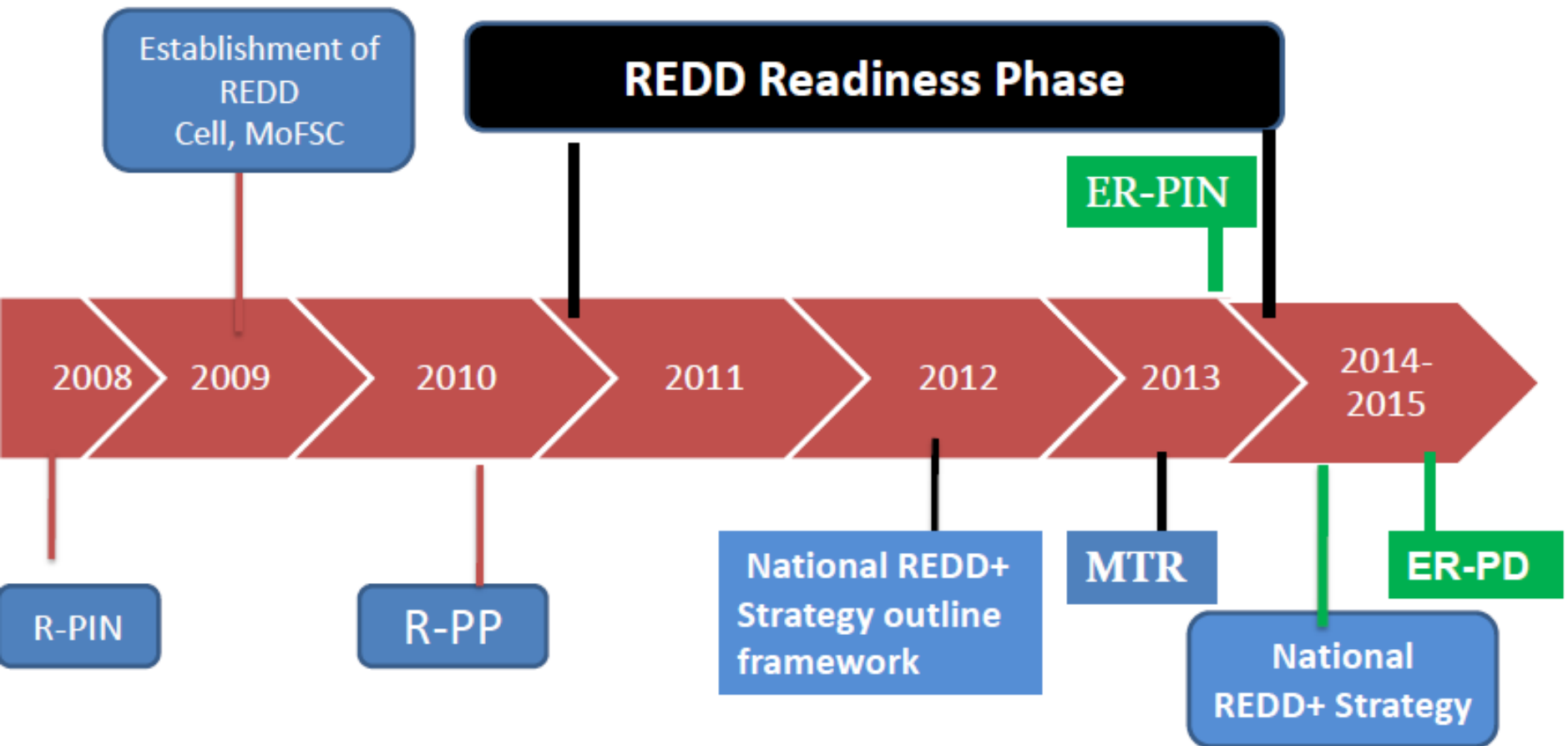# An update on REDD+ Strategy Development in Nepal

Shiva Kumar Wagle
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National REDD+ readiness Landscape

Prioritized Drivers of DD

1. High dependency on forests and forest products (timber, firewood, and other NTFPs)
2. Illegal harvest of forest products
3. Unsustainable Harvesting Practices
4. Forest fire
5. Encroachment
6. Overgrazing
7. Infrastructure development
8. Resettlement
9. Expansion of invasive species

