (18 participants) in CFM.
	Local level training-75 events	<ul style="list-style-type: none"> • 17 events on awareness on REDD+ at regional and local level (451 participants from government) staff. • 1 awareness workshop for 30 politicians in 2011
	Orientation to journalist-events	No progress
Awareness raising	FM radio programs- 25 programs in 5 language and 325 times broadcasts	<ul style="list-style-type: none"> • 14 episodes broadcasted in 2011 in Nepali language
	Television programs-1 , Screen-6 Talk program-4	<ul style="list-style-type: none"> • 1 TV program developed and screened.
	Newspaper articles-600	<ul style="list-style-type: none"> • Two articles published in forestry journals.
	Bulletin and journals-2	<ul style="list-style-type: none"> • Not yet started
	Websites establish and update-2	<ul style="list-style-type: none"> • 1 website- www.mofsc-REDD+.gov.np is regularly updated
	Leaflets-2, posters-3, brochures-6, Calendar-1	<ul style="list-style-type: none"> • Leaflets-2, Leaflet draft-1 (English), brochure-1 (Nepali and English), Poster-1 on REDD+. • REDD+ Diary-1 (English)
	HR outsourcing	<ul style="list-style-type: none"> • No progress

Sources: REDD Cell Record (2013); Dangal et al.,(2012)

However, growing number of governmental, non-governmental, donor agencies are engaged in capacity building and consultation activities. The agencies such as REDD Cell, WWF Nepal, ICIMOD, NEFIN, RECOFTC and Hariyo Ban Program are involved in central and regional level consultations. The Centre for People and Forests (RECOFTC) and FECOFUN are jointly promoting grass-root level awareness on REDD plus concept and issues. Also, national associations for supporting the rights and capacities of specific disadvantaged groups, such as indigenous peoples (NEFIN), *Dalit* (*Dalit* Alliance for Natural Resources–DANAR Nepal) and women

(Himalayan Grassroots Women's Natural Resource Association–HIMAWANTI Nepal) are conducting grass root level consultations. Looking at the activities conducted by other REDD partners, it can be concluded that large number of events have been performed and these events have substantially contributed to build up capacity and raising awareness. Table 4 depicts the activities carried out by various agencies mainly WWF Nepal, RECOFTC, and NEFIN.

Table 4. Stakeholder Consultation and Participation Activities

Agency	Activity	Events (#)	Number of participants							
			BCT ³	Janajanti	Dalit	Madhesi	Others	Male	Female	Total
WWF	Capacity building	516	5155	4900	1585	218	104	5716	6246	11962
	Awareness	66	6502	5394	2171	121	68	5362	8894	14256
	Consultation	357	6676	8755	2741	120	121	8625	9788	18413
RECOFTC	Capacity building	-	-	7665	1919	3460	30007	22724	20327	-
	Awareness	-	-	-	-	-	-	-	-	-
	Consultation	-	-	-	-	-	-	-	-	-
NEFIN	Capacity building	221	-	-	-	-	-	1672	1492	3164
	Awareness	-	-	-	-	-	-	-	-	-
	Consultation	-	-	-	-	-	-	-	-	-
ANSAB	Capacity building	70	470	736	581	500	500	968	385	871
	Awareness	14	-	-	-	-	-	-	-	-
	Consultation	-	-	-	-	-	-	-	-	-

Similar consultation and capacity building program by various other REDD partners are also contributing to awareness raising and outreach through their own resources. Various means of communication and extension have been used to share and disseminate information related to REDD readiness activities including the development of REDD strategy, reference levels and monitoring system. As envisaged in the R-PP, Apex Body, REDD Working Group and Multi-stakeholders are the prime forum for sharing and disclosing the information. Also, Radio program, TV programs, news paper articles, extension material (posters, pamphlets, leaflets, and flipcharts), awareness workshops and websites have been widely used to communicate

³ BCT stands for Brahmin, Chhetri, and Thakuri. Based on caste system, these are high ranking social classes in Nepal.

information. Table 5 indicates some activities on awareness raising and outreach conducted by the partners from their own resources.

CSOs and IPOs working in forestry and REDD+ have formed a platform – REDD+ CSOs & IPOs Alliance, Nepal – to support the REDD+ process. The Alliance constitute representatives from IPs and CSO organizations with long standing history of working on NRM, environmental governance, land tenure, REDD+, and community forestry. They have played a key role in providing inputs and comments to the various components of the R-PP during the formulation phase in 2009. Recently, they have been participating as part of the National Multi- stakeholder Forum organized by the REDD Cell on a regular basis to provide inputs on information shared by the REDD Cell on readiness related activities. For example they recently provided comments to the draft SESA MRV, REL ToRs and the planned studies, REDD Cell would implement during the readiness stage. There is strong commitment from the REDD Cell to collaborate with the Alliance and provide resources for them to support the implementation of the consultations on SESA, MRV and REL in the near future.

Table 5. Summary of awareness raising and outreach programs

Activity	Number of activities by different agencies			
	RECOFTC	NEFIN	ICIMOD	WWF
TV programs (on climate change and REDD + Basic concept)	5	40	-	2
Radio program produced and broadcast	-	-	-	2
Newspaper articles published (National , regional and local level newspaper)	62	13	9	6
Leaflets developed (covered Project information)	500	-	-	-
Posters developed (Five Sets of Poster on climate change and REDD+)	5(10,000)	4500	3	-
Information fliers on climate change and REDD+	1 (10,000)		-	-
Others: Calendar(Nepali) printed with Climate change and REDD+ information)	1 (10,000)	-	-	-
REDD+ Training manual for national and regional level	1 (500)	-	-	-
REDD+ training manual for local level	1 (500)	-	-	-
Booklet (Climate change, REDD+ and our Roles)	1 (2000)	-	-	-
FPIC Guidelines (RECOFTC) translated and printed into Nepali languages	1 (500)	-	-	-
FPIC Training Manual translated into Nepali Language and printed	1 (500)	-	-	-
Brochures	-	-	-	1
Forest Carbon Trust Fund Guidelines	-	-	1000	-
Policy Briefs	-	-	3	-
Working papers	-	-	2	-
Journal articles	-	-	5	-
Proceeding papers	-	-	3	-
Forest carbon measurement guideline	-	-	-	-
Publications	-	-	-	7

Note: Figures in parentheses indicate number of copies published.

Despite the efforts of various agencies in consultations and awareness activities, it is acknowledged that there have been insufficient opportunities for truly planned consultations and discussions about REDD+ at the local, regional and national levels. Moving forward, the REDD Cell recognizes this challenge and intends to move in very positive way so that further consultations ensure active participation, inclusiveness, and full engagement of CSO/IPO Alliance in readiness process in future.

4.2 Development of National REDD Strategy

Assessment of land use, forest policy and governance

The purpose of the assessment of the land use, forest policy and governance of forestry sector is to identify key drivers of deforestation (DD) and forest degradation (FD). In addition, the assessment identifies the activities which contribute to the conservation, sustainable management of forest and enhance carbon stock. Assessment of DD leads to development of strategic options. Also, the assessment reveals the weaknesses in current land use, forest policy and governance and contributes to address the factors of deforestation and FD. Considering past efforts and experience in addressing the weaknesses of the policies and governance, an assessment is necessary to help design National REDD Strategy and to address DD and FD. The assessment of land use, forest policy and governance also enables to explore the need of further study to develop strategic options and thereby National REDD Strategy. A quick assessment of land use, forest policy and governance was done without including detailed evidence based analysis during R-PP preparation (RPP, 2009). A detailed study on these topics is essential.

Based on the preliminary assessment, five in depth studies were identified in the R-PP to develop strategic options for addressing the diverse DD and FD. The list of the studies which were proposed in R-PP and their corresponding progress is indicated in Table 6. Except factors of weak governance, policy implementation and law enforcement, other studies have been undertaken, and findings from these studies have been widely disseminated. The report of these studies are published in the REDD Cell website. In addition, REDD Cell has been drafting three policy briefs of these studies, and these briefs will be shared among wider community in near future.

Table 6. Assessment of land Use, forest policy and governance activities

Activities	Assessment of the progress
Factors of Weak Governance, policy implementation and law enforcement	
Drivers of Deforestation in the High Mountain and the Churia	
Value Chain of Forest Products	
Demand and Supply of Forest Products	
Develop a coordination mechanism among the Government Departments and between the government department and other stakeholders.	
Produce synthesis of findings of the study and disseminate them	

	Insignificant progress, further development required		Significant progress
	Progress well, further development required		Not yet demonstrating

Recently, with the financial support from UN-REDD program (under targeted support), a draft report on drivers of deforestation and degradation has been received by the REDD Cell. This and other studies on the drivers conducted by different programs such as Hariyo Ban, SNV Nepal, and others will further complement in formulating strategic options for addressing drivers of deforestation and degradation in Nepal.

A well defined carbon tenure rights is essential for successfully implementation of REDD+. In the context of Nepal, forest laws and bylaws have explicitly expressed rights on wood biomass and non wood forest products in different forest management regimes. Community forestry, collaborative forestry, leasehold forestry, and community based conservation management are some of the examples of existing community based management regimes in Nepal. In case of Community Forestry, Community Forestry User Groups have secured tenure rights on the wood and non-wood biomass products. Whereas, the tenure rights to carbon and other ecosystem services are not clearly defined yet in almost all forest regimes including Community Forests.

REDD Strategy Options

The REDD strategy forms a basis for developing policy and program that help to reduce carbon emission from the drivers of deforestation and forest degradation and enhances carbon stock through other REDD activities. The strategy not only guides to address DD and FD related to forestry sector but also to address drivers associated with other sectors competing for the same land resources. Strategic options provide guidance to develop a national REDD strategy.

According to R-PP, a detailed REDD Strategy was intended to be prepared by December 2013. To meet the schedule, REDD Cell has commissioned consulting firms to establish REL, develop MRV system and conduct SESA and ESMF. Besides, some other critical studies on value of forest at the national level, political economy of land use and assessment of carbon emissions from DD and FD, feasibility assessment of the strategic options, identification of inconsistency between REDD policies and other sector policies and integration of REDD policies with other strategy and policies are being done. GoN has already approved and endorsed outline framework for national REDD+ Strategy development. So, once the findings from aforementioned studies are presented, the inferences will be synthesized and feed into national REDD Strategy framework, which is targeted to complete by June 2014.

Table 7. Summary of activities

Components	Key Activities Planned	Achievements
2b. REDD+ Strategy Options		
	Conduct four analytical studies	Completed evaluation of technical proposals and send to the World Bank for No Objection. The procurement will be completed by the end of November
	Develop materials and organize consultations	• No progress
	Economic and Financial assessment of selected options and dissemination	• ToRs being developed

Current status of the studies is shown in Table 7 and analysis of progress of this sub component is depicted in Table 8. Procurement plan has been revised based on the changing circumstances, and procurement of consultants for these studies about to complete. It is estimated that by the end of 2014 all analytical studies will be accomplished. The revised work plan is shown in **ANNEX D**.

Table 8. Progress score of criteria under subcomponent 2b

REDD+ Strategy Options		
Presentation and prioritization of REDD+ strategy options	Geographically centered assessments have listed some strategic options but are not prioritized	
Feasibility assessment	No feasibility assessment has been carried out for strategic options.	
Consistency with other policies	This comes after feasibility assessment of the prioritized strategy options.	
Integration with relevant strategies and policies	Until strategy options have been finalized, this indicator is not relevant.	

In addition, it is recognized that development and assessment of strategy options needs more studies as discussed earlier *inter alia* design of Monitoring, Reporting and Verification (MRV) System and Reference Emission Level or and Reference Level (REL/RL). Through a series of consultations at national and regional level, REDD Cell has prepared outline framework of the REDD+ strategy, which has already been endorsed by the RWG.

REDD Implementation framework

In this component, REDD Cell has planned to conduct a study on REDD+ implementation framework that includes institutional arrangement, benefit sharing, and registry, with financial support from FCPF. This study has been planned to commence in a few months.

As envisioned in the R-PP, a clear and legally defined benefit-sharing mechanisms that can deliver benefits to communities at the grassroots level is an important factor for REDD's success. There have been some studies on benefit sharing and ecosystem services such as by Hariyo Ban, ICIMOD and others, but they appear to have limited scope. REDD Cell is stock taking benefit sharing studies carried out by other national and international organizations, and will also conduct a separate comprehensive study on benefit sharing mechanism in Nepalese context.

For the successful implementation of REDD+, there must be a clearly defined carbon tenure rights. In the context of Nepal, forest laws and bylaws have explicitly expressed rights on wood biomass and non-wood biomass in different forest regimes, but tenure rights to carbon and other ecosystem services are yet to be defined. Legally, the government holds the right over land in all types of forests except private forest (GoN, 1993). The tenure rights landscape varies across forest management regimes. Community-based regimes are endowed with certain rights to manage and use forest resources, whereas in government managed forest use right over forest products remains with government.

Some progress has been achieved in adopting the policy and guidelines to facilitate implementation of forest management activities. Sustainable forest management indicators for government managed forests have been endorsed; principle of scientific management of forest has been adopted and its piloting has been started in some places, and SFM indicators for Community Forests are in development process. Scaling up of the SFM practice is essential. Forest inventory guideline has been recently revised to accommodate carbon measurement. Community forestry development guideline has already incorporated carbon as a forest ecosystem service.

A hybrid approach to REDD implementation was proposed in R-PP. A hybrid approach allows settling strategic issues such as policy, law and tenure arrangement at national level, while letting to operate benefit sharing, financing and monitoring activities at the sub national level. A piloting on benefit sharing and financing at the sub-national level in three different sub watersheds has recently been completed.

The climate change policy (2011) has envisioned Climate Change Fund for mobilizing the financial resources from public and private, internal and external sources to address the issues of climate change. The policy stipulates that 80% of the available fund should flow to the local level climate change activities. From NORAD funded REDD+ pilot projects, it has been realized that climate fund can be mobilized at local communities through multi-stakeholder led process.

Regarding institutional arrangement, at national level two formal structures – Apex Body and REDD Working Group and two informal structures – multi-stakeholder forums and various

technical committees – are operational. At the sub-national level, REDD Cell is planning to develop multi-stakeholder structure by utilizing already existing District Forest Coordination Committee, which is linked with local government bodies. It is becoming an effective mechanism for enhancing the ownership and commitment of broad range of stakeholders to district level forestry sector planning and program implementation. Village Forest Coordination Committees at the village level are also functioning at many places. In addition, many NGOs are working in forest sector at the local level and could be helpful in implementing REDD activities.

GoN has recently approved data sharing protocol on forest resource assessment. Establishment of clearing house mechanism for all REDD related information was intended in R-PP. Only few registries have been reported in the REDD Cell. REDD Cell is making efforts to register information in future too. Nepal has been continuously updating VRD (Voluntary REDD Database). To update current status of financial flow for REDD related projects in Nepal, REDD Cell made second public notification to register all REDD implementing partners, but the level of response was not very promising.

