



Readiness Fund REDD+ Country Participants Progress Report Template



Government of Nepal
Ministry of Forests and Environment
REDD Implementation Centre
Kathmandu, Nepal 2018



FCPF Readiness Fund: REDD+ Country Participant Annual Progress Report

About this document

This template is for use by Readiness Fund (RF) REDD+ Country Participants to report their annual progress on REDD+ readiness activities in general, and on FCPF-supported activities in particular. The data provided through these reports represents a central information source for measuring progress against the FCPF's expected results and performance indicators, as articulated within the FCPF Monitoring and Evaluation (M&E) Framework.

Report preparation

Reports cover progress through 30th June of each year.

When preparing the report, RF REDD+ Country Participants should draw upon the country M&E system for REDD+ (component 6 of the R-PP) and should consult members of the national REDD task force or equivalent body. Inputs from stakeholders including IPs and CSOs should be integrated, with any divergent views recorded as appropriate. Detailed, indicator-by-indicator definitions and reporting guidance are provided within the FCPF M&E Framework (<https://www.forestcarbonpartnership.org/monitoring-and-evaluation-0>).

Reporting schedule

Completed reports should be submitted to the FCPF's Facility Management Team (FMT) by **15th July** every year.

SECTION A: NARRATIVE SUMMARY

1. In brief, what were the main REDD+ readiness-related activities delivered within your country during the last year?
 - For example, strategy / policy drafting, stakeholder consultation events, capacity building / training, awareness raising initiatives
 - Please be as specific as possible, e.g. name, date and number of participants in consultation events (sex disaggregated, if available), name of policy being drafted, institutions involved in policy drafting

The report describes Nepal's progresses on REDD+ readiness activities in general and on FCPF-supported activities in particular during the reporting period i.e. July 2017 to June 2018. The activities that were achieved in the reporting period included those directly financed by WB/FCPF (e.g. ERPD' FIP IP dissemination and dissemination of Gender study outcome), 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. Major activities delivered in this reporting period are:

1. **Finalization and endorsement of Nepal National REDD+ Strategy (NRS):**

REDD+ strategy has been considered as one of the key pillars of REDD+ readiness including National Forest Monitoring System (NFMS), Forest Reference Level (FRL) and Safeguard Information System (SIS). Although the strategy preparation process was commenced with R-PP implementation in 2012, it was finalized and approved in this reporting period. The R-PP implementation phase (2012-2015) that was also known as initial readiness phase built basic foundation for REDD+ strategy by carrying out studies on a number of issues, including but are not limited to, customary rights, tenure rights, Feedback and Grievance Redress Mechanism (FGRM), analysis of related policies and measures, national level SESA and ESMF preparation, study on cost and benefit sharing mechanism, non-carbon benefits, National Forest Database/ National Forest Information System (NFD/NFIS) and MRV system design.

REDD+ Strategy preparation process went through series of consultations, workshops, write-shops and meetings since 2013. Draft strategy was shared with relevant stakeholders including umbrella organization of IPs and Community Forest Users' Groups (i.e. NEFIN and FECOFUN), sectoral Ministries (e.g. Forests and Environment; Ministry of Agriculture, Land Management and Cooperatives; Ministry of Federal Affairs and General Administration, Ministry of Finance); development partners and others. The draft strategy was revised during this reporting period addressing feedbacks from stakeholders and the newly developed governance architecture (Federal, Province and Local) of the country. A close door write-shop was organized in August 2017 involving representatives from the key stakeholders' organizations (like MoFE, DoF, REDD IC, FECOFUN, NEFIN, Women, Dalit and Madhesi groups) to finalize the REDD+ strategy. With the incorporations of inputs and feedback from the stakeholders, the final draft was presented in the REDD+ Apex Body meeting (Chaired by the Minister of Forests and Environment) followed by its approval on April 19, 2018.

2. Preparation of the National REDD+ Strategy (NRS) implementation plan:

This complementary document of the REDD+ Strategy brings together the strategic direction of the NRS, the stated objectives from the governments Forestry Sector Strategy 2016-2025 (FSS) and specific targets based on the strategic actions of the NRS developed through consultations with key stakeholders. The targets and activities have been structured around the 12 policy areas with initial implementation planning done for a 5-year period. This document was produced following series of consultation meetings with REDD+ stakeholders. Technical stakeholders experienced in undertaking similar activities in the field were consulted during the development of the document through small group meetings, individual consultations and workshops. Key meetings and workshops included:

- (i) 24th October 2017– Overview briefing and consultation on approach with REDD+ IC and REDD Focal Points of the the Departments under MOFE.

