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Ministry of Forests and Soil Conservation
REDD Implementation Centre



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Development of REDD+ Strategy for Nepal National Stakeholder Consultation Workshop

March 16, 2015

Kathmandu

Consultants:

Face the Future, Arbonaut, Practical Solutions Nepal Pvt.
Limited (PSPL), Nepal Environmental & Scientific Services



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Background

- The Government of Nepal is developing a national strategy for the implementation of *Reducing Emissions from Deforestation and Forest Degradation (REDD+)* in Nepal
- As part of this process, a first draft has been generated that is currently going through review by a Technical Committee, and additional stakeholders



Purpose REDD+ Strategy

To guide the development of a set of policies and programs for addressing the drivers of deforestation and forest degradation and improving the carbon sink capacity of the forest.

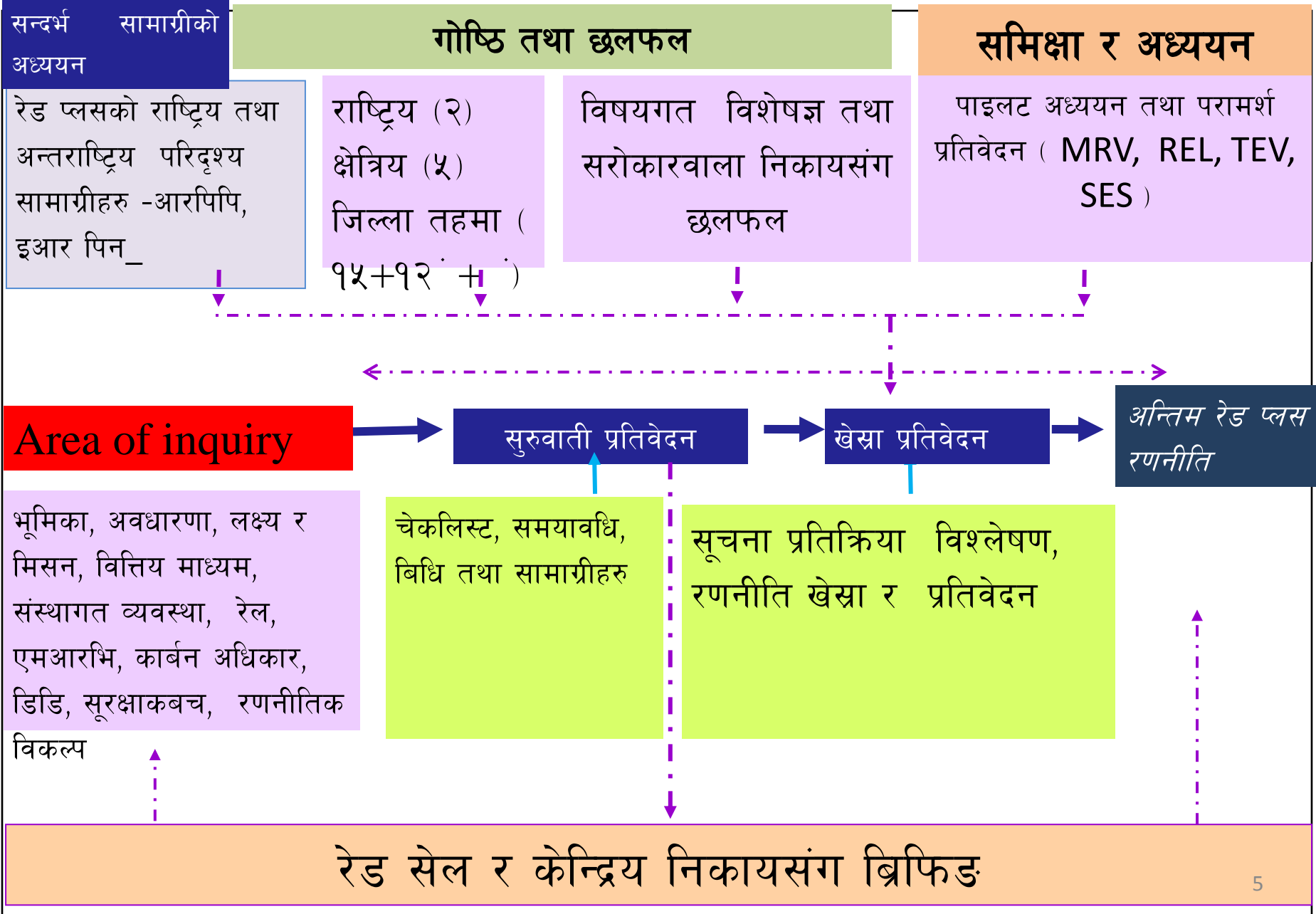
Strategy Report developed in line with the principle of the sustainable development objectives of Nepal in general and with the national forestry sector vision - forests for people's prosperity - in particular