Current Progress status

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		🟩

🟧 **Insignificant Progress**

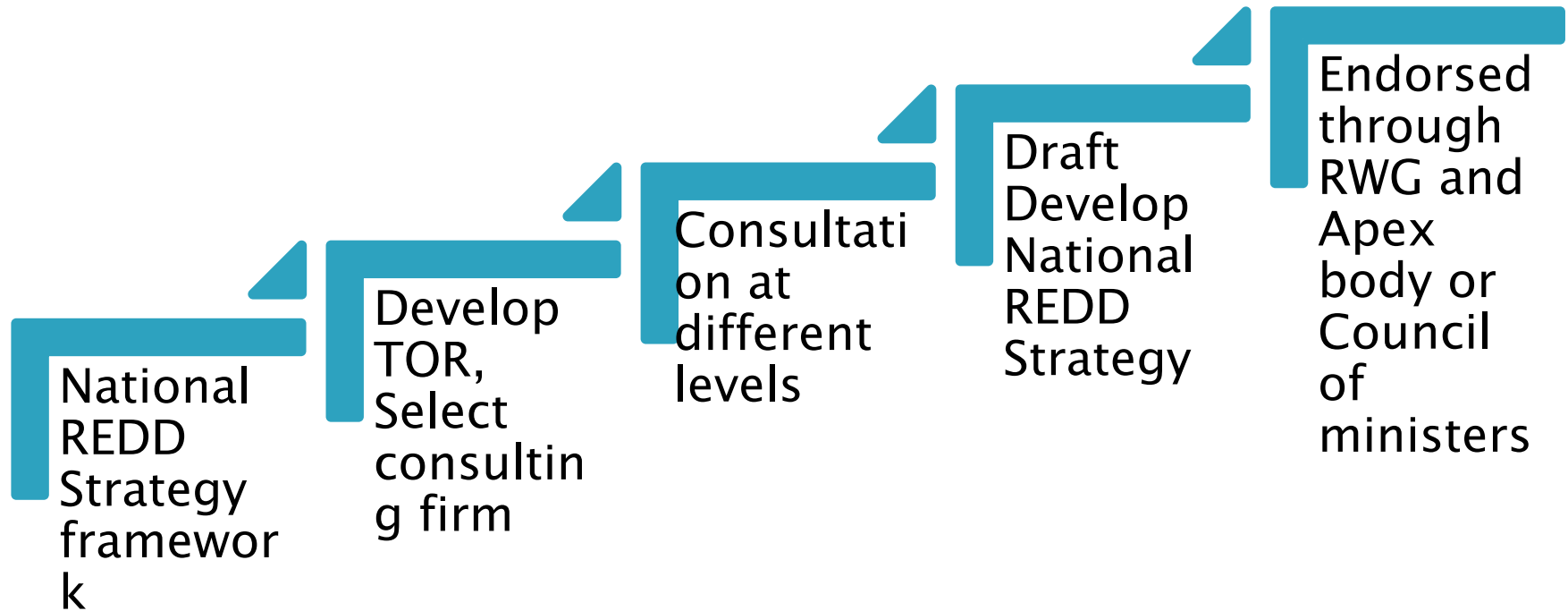🟩 Significant progress

🟨 Progress well, further development required

🟥 Not yet demonstrating

Methodology of developing strategy

National REDD Strategy framework

Develop TOR, Select consulting firm

Consultation at different levels

Draft Develop National REDD Strategy

Endorsed through RWG and Apex body or Council of ministers

Approaches of developing the Strategy

- Desk review of available secondary information and structured interactions with key informants
  - Relevant REDD+ reports published by REDD Cell and other NGOs/IPOs/CSOs/INGOs etc.

- Consultations relevant stakeholders at local, district, regional and national level

- Stakeholder interviews

- Interest group discussion

- Field visits and consultation workshops.