Box 1: Experience on REDD+ implementation from three pilot projects in Nepal

The pilot REDD project which was implemented jointly by ICIMOD, ANSAB and FECOFUN in 2009 - 2012 in three watersheds have demonstrated well that local communities are able to understand, implement and benefit from REDD+. This piloting has given more weight to socioeconomic criteria against the carbon sequestration. The criteria, indicators and processes in fund mobilization process adopted in the pilot projects have failed to address the issue of equity. The local stakeholders have expressed that there is need of further revision and improvement in criteria and indicators to maintain balance between social justice, equity and environmental integrity. There is also growing concerns of bring consistency between these guidelines and community forestry guidelines regarding the benefit distribution process and mechanisms.

To develop standard method of forest carbon measurement and to generate forest carbon data a piloting was carried out in Tarai Arc Landscape with the technical assistance from WWF-Nepal. Numerous learning has been gained from this piloting. It has enhanced the capacities of local people on forest carbon assessment process, technology adoption for forest carbon monitoring, and capacity enhancement of government institutions.

RECOFTC, FECOFUN, and HIMAWANTI are involved in capacity building at community level. Many learning are drawn from this piloting. First, partnership with the federation of grassroots level institutions is effective in terms of reaching to more people within a certain time frame. Second, cascading approach of delivering the training to facilitators and delivering the concept in lower administrative and political units is found effective. Third, it has contributed in top down flow of information and receiving the feedbacks/suggestions/experiences from the field through bottom up process. Publications produced from the experience of this pilot project have been widely used for training at national and regional level in Asia and Pacific.

ANNEX B shows the list of the piloting projects.

4.3 Social and Environmental impacts

Strategic Environmental and Social Assessment (SESA) is essential for both circumventing negative impact and ensuring positive or additional benefits from REDD implementation, particularly in terms of enhancement of livelihood options, rights of local, and forest dependent communities, biodiversity conservation, maintaining cultural heritage, gender balance, and good governance.

Nepal has a well established legal system to implement and include environmental and social safeguards in development activities. To this end, government of Nepal has enacted various environmental rules and regulations to ensure safeguards. Environmental Protection Act (1996) and the Environment Protection Rules (1997) provide provisions to conduct environmental assessment for prescribed activities and proposals (Nepal Law Commission, 1995). Besides, many sectoral laws have provision of integrating environmental aspect into the development activities. For example, the Forest Act, 1993 calls for carrying out EIA of the development proposals if they are to be implemented in the forest areas and/or passes through the forest area (MoFSC, 1995). MoFSC has prepared various forest related guidelines to streamline environmental assessment system, and the important ones are: Guideline for IEE and EIA of Forestry Sector, 2002; IEE Manual for Forestry Sector, 2005; and a guide to streamlining EIA approval process, 2006. These guidelines and the acts and regulations have provided sound basis to ensure environmental and social safeguards in forests and forest related programs and projects.

Predominantly, MoFSC and Ministry of Science, Technology and Environment (MoSTE) are the main ministries responsible for coordinating the integration of environmental and social consideration into REDD process. Both ministries have Environment Division which oversees environmental and social impact of forest related activities. The MOSTE has been given responsibility to approve EIA and its related reports of all sectors. Apart from this, many ministries and their corresponding departments have Environmental Divisions and Sections to oversee environmental and social impact of development activities. There is Environmental Division in the National Planning Commission Secretariat to assist the integration of the environmental and social aspects in development planning process.

After substantial delay, the SESA process for REDD strategic options is progressing. Work of conducting SESA and formulating Environmental and Social Management Framework (ESMF) has been awarded to a consulting firm and draft SESA ToRs has been shared with the Multi Stakeholder Forum and comments were solicited. Consultants were commissioned in mid September 2013 to undertake a Strategic Environmental and Social Assessment of the REDD+ Strategy and to prepare an Environmental and Social Management Framework (ESMF). The consultant team comprises experts provided by a consortium of the International Centre for

Environmental Management (ICEM), the International Institute for Environment and Development (IIED) and the School of Environmental Science and Management (SchEMS), affiliated to Pokhara University. It was expected that the SESA process would be implemented during the readiness process in line with the analytic studies for the REDD+ strategy options as well as other analytic work on institutional arrangements. However the given the resources constraints faced by the REDD+ Cell, the original SESA budget was scaled down significantly. Therefore moving forward only an initial light touch SESA would be conducted given the current limited SESA budget. Below provides an outline/time line for the implementation of the initial SESA

Phase 1 (Inception phase) was initiated on 1st October and involves discussions with the REDD Cell to clarify the tasks and shape the work plan, acquire key documentation, review stakeholder analysis in the RPP, develop a REDD+ Strategy Options paper (setting out up to 12 strategic 'umbrella' options, based on a review of the RPP as a draft REDD+ Strategy is not available), prepare scoping notes for contributory theme papers, and submit an inception report. In early November, a 1st National Stakeholder Workshop will be organized to review the Options paper, validate the methodology and provide perspectives. Following these consultations with key stakeholders will be conducted at national level and district levels. The team will undertake brainstorming on the potential environmental and social impacts (positive and negative) of agreed umbrella the REDD+ Options, commence preparation of theme papers, and address the scope and content of the SESA report and ESMF.

Phase 2 (December – mid January) will involve deepening and writing up the analysis of impacts, an assessment of institutional needs and capacities to implement the ESMF, continued work on the theme papers, assimilation of stakeholder perspectives, and preparation of a mid-term report on progress. During Phase 3 (mid January – mid February), the first draft SESA and ESMF reports will be prepared. In Phase 4 (Mid February – mid March) these reported will be submitted to the REDD Cell and stakeholders for comment, and a 2nd National Stakeholders Workshop will be organized to consider the reports, their findings and recommendations. During Phase 5 (mid March–end April 2014), the reports will be revised to incorporate feedback and submitted for final review by the REDD Cell, after which the team will finalise and submit them to the REDD Cell.

The SESA is expected to be completed by April, 2014. Some preliminary work supporting to SESA process has been accomplished. REDD Cell has completed a review of past environmental safeguards adopted in forestry projects. The report has highlighted the shortcomings of past EIA report such as inadequate data and information to make the report site specific and capacity gaps in human resources. Apart from this work, a SESA Technical Committee [see **ANNEX A (f)**] has been formed within REDD Cell, involving representatives from REDD related

stakeholders including CSOs, government officials and experts. The Technical Committee oversees and coordinates the SESA and ESMF activities at REDD Cell.

4.4 Development of Reference Scenario

Performance of REDD policy is measured in terms of amount of changes in forest area and carbon content over time and corresponding carbon emission and uptake from the atmosphere relative to a forest reference emission level or reference level. UNFCCC has requested the participating countries to develop REL or RL at the national level, with sub national approaches as an interim arrangement.

To develop reference level for Nepal, REDD Cell has signed a contract with CAMCO Clean Energy based in Nairobi. Table 9 shows the work plan for developing reference scenario.

Table 9. Work plan to complete reference level development (months are of 2013)

Month	September				October				November				December			
Week	w1	w2	w3	w4	w1	w2	w3	w4	w1	w2	w3	w4	w1	w2	w3	w4
Finalize data collection and analysis																
Capacity Building on approach and Methodology for developing RL																
Land Use change Analysis																
Compilation of Activity Data																
Capacity Building on integration of land use change analysis and available activity data																
Constructing the RL																
Capacity Building on the construction of RL and Reporting																
Final Reporting and presentation of final RL																

To provide technical inputs developing REL at the national or sub national levels, a technical committee has been formed at REDD Cell. The TC comprised of members from the GoN (REDD Cell and DFRS), WWF Nepal, ICIMOD together with independent experts (Finland Embassy) [see **ANNEX A (b)**]. The committee is providing technical inputs on REL development process.

Through consultation with technical committee, it has been agreed that:

- Reference level for Nepal will be of national scale.
- FAO forest definition will be applied (Minimum Area 0.5 hectares , Tree height minimum 5 meters, Canopy cover minimum 10 percent or trees able to reach these thresholds *in situ*)

- Three major activities of REDD+ will be included in analysis:
 - Deforestation
 - Degradation
 - Forest Enhancement
- Three sources of degradation will be accounted: logging, fuelwood collection, and forest fire.
- Three time series of Landsat images will be analyzed to come up with activity data for historic emission: 1990, 2000, and 2010.
- To develop emission factor for enhancement, some proxy variables will be used, such as DOF records - targeted areas to be planted with trees, number of tree seedlings recorded by Department of Forest at district level; database maintained by community forests user groups; and seedling survival rate (as a proxy to measure plantation).
- Two carbon pools – above ground biomass and below ground biomass – will be included, and three pools – deadwood, Litter and SOC – are excluded due to lack of data and also on the assumptions that these carbon pools have not been changed significantly.
- On GHGs, only CO₂ will be included, and CH₄ and N₂O are excluded because there are no mangroves (there is no coast in Nepal) and no significant flooded areas in Nepal.

Besides developing REL at the national level, development of a REL at sub-national level is underway. The government in collaboration with WWF Nepal is developing sub national level REL for Tarai Arc Landscape (TAL) as an interim arrangement. Further on developing REL for TAL government of Nepal has agreed to move ahead and to submit Nepal's REL idea at Web portal/WB FCPF.

The development of REL/RL for sub national project viz. TAL area, is adopting Tier 2, in which forest biomass values are taken from existing forest inventories. Similarly, the REL development is adopting Approach 1, which provides changes from and to a land category in addition to gains and losses in the area of specific land categories (IPCC, 2003). The government is expecting to develop REL/RL for other landscapes and physiographic regions leading to national forest REL/RL. To this end, government is endeavoring to develop methodology and data consistently and transparently and use them in all sub-national level REL. Development of REL/RL at sub-national level is providing useful insights into how to develop forest REL/RL at the national level.

4.5 Monitoring Systems for Forests and Safeguards

National Forest Monitoring System

Design of MRV system at the national level is under way, and Agri-consulting SPA, Italy is engaged in the designing it. Updates and concept on MRV has been discussed among

stakeholders several times. The discussion has improved the capacity of stakeholders on MRV and related things.

This assignment has a clear mandate to come up with REDD+ MRV outputs based on the two set of major objectives. First objective is to develop a comprehensive and detailed proposal for continuous collection, analysis and verification of national data on forest-related carbon emissions and sequestration, and second objective is to build capacity of key national actors to sustain MRV capacities within the country. The project has been planned for two phases of implementation in order to achieve the given objectives. The assignment in the phase-I implementation (June, 2013-October, 2013) will carry out the data collection and analysis while phase-II implementation (November 2013 - February, 2014) would be MRV System design, implementation and capacity building.

At present, the project is undertaking the phase-I and executing particularly three associated tasks that includes; (1) Analysis of Existing Data Sources related to REDD+ (2) Compilation and Analysis of REDD-related data generated and (3) Critical Analysis of Existing Institutions involved in forest resource data collection and analysis. Based on these tasks, the project will come up with some deliverables that produced three technical papers and a logical structure schema containing spatial information on forest, ecological and socio-economic data as of the nucleus of MRV system. As of first technical paper, the project has developed a Geographic Information System Data catalog which is useful to create a systematic catalogue of the existing layers, and to standardize data formats in terms of nomenclature, projections and to produce adequate meta-data. The available information was standardized and included in the MRV geo-database, which constitutes the first nucleus of the MRV database, containing vector and raster data sets as well as ancillary data. It will summarize the status of the data catalogue and the thematic elements included so far. In synthesis, at present, the MRV geo database contains the various thematic elements.

The second technical paper will present the preliminary findings on local MRV approach and to stimulate the discussion on the proposed methodologies for follow-up. This paper mostly overviews the elaboration of a national forest monitoring system which enables comparison of changes in forest area and carbon stocks (and their associated GHG emissions) and the baseline estimates used for the Nepal REL/RL; the potential for developing a REDD MRV system that additionally supports CFUGs, the public sector and other institutional models of forest resource management to achieve their diverse management objectives; the devolution of management functions and responsibilities (including forest inventory) of large areas of forest to Community Forestry User Groups, and the technical capacity development needs and potentials of CFUGs as they relate to both forest carbon and more conventional forest inventory and management issues; and a compilation and analysis of REDD-related data generated as part of ongoing REDD

projects in the country (e.g. the Hariyo Ban Project, the Multi-stakeholder Forestry Programme, and the NORAD-funded REDD project implemented by ICIMOD, FECOFUN and ANSAB).

The third technical paper is intended to present an institutional assessment of entities that exist at multiple governance levels, and have or are likely to have a stake in REDD+ MRV system in Nepal. Hence, this assessment intends to focus on institutions that will or are likely to engage in gathering and verifying information on actual reductions in forest emissions, processing the information and reporting to national/international counterparts. In order to justify this assessment in existing contextual setting, a brief review of major actors of Nepal's REDD forestry including their structures, objectives and functions is presented. A national REDD+ architecture within which the MRV system is likely to get institutionalized is conceptualized on the basis of R-PP provisions. Finally an institutional structure for effective operation of MRV system is presented building on likely vertical and horizontal interactions among relevant actors.

By the end of the phase-I, the project will also accomplish the specific remaining tasks that includes (a) Definition of a common protocol with REL for Remote Sensing imageries interpretation and mapping of land cover and land cover changes in a consistent manner; (b) Carry out a case study on the implementation of the MRV at Forest Community level; (c) Define the stratification criteria for national field sampling; (d) Define the methodological approach for modeling deforestation and forest degradation; (e) Formalize the data model and structure of the MRV System; (f) Define MRV hardware and software requirements; (g) Define capacity building needs; and (h) Discuss all the findings above in a multi-stakeholder workshop, proposed by end of October 2013.

Nepal has 18000 CFUGs which represent all five ecological zones of the country. All these CFUGs have to prepare operational plans at the beginning of forming the group and renew every five years. Nepal is developing a system such that these CFUGS are involved in MRV.

Forest Resource Assessment (FRA) Project Nepal (2010-14) has been implemented and is working in the assessment of forest resources. The objective of the project is to strengthen forestry sector and its administration. The project is working to improve quality of forest data and their processing for national forest policy development and reporting. Also, the project aims to collect national level baseline data as required for REDD and establish the MRV system(FRA, 2012). At national level, FRA project is establishing a total of 2500 permanent sample plots for periodic ground based inventory. Once the project tenure is over, it is expected that DFRS will monitor the changes in forest resources every five year and will serve as the central agency to provide national and sub national level data required for MRV of REDD. However, It is acknowledged that there is capacity gap in the DFRS which is likely to take

responsibility of monitoring of REDD implementation (FRA, 2012). Hence, DFRS's capacity improvement is essential.