Strategy Formulation process

- Readiness Preparation Proposal (R-PP) approved by the FCPF in October 2010
- 3-tiered REDD+ institutional framework:
 - high-level, inter-ministerial Apex Body;
 - multi-stakeholder REDD Working Group; and,
 - The REDD Implementation Centre (RIC: previously known as the REDD Cell)
- Stakeholder Forum to engage wide range of stakeholders
- Large suite of studies and reports formulated
- Still studies being conducted
- Available reports synthesized in draft REDD+ Strategy Report
- Plus input from extensive consultations
- Current draft is a living document: work in progress

Strategy Formulation process



Regional Consultations

क्षेत्र	ठाउँ	पारिस्थितिकिय प्रतिनिधिन्व	सहभागिहरु
पूर्वाञ्चल	विराटनगर	पहाड, तराई	क्षेत्रिय स्तरका निकायहरु जस्तै वन तथा भू संरक्षण मन्त्रालय र कृषिका क्षेत्रिय निर्देशक, क्षेत्रिय प्रशासक, जिल्ला वन अधिकृत, वार्डेन, विभिन्न सयन्त्रका प्रतिनिधि जस्तै: एकोफन, फेकोफन, नेफिन, दनार, हिमवन्ती, राजनीतिकर्मी, पत्रकारहरु र विभिन्न राष्ट्रिय अन्तराष्ट्रिय गैर सरकारी संस्थाहरु
मध्यमाञ्चल	हेटौंडा	सिवालिक, पहाड, भावर, तराई	
पश्चिमाञ्चल	पोखरा	मध्य पहाड	
मध्य पश्चिमाञ्चल	सुर्खेत	भित्री तराई	
सुदुर पश्चिमाञ्चल	धनगढि	तराई	

District/local consultations

क्षेत्र /जिल्ला	जिल्ला	भौगोलिक क्षेत्र प्रतिनिधित्व	सहभागिहरु
पूर्वाञ्चल विकास क्षेत्र (४)	संखुवासवा, धनकुटा, सुनसरी, सिराहा	उच्च हिमाल, पहाड, तराई	जिल्ला सरकारी निकायहरु जस्तै : जिल्ला वन कार्यालय, जिल्ला भू संरक्षण कार्यालय, जिल्ला कृषि विकास कार्यालय, स्थानीय निकाय, फेकोफन, नेफिन, दनार, हिमवन्ती, राजनीतिकर्मी, वन, जलवायु परिवर्तन र संरक्षणमूखी संस्था र कार्यरतहरु, पत्रकारहरु र विभिन्न राष्ट्रिय अन्तराष्ट्रिय गैर सरकारी संस्थाहरु
मध्यमाञ्चल विकास क्षेत्र (४+)	दोलखा, चितवन, मकवानपुर, काभ्रे	उच्च हिमाल, सिवालिक, भित्री तराई	
पश्चिमाञ्चल विकास क्षेत्र (१ +)	कपिलवस्तु +	तराई+	
मध्य पश्चिमाञ्चल विकास क्षेत्र (३+)	सल्यान, रोल्पा, जुम्ला	उच्च पहाड, मध्य पहाड,	
सुदुर पश्चिमाञ्चल विकास क्षेत्र (३+)	डडेलधुरा, बझाङ्ग कैलाली	उच्च पहाड, मध्य पहाड, तराई	

Assessment of Landuse Change Drivers

Direct Drivers

*HM-High Mountain;
MH- Middle Hills;
S- Churia;
T- Tarai and inner Tarai*

*1- Very high effect;
2- High effect;
3- Medium effect;
4- Low effect;
5-Very low effect*

**Effect of forest fire and grazing in terms of exposure, sensitivity and capacity to address*

SN	Drivers	Drivers for	Affecting regions
1.	Forest fire	Degradation	HM (1)*; MH (3); S (1);T (2)
2.	Over grazing/uncontrolled grazing	Degradation	HM (1)*; MH (4); S (1); T (1)
3.	Unsustainable utilization of forest products (unregulated, illegal, poor technology)/Unsustainable harvesting	Degradation	HM (2); MH (3); S (1); T (1)
4.	Weak Forest Management practices (unmanaged/under-managed)	Degradation	HM (1); MH (3); S (1); T (1)
5.	Unplanned infrastructure development (includes manmade disasters)	Deforestation	HM (2); MH (1); S (2) T (4)
6.	Urbanization and resettlement	Deforestation	HM (5); MH (5); S (1) T (1)
7.	Encroachment	Deforestation	HM (5); MH (5); S (1); T (1)
8.	Expansion of invasive species	Degradation	HM (5); MH (4); S (1); T (1)
9.	Mining /excavation (sand, boulders, stones).	Deforestation and degradation	HM (5); MH (3); S (1); T (1)



Underlying causes:

1. Disproportionate population distribution and migration pattern
2. Poor policies, implementation and conflicting
3. Poverty and limited livelihood opportunities
4. High dependency in forest products and gap in demand-supply
5. Land use policy and insecure forest tenure
6. Weak governance (enforcement, monitoring, planning, implementation, evaluation, MIS and knowledge management)
7. Weak coordination and cooperation among stakeholders
8. Inadequate human resource development and management
9. Low priority to research and development
10. Poor coping strategy to natural disasters and climate change (including effects of climate change)/lack of integrated climate change disaster management



Efforts to date to address DD and improve landuse

- Evolution of the current forest policy and programs
- Forest under different arrangements and >33% of national forests under community-based management regimes
- Development and implementation of various policies, legal instruments, and plans and programs
- Conservation of Ecosystems & Genetic Resources
- Landscape approach of conservation; Community-based conservations
- Conservation of Chure Hills
- Soil Conservation & Watershed Management
- Research, survey and inventory
- Institutional Development
- Human Resource Development
- Monitoring and evaluation



Assessment of land tenure, resource right and associated governance issues

- Forest sector has several statutory backings (of hard rights) which have resulted many community benefits, however
 - Ownership of forests and forest land under different management regime needed to be defined and clarified
 - Resource(Use ?) Rights under different management regime need to be defined and clarified explicitly
 - Carbon and customary rights need to be defined, clarified and recognized
 - Strengthen of Forest Governance and Law Enforcement is urgent
 - Issues of Social and Gender Exclusion and Discriminations require more attention
 - Issues of Intra-community Equity in Benefit-sharing in Community Based Forest Management Modalities need to be addressed



Assessment of forest law and policies*

1. Carbon and carbon rights: a forest products or a by-product of ecosystem services
2. Arbitrariness in allocation of forestland for other uses and lack of compensation for development in forest area
3. Inconsistencies amongst acts and (by-)laws governing community-based forestry
4. Lack of recognition for customary use rights and management practices
5. Lack of clarity on tenure arrangements and the role of the Private Sector
6. Conflicts with Sectoral Acts and Regulations
7. Rent seeking practices, pricing problems, lack of clarity on tenure rights and benefit sharing and problem of transparency and accountability

* UN-REDD Targeted Support (TS) will provide an in-depth review of Policies, Legislation and Regulation



Guiding Features

Strategic direction:

Vision:

- Optimize carbon and non-carbon benefits of forest ecosystems for the prosperity of the people of Nepal.

Mission:

- To strengthen the integrity and resilience of forest ecosystems, and improve socio-economic and environmental values of forests for communities by improving policy and legal measures, augmenting institutional functioning, and enhancing stakeholders' capacity and capability.



Objectives

1. To reduce carbon emission by intensifying sustainable management of forest resources and minimizing the effects of drivers of deforestation and forest degradation across the ecological regions. (S # 1,2,3,4)
2. To ensure fair and equitable distribution of carbon, non-carbon and environmental benefits of forests among right holders. (S # 5)
3. To increase livelihood assets, food security and diversify employment opportunities of forest dependent people, particularly poor and marginalized (S # 6,7,8)
4. To improve and harmonize policy and legal framework to harness carbon and co-benefits; strengthen institutional capability and improve governance of forest agencies. (S # 5,9,10,11,12)
5. To establish and maintain a robust Forest Management Information System with strong monitoring, reporting and verification mechanisms (S # 13)



Guiding Principles

1. Synergetic alignment with overall development strategies
2. Building on the successful community-based approaches and practices
3. Enhanced coordination and harmony among different sectors and agencies
4. Utilizing and building on the existing capacity and capabilities
5. Capturing fully the wide range of ecosystem benefits
6. People-centric practices and approaches
7. Equitable benefit sharing and social justice
8. Social, environmental, cultural and economic safeguards
9. Effective and efficient monitoring and information system
10. Transparency and accountability



Scope

- Categories of forests and protected areas under the Forest Act (1993), the National Parks and Wildlife Conservation Act (1973) and the Forest Policy with the the forest definition as defined by the UNFCCC (2001)*.
 - Government Managed Forest; Community Forest; Collaborative Forest; Protection Forest; National Parks; Wildlife Reserves; Hunting Reserves; Conservation Areas; and Buffer zones.
- The possibility of including Leasehold forests; Religious forests; Public land forests; and, Private forests to be explored at a later stage.

*UNFCC (2001) defines the “forest” as "a single minimum tree crown cover value between 10 and 30 per cent, a single minimum land area value between 0.05 and 1 hectare and a single minimum tree height value between 2 and 5 metres.



Carbon Pools

1. Above Ground Biomass and Below Ground Biomass to be included in the beginning.
2. Other carbon pools (dead wood, litter and soil carbon) may be included at later stage as Nepal improves its capacity, Reference Emission Level and technology to monitor, measure, verify and report.



