Forest Carbon Partnership Facility (FCPF)
Technical Assessment of Advanced Draft ER-PD of Nepal

TAP Assessment, Version 27 September 2017

I. General Approach of the Review

The TAP team members individually reviewed the July 31, 2017 draft ERPD in August to mid-September, then met early in the TAP mission to Kathmandu Sept. 17-22 to discuss issues and observations (with S. Rietbergen and P. Olofsson joining by teleconference).

Four TAP members met with many government agencies, CSO, IP and private sector representatives, World Bank office staff, and ICIMOD institute and well-known independent experts in extensive discussions surrounding key questions TAP members had. The TAP started drafting its assessment Sept. 20th in Kathmandu, then one the advanced draft Sept. 27th version was available, finished remotely and held several teleconferences to work through issues and scoring to consensus.

PART 1 OF TECHNICAL ASSESSMENT: SUMMARY

Date of Current Assessment: 21-Sep-2017 on the July 31 draft ERPD, 10-Oct-2017 on Advanced Draft ERPD

Name of Assessment team members:

Leader: Kenneth Andrasko, Overall supervision, following FCPF guidance, editing, contributions to Indicators 1-2, 23, 27, 29, understanding interventions proposed and carbon accounting
Carbon accounting expert: Fred Stolle, 1-2, 3.1 – 23; with Pontus Olofsson, Ind. 7-9
Social and environmental safeguards expert: Simon Rietbergen, 24-26.3, 31.1-32.1, 34.1-35.2
Legal expert: Ludovino Lopes, 28.1-28.3, 33.1 and 36- 38
Country expert: Yadav Prasad Kandel, 27.1-27.2, contributions to other indicators and TAP understanding of interventions proposed. 6 October 2017

Summary Assessment of the Quality and Completeness of the ER-PD:	**Indicators**	**1st Assessment**	**2nd assessment**
The TAP finds that overall the REDD Implementation Center (REDD IC, a wing of Ministry of Forests and Soil Conservation) that leads the Emissions Reduction Program Document (ERPD) process and all REDD+ in Nepal, and its ERPD team have done a remarkable job of consulting with stakeholders, designing with a wide range of partners in the Nepal national and local government, and writing the ERPD describing a complex but interwoven set of REDD+ interventions. The TAP finds that the Sept. 27, 2017 Advanced Draft of the ERPD now provides a strong basis for Nepal to move forward with its work further refining its proposal. The ERPD has not yet met many indicators, however. Some are not met for minor reasons without substance that can be quickly addressed (e.g, a letter or statement or data missing). Others will require several months of further effort to produce a final SESA and ESMF for the ERP area, and to resolve the significant carbon accounting differences between the national REL Nepal submitted to the UNFCCC and the REL produced for the ERP area in the ERPD. But the TAP, over many meetings with agencies and stakeholders in Kathmandu and desk review, finds that the ERPD design is			

conceptually robust and offers strong potential to produce emissions reductions (ERs) for the activities selected, that the ERPD has widespread government and CSO support, and that the ERPD team has the capacity to address the issues remaining over time.

Interventions: Essentially, the entire proposed ERP is constructed around the transfer of community forestry good practices and governance methods piloted in the Middle Hills of Nepal, where they have been proven over the past 30 years, to the lowland, more politically and demographically volatile Terai. This is a potentially transformational shift.

The package of 7 proposed interventions is dominated by the first two--enhanced Scientific Forest Management on 336,000 hectares (ha), and transfer of 200,000 ha from inadequately managed government forest to community-managed forests. These together would generate ~70% of the total ERs. Thus, success of the ER Program (ERP) rides on the design and implementation of these two. Both seem feasible. The transfer of 200,000 ha from national government forest to community forest land seems a challenging governance problem, but in fact has occurred for 100s of thousands of ha in the past few decades, especially in the Middle Hills ecoregion. The Forest Dept. is committed to such transfers. It is capable of implementing them, and there is wide agreement the communities are better able to manage and increase productivity on transferred lands, even at this scale.

The 3rd intervention, expanding private sector forestry to 30,000 ha, has significant potential and addresses a fundamental community and market need, since Nepal imports >50% of its wood product demand. The 4th thru 7th (expanded improved cook stoves and biogas, expanding pro-poor leasehold forestry to 12,000 ha, integrated land use planning over 11,000 ha, and enhanced management of protected areas within the Program area) contribute minor ERs. But after TAP discussions in Nepal, the collective interventions appear to be a coherent set of symbiotic activities necessary to reduce emissions across the 2.2m ha Program area.

Descriptions of the planned actions and interventions and who would undertake them have been much improved in the advanced draft ER-PD, and are now mostly clearly explained, and the rationale for their inclusion as a set is clearer.

The revised ERPD now summarizes intervention actions for major proposed interventions, and the potential risks and impacts of interventions for Indigenous Peoples and for gender considerations and proposed remedies, and offers proposed remedies. This has improved the document significantly.

The TAP notes that less-detailed intervention actions are provided for the smaller interventions proposed for private forestry, land use planning and leasehold forestry. Expanding private forest lands and wood supply was widely supported in TAP discussions with private forestry operators and government agencies in Kathmandu.

Drivers: Major interventions are proposed to address drivers of forest degradation in the Terai, and carbon enhancement (increased afforestation, etc.). But interventions to address deforestation drivers remain important. Such drivers include encroachment by and resettlement of landless or land title-less people, and illegal logging (which also contributes to degradation).

Political change process: One major potential barrier to successful implementation of this set of activities that the TAP discussed with many agencies, World Bank staff in Kathmandu, CSO and institute observers in Kathmandu is the impact of the political change process on the ERPD. Nepal has gone through a 20-year transition from monarchy to democracy to Maoist insurrection to a federal political structure. The strong consensus is that 6 months ago, this may have generated uncertainties. But now that all political parties joined in the elections successfully held in the Terai (the locus of the Maoist revolt) in late September without incident, everyone is confident of political stability ahead. This will take a year or so for 753 newly elected municipal governments nationally, and for 5 new states covering the ER Program area in the Terai that will be formed after the November elections, to

organize new government bodies to convert draft policies, governance structures and budget processes into operational entities. But there is consensus this will occur. The revised ERPD now provides descriptions of how the transition process for institutional arrangements for each intervention will be managed (Table 32), a welcome addition. Therefore, institutional and implementation arrangements for the proposed ER Programs will be evolve at the same time these bodies become operational, which everyone understands. **Consultations:** The ERPD unquestionably has widespread support from the full range of government agencies and civil society. TAP discussions in Kathmandu clearly demonstrated that consultations and the additional land tenure assessment have been conducted in a consultative, transparent and participatory manner, reflecting inputs from relevant stakeholders. The TAP heard repeatedly in Kathmandu, however, that the REDD IC and the ERPD text have been slow to address IP and CSO recommendations coming out of the consultation process. Both sets of stakeholders expressed support for the ERPD process, but the REDD IC may want to reflect on how better to address these concerns from stakeholders. **Carbon accounting:** Inconsistency between ERPD REL and Nepal's UNFCCC REL: There is a major inconsistency between the REL for the ERPD area (3.2 MtCO2/yr) and Nepal's national REL submitted to the UNFCC (0.6 MtCO2/yr for the entire country—fivefold less). This discrepancy must be resolved for credibility of the ER estimates generated by the ERP, due to the magnitude of the difference. TAP discussions in Nepal eventually made clear the government of Nepal now takes the inconsistency in REL estimates very seriously. The revised ERPD importantly now includes a government-scheduled workshop in mid-October 2017 involving key Nepali and international experts to start resolving the differences. The REL in the revised ERPD seems to contain a calculation error in the size of the emissions, which is probably easy to remedy, but must be resolved in the final ERPD. Additionally, the calculations of the emission reductions estimated for several interventions need explanations in adequate detail to assess them, and seem high. This can be readily addressed via careful review and by providing simple assumptions and activity data and emission factors for the key interventions. **The MMR** (Measure, Monitor and Reporting) framework is not yet very well elaborated. A major issue for the ERPD team to consider is if the chosen MMR method (the same as the REL method) can actually detect the changes in emissions from activities planned in the interventions. **Safeguards:** Safeguards: The main outstanding item concerning the safeguards in the ERPD is the need to finalize the ESMF and SESA for the Program area. The TAP understands that the REDD IC staff, with support from the World Bank, will continue work on safeguards in October, and a process and timeline for completing the SESA and ESMF has been added to the revised ERPD. The World Bank's safeguard policy on involuntary resettlement will need to be triggered, as the ER Program is likely to impose some livelihoods restrictions on forest dependent people in the area -- a concern that is normally addressed through triggering this safeguard policy, even if no one will be moved physically under the ERP. Some landless or land title-less people live in the Program area and some internal migration in response to natural disasters or livelihood challenges continues. However, the clear practical consensus among all stakeholders met in Kathmandu appears to be that it is totally untenable, politically speaking, for government to evict landless people living in the forest (sometimes referred to as "encroachers") -- a fact that clearly reduces the social risks inherent in the ERP. A new senior level interagency commission has been created to address the issue of landless and land title less people in the program area, and the REDD IC team has been asked to include a summary of their progress in the next version of the ERPD. Nepal's 2015 Constitution is one of the first or only constitutions to specifically address "carbon services", under Schedule 5, List of Federal Powers—legally clarifying ownership of ERs.			

Funding and financial mechanisms: It is not yet clear from the ERPD if any of the $5m additional funds approved for Nepal's Readiness process by FCPF will be used to perform any of the tasks identified in this assessment as not yet completed or commenced (eg, safeguards issues, Benefit Sharing Plan, design of the MMR system, etc.). Clarification of what work is getting underway that is relevant to the ERPD, what products or outcomes it will produce, and when, may address a number of issues noted by the TAP. Further, new text and graphics in section 6.2 on the revised ER Program Budget finally address sources of funding, and how funds would move from the Min. of Finance down to the municipalities in the field and line agencies. This provides much-needed attention to how financial mechanisms will work, especially in a period of rapid political transition.			
II. Level of Ambition → Criteria 1 – 2, including issues relating to legal aspects **1.1: The ER program aims to address significant portion of forest related emissions and removals:** The ERPD area, the Terai Arc Landscape (TAL), forms about 70% of the southernmost arc of humid forest lowland of Nepal, and is a significant forest area. The intended reductions would reduce 8.5% of its national emissions, contributing significantly. **1.2: ER program is ambitious, with jurisdictional scale and/or programmatic approach and a variety of intervention.** ER Program includes 12 contiguous districts covering 2.2 million hectares (ha) of Nepal's Terai lowlands, globally significant for its biodiversity. The area has some of Nepal's highest rates of deforestation. I was the site of violent Maoist political conflict for 15 years until recently. Seven interlinked Interventions were selected to address stakeholder-identified drivers, including: Improved forest management practices on 336,000 ha of community forest lands; Transferring 200,000 ha of national forest lands to management by Communities (which historically provide more improved management); Expanding private sector timber production; Access to biogas and improved cook stoves, etc. The proposal is ambitious—it would transfer governance and silvicultural models tested in the Middle Hills down into the Terai, establishing new land use management approaches across a vast area —quite significant. **2.1: The accounting area is of significant scale and align with ecoregion** The accounting area is of significant scale-- 2.2 Mha, which represents 15% of Nepal's land area, and 20% of its forests, over 12 administrative districts. The details of the Program Area selected are not entirely clear, but can easily be fixed with improved maps.	**1.1** **1.2** **2.1**	**YES** **YES** **YES**	
III. Carbon Accounting **III (a) Scope and methods→ Criteria 3 – 6** **3.1: The sources and sinks will be accounted for in the ER Program.** Deforestation, degradation and increases in carbon stocks are accounted for. Fires and non-CO2 gases were considered not significant (>10% of emissions), and thus not accounted. The justification and analysis to reach this conclusion could be improved. Inclusion of non-CO2 gases should be reconsidered, since the marked spike in fires in 2016 may indicate fire as a significant driver. **3.2: The ER Program accounts for emissions from deforestation.** The main emissions of 2004-2014 Reference level are from deforestation (81% of gross emissions), which are accounted for.	**3.1** **3.2**	**NO** **YES**	

