

# **REDD+ ANNUAL COUNTRY PROGRESS REPORT**

(AUGUST 2016 - JULY 2017)

**Country: Nepal**

**Submitted to**

The Forest Carbon Partnership Facility Management Team Washington DC



**Submitted by**

REDD Implementation Center  
Ministry of Forests and Soil Conservation  
Kathmandu, Nepal

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## 1. General Introduction

*Introduction to the report, its main purpose and sections. Short description of FCPF support in country.*

This progress report has been developed based on Nepal's Monitoring and Evaluation Framework, which follows FCPF Monitoring and Evaluation Framework, its logical framework and PMF, to facilitate and systematize the data analysis. It provides progress details from August 2016 to July 2017 (reporting period of this report). It is believed that the reporting will provide the FMT with indications of REDD+ countries' progress towards the achievement of their readiness activities and the implementation of their ER programs overtime, in a way that data are easily consolidated and provide indications on the level of achievement of the FCPF output, outcome and impact indicators as defined in the FCPF M&E Framework.

This country report draws upon the Nepal M&E system for REDD + (component 6 of R-PP), and builds on the structure and content of the R-PP template version 6 and its guidelines, and the R- Package Assessment Framework. A sample of assessed R-PPs and their Component 6 on M&E Framework and a sample of national Readiness Progress Fact Sheets have been reviewed as part of the development of this country reporting framework.

Nepal has successfully completed its 1<sup>st</sup> phase of REDD+ readiness project in August 2015 and subsequently it requested FCPF in September 2015 for additional readiness fund . Nepal's request for additional readiness fund was approved by the 20<sup>th</sup> meeting of the Participant Committee of the FCPF in November 2015 (Resolution PC/20/2015/3). Since Nepal's Emission Reduction Program Idea Notes (ER-PIN) had been included into the Carbon Fund Pipeline in 2014, Nepal submitted its R Package to the PC for its approval in July 2016 aiming towards performance based phase of REDD+ development. Nepal's R Package was endorsed by the 22<sup>nd</sup> meeting of the PC in September 2016 (Resolution PC/22/2016/1). Nepal has now prepared its first Emission Reduction Program Document (ER-PD) to be implemented in the 12 districts of Terai Arc Landscape. The proposed ER-PD has been submitted to FCPF for its assessment.

Although, Nepal's request for additional readiness grant of US\$5 million from the FCPF was approved in November 2015, the grant agreement between Nepal Government and the World Bank was signed only in January 20, 2017, which delayed fund disbursement. Fund for activities

that were planned for fiscal year 2016/17 (July 16, 2016 to July 15, 2017) was delivered to REDD IC at the end of the fiscal year (end of May 2017). As a result, REDD IC and its partners could not achieve anticipated progress. Only some of the activities were undertaken in the last two months of the fiscal year. Overall financial progress for the first year of additional funding remains below 10%. The remaining stipulated activities in the Fiscal Year 2016/17 will be rolled over to Fiscal Year 2017/18 (July 16, 2017-July 15, 2018) in addition to other activities planned for this fiscal year.

The report describes progresses made by REDD Implementation Centre during the reporting period. The activities that were achieved in the reporting period included those directly financed by WB/FCPF (e.g. ERPD and Study on Gender Integration in REDD+), funded by FCPF through REDD Implementation Centre (regular activities included in the annual programs of REDD IC), co-funded by the Government of Nepal (some of the activities in the annual programs of REDD IC), supported by other partners such as UN-REDD and ICIMOD.

## **2. Summary of the report**

*Summary of progress, key achievements with a focus on higher level results and important issues and problems that arose during the reporting period. Highlights of next steps in following period (key bullets only)*

Nepal successfully completed its R-PP implementation phase (i.e. readiness phase 1) in 2015 (please refer to its R Package at <https://www.forestcarbonpartnership.org/nepal> for detail information). It continued its journey towards REDD+ throughout this reporting year (August 2016 –July 2017) and developed a sub national scale Emission Reduction Program Document for the 12 districts of the Terai Arc Landscape. Nepal has also been engaged in preparing Investment Plan for the proposed Forest Investment Program. However, overall progress in implementing activities using additional funding in terms of financial expenditure remained below 10%. As discussed in the above section, delivery of the additional grant took longer time than expected and therefore activities proposed for this reporting period could not be fully implemented. Nonetheless, REDD Implementation Center was engaged in several activities, such as developing ERPD (directly financed by FCPF), development and submission of Nepal's National Forest

Reference Level (supported by UN-REDD), finalization of National REDD+ Strategy, undertaking study on gender integration in REDD+ (directly financed by WB), initiation of consultation for preparing Forest Investment Plan and DGM, implementation of activities under REDD+ Himalaya project in collaboration with ICIMOD and networking and capacity building of stakeholders during the reporting year. .