(ii) 15-18 November 2017– Working Retreat with key Technical stakeholders from Ministry of Forests and concerned Departments to develop costings for key activity areas

(iii) 1st December 2017– Meeting with REDD+ IC to review progress

NRS implementation plan preparation was financially supported by UN-REDD under Targeted Support program.

3. Finalization of Emission Reduction Program Document (ERPD) for the Terai Arc Landscape (TAL):

Nepal finalized its first jurisdictional REDD+ project named “a sustainable forest management-based emission reduction program in the Terai Arc Landscape, Nepal” and submitted to the Carbon Fund for its approval during this reporting year. The document was accepted by the Carbon Fund meeting held during June 20-22, 2018 in Paris. This has been considered as the beginning of REDD+ pilot phase in Nepal. ERPD preparation process was started in 2016 and continued throughout 2017 and first half of 2018. Series of consultations involving stakeholders ranging from community to policy level were conducted during the first phase of its development (previous reporting period: July 2016 to June 2017). Draft ERPD that was submitted to the Carbon Fund for its technical assessment in May 2017 was revised addressing comments raised by technical assessment panel and finalized during this reporting period. The World Bank’s FCPF financially supported (directly) for this activity.

4. Preparation of ESMF for the Proposed ER Program Interventions:

An Environmental and Social Management Framework (ESMF) associated with the proposed ER program interventions was prepared during this reporting period. Earlier in 2013 a Strategic Environment and Social Assessment (SESA) report and ESMF for R-PP implementation (readiness phase) were prepared. The ESMF for the proposed ER program interventions, which was prepared as a complementary document of the ERPD, assessed potential social and environmental impacts of the proposed ER program interventions and provides a framework for mitigating negative impacts. A team of experts including REDD+ expert, environmental safeguard expert, social safeguard expert and gender expert worked together for drafting this document following series of consultations in the program area. Six consultation meetings were conducted in the 12 districts (covering two districts in each event) of the TAL (ER program area). Total of 120 participants representing IPs (17%), Dalit (10%), Medhesi (20%) and other 53% took part in the six consultation meetings. Out of them, 27% of the were female. World Bank’s safeguard experts provided their inputs to the report. The ESMF for ER program area is available online at: http://mofsc-redd.gov.np/wp-content/uploads/2018/06/ESMF-TAL_advanceddraft-June2018.pdf

5. **Capacity Building:**

Capacity building activities continued throughout the reporting period targeting stakeholders of different levels (ranging from local to policy level) and with different capacities. Nine REDD+ Training of Trainers (ToT), which was a five days event to mid-level facilitators, 10 REDD+ orientation workshops (one day event) targeting junior forest officers working in the districts, four gender sensitization workshops (two days event), five National Forest Monitoring System related trainings (three days event) and 10 REDD+ orientation workshops (two days event) to the members of local governments (elected members of municipalities) in the selected districts were delivered during this reporting year. In addition, 10 district level and 3 national level workshops were conducted for disseminating Nepal's forest investment program (FIP) and the roles of indigenous peoples and local communities in Dedicated Grant Mechanism (DGM) to complement to FIP. Total of 2735 individuals representing different levels (ranging from local to policy level) participated in the capacity building events and enhanced their understanding and skills to deal with REDD+. Among them 36% on average were female. Disaggregated figure shows that 23% of the beneficiaries were from indigenous peoples, 8% from Dalits and 15% from Madhesi communities. A five-day REDD+ TOT manual targeting senior level REDD+ facilitators has been prepared during this reporting year. In addition to FCPF's additional readiness and FIP/DGM preparation fund, capacity building activities were also supported by UN-REDD through UNDP Nepal and ICIMOD's REDD+ Himalaya project.

6. **National Forest Reference Level:**

One of the key readiness activities delivered this reporting year is finalization of national FRL. Advance draft of the FRL was submitted to the UNFCCC for its technical assessment in January 2017. The advance draft was built on the earlier draft that was developed during first phase of REDD+ readiness (2012-2015). Recently available national forest inventory data (DFRS 2015) were used to update the initial draft. The advance draft was further revised addressing comments provided by UNFCCC technical assessment panel and re-submitted to the UNFCCC for its final review on July 2017. Although the FRL needs further improvement, particularly in assessing emissions from forest degradation and carbon enhancement from community forests (forests remain forests), it informs historical trend of forest emissions and removals. Further, it identifies future improvement areas and capacity gaps. FAO and ICIMOD provided technical and financial support for updating the FRL. Initial draft of the FRL was prepared using World Bank's readiness fund.