3.3: Emissions from forest degradation are accounted Forest degradation contributes around 20% to gross emissions and is accounted for.	**3.3**	**YES**	
4.1: Carbon Pools and GHG that are significant within the Accounting Area are accounted for. Above ground and below ground biomass are chosen as the pools to measure, which is reasonable, and the ERPD provides a rationale why dead organic matter, litter and soil carbon are not accounted for. Non-CO2 gases may have to be reconsidered if fire is confirmed as a significant source of emissions, less for the REL and more to inform the MMR event period and system design.	**4.1**	**NO**	
4.2: Carbon Pools and greenhouse gases may be excluded: Some carbon pools (dead wood, litter, soil carbon) and gases (CH4, N2O) excluded with valid reasons, although non-CO2 emission from fires may need to be further assessed.	**4.2**	**YES**	
5.1: The ER Program identifies the IPCC methods used to estimate emissions and removals: IPCC 2006 guidelines are frequently cited as the source of default IPCC values chosen, formulas used or methods. MMR methods need to be further developed, though, including citing IPCC methods used.	**5.1**	**YES**	
6.1: The following methodological steps are made publicly available: – Forest definition; Definition of classes of forests, (e.g., degraded forest; natural forest; plantation); Choice of activity data, and pre-processing and processing methods; Choice of emission factors and description of their development; Estimation of emissions and removals, including accounting approach; Disaggregation of emissions by sources and removal by sinks; Estimation of accuracy, precision, and/or confidence level, as applicable; Discussion of key uncertainties; Methods and assumptions associated with adjusting emissions, if applicable. The Forest definition is consistent across major policy processes in Nepal. Forest classes are defined and stocks described. The choice of activity data may not be able to catch the change in stocks that would occur from the degradation interventions, or interventions expanding cook stoves and biogas use, or expanding integrated land use planning; it is not clear what activity data or emission factors or MMR methods would be used.	**6.1**	**NO**	
6.2: Spatial information are displayed publicly, and explained how these were derived and made publicly available: – Accounting Area; Activity data (e.g., forest-cover change or transitions between forest categories); Emission factors; Average annual emissions over the Reference Period There are no clear maps in the ERPD or currently available in spatial file format of the accounting area, although the government is willing to make them available. The activity data and emissions factors now provided in the revised ERPD make it easy to reconstruct the REL. Average annual emissions are presented. And Nepal did not adjust emissions.	**6.2**	**NO**	
III (b) Uncertainties→ Criteria 7 – 9 **7.1: All assumptions and sources of uncertainty are identified.** The ERPD describes confidence intervals, standard errors for activity data and emissions factors. However, non-forest areas were excluded from the sampling frame for estimation of activity data, which may result in underestimation of the magnitude and uncertainty of activity data estimates.	**7.1**	**NO**	
7.2: The sources of uncertainty identified in Indicator 7.1 are assessed for their relative contribution to the overall uncertainty	**7.2**	**NO**	

Comments under 7.1 pertain to this indicator as well--the absence of sampling in non-forest area could contribute to random errors which are not attributed.			
8.1: Systematic errors are minimized by standard operating procedures, including a set of quality assessment and quality control processes. Activity data are adjusted after verification.	**8.1**	**YES**	
8.2: Random errors and other uncertainties are minimized and accounted for to the overall uncertainty of the emissions and removals. There is no evidence to the contrary.	**8.2**	**YES**	
9.1: Uncertainty associated with activity data and emission factors is quantified including propagation of error. Where errors in data and methods are considered large as defined in IPCC Guidelines, Monte Carlo methods (numerical simulations) should be used to estimate uncertainty4	**9.1**	**NO**	
9.2: Uncertainty of the estimate of Emission Reductions is quantified using Monte Carlo methods. Error in data are combined into a single combined uncertainty estimate and are reported at the two-tailed 90% confidence level. Monte Carlo exercise was conducted for the emissions values and is shown in (annex 13, although a propagation of error exercise has not yet been carried out.	**9.2**	**YES**	
9.3: Uncertainty of Emissions Reductions associated with deforestation, forest degradation and enhancements are reported separately No uncertainty analysis is provided of the potential of the intended interventions to produce the intended 35.6 MtCO2 ERs.	**9.3**	**NO**	
III (c) Reference Level→ Criteria 10 – 13			
10.1: The Reference Level is expressed in tonnes of carbon dioxide equivalent per year. Yes, REL is presented and expressed in $CO_{2\text{-}e}$.	**10.1**	**YES**	
10.2: The ER Program explains how the development of the Reference Level can inform or is informed by the development of a national Forest Reference Emission Level or Forest Reference Level, and explains the relationship between the Reference Level and any intended submission of a Forest Reference Emission Level or Forest Reference Level to the UNFCCC. The REL is 34.4 MtCO2 over the 10 yr period in the revised ERPD, higher than the previous value of 32.3 in July draft ERPD, though it is not clear why the change occurred. Table under 8.5 on page 132 ERPD is inaccurate—some miscalculation has occurred that needs to be reviewed and fixed. There is a major inconsistency between the REL for the ERPD area and Nepal's national REL submitted to the UNFCC in January 2017. This discrepancy must be resolved for credibility of the ER estimates generated by the ERP.	**10.2**	**NO**	
10.3: The ER Program explains what steps are intended in order for the Reference Level to achieve consistency with the country's existing or emerging greenhouse gas inventory. From TAP discussions in Nepal, it is clear the government of Nepal takes the inconsistency in REL estimates very seriously, and now is planning a government-scheduled workshop in mid-October of key Nepali and international experts to work toward resolving the differences.	**10.3**	**YES**	
11.1: The end-date for the Reference Period is the most recent date prior to two years before the TAP starts the independent assessment Development of the ERPD REL has been ongoing since Nepal's R-PIN stage, when the end-date chosen was 2014, which was reasonable. Since the initial TAP assessment took place in September 2017, the REL now probably should go until 2015, which the ERPD team indicated is feasible to the TAP.	**11.1**	**NO**	

11.2: The start-date for the Reference Period is about 10 years before the end-date. An alternative start-date could be allowed only with convincing justification as in Indicator 11.1, and is not more than 15 years before the end-date. The proposed REL has a start date of 2004 and an end date of 2014. Thus a 10 year REL is established.	**11.2**	**YES**	
12.1: The definition of forest is specified. If there is a difference between the definitions of forest used in the national greenhouse gas inventory or in reporting to other international organizations then the ER Program explains how and why the forest definition used in the Reference Level was chosen. The forest definition in the ERPD, State of the Forest report, and UNFCCC REL is consistent and clearly stated.	**12.1**	**YES**	
13.1: The Reference Level does not exceed the average annual historical emissions over the Reference Period As there is no trend in the 4 time periods measured or used, the ERPD REL is a straightforward average over 10 years.	**13.1**	**YES**	
13.2 -13.4: The Reference Level may be adjusted… Not applicable: no adjustment is requested.	**13.2** **13.3** **13.4**	**N/A** **N/A** **N/A**	
III (d) Reference Level, Monitoring & Reporting on Emission Reductions→ Criteria 14-16			
14.1: The ER Program monitors emissions by sources and removals by sinks using the same methods to those used to set the Reference Level. The structure and methods for the Forest Monitoring System (FMS) that will be used in the future are well described, and is consistent with REL methods.	**14.1**	**YES**	
14.2 ERs to be estimated from the beginning of the Term of the ERPA: Activity data are determined periodically, at least twice during the Term of the ERPA, and allow for and allow for ERs to be estimated from the beginning of the Term of the ERPA.. The ERPD plans to do a full forest monitoring event every 2 years, including activity data and emissions factors. The ERP team may want to further reflect on this though. Re-measuring forest inventory plots every 2 years for emissions factors requires substantial time and funds, and it is unlikely that increase in carbon stocks can be accurately measured over a 2-year timeframe.	**14.2**	**YES**	
14.3: Emission factors or the methods to determine them are the same for Reference Level setting and for Monitoring, or are demonstrably equivalent. IPCC Tier 2 or higher methods are used to establish emission factors, and the uncertainty for each emission factor is documented. The plots will be measured the same as in the ERPD REL (except that LIDAR was used in the REL). The interventions concentrate on increasing carbon stock in community and private lands, not on slowing land use change (which is easily detected remotely). The REL method and the MMR method seem unsuited to detect the enhanced carbon stock in existing forest areas on which the interventions rely, which should be further considered.	**14.3**	**NO**	
15.1: ER Programs articulate how the Forest Monitoring System fits into the existing or emerging National Forest Monitoring System, and provides a rationale for alternative technical design where applicable. The ERPD forest monitoring system will be linked to the national forest inventory (NFI), although few details are given at this stage.	**15.1**	**YES**	

16.1: The ER Program demonstrates that it has explored opportunities for community participation in Monitoring and reporting, e.g., of ER Program Measures, activity data, emission factors, safeguards and Non-Carbon Benefits, and encourages such community participation where appropriate. The ERPD clearly indicates that local communities and indigenous people are encouraged to participate, and there are plans to involve them in the forest monitoring**.**	**16.1**	**YES**	
III (e) Accounting for Displacement (leakage) → Criterion 17			
17.1: Deforestation and degradation drivers that may be impacted by the proposed ER Program Measures are identified, and their associated risk for Displacement is assessed, as well as possible risk mitigation strategies. Deforestation drivers identified include encroachment, infrastructure devolvement and resettlement, and degradation drivers identified are timber and fuel wood extraction, overgrazing and forest fire. All the displacement risks are deemed low; the Terai area is predominately agriculture-dominated flat lands, experiencing different drivers from the forested neighboring Churia hills.	**17.1**	**YES**	
17.2: The ER Program has in place an effective strategy to mitigate and/or minimize, to the extent possible, potential Displacement, prioritizing key sources of Displacement risk. The primary risk of displacement is illegal extraction of timber outside the ER Program Area, so the ER Program proposes to minimize the dependency on woodfuel, improve penetration of biogas and improved cook stoves, and to increase the production of timber from forests	**17.2**	**YES**	
17.3: By the time of verification, the ER Program has implemented its strategy to mitigate and/or minimize potential Displacement. Only applicable at the time of verification.	**17.3**	**NA**	
17.4: ER Programs are also invited to report on changes in major drivers in the ER Accounting Area, any Displacement risks associated with those drivers, and any lessons from the ER Programs' efforts to mitigate potential Displacement Only applicable at the time of verification.	**17.4**	**NA**	
III (f) Accounting for Reversals→ Criteria 18 – 21			
18.1: The ER Program has undertaken an assessment of Reversals The reversals are identified and risks estimated as 11%.	**18.1**	**YES**	
18.2: The ER Program demonstrates how effective ER Program design and implementation will mitigate significant risks of Reversals The reversal risk is deemed low. The major intervention is the transfer of government forest land to communities; the benefits of this transfer have been demonstrated to be significant and long-lasting in Nepal's Middle Hills. The interventions designed to introduce Scientific Forest Management good practices on community forests and expanded private forest land both address the supply deficit of logs and fuel wood, one of the major drivers.	**18.2**	**YES**	
19.1: During the Term of the ERPA, the ER Program accounts for Reversals from ERs using one of the following options Option 2, ERP-specific buffer is clearly chosen.	**19.1**	**YES**	