Nepal ER–PIN
ER Program Area
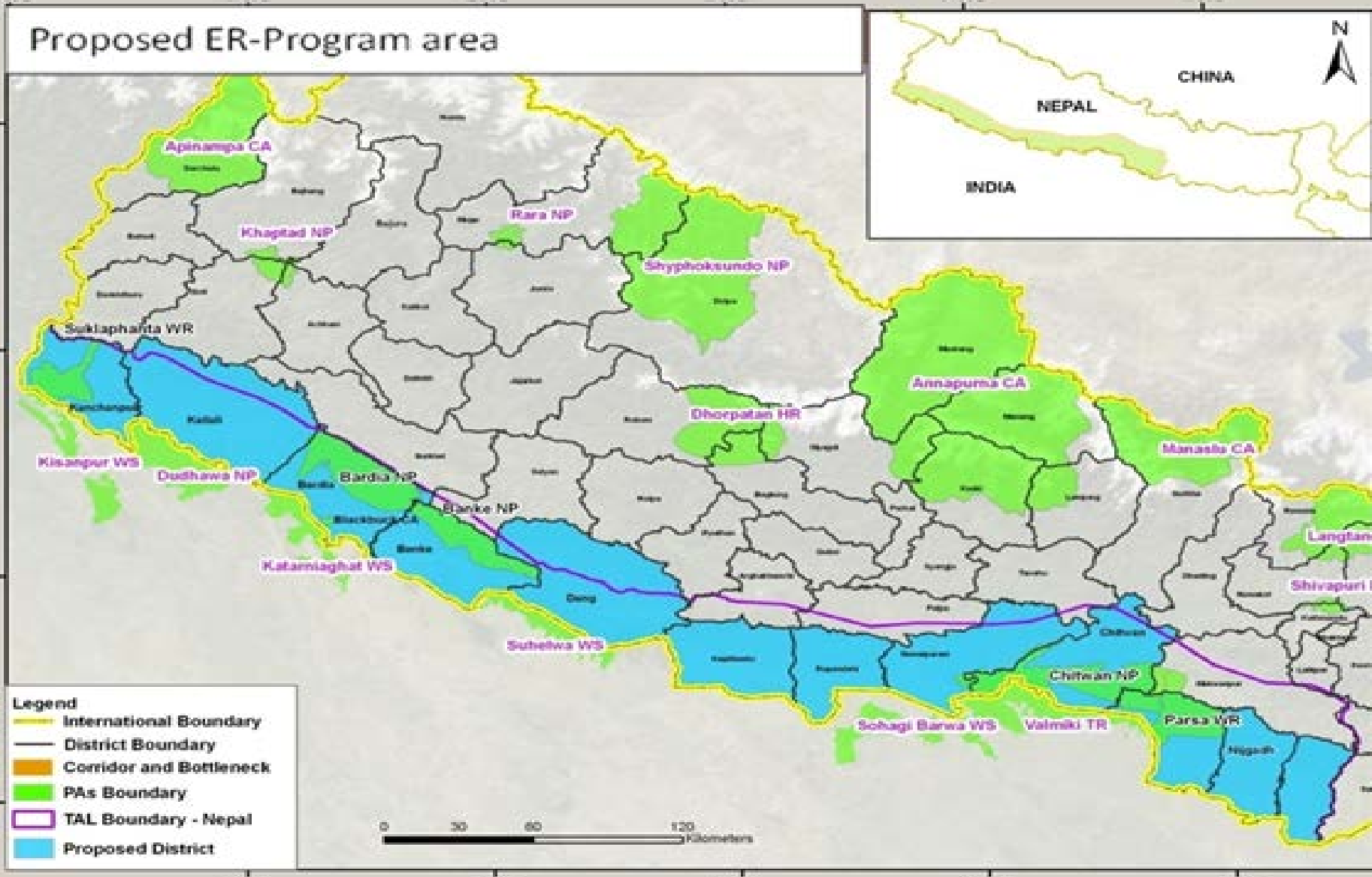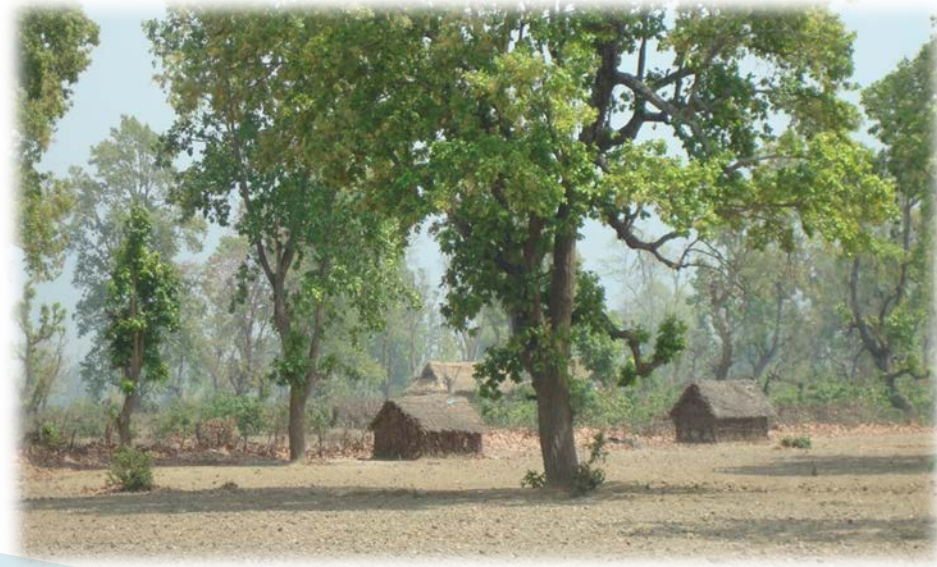
Identified drivers of Deforestation and Forest Degradation in ER Program Area

- Encroachment
- Infrastructure development
- Unsustainable harvest of forest products
- Illegal harvest of forest products
- Overgrazing
- Forest fire