7. **Development of biodiversity monitoring protocol for REDD+:**

A biodiversity monitoring protocol has been prepared during this reporting period. This document is being reviewed by the Ministry of Forests and Environment for its endorsement. The biodiversity monitoring protocol preparation has been considered as one of the important readiness activity in the country. The document provides processes and steps for monitoring changes in biodiversity (flora and fauna) while managing forests and protected areas under REDD+ policy regime. REDD IC, Department of National Park and Wildlife Conservation (DNPWC) and ICIMOD jointly prepared this document following series of consultations and field testing. ICIMOD financially supported for this activity.

8. Updating Community Forests (CF) management plans in the TAL area:

REDD IC has started updating CF management plans incorporating sustainable harvesting, emissions reduction, carbon enhancement and safeguard related provisions. These provisions were either lacked or not detailed in the CF management plans that were prepared in the past. This was one of the activities planned for this reporting year using REDD+ readiness additional funding. This activity can be also considered as the kick-off of the proposed ER program interventions. A total of 15 CF management plans in the TAL area were updated incorporating provisions of sustainable harvesting and enhancement of carbon stock. Series of focus group discussions, users' assemblies and participatory mapping of forest stands were done during the process of updating management plans. Draft of the updated plans are being reviewed by concerned forest officers and forest users. The plans will be approved by the respective community forestry user groups (CFUGs) followed by the endorsement by the respective District Forest Offices. Then the plans will be implemented by the CFUGs. The total forest area has been divided into 8 compartments in each of the CF, where the detail plan of actions, such as stem mapping, regeneration felling, cleaning, tending and other silvicultural operations are described. The plans will be implemented from the coming fiscal year (July 2018-July 2019) onward.

9. Scoping of private sector potentials for effective implementation of ER program:

A scoping of private forestry potentials in delivering desired outcomes of the ER program was conducted during the reporting period. This activity was also one of the planned activities for this reporting period using additional funding. This study is considered as an initial step towards bringing private sector on board not only for effective implementation of ER program but also for sustainable management of forest resources in the country. The scoping report has been submitted to the REDD IC and is being reviewed by RIC team for finalization.

The report revealed that farmers in the ER program area are willing to plant seedlings in their land subject to some regulatory reform and incentives. These include, lifting bureaucratic hurdles for the transport of logs and timber harvested from private forests, provision of quality seedlings, and insurance for the private forests in case of damages from fire, natural calamities and epidemic plant

diseases. The report has provided a detail plan of actions for creating 30,000 hectares of private forests in the Terai in the upcoming 10 years.

10. Improvement of National Forest Monitoring System by measuring additional NFI sample plots:

This activity contributed to the accuracy and reliability of National Forest Information (NFI) system by adding 96 more permanent sample plots in the 55 clusters distributed throughout the Terai. There were 171 plots (55 clusters) established and measured in the Terai region during the FRA 2010-2014. Total sample plots established in the Terai are now 367. These sample plots are distributed in 110 clusters systematically throughout the Terai. Further, 84 sample plots of 28 clusters established in the Middle Mountains were also remeasured under this activity. These measurements have definitely contributed to improve NFI and NFMS of Nepal. World Bank's additional funding was used for this activity.

11. Updating database system for NFMS and MRV purpose:

Existing database system of Department of Forest Research and Survey (DFRS) is being updated regarding NFMS and MRV system reporting requirements. A consortium of related experts jointly with DFRS technicians have been working on it. Technical evaluation report indicates that 2 more months (i.e. initial two months of the next reporting period) may be needed to complete this assignment. The World Bank's additional funding was (and also will be) used for this assignment.

12. Information dissemination:

Information dissemination has been one of the key readiness activities implemented in the reporting year. Consultation workshops, meetings, policy brief, flyers, calendars, note books, TV talk programs and media brief were the major approach applied. For example, the FIP IP dissemination workshops that were organized in 13 different places throughout the country were found effective platform for sensitizing stakeholders not only on FIP but also on REDD+ policy mechanism and the roles of Indigenous Peoples and Local Communities in REDD+ and FIP. Flyers describing different aspects of REDD+ including FRL, safeguards and NFMS were published and distributed in both English and Nepali language. Flyer informing REDD+ development status and approaches being followed in Nepal has also been published in both languages and disseminated in this reporting year. REDD IC has also published annual calendar and note books incorporating updated REDD+ information in the country. Three audio-visual documentaries---'Climate Change and REDD+', 'Sustainable Forest Management and REDD+' and 'REDD+ and Role of Indigenous Peoples and Local Communities' have been produced in Nepali language. In addition to the World Bank's additional funding, ICIMOD and UNDP also financially supported for this activity.