20.1: At the latest 1 year before the end of the Term of the ERPA, the ER Program will have in place a robust Reversal Only applicable before the end of the ERPA term.	**20.1**	NA	
20.2: If the ER Program has selected option 2 under Indicator 19.1 buffer ER, will be transferred to the mechanism identified in Indicator 20.1 at the end of the Term of the ERPA. Only applicable before the end of the ERPA term.	**20.2**	NA	
21.1: The ER Program Monitoring Plan and monitoring system are technically capable of identifying Reversals. For deforestation, the change in forest cover can be detected in the current proposed monitoring plan. For degradation, the reduction in carbon stock in forest seems less likely it would be detected.	**21.1**	YES	
21.2: The ER Program reports to the Carbon Fund within 90 calendar days after becoming aware of any emissions in the Accounting Area or changes in ER Program circumstances Only applicable at the time a reversal occurs and at the time of verification.	**21.2**	YES	
III (g) Accounting for ERs → Criteria 22 - 23			
22: Net ERs are calculated by the following steps 1. Subtract the reported and verified emissions and removals from the Reference Level 2. Set aside a number of ERs in a buffer reserve. 3. Set aside a number of ERs in the ER Program CF Buffer An ER estimate is provided, but no ex-ante estimation of the number of ERs that would be available for purchase by the Carbon Fund that follows the specific steps listed above-- easily remedied.	**22.1**	NO	
23: To prevent double-counting, ERs generated under the ER Program shall not be counted or compensated for more than once (i) [Participation under other GHG initiatives 14.1]: No other group is participating in the ERPD or otherwise to buy the CO_2 ERs produced.	**23i**	YES	
(ii) [Data management and Registry systems to avoid multiple claims to ERs 19.2]: The ER Program has selected option (b), to use the comprehensive national REDD+ Program and Projects Data Management System, as well as the eventual Registry, to be provided by World Bank. Relevant ministries and agencies do not yet seem to have invested time and experience in beginning to design such a system on the Nepali side.	**23ii**	YES	
IV. Safeguards **Actions undertaken to meet WB and Cancun Safeguards→ Criteria 24-26**			
24.1 and 24.2 The ER Program design does not yet meet the relevant World Bank social and environmental safeguards, since the SESA and ESMF – and related safeguards instruments for the ER Program area – are underway but have not been completed yet. Nepal is making progress in meeting UNFCCC's Cancun Safeguards.	**24.1** **24.2**	NO NO	
25.1 Though the ESMF and other safeguard instruments for the ER Program area have not yet been completed, the EPRD (p. 145) contains some useful details on safeguard monitoring arrangements. Full assessment of this criterion will have to await the detailed description of safeguard monitoring arrangements are included in the ESMF and related safeguards instruments for the ER Program area.	**25.1** **25.2**	NO N.A	
26.1 While the Feedback and Grievance Redress Mechanism (FGRM) for the ER Program area has not yet been established, the ERPD contains a considerable amount of relevant information on this topic.	**26.1**	NO	

A report to assess existing FGRMs in Nepal and to develop a FGRM for REDD+ implementation was published in 2015.			
26.2 The process for receiving, screening, addressing, monitoring and reporting feedback to the public is outlined in the ERPD, but will need to be described in more detail in the ESMF for the ER Program area, which has not yet been completed.	**26.2**	**NO**	
26.3 The FGRM does not exist yet. While a detailed description of existing FGRM procedures and steps is provided, there is no discussion of what improvements need to be made to have a functioning FGRM, nor any plan to undertake such improvements.	**26.3**	**NO**	
V. Sustainable Program Design and Implementation **V. (a) Drivers and Land Resource Tenure Assessment → Criteria 27-28**			
The ER Program has clearly identified the key drivers of deforestation and forest degradation in the ER Program area. Analysis of drivers of deforestation and forest degradation in advanced draft (27 Sept 2017) has been much improved compared to the initial draft (31 July 2017). Unsustainable and illegal harvest of timber and fuelwood has been linked to the demand and supply of these products with two tables (Table 7 and 8). Similarly, overgrazing has been analyzed with livestock numbers in ER Program districts (Table 9). Forest fire has also been analyzed with more data and map (Fig. 4 and 5). Description and justification of the planned actions and interventions have been much improved in the advanced draft. Potential risks and impacts of interventions for Indigenous Peoples and proposed remedies have been added into the advanced draft (Tables 13, 17, 19, 20, 21), as well as gender considerations, during implementation of specific interventions. Political transition management for institutional arrangements of the seven interventions in Nepal's federal restructuring process (Table 32) included in the advanced draft now addresses how the ERP will cope with changes in forest governance over the next few years.	**27.1** **27.2** **28.1** **28.2** **28.3**	**YES** **YES** **YES** **NO** **NO**	
V. (b) Benefit sharing → Criteria 29 – 33			
The benefit-sharing plan (BSP) is not yet due, hence the criterion is scored N.A. Many of the elements of the BSP are already in place, though, in the form of existing rules for benefit sharing that apply to, for example, community forests and to areas under collaborative forest management arrangements between the forestry department and local communities. The general rules that will apply to the Benefit Sharing Mechanism are identified, including pursuant to 2011 Climate Change Policy, 80% of total results-based payments under the ER Program will be dedicated to local level, and up to 20% allocated for management costs of the government. Formal endorsement of the BSP by the Government of Nepal is anticipated in March, 2018.	**29** **30.1** **31.1**	**YES** **N.A.** **N.A.**	
32.1 Only applicable at the time of verification, therefore scored N.A.	**32.1**	**N.A.**	
33.1 Only applicable at the time of verification, therefore scored N.A.	**33.1**	**N.A.**	
V. (c) Non-Carbon Benefits → Criteria 34 – 35			
34.1 Non-Carbon Benefits (NCBs) are a high priority for the Nepal ERPA, and for many of the local-level stakeholders consulted during the REDD+ Readiness and ERP preparation processes. The aim of the ER Program interventions is to ensure significant positive non-carbon benefits through enhancement of livelihoods, social norms and rights, generation of environmental benefits, etc.	**34.1**	**YES**	
34.2 The potential NCBs that will be generated were identified, scoped and validated through district-level consultations with communities and stakeholders in each ER Program district.	**34.2**	**YES**	
35.1 ERPD confirms that information on priority Non-Carbon Benefits will be integrated in the SIS (but this is still under construction, so the indicator is scored NO).	**35.1**	**NO**	

35.2 Only applicable at the time of verification, therefore scored N.A.	**35.2**	**N.A.**	
VI. ER Program Transactions **VI (a) ERPA Signing Authority and Transfer of Title To ERs → Criterion 36** The ER Program Entity identified the Ministry of Finance and demonstrates its authority to enter an ERPA with the Carbon Fund prior to the start of ERPA negotiations. The Entity demonstrates in principle its ability to transfer to the Carbon Fund the Title to ERs from the Public Lands Forests. However, it has not yet clarified how the ER Program Entity will deal with the privately owned Forests. **VI (b) Data Management and ER Transaction Registries → Criteria 37 - 38** The ER Program host country has made a decision to maintain its own comprehensive national REDD+ Program and Projects Database Management System to be managed by REDD IC. However, operational and administrative procedures are not yet fleshed out.	**36.1** **36.2** **36.3** **37.1** **37.2** **37.3** **37.4** **38.1** **38.2** **38.3** **38.4**	**YES** **NO** **NO** **YES** **YES** **NO** **NO** **YES** **N.A.** * **N.A.** * **N.A.** *	
SUMMARY SCORE and overall comment: In sum, for the 78 indicators and sub-indicators listed, the TAP assessed the current status of the advanced draft ERPD as: **38 are YES and meet the Meth. Framework standard,** **25 are NO and do not currently meet the standard, and** **15 are Not Applicable at present.** Many of the current NO's probably could meet the standard with modest additional effort by providing missing documents, data or descriptive text. Some key NO's require significant effort and time, such as finalizing an ESMF and SESA, writing a Benefit Sharing Plan, and resolving the discrepancy between the UNFCCC REL value and the ERPD REL value—but many of those activities are already underway.			

PART 2 OF TECHNICAL ASSESSMENT: DETAILED ASSESSMENT

C. 1 The proposed ER Program is ambitious, demonstrating the potential of the full implementation of the variety of interventions of the national REDD+ strategy, and is implemented at a jurisdictional scale or programmatic scale.	
Ind. 1.1 The ER Program Measures aim to address a significant portion of forest-related emissions and removals	**YES**
Conclusion: the TAL choice seems to be a significant forest area, and the intended reductions would contribute significantly to Nepal's reduction of emissions. The ERPD area, the Terai Arc Landscape (TAL), forms about 70% of the southernmost arc of humid forest lowland of Nepal. It is a combination of the western and central Terai (the lowland ecoregion) administrative districts and some parts of the Churia (or Chure, the low hill ecoregion just above or north of the Terai) districts. The area is a recognized development area comprised of districts targeted by government programs, but not a single jurisdictional administrative region per se. This makes this region difficult to compare with other data sources, which usually report per administrative region or for the Terai as a whole.	

Region	forest area	wooded land				Total
	ha	5-10% shrub	shrub	**total**	Other lands	
Terai	411,580	5,500	4,000	**9,500**	1,595,916	**2,016,998**
Churia	1,373,743	22,336	336	**22,672**	501,848	**1,898,263**
Middle Mountains	2,253,807	29,308	32,979	**62,287**	1,993,302	**4,309,396**
High Mountains and High Himalaya	1,922,909	473,850	79,581	**553,431**	4,072,426	**6,548,766**

State of the Forest Nepal, Dec 2015, p. 25

Though the Terai is not the most forested region (see table above from State of Forests of Nepal (SoF)) and has the lowest percentage of forest (State of Forest table 13), it has 80% of Nepal's forest outside protected areas (SoF table 10). According to the ERPD and Nepal's UNFCCC 2000-2010 forest reference level, the Terai has the highest increase in deforestation for all Nepal. The State of the Forest mentions Churia as the main area of change (without giving numbers, p. 45).

The reduction in deforestation and degradation aimed for in the ERPD is "36 million $MtCO_2e$ over the period of 10 years" thus 3.6 MtCO2e/yr which is 8.5% of Nepal total emissions (Nepal 42.3 MTCO2e/yr 2013, CAIT WRI).

Ind. 1.2 The ER Program is ambitious, uses new or enhanced ER Program Measures to reduce Emissions or enhance removals**,** is undertaken at a jurisdictional scale and/or takes a programmatic approach (i.e., involves multiple land areas, landowners or managers within one or several jurisdictions), and reflects a variety of interventions from the national REDD+ strategy in a coordinated manner.	**YES**

Conclusion: the interventions seem ambitious and diverse and in a large enough landscape (ERPD area is 2.2 Mha). However, It is not clear how the emission reductions of the interventions are calculated.

ER Program includes 12 contiguous districts of the Terai Arc Landscape (TAL), covering 2.2 million hectares of Nepal's lowlands and globally significant for its biodiversity, with some of the highest rates of deforestation in Nepal, and the locus of strident political conflict for 15 years until recently.

Interventions were selected to address stakeholder-identified drivers, and include:
1) Introducing improved forest silvicultural practices on 336,000 ha of existing community forest lands;
2) Transferring 200,000 ha of government National Forest lands to control and management by Community and Collaborative Forest User Groups, a governance transferal that historically provides more active management;
3) expanding private sector timber production, now small, to an additional 30,000 ha, to help meet over-demand for timber and fuelwood;
4) expand access to alternative energy sources to replace forest fuelwood with biogas and improved cook stoves;
5) scaling up 12,000 ha of pro-poor leasehold forestry;
6) introducing integrated land use planning to 11,736 ha of municipalities and rural lands, to reduce forest area loss during infrastructure development; and
7) strengthening management of Protected Areas in the Program area.

Ambitious: If reductions are successful, it would reduce 8.5% of Nepal's emissions, and bring governance and silvicultural models tested in the Middle Hills down into the Terai, establishing new land use management approaches —quite significant.

New or Enhanced Interventions: These interventions (p. 3 summary revised ERPD) offer a good variety of interventions, mostly to improve carbon stocks by enhancing forests and to expand private forest lands and productivity, and some aimed to stop deforestation. These interventions have been tested in several regions and pilots in Nepal (per TAP Nepal visit meetings). The details of the interventions and how they will lead to the intended emission reductions were not clear in the July ERPD, but they have been substantially better explained and a Theory of Change added to the Sept. ERPD draft.

Jurisdictional scale: The ERPD TAL area includes parts of two major ecoregions that are also development region terms, the Terai and the Churia. However, the Program area is not well described or mapped in the ERPD, so it is not easy to compare with other data sources.

However, it is not clear how the emission reductions of the interventions are calculated.

E.g. according to table on page 3 intervention 1 over 336,000 ha would generate 19 MtCO2/10yr, while in revised ERPD p. 159 the sequestration rate is 1.75 t C/ha/yr (IPCC value). Thus 336 kha would sequester (336 kha x 1.75 x 10 yr x 3.6 C to CO2 =) 21 MtCO2/10 yrs. However, table 47 (p. 158) states not all land will be handed over in year 1, only 10%, then 20% in year 2,3,4 and 10 % in year. Thus (10%*336*9)+(20%*336*8)+20%(336*7)+etc = 6.7 MtCO2/10 yr. Clearer explanation of how the 19 MtCO2/10 yr is calculated, and how emission reductions would be generated by the interventions is needed.