One concern of MRV system is the costs (e.g., for forest carbon monitoring). The high transaction cost may exclude local communities from participating in REDD. Existence of community based forest management regimes, which have already demonstrated their performance in reducing deforestation and forest degradation, are likely to be involved in local level monitoring activities. Consequently, costs will be substantially lower compared to professional surveys, and the accuracy will be relatively good. Entrusting forest inventory work to communities could also improve transparency and highlight the value of community forest management in providing carbon services.

Information system for multiple benefits, other impacts, governance and safeguards

REDD implementation not only produces carbon benefits, but also produces many other ancillary benefits such as rural livelihood enhancement, conservation of biodiversity, ecosystem service provision, and governance improvement. Monitoring of these benefits is essential to ensure that REDD implementation does not impede quality and quantity of the benefits. A monitoring system should be designed such that it is capable of reporting how variables representing the benefits (safeguards) are being addressed and respected during the implementation of REDD activities. Recognizing the high dependency on forest resources, non carbon aspect of REDD is highly prioritized in REDD readiness process. To this front, the country is developing safeguards indicators following REDD+ Social & Environmental Standards which is being facilitated by the Climate, Community & Biodiversity Alliance (CCBA) and CARE international.

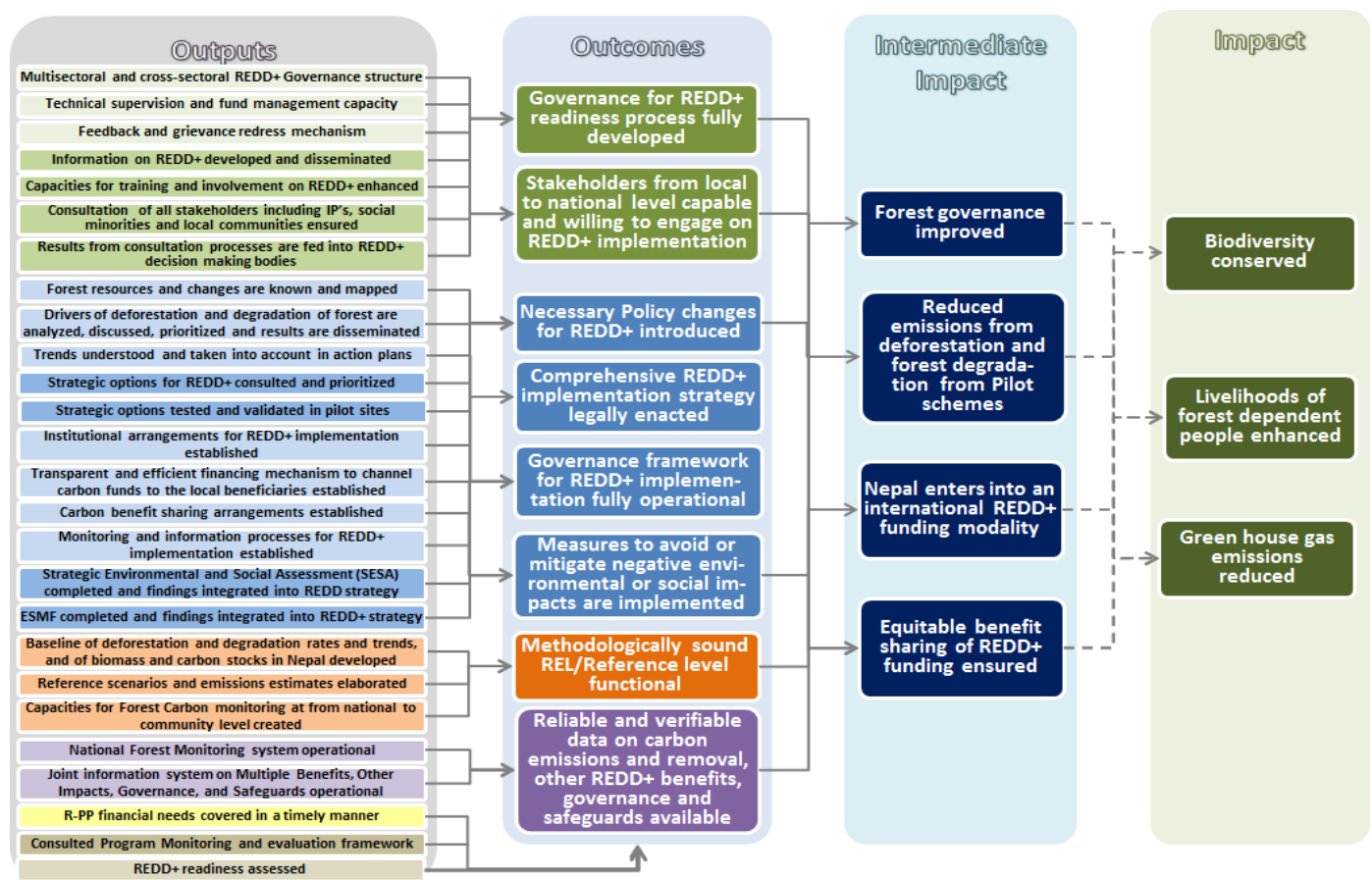
A technical working group has been formed to develop safeguard indicators based on the generic principles and criteria developed by the CCBA. The committee is comprised of representatives from indigenous community, women's group, gender expert, government agencies and civil society [see **ANNEX A (c)**]. REDD Working Group which is an existing structure for REDD planning and implementation, works as National Standard Committee. The committee oversees and supports the use of standards of the country. Likewise, facilitation team has been formed composed of government and non-governmental technical experts to facilitate the process of interpretation and use of the standards.

Second version of indicators has been developed considering the country specific situation. Various rounds of consultation and meeting were organized to develop the indicators. The notices regarding the indicators were published in the national news paper, posted on website site for comments and feedback. Consultation at the regional level and consultation with interest group were also carried out to ensure the ownership of the wider stakeholders.

5. Development of Monitoring and Evaluation (M&E) Framework for REDD+

Nepal has developed the M&E framework, which is meant to encompass all key building blocks required for the effective monitoring and evaluation of the results achieved by during the R-PP process. The two central building blocks upon which Nepal's M&E framework rests are: 1) The Result Chain and Logical Framework, which together provide a strategic overview of the R-PP process, by illustrating the main results to be achieved, and 2) the Performance Measurement Framework (PMF), which is the key internal management tool to be used by the REDD+ Cell to manage the collection, analysis and reporting on the performance data that must nourish the monitoring and evaluation functions.

Figure 2. Result Chain of REDD+ implementation in Nepal



Methodology adopted to develop the framework is as follow. The first step of the work was to capture the strategic goals of the R-PP process in a results chain. This involved identifying/defining the outputs, outcomes and expected impacts of the R-PP activities, which

has been realized on the basis of the detailed structure and activities presented in the R-PP document. From the Results-chain, a logical framework (log-frame) was designed, defining performance indicators for each of the project outputs, outcomes and impacts, as well as assumptions to be monitored. A complete **Performance Measurement Framework (PMF)** was then established. The PMF includes baseline and target values for each indicator, as well as responsibilities and timing for indicator data collection. A validation meeting with key stakeholders was organized on July 30, 2013 and discussed thoroughly.

CSOs and IPs have a role to play in monitoring at various levels as part of this M&E framework. In Nepal, CSO and IP representatives are already representing in the REDD+ Working Group (RWG). This working group has to validate the mid-term progress report, as well as the R-package assessment before they are submitted to the PC. It is also proposed that the semi-annual progress reports from the countries that are proposed under this M&E Framework be validated by the RWG. The IPs and CSOs therefore have a voice, through set national processes to participate in the monitoring of national progress. In addition, to the extent that IPs and CSO get direct funding from FCPF (through capacity building activities in particular), it is expected that they also provide information on a number of indicators for monitoring purposes to REDD Cell.

6. Activities in support RPP Activities (other than those supported by FCPF)

Since FCPF grant was most secured and certain, it was planned to invest in most technical work that requires international consulting services such as for REL, MRV, SESA, and implementation framework. The funding from other bilateral partners was not secured formally, so their expected support was planned for consultation and outreach, which is very much related to other forest development projects under ODA funding. Therefore, it was expected from bilateral donors such as USAID, DFID/SDC, Finland, and Japanese government to support Nepal's REDD readiness activities other than planned for FCPF. Table 10 depicts a summary of proposed activities and corresponding cost by different donor agencies. Among the donor agencies, DFID/SDC was expected to contribute the highest amount followed by USAID. Japanese government agreed to support mainly to the development of reference scenario by providing land use maps, computer hardware and software to establish a GIS lab in the REDD Cell. REDD Cell has already received such assistance from Japan. On the other hand, Finland government agreed to contribute to develop a MRV system, mainly by generating national level baseline data through FRA project, which is undergoing.

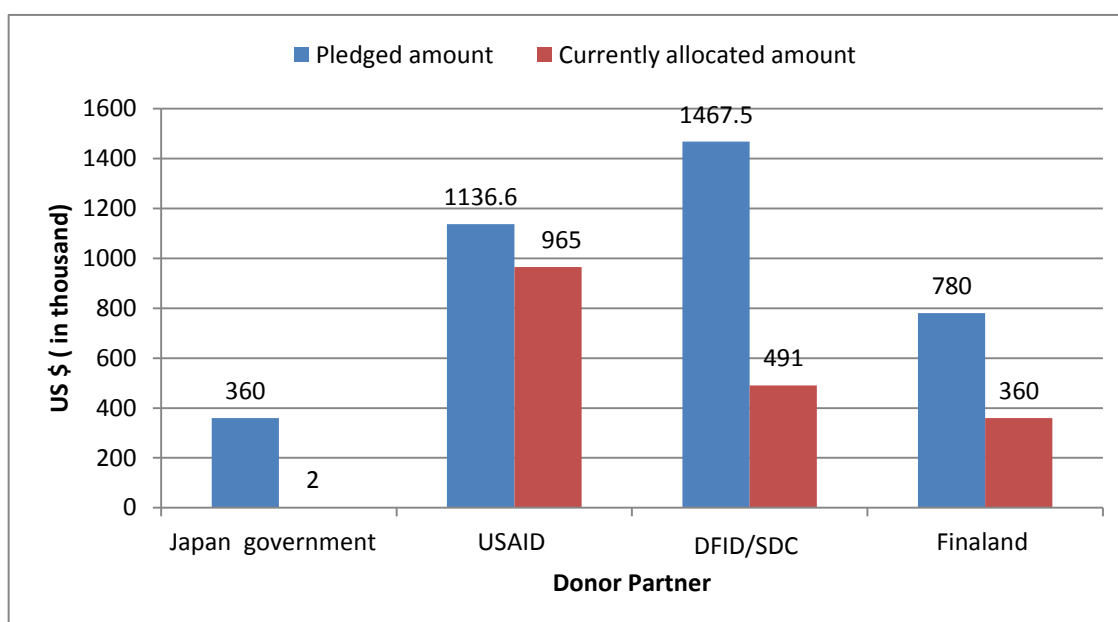
Table 10. Summary of pledged budget from REDD Donor Partners (component wise)

Donor Agencies	Activities	Component	cost (in thousands US\$)				Total	
			2010	2011	2012	2013		
Japan	National Readiness Management Arrangement	1.a	0	60	0	0	60	360
	Reference scenario	3	0	0	150	150	300	
USAID	National Readiness Management Arrangement	1.a	32.6	0	0	0	32.6	1136.6
	Stakeholder Consultation and participation	1.b	415.5	688.5	0	0	1084	
DFID/SDC	Stakeholder Consultation and participation	1.b	0	600	664	37.5	1301.5	1467.5
	Assessment of land use, Forest Policy and Governance	2.a	96	0	0	0	96	
	Strategy Activities	2.b	40	10	0	0	50	
	Social and Environmental impact	2.d	20	0	0	0	20	
Finland	Monitoring and Reporting system	4	0	260	260	260	780	780

Other than the program supported by FCPF, other organizations are also carrying out REDD activities which contribute to Nepal's REDD readiness process. Neither the exact information of the activities, nor any mechanism exist which facilitate the sharing of information among donor agencies and REDD Cell. Hence, a monitoring committee involving REDD Cell, MSFP, and Hariyo Ban Program has been formed. The monitoring committee will constantly monitor the REDD related activities of donor agencies. The monitoring will ensure the activities are in line with donor's commitments in the R-PP.

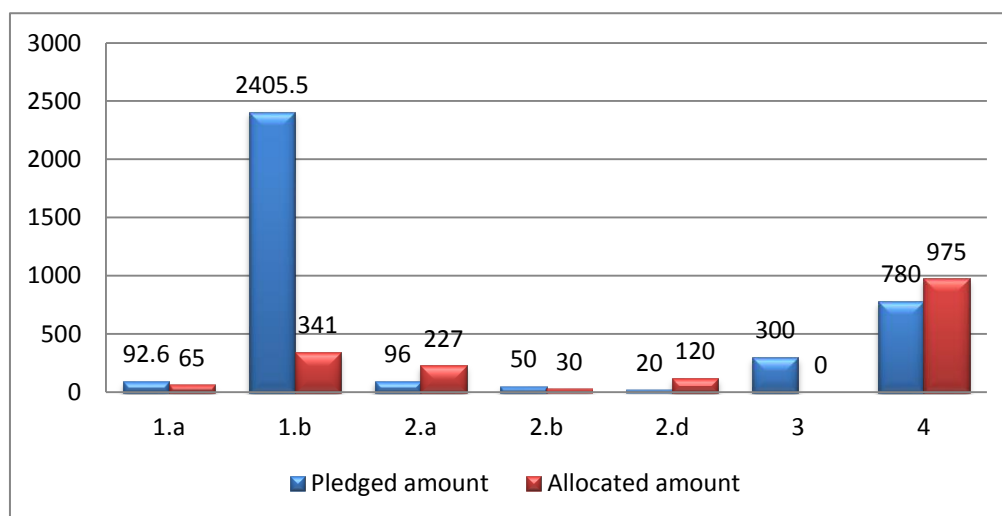
Based on the information provided by DFID/SDC (Multi-Stakeholder Forestry Program) and USAID (Hariyo Ban Program), current status of budget allocation is shown in Figure 3. Large difference is observed in DFID/SDC's allocation, because the budget is allocated on the yearly basis, whereas the pledged amount is for year 2010-2013. USAID's allocation almost matches with the pledged amount. This is because the USAID's allocation is for entire year from 2011 to 2013.

Figure 3. A summary of pledged and currently allocated amounts from REDD Donor Partners



Large disparity is recognized between the pledged and allocated amount in Component 1.b that is Stakeholder Consultation and Participation. On the other hand, small difference is identified in Components 1a, 2b. Full budget is allocated for components 2a, 2d and 4. Figure 4 shows the disparity between promised and allocated amount under different components by donor agencies other than the FCPF.