Please add information relevant to the amendment to the GA.

2. What were the main REDD+ readiness-related achievements in your country during the last year?

- For example, x number of individuals attended REDD+ consultations (sex disaggregated, if available), national REDD+ strategy was finalised, government formally adopted national REDD+ related policy/s, NFMS was established, partnership agreement with private sector association signed

1. There are a lot of repetitions listed in the previous chapter. Please review chapters and focus on activities in chapter 1 and outcomes in chapter 2 – please cross-reference to the extend possible.

2. **Endorsement of REDD+ Strategy:**

Nepal National REDD+ Strategy has been endorsed by the government of Nepal during this reporting period (July 2017 to June 2018). This is considered one of the milestone achievements for REDD+ policy implementation in Nepal. As described in earlier section, the REDD+ Strategy (2018) was prepared following series of consultations, workshops, write-shops and meetings since 2013. 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. Country progress report 2017 (July 2016 to June 2017) provided details of the 12 strategies and corresponding actions proposed. The REDD+ Strategy has is available online at: <http://mofsc-redd.gov.np/wp-content/uploads/2018/06/REDD-Strategy-Nepal-2018.pdf>

3. **Selection of Emission Reduction Program Document (ERPD) into Carbon Fund Portfolio:**

Nepal finalized its first jurisdictional REDD+ project named “a sustainable forest management-based emission reduction program in the Terai Arc Landscape, Nepal” and submitted to the Carbon Fund for its approval. Carbon Fund in its 18th meeting (20-22 June 2018) held in Paris France decided to accept Nepal’s ERPD into portfolio of the Carbon Fund. Earlier in May 2017, Nepal submitted the ERPD (draft version) to the Carbon Fund for its Technical Assessment (TA). The Carbon Fund participants reviewed the draft ERPD and the TAP report and provided their consolidated comments. Based on the comments, Nepal updated the ERPD and submitted to the FCPF’s Facility Management Team in May 2018. The ERPD was gone through second round of review by both TAP and the Carbon Fund Participants before it was selected into portfolio. The revised ERPD was shared with related stakeholders through consultation meetings, document sharing and mass media before it was endorsed by the Government of Nepal in May 2018. World Bank’s FCPF financially supported (directly) for this activity. In addition, WWF Nepal jointly with

WWF US served as the service provider as well as development partner. The ERPD is available online at: <https://www.forestcarbonpartnership.org/nepal>

[Carbon Fund Participants have also made some suggestions to Nepal's REDD+ readiness and ER program under Chair's summary of the meeting. The meeting](#) applauded the strong focus of the ER Program on inclusion of gender and marginalized communities and on respecting and recognizing Indigenous Peoples' rights. The meeting particularly suggested Nepal to undertake the following actions for better REDD+ results:

- Consider during the implementation of the ER Program synergies and complementarity with related programs, including those that may be submitted to the FIP, GCF, and other bilateral and multilateral programs.
- Consider additional measures to address potential underperformance or lack of ER generation, by for example, exploring additional financing sources for the ER Program, including the private sector.

4. Environment and Social Management Framework (ESMF) for the ER Program:

ESMF for managing potential impacts of the proposed ER program interventions was developed and finalized during this reporting period (July 2017 to June 2018). Potential social and environmental impacts of implementing ERPD have been identified followed by the recommendations of the measures in order to deal with the potential impacts. ESMF is one of the milestone achievements in the reporting year for moving further with effective implementation of REDD+ at national scale.