C. 2 The Accounting Area matches a government- designated area that is of significant scale

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**

Conclusion: the accounting area is of significant scale, but the Program Area selected is not entirely clear. This can easily be fixed with improved maps**.**

As mentioned above the ER program area (2.2 Mha) includes 12 administrative districts plus some small percentage of the Churia hills ecoregion. "The TAL represents approximately 15% of Nepal's total land area, 20% of Nepal's forests The Terai has high carbon density and comprises 15% of Nepal's land area and 7% of Nepalese forests" (revised ERPD page 2 summary).

No clear map of the Program area is presented, which includes most of the Terai and some of the Churia hills. A new map added to the revised ERPD, figure 1, appears to show only Terai districts are in the ERP area (though it does make clearer the most eastern part of the Terai is not included). However, Table 5 (p. 35) a welcome addition to the ERPD, gives a better picture of the ERPD area with districts that are partly in Terai, Churia and Middle Hills (see indicator 6.2). It is unclear how figure 1 and table 5 relate to each other.

C. 3 The ER Program can choose which sources and sinks associated with any of the REDD+ Activities will be accounted for, measured, and reported, and included in the ER Program Reference Level. At a minimum, ER Programs must account for emissions from deforestation. Emissions from forest degradation also should be accounted for where such emissions are significant.

Ind. 3.1 The ER Program identifies which anthropogenic sources and sinks associated with any of the REDD+ Activities will be accounted for in the ER Program	**NO**

Conclusion: The REL does account for deforestation, degradation and increase in carbon stocks. Fires and non-CO2 gases are not accounted for. The analysis to reach this conclusion could be improved and the inclusion of non-CO2 gases should be reconsidered. Fire as a driver may be important (per 2016 fire spike), and considering Criterion 14.1 that states that the Monitoring system should be comparable to the reference level method, inclusion of fire in the REL seems useful. The size and importance of illegal logging is not clear and needs to be further looked into, to ensure it is not a significant driver or source of emissions (>10% of emissions, per Meth. Framework).

Details: The ERPD has selected deforestation, degradation and increase of carbon stocks to be counted.

Fires are not mentioned in the activity data. However, in the revised ERPD, fire has been explained in detail. Extra analysis on fire occurrence from 2000-2017 in the TAL area has been displayed in figures 4 and 5 on page 47, 48. However, non-CO2 gases are still excluded in the carbon pool (page 114, new ERPD. Page 47 of the revised ERPD mentions: "MODIS forest fire data for the ER program district provided by ICIMOD estimated 2,148 forest fires in the ER Program Area in 2016; a more than 10-fold increase on previous years".

This 2016 spike indicates there are significant fires in the ERPD area and that it is apparently a driver to take account of. On p. 114, national fire activity data is used to calculate non-CO2 emissions from fire and to conclude that these emissions are only 12% of the national FREL and therefore are not counted. This might be a valid reason for exclusion, but is not clear in the ERPD (e.g., there is no spatial analysis used and all these fires could be in the Terai region). The FCPF framework declares that >10% should be accounted for. Further investigation into the fire occurrence and emissions appear warranted since it may be a variable driver.

The revised ERPD hints that illegal logging is bigger than the official the 2,800 m^3/yr that is listed in the ERPD. However, no data or studies are listed. It is therefore not clear if this 2,800 m^3/yr is wildly underestimated or possibly a significant driver and source of emissions. P. 44 ERPD: "A 2010 study estimated that over 100,000 cubic feet (2,800 cubic meters) of timber was illegally harvested nationally in 2009 alone.[1] This is only reported data based on the legal actions taken against perpetrators; unreported data is not estimated."

Ind. 3.2 The ER Program accounts for emissions from deforestation.	**YES**

Conclusion: Deforestation is the main driver of emissions in the TAL region and the REL accounts for these emissions.

The main emissions of 2004-2014 Reference level are from deforestation (81% of gross emissions) and they are accounted for. However, there has been a significant adjustment of deforestation number between the July ERPD and the revised version 27 September 2017. Deforestation jumped from 105 kha/10yrs to 120 kha/10yrs (TAP's calculation from table 37, p. 128 of revised ERPD). Deforestation's associated emission jumped from 30.5 MtCO2/ 10yr in July ERPD to 36 MtCO2 (table 8.5, p. 132 ERPD). An explanation for this increase seems warranted.

Ind. 3.3 Emissions from forest degradation are accounted for where such emissions are more than 10% of total forest-related emissions in the Accounting Area, during the Reference Period and during the Term of the ER-PA. These emissions are estimated using the best available data (including proxy activities or data).	**YES**

Conclusion: Emissions from degradation are accounted for in the ERPD

Forest degradation contributes around 20% to gross emissions (8 MtCO2/10yr table 8.5 page 132 ERPD). Degradation is measured by detecting open canopy with Landsat data in four different forest types. The degradation AGB is measured with plots and LIDAR data.

C. 4 The ER Program should account for, measure and report, and include in the ER Program Reference Level, significant carbon pools and greenhouse gases, except where their exclusion would underestimate total emission reductions.

Ind. 4.1 The ER Program accounts for all Carbon Pools and greenhouse gases that are significant within the Accounting Area, both for Reference Level setting and Measurement, Monitoring and reporting (MMR).	**NO**

Conclusion: the choice of carbon pools seems to be valid, and practical. The inclusion of non-CO2 gases may have to be reconsidered not so much for the REL but for the MMR period and system design, if fire is confirmed as a possibly significant source of emissions.

Above ground and below ground biomass are chosen as the pools to measure. Page 113 ERPD gives the reason why dead organic matter, litter and soil carbon are not accounted for: "Based on NFI analysis, it is estimated that dead organic matter, litter and debris contribute 1.19 t C/ha against an average above ground forest biomass of 108.88 t C/ha. As such, litter does not seem to constitute a significant pool and is excluded".

[1] UN-REDD (2014) Understanding drivers and causes of deforestation and forest degradation in Nepal: potential policies and measures for REDD+

According to the State of the Forest p. 42, Soil organic carbon in the Terai area is around 25% of total carbon of medium to large trees. P. 114 ERPD: "Since primary activities are related to avoided deforestation and degradation and do not include significant ground disturbance, exclusion of soil carbon is likely conservative". The TAP agrees that soil organic matter likely will not change much with the intervention planned and agrees to ignore this pool although it is over 10% of the carbon stock.

Only greenhouse gas accounted for is CO2. This might be an issue for fires, see indicator 3.1. The REL would likely not change if non-CO2 would be included, but with the fire episode in 2016, non-CO2 gas accounting might need to be included in the MMR period.

Ind. 4.2 Carbon Pools and greenhouse gases may be excluded if: I. Emissions associated with excluded Carbon Pools and greenhouse gases are collectively estimated to amount to less than 10% of total forest-related emissions in the Accounting Area during the Reference Period; or II. The ER Program can demonstrate that excluding such Carbon Pools and greenhouse gases would underestimate total emission reductions.	**YES**

Conclusion: Exclusions of carbon and gases are valid

There are carbon pools (dead wood, litter, soil carbon) and gases (CH4, N2O) excluded as mentioned in previous indicator (4.1) with valid reasons, with exception of non-CO2 emission from fires. The exclusion of soil carbon seems to be valid, but no study or evidence is shown on the assumption that the interventions would or would not change soil carbon.

C. 5 The ER Program uses the most recent Intergovernmental Panel on Climate Change (IPCC) guidance and guidelines, as adopted or encouraged by the Conference of the Parties as a basis for estimating forest-related greenhouse gas emissions by sources and removals by sinks.

Ind. 5.1 The ER Program identifies the IPCC methods used to estimate emissions and removals for Reference Level setting and Measurement, Monitoring and reporting (MMR).	**YES**

The IPCC 2006 guidelines are frequently cited when default IPCC values are chosen, formulas used or method. The MMR methods are not very clearly spelled out and thus there are no mentions of IPCC methods used.

C. 6 Key data and methods that are sufficiently detailed to enable the reconstruction of the Reference Level, and the reported emissions and removals (e.g., data, methods and assumptions), are documented and made publicly available online. In cases where the country's or ER Program's policies exempt sources of information from being publicly disclosed or shared, the information should be made available to independent reviewers and a rationale is provided for not making these data publicly available. In these cases, reasonable efforts should be made to make summary data publicly available to enable reconstruction.

Ind. 6.1 The following methodological steps are made publicly available: I. Forest definition; II. Definition of classes of forests, (e.g., degraded forest; natural forest; plantation), if applicable; III. Choice of activity data, and pre-processing and processing methods; IV. Choice of emission factors and description of their development; V. Estimation of emissions and removals, including accounting approach; VI. Disaggregation of emissions by sources and removal by sinks; VII. Estimation of accuracy, precision, and/or confidence level, as applicable; VIII. Discussion of key uncertainties; IX. Rationale for adjusting emissions, if applicable; X. Methods and assumptions associated with adjusting emissions, if applicable.	**NO**

Conclusion: this is a complex criterion composed of about 10 sub-items, of which the majority are adequately addressed in the ERPD, but 3 need further explanation or action.

1. Forest definition;
   The forest definition is clear and in accordance with FAO and UNFCC guidelines and is same throughout Nepal. "An area of land of at least 0.5 ha and a minimum width/length of 20 m with a tree crown cover of more than 10% and tree heights of 5 m at maturity."
   Conclusion: Forest Definition same for all processes
2. Definition of classes of forests, (e.g., degraded forest; natural forest; plantation), if applicable:
   Definition of Closed and open forest are derived from Landsat satellite data NDFI values (p. 124).
   Sal forest and riverine forest are briefly described; Mixed Sal forest, and Other forest (likely wooded grasslands) are not described (p. 36).
   Conclusion main definition are mentioned, few minor one are missing. Can improve on description
3. Choice of activity data, and pre-processing and processing methods:
   The activity data are the transitions between closed ←→open forest in the different forest types (Sal, Sal mixed, other and riverine. Using plots and LIDAR data, carbon stock is calculated for all 8 forest types
   The change in area between years as determined by NDFI then determines the emissions.
   Pre-processing and processing of Landsat data is done with Brazilian software from Imazon that is well known. The LIDAR data software is not described (p. 117 ERPD).
   The activity data in REL seems valid. However, it is not sure how this method can be used in the MMR method to detect the interventions (explained under Criteria 14, MMR).

   In addition, some of the interventions expand cook stoves and biogas use, or expand integrated land use planning, and it is not clear what activity data or emission factors or MMR methods would be used.
   Conclusion: the choice of activity data seems not been able to catch the change in stocks that would occur from the intervention
4. Choice of emission factors and description of their development;
   The emission factors are derived from stock factors for Open and closed forest, etc. The growth factor is IPCC default value.
   Conclusion: Stock values well described
5. Estimation of emissions and removals, including accounting approach:
   The difference in stock is well described. The emissions from deforestation is thus well caught, degradation emissions in so far it changes the canopy structure from closed→ open is well detected. However, the method of measuring emission/removals for the interventions which are mainly based on increase in carbon stock in existing forest is not clear.
   Conclusion: accounting in the MMR period is not clear
6. Disaggregation of emissions by sources and removal by sinks:
   Deforestation changes, degradation and reforestation all described with the difference in stock method.
   Conclusion: the sources and sink are described in the REL
7. Estimation of accuracy, precision, and/or confidence level, as applicable:
   Accuracy of the emission and the activity data is analyzed and discussed on p. 152 ERPD onwards.
   Confidence intervals of 95% are calculated (table 43 for AGB, table 44 for change detection).
   Conclusion: accuracies and confidence level are calculated
8. Discussion of key uncertainties:
   Key uncertainties are discussed and analyzed as confidence intervals and standard error. No discussion on the spike in REL of 2009-2011 or possible change in drivers like fire.
   Conclusion: discussion on uncertainties can be improved
9. Rationale for adjusting emissions, if applicable: N/A
10. Methods and assumptions associated with adjusting emissions, if applicable: N/A

Ind 6.2 For the following spatial information, maps and/or synthesized data are displayed publicly, and reasonable efforts are made to explain how these were derived from the underlying spatial and other data, and to make key data sets or analyses publicly available: I. Accounting Area II. Activity data (e.g., forest-cover change or transitions between forest categories) III. Emission factors IV. Average annual emissions over the Reference Period V. Adjusted emissions Any spatial data used to adjust emissions, if applicable.	**NO**

I. Accounting Area
The accounting area is 2.2 Mha, with 1.2 Mha of forest, comprising two regions (Terai and Churia) and 12 districts. There are no clear maps in the ERPD, and no maps currently available in spatial file format, but the government is willing to make those available when asked.
Conclusion: Data will be made available but is currently not.
Table 5 the forest area for each district and in each region (Terai, Churia and Middle Hills) is a welcome addition in the revised ERPD). It sheds more light on the ERPD area. Adding the percent of forest area for each district and totals for region would help show the relative importance of districts and regions.