Detailed assessment of the readiness status of different components and criteria is provided in the R Package, which was approved by the 22<sup>nd</sup> PC meeting held in Accra Ghana in 2016. However, some gaps were identified in R-Package and therefore Nepal requested additional readiness grant in order to address these gaps. The major areas in which additional activities were proposed for the second phase of readiness include:

- strengthen the operation of existing institutional mechanisms, to increase coordination across sectors, Ministries and more broadly throughout women, indigenous peoples, and civil society groups;
- strengthen participation and outreach efforts to bring marginalized, vulnerable and forest dependent communities including women onboard so the foundations for REDD+ implementation already established during R-PP implementation phase can be further enhanced;
- refine and synthesize knowledge, skills and information produced during the R-PP implementation phase. Some of such milestone documents are REDD+ Strategy, study on drivers of deforestation, SESA and ESMF, REDD+ implementation framework, GRM, MRV, non carbon benefits and economic modeling of deforestation.
- continue refining and adopt the technical methodologies used to establish national forest baseline datasets, reference levels as technologies change, lessons are learned and methodologies are adopted from Terai based experiences into mid hill and mountain regions;
- strengthen the monitoring systems to expand potential carbon pools and extend to measuring non-carbon benefits, and continued investments to strengthen the technical capacity and awareness of government officials, indigenous peoples, civil society members and local communities.

### 3. Main achievements and results during the Period

*The section below should provide qualitative and quantitative data on the progress towards expected results along the following subsections. Information is to be provided cumulatively. If the information requested is not available or not relevant at the time of the reporting, mention “does not apply – n/a”.*

REDD IC was more focused in initiating the ER-PD development process and finalizing the ER-PD for submission to the World Bank during the reporting period. REDD IC also took initiation to develop the SESA and ESMF of the proposed activities of ER Programs using targeted support of the UNREDD program. Similarly, an analytical report on interpretation of UNFCCC REDD+ safeguard principles in Nepalese context was prepared with the help of REDD Himalayan project of the ICIMOD. Providing trainings to different stakeholders is an ongoing program for capacity building of key stakeholders for full and effective participation in the REDD+ readiness, process and results. Major achievements during the reporting period include:

**More inclusive REDD Working Group:** REDD Working Group has been made more inclusive by adding representatives from related civil society organizations (i.e Association of Collaborative Forest Users Nepal (ACOFUN), Himalayan Grassroots Women's Natural Resource Management Association HIMWANTI, Federation Of Forest Based Industry and Trade (FenFIT), and Rastriya Dalit Network (RDN). ACOFUN represents the users and their leaders of collaborative forest management groups from the southern Terai region. ERPD recognizes that substantial area of currently government-managed forests be brought under community forestry and collaborative forest management. ACOFUN has its members organized at grass-root, district and national level. HIMAWANTI is a national network of women users, activists and leaders working in natural resources sector, particularly in forests. HIMAWANTI members are also organized at grass-root, district and national level organizations. FenFIT is a national federation of forest-based enterprises. FenFIT has networks at enterprise level, district level and national level organizations. Dalits are a highly stigmatized social castes in Nepalese culture. Some of the Dalits are directly dependant on forest products for their traditional occupation, such as charcoal for blacksmith works. Rastriya Dalit Network is a national level federation of Dalit NGOs and communities. Since the inclusion of these four members, there are

now 16 members in the REDD Working Group representing wide range of stakeholders. Earlier, there were 12 members in the REDD Working Group.

**Development of ER-PD: The hiring process for developing** Emission Reduction Program Document (ERPD) for the Terai Arc Landscape commenced in May 2016. A consortium of related and experienced experts was hired in July 2016 for this purpose. ERPD preparation process began by holding an inception workshop in August 2016. A series of grass root level consultations, focus group discussions and national level consultations, the first draft of ERPD was prepared in May 2017. The ERPD was submitted to FCFP\_in May 2017 and now is under review. Nepal is expecting to seek the resolution on its ERPD in the upcoming Carbon Fund meeting scheduled in December 2017.

**Meeting of REDD Working Group and REDD Apex Body.** Two REDD Working Group meetings (which is chaired by the Secretary of the Ministry of Forests and Soil Conservation) were held in the reporting year. The first meeting was held in December 2016 in order to endorse National Forest Reference Level before it was submitted to UNFCCC. The second meeting of the REDD working group was held in May 2017 in order to decide on the finalization of ERPD. The meeting of the REDD Apex Body, which is chaired by the Hon. Minister for Forests and Soil Conservation, and is called 'REDD+ Multisectoral, multistakeholder coordination and monitoring committee, was also held in May 2017 just following the REDD working Group meeting. The meeting of the REDD Apex Body endorsed the ERPD as a document to be submitted on behalf of the Government of Nepal to the FCPF . It is to mention that the meeting of the Apex Body was held for the first time since its set up.