Figure 4. Status of pledged and currently allocated amount under different components by bilateral donors (other than the FCPF)



Note: For component 3, Government of Japan provided equipment support in kind, as promised. Financial contribution in allocation part does not appear in the above graph.

REDD Cell organized various round of discussions to sort out acquisition of the financial support as pledged by donor agencies in the R-PP. The recent meeting of REDD donor partners was held during March, 2013 to discuss this issue. Donors have promised to allocate pledged amount through new financial arrangement. It was agreed to revise donor's respective activity plans to support R-PP as far as possible and practical, but it is yet to be materialized.

7. Financial Results

R-PP was approved in July 2010 and a sum of US \$ 3.4 million (NRs 289, 000, 000 @ 1 US\$=85) was earmarked from the World Bank's FCPF for REDD readiness in Nepal. An expenditure analysis shows that even after accomplishing the activities in the revised procurement plan, approximately US\$1.7⁴ million will be left over. However this US\$ 1.7 million amount does not include the budget allocated for those activities which are expected to accomplish by 16TH July of 2014 as per approved red book and revised procurement plan targets. Therefore, current ongoing activities which will be accomplished between December, 2013 and 16th July 2014 will not be covered by above mentioned US\$ 1.7million.

Table 11 demonstrates the details of expenditure incurred in different fiscal year since 2010. It is widely realized that only the activities envisioned in RPP are not enough to make Nepal REDD ready, hence many other activities are proposed for until end of June 2015.

Table 11. Expenditure incurred over different fiscal years

Year	FCPF (USD)	Government (NRS)	Government commitment (USD)
2011	88, 025.8	3383470	39805.53
2012	355, 201.38	1176433.66	13840.40
2013	1,379,164.7	150000	1764.71
Total	1,822,391.88	4709903.66	55410.63
Remaining FCPF Grant	1,577,608.12		

8. Audit status

Financial audit of FY 2012/013 (FY 2068/069) has already completed. Project financial statement audit is completed up to FY 2011/012 (FY2067/068) and project financial statement

⁴ After Nepal signed the grant agreement, Participants Committee of the FCPF decided to allocate US\$ 200,000 for developing feedback and grievance redress mechanism to the REDD Countries. So the total remaining amount for Nepal under the Readiness fund also includes \$200,000.

audit for FY 2012/013 (2068/069) is yet to be completed and is still in the verification process for which REDD is trying to submit it as early as possible. It is realized that a full time account officer is essential to address this problem. Currently, part time Account Officer from DoF has been overseeing financial transaction. REDD Cell is taking initiative to employ full time Account Officer.

9. Stakeholder perceptions

REDD cell has been constantly presenting the status of REDD readiness in the RWG meetings, Multi-stakeholder Forum at national and regional level, and at events organized by NEFIN, FECOFUN, COFSUN, and ACOFUN. Recently, a multi-stakeholder meeting was organized to inform the REDD stakeholders about the current status of REDD readiness of the country. The stakeholders were of the view that capacity building activities at the grass root level has not been adequately implemented. Hence, the stakeholders suggested for capacity building at the grass root level. Many REDD partners are also conducting activities which supports Nepal's REDD readiness.

10. Nepal's compliance with the FCPF Common Approach

As World Bank is the delivery partner of the FCPF in Nepal, World Bank safeguard policies apply to FCPF funded activities. The assessment mission from the World Bank before signing the grant agreement concluded that the FCPF grant for REDD+ Readiness in Nepal would trigger World Bank safeguard policies related to Environmental Assessment and IP. One of the activities financed by the FCPF is the development of an Environmental and Social Management Framework to address environmental and social impacts associated with the future implementation of the National REDD Strategy, which is currently undergoing and is expected to be completed by March, 2014. A study on developing feedback and grievance redress mechanism will be launched in a month. The TOR has already been prepared.

Relevant stakeholders have been actively engaged through Apex Body, REDD Working Group and Multi-stakeholder Forum. Consultations and outreach as envisioned in the R-PP is yet to take greater momentum, which is being accelerated during grant extension period by providing resources to national CSOs and IPOs alliance on REDD+.

Regarding disclosure of Information, REDD Cell takes timely initiatives for public disclosure of procurement processes and results to maintain transparency on the use of the FCPF grant. The General Procurement Notice was published, before processing for any of contracts in United

Nations Development Business (UNDB) to let all interested know in advance of the different opportunities available within the project. Call for expression of interest and other notices were published in UNDB as well as in the widely circulated national newspapers. Upon completing the procurement processes, publication of awards were made in UNDB and other sources as applicable. Of course, the REDD Cell website is regularly updated by uploading with TORs and other relevant documents and reports. The ToRs for major studies are shared with and get approved by the REDD Working Group.

11. Next steps and recommendations

Initially all the activities and analytical studies were planned to be accomplished by the end of year 2013. However, mainly due to inadequate financial support for capacity building by bi-lateral donors (mainly from Multi Stakeholder Forestry Program), and understaffing and high turnover of REDD Cell staff including the chief, Nepal could not demonstrate full readiness for REDD+ within the original timeline. Also, out of the total FCPF grant for REDD+ readiness, about US\$1.7 million is estimated to remain unspent however this does not include the budget allocated for those activities which are expected to accomplish by 16TH July of 2014 as per approved red book target. Therefore, current ongoing activities which will be accomplished between December, 2013 and 16th July 2014 is not included in the above mentioned US\$ 1.7million. It has been realized that Nepal will need extended time till end of June 2015 to accomplish all the activities envisioned in the R-PP to make Nepal ready for REDD+ implementation with full confidence and adequate capability. Therefore, an extension of current project for 18 months effective from 1 January 2014 is necessary to make the country capable of implementing phase 2 of REDD+ as envisioned in the Cancun agreement of UNFCCC.

Now the REDD Cell has fully fledged staffing, with enhanced capacity and confidence of the staff to take leadership in REDD+ readiness processes, as described in section 4.2 of this document. Hence, Government of Nepal is requesting the World Bank to extend the FCPF Readiness Fund Grant Agreement for next 18 months (effective from January 2014 to June 2015) primarily for two reasons. First, to complete ongoing studies under REDD+ Readiness, and second, to develop performance based REDD+ program at jurisdiction based sub-national level to access potential opportunity under FCPF Carbon Fund.

During the extended period of REDD+ Readiness, REDD Cell will conduct studies and activities towards achieving REDD+ readiness at national level and developing performance based piloting for the FCPF Carbon Fund in Terai Arc Landscape, as shown in the Table 12. The timeline/work plan for the completion of remaining REDD Readiness activities during the grant extension period is presented in Annex D.

Table 12. Proposed Studies/Activities for the FCPF grant extension period

Proposed Studies/Activities	Estimated amount (US\$ '000)
1. Develop R-Package and assess REDD+ Readiness at national level	100
2. Propose institutional and cost-benefit sharing arrangement among various stakeholders for implementation of Emission Reductions Program in 12 districts of TAL	165
3. Develop national data base of basic forest attributes of all forest management regimes (community forests, collaborative forests, national forests, government managed forests, protected forests etc.)	300
4. Propose mechanism to promote payment of ecosystem services from forests in Nepal	150
5. Develop National REDD+ information system (National Emission Reduction Transaction Registry)	150
6. Assess customary practices of managing forest resources at local level and their implication to REDD+.	15
7. Consultation, outreach, and capacity building of relevant stakeholders on REDD+	
Conduct targeted consultations and capacity building of relevant stakeholders on FCPF supported activities	250
Develop institutional structure at regional and district level (Identify REDD Focal Point, provide basic trainings on REDD+, and create multistakeholder platform for REDD+)	235
8. Office Management	
Individual consultant for procurement management (July 2014 – June 2015)	11
Individual consultant for financial management (Jan 2014 – June 2015)	16
Office Management-support staffs and internet and other supports (Personal Assistant to REDD Chief, office assistant-2 and Driver-2)	15
Goods and Services (GIS Lab establishment and operational, Printer, computer, papers, toner etc)	20
IT support: Website Management and MTN of equipment	3
Organization of meetings (Apex body, REDD Working Group, Multistakeholder Forum, and other Technical meetings)	50
Capacity building of GoN staff (REDD Cell, DoF, MoFSC)	30
9. Uncommitted amount for any follow up work	190
Grand Total	1700

11.1 Rationale and objectives of the proposed studies & activities

1) Develop R-Package and assess REDD+ Readiness at national level

Nepal is developing emission reductions program in twelve districts of Terai Arc Landscape to attempt to access FCPF Carbon Fund, which is a performance based funding mechanism of the FCPF. In order for Nepal to participate in the Carbon Fund, Nepal must prepare and submit Readiness package and get it endorsed by the Participants Committee of the FCPF. The R-Package is generated by a REDD+ country towards the end of the readiness preparation phase, i.e., at a stage when activities proposed in the readiness preparation proposal (R-PP) are well advanced or completed. The R-Package is a major milestone and comes at the transition from REDD+ readiness preparation to piloting performance-based activities. The scope of the R-Package is national and encompasses all readiness preparation activities, notably (1) readiness organization and consultation, (2) REDD+ strategy preparation, (3) reference levels, and (4) monitoring systems for forests, and safeguards (a total of nine corresponding subcomponents that mirror the activities in the national R-PP).

FCPF Participants committee have adopted the R-Package Assessment Framework, which provides a snapshot of readiness progress relative to countries' circumstances and encompasses all major readiness preparation activities (from REDD+ organization, consultation and strategy preparations, to establishing a reference level and monitoring systems, as well as cross-cutting issues such as governance and environmental and social safeguards) – many of which will remain on-going. The assessment and endorsement process consists of (i) a multi-stakeholder self-assessment by the country, and (ii) an assessment by the PC (including input from an ad hoc Technical Advisory Panel (TAP), the Delivery Partner and others).

The inherent value in preparing the R-Package is that it provides the opportunity to take stock, assess progress, strengths and weaknesses, and seek objective feedback on issues raised at mid-term before moving onto REDD+ piloting or implementation. Such feedback is most useful as Nepal nears the end of its readiness preparations.

The objectives of this study are:

- Synthesize and consolidate findings of and methodology adopted in all analytical studies that have been carried out during readiness. Some studies include - development of MRV and reference level, Strategic Environmental and Social Assessment (SESA), drivers of deforestation and forest degradation, REDD+ implementation framework.
- Prepare a R-Package report on the basis of criteria and diagnostic questions in the R-Package Assessment Framework adopted by the Participants Committee of the FCPF
- Conduct multi stakeholder workshops with national stakeholders to assess progress made by Nepal on REDD+ Readiness.
- Produce a report on multistakeholder assessment of REDD+ Readiness in Nepal.

2) Propose institutional and cost-benefit sharing arrangement among various stakeholders for implementation of Emission Reductions Program in 12 districts of TAL

As Nepal is developing emission reduction program from 12 districts of Terai Arc Landscape, this study will perform following three major sets of activities, which will contribute to developing Emission Reduction Program Document (ERPD) from the TAL.

- Identify key agencies that can contribute to implementation of ER program in TAL, analyze their existing capacity and potential role in the ER program.
- Propose the institutional arrangement and its linkage to national REDD Cell in order to implement ER program
- Recommend cost-benefit sharing model in all forest types viz. community forestry, government managed forest, national forest, collaborative forest or any other forests in 12 districts of TAL.

3) Develop national data base of basic forest attributes of all forest management regimes (community forests, collaborative forests, national forests, government managed forests, protected forests etc.)

SFM is one of five activities of REDD+ (Reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries), so it is important that SFM be focused as much as reducing deforestation and forest degradation. A number of studies indicate that Nepal's forest management is protection oriented, and a challenge remains to shift it into production oriented sustainable forest management. Due to focus on protection of forest resources, timber harvesting remains far below optimal levels, and as a result people dependent on forest resources struggle to fulfill their basic needs.

Intensifying silvicultural treatments can provide intermediary products needed for local communities which also contribute to reduce heavy pressure on forest products. Good SFM practices help reduce and avoid forest degradation, increase net gain in forest area managed in a sustainable way and improve selected forest ecosystem services such as habitat services (biodiversity), productive services (soil and livelihoods), and regulating services (carbon).

Hence a national database of all forest management regimes will help to understand prospects of performing silvicultural treatments in a forest of certain characteristics. The purpose of the database is to support on decision-making (e.g. reforestation potential/suitability analysis and related planning and implementation activities; trade- off analysis including mid- and long-term analysis); Sustainable harvesting of timber and non-timber forest products, management planning; forest certification and verification. Outcome of this study also includes identification of management practices in existing forests, which is essential first step for such practices to be adopted by relevant actors.

The national data base will encompass all forest management regimes (community forests, collaborative forests, national forests, government managed forests, protected forests etc.), and will include the attributes as listed below and more:

- Introduction: Forests name, management type, District, VDC
- Forest Characteristics: Forest area, dominant type of forest, average age, condition of the forest (very good, good, poor, very poor), principal species, species wise growing stock, NTFP, major birds, animals, most unique features of the forest
- Management: principle, management objectives, intensity of thinning,
- Area deforested, encroached, burnt by fire, affected by grazing, heavy logging, invasive species , any other drivers of deforestation and forest degradation, and measures taken to address these, potential threat in future.
- Fuelwood removed, leaf litter removed, timber extracted legally and illegally, and other woods extracted for other purposes
- Fund management – income sources and expenditure
- REDD friendly silvicultural practices possible in such a particular forest

4) Propose mechanism to promote payment of ecosystem services from forests in Nepal

Compared to other land uses, forest land gets undervalued because ecological services that forests offer have no economic value in the market. As a result deforestation and forest degradation continue to be challenging to address. REDD+, a performance based mechanism to reduce deforestation, at least attempts to put a price on one of the services that forests offer – carbon sequestration. But there is more a forest can offer – source of clean water, biodiversity, shade, soil conservation etc. Also, there are a lot of uncertainties around REDD+, as no final, formal agreements have taken place around UNFCCC negotiations. Hence countries like Nepal can explore domestic market for whole range of ecological services, learning from countries like Mexico, Costa Rica, and Ecuador, which have substantial experience with implementing payments for ecosystem services and conservation incentives.

Objectives of this study include:

- Assess existing practices of PES of forests in Nepal in terms of contractual arrangement, MRV, financial mechanism, and use of funds in poverty reduction, livelihoods, and other equity issues.
- Identify potential market domestically and internationally for PES
- Explore challenges – policy, financial, social – in expanding PES throughout the country
- Recommend measures to implement PES at national scale
- Organize workshops two in each district to make local communities aware of PES practices and potential opportunity they could explore in their forests

5) Develop National REDD+ information system (National Emission Reduction Transaction Registry)

The Readiness package, which must be endorsed by the Participants Committee in order for Nepal to participate in the Carbon Fund, requires to have a national geo-referenced REDD+ information system or

registry operational, comprehensive of all relevant information (e.g., information on the location, ownership, carbon accounting and financial flows for sub-national and national REDD+ programs and projects), and publicly accessible.