II. Activity data (e.g., forest-cover change or transitions between forest categories):
The activity data for REL was made available during TAP visit; the activity data and emissions factors now provided in the ERPD make it easy to reconstruct the REL.
Conclusion: Activity data is available

III. Emission factors
Emission factors for the change from one forest type density to the other (e.g. open ←→ closed, open ←→ none) are represented in ERPD and with the activity data it is easy to replicate the REL.
Conclusion: Emissions data available in the ERPD

IV. Average annual emissions over the Reference Period
The average annual emissions in the REL (2004-2014) was 3.2 MtCO2/yr
Conclusion: Average annual emissions are available in the ERPD

V. Adjusted emissions: N/A. Nepal did not adjust emissions

C.7 Sources of uncertainty are systematically identified and assessed in Reference Level setting and Measurement, Monitoring and reporting

Ind 7.1 All assumptions and sources of uncertainty associated with activity data, emission factors and calculation methods that contribute to the uncertainty of the estimates of emissions and removals are identified.	**NO**

The ERPD describes the confidence intervals, standard errors for activity data and emissions factors from p. 152 onward. However, non-forest areas were excluded from the sampling frame from which the sample data for estimation of activity data was collected. Activities in areas mapped as non-forest would thus not be included in the sample data. Such omissions of activity data may have resulted in an underestimation of the magnitude and uncertainty of activity data estimates.

During the TAP visit, Nepal's remote sensing expert did mention that sampling was done outside the forest area. However, there is no mention of this in the ERPD methods or how the uncertainty was then further calculated. Thus, this indicator potentially could be met, but currently is not addressed in the ERPD text.

Ind 7.2 The sources of uncertainty identified in Indicator 7.1: are assessed for their relative contribution to the overall uncertainty of the emissions and removals.	**NO**
The comments under 7.1 pertain to this indicator as well. The absence of sampling in non-forest area contribute to random errors which are not attributed.	
C 8 The ER Program, to the extent feasible, follows a process of managing and reducing uncertainty of activity data and emission factors used in Reference Level setting and Measurement, Monitoring and reporting.	
Ind 8.1 Systematic errors are minimized through the implementation of a consistent and comprehensive set of standard operating procedures, including a set of quality assessment and quality control processes that work within the local circumstances of the ER Program.	**YES**
Activity data are adjusted after verification.	
Ind 8.2 Random errors and other uncertainties are minimized to the extent practical based on the assessment of their relative contribution to the overall uncertainty of the emissions and removals.	**YES**
There is no evidence to show the contrary. The TAP notes that the error discussed in 7.1 could be considered a "random error", but it is straightforward to explain, and otherwise there is no evidence of other errors.	
C 9 Uncertainty of activity data and emission factors used in Reference Level setting and Measurement, Monitoring and reporting is quantified in a consistent way, so that the estimation of emissions, removals and Emission Reductions is comparable among ER Programs	
Ind 9.1 Uncertainty associated with activity data and emission factors is quantified using accepted international standards, for example by providing accuracy, confidence interval, distribution of error, and propagation of error. Where errors in data and methods are considered large as defined in IPCC Guidelines, Monte Carlo methods (numerical simulations) should be used to estimate uncertainty	**NO**
Conclusion: Confidence intervals and errors estimates were carried out. No propagation error analysis was found in the ERPD. Activity data error analysis: P. 155 ERPD states that only the 2009-2011 activity date is verified. Verification was carried out by high resolution RapidEye data from 2010. Five percent of change polygons for each activity (e.g., defor, degrad, etc.) which are equal or greater than 5 hectares were randomly selected and then visually verified. The overall accuracy found is 85% of the change detection in 2009-2011 period (page 137, table 30). Emission data error analysis: Page 130 describes the error analysis for AGB based on an independent sample of 46 plots developing class-specific mean and standard deviation. Monte Carlo exercise was conducted for the emissions values (annex 13, p. 236 ERPD), with more than 1,000 simulated runs of 743 plots' data. Propagation of error exercise was not carried out.	
Ind 9.2 Uncertainty of the estimate of Emission Reductions is quantified using Monte Carlo methods. Underlying sources of error in data and methods for integrated measurements of deforestation, forest degradation and enhancements (e.g., as in a national forest inventory) are combined into a single combined uncertainty estimate and are reported at the two-tailed 90% confidence level	**YES**

Monte Carlo Exercise on emissions was carried out

Ind 9.3 Uncertainty of Emissions Reductions associated with deforestation, forest degradation and enhancements are reported separately if measured through separate (i.e., non-integrated) approaches and when degradation is estimated using proxy data	**NO**

No uncertainty analysis of possibility to reach the intended 35.6 MtCO2 ERs with the intended interventions is carried out

C 10 The development of the Reference Level is informed by the development of a Forest Reference Emission Level or Forest Reference Level for the UNFCCC

Ind 10.1 The Reference Level is expressed in tons of carbon dioxide equivalent per year	**YES**

REL is developed for 2004-2014 with activity data from Landsat and emission factors from plots and LIDAR. The REL is expressed in CO2e/yr.

Ind 10.2 The ER Program explains how the development of the Reference Level can inform or is informed by the development of a national Forest Reference Emission Level or Forest Reference Level, and explains the relationship between the Reference Level and any intended submission of a Forest Reference Emission Level or Forest Reference Level to the UNFCCC	**NO**

Conclusion 1: In the New ERPD it seems very likely a calculation mistake has been made. However, the REL calculating is central part of the ERPD. This is likely a small mistake -- but MUST BE CLARIFIED. Currently the numbers as displayed in table 8.5 give a very different REL.

The REL is 34.4 MtCO2 over the 10 yr period in the revised ERPD value; which is higher than the previous value of 32.3 (p. 5 July ERPD). The revised ERPD has recalculated the deforestation and degradation activity data. Deforestation over the REL has increased 20%. Not clear to the TAP team where these new data and thus increased REL are coming from.

Importantly, Table 8.5 on page 132 of the revised ERPD is inaccurate—some miscalculation has occurred that needs to be reviewed and fixed:

- deforestation estimates: The emissions in the table for deforestation is calculated as 35.9 MtCO2e/10yrs. However, the 4 periods add up to (0.7+3.5+10.0+1.3) = 15.6 MtCO2/10yr.
- degradation estimates: In table calculated as 8.5 MtCO2/10yr. However, 0.08+0.4+1.7+1.2 = 3.4.
- Enhancement in table estimated at 10 MtCO2/10yr. Calculation: 1.6+0.26+0.53+1.66= 4.05 MtCO2/10yrs.
- These calculations produce a very different total REL of 14.9 MtCO2/10yr or 1.5 MtCO2e/yr – not the 34.4 figure now given. This needs to be reviewed and fixed.

Year	Average annual historical emissions from deforestation over the Reference Period (tCO_{2-e})	If applicable, average annual historical emissions from forest degradation over the Reference Period (tCO_{2-e})	If applicable, average annual historical removals by sinks over the Reference Period (tCO_{2-e}/yr)	Adjustment, if applicable (tCO_{2-e})	Reference level (tCO_{2-e})
2004-2006	707 093	86 150	-1 599 799		-806 556
2006-2009	3 496 392	428 376	-262 164		3 662 605
2009-2011	10 008 377	1 712 126	-527 704		11 192 800
2011-2014	1 347 475	1 195 759	-1 663 025		880 209
10-yr	35 962 542	8 468 959	-10 030 570		34 400 931
Annual	**3 596 254**	**846 896**	**-1 003 057**		**3 440 093**

Conclusion 2: There is a major inconsistency between the REL for the ERPD area and Nepal's national REL submitted to the UNFCC in January 2017. This discrepancy must be resolved for credibility of the ER estimates generated by the ERP. The ERPD-REL and UNFCCC-REL are different because of different methodologies and choice of parameters. However, deforestation, the main emission component, has comparable methods and still has very different values. Further, the difference between 3.2 MtCO2/yr from the ERPD and the 0.6 MtCO2/yr from the UNFCCC-REL (TAP team quick calculation) is too big for the numbers to be credible.

From TAP discussions in Nepal, it is clear the government of Nepal takes the inconsistency in REL estimates very seriously. Following TAP visit, the revised ERPD now includes a government-scheduled workshop in mid-October 2017 involving key technical Nepali and international experts to work toward resolving the differences (table 2 p. 27 and p. 134). The ERPD adds: "The RIC and DFRS recognize these outstanding issues and are planning an aggressive course of additional work in the coming months to resolve them prior to launch of the ER Program, noting that these issues do not reflect on the anticipated scope of program interventions or their effectiveness, but rather on the ability to measure these impacts in a fully transparent and unbiased manner, as well as for subnational and national methodologies to be mutually informed".

The TAP concludes that the ERPD REL and the UNFCCC REL are linked and will in principle inform each other in the months ahead, once the technical differences have been understood. The ERPD credibility would be enhanced if it described how the activities of-different agencies and various reports inform and build on to each other and explain the differences in data and assumptions.

Though this is currently a NO, the TAP team trust that the Nepali team will be able to address this.

Details: Several documents developed the last few years present key data related to the RL:

- Nepal's Second National Communication to the UNFCCC – Dec 2014- by Ministry of Science Technology and Environment
- The 2000-2010 forest reference level submitted to UNFCCC – Dec 2016- Ministry of Forests and Soil Conservation
- The State of Nepal's Forest – Dec 2015 - Ministry of Forests and Soil Conservation
- This ERPD – Government of Nepal- Sept. 2017
- Development of a REDD+ Forest Reference Level in Nepal- Methodological Steps and Presentation of the Forest Reference Level - Feb 2015 - Ministry of Forests and Soil Conservation, REDD+ Forestry and Climate Change cell.

Ministry of Environment is responsible for the Second National Communication to UNFCCC (2015), and relied on old 1993 FAO data as the best available for 2000/01.

The magnitude of the ERPD REL and UNFCCC REL are very different. ERPD section 8.6, p. 133 summarizes the data:

- ERPD is subnational and focuses on TAL area-- Terai lowlands and some Churia hills lands. This is not well described, and no spatial data are presented on the ERPD area.
    - 2004-2014 emissions in this 2.2M ha area with 1.2 Mha of forests total 34.3 MtCO2e/10 years in the July ERPD (table 8.5 p. 132). In revised ERPD p. 132, the REL has been recalculated as 35.9 MtCO2e/yr.
    - Deforestation (July ERPD) 30.4 MtCO2/10 yr (90,000 ha),
      New ERPD deforestation emissions (36 MtCO2/10yr)
    - Degradation 8.2 MtCO2/10yr (70,000 ha),
      New ERPD degradation emissions (8.5 MtCO2/10yr)
    - Enhancement (subtracted out) 6.4 MtCO2/10yr (200,000 ha)
      New ERPD enhancement emissions (10 MtCO2/10yr).
- The 2000-2010 reference level (REL) submitted to UNFCCC is a national reference level but has breakdowns on regions. In its table 16, the Terai has emissions of 0.46 MtCO2 and sequestration of 0.03 MtCO2 Mt, equivalent to forest loss of 13,900 ha/10yr and a forest gain of 4,100 ha/10 yr over a forest area of 0.9M ha. The REL only looked at deforestation and afforestation, and did NOT include degradation.

- Development of a REDD+ Forest Reference Level (FREL), Feb 2015: for 2000-2010, national with breakdown on regions. Forrest area in Terai 0.38 Mha (2010 ICIMOD, p. 27). Emission from deforestation 12 MtCO2/10yr, Degradation 5.5 MtCO2/10yr, enhancement of stocks 7.5 MtCO2/10yr; totaling 7 MtCO2/10 yr is = 0.7 MtCO2/yr (no numbers on ha given).

Comments on data: The Terai is larger than the TAL area in ERPD, so comparison is difficult. Nepal could consider choo Terai as ERPD area, since rich data are available back to 1990s, but not all methods and base data are the same. ERPD s of forest, which is supported by the SoF report which shows 0.9 Mha of forest, so the TAP assumes the ERPD number is (UNFCCC REL and an ICIMOD report both only show 0.4 M ha.)