Nepal ER–PIN
Historical Emission Trend

Historical Carbon Stock 1999-2011
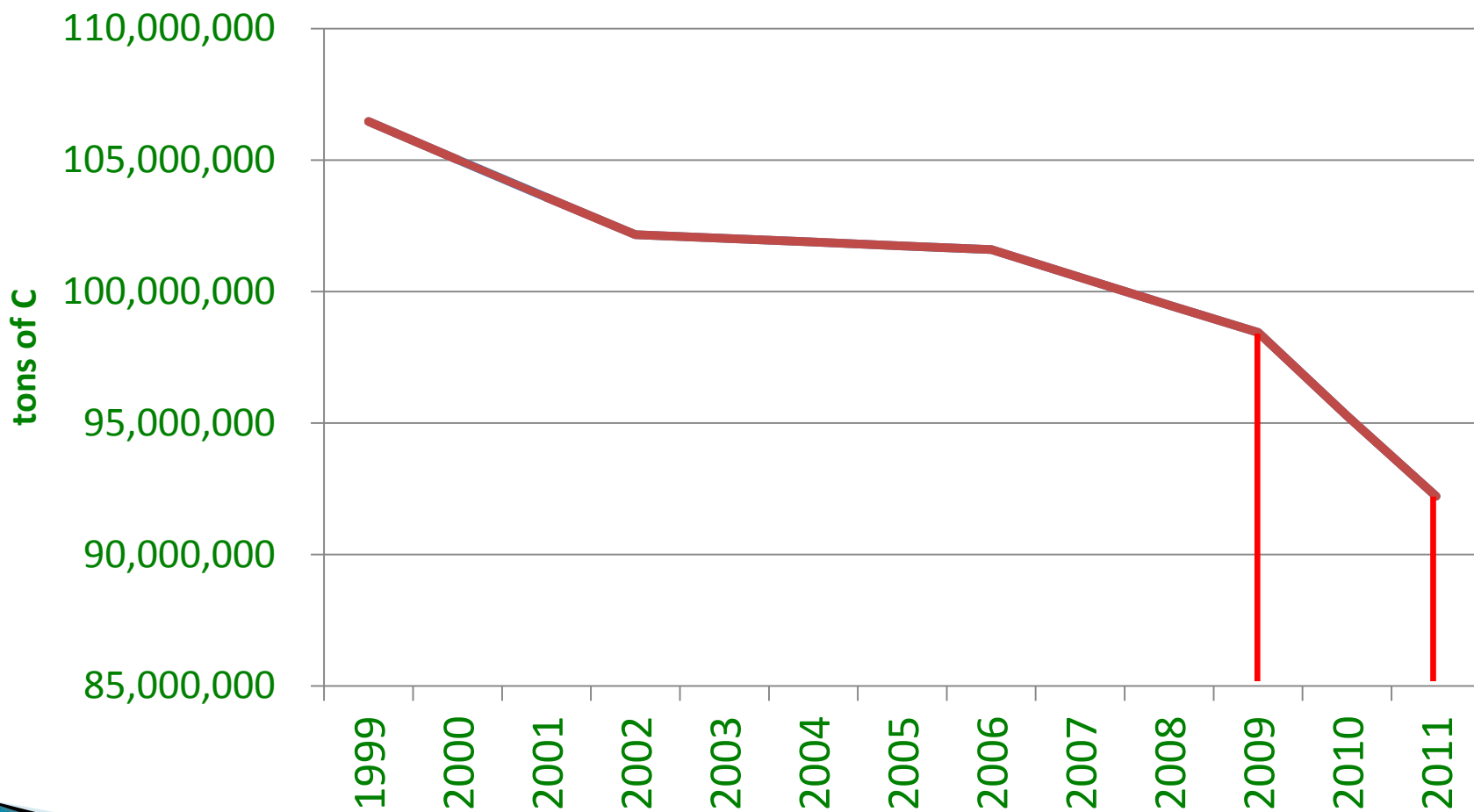
Nepal ER-PIN
Reference Level
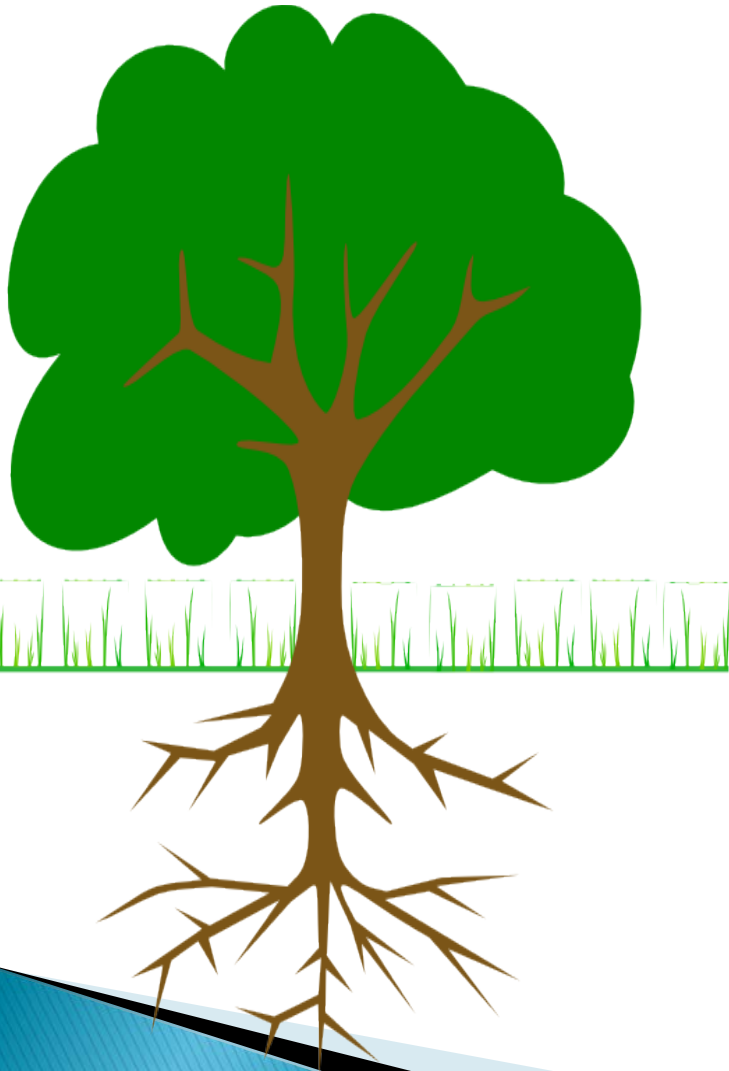
AGC