Similarly, Methodological Framework for the FCPF Carbon Fund is likely to require establishment of a National Emission Reduction Transaction Registry capable of performing the necessary functions and administrative procedures required to ensure that any ER from REDD+ activities under the ER Program are not generated more than once; and that any ER from REDD+ activities under the ER Program sold and transferred to the Buyer are not used again by the Seller for sale, public relations, compliance or any other purposes.

An ER transaction registry handles the process of creating (i.e. issuing) offsets units with unique serial numbers and supporting the transfer of ER units between account holders within the registry and to other linked trading registries.

A comprehensive REDD+ Program and Projects Database is necessary to avoid having multiple measures claiming the same ER. An Emission Reduction Transaction Registry is required to avoid the same ER being created (issued) more than once, or the same ER being sold to more than one buyer.

Objectives:

- Develop mechanism for REDD+ information system or registry to make it operational and comprehensive of all relevant information (e.g., information on the location, ownership, carbon accounting and financial flows for sub-national and national REDD+ programs and projects), and publicly accessible.
- Prepare operational guidance clarifying the roles and responsibilities of entities involved in the Emission Reduction transaction registry, as well as rules for operation of the registry.
- Organize training and workshop to build capacity of REDD Cell staff and other institutions that is proposed to be involved in managing the registry.

6) Assess customary practices of managing forest resources at local level and their implication to REDD+.

Indigenous peoples, forest dependent communities and forest dwellers have been managing forest resources through generations of experimentation and as custodians, and they have developed extensive knowledge of sustainable use and management of forests and other natural resources. Such rich knowledge and their close relationship with their lands for social, cultural, economic reasons have enabled them to live in harmony with nature. However, customary laws that regulate the application of their knowledge on the management of the natural resources within their territories are disappearing due to statutory laws, colonization, and economic development.

Invaluable role of the indigenous knowledge systems and customary laws has been recognized in REDD+. As per the Cancun Safeguards, Countries conducting REDD+ activities need to “...respect for the knowledge and rights of indigenous peoples and members of local communities...”

Government of Nepal also recognizes significant role of indigenous knowledge systems and customary laws in REDD+. However, there is a gap in understanding prevailing indigenous knowledge and customary laws in forest management, and mechanisms which will be necessary for them to secure the central role in the REDD+.

In this context, REDD Cell is conducting a study with following objectives:

- Assess indigenous practices and customary laws of managing forest resources, benefit sharing, and conflict management (e.g. Nawa system adopted by Sherpa Community, Kipat system by Limbus, Mirchang by Thakalis)
- Analyze implications of such practices for REDD+ and propose a mechanism to promote them.

7) Consultation, outreach, and capacity building of relevant stakeholders on REDD+

- I. Conduct targeted consultations and capacity building of relevant stakeholders on FCPF supported activities

Following the successful model Nepal adopted during R-PP preparation stage, REDD Cell will develop partnership with REDD+ CSO and IPO Alliance and provide resources to the Alliance to conduct targeted consultations on FCPF supported activities. The Alliance is currently set up at national level, but it will also create such structures at district level. One of the tasks REDD Cell envisions to work through the Alliance is to prepare district level REDD+ stakeholder profile. REDD Cell will request a proposal from the Alliance on how they could support the government, and detail terms of reference will be agreed upon.

II. Develop institutional structure at regional and district level

A country that is ready for REDD is able to participate in a future REDD mechanism. To become REDD+ Ready, a country should be able to demonstrate sufficient capacity in institutional arrangement i.e. government can enact and enforce forest protection laws; forest land tenure is clear; transparent tracking and accounting of national-level emissions.

So far REDD+ readiness has been managed from central level. Understanding of REDD mechanism is very weak at regional level and at district level. In order to carry out extensive consultation and capacity building activities at district and local level, following tasks will be carried out:

- Identify a REDD Focal point in each regional directorate offices and in district forest offices
- Provide a five-day intensive course on concept and processes of REDD+ mechanism to all district focal points.
- Provide budget to each district to enhance awareness and enhance capacity of relevant stakeholders.

8) Office management

Human resources needed to accomplish the tasks specified above, goods and equipments needed for the same purpose, and meetings to be organized by REDD Cell.

- i) Human resources: Seven staff will be recruited to support REDD Readiness – one procurement consultant, one financial management consultant, one Personal Assistant to REDD Chief, two office assistants and two drivers. All of them will be recruited in January 2014 for until June, 2015.
- ii) Meetings cost: REDD Cell will have to frequently organize meetings at different level such as Apex body, RWG, Multistakeholder forum, technical committee meetings. REDD Cell will provide lunch and/or breakfast, depending on time of the meeting, to the participants. It is estimated that REDD Cell will organize ten meetings or events per month for 18 months.
- iii) Goods and Equipments: This will include GIS lab establishment and furnishing (computer hardware and a few software have been provided by Japanese Embassy), computers, paper, toner, printers etc.

9) Uncommitted amount for any follow up work

Three studies on reference level, MRV and SESA are being undertaken now, and these studies will be completed only by the first quarter of 2014. There could be some follow up work needed immediately after the studies are completed. This could include, for example, developing brochures of the outcomes of the studies, relaunching some of the studies to go to greater depth if the final product is unsatisfactory, establishing a unit within Department of Forest Research and Survey Centre which will be responsible for MRV.

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ANNEX A

Composition of institutional arrangement to support REDD Cell on REDD+ Readiness

(a) REDD Working Group

SN	Name	Affiliation	Role in the RWG
1	Dr. Ganesh Raj Joshi	Secretary, MoFSC	Chair
2	Biswo Nath Oli	Director General, Department of Forests	Member
3	Sahas Man Shrestha	Director General, Department of Forest Research and Survey	Member
4	Meg Bahadur Pandey	Director General, Department of National Parks and Wildlife Conservation	Member
5	Bidya Pandey	Under-secretary, Ministry of Agriculture Development	Member
6	Chakrapani Sharma	Under-secretary, Ministry of Local Development	Member
7	Prakash Mathema	Joint-secretary, Ministry of Environment, Science and Technology	Member
8	Representative	Ministry of Energy	Member
9	Netra Sharma	USAID	Donors representative
10	Pasang Dolma Sherpa	NEFIN	IPOs representative
11	Birkha Shahi	FECOFUN	CSOs representative
12	Resham Bahadur Dangi	Joint-secretary, REDD Cell	Secretary

(b) REDD MRV/REL Expert Technical Working Group (TWG)

SN	Name	Affiliation	Role in the TWG
1	Shreekrishna Gautam	Under-secretary, Department of Forest Research and Survey	Coordinator
2	Ugan Manandhar	WWF Nepal	Member
3	Himlal Shrestha	ICIMOD	Member
4	Chudamani Joshi	Finland Embassy	Member
5	Gokarna Thapa	WWF Nepal	Member

(c) REDD plus Social and Environmental Safeguards TWG

SN	Name	Affiliation	Role in the TWG
1	Birkha Shahi	FECOFUN	Member
2	Dandu Sherpa	NEFIN	Member
3	Bhaskar Singh Karki	ICIMOD	Member
4	Gajadhar Sunar	Dalit NGO Federation	Member
5	KusumBhattachan	National Indigenous Women's Federation	Member
6	Representative	Department of Forests	Member
7	Rama Ale Magar	HIMAWANTI	Member

(d) REDD plus Social and Environmental Safeguards National Facilitation Team

SN	Name	Affiliation	Role
1	Dil Raj Khanal	FECOFUN	Facilitator
2	Nirmala Singh Bhandari	Forest Officer, REDD Cell	Facilitator

(e) REDD Strategy Technical Review Committee

SN	Name	Affiliation	Role
1	Representative	Policy and Program Planning Section, REDD Cell	Coordinator
2	Ram NandanSah	REDD Cell	Member
3	Naya Sharma Poudel	Forest Action	Member
4	Keshav Prasad Khanal	WWF Hariyo Ban Program	Member
5	Mani Nepal	South Asian Network for Development and Environmental Economics	Member

(f) SESA and ESMF Technical Committee

SN	Name	Affiliation	Role
1	Resham Dangi	Chief, REDD Cell	Coordinator
2	Madhu Ghimire	Unde-secretary, MoFSC	Member
3	Representative	Ministry of Environment, Science and Technology	Member
4	Dil Raj Khanal	FECOFUN	Member
5	Representative	NEFIN	Member
6	Representative	from ongoing projects on REDD plus	Member
7	Ram Nandan Sah	REDD Cell	Member secretary

(g) REDD Steering Committee

SN	Name	Affiliation	Role
1	Dr. Ganesh Raj Joshi	Secretary, MoFSC	Chair
2	Braj Kishor Yadav	Joint-secretary, Environment Division, MoFSC	Member
3	Krishna Prasad Acharya	Joint-secretary, Planning Division, MoFSC	Member
4	Representative	Joint-secretary, Foreign Aid Division, MoFSC	Member
5	Representative	Joint-secretary, Monitoring and Evaluation Division, MoFSC	Member
6	Biswa Nath Oli	Director General, DoF	Member
7	Meg Bahadur Pandey	Director General , DNPWC	Member
8	Sahas Man Shrestha	Director General , DFRS	Member
9	Representative	Subject specific experts	Member
10	Representative	Subject specific experts	Member
11	ReshamDangi	Chief, REDD Cell	Member secretary

Annex B

REDD piloting projects in Nepal

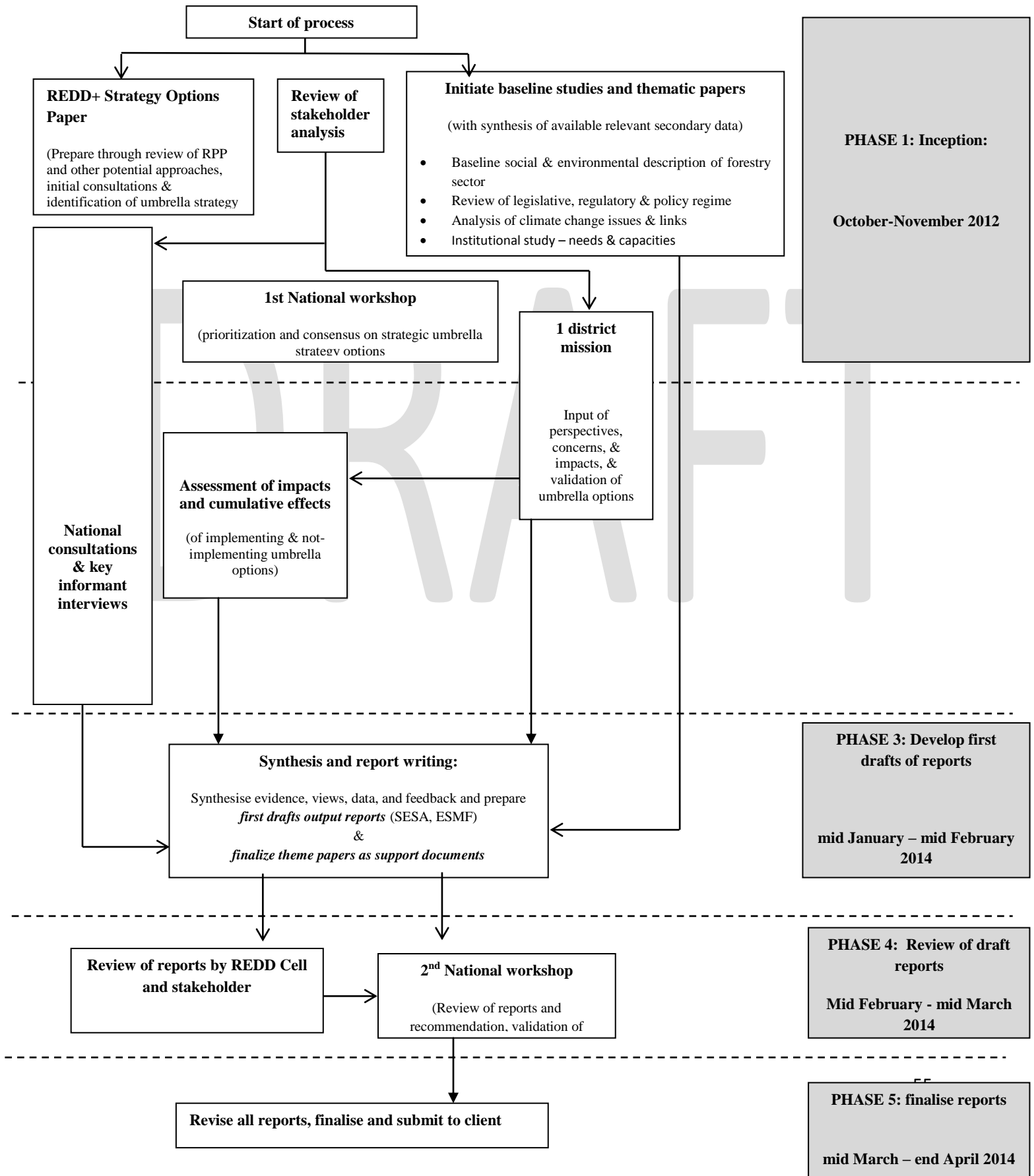
Institutions: ICIMOD, ANSAB and FECOFUN Projects: Design and establishment of a Governance and Payment System for Community Forest Management under REDD++ (2009-2013) Funded: Norad		
Activities Conducted	Relevant R-PP Components	Collaboration with REDD+ Cell
• Developed Forest Carbon Stock Measurement Guideline	4a.	Drafting team member
• 1 national level and 3 local level Trainings on carbon measurement for government staffs and CFUG members in project areas	2c	Resource Person
• Developed Operational Guidelines of Forest Carbon Trust Fund (2011)	2c	Working as a member of Advisory Body of FCTF
• Developed Sub-national Framework for REDD+ MRV	2c & 4	As a MRV extended team member provided feedback
• Produced 1 Leaflet on REDD+ readiness and 1 posters on introduction of REDD++	1b	REDD+ Cell has reviewed all material to maintain consistency in awareness message
Institutions: RECOFTC and FECOFUN Projects: Grass roots level capacity building on REDD++ in Asia and the Pacific (2009-2013) Funded: Norad		
• TOT at national level-2 and regional level-4; sensitization at district level-83 and community level-665	1b.	Training manual and resource material were jointly published with REDD+ Cell
• Articles on climate change and REDD++ in national newspaper-10	1b	N/A
Institutions: WWF Nepal Projects: Reducing poverty in Nepal through REDD+ Phase II Funded: Ministry of Foreign Affairs, Finland, WWF Finland, and WWF US		
Forest carbon inventory training-2, workshops-11 Field based training on forest carbon inventory	1b	Staffs of REDD+ Cell participated in the training
Revised academic curriculum-1	1b	N/A
Institutions: NEFIN Projects: Climate Change and REDD++ Partnership Programme Funded: Norad, DANIDA and WB		
National level TOT on REDD+ and FPIC-2, regional level TOT on REDD++ and FPIC-5	1b	Human resource of REDD+ Cell facilitated the TOT
Conducted TV and community radio program on REDD+	1b	N/A
Published booklet, training manuals, case study, posters, newsletter (total 9 publication)	1b	N/A
Institutions: Forest Action Projects: Various – The following research projects are ongoing Funded: Various		
Nepal Community Forestry Program and the United	2c & 4b	Aware

