



Forest Carbon Partnership Facility

Technical Assessment: Final ER-PD for Nepal

Eighteenth Meeting of the Carbon Fund (CF18)

Paris, June 20 – June 22, 2018

Presentation of TAP

- The technical assessment was conducted from August 2017 to May 30 2018, by the following team:
 - Ken Andrasko US (Team leader)
 - Fred Stolle Netherlands / US (Carbon accounting)
 - Johan Pontus Olofsson Sweden / US (Uncertainty, Carbon accounting)
 - Simon Rietbergen Netherlands (Safeguards)
 - Ludovino Lopes Portugal / Brazil (Legal)
 - Yadav Prasad Kandel Nepal (Local expert, thru Dec. 2017)



WWF photo of Terai

Overall assessment of final ER-PD

		1 st Assessment	2 nd assessment	Indicators not met
II. Level of Ambition	YES	3	3	-
	NO			
	N.A.			
III. Carbon Accounting	YES	27	37	14.3, 22.1
	NO	12	2	
	N.A.	8	8	
IV. Safeguards	YES	1	6	-
	NO	5	0	
	N.A.	1	1	
V. Sustainable Program Design and Implementation	YES	6	11	28.2
	NO	3	1	
	N.A.	5	2	
VI. ER Program Transactions	YES	4	6	37.3, 37.4
	NO	4	2	
	N.A.	3	3	

Evolution of TAP Assessment Between Advanced Draft and Final ERPD

- On safeguards, Advanced Draft had no draft ESMF of any kind. Now National REDD+ Center stated final ESMF is expected before CF meeting.
- Benefit Sharing Plan process appeared to be stalled previously. But the ERPD provides evidence it clearly is advancing, tho not yet in full draft.
- Major carbon accounting and reference level divergence between the national FREL Nepal submitted to UNFCCC, and the FREL produced for the Advanced Draft ERPD, has been resolved. NRC worked across agencies, and plans to revise its UNFCCC submission to mirror the ERPD methods.
- Fires were potentially an unclear but potentially significant source of GHG emissions in the Advanced Draft. The Final ERPD clarifies that earlier estimates overstate fire emissions.
- Decentralization of political authority was still uncertain in September 2017, raising issues about ERPD implementation. But successful regional and national elections since underscore steady progress of this process.

II. Level of Ambition

Ind. 2.1 The Accounting Area is of significant scale and aligns with one or more jurisdictions; or a national-government-designated area (e.g., ecoregion) or areas.	YES
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- ER Program area includes 12 contiguous administrative districts of the Terai Arc Landscape (TAL). It covers 2.4 Mha of Nepal's lowlands, & 20% of Nepal's forests (globally significant for their biodiversity).
- The TAL and Churia Hills have some of the highest rates of deforestation in Nepal.
- The interventions are ambitious and diverse. And they are bold during a time of change, while the decentralized structures under the federal approach are still being put in place.
- Transfer of 200,000 ha from national government forest to community forest land seems challenging. But it has successfully occurred for 100s of thousands of ha in past decades in the Middle Hills ecoregion, and has widespread stakeholder and government support.

III. Carbon Accounting

Ind 14.3 Emission factors or the methods to determine them are the same for Reference Level

Ind 22.1 Net ERs are calculated by the following steps

NO

- 14.3: Emission factors are different in the FREL and MMR period for community forest growth. The FREL uses core forest and edge forest change monitoring to estimate emissions from degradation (e.g., fuelwood extraction) and from forest gain. The MMR period uses an IPCC default value.
- 22.1: ER and buffer reserve estimate is provided for 22.1. But step 1 re verified emissions and removals cannot be performed prior to first monitoring event.

IV. Safeguards

<p>Ind 24.2 Safeguards Plans address social and environmental issues and include related risk mitigation measures identified during the national readiness process, e.g., in the SESA process and the ESMF, that are relevant for the specific ER Program context (e.g., land tenure issues), taking into account relevant existing institutional and regulatory frameworks. The Safeguards Plans are prepared concurrently with the ER Program Document, and are publicly disclosed in a manner and language appropriate for the affected stakeholders [Description of how the ER Program meets the World Bank social and environmental safeguards and promotes and supports the safeguards included in UNFCCC guidance related to REDD+ 15.1]</p>	YES
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- This Indicator is scored as YES, after significant discussion.
- As the ERP moves towards implementation, though, the TAP considers it important in the final ESMF and relevant safeguards instruments to clearly to spell out under what conditions involuntary resettlement will be an acceptable option.
- This includes the Indigenous Peoples and Vulnerable Communities Development Framework (IPVCDF), which is not yet due at this stage.

IV. Sustainable Program Design and Implementation

Ind 28.2 The ER Program explains how the relevant issues identified in the above assessment have been or will be taken into consideration in the design and implementation of the ER Program, and in the relevant Safeguards Plan(s). If the ER Program involves activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied, the relevant Safeguards Plan sets forth an action plan for the legal recognition of such ownership, occupation, or usage. . .

NO

- The ESMF should explain in practical terms how the ER Program will comply with social safeguards prior to and during the transfer of government forests to local communities. Some of these lands may be subject to indigenous peoples' rights claims.
- An action plan for assessment or legal resolution of any claims to ownership of lands subject to transfer from the government to communities may be needed.
- Language on recognition of indigenous peoples' rights is missing from the ESMF section describing environmental and social screening of project activities, where legal screening of IP rights would seem to be a priority.

VI. ER Program Transactions

Ind 37.3 The information contained in a national or centralized REDD+ Programs and Projects Data Management System is available to the public

Ind 37.4 Administrative procedures are defined for the operations of a national or centralized REDD+ Programs and Projects Data Management System; and an audit of the operations is carried out by an independent third party periodically, as agreed with the Carbon Fund

NO

- Nepal intends to rely on the centralized ER transaction registry provided by the World Bank initially --while Nepal's national registry is being established.
- The ERPD describes administrative procedures for operations of a national Data Management System. But it doesn't address the main requisites yet, nor clarify if an audit of operations would be carried out by a third party, or via agreement with the Carbon Fund.
- Nepal is progressing, however, and has made decisions to develop a national Data Management System, and make its data publicly available in the future.

Concluding remarks

- National REDD+ Center has very ably led the ERPD process and REDD+ Readiness work. Congratulations to them!
- ERPD team has upgraded many indicators from the Advanced Draft, as noted above.
- Eg, The ERPD team convened a government and expert process that resulted in a major agreement and technical work to achieve consistency between the UNFCCC-REL and ERPD-REL.
- Nepal's 2015 Constitution is one of the first constitutions to specifically address "carbon services"—clearly legally clarifying ownership of ERs.

Thank you.