**SESA and ESMF of the ER Programs:** REDD IC has started working on examining likely social and environmental safeguards issues of the proposed ER-Programs during this reporting period. Working papers on both SESA and ESMF of the proposed ER Programs have been drafted . Further details of the safeguard issues and their management frameworks will be finalized and endorsed soon building on the working documents.

**Interpretation of the UNFCCC REDD+ safeguard principles in Nepalese context:** Interpretation of the UNFCCC REDD+ safeguards principles in country context is critical for developing the Country Approach to Safeguards, which ensures that the safeguard principles are addressed and respected during the design and implementation of any REDD+ actions. There is

also very important for developing the Safeguard Information System (SIS) of the country. During this reporting period (July 2016-June 2017) REDD IC has interpreted UNFCCC REDD+ safeguard principles (Cancun safeguards) in Nepalese context. The interpretation will serve as the foundation for Nepal's country safeguard approach and development of Safeguard Information System.

**FIP-IP development process started:** Development of Forest Investment Program Investment Plan (FIP-IP) and Dedicated Grant Mechanism (DGM) has begun in Nepal. A consortium of experts is working on developing FIP-IP. REDD IC is coordinating the process in close collaboration with the World Bank. It is widely expected that investment plan will help bridge the funding gap for ER-PD implementation to some extent. Similarly, it is expected that through the DGM, capacity of indigenous people and local communities will be enhanced to effectively participate in the REDD+ process in coming years. The FIP-IP will be ready to be submitted to FIP sub-committee in November, 2017.

**Submission of national Forest Reference Level (FRL):** National FRL was submitted to the UNFCCC in January 2017 for its technical assessment. The submitted FRL was built on the draft FRL developed during first phase of REDD+ readiness (2011-2015) using recently available national forest inventory data (DFRS 2015). The FRL is under technical assessment.

**Study on Gender Integration in REDD+ :** A study on Gender Integration in REDD+ was carried out from January to June, 2017 particularly focusing on ER Program area. The draft analysis report is in place. This study report recommended how each program interventions in ERPD is made gender inclusive. The document addresses concerns of women and other marginalized communities associated with ERPD.

**Biodiversity Monitoring Protocol for REDD+:** A Biodiversity Monitoring Protocol for REDD+ was prepared and field-tested during the reporting period. The document is in the process of endorsement by the Ministry of Forests and Soil Conservation and will be helpful in addressing the issues of environmental safeguards particularly in ER Program Area. In coordination with REDD IC, Department of National Park and Wildlife Conservation (DNPWC) took a lead in preparing the Protocol with the financial and technical support of National Trust for Nature Conservation (NTNC) and International Center for Integrated Mountain Development (ICIMOD)

**Capacity building:** REDD IC continued its capacity building and awareness development campaign. However not all planned activities were delivered because of delayed fund disbursement. During this reporting period the following capacity building and stakeholder engagement activities were accomplished.

**Delivery of REDD+ ToT:** Six events of five days long REDD+ ToT were conducted involving mid level REDD+ facilitators of 12 ER Program districts during June to July 2017. A total of 114 participants from 12 districts participated in the trainings. Out of the total participants, 65% from civil society organizations like Nepal Federation of Indigenous Nationalities (NEFIN), Federation of Community Forestry Users Groups (FECOFUN), Association of Collaborative Forest Management Nepal (ACCOFUN and HIMAWANTI participated, while 35% of the participants were from government agencies like District Forest Offices (DFOs), National Parks and Soil Conservation Offices. From gender perspective, 32% of the training participants were female. Main objective of the REDD+ ToT was to capacitate district level REDD+ facilitators and trainers in delivering basic knowledge and skills of REDD+ and its policy approaches to local level stakeholders.

**Updating REDD+ ToT Manual:** REDD+ ToT manual developed during 2014 was updated by incorporating recent information and knowledge associated with REDD+ and Climate Change.

**Awareness trainings to Media people and related other stakeholders at central and sub-national level:** Four events of three days REDD+ awareness trainings were delivered through the Central Forest Training and Extension Centre and its regional branches of the Ministry of Forests and Soil Conservation Nepal. Altogether 18 Media People representing different national level news papers, radios and televisions took part in the training held in Kathmandu at the central level, while a total of 85 participants including media persons, forest officials, extension workers and social workers participated in the training operated by Eastern, Western and Mid western regional training centers as a part of the annual programs of the REDD Implementation Centre. These events were conducted in July 2017.

**Carbon Assessment training:** A five day "carbon assessment training to the Local Resource Persons" was held Dolkha district of Nepal. A total of 22 local resource persons from government and non-government organizations participated in the training in which 38% of the participants were female.