Nations Collaborative Programme on REDD+ in Developing Countries: Making Community Forestry Pro-Poor Carbon Sequestration Policy		
Community Based Forestry and Livelihoods in the Context of CC Adaptation	no	N/A
Study on REDD+ National Financing Mechanism	2c	N/A
Study on Drivers of Deforestation and Forest Degradation: Understanding in deeper level	2b	N/A
Development of discussion papers on safe-guards and forest governance	2c & 2d	N/A
Institution: The Mountain Institute Project: Feasibility Study on REDD Funding WWC		
Feasibility Study of REDD+ Project in Eastern Hill District	PDD	N/A

(Source: Dangal et. al., 2012)

ANNEX C

Flow Chart of the Activities for completion of SESA and ESMF



ANNEX D

Proposed work plan for the completion of remaining REDD Readiness activities during the grant extension period

S No.	Description of Services & Contract ID No.	Cost Estimate (US\$ Million)	Advertising for EoI	RFP issued	Proposal Submission	Financial Evaluation Report and Award Recomm. To WB for	Negotiated Contract to WB	Contract Signing	Completion date of the con tract
1	Develop R-Package and assess REDD+ Readiness at national level	0.1	03.01.14	05.01.14	07.15.14	11.01.14	11.15.14	01.01.15	04.30.15
2	Propose institutional and cost-benefit sharing arrangement for implementation of Emission Reductions among various stakeholders from 12 districts of TAL	0.165	01.02.14	03.01.14	04.15.14	07.20.14	08.01.14	09.15.14	12.30.14
3	Develop National REDD+ information system (National Emission Reduction Transaction Registry)	0.15	01.02.14	03.01.14	04.15.14	07.20.14	08.01.14	09.15.14	12.30.14
4	Develop national data base of basic forest attributes of all forest management regimes	0.3	01.02.14	03.01.14	04.15.14	07.20.14	08.01.14	09.15.14	03.30.15
5	Propose mechanism to promote payment of ecosystem services from forests in Nepal	0.15	03.01.14	05.01.14	07.15.14	11.01.14	11.15.14	01.01.15	04.30.15
6	Assess customary practices of managing forest resources at local level and their implication to REDD+.	0.015	03.01.14	05.01.14	07.15.14	11.01.14	11.15.14	01.01.15	04.30.15
7	Individual consultant for procurement management (Aug, 2014 - June 2015)	0.011	06.01.14					08.30.14	06.30.15
8	Individual consultant for financial management (Jan 2014 - June 2015)	0.016	01.02.14					01.30.14	06.30.15

Annex E

Terms of References for the studies being conducted during FCPF REDD Readiness Grant Extension

REDD-Forestry and Climate Change Cell

Ministry of Forests and Soil Conservation

Terms of Reference for

Develop R-Package and assess REDD+ Readiness at national level

1. Background

Nepal is preparing itself for a future REDD+ mechanism, which has the potential to generate financial flows to reward countries for improved management of its forest resources, and could thus ultimately contribute to the country's sustainable development. Being "ready" for REDD+ will require increased capacity to develop and coordinate land use policies with the view of mitigating future impacts on forest cover, while ensuring that benefits from forests flow to those communities dependent on these resources and to stakeholders taking actions to address deforestation and forest degradation.

The Forest Carbon Partnership Facility (FCPF) (with the World Bank as its delivery partner) is supporting Nepal in its national efforts towards "REDD+ Readiness". The objective of the Nepal Readiness Preparation Program is to prepare Nepal to engage in and benefit from the potentially emerging performance-based system from Reducing Emissions from Deforestation and Forest Degradation (REDD+) within the context of the international climate negotiations of the UN Framework Convention on Climate Change. Such a performance-based payment system (reduction of emission) are based on environmentally and socially sound policies and programs to reduce deforestation and forest degradation, a credible and marketable reference level (forest carbon emission "baseline" scenario) and technically robust systems of forest monitoring and emissions reporting. The Program will also develop forest policy and management systems, information and data, participatory methods and other human and institutional capacity of direct use in management and development of forests in Nepal for national poverty reduction, economic development and environmental purposes.

Nepal is developing emission reductions program in twelve districts of Terai Arc Landscape to attempt to access FCPF Carbon Fund, which is a performance based funding mechanism of the FCPF. In order for Nepal to participate in the Carbon Fund, Nepal must prepare and submit Readiness package and get it endorsed by the Participants Committee of the FCPF. The R-Package is generated by a REDD+ country towards the end of the readiness preparation phase, i.e., at a stage when activities

proposed in the readiness preparation proposal (R-PP) are well advanced or completed. The R-Package is a major milestone and comes at the transition from REDD+ readiness preparation to piloting performance-based activities. The scope of the R-Package is national and encompasses all readiness preparation activities, notably (1) readiness organization and consultation, (2) REDD+ strategy preparation, (3) reference levels, and (4) monitoring systems for forests, and safeguards (a total of nine corresponding subcomponents that mirror the activities in the national R-PP).

FCPF Participants committee have adopted the R-Package Assessment Framework, which provides a snapshot of readiness progress relative to countries' circumstances and encompasses all major readiness preparation activities (from REDD+ organization, consultation and strategy preparations, to establishing a reference level and monitoring systems, as well as cross-cutting issues such as governance and environmental and social safeguards) – many of which will remain on-going. The assessment and endorsement process consists of (i) a multi-stakeholder self-assessment by the country, and (ii) an assessment by the PC (including input from an ad hoc Technical Advisory Panel (TAP), the Delivery Partner and others).

The inherent value in preparing the R-Package is that it provides the opportunity to take stock, assess progress, strengths and weaknesses, and seek objective feedback on issues raised at mid-term before moving onto REDD+ piloting or implementation. Such feedback is most useful as Nepal nears the end of its readiness preparations.

2. Objectives

The objectives of this study are:

- Synthesize and consolidate findings of and methodology adopted in all analytical studies that have been carried out during readiness. Some studies include - development of MRV and reference level, Strategic Environmental and Social Assessment (SESA), drivers of deforestation and forest degradation, REDD+ implementation framework.
- Prepare a R-Package report on the basis of criteria and diagnostic questions in the R-Package Assessment Framework adopted by the Participants Committee of the FCPF
- Conduct multi stakeholder workshops with national stakeholders to assess progress made by Nepal on REDD+ Readiness.
- Produce a report on multistakeholder assessment of REDD+ Readiness in Nepal.

3. Expected Output

The REDD Cell needs to receive well referenced and comprehensive report of Readiness Package and a report of readiness assessment by national multi stakeholders.

4. Study Approach

The study will be based on desk review of available secondary information, multi stakeholders, and structured interactions with key stakeholders at local, district, regional and national level.

Some literatures for review can include but not limited to:

- Review FCPF guidelines on R-Package development and R-Packae Assessment Framework.
- Review R-Package developed by other REDD+ countries
- Examine all the studies related to R-PP that have been conducted during REDD Readiness by REDD Cell. These include but not limited to report on MRV, reference level, SESA, drivers of deforestation, CGE modeling, value of forest, PES etc. Similarly, other important documents or studies to be reviewed are:
 - Nepal's REDD Readiness Preparation Proposal (R-PP)
 - reports of different REDD+ pilot projects from Nepal and other countries
 - relevant law, policy, strategy and plans
 - Academic analyses, news articles, consultant and NGO studies
 - relevant REDD+ readiness documents published by REDD Cell and other NGOs/IPOs/CSOs/INGOs
- Conduct key stakeholder interviews and consultation with representatives from IPO, CSOs, and relevant NGOs.

The consulting firm or consortium of consulting firm also needs to collect information from stakeholder consultation and/or interviews at local, district, regional and national level.

4.1 Study Team

The study team will be comprised of one international expert and two national experts. The Team Leader is expected to have thorough understanding of and more than 10 years of experience in program monitoring and evaluation, REDD+ and Climate Change, and NRM policy analysis at national and international level. The team leader will be responsible to coordinate the overall process and to ensure that all specific tasks of the ToR are being addressed satisfactorily in the report, while other members will help the team leader in specific activities. Other team members are also expected to have a clear understanding and 7- 10 years of experience in program monitoring and evaluation, REDD+ and Climate Change, and NRM policy analysis at national and international level. Minimum qualification for all members is a master's degree in Forest Policy, NRM or related disciplines.

4.2 Work plan

The team is expected to prepare an inception report with a detailed work plan that shall guide the process. This work plan will describe how the study will be carried out, including work schedule, methodology to be used related to each specific task, information collection and analysis, and reporting. Based on the work plan, a detailed plan of study will be discussed and finalized jointly by the study team and the REDD cell.

5. Qualification/experiences and competency of the consulting firm or consortium of consulting firms

The consulting firm or consortium of consulting firms to be involved in this assignment should demonstrate the ability to carry out this study with sufficient experience in leading multi-disciplinary teams. The firm has to have the proven capability of studying and producing consistent high quality reports. The consulting firm or consortium of

consulting firms has to demonstrate proven expertise in the following areas (possibly one member can cover more than one field of expertise):

- REDD+ Readiness assessment
- Program planning, monitoring, and evaluation
- REDD+ and climate change
- Social, environmental, and economic assessment of REDD+
- Understanding of or experience in forest governance system of Nepal

7. Selection Procedure:

The REDD Cell requests to prepare a full proposal with detailed plan and budget. The proposal will have to be prepared in line with the provided ToR from the REDD Cell and prevailing procurement Acts and Regulation of the GoN. The proposal shall consist of a Technical Part and a Financial Part. Based on the recommendation of the evaluation committee, REDD Forestry and Climate Change Cell will select one firm to carry out the study. For details refer to RFP.

Evaluation Criteria:

Evaluation criteria will be based on QCBS method. Technical Proposal will carry 80% and financial proposal 20 % weightage respectively.

8. Duration of work:

This assignment will have to be completed within three months. The consultant should spend at least two person months in consultations. This study will start tentatively in January, 2015 and will end by the last week of April, 2015.

Reporting Schedule:

Inception report: Two weeks after the date of contract signing

Draft Report ready: first week of April, 2015

Reporting to: REDD-Cell

Final report: Hard and soft copy

Language: Full report in English and executive summary in English and Nepali

9. Eligibility criteria:

This study opportunity is open to both national and international firms. Service providers must be duly registered and be able to produce up to date tax clearance certificates.

10. Deliverables:

A comprehensive and fully referenced report including detailed recommendations must be submitted at the end of the assignment. The report must contain an in-depth analysis of the issues described in the objectives and should propose clear, implementable recommendations in PSIR (Pressure, state, impact and response) framework. Both hard copy and soft copy of the report should be submitted to REDD-Forestry and Climate Change Cell of the Ministry of Forest and Soil Conservation (MoFSC).

11. Taxes:

The consulting firm will be liable to all taxes as per GoN rule.

12. Contact person:

The contact person at REDD Cell will beUnder-secretary.

REDD-Forestry and Climate Change Cell

Ministry of Forests and Soil Conservation

Terms of Reference for

Propose institutional and cost-benefit sharing arrangement among various stakeholders for implementation of Emission Reductions Program in 12 districts of TAL

1. Background

Nepal is preparing itself for a future REDD+ mechanism, which has the potential to generate financial flows to reward countries for improved management of its forest resources, and could thus ultimately contribute to the country's sustainable development. Being "ready" for REDD+ will require increased capacity to develop and coordinate land use policies with the view of mitigating future impacts on forest cover, while ensuring that benefits from forests flow to those communities dependent on these resources and to stakeholders taking actions to address deforestation and forest degradation.

The Forest Carbon Partnership Facility (FCPF) (with the World Bank as its delivery partner) is supporting Nepal in its national efforts towards "REDD+ Readiness". The objective of the Nepal Readiness Preparation Program is to prepare Nepal to engage in and benefit from the potentially emerging performance-based system from Reducing Emissions from Deforestation and Forest Degradation (REDD+) within the context of the international climate negotiations of the UN Framework Convention on Climate Change. Such a performance-based payment system (reduction of emission) are based on environmentally and socially sound policies and programs to reduce deforestation and forest degradation, a credible and marketable reference level (forest carbon emission "baseline" scenario) and technically robust systems of forest monitoring and emissions reporting. The Program will also develop forest policy and management systems, information and data, participatory methods and other human and institutional capacity of direct use in management and development of forests in Nepal for national poverty reduction, economic development and environmental purposes.

Nepal is developing emission reductions program in twelve districts of Terai Arc Landscape to attempt to access to FCPF Carbon Fund, which is a performance based funding mechanism of the FCPF.

As Nepal is developing emission reduction program from 12 districts of Terai Arc Landscape, which are Kanchenpur, Kailali, Banke, Bardia, Dang, Kapilvastu, Rupandehi, Nawalparasi, Chitawan, Bara, Parsa, and Rautahat. Among many other things, cost-benefit sharing and institutional structure to manage the emission reductions program have to be finalized by the time emission reductions program document is developed.

2. Objectives

The objectives of this study are:

- Identify key agencies that can contribute to implementation of ER program in 12 district of Terai Arc Landscape (TAL), analyze their existing capacity and potential role in the ER program.
- Propose the institutional arrangement and its linkage to national REDD Cell in order to implement the ER program
- Recommend model of sharing cost of implementing emission reductions program and benefits out of the performance based payment from REDD+ that can apply to all forest types viz. community forestry, government managed forest, national forest, collaborative forest or any other forests in 12 districts of TAL.

3. Expected Output

The REDD Cell needs to receive well referenced and comprehensive report with different potential options of institutional structure to manage the emission reductions program and sharing cost of implementing emission reductions program and benefits out of the performance based payment from REDD+.

4. Study Approach

The study will be based on desk review of available secondary information, and multi stakeholders and structured interactions with key stakeholders at local, district, regional and national level.

Some literatures for review can include but not limited to:

- Review FCPF guidelines on benefit sharing and the models developed by other REDD+ countries on this topic.

