



People and Forests

A SFM-based
Emission Reduction
Program in Nepal's
Terai Arc Landscape



Government of Nepal
Ministry of Forests and Environment
June 20, 2018

Key Objectives of ERPD

Objectives

Address key drivers and expand sustainable management of CBFM,

Ensure fair and equitable benefit sharing of carbon and non-carbon benefits,

Increase livelihood opportunities for poor and forest-dependent communities

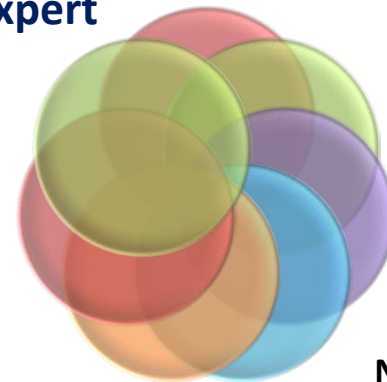
Background for the objectives

Consultations/expert views

SDGs (Direct 13 and 15)

UNFCCC/Paris Agreement/CBD

Forest Policy, 2015 and Forestry Sector Strategy (2016-25)



Periodic Plans/GESI

Climate Change Policy 2011

Nationally Determined Contributions (NDC)

Alignment with Priorities and Commitments

**Forest Carbon Partnership Facility (FCPF)
Carbon Fund**

Emission Reductions Program Document (ER-PD)

ER Program Name and Country:
**People and Forests -
A Sustainable Forest Management-Based Emission Reduction
Program in the Terai Arc Landscape, Nepal**