Scale

- Nested approach with national and sub-national level complementing each other
 - national government:
 - policy reforms,
 - make institutional arrangements,
 - set up Monitoring and Measuring, Reporting and Verification (M&MRV) systems, and
 - get incentives from the available international arrangements,
 - Subnational
 - operationalise benefit sharing,
 - financing and
 - monitoring



Financing Mechanism*

Hybrid of:

- voluntary funding, in line with
 - conventional Official Development Assistance (ODA) and
 - other public and private sources; and,
- a direct market mechanism
 - REDD+ credits can be traded alongside existing certified (or verified) emissions reductions
- Possibly: market-linked mechanism generating finances through
 - an auction process or
 - by establishing a dual-market in which REDD credits are linked to, but are not ‘fungible’ (inter-exchangeable) with existing CERs

*UN-REDD Targeted Support (TS) is expected to design the financial mechanism and finance architecture in more detail



Strategy

- A total of 13 strategies are identified
- For each strategy several strategic actions are identified
- Strategies and strategic actions are derived from number of documents* complemented by consultations.

*RPP (MFSC, 2010) and SESA (REDD Cell/MFSC, 2014); ANSAB, (2010); CNRM (2010); Baral et al, (2012); MFSC/REDD Cell, (2014); PSPL/FECOFUN, (2010); REDD Cell (2012); UN-REDD/REDD Cell, (2014); WWF Nepal/ Hariyo Ban Program, (2013); WWF/TAL (2003); A draft Forestry Sector Strategy, 2014; and a draft Low Carbon Development Strategy 2014 prepared by MoEST.



Strategy – 13 strategies

1. Enhancing carbon stocks and reducing carbon emission
2. Conserving biodiversity enhancing the integrity of ecological systems
3. Promoting private and public land forestry
4. Improving land uses
5. Clarifying forest tenure and carbon rights and sharing fair benefits
6. Promoting enterprise, livelihoods and employment opportunities to forest dependent poor and marginalized
7. Increasing agricultural productivity for small and marginal farmers



Strategy

8. Increasing access to affordable and efficient alternative wood and energy
9. Developing synergy among various sectors, sectoral policies and legal framework
10. Strengthening institutional performance and service delivery
11. Enhancing capacity, capability and improving collaboration and cooperation
12. Promoting forest and climate-friendly infrastructure planning, construction and maintenance
13. Establishing and maintaining forest information, monitoring, reporting and verification mechanism

Strategies and strategic actions



Social & Environmental Impacts of REDD+ Strategies

- Implementation of strategies likely to lead to a range of positive environmental and social impacts
- REDD+ is expected to bring much more than emissions reductions
- Multiple benefits include: increased cleaner sources of water and decreased risk of flood and drought, conservation of fertile soils, larger numbers of rare and threatened plant and animal species and a larger supply of non-timber forest products, availability of forest based jobs opportunities and livelihood and income.
- REDD+ activity potentially include poverty alleviation, recognition and enhancement of right of IPs and forest dependent communities, increased access to forests, improved community livelihoods, technology transfer, sustainable use of forest resources and biodiversity conservation.

Social & Environmental Risks

- Equitable and efficient distribution of payments among the forest dependent communities is one of the key challenges
- Major chunk of benefits might flow directly into government and the local communities who live in and care for the forests for generations may receive few or no benefits.
- Restrictions might be imposed on forest harvesting in the name of meeting national and international conservation and mitigation objectives
- In the worst-case scenario, local communities could be evicted from their lands by public and private investors (under the new forest governance regime underpinning REDD+)
- Looking at the increased financial value of forests without necessarily thinking about the people who live in, and have been caring for, these forests.
- Capturing of benefits by elites or dominant groups among the right holders at different layers and with different socioeconomic and gender status



Policies and Regulation related to Safeguards and available measures

Policies and Regulations:

- Policies and regulation related to land acquisition, compensation and resettlement
- Safeguard of Indigenous Peoples (IPs) and other Vulnerable Communities (VCs)
- Good governance, social accountability and public consultation
- Environment Protection Act and Regulation

Existing Safeguard Measures:

- Strategic Environmental and Social Assessments (SESA), 2014
- Environmental and Social Management Framework (ESMF), 2014
- The ESMF serves as a framework for managing and mitigating the environmental and social risks and impacts for future investments (projects, activities, and/or policies and regulations) associated with implementing the REDD+ strategy.



Existing safeguard measures (contd)

- All actors who want to implement REDD+ activities will be required to take steps specified in ESMF to ensure that risks are mitigated as part of the implementation process.
- Nepal has also developed country specific REDD+ social and environmental standards (SES) in 2013.
- The REDD+ SES can be used by governments, NGOs, financing agencies and other stakeholders to support the design and implementation of REDD+ programs that respect the rights of Indigenous Peoples and local communities and generate significant social and environmental benefits.