5. Publication of the National Forest Reference Level (FRL) at the UNFCCC REDD platform:

Nepal's first national FRL was reviewed and published by the UNFCCC in its REDD+ web platform during this reporting year. Nepal considered this as a milestone achievement of REDD+ readiness. Nepal submitted its national FRL to the UNFCCC for its technical assessment on May 2017. Technical assessment report prepared by the panel of experts commissioned by the UNFCCC has been critically important for Nepal to improve the FRL in the future meeting all technical and methodological standards and maintaining consistency with country's GHG inventory. The National FRL is available on: <http://redd.unfccc.int/submissions.html?country=npl>

6. **Capacity building:** Capacity building of related stakeholders remained one of the key achievements of this reporting period. As described in the previous section, total of 2752 stakeholders with different capacities and level participated capacity building activities like trainings and workshops. Among them 36% on average were female, 23% IPs, 8% Dalit and 15% were from Madhesi communities. A five-day REDD+ TOT manual that was developed this reporting year targeting senior level REDD+ facilitators is also considered an achievement.

7. Preparation of REDD+ Strategy implementation plan:

REDD+ strategy implementation plan for Nepal has also been considered as one of the key achievements during the reporting period towards getting ready for REDD+ implementation in the country. As described in the previous section, this document marks the next step in the REDD+ development process, transitioning from strategic planning and REDD+ readiness towards early implementation of activities. While identifying specific activities for implementing REDD+ Strategy, the implementation plan has also identified potential costs and impacts of those activities. The implementation plan also compares the identified targets with current rates of progress in a number of key areas. Together with the Strategy, the implementation plan represents Nepal's one of the overarching REDD+ Policies and Measures (PAMs). The implementation. The plan assessed and estimated 11.1 mtCO_{2e} emissions reduction and removals over the first five-year period of the strategy implementation. Based on the existing costings these emissions reductions and removals would be achieved at a cost of over USD100 per tCO_{2e} – USD95 over the current guide price used by multi-lateral REDD+ initiatives. The NRS implementation plan was prepared by a consortium of experts. UNREDD under targeted support program financially supported this assignment.

8. **Endorsement of FIP IP:**

Forest Investment Program Investment Plan was approved by the FIP subcommittee in this reporting period. Government of Nepal endorsed the plan before it was formally submitted to the FIP subcommittee. The investment plan was prepared by REDD IC together with a consortium team and with close collaboration with the World Bank team. It is widely expected that investment plan will leverage to the funding gap for ER-PD implementation, particularly in intervention 1, 2 and 3. Similarly, the active mobilization of Indigenous leasers in disseminating FIP IP across the country is one of the key activities that will contribute to smooth implementation of forest investment program, Dedicated Grant Mechanism and ERPD. World Bank financially supported for this.

3. What were the main REDD+ readiness-related challenges and/or problems during the last year?
- For example, lack of engagement from key stakeholders, political barriers, limited funding

List of the main REDD+ related challenges and/or problems during this reporting period:

Disruption in planned activities due to elections

Some of the targeted activities in the reporting year could not be accomplished due to the shortage of human resource in REDD IC, DFRS and REDD desks since government officials were deployed as polling officers for three tires of elections---federal, provincial and local. Also the election commission issued a 'Election Code of Conduct' that did not allow development/government activities during election campaign. As a result, some of the targeted

programs, such as preparation of allometric equations for tree species, database management, Carbon registry, benefit-sharing plan, studies on fire and grazing etc were not achieved.

Political transitioning

The country is undergoing a political transition from unitary to federal governance. The uncertainty of the distribution of power among the federal, state and local governments created some confusion for smooth implementation of some planned activities. The restructuring process also effected the REDD IC for significant time period during the reporting year. Whether there would be a dedicated institution for REDD+ or one of the Divisions under the Ministry would coordinate REDD+ was the major debate going on in the Ministry of Federal Affairs and General Administration (MFAGA) that coordinates the restructuring process. REDD IC and MOFE actively lobbied for a dedicated institution as a REDD+ entity. Ultimately, National REDD+ Centre was accepted by MFAGA, but it took over six months in order to finalize it and that hampered the planned activities of REDD IC in the reporting year.

Cost of coordination

REDD IC's major works are reflected in government's red book, which is controlled by the Ministry of Finance. Some activities were not planned in the annual program, such as 'benefit sharing plan', but later REDD IC requested the Ministry of Finance to include it in the annual budget. But the MOF did not accept this request. Also there were challenges when some other Ministries proposed to clear forests for other land use, such as setting up industrial estate and development infrastructures (roads, irrigation, transmission poles etc.) and REDD IC had to be actively engaged in dealing with these projects.

Inadequate national and local capacity in carbon accounting

Some of the REDD+ related activities, such as carbon accounting, needed quality skill for finalizing analysis. There were some critical comments made by TAP, FMT and Carbon Fund Participants on Nepal's carbon accounting. REDD IC had to rely on international expertise for dealing with such issues. Capacity development of national institutions and experts in such technical matters remain a crucial issue for smoothly running REDD+ readiness, process and monitoring.