Date of Revision: 23 May 2018

Full-screen Snip

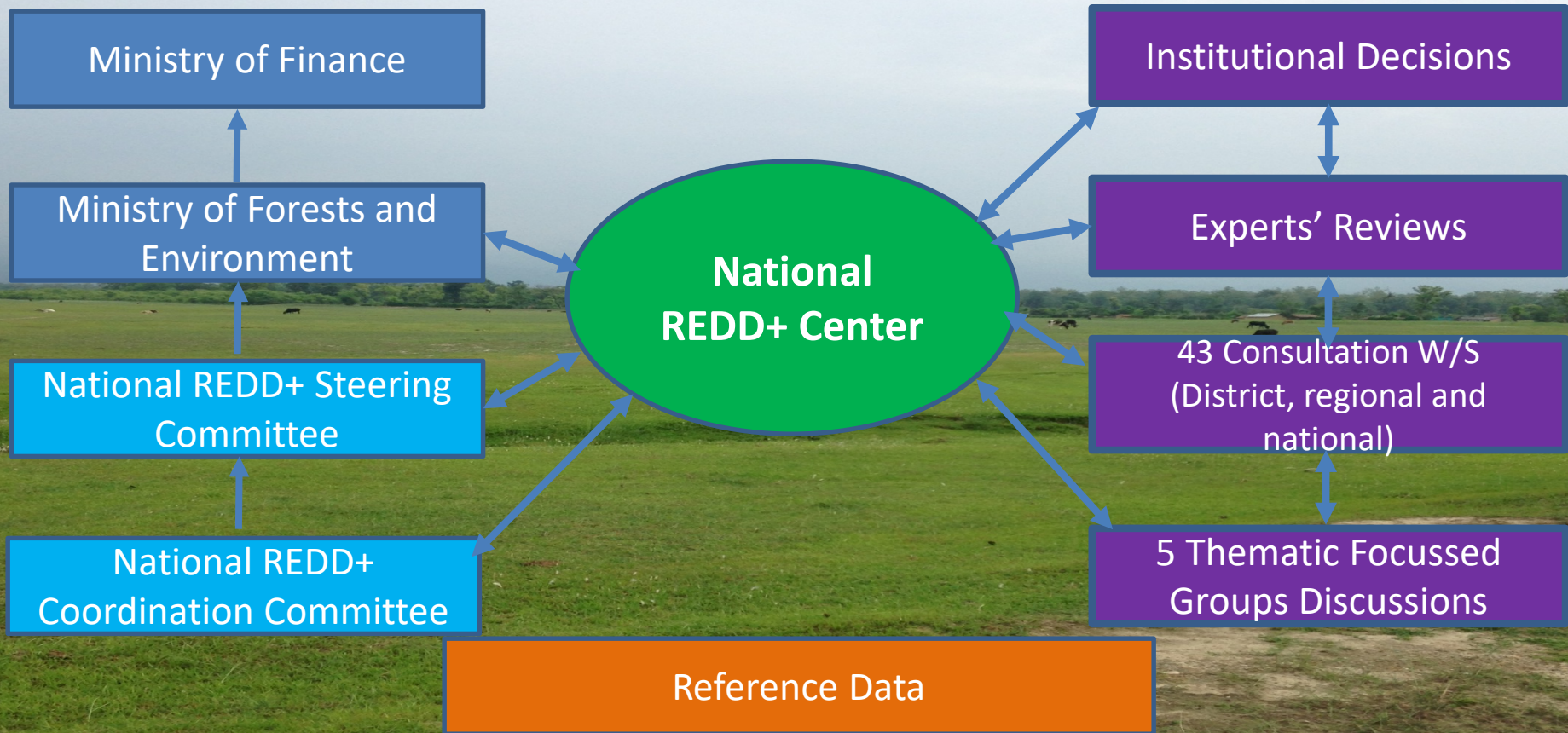
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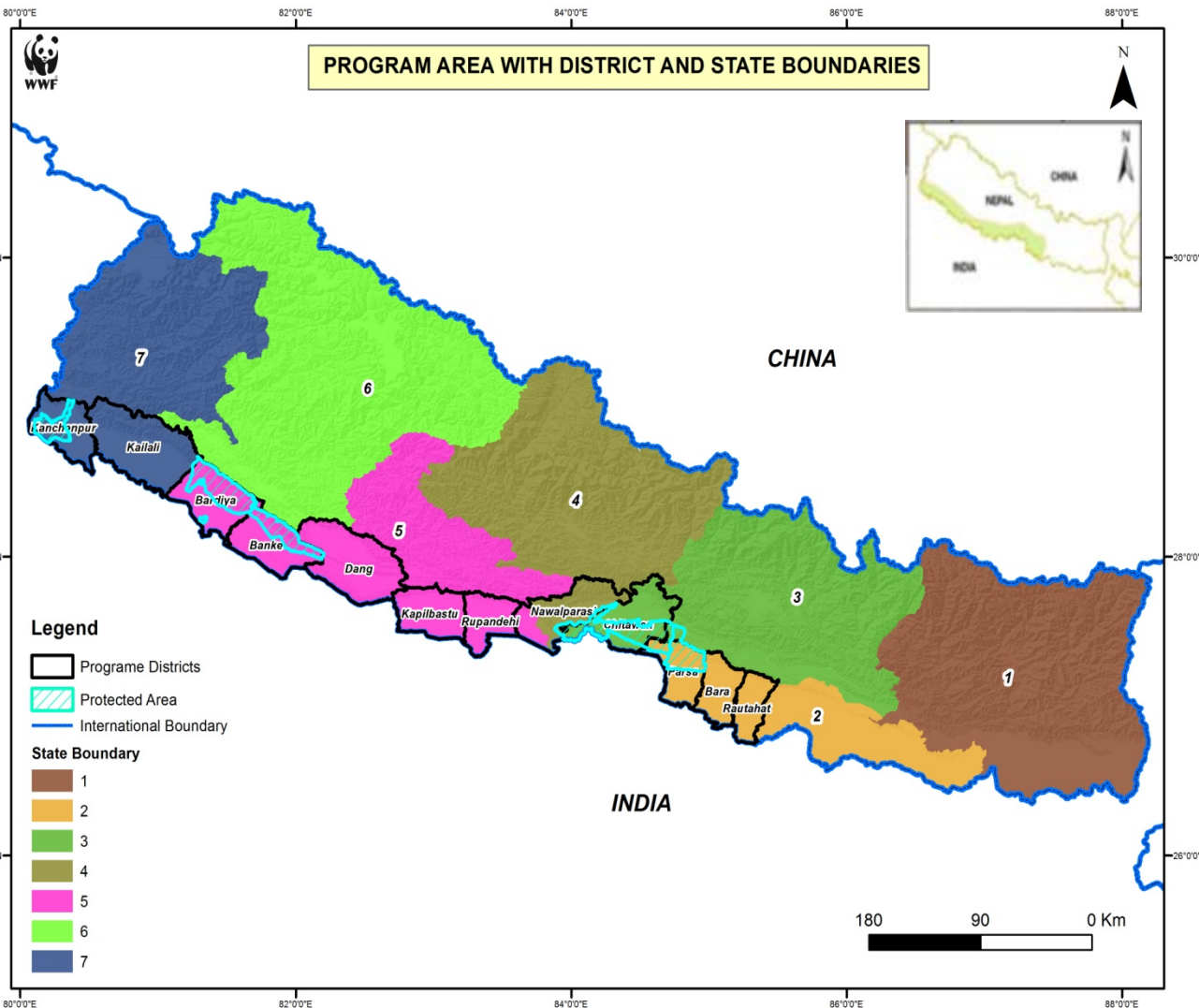
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ER-PD Development Process



