



REDD+ Country Profile

NEPAL

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INTRODUCTION

Nepal is a relatively small, landlocked country between China and India, with an area of 147,180 km² encompassing a diverse landscape including the Himalayan Mountains and lowland regions. Nepal is made up of three geographic regions: the low-lying Terai plains and Siwalik Hills, the Middle Hills, and the snow-covered high Himalayas.¹ The National Forest Inventory showed that Nepal had a forest area of 5.8 million hectares (40 per cent forest cover) that consisted of 4.2 million hectares (29 per cent) of forest of varying quality and 1.6 million hectares (10.6 per cent) of shrub land.² The middle mountains have about 48 per cent of the forest area, and the plains (Terai) have about 25 per cent, with the remainder distributed in the high mountains of the Himalayas. Nepal has 11 bio-climatic zones, including agricultural land in the south, and forests that range from tropical to subtropical, temperate and alpine.

Estimates are that Nepal's forest area has decreased from 4.8 million hectares to 3.6 million hectares over a 20-year period, from 1990 to 2010.³ Deforestation and forest degradation (forest loss) in the Terai and the high-altitude forests have been linked to lack of clear land tenure and the nationalization of private forest by the government in the 1950s.⁴ In the Terai and Siwalik regions, deforestation is attributed to government resettlement programmes, unplanned settlements and associated clearing of forest for agriculture, and illicit logging for distribution across borders. Other causes of forest loss in the country are extraction of firewood for cooking and domestic heating, forage gathering for livestock and forest grazing, political instability, forest fire, and inadequate management of public forests.⁵

Conditions of forest loss in government-managed (public) forests have been found to be high compared with other forest management modes. Evidence strongly suggests that when forest management responsibility is transferred to local communities, forest loss is substantially reduced.⁶ Analysis of forest loss shows that the pressure is highest in the Terai region where public management is now concentrated. Currently, nearly 80,000 hectares of forest in the Terai are encroached for agriculture and settlements.

Nepal's engagement with the Forest Carbon Partnership Facility (FCPF) began in 2008, with the country in the process of implementing its REDD+ package. The REDD+ Readiness Preparation Proposal (R-PP) was assessed in July 2010, and a revised R-PP was then submitted to the FCPF in October 2010. Nepal is currently developing its national strategies and is engaging in the implementation of strategies and investments through piloting REDD+ activities. Nepal plans to initiate a subnational jurisdictional approach on REDD+. In addition to the REDD+ engagement with the FCPF, Nepal has also joined the UN-REDD Programme as an observer country and has participated in the United Nations Framework Convention on Climate Change (UNFCCC) negotiations since 1995.⁷

SNAPSHOT OF REDD+ PROGRESS IN NEPAL

Governance

Setting the goals for REDD+, building the legal institutional arrangements to undertake it, and ensuring that all major REDD+ stakeholders can participate in its governance.

Goals

Has the country set ambitious and time-bound REDD+ goals and spelled out REDD+ guiding principles?

Accomplishments	The government of Nepal has endorsed a strategic framework based on which a National REDD+ Strategy (set for release in 2014) will be drafted and endorsed after inclusive and participatory consultations at local, regional and national levels. A multi-stakeholder forum has also been established to facilitate dialogue on REDD+ between government and civil society. A REDD+ Working Group has also been formed with representatives from the government and civil society that will facilitate the decision-making process on REDD+ at the national level and also guide the preparation of the National REDD+ Strategy. While no new REDD+ legislation or policy has been released to date, the Ministry of Forests and Soil Conservation has begun reforming the national policy framework and is currently in the process of developing a Forest Sector Strategy, Biodiversity Strategy, Nature Conservation Strategy and Low-carbon Development Strategy, which altogether will form a holistic national approach to resource management.
Ongoing	While Nepal does not yet have a completed National REDD+ Strategy, the government of Nepal is being supported by different programmes, such as the USAID-funded Hariyo Ban Program; the Multi-stakeholder Forestry Program funded by SDC, DFID and the government of Finland; and various REDD+ initiatives funded by the FCPF. Similarly, REDD+ programmes are also being initiated by intergovernmental organizations (e.g. ICIMOD), nongovernmental organizations (e.g. WWF, CARE, Winrock, ANSAB), civil society organizations (e.g. FECOFUN, NEFIN, DANAR, NAFAN, ACOFUN), and the private sector (e.g. Arbonaut). The actions and initiatives on the ground will help serve to guide the National REDD+ Strategy.
Planned	Studies and consultations carried out for country pilot projects will be conducted in order to evaluate the outcomes of activities, assess the drivers of deforestation, analyze political economy and undertake forest valuation assessments to inform the REDD+ policy process. ⁸ Further, work will be done to enhance consultations at the central, regional and local levels to ensure appropriate policy dialogue between the various stakeholders.
Gaps/Next steps	Work is needed to ensure proper representation and inclusiveness in consultations for development of a national REDD+ strategy. Efforts need to be made to improve the level of understanding as to how the rights of indigenous peoples and local communities will be addressed by a national REDD+ strategy.