Total emissions for the Terai: ERPD estimates 3.4 MtCO2/yr, vs. UNFCCC REL of 0.42 MtCO2/yr (no degradation included), and the FREL's 0.7 MtCO2/yr. The ERPD thus has significantly higher emissions. This can partly be explained by the spike in emissions found between 2009-2011; and the other two documents' time periods end in 2010. However, an increase over 10 years with a factor 5 is large.

Deforestation: The ERPD shows 120,000 ha of deforestation 2004-2014, so 12,000 ha/yr. The UNFCCC REL only shows 1,400 ha/yr of deforestation. The timeframe is different but it seems unlikely that almost all deforestation (100,000 ha) happened in the last 4 years.

The ERPD gives a few reasons and table 40 (p. 133) to address the critical question of why these numbers are different~~:~~

- Different method REL and ERPD: ERPD uses stock difference approach—using a constant value of carbon stock for forest types, then measures activity and multiplies by the difference in stock (e.g. forest has 200 tC/ha, degraded forest ~~ha~~ 100 t/ha). The REL also uses stock-difference approach for deforestation and afforestation, but a gain-loss approach for degradation and regeneration.
- Different sources of activity data: ERPD uses remote sensing data (Landsat and LIDAR), while REL uses remote sensing data Landsat for deforestation and afforestation and a model approach for degradation and regeneration.
- Different method of emission factors: ERPD uses field plots and Lidar to develop carbon stocks for different forest types; the REL uses forest plot data to develop emission factors for deforestation and afforestation and IPCC default data for calculating degradation and regeneration.

Ind 10.3 The ER Program explains what steps are intended in order for the Reference Level to achieve consistency with the country's existing or emerging greenhouse gas inventory	**YES**

Conclusion: There currently are efforts underway to achieve consistency between the UNFCCC-REL and ERPD-REL

P. 134 states "The RIC and DFRS are planning a course of additional work in the coming months with technical partners supporting the ER Program and UNFCCC submissions to trouble-shoot and resolve the numeric inconsistencies presented here and also to achieve greater methodological consistency between the subnational and national approaches and the national greenhouse gas inventory as Nepal's national readiness progresses".

C 11 A Reference Period is defined

Ind 11.1 The end-date for the Reference Period is the most recent date prior to two years before the TAP starts the independent assessment of the draft ER Program Document and for which forest-cover data is available to enable IPCC Approach 3 [revised version]. An alternative end-date could be allowed only with convincing justification, e.g., to maintain consistency of dates with a Forest Reference Emission Level or Forest Reference Level, other relevant REDD+ programs, national communications, national ER program or climate change strategy.	**NO**

Conclusion: The REL end-date is 2014, was chosen several years ago in the Readiness phase, and it seems a reasonable choice given data and analysis available at that time. However, 3 years have now elapsed before the TAP assessment. TAP discussions in Nepal indicate that it is feasible for 2015 activity data to be used if necessary, which would address the end-date issue.

The development of the ERPD-REL has been going on since Nepal's R-PIN stage and at that time the end-date chosen was 2014. The initial TAP assessment took place in September 2017. The REL thus should go maximally until 2015 (it is not expected that REL includes sub-annual data, thus it is rounded to the last year).

The construction of the activity data and emission factors is time consuming work and had only recently been finished. There was no time or reason to extend analysis to a 2015 date, (eg, no change in drivers as far as known, with possible exception of fire).

Ind 11.2 The start-date for the Reference Period is about 10 years before the end-date. An alternative start-date could be allowed only with convincing justification as in Indicator 11.1, and is not more than 15 years before the end-date.	**YES**

Yes, the ERPD REL proposed has a start date of 2004 and an end date of 2014. Thus a 10 year REL is established.

C 12 The forest definition used for the ER Program follows available guidance from UNFCCC decision 12/CP.17

Ind 12.1 The definition of forest used in the construction of the Reference Level is specified. If there is a difference between the definition of forest used in the national greenhouse gas inventory or in reporting to other international organizations (including a Forest Reference Emission Level or Forest Reference Level to the UNFCCC) and the definition used in the construction of the Reference Level, then the ER Program explains how and why the forest definition used in the Reference Level was chosen.	**YES**

Conclusion: All Forest definitions are the same to all reporting lines.

The forest definition in the ERPD and in the State of the Forest: "Forest as an area of land of at least 0.5 ha and a minimum width/length of 20 m with a tree crown cover of more than 10% and tree heights of 5 m at maturity"

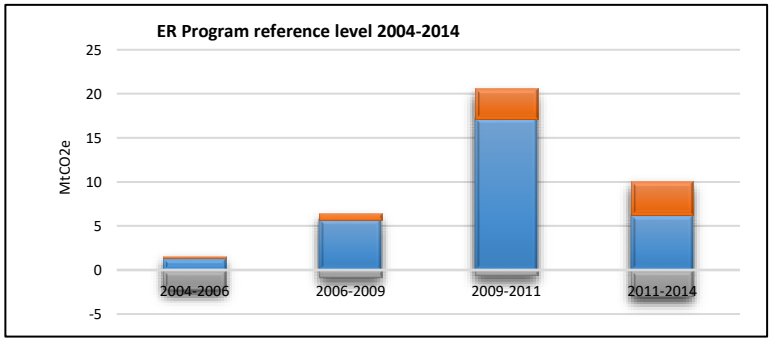
The Forest definition in 2000-2010 UNFCCC REL: Land with tree crown cover of more that 10 percent and area covering more than 0.5 ha, with minimum height of the trees to be 5 m at maturity and in-situ conditions.

C 13 The Reference Level does not exceed the average annual historical emissions over the Reference Period. For a limited set of ER Programs, the Reference Level may be adjusted upward by a limited amount above average annual historical emissions. For any ER Program, the Reference Level may be adjusted downward.

Ind 13.1 The Reference Level does not exceed the average annual historical emissions over the Reference Period, unless the ER Program meets the eligibility requirements in Indicator 13.2. If the available data from the National Forest Monitoring System used in the construction of the Reference Level shows a clear downward trend, this should be taken into account in the construction of the Reference Level	**YES**

The ERPD REL is a straight forward average over 10 years.
There is no trend in the 4 time periods measured or used. There is a spike in 2009-2011 period with double the emissions compared to the next time period (2011-2014) and triple the previous period (2006-2009).

In revised ERPD, a new calculation on deforestation has been carried out, table 37, p. 128. With these new data, new emissions over the REL period are calculated (and graphed below: grey is average annual removals by sinks per year; blue is deforestation; orange is degradation).



Ind 13.2 The Reference Level may be adjusted upward above average annual historical emissions if the ER Program can demonstrate to the satisfaction of the Carbon Fund that the following eligibility requirements are met: (i)Long-term historical deforestation has been minimal across the entirety of the country, and the country has high forest cover (country or jurisdictional area); (ii)National circumstances have changed such that rates of deforestation and forest degradation during the historical Reference Period likely underestimate future rates of deforestation and forest degradation during the Term of the ERPA.	**N.A.**
NOT applicable, no adjustment is proposed.	
Ind 13.3 For countries meeting the eligibility requirements in Indicator 13.2, a Reference Level could be adjusted above the average historical emission rate over the Reference Period. Such an adjustment is credibly justified on the basis of expected emissions that would result from documented changes in ER Program circumstances, evident before the end-date of the Reference Period, but the effects of which were not fully reflected in the average annual historical emissions during the Reference Period. Proposed adjustments may be rejected for reasons including, but not limited to: i. The basis for adjustments is not documented; or ii. Adjustments are not quantifiable.	**N.A.**
NOT applicable, no adjustment is proposed	
Ind 13.4 An adjustment of the Reference Level above the average annual historical emissions during the Reference Period may not exceed 0.1%/year of Carbon Stocks	**N.A.**
NOT applicable, no adjustment is proposed	

C 14 Robust Forest Monitoring Systems provide data and information that are transparent, consistent over time, and are suitable for measuring, reporting and verifying emissions by sources and removals by sinks, as determined by following Criterion 3 within the proposed Accounting Area

Ind 14.1 The ER Program monitors emissions by sources and removals by sinks included in the ER Program's scope (Indicator 3.1) using the same methods or demonstrably equivalent methods to those used to set the Reference Level.	**YES**

The REL level is based on IPCC method: activity data (in ha) x emission factors (difference of carbon stocks in different forest types). The activity data based on Landsat the emission factors based on plots and LIDAR data.

The features and the organization structure and methods for Forest Monitoring System (FMS) that will be used in the future is well described in section 9.1 p. 136, and is consistent with REL methods-- Landsat to detect activity data and field plots for carbon stocks. Integration with the plots in national forest inventory will further strengthen the data.

Ind 14.2 Activity data are determined periodically, at least twice during the Term of the ERPA, and allow for ERs to be estimated from the beginning of the Term of the ERPA. Deforestation is determined using IPCC Approach 3. Other sinks and sources such as degradation may be determined using indirect methods such as survey data, proxies derived from landscape ecology, or statistical data on timber harvesting and regrowth if no direct methods are available	**YES**

The ERPD plans to do a full forest monitoring event every 2 years (p. 137-38 ERPD), including activity data and emissions factors. So every 2 years the forest monitoring system would determine deforestation, degradation and enhancement.

This is a major commitment. The activity data every 2 years would be standard procedure and easily done (i.e., Landsat change detection analysis). To measure forest inventory plots every 2 years for emissions factors is a major commitment requiring a substantial investment of time and limited funds. As mentioned in previous indicators, it is unlikely that increase in carbon stocks can be accurately measured over a 2-year timeframe.

Ind 14.3 Emission factors or the methods to determine them are the same for Reference Level setting and for Monitoring, or are demonstrably equivalent. IPCC Tier 2 or higher methods are used to establish emission factors, and the uncertainty for each emission factor is documented. IPCC Tier 1 methods may be considered in exceptional cases	**NO**

Conclusion: The REL and MMR methods are the same. But some MMR methods seem unsuitable to measure the interventions chosen.

The plots will be measured the same as in the ERPD REL (except that LIDAR was used in the REL to better determine the carbon stocks by forest type, and LIDAR will not be used in the future). This seems a good choice since the stock values of different forest types have been established.

The TAP team however doubts that the proposed MMR method will detect the interventions that are planned. The REL has been very good in detecting the main driver, deforestation, and relies on Lidar values for different forest types. However, none of the intended interventions will curb deforestation; instead the interventions concentrate on increasing carbon stock in community and private lands. No change in area is planned (outside of increasing private forest lands), so no activity is necessary to determine the change. Thus, the REL method and the MMR method seem unsuited to detect the enhanced carbon stock in existing forest areas on which the interventions rely.

Calculation example: Regrowth in the TAL area is 10 tCO2/ha/yr. Regenerating from degraded to primary TAL forest would change the CO2 content from 300 to 400 tCO2/ha over 10 yrs. Regrowth over 2 years would theoretically increase degraded TAL forest from 300 to 320 tCO2/ha. This less then 10% difference would be very difficult to detect and measure after 2 years, given the usual measurement errors. Even after 4 years the change would be a 20% increase and it is unclear if that can be detected.

Secondly, the stock difference approach does not seem suitable for detecting enhancement of carbon stocks. The assumption in the ERPD is that the regrowth increase in carbon stock/ha changes forest from open forest to closed

forest, and this cover type can then be detected by Landsat. However, it is not clear that the gradual increase in carbon would actually lead to closed canopy in such a short timeframe.

C 15 ER Programs apply technical specifications of the National Forest Monitoring System where possible

Ind 15.1 ER Programs articulate how the Forest Monitoring System fits into the existing or emerging National Forest Monitoring System, and provides a rationale for alternative technical design where applicable.	**YES**

The ERPD Forest monitor system will be linked to national forest inventory (NFI) and FAO, although few details are given at this stage of the design of the MMR system.

The revised ERPD added further important information re how the ERPD data and methods also will be used in NDC accounting, p. 28: "Integration of the REDD+ strategy into the National Low Carbon Development Strategy (NLCDS): The NLCDS integrates REDD+ activities and includes forestry as one of six leading sectors for promoting low carbon growth in Nepal. The strategy stresses improving forest management practices, community-based forest management and livelihoods through sustainable forest management. Some key activities currently underway and relevant to the ER Program include: preparation of allometric equations for ten forest tree species; establishment of a national carbon registry; improvements and updated database management at the Department of Forest Research and Survey; and an improved and updated national forest information system and national forest database."

