

Component 4: Design a Monitoring System

1. Background

Deforestation and forest degradation are issues of great concern for Nepal and the world. Deforestation and forest degradation not only have implications on watershed conditions, biodiversity, aesthetic conditions and the entire livelihoods of communities, deforestation/degradation also results in release of the carbon originally stored in the trees, therefore contributing to climate change. There is now general agreement on the importance of reducing of carbon emissions from deforestation and forest degradation (REDD) in developing countries in order to mitigate the impacts of climate change. The World Bank has established the Forest Carbon Partnership Facility (FCPF) to assist developing countries in their efforts to reduce their emissions from deforestation and forest degradation. The FCPF has the dual objectives of building capacity for REDD in developing countries in tropical and subtropical regions, and of testing the program of performance-based incentive payments in some pilot countries, on a relatively small scale, in order to set the stage for a much larger system of positive incentives and financing flows in the future.

The FCPF's initial activities relate to technical assistance and capacity building for REDD. Specifically, the FCPF is assisting countries to arrive at a credible estimate of their national forest carbon stocks and sources of forest emissions; work out their national reference scenarios for emissions from deforestation and forest degradation based on past emission rates for future emissions estimates; calculate opportunity costs of possible REDD interventions; adopt and complement national strategies for stemming deforestation and forest degradation; and design national monitoring, reporting and verification systems for REDD. These activities are referred to as 'REDD Readiness' and are supported by the Readiness Fund of the FCPF.

Nepal is one of the countries selected by the FCPF for the REDD Readiness Fund and is now in the process of preparing a Readiness Preparation Proposal (R-PP). The purpose of the R-PP is to assist Nepal in laying out and organizing the steps needed to achieve 'Readiness' to undertake the range of activities for reducing emissions from deforestation and forest degradation (REDD), in the specific country context.

A "REDD-Forestry and Climate Change Cell" under the Ministry of Forests and Soil Conservation has been established to manage the REDD readiness in Nepal. This Cell is directly responsible for the procurement and the supervision of all actions financed during the Readiness phase, including the consultant services described in this document.

2. Purpose

The R-PP will consist of 6 components. The fourth component is to “**Design a Monitoring System**” for REDD+ in Nepal. The purpose of this component is to design a monitoring system for (a) measurable, reportable and verifiable (MRV) emissions and removals of greenhouse gases, and (b) Other benefits and impacts over time, in relation to the national reference scenario.

To receive payments from the carbon market, a REDD+ participant countries needs to demonstrate credible reductions in emission reduction by effective control of deforestation and forest degradation drivers with respect to the national reference emission scenario. This component assures the buyers that the payment they make is performance-based and has net emission reductions due to perfect additionality and minimum leakages. Sub-component 4(a) will have to include this feature.

In addition, a monitoring system should also build accountability and trust among local constituencies. Therefore a desired monitoring system has to consider the existing capacity to monitor rural livelihoods, biodiversity conservation , key governance factors directly pertinent to REDD+ implementation, and to assess the impacts of the REDD+ strategy in the overall development of the forestry sector. Section 4b basically aims to address these concerns. However, it is possible to integrate both the sub-components or to have both as separate monitoring systems.

The REDD-Cell will be leading to Design the Monitoring System for REDD+ readiness process in Nepal. The purpose of this contract is to assist REDD-Cell in preparing a monitoring system which is relevant and workable to measureable, verifiable and reportable for third party verification and enables to make assessment of REDD+ co-benefits and its impact in social and environmental attribute in Nepal.

The “REDD-Forestry and Climate Change Cell” now seeks to employ the services of a qualified consultant to contribute in **Designing a Monitoring System** through purchasing services for two Sub-component- (a) Emissions and removals, and (b) Other benefits and impacts.

3. Major Tasks of the contractor:

3.1. Sub-Component 4 (a): Design a monitoring system for measurable, reportable and verifiable (MRV) Emissions and removals of green house gases

Task 1: The consultant will critically review the provided report “**thoughts on monitoring, reporting, and verification system for Nepal**” prepared by an international consultant for REDD-Cell and use information/data from this report, where ever appropriate, to design appropriate monitoring systems for deforestation, forest degradation and other REDD+ elements, following the steps defined in the R-PP guideline template (version-3). For details please visit website www.forestcarbonpartnership.org

Task 2: The consultant will critically review the advantages of all three methodological tiers recommended by the IPCC guideline (2006) for estimating GHG emissions and propose a suitable approach for Nepal. Based on the findings from task one, the consultants will identify appropriate institution(s) responsible for the design of MRV.