Work Load in REDD IC

REDD IC as a focal point to FCPF, UN-REDD and FIP, had significant extent of responsibilities for managing a number of tasks such as the implementation of REDD+ readiness project, ERPD development, FIP investment plan preparation and DGM consultations. It would be better if further work on FIP could be handled by the Ministry itself (considering the extent of this program beyond emission reduction program area and REDD+) instead of REDD IC.

4. What are the main REDD+ readiness-related activities that you hope to deliver during the next year?
- For example, hold x consultation events, submission of R-Package to the PC, finalisation of SIS, commission research into REDD+ strategy options

List of the main REDD+ readiness related activities hoping to deliver during the next year:

- Develop and finalize benefit sharing plan for REDD+, particularly for ER Program in Nepal
- Set up National REDD+ registry
- Improve national forest monitoring system by adding more NFI plots in Middle Mountains and High Himalaya

- Improve national forest monitoring system by developing allometric equations of major tree species
- Develop detail projects for FIP
- Update TAL FRL by estimating removal factors of community managed forests

Establish RWG at each tier of REDD+ institution ranging from Federal to Local Governments
Capacity building of stakeholders
Increase institutional capacity and/or status of REDD IC in the MoFE

Further engage DFRS in REDD+ readiness activities

Focus on engaging women, indigenous peoples and local communities in REDD+ readiness activities


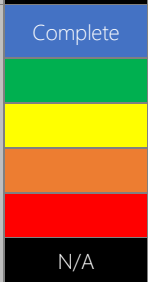
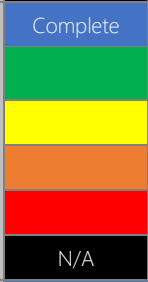



SECTION B: READINESS PROGRESS

5. Please provide your own assessment of national progress against all REDD+ readiness sub-components:
(Indicator OV.1.B: Number of FCPF supported countries that have in place a National REDD+ Strategy, FREL/FRL, NFMS and SIS; Output 1.3 indicators)

Progress rating key:

Complete	The sub-component has been completed
	Significant progress
	Progressing well, further development required
	Further development required
	Not yet demonstrating progress
N/A	The sub-component is not applicable to our process

Sub-component	Progress rating (mark 'X' as appropriate)	Narrative assessment (briefly explain your rating)	
R-PP Component 1: Readiness Organisation and Consultation			
Sub-component 1a: National REDD+ Management Arrangements	Complete	National REDD+ management arrangements have been shaping well. However, institutional arrangement particularly at local government level yet to be approved by the government. Once the restructuring is completed, management arrangements will also be completed, hopefully by next reporting period.	
			X
	N/A		
Sub-component 1b: Consultation, Participation and Outreach	Complete	Consultation, participation and outreach programs have been progressing well. For example, 2752 stakeholders involved in different capacity building and outreach program during this reporting year. Acknowledging as continued process, REDD IC evaluates this reporting year as progressing well for this sub component.	
			X
	N/A		
R-PP Component 2: REDD+ Strategy Preparation			
Sub-component 2a: Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance	Complete	Assessment of land use, land use change, drivers, policies and governance for the purpose of REDD+ Strategy preparation (inputs for the	
			X

Sub-component	Progress rating (mark 'X' as appropriate)	Narrative assessment (briefly explain your rating)
		strategy) has been formally completed. The REDD+ Strategy has already been completed and endorsed by the government in May 2018.
Sub-component 2b: REDD+ Strategy Options		The REDD+ Strategy has been endorsed by the government with the provision of 12 strategies and 70 strategy options.
Sub-component 2c: Implementation Framework		REDD+ Strategy implementation framework has been developed and is under review. Please refer Section 1, question 2, bullet 6 for detail.
Sub-component 2d: Social and Environmental Impacts		National level SESA and ESMF for R-PP implementation was prepared in 2014. Several laws, policies and institutions addressing safeguard requirements are functional. ESMF for ER program has also been prepared recently. However potential impacts of the strategic actions and their implementation plans yet to be done.
R-PP Component 3: Reference Emissions Level/Reference Levels		
Component 3: Reference Emissions Level/Reference Levels		Forest Reference Level has been estimated, submitted to the UNFCCC, technically assessed and published in the REDD+ Web Platform. However it cannot be considered as complete because degradation (emissions) and enhancement (removals) assessment has not been yet completed. The FRL also requires consistency with GHG inventory report. Some adjustments considering national circumstances need to be done next following step wise approach.
R-PP Component 4: Monitoring Systems for Forests and Safeguards		
Sub-component 4a: National Forest Monitoring System		National Forest Monitoring System has been established and is functional to be evaluated as the successful progress category. Despite this, however, it cannot be categorised as completed. Development of local biomass model, technical capacity to assess different drivers, and national forest information system yet to be developed and functionalized.