C 16 Community participation in Monitoring and reporting is encouraged and used where appropriate

Ind 16.1 The ER Program demonstrates that it has explored opportunities for community participation in monitoring and reporting, e.g., of ER Program Measures, activity data, emission factors, safeguards and Non-Carbon Benefits, and encourages such community participation where appropriate	**YES**

Conclusion: Local community and indigenous people are encouraged to participate and there are plans to involve them in the forest monitoring

P. 136 of the ERPD states "local communities will be involved as much as possible in the measuring and monitoring activities, in collecting forest level information as well as socio-environmental baseline data for the Safeguard Information System (SIS). Forest-level data collection is already a central component of DFO [District Forest Office] and CFUG [Community Forest User Group] activities and local communities and IPs will work closely with the monitoring of forests during the ER Program through community-based forest monitoring. This will strengthen and enhance the engagement of local communities and IPs in the monitoring of forest carbon stocks on the ground."

C 17 The ER Program is designed and implemented to prevent and minimize potential displacement

Ind 17.1 Deforestation and degradation drivers that may be impacted by the proposed ER Program measures are identified, and their associated risk for displacement is assessed, as well as possible risk mitigation strategies. This assessment categorizes Displacement risks as high, medium or low.	**YES**

Conclusion: drivers identified and risks assessed

The drivers in the TAL area are identified in table 6 p. 41, and per district drivers are noted in table 69 p. 212, and the displacement risks are assessed in a table on p. 144. The drivers of deforestation identified include encroachment, infrastructure devolvement and resettlement. The degradation drivers identified are timber and fuel wood extraction, overgrazing and forest fire.

All the displacement risks are deemed low since the Terai area is predominately agriculture-dominated flat lands which are quite different from the neighboring Churia hills. (However, it is thus a bit mysterious that there is deforestation of 10,000 ha /yr.)

Climate change as a driver is mentioned, and figure 2 and 3 p. 37 are welcome additions to the revised ERPD. However, the forecasted changes in temperate and rainfall will not be a main driver of change, given their low R^2 values of less 0.005 (the explained variability of the data around its mean) and almost no trend.

The revised ERPD p. 38 identifies a-new driver of change, the major earthquake of 2015, following TAP discussions in Nepal. Although 2015 is currently just outside the REL timeframe, the ERPD notes: "resettlement of communities impacted by the earthquakes has increased immigration into the Terai, leading to increased demands on forest resources. Secondly, since Sal is the preferred choice of timber for reconstruction and is available only in Terai, the demand for timber for post-earthquake reconstruction is expected to increase demands on the forests of these 12 districts".

The revised ERPD hints (p. 44) that illegal logging is bigger the 2,800 m^3/yr: "A 2010 study estimated that over 100,000 cubic feet (2,800 cubic meters) of timber was illegally harvested nationally in 2009 alone.[2] This is only reported data based on the legal actions taken against perpetrators; unreported data is not estimated".

2,800 m^3/yr is not a significant source, but are there studies that estimate real illegal logging in the ERPD time frame?, and if is this a significant driver (>10%)? This would be a useful clarification.

Ind 17.2 The ER Program has in place an effective strategy to mitigate and/or minimize, to the extent possible, potential Displacement, prioritizing key sources of Displacement risk.	**YES**

The mitigation strategies especially for timber and fuel extraction are identified on page 124: "The primary risk of displacement … due to unsustainable and illegal extraction of timber outside the ER Program Area. To minimize this risk the ER Program primarily proposes to increase the supply of timber from the ER Program Area… Similarly, the program also proposes to enhance access to renewable energy technologies such as biogas and ICS to minimize the dependency on woodfuel and increase the production of timber from forests"

Ind 17.3 By the time of verification, the ER Program has implemented its strategy to mitigate and/or minimize potential Displacement	**N.A.**

Only applicable at the time of verification.

Ind 17.4 ER Programs are also invited to report on changes in major drivers in the ER Accounting Area, any Displacement risks associated with those drivers, and any lessons from the ER Programs' efforts to mitigate potential Displacement	**N.A.**

Only applicable at the time of verification.

C 18 The ER Program is designed and implemented to prevent and minimize the risk of reversals and address the long-term sustainability of ERs

Ind 18.1 The ER Program has undertaken an assessment of the anthropogenic and natural risk of reversals that might affect ERs during the Term of the ERPA and has assessed, as feasible, the potential risk of reversals after the end of the Term of the ERPA	**YES**

Page 151 in new ERPD, the reversals and risks are identified as 11%.

[2] UN-REDD (2014) Understanding drivers and causes of deforestation and forest degradation in Nepal: potential policies and measures for REDD+

Ind 18.2 The ER Program demonstrates how effective ER Program design and implementation will mitigate significant risks of Reversals identified in the assessment to the extent possible, and will address the sustainability of ERs, both during the Term of the ERPA, and beyond the Term of the ERPA	**YES**
The reversal risk is deemed low, since the major intervention is the transfer of government forest land to communities, which has a great track record in Nepal's Middle Hills over many years: "The history of CBFM in Nepal has demonstrated that the benefits are long lasting once these local models are in place" *(*p. 150 ERPD). In addition, the interventions designed on introduction of Scientific Forest Management good practices on community forests (as it is called in Nepal), expanded private forest land, and land use planning address the supply deficit of logs and fuel wood, one of the major drivers. Non-anthropogenic reversals like earthquakes are addressed: "design of houses, schools and buildings at the central regional and local areas has taken into account future risks of earthquake (and potential impact on the timber market for reconstruction of houses) (p. 151 ERPD).	
C 19 The ER Program accounts for Reversals from ERs that have been transferred to the Carbon Fund during the Term of the ERPA	
Ind 19.1 During the Term of the ERPA, the ER Program accounts for Reversals from ERs using one of the following options: ▪ Option 1: The ER Program has in place a Reversal management mechanism (e.g., buffer reserve or insurance) that is substantially equivalent to the Reversal risk mitigation assurance provided by the 'ER Program CF Buffer' approach referred to in option 2 below, appropriate for the ER Program's assessed level of risk, which in the event of a Reversal during the Term of the ERPA will be used to fully cover such Reversals. ▪ Option 2: ERs from the ER Program are deposited in an ER Program-specific buffer, managed by the Carbon Fund (ER Program CF Buffer), and based on a Reversal risk assessment. ERs deposited in the ER Program CF Buffer (Buffer ERs) will not be transferred to the Carbon Fund. In the event that a Reversal event occurs during the Term of the ERPA, an amount of Buffer ERs will be cancelled from the ER Program	**YES**
Option 2, ERP-specific buffer is clearly chosen (p. 151). A buffer allocation of 19% is used. This figure is based on estimated uncertainty of ERs of 30-60% (8% conservativeness factor) and risk of reversal of 11%.	
C 20 The ER Program, building on its arrangements put in place during the readiness phase and during the Term of the ERPA, will have in place a robust Reversal management mechanism to address the risk of Reversals after the Term of the ERPA	
Ind 20.1 At the latest 1 year before the end of the Term of the ERPA, the ER Program will have in place a robust Reversal management mechanism or another specified approach that addresses the risk of Reversals beyond the Term of the ERPA	**N.A.**
Only applicable before the end of the ERPA term.	
Ind 20.2 If the ER Program has selected option 2 under Indicator 19.1, all or a portion of the Buffer ERs of the ER Program, subject to a Carbon Fund review of the Methodological Framework and a decision of the parties to the ERPA in 2019, will be transferred to the mechanism identified in Indicator 20.1 at the end of	**N.A.**

the Term of the ERPA. If the ER Program fails to meet the requirements of Indicator 20.1, all remaining Buffer ERs in the ER Program CF Buffer will be cancelled	
Only applicable before the end of the ERPA term.	
C 21 The ER Program monitors and reports major emissions that could lead to reversals of ERs transferred to the Carbon Fund during the Term of the ERPA	
Ind 21.1 The ER Program Monitoring Plan and Monitoring system are technically capable of identifying Reversals	**YES**
The main contribution to emissions is deforestation. The change in forest cover can be detected in the current proposed monitoring plan. The reduction in carbon stock in forest (degradation) seems less likely it would be detected.	
Ind 21.2. The ER Program reports to the Carbon Fund within 90 calendar days after becoming aware of any emissions in the Accounting Area or changes in ER Program circumstances that, in the reasonable opinion of the ER Program, could lead to Reversals of previously transferred ERs by the next Monitoring event. The ER Program explains how the potential Reversals would be addressed by additional ER Program Measures or by the Reversal management mechanism described in Indicator 19.1.	**N.A.**
Only applicable at the time a reversal occurs and at the time of verification.	
C 22 Net ERs are calculated by the following steps: **1. Subtract the reported and verified emissions and removals from the Reference Level** **2. Set aside a number of ERs from the result of step 1, above, in a buffer reserve. This amount reflects the level of uncertainty associated with the estimation of ERs during the Term of the ERPA. The amount set aside in the buffer reserve is determined using the conservativeness factors for deforestation listed in the MF. For estimated emissions reductions associated with degradation, the same conservativeness factors may be applied if spatially explicit activity data (IPCC Approach 3) and high-quality emission factors (IPCC Tier 2) are used. Otherwise, for proxy-based approaches, apply a general conservativeness factor of 15% for forest degradation Emission Reductions.** **3. Set aside a number of ERs in the ER Program CF Buffer or other reversal management mechanism created or used by an ER Program to address Reversals**	
[Ex-ante estimation of the Emission Reductions 14.3]	**NO**
There is no ex-ante estimation of the number of ERs that would be available for purchase by the Carbon Fund that follows the specific steps listed above, although an ER estimate is provided. This could be easily remedied.	
C 23 To prevent double-counting, ERs generated under the ER Program shall not be counted or compensated for more than once. Any reported and verified ERs generated under the ER Program and sold and/or transferred to the Carbon Fund shall not be sold, offered or otherwise used or reported a second time by the ER Program Entity. Any reported and verified ERs generated under the ER Program that have been sold and/or transferred, offered or otherwise used or reported once by the ER Program Entity shall not be sold and transferred to the Carbon Fund	
(i) [Participation under other GHG initiatives 14.1]	**YES**

Conclusion: no other group is participating to buy the CO2 credits.

On Page 186 it is stated: "…ER Program is not currently planning to participate in any other GHG initiatives, however, the Government of Nepal may seek to sell additional ERs generated under the ER Program through external carbon market finance to catalyze further activities in the Terai".

(ii) [Data management and Registry systems to avoid multiple claims to ERs 19.2]	**YES**

ERPD states that the Program has selected option (b), to use the comprehensive national REDD+ Program and Projects Data Management System, as well as the eventual Registry, to be provided by World Bank. Relevant ministries and agencies (Min of Forestry, Min Pop and Envir, Min Finance) do not yet seem to have invested time and experience in beginning to conceive the design of such a system on the Nepal side. An early issue paper on Registry options was produced by the REDD IC in 2016 as part of the Readiness work stream. The REDD IC recognizes the need for eventual development of a Nepalese database and registry to track REDD+ and related investments, ERs produced, their ownership etc., to feed into the eventual World Bank Database and Registry for ERs. A welcome addition in advanced draft ERPD is a time table for developing its own registry in table 55 on page 188.

P. 186 states: "The National REDD+ Strategy, 2016 has indicated that a central-level, independent carbon registry, which would work as a repository of REDD+ related information… will be established and maintained within the REDD IC". Procedures, database and how to void double counting are well described.

Provision of a simple description of if and how they plan to keep track of the wide range of biogas, cook stove, voluntary REDD+ etc. emission reduction activities, would provide a helpful clarification. Explanation of how they would keep track of any REDD+ pilots in the ER area, including the existing pilot in Chitwan funded by Norwegian funds via ICIMOD, would start to address potential nesting technical issues.

C 24 The ER Program meets the World Bank social and environmental safeguards and promotes and supports the safeguards included in UNFCCC guidance related to REDD+

Ind 24.1 The ER Program demonstrates through its design and implementation how it meets relevant World Bank social and environmental safeguards, and promotes and supports the safeguards included in UNFCCC guidance related to REDD+, by paying particular attention to Decision 1/CP.16 and its Appendix I as adopted by the UNFCCC	**NO**

Conclusion: The ER Program design does not yet meet the relevant World Bank social and environmental safeguards, since the SESA and ESMF – and related safeguards instruments for the ER Program area – are underway but have not been completed yet. Nepal is making progress in meeting UNFCCC's Cancun Safeguards.