ER Program Area and Key Features (Terai Arc Landscape)



- No. of districts 12
- No of local governments 140
- Population: 7.2 million
- Total Area: 2.2 million ha
- Total forest area 1.2 million ha
- 5 national parks and 1 conservation area

Deforestation and Degradation Drivers

DEFORESTATION

ENCROACHMENT

INFRASTRUCTURE

RESETTLEMENT

DEGRADATION

TIMBER
EXTRACTION
(UNSUSTAINABLE/
ILLEGAL)

FUEL WOOD
EXTRACTION

OVERGRAZING

FOREST FIRE

UNDERLYING CAUSES

Weak resource
management

Poverty & lack
of alternative
livelihoods

Landlessness
& excess
demand for
timber

Rapidly
increasing
population &
needed
infrastructure

Lack of
alternative
energy sources

Principal Interventions

Environmental and Social Safeguards

Improve management practices on existing community and collaborative forests (336,069 ha)

Expand private forests through improved access to extension services and finance (30141 ha)

Expand access to alternative energy with improved cookstoves (60,000 units)

Integrated Land use planning to reduce forest conversion (9000 ha)

Transfer of National Forests to Community and Collaborative Forest User Groups (210,937 ha)

Expand access to alternative energy with biogas (60,000 units)

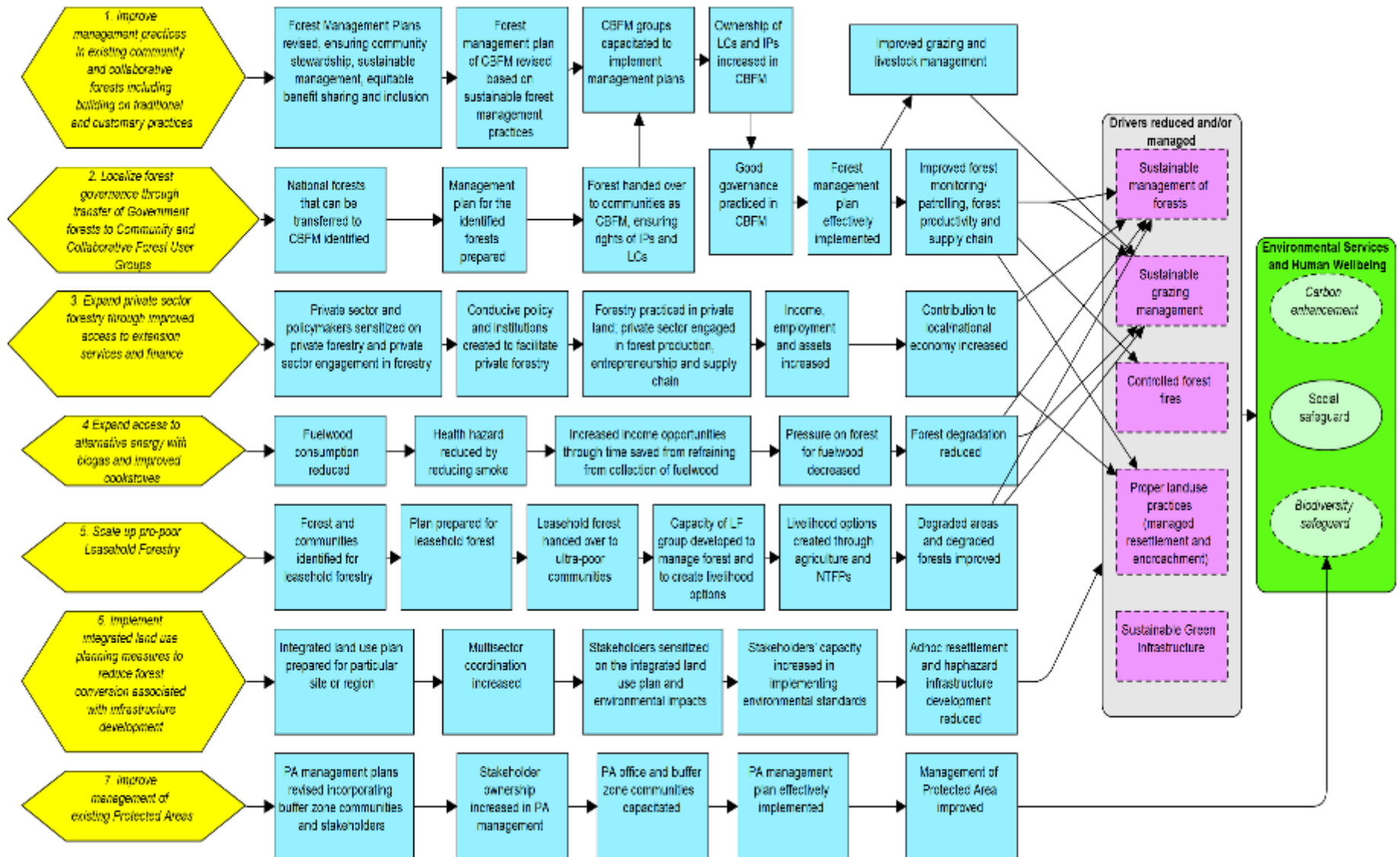
Scale up pro-poor leasehold forestry (12056 ha)