Revision need of the REDD+ SESA and ESMF

- **The SESA need to be reviewed and revised once this REDD+ Strategy is finalized**
- **The following aspects of the ESMF need to be updated and included explicitly:**
 - **The institutional structure and mechanism for implementation of safeguard measures;**
 - **safeguard monitoring mechanism and indicators; and**
 - **safeguard information system need to prescribe embedding and harmonizing with the overall implementation arrangements, monitoring process and procedures and forest information system acknowledged by the REDD+ strategy**
 - **The Grievances Redress Mechanisms (GRM) at national, regional, district and local levels**
 - **Framework for participation and meaningful consultation with stakeholders including forest dependent IPs, Dalits and other vulnerable communities following the principles of Free, Prior and Informed Consent (FPIC)**



Institutional arrangements

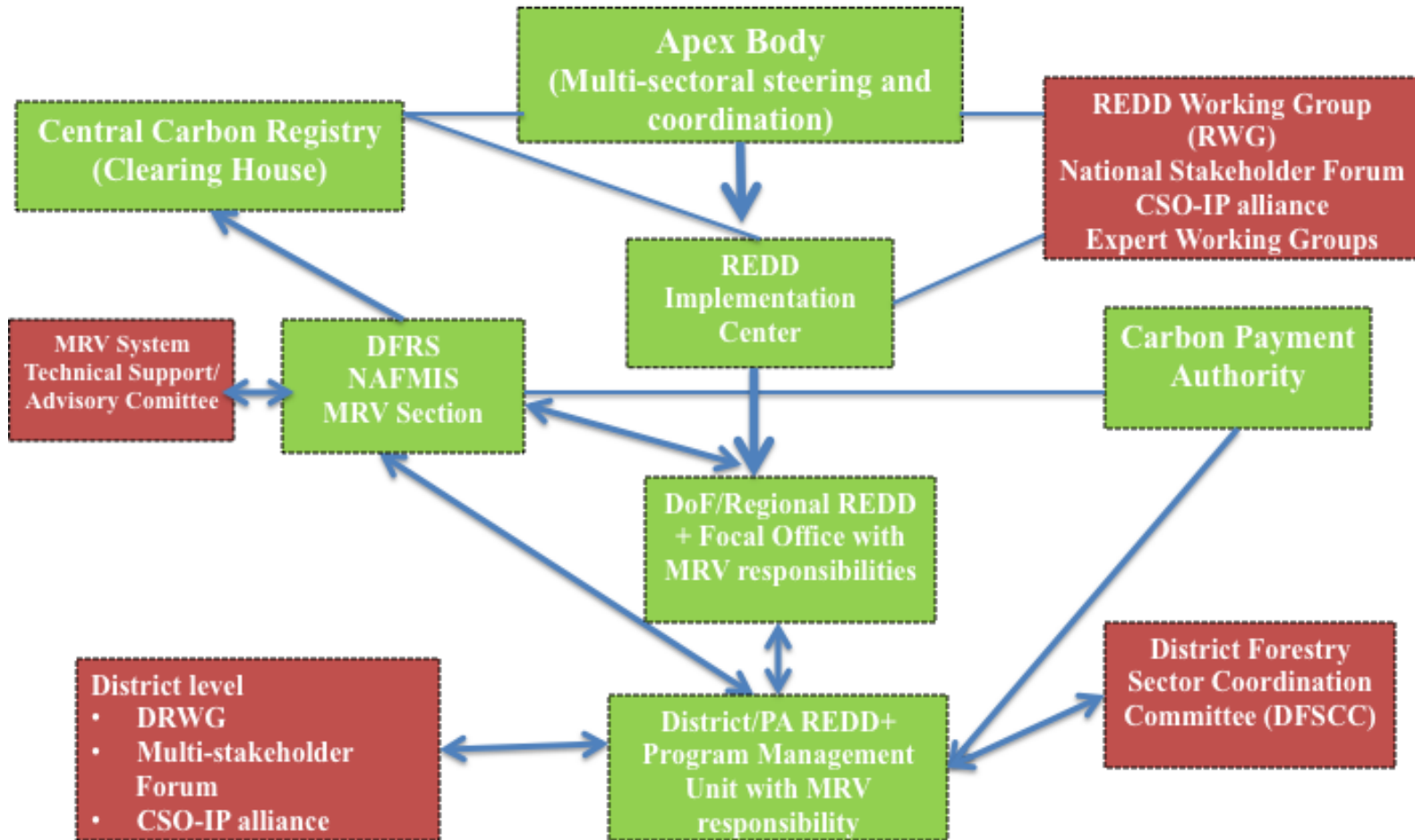
- The institutional structure will be based on existing government institution using already approved institution where possible. The key elements will be covering:
 - policy
 - a coordination and steering entity,
 - a MRV system entity and
 - a benefit sharing mechanism entity