### 3.1 Progress at the impact level (if any data available)

*Please provide here any quantitative and qualitative information, if available on the following criteria/indicators*

Number of tons of CO2 emissions from deforestation and forest degradation reduced in the country during the reporting period as compared to the measured REL/RL, if any (FCPF M&E Framework Indicator I.2.B; Nepal PMF Indicators 3.a.2.i and I2):	
National Forest Reference Emission Level (REL)/Reference Level (RL) defined	Yes
Number of tons reduced during the reporting period as compared to REL/RL	N/A

Amount of non-FCPF investments received under R-PP process (FCPF M&E Framework Indicator I.2.B.i):	
Nepal's Self Assessment Report (R Package) and country progress report 2015 provide detail answer of this question. Please visit <a href="https://www.forestcarbonpartnership.org/nepal">https://www.forestcarbonpartnership.org/nepal</a>	
Source:USAID	Amount provided: US\$ 965,000
Source:DFID/SDC	Amount provided: US\$ 491, 000
Source:Japan Government	Amount provided: US\$ 2,000
Amount of non-FCPF investments received for implementation of activities relevant to ER Programs (e.g. FIP, bilateral donors, private sector), if relevant (FCPF M&E Framework Indicator I.2.B.i):	
Source: N/A	Amount provided:
Source:	Amount provided:
Source:	Amount provided:

**Describe how stakeholders are participating and engaging in REDD+ decision making processes (FCPF M&E Framework Indicator I.3.A):**

**Provide examples of how IPs and CSOs are represented in institutional arrangements for REDD at the national level.**

Relevant stakeholders have been actively engaged through Apex Body, REDD Working Group, Multi-stakeholder Forum, and REDD+CSO and IPOs Alliance. REDD IC regularly invites IPs and CSOs in different kind of discussions including consultations and workshops. All readiness activities were conducted in consultation with relevant stakeholders, including IPOs and CSOs.

During the ER-PD development process, organizations related to IPs and CSOs (such as FECOFUN, NEFIN and ACOFUN ) were involved in facilitating consultations that were held at different levels ( local to national). Specific focus was given to ensure that people from marginalized communities (i.e. Dalit and IPs) were consulted adequately. A total of 822 individuals were consulted from 12 ER program districts during ERPD development process. Among the consulted, 56% were from marginalized and IPs groups and 20% were female.

Examples of stakeholder engagement platforms in country which meet regularly to discuss and provide inputs to the REDD+ readiness process (FCPF M&E Framework 3.2.a.):

<u>Platform</u>	<u>Frequency:</u>
Apex Body	This multi-sectoral, multi-stakeholder coordinating and monitoring committee as the Apex Body is chaired by the Minister for Forests and Soil Conservation and has been set up to make policy level decisions, such as the endorsement of national level documents, as well as recommend new policies and other related political decisions. Apex body is expected to meet once in a year. However, it could not meet as planned in previous years. The Apex body met for the first time in May 2017 since its

<p>REDD Working Group</p>	<p>establishment in 2011. It is expected that it will meet regularly (at least once in a year) from this year onward.</p> <p>REDD Working Group is chaired by the Secretary of the Ministry of Forests and Soil Conservation and meets at least two times in a year. It takes decision on major REDD+ related matters, such as approval of studies, and policy and programs documents. It also forwards agenda to the Apex Body in case the decisions need to be made at the highest level of REDD+ mechanism, such as decision to make on ERPDP for its submission to FCPF. In order to make this national level decision making body more inclusive, Government of Nepal added ACOFUN, HIMAWANTI, RDN (Rastiya Dalit Network) and FenFIT (Federation of Forest Based Industry and Trade, Nepal) in 2017. Total members of the national RWG is now 16, while it was 12 earlier. This multistakeholder forum meets as per required. Average meeting so far since 2009 is two times a year.</p>
<p>CSO and IPs Alliance</p>	<p>This is a less formal multi-stakeholder alliance. It meets as required, such as to provide inputs in key documents and studies associated with REDD+.</p>

**Examples of resources made available to enable active participation of IPs, CSOs and local communities in national REDD+ readiness.**

**Please refer to Nepal's R Package : <https://www.forestcarbonpartnership.org/nepal>**

**Level of multi-stakeholder participation and engagement in decision making processes related to emission reductions and forest resource management (FCPF M&E Framework Indicator I.5.A; Nepal PMF indicator I1.1):**

*Please describe the process of engagement and consultation implemented:*

There is a well-established mechanism for the active engagement of relevant stakeholders, particularly indigenous peoples and local communities in the REDD+ process of the country. All the stakeholders have been engaged actively throughout the readiness process, the Apex Body, REDD Working Group and Multi-stakeholder Forum . REDD+ CSO and IPO alliance has also been set up as a platform to discuss the REDD+ related matters.

All readiness studies completed during the 1st phase of readiness were conducted in consultation with wider range of stakeholders including IPOs, CSOs as well as local communities as far as practicable. This will continue in the second phase of readiness and during the implementation of the ERPD. Furthermore, consultation, outreach and capacity building of IPs and Local Communities (IPLC) will be given more emphasis during the second phase of the readiness.