Protected area management (6 PAs)

Gender Inclusion



Theory of Change of the ER Program



Program Budget and Financing

SN	Programs	1-6 years	7-10 years	SN	Sources	1-6 Years	7-10 years
1	Management oversight	2,040,000	1,734,000	1	Department of Forests	11,350,595	9,638,580
2	Program interventions	113,808,523	55,377,316	2	Forest Investment Program	7,500,000	-
3	Safeguards	5,792,426	2,855,565	3	President Chure Dev Board	11,573,415	12,332,722
4	MRV	1,172,000	1,197,000	4	TAL Program (WWF Support)	6,172,488	6,577,452
				5	CBFM Groups cofinancing	6,890,320	5,851,050
				6	HH rural energy cofinancing	6,209,281	4,139,520
	Total	122,812,949	61,163,881		Total	49,696,705	38,539,324

Grand total ≈\$184 Million

Source of Finance: Grand total ≈\$ 134 million
(\$49.7+ \$38.5) + \$45.8 (from Carbon Revenue)

Total Gap \$50 million
Gap: Year 1-6: \$27.3 million
Year 7-10: \$22.7million

Forest Reference Level

Approach	Re-engineered from scratch and aligned with national with continued improvement; historical average (2004-2014)
Forest definition	A: > 0.5 ha, TCC: >10%, height: 5m
Activities	Def., Deg. and Gain (defined as No Forest → Forest)
C. Pools	AGB and BGB
Gases	CO2 (Non-CO2 left out as fire emissions estimates < 10% Gross Emissions)
Main data sources	National FRL, Landsat (UMD), NFI
Estimation followed	Gain-Loss methods AD x EF ; Monte Carlo randomization
Net FRL	0.895 MtCO ₂ e/yr ⁻¹ (0.44 Core def + 0.64 Edge Def + 0.48 deg - 0.670 Gain MtCO ₂ e/yr)
Uncertainty	<ul style="list-style-type: none">• Estimates are unbiased based on statistical random sampling• Precision estimates are at 94% Relative Gain based on combined 10 k Monte Carlo for all parameter estimates
Consistency	National GHG inventory and national FRL will follow suite