Institutional arrangements

Are institutions in place to manage and coordinate REDD+ (e.g. inter-ministerial coordination, participation of all stakeholders secured)?

Accomplishments	Nepal's government has established a three-tiered institutional mechanism for implementing REDD+, consisting of the REDD+ Multi-sectoral, Multi-stakeholder Coordinating and Monitoring Committee known as the Apex Body; the REDD+ Working Group at the operational level (RWG); and the REDD+ Forestry and Climate Change Cell (REDD+ Cell) as the coordinating entity. All three bodies have been working together to prepare the national REDD+ strategy and implementation plan. In addition, a stakeholder forum has been established to engage a wide range of stakeholders in the entire REDD+ process. Since the state is under a restructuring process, these institutional arrangements will be adjusted in line with the new constitution. ⁹
Ongoing	A REDD+ multi-stakeholder forum is in place as a communication platform, established to bring together and engage with a wide range of stakeholders in the entire REDD+ process. ¹⁰
Planned	To clarify institutional arrangements, further studies and consultations with stakeholders from the local to national level will be carried out. A hybrid approach to REDD+ implementation at both national and subnational levels is proposed, although details of these arrangements still need to be finalized through pilots and further consultation and studies.
Gaps/Next steps	Despite a slow process and complications in coordination and in providing necessary support, the REDD+ Cell is working as effectively as possible to ensure that implementation efforts are coordinated to avoid duplication.

Legal

Does the country have a legal framework that supports the implementation of REDD+ (e.g. special focus on land rights/tenure rights, carbon rights assigned)?

Accomplishments	According to the REDD Desk, forest tenure and land rights are clearly allocated with respect to state ownership, community entitlement and private ownership, defined by the Forests Act (1993) and Forest Regulations (1995).
Ongoing	Carbon rights and ownership are undefined within the legal framework or policies of Nepal and are currently under revision by the government and Constituent Assembly. Carbon rights and ownership will be considered in the development of the Forest Sector Strategy to be completed in 2013 or 2014. Under current proposals, carbon rights will be assigned to the central government. ¹¹
Planned	The Nepal R-PP (2010) establishes that carbon ownership for all types of forest needs to be resolved as a priority for R-PP implementation. The R-PP further elaborates as a key principle, the tying of carbon rights to land and forest tenure rights. Further guidance will be received from constitution and REDD+ strategy updates. The Constitutional Assembly is being reformulated to draft the constitution, and consultations are being planned for drafting the National REDD+ Strategy based on the endorsed strategic framework.
Gaps/Next steps	Access and use rights, governance and benefit-sharing mechanisms relating to forest management vary substantially across the community-based regimes. This presents an ongoing issue to be resolved. Carbon rights and ownership will be considered in the development of the Forest Sector Strategy, scheduled to be completed in 2013/2014. Under current proposals, carbon rights will be assigned to the central government. However, there are two different points of view regarding this: From one point of view, all forest belongs to the government (except private forests), and the government is entitled to all the rights associated with the forests; with the transfer of management regimes, the managers/groups/communities can only have access to the benefits as described in the Forest Act (1993). The other view is that with the transfer of management regimes, carbon rights should be transferred to the managers/groups/communities.

Tracking REDD+ Progress

Successful REDD+ implementation will depend on the country's ability to track and report on the state of the forests and REDD+ progress against a reference level.

MRV

Advances in putting in place a measurement, reporting and verification system for REDD+.

Accomplishments	Two separate contracts to carry out two major components of FCPF R-PP (development of reference levels and forest monitoring systems) were awarded in May/June, 2013. ¹² Further, WWF Nepal's Forest Carbon Accounting Project operates in two regions in Nepal and has developed a subnational reference level and deforestation rate using LiDAR methods, the outcomes of which will inform the national MRV system.
Ongoing	An integrated monitoring and reporting system to incorporate the national, regional and management unit levels will be developed to account for the contributions of all levels and to allow for fair sharing of the benefits based on actual performance. Nepal is proposing to adopt tier II for MRV. The data collection will be based on a combined method using remote sensing data and periodic ground inventory measurement throughout all major forest types and physiographic regions of Nepal coordinated with the methodology to be used in the upcoming Forest Resource Assessment (FRA; refer to reference levels below).
Planned	The design and implementation of MRV will involve governmental and nongovernmental organizations, including indigenous peoples and local communities and other institutions, with each having clearly defined roles and responsibilities. As part of the proposed monitoring, data management and reporting system, a National Forest Information Management System (NAFIMS) will be established, which includes a Central Forest Geo-Database. The Department of Forest Research and Survey will oversee the collection, storage, sharing and management of nationwide forest-related spatial data. Monitoring and evaluation of the implementation of R-PP will be coordinated through the REDD+ Cell.
Gaps/Next steps	An MRV system is challenged by the availability of time series data, issues of consistency, and level of accuracy. Combining efforts and lessons learned from the work of various institutions and organizations may help improve conditions for development of the MRV system.