(Please find Nepal R Package at <https://www.forestcarbonpartnership.org/nepal> for further details)

*Please describe the level of participation and engagement for the following stakeholder categories:*

***Government Agencies:***

REDD+ Implementation Center (formerly known as REDD Forestry and Climate Change Cell) has taken lead in coordinating all the REDD+ readiness, ER program development and FIP investment plan development process. Other government agencies like the Ministry of Forest and Soil Conservation, Department of Forest Research and Survey (DFRS), Department of Forests through District Forests Offices in most cases and other related departments have also been engaged in this process. DFRS, which is particularly mandated

for carrying out forest resource assessment of the country, has also been capacitating/preparing itself for MRV for REDD+. In addition to their specific roles in implementing activities at local level, these government agencies have also been engaged through Apex Body, RWG, Multi stakeholder Forum, CSO/IPO's alliance for REDD+, various Technical committees, and steering committee.

***Indigenous Peoples:***

Indigenous Peoples (IPs) have been recognized as the key partners of Nepal's REDD+. The representatives of IPs have been officially nominated and participating in decision making forum such as REDD Apex Body, RWG, Multi stakeholder Forum, and other committees. IPs have been active partner throughout REDD+ readiness, FIP and ER program development process. Nepal Federation of Indigenous Nationalities (NEFIN), a national level umbrella organization of all the indigenous peoples and their organizations is one of the members of the Apex Body and REDD Working Group, while other organizations such as Indigenous Women Federation, Centre for Indigenous Peoples Research and Development (CIPRED) are also contributing to Nepal's overall REDD+ process.

***Other forest-dependent communities, if any:***

Local communities, marginalized groups (i.e. Dalit) and women groups have also been engaged in REDD+ process since the beginning. FECOFUN and ACOFUN represent local communities, HIMAWANTI represent women in natural resource management, and Rastrya (national) Dalit Network (RDN) represent marginalized communities in the national level decision making forums like RWG. They have also been key members of the Multi stakeholder Forum for REDD+ and CSO IPs Alliance. REDD IC is ensuring that these forest dependent communities are accessing to opportunities and contributing to making REDD+ in Nepal more inclusive.

***Women:***

Women are engaged through Apex Body, Multi stakeholder Forum and the CSO IP Alliance. HIMAWANTI representing women working in natural resource management has recently been nominated as the member of RWG .

***Youth:***

No separate representation of youth but participating in CSO/IPO's alliance.

***CSOs:***

FECOFUN and ACOFUN representing CSOs in Apex Body, RWG, Multi stakeholder Forum and various Technical committees,

***Private entities:*** Federation of Forest Based Industry and Trade, Nepal (FenFIT), a national level umbrella federation of forest-based entrepreneurs has been one of the members of REDD Working Group as well as engaged in multi-stakeholder forum and other related REDD+ alliance;

***Donors:***

Donors, particularly DFID, SDC, Finnida, USAID and GIZ as well as international and multilateral organizations such as UN-REDD, UNDP, FAO, ICIMOD and WWF are also contributing to Nepal's REDD+ in addition to the major support from WB/FCPF.

**Number and type of policy reforms initiated, completed or underway complying to REDD+ standards, if any (*FCPF M&E Framework Indicator I.3.B.*):**

**Number of policy reforms during the reporting period that are:**

***Underway:*** National REDD+ Strategy is in the process of endorsement by the government. Restructuring of overall government institutions including forestry related institutions is underway as federalism is being implemented. Bill on 'Access to and Use of Genetic Resources and Sharing of Benefits' has been submitted to the Parliament and other relevant entities for its discussion and endorsement.

***Completed:*** Forest Policy 2015 and Forestry Sector Strategy 2016 have been approved by the government. New Constitution of Nepal recognizes 'carbon service' as one of the items under the right of the 'Federal Government' enlisted in Annex 5 of the Constitution. Similarly, Forest Act 1993 has also been amended in 2016. This amendment has incorporated

'carbon service' as one of the forest ecosystem services. Similarly, CITES Act was also promulgated in 2017. This CITES Act customizes the provisions in CITES in Nepalese context.

**Please describe these policy reforms:**

Nepal's new Constitution (2015), Forest Policy (2015), Forestry Sector Strategy (2016) and 2016 amendment to Forest Act (1993) all have incorporated forest carbon as one of the provisions. These reforms have been milestones for REDD+ readiness and its implementation.