Sub-component	Progress rating (mark 'X' as appropriate)	Narrative assessment (briefly explain your rating)
Sub-component 4b: Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards	Complete	
		Nepal has progressed well to establish a system for multiple benefits, impacts, governance and safeguards. Nepal is yet to develop SIS and monitoring indicators for Non-Carbon Benefits (NCBs). GRM mechanism is also not yet fully operationalize.
	X	
N/A		

SECTION C: NON-CARBON BENEFITS

6. Does your national REDD+ Strategy or Action Plan include activities that directly aim to sustain and enhance livelihoods (e.g. one of your program objective/s is explicitly targeted at livelihoods; your approach to non-carbon benefits explicitly incorporates livelihoods)?

(Indicator 3.2.b: Number of RF REDD+ Country Participants whose REDD+ Strategies include activities that directly aim to sustain and enhance livelihoods)

Yes (delete as appropriate)

If yes, please provide further detail, including attachments and/or references to the documentation that outlines your approach:

Vision, mission and objectives of the REDD+ Strategy and its strategic actions are to sustain and enhance livelihoods of forest dependent communities by strengthening both carbon and non-carbon benefits. Skills enhancement, financial support for income generating activities and establishment of value chain for non-carbon benefits are explained in the Strategy implementation plan. For example, Strategy 2, 5, 6,7 and 8 (5 out of 12 strategies) and corresponding actions directly address livelihood and local economy related issues. REDD+ Strategy and its implementation plan (draft) are available at: <http://mofsc-redd.gov.np>

7. Does your national REDD+ Strategy or Action Plan include activities that directly aim to conserve biodiversity (e.g. one of your program objective/s is explicitly targeted at biodiversity conservation; your approach to non-carbon benefits explicitly incorporates biodiversity conservation)?

(Indicator 3.3.b: Number of RF REDD+ Country Participants whose REDD+ Strategies include activities that directly aim to conserve biodiversity)

Yes (delete as appropriate)

If yes, please provide further detail, including attachments and/or references to the documentation that outlines your approach

Both Nepal National REDD+ Strategy and Emission Reduction Program Document focus on conserving biodiversity. One of the guiding principles of the Strategy is “maintaining ecosystem integrity and optimizing the wide range of ecosystem benefits”. Strategy 2 for example focuses largely on biodiversity conservation and other non-carbon benefits of forest ecosystem. Most of the strategic actions proposed in the implantation plan directly or indirectly promote biodiversity conservation. The implementation plan for initial five years estimates around 5 million US Dolars for biodiversity conservation under action 3 of the strategy 2. Both the Strategy and the implementation plan are available at: <http://mofsc-redd.gov.np>

Similarly, Nepal has developed a Monitoring System for Non-Carbon Benefits and Impacts of REDD+. It highlights biodiversity conservation as one of the key aspects/co-benefits of REDD+. Draft Biodiversity Monitoring Protocol for REDD+, which has been prepared by RIC in collaboration with International Centre for Mountain Research and Development (ICIMOD), also put emphasis on conservation and their monitoring of biodiversity.

SECTION D: FINANCE

8. Please detail the amount of all finance received in support of development and delivery of your national REDD+ readiness process since the date that your R-PP was signed. Figures should only include secured finance (i.e. fully committed) – ex ante, (unconfirmed) finance or in-kind contributions should not be included:

(Indicator 1.B: Amount of finance received to support the REDD+ Readiness process (disaggregated by public, private, grants, loans))

Amount (US\$)	Source (e.g. FCPF, FIP, name of gov't department)	Date committed (MM/YY)	Public or private finance? (Delete as appropriate)	Grant, loan or other? (Delete as appropriate)
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EXAMPLES:

\$500,000	FCPF Readiness Preparation Grant	10/2013	Public /Private	Grant /Loan /Other
\$250,000	Ministry of Forestry	01/2014	Public /Private	Grant /Loan /Other