Reference levels

Has the country developed on national or subnational reference levels? What approach was adopted (e.g. historical, historical adjusted)?

Accomplishments	Analysis of existing forest datasets has concluded that the Land Resource Mapping Project (LRMP) is the most comprehensive forest assessment available for Nepal. The LRMP data holds the potential for creating a provisional biomass surface for Nepal that can be used as a first reference for determining changes in forest cover and degradation. A consultant (CAMCO) has been hired to develop the national reference level (RL) for Nepal that will integrate all the past and current information.
Ongoing	Nepal is in the process of developing reference levels, which form a major component of the R-PP. A Finnish-funded Forest Resource Assessment (FRA) is in the third year of implementation (to be completed by 2014), under which a historical analysis of emissions and removals for the period 1994-2012 is planned. The FRA performs many technical activities instrumental to the development of a national MRV system, including forest mapping and detailed carbon measurements for selected sites. In addition, Nepal is in the process of developing a subnational jurisdictional reference level for 12 districts in the Terai to develop an ERPIN to be submitted to the FCPF.
Planned	Nepal plans to submit a reviewed subnational jurisdictional reference level under the ER-PIN to the FCPF and to build on the lessons learned to frame a national reference level. WWF-Nepal is completing a Forest Carbon Accounting Study to assess and quantify the emissions reduction potential of the forests across the Terai Arc Landscape to establish a baseline for REDD+, which will then inform the national baseline and feed into the REDD+ process. The study used remote sensing tools to analyze land use and land-use change and establish deforestation scenarios, and also used a ground-based forest carbon inventory in order to ground-truth the data.
Gaps/Next steps	Reference level development is challenged by the availability of time series data, issues of consistency, and level of accuracy. Also, the choice of base year and the choice of using a bookend approach or a time series approach to develop the reference level further complicate the analysis.

Getting REDD+ Done

Achieving REDD+ that is (a) undertaking intervention strategies that address the country drivers of deforestation and (b) mobilizing the financial resources to pay for it.

Addressing drivers of deforestation

What are the main strategies and programmes to reduce deforestation (e.g. increase protected areas, support shift to sustainable agricultural practices, increase law enforcement)?

Accomplishments	Drivers of deforestation and forest degradation are being analyzed in the country context under Nepal's R-PP development. The government adopted the Forests Act (1993), which devolved rights to community-based forest management regimes and empowered them to manage their own resources. These community-based forest management regimes now account for 25 per cent of all forest land management. Empowering civil society to make decisions regarding natural resources and forests is one of the more progressive forest reforms in the country. Protected areas account for 24 per cent of land and are governed by the National Park and Wildlife Reserve Act (1973). ¹³
Ongoing	Ongoing work of the Nepalese government is the development of policy synergies between the forestry and other sectors, including infrastructure, agriculture and energy, to ensure that a crosscutting strategy to support REDD+ is established. Over the next year, Nepal will prepare its national REDD+ strategy. The drivers of deforestation and forest degradation have been analyzed for the Terai region and will be submitted to the FCPF under the ER-PIN.
Planned	A new National Forest Sector Strategy has been identified as a priority action for the next interim plan period (up to 2013/2023).
Gaps/Next steps	With respect to compliance, a report about transparency in Nepal's forestry sector claims that law enforcement and monitoring is considered the most important deficiency in management of the forest sector. ¹⁴

Finance

What resources is the country counting on to pay for REDD+ implementation (e.g. multilateral, bilateral, own country resources, voluntary and offset carbon markets)? How much has been committed, transferred and disbursed?