**Design of national REDD+ Strategies addresses indicators for enhancement of livelihoods of local communities and for biodiversity conservation (*FCPF M&E Framework Indicator 3.B.*):**

**Provide examples of how national REDD Strategies address livelihoods of local communities and biodiversity conservation.**

National REDD+ strategy of Nepal is now in the process of endorsement by the government. The REDD+ strategy envisions to enhance carbon and non-carbon benefits of forest ecosystems that will contribute to the prosperity of the people of Nepal. It has five specific objectives guiding its 12 strategies. Proposed strategic actions reflect how the REDD+ strategy will address livelihoods of local communities and biodiversity conservation.

Twelve strategies proposed in the draft National REDD+ Strategy are :

1. Enhancing carbon stocks, increasing supply of forest products and reducing carbon emission from the existing forest and shrub land area
2. Increase non-carbon benefits by promoting climate resilience, ecological integrity, ecosystem-based adaptation and integrated watershed management.
3. Promoting private and public land forestry
4. Promote optimal land use through improved land use planning and implementation
5. Clarify forest tenure, ensure carbon rights and fair and equitable benefit sharing

among various right holders

6. Promoting enterprise, livelihoods and employment opportunities to forest dependent poor, women, IPs and Dalits
7. Increasing agricultural productivity of forest dependent subsistence and near landless farmers
8. Increasing access to affordable and gender-friendly technologies of alternative wood and energy to poor and marginalized
9. Improving collaboration, cooperation and synergy among various stakeholders, sectors, sectoral policies.
10. Strengthening capacity, institutional performance and service delivery
11. Promoting forest and climate-friendly infrastructure planning, construction and maintenance
12. Establishing and maintaining a well-equipped national forest information monitoring system

It is expected that implementing of these strategies will help achieve five specific objectives:

1. To reduce carbon emission, enhance carbon sequestration and enhance climate resilience by intensifying sustainable management of forest resources and minimizing the causes and effects of drivers of deforestation and forest degradation across the ecological regions;
2. To ensure fair and equitable sharing of carbon and non-carbon benefits of forests among right holders with effective implementation of safeguard measures;
3. To increase livelihood assets and diversify employment opportunities of forest dependent communities, particularly for the poor, women, IPs and Dalits;
4. To improve and harmonize policy and legal framework to harness carbon and non-carbon benefits; strengthen institutional capability and improve governance of forest agencies and sector; and,  
To establish and maintain a robust Forest Monitoring Information System with strong measurement, and monitoring, reporting and verification mechanisms.



## 3.2 Progress at The Outcome and Output Level

### 3.2.1. REDD Readiness Progress

#### Outcome level

As a synthesis of the following output level assessments, please briefly describe here the progress made during the reporting period in developing the country Readiness Package (FCPF M&E Framework Indicator 1.A; Nepal PMF indicator I1.3.2): up to 300 words, if applicable

Nepal successfully completed the implementation of the 1<sup>st</sup> phase of the REDD+ readiness project (R-PP implementation phase) in 2015. A number of study reports have been produced during the 1<sup>st</sup> phase, including MRV, SESA, ESMF, FRL and many others. Nepal's R Package was submitted in 2016 to the FCPF and was approved by the PC of the FCPF. Before that, Nepal's ER-PIN was approved and included into the Carbon Fund pipeline in 2014. Nepal's request for additional readiness fund was approved by the FCPF and the grant agreement was signed in January 2017. Therefore, Nepal is now implementing the second phase of the readiness project.

In addition, Nepal has also made very good progress on moving towards the implementation phase of REDD+. First draft of the Emission Reduction Program Document (ER-PD) for the proposed Emission Reduction Program area has been submitted to the World Bank's FCPF Facility Management Team for initial review. Nepal is expected to present its advanced draft of the ER-PD at the 17th Carbon Fund meeting. Nepal's Forest Reference Level was submitted to UNFCCC in January 2017. National REDD+ Strategy has been finalized pending its endorsement by the Government.

## Output level

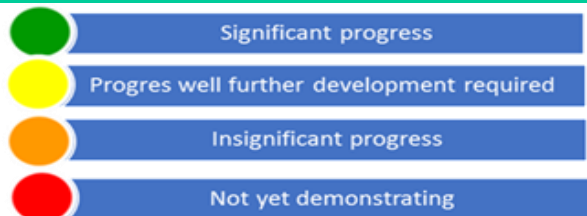
Please indicate which of your country R-PP components and sub-components have received support from FCPF through the Readiness Preparation Grant (>3.4 million USD)			
Components	Sub-components	Planned Support from FCPF (Yes/No)  Amount in thousand US\$ and in % of total	
1. Readiness Organization and Consultation	1a. National REDD+ Management Arrangements	Please refer to Nepal's country Progress report 2015 and R Package 2016  (link: <a href="https://www.forestcarbonpartnership.org/nepal">https://www.forestcarbonpartnership.org/nepal</a> )	
	1b. Consultation, Participation, and Outreach		
2. REDD+ Strategy Preparation	2a. Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance		
	2b. REDD+ Strategy Options		
	2c. Implementation Framework		
	2d. Social and Environmental Impacts		
3. Reference Emissions Level/Reference Levels			
4. Monitoring Systems for Forests and Safeguards	4a. National Forest Monitoring System		
	4b. Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards		