- Examine existing practices of benefit sharing in forestry and other relevant sectors
- Review relevant documents such as:
 - Nepal's REDD Readiness Preparation Proposal (R-PP)
 - reports of different REDD+ pilot projects from Nepal and other countries
 - relevant law, policy, strategy and plans
 - Academic analyses, news articles, consultant and NGO studies
 - relevant REDD+ readiness documents published by REDD Cell and other NGOs/IPOs/CSOs/INGOs
- Conduct key stakeholder interviews and consultation with representatives from IPO, CSOs, and relevant NGOs.

The consulting firm or consortium of consulting firm also needs to collect information from stakeholder consultation and/or interviews at local, district, regional and national level.

4.1 Study Team

The study team will be comprised of one international expert and two national experts. The Team Leader is expected to have thorough understanding of and more than 10 years of experience in benefit distribution in natural resources, REDD+ and Climate Change, and NRM policy analysis at national and international level. The team leader will be responsible to coordinate the overall process and to ensure that all specific tasks of the ToR are being addressed satisfactorily in the report, while other members will help the team leader in specific activities. Other team members are also expected to have a clear understanding and 7- 10 years of experience in program monitoring and evaluation, REDD+ and Climate Change, and NRM policy analysis at national and international level. Minimum qualification for all members is a master's degree in Forest Policy, NRM or related disciplines.

4.2 Work plan

The team is expected to prepare an inception report with a detailed work plan that shall guide the process. This work plan will describe how the study will be carried out, including work schedule, methodology to be used related to each specific task, information collection and analysis, and reporting. Based on the work plan, a detailed plan of study will be discussed and finalized jointly by the study team and the REDD cell.

5. Qualification/experiences and competency of the consulting firm or consortium of consulting firms

The consulting firm or consortium of consulting firms to be involved in this assignment should demonstrate the ability to carry out this study with sufficient experience in leading multi-disciplinary teams. The firm has to have the proven capability of studying and producing consistent high quality reports. The consulting firm or consortium of consulting firms has to demonstrate proven expertise in the following areas (possibly one member can cover more than one field of expertise):

- Designing benefit sharing mechanism in REDD+
- REDD+ and climate change
- Social, environmental, and economic assessment of REDD+
- Understanding of or experience in forest law, policy and governance system of Nepal

7. Selection Procedure:

The REDD Cell requests to prepare a full proposal with detailed plan and budget. The proposal will have to be prepared in line with the provided ToR from the REDD Cell and prevailing procurement Acts and Regulation of the GoN. The proposal shall consist of a Technical Part and a Financial Part. Based on the recommendation of the evaluation committee, REDD Forestry and Climate Change Cell will select one firm to carry out the study. For details refer to RFP.

Evaluation Criteria:

Evaluation criteria will be based on QCBS method. Technical Proposal will carry 80% and financial proposal 20 % weightage respectively.

8. Duration of work:

This assignment will have to be completed within three months. The consultant should spend at least two person months in consultations. This study will start tentatively in December, 2014 and will end by the last week of December, 2014.

Reporting Schedule:

Inception report: Two weeks after the date of contract signing

Draft Report ready: first week of December, 2014

Reporting to: REDD-Cell

Final report: Hard and soft copy

Language: Full report in English and executive summary in English and Nepali

9. Eligibility criteria:

This study opportunity is open to both national and international firms. Service providers must be duly registered and be able to produce up to date tax clearance certificates.

10. Deliverables:

A comprehensive and fully referenced report including detailed recommendations must be submitted at the end of the assignment. The report must contain an in-depth analysis of the issues described in the objectives and should propose clear, implementable recommendations in PSIR (Pressure, state, impact and response) framework. Both hard copy and soft copy of the report should be submitted to REDD-Forestry and Climate Change Cell of the Ministry of Forest and Soil Conservation (MoFSC).

11. Taxes:

The consulting firm will be liable to all taxes as per GoN rule.

12. Contact person:

The contact person at REDD Cell will beUnder-secretary.

REDD-Forestry and Climate Change Cell

Ministry of Forests and Soil Conservation

Terms of Reference for

Develop national data base of basic attributes of all forest management regimes (community forests, collaborative forests, national forests, government managed forests, protected forests)

1. Background

Nepal is preparing itself for a future REDD+ mechanism, which has the potential to generate financial flows to reward countries for improved management of its forest resources, and could thus ultimately contribute to the country's sustainable development. Being "ready" for REDD+ will require increased capacity to develop and coordinate land use policies with the view of mitigating future impacts on forest cover, while ensuring that benefits from forests flow to those communities dependent on these resources and to stakeholders taking actions to address deforestation and forest degradation.

The Forest Carbon Partnership Facility (FCPF) (with the World Bank as its delivery partner) is supporting Nepal in its national efforts towards "REDD+ Readiness". The objective of the Nepal Readiness Preparation Program is to prepare Nepal to engage in and benefit from the potentially emerging performance-based system from reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD+) within the context of the international climate negotiations of the UN Framework Convention on Climate Change. Such a performance-based payment system (reduction of emission) are based on environmentally and socially sound policies and programs to reduce deforestation and forest degradation, a credible and marketable reference level (forest carbon emission "baseline" scenario) and technically robust systems of forest monitoring and emissions reporting. The Program will also develop forest policy and management systems, information and data, participatory methods and other human and institutional capacity of direct use in management and development of forests in Nepal for national poverty reduction, economic development and environmental purposes.

Sustainable management of forests (SFM) is one of the five activities of REDD+, so it is important that SFM be focused as much as reducing deforestation and forest degradation. A number of studies indicate that Nepal's forest management is protection oriented, and a challenge remains to shift it into production oriented sustainable forest management. Due to focus on protection of forest resources, timber harvesting remains far below optimal levels, and as a result people dependent on forest resources struggle to fulfill their basic needs.

Intensifying silvicultural treatments can provide intermediary products needed for local communities which also contribute to reduce heavy pressure on forest products. Good SFM practices help reduce pressure on forests and avoid forest degradation, increase net gain in forest area managed in a sustainable way and improve selected forest ecosystem services such as habitat services (biodiversity), productive services (soil and livelihoods), and regulating services (carbon).

Hence a national database of all forest management regimes will help to understand prospects of performing silvicultural treatments in a forest of certain characteristics. The purpose of the database is to support on decision-making (e.g. reforestation potential/suitability analysis and related planning and implementation activities; trade-off analysis including mid- and long-term analysis); Sustainable harvesting of timber and non-timber forest products, management planning; forest certification and verification. Outcome of this study also includes identification of management practices in existing forests, which is essential first step for such practices to be adopted by relevant actors.

2. Objectives

The general objective of the study is to develop national database of basic forest attributes of all forest management regimes prevalent in the country.

Other specific tasks expected under this consultancy include the following:

- Compile information on some of the forest attributes as specified below from all forest management regimes (community forests, collaborative forests, national forests, government managed forests, protected forests etc.):
 - Introduction: Forests name, management type, District, VDC
 - Forest Characteristics: Forest area, dominant type of forest, average age, condition of the forest (very good, good, poor, very poor), principal species, species wise growing stock, NTFP, major birds, animals, most unique features of the forest

- Management: principle, management objectives, intensity of thinning,
- Area deforested, encroached, burnt by fire, affected by grazing, heavy logging, invasive species , any other drivers of deforestation and forest degradation, and measures taken to address these, potential threat in future.
- Fuelwood removed, leaf litter removed, timber extracted legally and illegally, and other woods extracted for other purposes
- Fund management – income sources and expenditure
- REDD friendly silvicultural practices possible in such a particular forest
- Develop national database of the information compiled above.
- Develop guidelines specifying roles and responsibilities of different institutions which need to be involved in sustaining the database in future e.g. community forest user groups, district forest office, Department of Forests so on.
- Conduct capacity building workshops to equip involved institutions in collecting data and updating the database.

3. Expected Output

Outcome of this study are a fully functional national database of basic forest attributes, and an operational guideline of database management and responsibilities of different institutions which need to be involved in sustaining the database in future e.g. community forest user groups, district forest office, Department of Forests so on.

Study Approach

The study will be based on information collection from operational or management plans of different forest regimes. Field visits to some sample districts are also needed to verify the information in the management plan. Other relevant secondary information should also be reviewed. The consultants should also organize structured interactions/workshops with key stakeholders at local, district, regional and national level to discuss purpose and working modality, and way of sustaining the database.

3.1 Study Team

The study team will be comprised of one international expert and three national experts. The Team Leader is expected to have thorough understanding of and more than 15 years of experience in forest inventory, sustainable forest management, database management, REDD+ and Climate Change. The team leader will be responsible to coordinate the overall process and to ensure that all specific tasks of the ToR are being

addressed satisfactorily in the report, while other members will help the team leader in specific activities. Other team members are also expected to have a clear understanding and 7 – 10 years of experience in forest inventory, sustainable forest management, database management, REDD+ and Climate Change. Minimum qualification for all members is a master's degree in Forestry, Forest Mensuration, or Biometrics.

4.2 Work plan

The team is expected to prepare an inception report with a detailed work plan that shall guide the process. This work plan will describe how the study will be carried out, including work schedule, methodology to be used related to each specific task, information collection and analysis, and reporting. Based on the work plan, a detailed plan of study will be discussed and finalized jointly by the study team and the REDD cell.

5. Qualification/experiences and competency of the consulting firm or consortium of consulting firms

The consulting firm or consortium of consulting firms to be involved in this assignment should demonstrate the ability to carry out this study with sufficient experience in leading multi-disciplinary teams. The firm has to have the proven capability of studying and producing consistent high quality reports and developing database. The consulting firm or consortium of consulting firms has to demonstrate proven expertise in the following areas (possibly one member can cover more than one field of expertise):

- Forest inventory, Biometrics or Forest Mensuration
- Database development and management
- Sustainable forest management
- REDD+ and climate change
- Familiarity management approaches to Nepal's forest

7. Selection Procedure:

The REDD Cell requests to prepare a full proposal with detailed plan and budget. The proposal will have to be prepared in line with the provided ToR from the REDD Cell and prevailing procurement Acts and Regulation of the GoN. The proposal shall consist of a Technical Part and a Financial Part. Based on the recommendation of the evaluation committee, REDD Forestry and Climate Change Cell will select one firm to carry out the study. For details refer to RFP.

Evaluation Criteria:

Evaluation criteria will be based on QCBS method. Technical Proposal will carry 80% and financial proposal 20 % weightage respectively.

8. Duration of work:

This assignment will have to be completed within six months. The consultant should spend at least two person months in consultations. This study will start tentatively on 1 August, 2014 and will end by the last week of March, 2015.

Reporting Schedule:

Inception report: Two weeks after the date of contract signing

Draft Report ready: last week of February, 2014

Reporting to: Planning section, REDD-Cell

Final report: Hard and soft copy

Language: Full report in English and executive summary in English and Nepali

9. Eligibility criteria:

This study opportunity is open to both national and international firms. Service providers must be duly registered and be able to produce up to date tax clearance certificates.

10. Taxes:

The consulting firm will be liable to all taxes as per GoN rule.

11. Contact person:

The contact person at REDD Cell will be MrUnder-secretary.

REDD-Forestry and Climate Change Cell

Ministry of Forests and Soil Conservation

Terms of Reference for

Propose mechanism to promote payment of ecosystem services from forests in Nepal

1. Background

Nepal is preparing itself for a future REDD+ mechanism, which has the potential to generate financial flows to reward countries for improved management of its forest resources, and could thus ultimately contribute to the country's sustainable development. Being "ready" for REDD+ will require increased capacity to develop and coordinate land use policies with the view of mitigating future impacts on forest cover, while ensuring that benefits from forests flow to those communities dependent on these resources and to stakeholders taking actions to address deforestation and forest degradation.

The Forest Carbon Partnership Facility (FCPF) (with the World Bank as its delivery partner) is supporting Nepal in its national efforts towards "REDD+ Readiness". The objective of the Nepal Readiness Preparation Program is to prepare Nepal to engage in and benefit from the potentially emerging performance-based system from reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD+) within the context of the international climate negotiations of the UN Framework Convention on Climate Change. Such a performance-based payment system (reduction of emission) are based on environmentally and socially sound policies and programs to reduce deforestation and forest degradation, a credible and marketable reference level (forest carbon emission "baseline" scenario) and technically robust systems of forest monitoring and emissions reporting. The Program will also develop forest policy and management systems, information and data, participatory methods and other human and institutional capacity of direct use in management and development of forests in Nepal for national poverty reduction, economic development and environmental purposes.

Along with REDD+, there is a strong need to promote Payment for Ecosystem Services (PES) in Nepal. Compared to other land uses, forest land gets undervalued because

ecological services that forests offer have no economic value in the market. As a result deforestation and forest degradation continue to be challenging to address. REDD+, a performance based mechanism to reduce deforestation, at least attempts to put a price on one of the services that forests offer – carbon sequestration. But there is more a forest can offer – source of clean water, biodiversity, shade, soil conservation etc. Also, there are a lot of uncertainties around REDD+, as no final, formal agreements have taken place around UNFCCC negotiations. Hence countries like Nepal can explore domestic market for whole range of ecological services, learning from countries like Mexico, Costa Rica, and Ecuador, which have substantial experience with implementing payments for ecosystem services and conservation incentives.

In this context, Nepal is conducting a study to explore prospects and opportunity of PES in Nepal.

2. Objectives

The objectives of the study are outlined below:

- Assess existing practices of PES of forests in Nepal in terms of contractual arrangement, MRV, financial mechanism, and use of funds in poverty reduction, livelihoods, and other equity issues.
- Identify potential market domestically and internationally for PES
- Explore challenges – policy, financial, social – in expanding PES throughout the country
- Undertake feasibility analysis of PES
- Recommend measures to implement PES at national scale
- Organize twenty workshops to make local communities aware of PES practices and potential opportunity they could explore in their forests

3. Expected Output

The REDD Cell needs to receive well referenced and comprehensive report on PES, as specified in the objectives above. The report should be acceptable to bilateral and multilateral donors and other climate finance instruments for making decision on investment in REDD in Nepal

4. Study Approach

The study will be based on desk review of available secondary information, field visits to some PES pilot sites, and structured interactions with key stakeholders at local, district, regional and national level.

Some literatures for review can include but not limited to:

- relevant REDD+ and PES reports published by REDD Cell and other NGOs/IPOs/CSOs/INGOs etc.
- Nepal's REDD Readiness Preparation Proposal (R-PP)
- reports of different PES pilot projects from Nepal and other countries
- relevant law, policy, strategy and plans
- any other relevant documents from Nepal and from other Countries
- Academic analyses, news articles, consultant and NGO studies
- Stakeholder interviews
- Field visits and consultation workshops

The consulting firm or consortium of consulting firm also needs to collect information from stakeholder consultation and/or interviews at local, district, regional and national level.