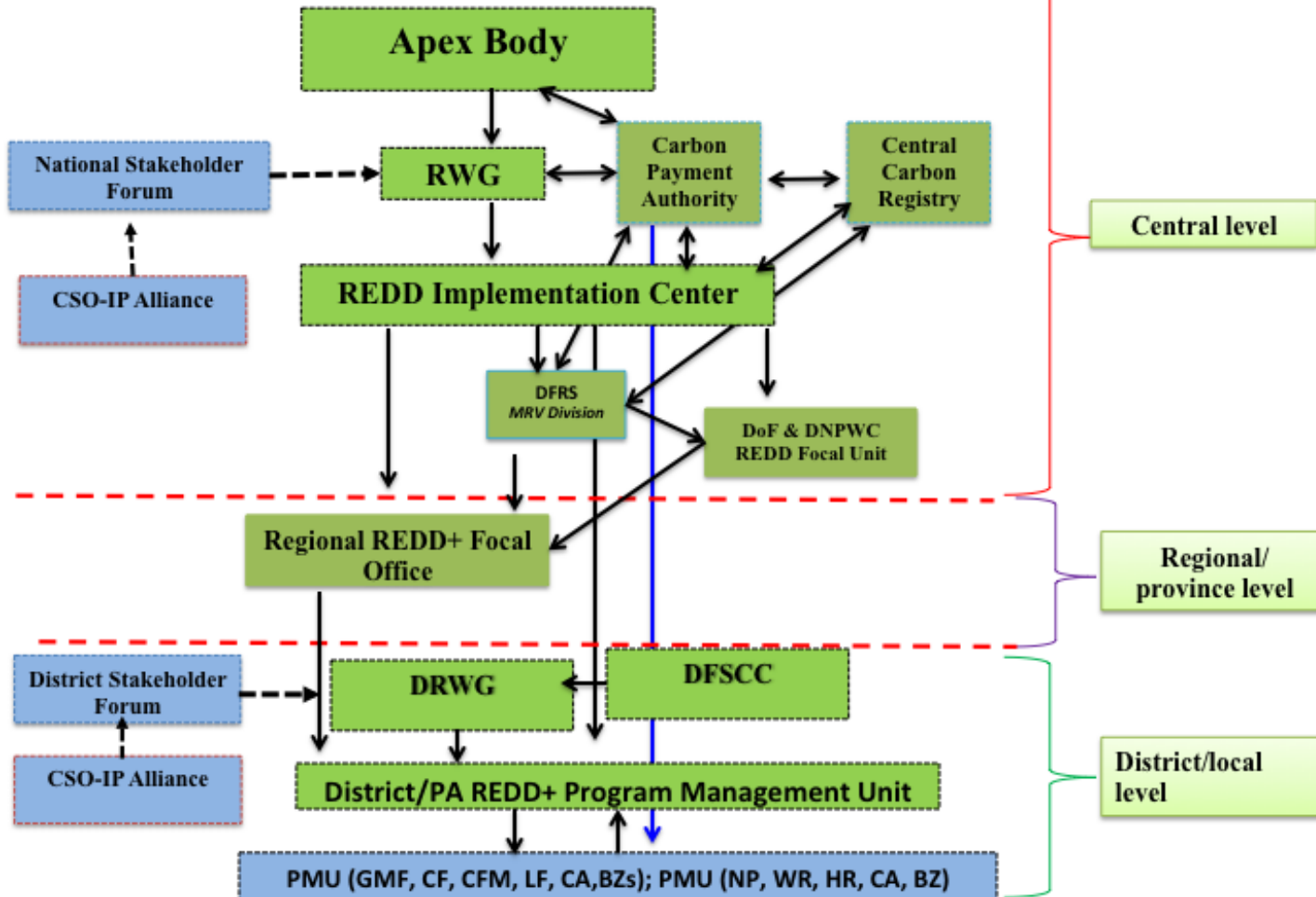
Enabling conditions for REDD+ Institutions:

1. Using the existing forest institutional structures and arrangements as far as possible.
2. Involving multi-stakeholders at different level so that they can effectively participate in, contribute to and benefit from program activities.
3. Enhancing capacity and ensuring equitable representation of local forest user groups, civil society groups, relevant government departments, forest dependent people, indigenous people, local communities, women, and *Dalits* at appropriate levels.
4. Ensuring the REDD+ information on measurement and reporting is readily available at all levels and to all actors, and relevant data is generated through periodic monitoring of forests, through a tested and institutionalized internal verification system by MRV implementing agency.
5. Ensuring that local stakeholders and forest managers in all forest management regimes (CF, CoFM, government managed forests, protection forests, and PAs) participate and engage in field based monitoring.
6. Ensuring the REDD relevant data is generated through periodic monitoring of forests, through a tested and institutionalized internal verification system by the MRV implementing agency (the DFRS).