Level of implementation of R-PP1 as a whole:

*Please describe the current R-PP implementation stage*

Components	Sub Components	Progress Status at R-Package	Progress Status on June 30, 2017
1. Readiness Organization and Consultation			
	1a. National REDD+ Management Arrangement	Green	Green
	1b. Consultation, Participation and Outreach	Yellow	Yellow
2. Prepare the REDD Strategy			
	2a. Assessment of Land Use, Land-Use Change Drivers, Forest Law, Policy and Governance	Green	Green
	2b. REDD Strategy Options	Green	Green
	2c. REDD Implementation Framework	Orange	Orange
	2d. Social and Environmental Impacts	Green	Green
3. Reference Emissions Level/Reference Levels		Yellow	Green
4. Monitoring System for Forests, and Safeguards			

	4a. National Forest Monitoring System	Green	Green
	4b. Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards	Yellow	Yellow



Level of overall achievement of planned milestones according to approved FCPF-financed Readiness Fund Grant (>3.4 million USD) (FCPF M&E Framework 1.3.b.):																	
<u>Planned Milestones:</u>	<u>Level of Achievement<sup>1</sup>:</u>	<u>Tracking<sup>2</sup>:</u>															
R Package developed and approved	R Package was submitted to FCPF and endorsed in 22nd PC.	<table border="1"> <tr> <td></td> <td>✘</td> <td><i>Significant progress</i></td> </tr> <tr> <td></td> <td></td> <td><i>Progressing well,</i></td> </tr> <tr> <td></td> <td></td> <td><i>Further development</i></td> </tr> <tr> <td></td> <td></td> <td><i>Not yet demonstrating</i></td> </tr> <tr> <td></td> <td></td> <td><i>Non Applicable</i></td> </tr> </table> <p><i>Please explain why:</i></p>		✘	<i>Significant progress</i>			<i>Progressing well,</i>			<i>Further development</i>			<i>Not yet demonstrating</i>			<i>Non Applicable</i>
	✘		<i>Significant progress</i>														
			<i>Progressing well,</i>														
			<i>Further development</i>														
			<i>Not yet demonstrating</i>														
		<i>Non Applicable</i>															
ER-PD developed and submitted to the Carbon Fund	First draft of the ER-PD has been submitted to the FCPF Facility Management team for review.																
Additional readiness grant	Addition readiness grant	Most of the planned milestones have															

<sup>1</sup> Countries are expected to provide data on the overall level of achievement of planned milestones as defined in their Readiness Preparation Grant Agreement, and, if applicable, on their Supplementary Grant Agreement for an additional grant of up to \$5 million. For instance, under their Preparation Readiness Grant Agreement (>3.4 million USD), Countries should provide data on (i) the support to the Coordination of the REDD+ Readiness Process and Multi-Stakeholder Consultations; (ii) the contribution to the Design of a National REDD+ Strategy; and (iii) the preparation of a National Reference Scenario for REDD+

<sup>2</sup> The level of achievement of planned milestones according to approved RF grant will be summarized through progress scores related to the synthesis of an overall achievement, qualitatively expressed on a four-color 'traffic light' scale and then explained. In case the assessment is not applicable, a fifth color scale "Non Applicable" can be selected.

This 'traffic light' scale is based on the system contained in the R-Package Assessment Framework

<p>agreement signed</p> <p>Working documents on SESA and ESMF for proposed Emission Reduction Programs prepared</p> <p>FIP investment Plan under development</p>	<p>agreement has been signed in January 2017, which took longer time than expected</p> <p>Working documents for SESA and ESMF for the Emission Reduction Programs have been prepared</p> <p>Development of the Forest Investment Plan has started.</p>	<p>been achieved. However, due to the delay in signing the additional readiness grant agreement, implementation of proposed readiness activities for the 2<sup>nd</sup> phase of the readiness delayed to some extent.</p>
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**Degree of achievement of planned milestones per R-PP component and sub-component (FCPF M&E Framework 1.3.c).**

*Countries are expected to rate progress toward the implementation of R-PP sub-component only once a year, as part of the reporting submitted by August 15<sup>th</sup> each year*






This particular question is not relevant for the reporting period. Phase of R-PP implementation was completed in 2015 and all of the information required by FCPF M&E Framework 1.3.c were reported in country progress report 2015 and in the R Package 2016. These documents are available at: <https://www.forestcarbonpartnership.org/nepal>

**Disbursement rate of FCPF-financed Readiness Fund Grant (>3.4 million USD), in percentage (FCPF M&E Framework 1.3.d):**

As explained earlier, this question is also not relevant for this reporting period because Nepal has successfully completed its R-PP implementation phase (readiness phase 1) using Readiness Fund Grant. Country progress report 2015 and the country self assessment report (R-Package) 2016 provide detail information that this question is seeking. Please visit <https://www.forestcarbonpartnership.org/nepal>.