3,483,066.4 tonnes of C02 eq. per year

TOTAL

4,353,833.00

tonnes of CO2 eq. per year

BGC (20%)

870,766.6

tonnes of C02 eq. per year

Early ideas on intervention strategies

1. Improved forest management and supply avenues
2. Promote private forestry initiatives and fully engage private sector in sustainable forest management efforts ;
3. Reduce demand: expansion of alternative energy sources: biogas, solar
4. Improved management of grazing lands
5. Improved land use planning to address encroachment
6. Forest conservation mainly in protected areas to conserve and enhance forest carbon stocks.
7. Intensify plantation in private land, wasted public land, and in degraded forests.
8. Diversify alternative livelihood options for forest dependent poor community
9. Forest fire control and management

Nepal ER-PIN
Estimated Emission Reductions

Intervention	Cumulative emissions reductions from (millions of tons CO_2e)		
	5 years (2015 – 2020)	10 years (2015 – 2025)	15 years (2015 – 2030)
Sustainable management of forests	9.9	29.2	49.0
Installed biogas plants	0.9	3.4	6.5
Improved cook stoves	0.3	1.1	2.0
Land use planning	2.8	8.3	13.9
Private forestry/tree nurseries	0.1	0.7	1.4
Total	14.0	42.7	72.8
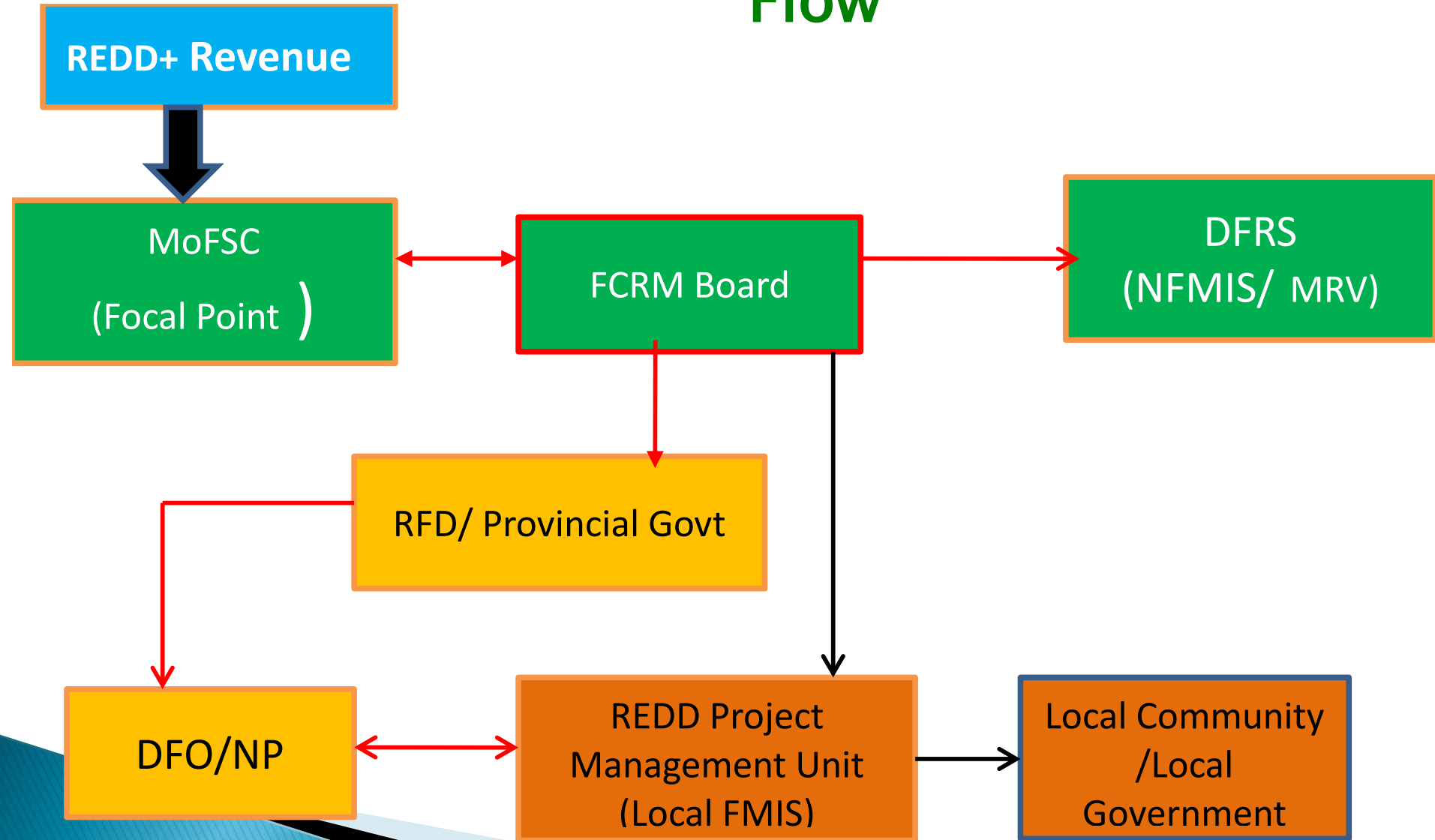
- Enhancement of local livelihoods