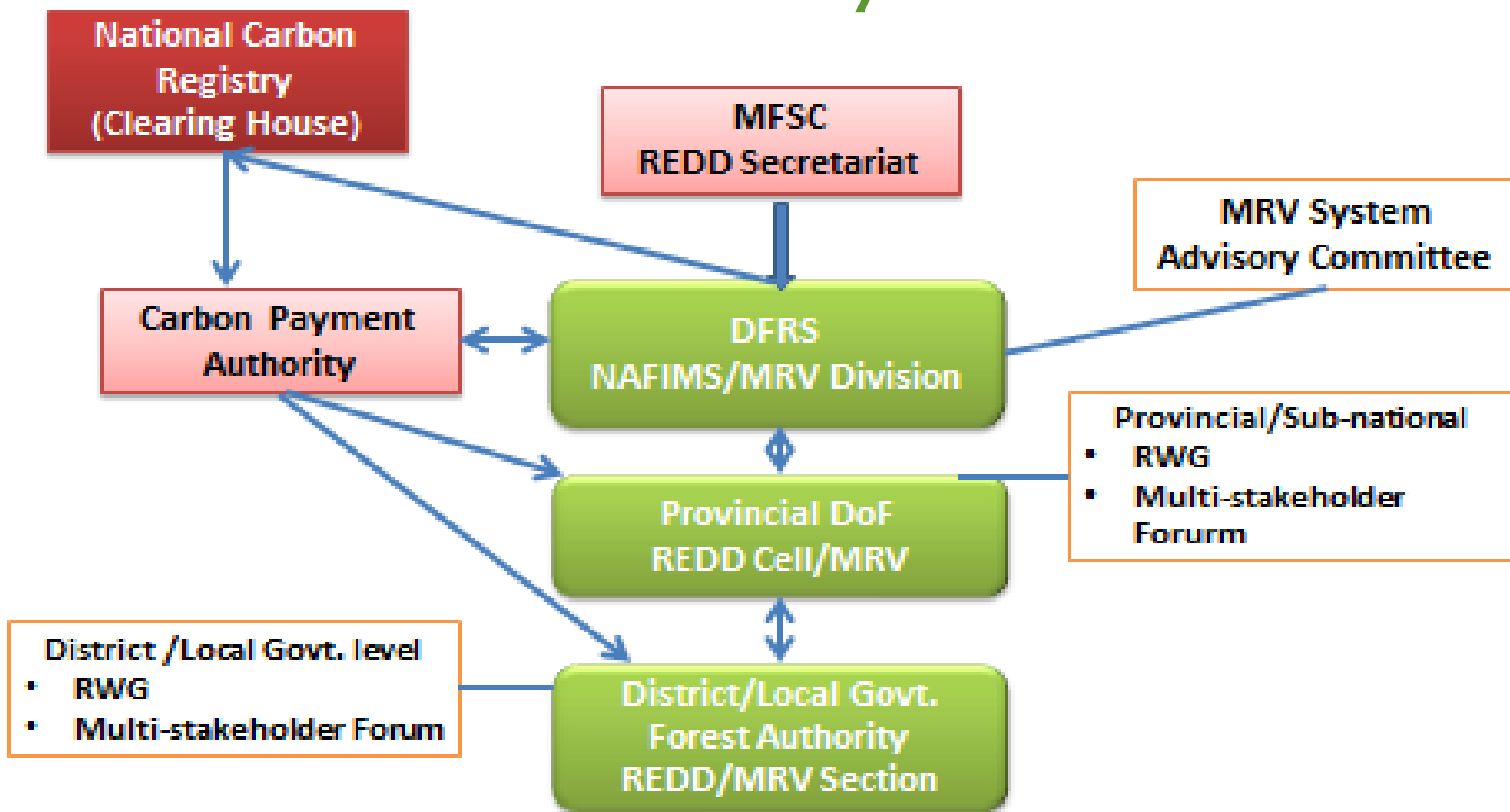
National Institutional Structure of REDD+



Institutional Structure of REDD+



Institutional Framework for Monitoring and MRV System



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Institutional Structure for Implementing the Safeguards:

- At **central level**, an Environmental and Social Assessment and Monitoring Unit (ESAMU) within the REDD+ Implementation Center (RIC)
 - ESAMU responsible for the overall coordination, planning, implementation and monitoring of REDD+ safeguards activities as well as activities proposed under EMP, R&RP, IP&VCDP and GDP.
- **Regional** REDD+ Focal Office (RRFO) at the regional forest office with oversight and monitoring responsibilities
- At **district** level, an Environment and Social Section (ESC) in each District/PA REDD+ Program Management Unit (DRPMU) to handle environmental and social concerns.
- At the **local** level, a REDD+ social and environment network (SEN) in each Village Development Committees (VDCs) having REDD+ projects.
 - The SEN will be comprised of representative from VDC, Forest User Groups, farmer groups, IPs, Dalits, women and local community leaders.