Task 3: Review the existing raw data management practices, data sharing, and data maintenance system and propose systems/ structures to make data sharing transparent, accountable, and reliable by national and international users.

Task 4: Assess the scope and role of local communities, NGOs, government agencies, and the private sector in the MRV system.

Task 5: Specify the potential benefits of designing the system to integrate across sub-national regions considering ecological, economic and institutional context of Nepal.

Task 6: Based on task 3 and 4, the consultant will also identify the capacity gaps in designing monitoring system for measuring, reporting, and verification of emissions and removals of GHG from forests.

- Estimated budget

3.2. Sub-Component 4 (b): Design a monitoring system for other benefits and impacts

Task 1: The consultant will critically review the provided report “**thoughts on monitoring, reporting, and verification system for Nepal**” prepared by an international consultant for REDD-Cell and use information/data from this report, where ever appropriate, to design appropriate monitoring systems for other benefits and impacts of REDD+ over time, following the steps defined in the R-PP guideline template (version-3). For details please visit website www.forestcarbonpartnership.org

Task 2: Based on the work of sub-component 4.a, propose the framework to address the key governance feature relevant to REDD+ implementation. The consultant will also explore the appropriate methods to monitor social and environmental impacts and propose the framework to streamline it with existing national environmental and social monitoring systems.

Task 3: Propose the potentiality of establishing Independent monitoring and reviewing of carbon and governance, and also suggest structure and process to involve civil society and other stakeholders and right-holders to involve in the MRV systems and to improve REDD+ implementation.

Task 4: Based on the work of 4.a. task 2 and task 3 of 4.b., consultant will assess the capacity gaps and propose the financial support required and the potential source of funding.

Task 5: Based on the work of task 4 of 4a, and task 2 and 3 of 4b; the consultant will identify the potential benefits of designing the system to integrate across sub-national

regions based on social, economic, and environmental context of Nepal..

4. Deliverables:

A comprehensive report describing the approach taken and outcomes of all the tasks described above. The Report needs to be fully referenced (with data sources identified). Expected length of the report must be 30-35 pages including a comprehensive executive summary (maximum 2-3 pages).

5. Methodology

The consultants do have liberty to use varieties of methods to produce an authentic document. The consortium of specialized experts responsible for carrying out the job will keep themselves informed of the relevant studies (particularly: 'Component 2.a.: Assessment of Land Use, Forest Policy and Governance and component 3: Develop a Reference Scenario) which have already been contracted out.

6. Qualifications of consultant and team members

The team leader must possess advance University degree on forest biometrics or remote sensing and GIS application. Previous experience and knowledge about UNFCC framework and Good practice Guideline is a plus. The team members should have sound experience and knowledge in forest survey, forest inventory, GIS application, and aerial photographs/ satellite image interpretation skills.

7. Details on Contract duration, budget and payment conditions

Starting date: 1 March

Total person days: 15 Days

Report submission date: 20 th March, 2010

Maximum allocated budget: NRs 450,000.00

8. Terms and conditions

- If a consortium is selected for this assignment, the team leader of this consortium of specialized experts after getting the assignment will take full responsibility to commission the job within the stipulated time frame.
- The allocated budget is the maximum available ceiling. The precise contract amount will be as per the negotiation between the REDD Cell and the concerned party that will ultimately be approved by the secretary, MFSC.

- Regarding payment, 25 per cent of the contracted amount will be paid upon the signing of the contract and 40 per cent will be paid after submission of the final draft. Rest 35 per cent of the contract amount will be reserved for which the final payment will be made when Nepal's R-PP gets approved by the FCPF.
- The consultants will work in close contact of the REDD cell and the REDD working group who will provide constant feedback and incorporate the suggestions.
- Given that each of the nine components is an ingredient part of the overall R-PP document than a discrete activity on its own, the consultant concerned will make sure that it tries to get informed of the rest of the R-PP assignment so as to insure complementarily, synchrony and synergy with the overall R-PP.
- The penalty for delays will be US\$ 500 per day for which there is a delay.

Note: See FCPF 'Readiness Preparation Proposal (R-PP) Template' and 'Standards to be met by Individual –R-PPP Components' for details. For further details see FCPF website at www.forestcarbonpartnership.org