4.1 Study Team

The study team will be comprised of one international expert and two national experts. The Team Leader is expected to have thorough understanding of and more than 15 years of experience in PES, REDD+ and Climate Change, forest governance, and NRM policy analysis at national and international level. The team leader will be responsible to coordinate the overall process and to ensure that all specific tasks of the ToR are being addressed satisfactorily in the report, while other members will help the team leader in specific activities. Other team members are also expected to have a clear understanding and 10 – 15 years of experience in PES, REDD+, forest governance, and

NRM policy analysis from socio-political and economic perspective. Minimum qualification for all members is a master's degree in forestry, NRM or related disciplines.

4.2 Work plan

The team is expected to prepare an inception report with a detailed work plan that shall guide the process. This work plan will describe how the study will be carried out, including work schedule, methodology to be used related to each specific task, information collection and analysis, and reporting. Based on the work plan, a detailed plan of study will be discussed and finalized jointly by the study team and the REDD cell.

5. Qualification/experiences and competency of the consulting firm or consortium of consulting firms

The consulting firm or consortium of consulting firms to be involved in this assignment should demonstrate the ability to carry out this study with sufficient experience in leading multi-disciplinary teams. The firm has to have the proven capability of studying and producing consistent high quality reports. The consulting firm or consortium of consulting firms has to demonstrate proven expertise in the following areas (possibly one member can cover more than one field of expertise):

- PES, REDD+ and climate change
- Social and environmental assessment of PES
- Understanding of or experience in forest governance system of Nepal
- Ability to conduct feasibility and cost benefit analysis of projects/programs

7. Selection Procedure:

The REDD Cell requests to prepare a full proposal with detailed plan and budget. The proposal will have to be prepared in line with the provided ToR from the REDD Cell and prevailing procurement Acts and Regulation of the GoN. The proposal shall consist of a Technical Part and a Financial Part. Based on the recommendation of the evaluation committee, REDD Forestry and Climate Change Cell will select one firm to carry out the study. For details refer to RFP.

Evaluation Criteria:

Evaluation criteria will be based on QCBS method. Technical Proposal will carry 80% and financial proposal 20 % weightage respectively.

8. Duration of work:

This assignment will have to be completed within four months. The consultant should spend at least two person months in consultations. This study will start tentatively on 1 December, 2014 and will end by the last week of March, 2015.

Reporting Schedule:

Inception report: Two weeks after the date of contract signing

Draft Report ready: last week of February, 2014

Reporting to: Planning section, REDD-Cell

Final report: Hard and soft copy

Language: Full report in English and executive summary in English and Nepali

9. Eligibility criteria:

This study opportunity is open to both national and international firms. Service providers must be duly registered and be able to produce up to date tax clearance certificates.

10. Taxes:

The consulting firm will be liable to all taxes as per GoN rule.

11. Contact person:

The contact person at REDD Cell will be MrUnder-secretary.

REDD-Forestry and Climate Change Cell

Ministry of Forests and Soil Conservation

Terms of Reference for

Develop National REDD+ information system (National Emission Reduction Transaction Registry)

1. Background

Nepal is preparing itself for a future REDD+ mechanism, which has the potential to generate financial flows to reward countries for improved management of its forest resources, and could thus ultimately contribute to the country's sustainable development. Being "ready" for REDD+ will require increased capacity to develop and coordinate land use policies with the view of mitigating future impacts on forest cover, while ensuring that benefits from forests flow to those communities dependent on these resources and to stakeholders taking actions to address deforestation and forest degradation.

The Forest Carbon Partnership Facility (FCPF) (with the World Bank as its delivery partner) is supporting Nepal in its national efforts towards "REDD+ Readiness". The objective of the Nepal Readiness Preparation Program is to prepare Nepal to engage in and benefit from the potentially emerging performance-based system from Reducing Emissions from Deforestation and Forest Degradation (REDD+) within the context of the international climate negotiations of the UN Framework Convention on Climate Change. Such a performance-based payment system (reduction of emission) are based on environmentally and socially sound policies and programs to reduce deforestation and forest degradation, a credible and marketable reference level (forest carbon emission "baseline" scenario) and technically robust systems of forest monitoring and emissions reporting. The Program will also develop forest policy and management systems, information and data, participatory methods and other human and institutional capacity of direct use in management and development of forests in Nepal for national poverty reduction, economic development and environmental purposes.

Nepal is developing emission reductions program in twelve districts of Terai Arc Landscape to attempt to access FCPF Carbon Fund, which is a performance based funding mechanism of the FCPF. The Readiness package, which must be endorsed by

the Participants Committee of the FCPF in order for Nepal to participate in the Carbon Fund, requires to have a national geo-referenced REDD+ information system or registry operational, comprehensive of all relevant information (e.g., information on the location, ownership, carbon accounting and financial flows for sub-national and national REDD+ programs and projects), and publicly accessible.

Similarly, Methodological Framework for the FCPF Carbon Fund is likely to require establishment of a National Emission Reduction Transaction Registry capable of performing the necessary functions and administrative procedures required to ensure that any Emission Reductions (ER) from REDD+ activities under the ER Program are not generated more than once; and that any ER from REDD+ activities under the ER Program sold and transferred to the Buyer are not used again by the Seller for sale, public relations, compliance or any other purposes.

An ER transaction registry handles the process of creating (i.e. issuing) offsets units with unique serial numbers and supporting the transfer of ER units between account holders within the registry and to other linked trading registries.

A comprehensive REDD+ Program and Projects Database is necessary to avoid having multiple measures claiming the same ER. An Emission Reduction Transaction Registry is required to avoid the same ER being created (issued) more than once, or the same ER being sold to more than one buyer.

2. Objectives

The objectives of this study are:

- Develop mechanism for REDD+ information system or registry to make it operational and comprehensive of all relevant information (e.g., information on the location, ownership, carbon accounting and financial flows for sub-national and national REDD+ programs and projects), and publicly accessible.
- Prepare operational guidance clarifying the roles and responsibilities of entities involved in the Emission Reduction transaction registry, as well as rules for operation of the registry.
- Organize training and workshop to build capacity of REDD Cell staff and other institutions that is proposed to be involved in managing the registry.

3. Expected Output

The REDD Cell needs to receive well referenced and comprehensive report on mechanism of REDD+ information system (registry) and detail guidelines to operationalize, including roles and responsibilities of institutions to be involved in managing the registry.

4. Study Approach

The study will be based on desk review of available secondary information and structured interactions with key stakeholders at local, district, regional and national level.

Some literatures for review can include but not limited to:

- Review international standards for REDD+ registry especially that of FCPF Carbon Fund
- Assess existing information management system that can be applicable to REDD+ registry
- Review approaches developed by other REDD+ countries on REDD+ registry
- Examine :
 - Nepal's REDD Readiness Preparation Proposal (R-PP)
 - reports of different REDD+ pilot projects from Nepal and other countries
 - relevant law, policy, strategy and plans
 - any other relevant documents from Nepal and from other REDD Countries
 - Academic analyses, news articles, consultant and NGO studies
 - relevant REDD+ reports published by REDD Cell and other NGOs/IPOs/CSOs/INGOs

- Conduct key stakeholder interviews and consultation with representatives from IPO, CSOs, and relevant NGOs.

The consulting firm or consortium of consulting firm also needs to collect information from stakeholder consultation and/or interviews at local, district, regional and national level.

4.1 Study Team

The study team will be comprised of one international expert and two national experts. The Team Leader is expected to have thorough understanding of and more than 10 years of experience in registry or emission reductions information system management, REDD+ and Climate Change, and NRM policy analysis at national and international level. The team leader will be responsible to coordinate the overall process and to ensure that all specific tasks of the ToR are being addressed satisfactorily in the report, while other members will help the team leader in specific activities. Other team members are also expected to have a clear understanding and 7- 10 years of experience in registry or emission reductions information system management, REDD+ and Climate Change, and NRM policy analysis at national and international level. Minimum qualification for all members is a master's degree in information management, forestry, NRM or related disciplines.

4.2 Work plan

The team is expected to prepare an inception report with a detailed work plan that shall guide the process. This work plan will describe how the study will be carried out, including work schedule, methodology to be used related to each specific task, information collection and analysis, and reporting. Based on the work plan, a detailed plan of study will be discussed and finalized jointly by the study team and the REDD cell.

5. Qualification/experiences and competency of the consulting firm or consortium of consulting firms

The consulting firm or consortium of consulting firms to be involved in this assignment should demonstrate the ability to carry out this study with sufficient experience in leading multi-disciplinary teams. The firm has to have the proven capability of studying and producing consistent high quality reports. The consulting firm or consortium of consulting firms has to demonstrate proven expertise in the following areas (possibly one member can cover more than one field of expertise):

- REDD+ and climate change related information system management
- Social and environmental assessment of REDD+
- Operational guidelines development for the government

7. Selection Procedure:

The REDD Cell requests to prepare a full proposal with detailed plan and budget. The proposal will have to be prepared in line with the provided ToR from the REDD Cell and prevailing procurement Acts and Regulation of the GoN. The proposal shall consist of a Technical Part and a Financial Part. Based on the recommendation of the evaluation committee, REDD Forestry and Climate Change Cell will select one firm to carry out the study. For details refer to RFP.

Evaluation Criteria:

Evaluation criteria will be based on QCBS method. Technical Proposal will carry 80% and financial proposal 20 % weightage respectively.

8. Duration of work:

This assignment will have to be completed within three months. The consultant should spend at least two person months in consultations. This study will start tentatively in August, 2014 and will end by the last week of December, 2014.

Reporting Schedule:

Inception report: Two weeks after the date of contract signing

Draft Report ready: first week of December, 2014

Reporting to: REDD-Cell

Final report: Hard and soft copy

Language: Full report in English and executive summary in English and Nepali

9. Eligibility criteria:

This study opportunity is open to both national and international firms. Service providers must be duly registered and be able to produce up to date tax clearance certificates.

10. Deliverables:

A comprehensive and fully referenced report including detailed recommendations must be submitted at the end of the assignment. The report must contain an in-depth analysis of the issues described in the objectives and should propose clear, implementable recommendations in PSIR (Pressure, state, impact and response) framework. Both hard copy and soft copy of the report should be submitted to REDD-Forestry and Climate Change Cell of the Ministry of Forest and Soil Conservation (MoFSC).

11. Taxes:

The consulting firm will be liable to all taxes as per GoN rule.

12. Contact person:

The contact person at REDD Cell will beUnder-secretary.

REDD-Forestry and Climate Change Cell

Ministry of Forests and Soil Conservation

Terms of Reference for

Assess customary practices of managing forest resources at local level and their implication to REDD+.

1. Background

Nepal is preparing itself for a future REDD+ mechanism, which has the potential to generate financial flows to reward countries for improved management of its forest resources, and could thus ultimately contribute to the country's sustainable development. Being "ready" for REDD+ will require increased capacity to develop and coordinate land use policies with the view of mitigating future impacts on forest cover, while ensuring that benefits from forests flow to those communities dependent on these resources and to stakeholders taking actions to address deforestation and forest degradation.

The Forest Carbon Partnership Facility (FCPF) (with the World Bank as its delivery partner) is supporting Nepal in its national efforts towards "REDD+ Readiness". The objective of the Nepal Readiness Preparation Program is to prepare Nepal to engage in and benefit from the potentially emerging performance-based system from reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD+) within the context of the international climate negotiations of the UN Framework Convention on Climate Change. Such a performance-based payment system (reduction of emission) are based on environmentally and socially sound policies and programs to reduce deforestation and forest degradation, a credible and marketable reference level (forest carbon emission "baseline" scenario) and technically robust systems of forest monitoring and emissions reporting. The Program will also develop forest policy and management systems, information and data, participatory methods and other human and institutional capacity of direct use in management and development of forests in Nepal for national poverty reduction, economic development and environmental purposes.

Indigenous peoples, forest dependent communities and forest dwellers have been managing forest resources through generations of experimentation and as custodians, and they have developed extensive knowledge of sustainable use and management of forests and other natural resources. Such rich knowledge and their close relationship with their lands for social, cultural, economic reasons have enabled them to live in harmony with nature. However, customary laws that regulate the application of their knowledge on the management of the natural resources within their territories are disappearing due to statutory laws, colonization, and economic development.

Invaluable role of the indigenous knowledge systems and customary laws has been recognized in REDD+. As per the Cancun Safeguards, Countries conducting REDD+ activities need to “...respect for the knowledge and rights of indigenous peoples and members of local communities...”

Government of Nepal also recognizes significant role of indigenous knowledge systems and customary laws in REDD+. However, there is a gap in understanding prevailing indigenous knowledge and customary laws in forest management, and mechanisms which will be necessary for them to secure the central role in the REDD+.

In this context, REDD Cell is conducting this study to feed into REDD+ management in the country.

2. Objectives

Principal objectives of this study are

- Assess indigenous practices and customary laws of managing forest resources, benefit sharing, and conflict management (e.g. Nawa system adopted by Sherpa Community, Kipat system by Limbus, Mirchang by Thakalis)
- Analyze implications of such practices for REDD+ and propose a mechanism to promote them.

3. Expected Output

The REDD Cell needs to receive well referenced and comprehensive report on indigenous and customary practices in forest management, with their implications on REDD+.

4. Study Approach

The study will be based on desk review of available secondary information and structured interactions with key stakeholders at local, district, regional and national level.

Some literatures for review can include but not limited to:

- relevant reports on indigenous practices and customary laws published by REDD Cell and other NGOs/IPOs/CSOs/INGOs etc.
- relevant law, policy, strategy and plans
- any other relevant documents from Nepal and from other REDD Countries
- Academic analyses, news articles, consultant and NGO studies
- Stakeholder interviews
- Field visits to some targeted Indigenous People community, and consultation workshops with them and other stakeholders.

The consultant also needs to collect information from stakeholder consultation and/or interviews at local, district, regional and national level.

Work plan

The consultant is expected to prepare an inception report with a detailed work plan that shall guide the process. This work plan will describe how the study will be carried out, including work schedule, methodology to be used related to each specific task, information collection and analysis, and reporting. Based on the work plan, a detailed plan of study will be discussed and finalized jointly by the study team and the REDD cell.

5. Qualification/experiences of the consultant

The consultant is expected to have thorough understanding of and more than 10 years of experience in forest policy analysis from Indigenous Peoples perspective, REDD+ and Climate Change, and forest governance. The consultant will be responsible to

coordinate the overall process and to ensure that all specific tasks of the ToR are being addressed satisfactorily in the report. Minimum qualification for the consultant is a master's degree in social forestry, sociology, NRM or related disciplines.

6. Duration of work:

This assignment will have to be completed within three months. The consultant should spend at least two person months in field and consultations. This study will start tentatively on 1 January, 2015 and will end by the last week of April, 2015.

7. Taxes:

The consultant will be liable to all taxes as per GoN rule.

8. Contact person:

The contact person at REDD Cell will be MrUnder-secretary.