Accomplishments	The Forest Carbon Partnership Facility (FCPF) released a US\$200,000 Formulation Grant in 2009. A total of US\$7,480,000 is expected to be disbursed to support Nepal's REDD+ readiness preparation and implementation, an amount that is co-financed by FCPF, DFID/SDC, JICA, the government of Finland and USAID. ¹⁵ Following the implementation of the R-PP, Nepal is expecting to enter the carbon market by 2013 in order to receive funding for its pilot projects.
Ongoing	The projects in Nepal are largely bilaterally funded, with the Norwegian Agency for Development Cooperation (Norad) having funded three projects, including the Design and Establishment of a Governance and Payment System for Community Forest Management under REDD+, the Grassroots Capacity Building Program for REDD+ and the Climate Change and Partnership Programme. The Finland's Ministry of Foreign Affairs financially supports the Reducing Poverty in Nepal project and the Forest Resources Assessment (FRA) project. The Himalayan Community Carbon project will be funded through the voluntary carbon market through the sales of carbon credits accredited through Plan Vivo. In the eastern part of the country, The Mountain Institute (TMI) is also developing a Project Design Document (PDD) for the voluntary carbon market, with the support of private investors.
Planned	A trust fund may be established to centrally govern REDD+ financing, but discussions are still ongoing and nothing is yet decided. The government of Nepal initially plans to tap the FCPF funds for performance-based payments if an ER-PIN is accepted. Additional options for financing may include the UNFCCC or the voluntary carbon market.
Gaps/Next steps	None, or no information available at this time.

REDD+ for People and Nature

Ensuring that the country REDD+ strategy (a) has in place adequate safeguards to protect vulnerable social groups and preserve tropical forest environments and that (b) beyond doing no harm, they also offer new income and livelihood opportunities to indigenous peoples, local communities and the rural poor.

Social and environmental safeguards

What safeguards is the country applying to/implementing (FCPF, UN-REDD, REDD, SES)? Are there safeguard information systems in place?

Accomplishments	A draft social environmental safeguard framework has been developed by the government of Nepal in consultation with relevant stakeholders. For REDD+ capacity building at the community level, including development of a national safeguard system, civil society initiatives have been running since 2008, funded by Norad. The Nepal R-PP has included a comprehensive consultation and participation plan to be implemented during the readiness phase between 2010 and 2013. The main components of the plan include capacity-building, awareness and consultation mechanisms. Nepal participates as a pilot country in the development Social and Environmental Standards (SES) through the Climate, Community and Biodiversity Alliance (CCBA). Further, a national coordinator for SES was appointed, and the REDD+ working group held a first meeting to develop national indicators for SES in November 2010.
Ongoing	A plan is being developed to monitor the social and environment framework.
Planned	A set of indicators against the monitoring plan will inform appropriate implementation of the social environmental safeguards.
Gaps/Next steps	Effective implementation of the safeguards could be a challenge as there could be misunderstandings at various levels on issues regarding stakeholders versus right holders.

Benefit sharing

Is there a finance mechanism in place that secures fair distribution of benefits to indigenous peoples, local communities and the rural poor?

Accomplishments	There is no benefit-sharing mechanism in place. Various community-level REDD+ pilot projects are under way in Nepal to serve as a test case for developing benefit-sharing methodologies to be used countrywide under a national REDD+ strategy.
Ongoing	The 2010 Nepal R-PP states that clear and legally defined benefit-sharing mechanisms that deliver benefits to grassroots level communities will be established as an important factor for development of the nation's REDD+ strategy. Discussions are ongoing to develop a benefit-sharing mechanism and relevant grievance mechanisms.
Planned	A benefit-sharing mechanism will likely be developed using a trust fund model that maximizes benefits for communities. The Ministry of Science Technology and Environment has proposed an 80/20 model in which 80 per cent of the benefits go to communities and 20 per cent to administrative costs. The REDD+ Cell is also advocating an 80/20 model to maintain consistency and ensure that benefits are maximized for affected communities.
Gaps/Next steps	There are many complicating factors in deciding upon an equitable benefit-sharing mechanism under a national REDD+ strategy.

WWF (PLANNED) ACTIVITIES UNTIL 2015 & PARTNERS

WWF's Forest Strategy has an overarching goal of "zero net deforestation and forest degradation in WWF priority places by 2020". It has identified work-streams based on two pillars: promoting forest conservation and sustainable use, and tackling drivers of deforestation.

Under the first pillar, WWF-Nepal is working to adopt three complementary approaches to forest resources: protect, manage and restore, with the overall aim of ensuring conservation of biodiversity and environmental resources at the landscape level. WWF works across a network of protected areas of representative ecosystems in all the priority landscapes of Nepal while also ensuring the management and restoration of critical forests in corridors, bottlenecks, biodiversity hot spots and fragile ecosystems in the priority landscapes.

Plans are under way for forests in the landscapes to be managed by an ecosystem approach to ensure biodiversity conservation and sustainable livelihoods. Under its second pillar, WWF-Nepal will address the drivers of deforestation and forest degradation through strategies such as REDD+. A multi-stakeholder partnership will be promoted to increase community stewardship and the involvement of stakeholders in managing forests and protected areas.

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WWF's Forest and Climate Programme works to ensure that the conservation of tropical forests as carbon stores is secured by green economic development that benefits people, the climate and biodiversity in transformational ways.

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Why we are here
To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

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END NOTES

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