Key elements in institutional structures:

- The REDD+ Apex body chaired by Minister of Forests and Soil Conservation meeting two times a year.
- REDD+ Working Group (RWG): Addition of 3 members from NGOs and Academy in the current 12 members and meeting at least bi-monthly.
- Current RIC has four sections as: Climate Management Section, Remote Sensing and Land Information System Section, Budget and program section and Admin-finance section. It needs a section for the function of Environmental and Social Assessment and Monitoring.
- REDD+ Multi-stakeholder Forum meeting at least twice a year
- REDD+ CSO and IPO Alliance meeting at least twice a year
- The institutional assessment for MRV (working paper # 3) and also RPP has proposed the central carbon registry. The detail functions, institutional arrangement and human resource needs of this entity need to be explored.
- A carbon payment authority is one of the important elements of REDD+ architecture for the payment of incentives from central down to sub-national and district/local levels. This needs to be further explored.



Forest Reference Level (FRL)

- The FRL will follow a step-wise approach .
- The Step 1 uses available data to provide a starting point for RL establishment with simple projections, based on historical data.
- The Step 2 progressively updates the RL based on more robust national datasets for country-specific extrapolations and adjustments .
- Finally, the Step 3 will use more spatially explicit activity data and driver-specific information support.
- The TAL RL could be a starting point to move from sub-national level to national RL (it is necessary to improve the proposed national RL in order to achieve acceptable levels of accuracy to allow Nepal to receive performance-based payment)
- It is possible to improve and construct a national reference level using the TAL approach.
- If the entire country is covered by a reliable and easily updatable methodology for setting up RLs and subsequent MRV then domestic leakage will have been addressed at the same time.



National Forest Monitoring System (NFMS)

- Will 'nest' national, sub-national/district and management unit level covering all existing levels
- Information will be integrated into the NaFIMS
- Information will be shared with relevant stakeholders
- Will build on activities conducted under the FRA project and the work carried out for the TAL
- Monitoring system will be a combined method using remote sensing data and periodic ground measurements throughout all major forest types
- Local communities will be involved in the monitoring activities
- System will support decision making related to REDD+ strategy options



National Forest Monitoring System (NFMS) continued

- Will use spatially explicit activity data and forest strata level emission factors
- Quantification of emission factors will be qualitatively improved after capacity building has taken place
- The TAL LAMP method in its current form can be applied to provide both Tier 2 and Tier 3 data and provides data on changes in carbon stock at 1 hectare resolution
- DFRS, the national MRV Implementing agency, under the overall guidance of the Apex Body, will be responsible for:
 - Periodic execution of forest assessments for deforestation and degradation monitoring;
 - Designing, maintaining and operating the National Forest Information Management System (NAFIMS);
 - Coordinating the collection of sub-national level information;
 - Disseminating NAFIMS deliverables through web portal;
 - Providing technical guidance and institutional/capacity support to the parallel institutional setups at sub-national/district/local community levels



National Forest Information Management System (NAFIMS)

- The FRA Nepal project has developed an Open Source Forest Information System (OSFIS)
- OSFIS manages inventory data, spatial data sets and has a standard platform for data dissemination
- It is NOT a full Management Information System: system primarily designed for ongoing inventory only
- Must be upgraded to enable continuous monitoring of permanent sample plots with advance UIs and modules and database structure



National Forest Information Management System (NAFIMS)... contd

- Must be based on a reliable and efficient platform that does not require extensive expertise in Information Technology to maintain
- The system should be accessible for the general public through internet
- Requires a solution based on Software as a Service (SaaS) that resides on a cloud and is accessible through a web application
- Must have a WebGIS system user interface
- Frequent and periodic backups to safeguard valuable information and maintain usability of the data and platform
- Designed as an overarching information management system that includes
 - tools and protocols for system managers and interfaces for accessing data, information and maps from the NFD and other relevant databases; and,
 - links to and between these databases, analysis, synthesis, tabulation and other thematic tools



Plan of action for the implementation of Strategy

1. Approval of the strategy document
2. Develop Monitoring and Evaluation framework of REDD+ Strategy
3. Develop implementation plan of strategy with detailed budget and action plans/programs
4. Update of SESA according to the REDD+strategy
5. Policy and legal framework update and harmonization
6. Researches, studies and knowledge generations
7. Awareness raising and capacity development on REDD+ of all stakeholders
8. Institutional set up for REDD+ implementation, safeguards, GRM and provision of human resources
9. Establishment and management of functional MRV and NAFMIS
10. Coordination, collaboration and communication with different sectors and stakeholders
11. Review and evaluation



Look forward receiving your
comments, suggestions and
feedback

Thank you!



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