Measurements, Monitoring & Reporting

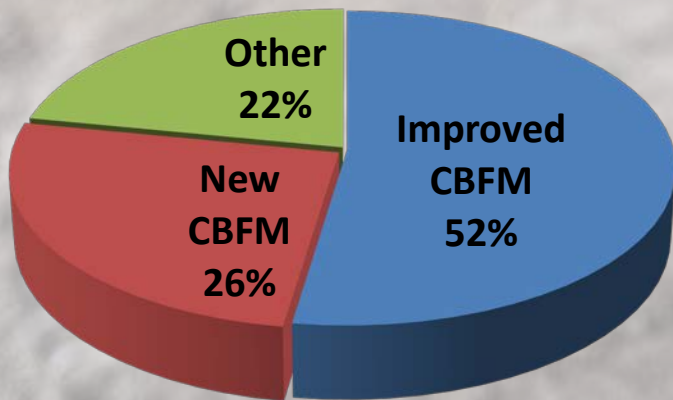
- Fully aligned with the NFMS & BUR;
- Two year cycle AD as in the reference level & be improved in a stepwise approach (e.g. Pending gaps in linking Community areas and impact to Deg, Def and Gain as well as add enhancement in Forest remaining Forest to FRL);
- Report include: AD x EF/RF for Def, Deg, Gain, Enhancement
- Four-tier institutional structure: national, province, local government, & community level;
- DFRS will be the central authority for MMR, NFD-NFIMS & SIS;
- Participatory approach: local communities, forest inventory experts & RS GIS experts.



Estimated Emission Reductions

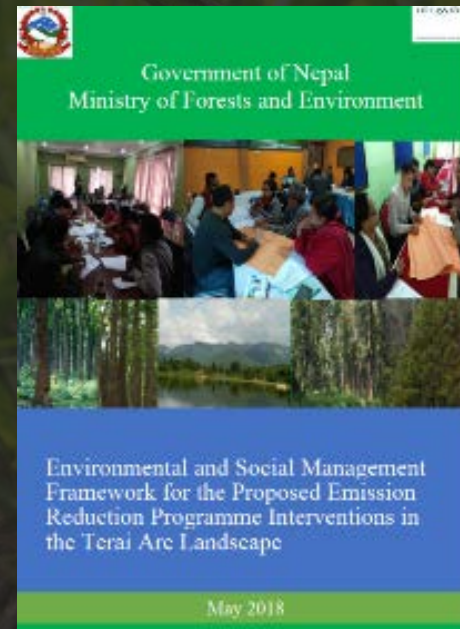
- Aims to achieve **34.2 MtCO₂e** ER over the 10 year
- Buffer: 12% Uncertainty and 21% Reversal
- Total ER post buffer in Year 10 23.78 MtCO₂e
- ER available during Carbon Fund (post buffer)
 - In Year 4 4.4 MtCO₂e
 - Year 6 4.76 MtCO₂e
 - Total: 9.36 MtCO₂e
- In Year 10 (post buffer) 14.63 MtCO₂e

Emissions reduction potential



Safeguards

- Country's requirements
- Principles, rules and procedures to screen, access, manage and monitor mitigation measures
- ESMF providing details of all safeguards arrangements required;
- ESMF informed by SEA;
- Incorporates: E&S Screening Process & Management Plan, IVCDF, Gender Mainstreaming Plan, RPF; Stakeholder Engagement Plan; GRM; Institutional Arrangement, Monitoring Framework, & cost for ESMF.