- Conservation of biodiversity

- Better ecosystem services to people & environment

- More resilient ecosystems for climate change adaptation

- Improved forest governance

- Contributions to Multi Lateral Environment Agreements
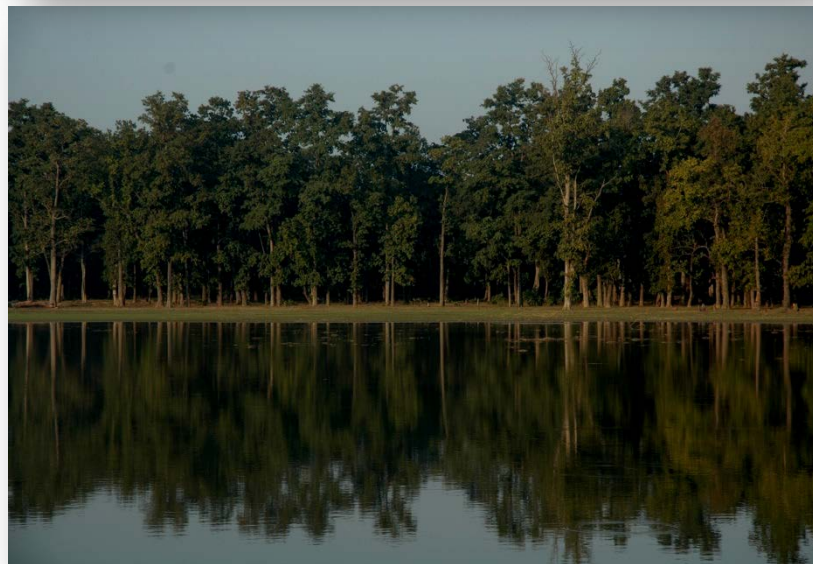
Nepal ER-PIN
Summary and Key Strengths

- ER program area has significant economic, ecological, social & cultural importance

- The drivers of deforestation & degradation are prioritized; interventions are well integrated across sectors.

- The best available data & advanced technologies is used for RL estimation

- A multi-sectoral and inclusive institutional arrangement exists

- The ER program development and implementation is focused through a consultative and inclusive process

- The ER PIN puts strong emphasis on non carbon benefits and diversity and learning value

- The Government, IPs & CSO are committed to turn ER ideas into actions & make REDD+ successful

- The ER-PIN is consistent with Carbon Fund methodological framework in various aspects

Linking local pilot initiatives to support national strategy development

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ICIMOD

FOR MOUNTAINS AND PEOPLE

Map of pilot REDD sites

Watersheds in
Geographic Region wise of Nepal
under REDD Project

Ludikhola Watershed
Gorkha District

Charnawati Watershed
Dolakha District

Kayar Khola Watershed
Chitwan District

Far Western
Development Region

◎ Dipayal

Mid Western
Development Region

◎ Birendranagar

People's Republic of China

◎ Pokhara

Western
Development Region

Kathmandu
◎

Central
Development Region

Eastern
Development Region

◎ Dhankuta

India

Legend

◎ Development Region Head Quarters

— International Boundary

■ Watershed

Geographic Region

Mountain
Hill
Terai

Data Source:
Dept. of Survey 1985, 1992

scale

ICIMOD
September 2009

E.g. REDD+ payment

60% payment for social safeguards

40% payment for carbon stock and increment

C stock 24%
C increment 16%
Indigenous people 10%
Dalit households 15%
Women population 15%
Poor households 20%

Payments in 3 watersheds
Charnawati	$ 7.4/ha
Kayarkhola	$ 10.4/ha
Ludikhola	$ 13.8/ha

In 2012, additional USD 100 per CFUG was given to reduce disparity between groups.

Project activities

Forest carbon measurement

Alternative energy

Awareness raising   Piloting Forest Carbon Fund   Stakeholder engagement

How was REDD money used?

| Expenses activities	Expenditure Status in %			
	Dolakha	Gorkha	Chitwan	Average
1. Livelihood improvement activities	53.8	50.3	48.5	50. 9
2. Capacity building (awareness, workshop)	9.7	9.4	8.3	9.1
3. Forest carbon monitoring (training LRPs for forest inventory)	7.2	4.3	27.7	13.1
4. Alternative energy schemes	11.9	15.0	13.5	13.5
5. Others (Forest mgmnt activities + enrichment plantation)	17.4	21.0	1.9	13.4
	100.0	100.0	100.0	100.0
Co-financed by CFUGs (% in total invested amount)	43.9	2.3	69.9	49.2