\$ 3,400,000	FCPF Readiness Grant	03/2011	Public /	Grant
\$ 5,200,000	FCPF Additional Grant	01/2017	Public /	Grant
\$ 250,000	FIP Preparation Grant	12/2016	Public	Grant
\$ 345,000	UN-REDD TSP	08/2015	Public /	Grant
\$ 600,000	Government of Nepal	03/2011	Public /	Other
\$			Public / Private	Grant / Loan / Other

9. Please detail any ex ante (unconfirmed) finance or in-kind contributions that you hope to secure in support of your national REDD+ readiness process:

Amount (US\$)	Source (e.g. FCPF, FIP, name of gov't department)	Public or private finance? (Delete as appropriate)	Grant, loan or other? (Delete as appropriate)
\$ 24,000,000	FIP	Public	Grant / Loan
\$ 4,500,000	DGM	Public	Grant
\$ 50,000,000	GCF	Public	Grant
\$ 25,000,000	Community Groups	Public	Other
		Public / Private	Grant / Loan / Other

SECTION E: FCPF PERFORMANCE

10. To help build an understanding of the FCPF strengths, weaknesses and contributions to REDD+, please indicate the extent to which you agree with the following statements:

(Indicator 4.B: Participant Countries' assessment of FCPF's role within and contribution to national REDD+ processes)

Mark 'X' as appropriate

	Completely disagree	Disagree	Neutral	Agree	Completely agree
The FCPF's support has had a central influence on the development our national REDD+ systems and processes					X
The FCPF's support has improved the quality of our national REDD+ systems and processes					X
The FCPF's support has improved national capacities to develop and deliver REDD+ projects					X
The FCPF's support has helped to ensure substantive involvement of multiple stakeholders (including women, IPs, CSOs and local communities in our national REDD+ systems and processes)					X

Comments / clarifications, if appropriate:

The FCPF has been the major source of finance for REDD+ process in Nepal. There have been other sources like GIZ through ICIMOD and UN REDD, but not significant.

11. To help assess the usefulness and application of FCPF knowledge products (publications, seminars, learning events, web resources), please indicate the extent to which you agree with the following statements:

(Indicator 4.3.a: Extent to which FCPF learning, evidence and knowledge products are used by Participant countries)

Mark 'X' as appropriate

	Completely disagree	Disagree	Neutral	Agree	Completely agree
We regularly access FCPF knowledge products to obtain REDD+ related information					X
FCPF knowledge products are relevant to our REDD+ related information requirements					X
FCPF knowledge products are sufficient to address all of our REDD+ related information requirements				X	
The FCPF website is a useful resource for accessing FCPF and REDD+ related information					X

Comments / clarifications, if appropriate:

SECTION F: FINAL COMMENTS

12. If appropriate, please provide any further comments or clarifications relating to your work on REDD+ Readiness during the last year:

Nepal has participated in REDD+ since 2008 with the submission of Readiness Idea Note to the FCPF. It started REDD+ readiness project in 2011 after the approval of its Readiness Project Proposal. Nepal further received additional readiness grant from FCPF in the beginning of 2017 in order to complete the readiness phase of REDD+ by 2019.

Nepal achieved three major milestones in terms of REDD+ readiness in the reporting year---1) Endorsement of FIP-IP by FIP Sub-committee, 2) Approval of REDD+ Strategy and 3) Acceptance of ERPD into Carbon Fund portfolio. These three documents are costed. Nepal would require more than 500 million US dollars to fully implement these three documents. The next step Nepal would be doing is fundraising and implementing these documents. Also these three documents will be aligned with Nepal's Nationally Determined Contribution, SDGs and draft 'Low Carbon Development Strategy'. The government is committed to implementing REDD+ and Emission Reduction Program and achieving REDD+ results in the anticipated timeline.

The immediate actions RIC will be taking under REDD+ readiness project include, but are not limited to, increasing disbursement rate, engaging Department of Forest Research and Survey in project implementation and producing a number of deliverables. The key deliverables in the upcoming year will include, among others, preparation and finalization of benefit-sharing plan, setting up REDD+ registry, measurement of additional sample plots for National Forest Inventory, improvement of community forestry management plans, preparation of projects for FIP and capacity building trainings to government staff, NGOs, indigenous peoples, private sector, women and CBFM groups. Other deliverables will include updating forest reference level, setting up safeguard information system, roadmap for agro-forestry systems in emission reduction program area and national conference on gender integration in REDD+