Nepal has been receiving Additional Readiness Grant of 5.0 Million US\$ since this reporting year. The following response shows disbursement rate of the Additional Funding in the reporting period.

	Rate	Tracking
RF Grant - disbursement rate vs. planned disbursements	REDD IC received first instalment of the fund to be used in this reporting period (August 2016 to July 2017) at the end of May 2017. The delayed disbursement of fund affected implementation of the planned activities for this period. Fiscal year (July 16, 2016 to July15, 2017) was about to finish by the time of fund disbursement;	<i>Please select your rating:</i>

<p>implementation of most of the planned activities was not possible within the remaining period of the fiscal year following all the required procurement procedures. Delivery of 6 REDD+ ToT events through consultant, 4 stakeholder awareness trainings/workshops through central and regional forestry training centres and other office goods procurements and management activities were completed. Total fund spent under additional funding during this reporting period was around US\$ 124000.00 (calculated @ rate of 100 rupees per US \$) This figure is about 10% of the planned budget for the reporting period.</p>			<i>Up to 10% variance</i>
			<i>Between 10-25%</i>
			<i>Between 25-40%</i>
		<b>×</b>	<i>More than 40%</i>
			<i>Non Applicable</i>






**Disbursement rate of Total R-PP Budget in percentage (FCPF M&E Framework 1.3.d.):**

This question is also not applicable for this reporting period. The response provided above explains more details.

### 3.3. Engagement of stakeholders within the approach to REDD +

Examples of actions/activities where IPs, CSOs, and local communities participate actively, if relevant ( <i>FCPF M&amp;E Framework 3.1.a.</i> ):	
<u>Action/activity:</u>	
Delivery of REDD+ ToT in the ERP area	As already described in section 3, 65% (74 out of 114) participants were from IPs and CSOs. Among them, 21 (29%) were from NEFIN, 39 (52%) were from FECOFUN and 14 (19%) from government offices.
Gender study in REDD+	A total of 415 participants representing CSOs (FECOFUN, NEFIN and ACOFUN) and local communities actively participated in the consultation meetings during Gender study facilitated by WOCAN in the ERP area. Altogether 24 Focus Group Meetings involving 4 women groups, 3 IP groups, 2 Muslim groups and 15 mixed groups were conducted. Male Female ratio of the total participation was 67:33.
Consultations during ERPD preparation	A total of 822 individuals were consulted from 12 ER program districts. Among the consulted, 56% were from marginalized and IPs groups and 20% were female.
Carbon assessment training	22 LRPs working in the Dolkha District (One of the ICIMOD funded REDD+ Himalaya Project districts) actively took part in this event. Out of the 50% were from DFO Dolkha and 50% were from the Dolkha FECOFUN representing different community forest users groups. 38% of the 22 participants were female.
Basic REDD+ awareness training	85 participants involving media persons (75%) and other related stakeholders. out of 85 (i.e. 18%), 15 were female.



Number of IP and REDD country CSO representatives (men/women) having been successfully trained by FCPF training programs ( <i>FCPF M&amp;E Framework 3.1.b.</i> ):				
<u>Please list the training conducted:</u>	<u>Duration</u> (# of days)	# of participants # of men / # of women		<i>Targets in terms of number of men and women to be trained</i>
REDD+ ToT	5	# Total: 114 # Female: 36 # Male: 78		
				
				
				
				<i>Non Applicable</i>
Basic awareness training to Media persons and other stakeholders	3	# Total: 85 # Female: 15 # Male: 70		

### 3.3. Knowledge sharing

Has your country developed and published REDD+ knowledge products with FCPF support?	
<u>Yes/No:</u>  No	Please provide the list of published REDD+ knowledge products, if any during reporting period :  REDD IC could not publish any REDD+ knowledge products under FCPF fund. However, The REDD+ ToT manual for Mid level facilitators was updated to be published in upcoming FY starting July 16, 2017.

How many people have been reached by these knowledge products, if any:

Overall number by product: N/A

# of Men:

# of Women:

Have some experts of your country participated in any South-south learning activities? If yes, how many (men and women)?		
Yes/No:	List the South-South learning activities:	# of men:(IP/CSO representatives, private sector representatives):
No	No experts participated in south-south learning activities under FCPF grant except the participation of REDD IC staff as funded participant in 22 PC, 15 and 16 Carbon Fund meeting. However, few experts from REDD IC participated in south-south learning funded by sources other than FCPF, such as ICIMOD	# of men:(IP/CSO representatives, private sector representatives): 7  # of women: (IP/CSO representatives, private sector representatives): 1