2009
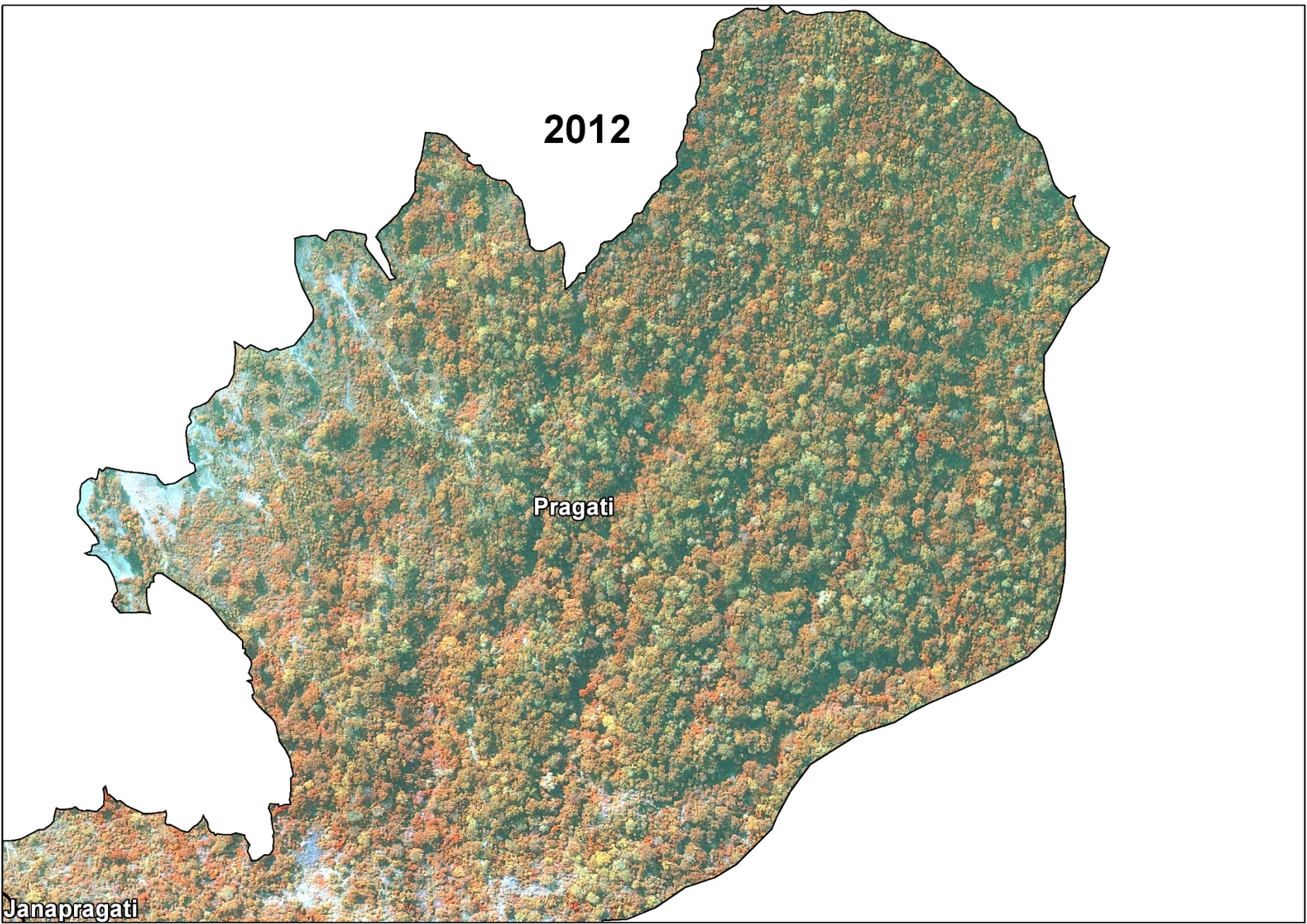
Reflection 2: Economic rationale and farmers' preference

What is REDD+ Additionality in Community Managed Forest for Nepal?

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Abstract: Reducing Emissions from Deforestation and Forest Degradation (REDD+) is a policy currently under consideration by the United Nations Framework Convention on Climate Change (UNFCCC). This study carries out a Nepal-specific research to understand REDD+ policy's potential role in carbon sequestration, by identifying the economic and preferential rationales that drive deforestation and degradation in community managed forests. The study explores four different land use options, making use of both community based survey and field data used to generate net present value (NPV). Both techniques give consistent results that, in the current economic situation, farmers prefer using land for livelihood purposes rather than solely for community forest management. This has a very strong implication for policymakers. First, the results imply that conversion and degradation are inevitable, thus placing community forest in imminent threat and making this risk reduction additionality in REDD+ terms. Furthermore, it shows that, to combat the drivers of deforestation and forest degradation, policies such as REDD+ need to provide enough financial incentives that will incur the opportunity costs and direct farmers towards the efficient use of community managed forest.