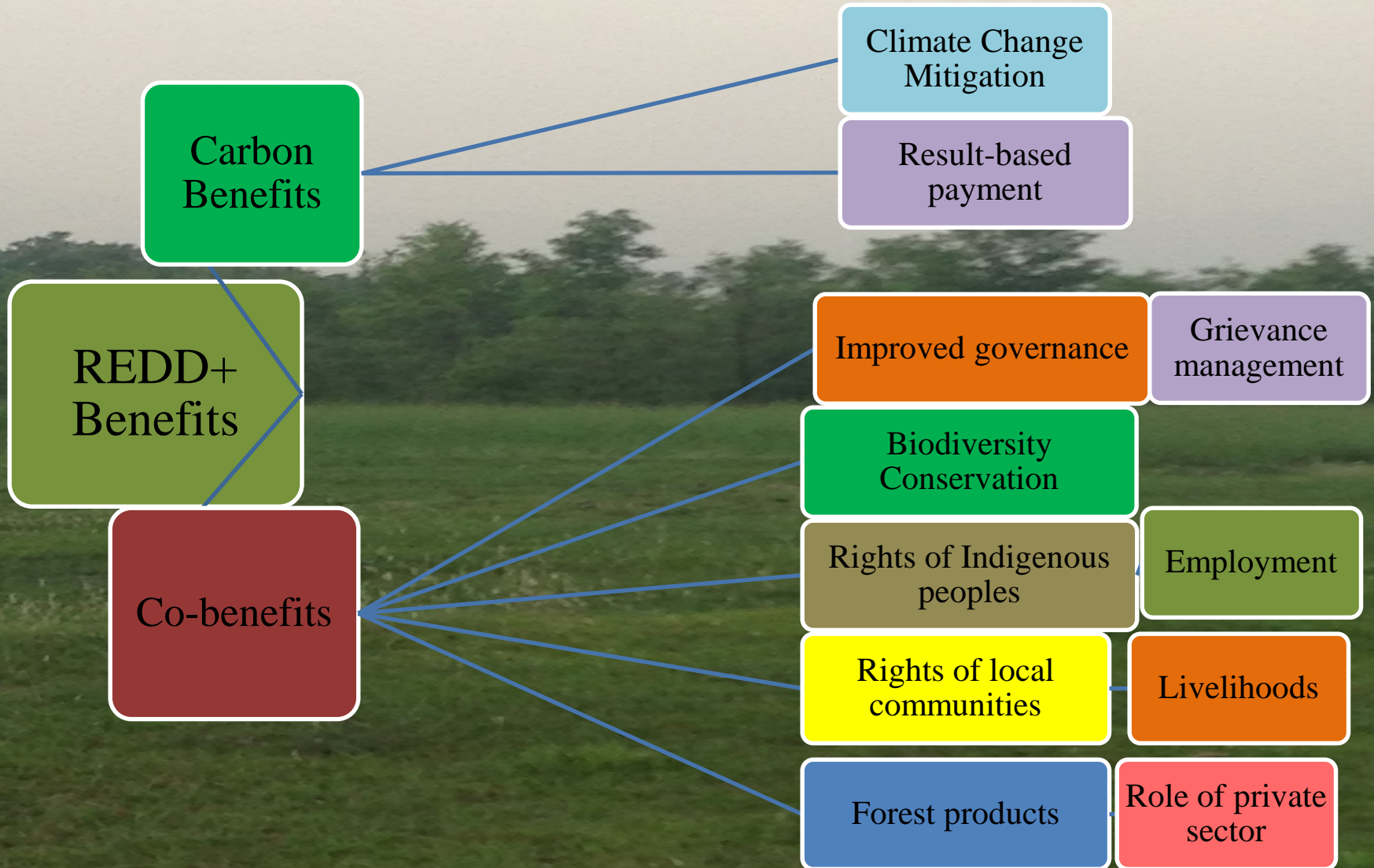


Benefit Sharing Plan (BSP)

- Details of BSP be ready by the end of 2018;
- BSP to be informed by national policies for benefits & revenue sharing, REDD+ strategy, SEA/ESMF, & related other reports;
- Basic guidelines for the BSM:
 - **80%** of the financial benefits to be channeled to communities in the form of capital (subsidy for SFM, forest-based enterprises, income generation, capacity building)
 - Not more than 20% to be used for administrative cost
 - Key beneficiaries:
 - Community-based forestry groups
 - Indigenous peoples
 - Women
 - Other marginalized groups, such as Dalits
 - Private sector
 - Equity, inclusivity and conditionality



Non-Carbon Benefits



Stakeholder Consultation & Participation

- ER program implementation to be steered by multi-stakeholder forums functional at each of the institutional tiers;
- Targeted groups to actively involve in activities planning, decision making, benefit sharing, GRM & MMR process as described in the ESMF;
- The ESMF providing detail plan of stakeholder engagement (mapping, engagement, consultation and FPIC process).



Public auditing of pond maintenance at Hakui



VFCC meeting in Baglung

Summary points

- ER Programs as a means of transformation
- Aligned to national policies and needs
- Community-based approach to interventions, safeguards and monitoring
- Consideration of gender and social inclusion
- Ambitions on co-benefits
- Multistakeholder process over readiness, interventions and results





THANK YOU

**Comments and Suggestions
Most Welcome !**