**Keywords:** REDD+, additionality, land use options, opportunity cost, community forest

INTRODUCTION

Reducing Emissions from Deforestation and Forest Degradation (REDD+), recognized as the most effective and efficient way to combat climate change, is a policy currently under consideration by the United Nations Framework Convention on Climate Change (UNFCCC). Approval of this policy will ensure carbon credit eligibility for carbon abatement through reduction in deforestation and forest degradation. The Hindu-Kush Himalayan region is witnessing regeneration of forest in vastly deforested land, making collaborative forest management a valuable carbon pool (Banskota et al. 2007). Thus, implementation of REDD+ policies in this region will provide the communities involved in forest management with strong incentives to participate in the global carbon market. Participation, however, will depend highly on the costs and benefits to the communities. To understand such economic rationales and preferences, pilot projects are underway in three different watersheds in Nepal, one of which is the basis of the study presented in this paper.

LITERATURE REVIEW

The economic rationale and preferences behind an individual's land use options introduce a basic economic concept of opportunity cost. The concept of opportunity cost looks at the cost of foregone benefits (White and Minang 2010). In this context, it is the benefits from deforestation and forest degradation that are being lost by implementing forest conservation practices such as those undertaken by the community managed forests of Nepal. For a REDD+ project, the opportunity cost is 'the single most important category of costs a
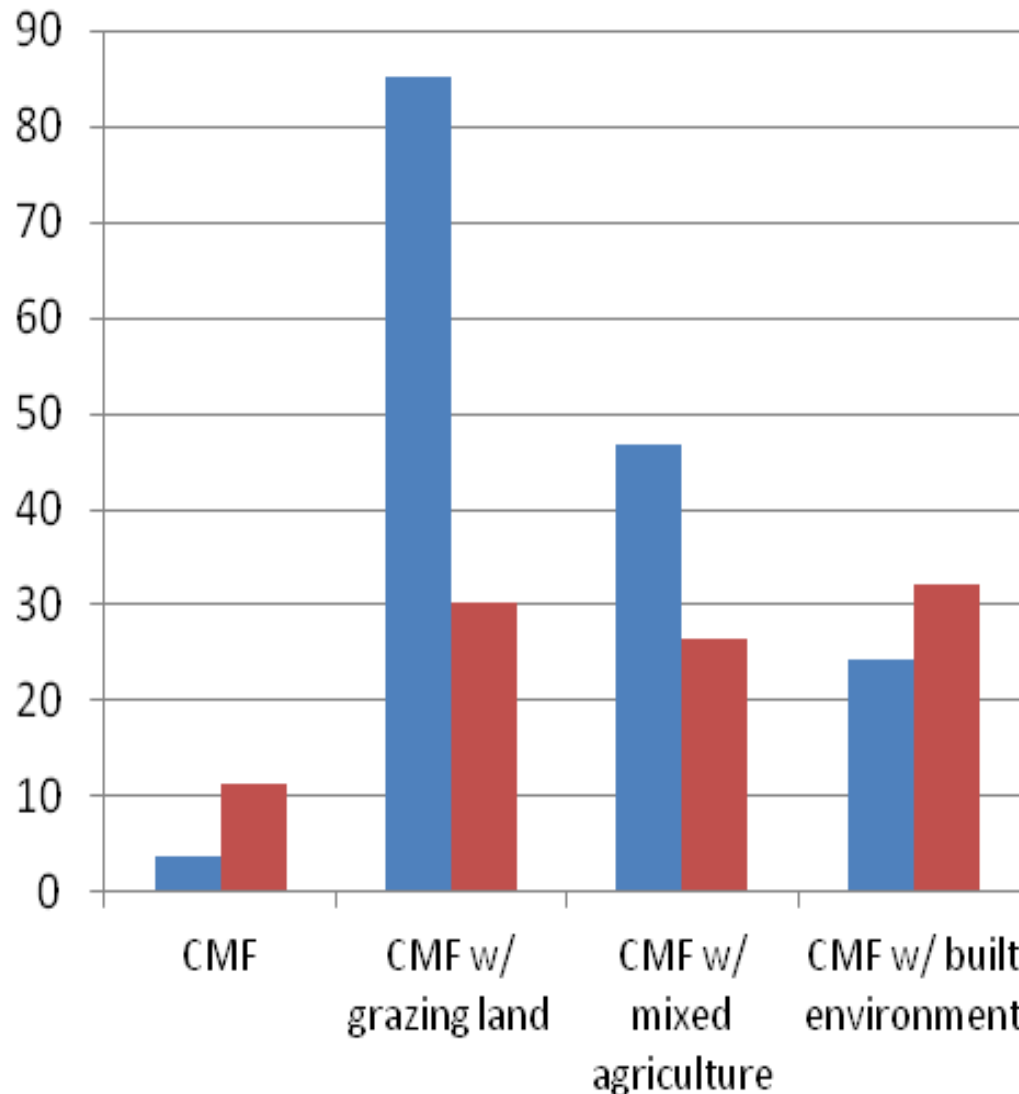
Reflection 3: Pilots to contribute to national strategy

- Pilots to inform longer term policy reform
- ICIMOD secured BMU finance for capacity building (Nepal, India, Bhutan and Myanmar 2013–2019)
  - Working with national REDD focal points in these countries
  - Nepal pilot sites: Link the pilot projects with District Forest Office, help establish local level mechanism and capacity building
- Consultations with Dept of Forest ongoing
- Pilots also contributed to country submissions on REDD+

Thank you

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