Nepal's Strategic Environmental and Social Assessment (SESA) report for REDD+ at national level was published in August 2014.[3] As noted in the SESA report, the budget for the exercise was reduced at a late stage, so the number of field visits and consultation meetings and the level of professional expert input had to be scaled back. The process to elaborate and consult on the REDD+ strategy had not started when the SESA was initiated. The SESA report therefore stated that the report could not be considered a full SESA. The national-level Environmental and Social Management Framework (ESMF) for REDD+ was also published in August 2014.[4]

Work on the SESA and the ESMF for the Emissions Reductions Program area has started recently, but the ERPD does not provide a timeline for their completion, or for preparation of Environmental and Social Management plans for the implementation of key REDD+ activities.

Although ERPD does not explicitly list World Bank environmental and social safeguard policies triggered by REDD+ in Nepal, it can be deduced that these are: OP/BP 4.01: Environmental Assessment; OP/BP 4.04: Natural Habitats; OP

[3] http://mofsc-redd.gov.np/wp-content/uploads/2013/11/Nepal-REDD-SESA-report-Final-revision-6-Aug-2014.pdf
[4] http://mofsc-redd.gov.np/wp-content/uploads/2013/11/Nepal-REDD-ESMF-Final-revision-6-August-2014.pdf

4.09: Pest Management (typical when any cropland use intensification envisioned); OP/BP 4.11 Physical Cultural Resources; OP/BP 4.12: Involuntary Resettlement; and OP 4.36: Forests.

According to the ERPD, the ESMF for the ER Programme Area, still to be completed, will contain specific provisions and guidelines for (i) screening, managing and mitigating the risks from pesticides; (ii) assessing and mitigating the impacts on physical cultural resources; (iii) assessing and mitigating the impacts on natural habitats. Nepal will also need to complete the following safeguards instruments: an Indigenous Peoples and Vulnerable Communities Planning Framework (IPVCPF); a Process Framework (PF); and a Resettlement Policy Framework (RPF)
The RPF probably will be triggered even if there is no physical resettlement (which is a very sensitive issue in post-conflict Nepal, according to many government and other TAP interviewees in Kathmandu), as there are likely to be restrictions on livelihood activities of vulnerable forest-dependent communities.

A REDD+ Safeguard Information System ~~is~~ currently being developed by REDD+ IC (the REDD+ cell leading the ERPD process). "A draft REDD+ SIS framework has been prepared considering potential activities, stakeholders and their specific concerns, anticipated outcomes and implications. The framework proposes two basic levels: (i) activity level; and (ii) program (national/sub-national) level of REDD SIS. The activity level SIS establishes a linkage between REDD+ activities being implemented and the safeguard principles triggered. Furthermore, it illustrates scope (activities, budgets, targeted groups, etc.) and scale (spatial locations, area coverage, stakeholders' coverage, beneficiaries, etc.) of the activities, anticipated social and environmental effects and safeguards compliance indicators" (EPRD p. 143).

EPRD contains useful details on institutional responsibilities for safeguard implementation (p.165):
"A three-level structure has been proposed:
"At the national level, an Environmental and Social Assessment and Monitoring Unit (ESAMU) will be established within the REDD+ Implementation Center (REDD IC), which will serve as the coordinating and implementing agency for REDD+ safeguards.
"Regional REDD+ Focal Office (RRFO) at the regional forest office will have oversight and monitoring responsibilities over the respective District Forest Offices / or PA Offices/ or Protection Area (PA) offices and line agencies … implementing the REDD+ safeguard activities.
"At district level, an Environment and Social Section (ESC) will be established in each District REDD+ Program Management Unit (DRPMU) to handle environmental and social concerns. The DRPMU will execute all the safeguard-related activities through the regional forest offices of each district."

One issue is national level (ESAMU) and district level (ESC) agencies that will be in charge of safeguards monitoring have not been established yet—due to the political transition process still underway in Nepal.

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	**NO**

As noted above, the SESA, ESMF and other environmental and social safeguard instruments required for the ER Program have not been completed yet. While there is significant work underway on all of these documents and instruments, since they have not yet been completed, currently the assessment is "No".

C 25 Information is provided on how the ER Program meets the World Bank social and environmental safeguards and addresses and respects the safeguards included in UNFCCC guidance related to REDD+, during ER Program implementation

Ind 25.1 Appropriate monitoring arrangements for safeguards referred to in Criterion 24 are included in the Safeguards Plans	**NO**

Full assessment of this criterion will have to await the detailed description of safeguard monitoring arrangements are included in the ESMF and related safeguards instruments for the ER Program area.

The EPRD (p. 165) does contain some useful details on safeguard monitoring arrangements, as follows:
"The ESMF sets out a mechanism for monitoring the environmental and social outcomes of implementing the national REDD+ strategy and arrangements for the participation of relevant stakeholder in this process, including appropriate roles and responsibilities. The ESMF also provides an outline of the necessary reporting procedures for managing and monitoring environmental and social safeguards related to project implementation.

"The monitoring of environmental and social safeguards through a Safeguard Information System (SIS) will be linked and integrated with the national forest information management system. The SIS will collect and make available information on how safeguards are being addressed and respected throughout the implementation of REDD+ at the national level including activities under the ER Program."

"Monitoring of safeguards will be carried out at the national level by the ESAMU and at district level by DRPMU The ESAMU will have to: regularly monitor national and regional activities; coordinate regularly with DRPMUs monitoring local activities; and report the findings of monitoring to the REDD+ Working Group."

Ind 25.2 During ER Program implementation, information on the implementation of Safeguards Plans is included in an annex to each ER monitoring report and interim progress report. This information is publicly disclosed, and the ER Program is encouraged to make this information available to relevant stakeholders. This information is also made available as an input to the national systems for providing information on how safeguards are addressed and respected (SIS) required by the UNFCCC guidance related to REDD+, as appropriate.	**N.A.**

Only applicable at the time of verification.

C 26 An appropriate Feedback and Grievance Redress Mechanism (FGRM) developed during the Readiness phase or otherwise exist(s), building on existing institutions, regulatory frameworks, mechanisms and capacity

Ind 26.1 An assessment of existing FGRM, including any applicable customary FGRMs, is conducted and is made public. The FGRM applicable to the ER Program demonstrates the following: i) Legitimacy, accessibility, predictability, fairness, rights compatibility, transparency, and capability to address a range of grievances, including those related to benefit-sharing arrangements for the ER Program; ii) Access to adequate expertise and resources for the operation of the FGRM	**NO**

Conclusion: While the Feedback and Grievance Redress Mechanism (FGRM) for the ER Program area has not yet been established, the ERPD contains a considerable amount of relevant information on this topic.

A report to assess existing FGRMs in Nepal and to develop a FGRM for REDD+ implementation was published in 2015,[5] highlighting characteristics of existing FGRMs in the forestry sector in Nepal, including:
"In the Terai region, with its valuable timber, the main grievances are about boundaries, user rights related to users coming from distant areas. Grievances on forest sector in Nepal are ultimately decided within the authorities of MoFSC, either through the DFO or warden or regional directorate, though forest users can go to formal judicial process to settle their grievances if they are not satisfied with the redress given by the government agencies." (ERPD p.167.)

The ERPD lists seven principles for the ER Program FRGM, including Legitimacy, Accessibility, Predictability, Fairness, Rights Compatibility, Transparency, Capability, adequate expertise and resources, and provides indications of how

[5] Developing a Feedback and Grievance Redress Mechanism for REDD+ implementation in Nepal, see http://mofsc-redd.gov.np/wp-content/uploads/2013/11/Final_GRM-Report-FINAL_01-11-2015.pdf

these principles could be applied. The ERPD also expresses a preference for having local communities, who already deal with 85% of grievances according to existing FGRM studies in Nepal, as the first port of call for grievance. Finally, the EPRD (pp. 169) identified a set of steps and procedures for FGRM in the context of REDD+ in Nepal

In summary, while this indicator has been assessed as not having been met, because the FGRM design has not been fully decided yet, some good progress has been made, including considerable reliance on existing customary arrangements for resolving grievances. It will be important to include the definitive version of the FGRM in the safeguards instruments, and to identify resources for its implementation – not covered in the current version of the ERPD.

Ind 26.2 The description of FGRM procedures, included in the Benefit-Sharing Plan and/or relevant Safeguards Plans, specifies the process to be followed to receive, screen, address, monitor, and report feedback on, grievances or concerns submitted by affected stakeholders. As relevant, the Benefit-Sharing Plan and/or relevant Safeguards Plans and/or ER Program Document describe the relationship among FGRM(s) at the local, ER Program, and national levels	**NO**

The process for receiving, screening, addressing, monitoring and reporting feedback to the public is outlined in the ERPD, but will need to be described in more detail in the ESMF for the ER Program area, which has not yet been completed.

Ind 26.3 If found necessary in the assessment mentioned in Indicator 26.1, a plan is developed to improve the FGRM	**NO**

The FGRM does not exist yet. While a detailed description of existing FGRM procedures and steps is provided, there is no discussion of what improvements need to be made to have a functioning FGRM, nor any plan to undertake such improvements.

C 27 The ER Program describes how the ER Program addresses key drivers of deforestation and degradation

Ind 27.1 The ER Program identifies the key drivers of deforestation and degradation, and potentially opportunities for forest enhancement	**YES**

Analysis of drivers of deforestation and forest degradation in advanced draft is much improved compared to the initial draft (31 July 2017).
ER Program has clearly identified the key drivers of deforestation and forest degradation in the ER Program area. In the revised ERPD, unsustainable and illegal harvest of timber and fuelwood now has been linked to the demand and supply of these products via two new Tables 7 and 8. Overgrazing has been analyzed now, with livestock numbers in ER Program districts (Table 9). Forest fire also has been analyzed now, with more data and maps (Figures 4 and 5).

ER-PD document first synthesized numerous studies related to the key drivers; then ranked drivers at district and regional level consultations, where six proximate drivers of deforestation and forest degradation were identified: 1. Unsustainable and illegal harvest of timber and fuelwood; 2. Overgrazing; 3. Forest fires; 4. Encroachment; 5. Resettlement and 6. Infrastructure development. Analysis of relationships between proximate drivers and their underlying causes has also been provided (pp. 43-50).

Furthermore, analysis of relationships between the proximate drivers and their underlying caused identified has also been provided in the document (Section 4.1.1– 4.1.4, pp. 43–50). Tables 7, 8, 9 and some graphs and maps included in this section are helpful to understand the drivers more clearly.

The revised ERPD creatively now includes Table 32 p. 108 summarizing proposed political transition management for institutional arrangements of 7 intervention during Nepal's current federal restructuring process.

Need for better maps: Map showing forest fire in TAL (Figure 5) is an important addition in the advanced draft that offers data on the driver that may be increasing (eg, the significant spike in fire occurrence in 2016). But its presentation like other ERPD maps as a 600 km wide x 80 km high thin-strip map loses much detail and makes it appear that the entire TAL was under heavy fires, when what is needed is the type of fire (ground or crown), what percent of biomass of how many hectares were affected, etc. Maps the show say half or a third of the Program area and are presented vertically stacked could be explored, such as those produced by the Churia Development Board.

Ind 27.2 The ER Program identifies currently planned ER Program Measures and how they address the key drivers identified in Indicator 27.1, and the entities that would undertake them	**YES**

Description of the planned actions and interventions and who would undertake them have been much improved in the advanced draft ER-PD, and are now mostly clearly explained, and the rationale for their inclusion as a set is clearer.

Box 1 on Nepal's community based forest management models has been revised with latest data of community based forest management models in ER Program area. A Theory of Change for the ER Program (Figure 7) has been added to the advanced ERPD to provide a logical linkage between the set of selected interventions and proposed outcomes of the ERP. Showing new commitment to clearly define what the interventions would do and the impacts of them, the revised ERPD now summarizes intervention actions for major proposed interventions (Tables 11, 12, 14, 15, 18) and potential risks and impacts of interventions for indigenous peoples and gender considerations and proposed remedies (Tables 13, 17, 19, 20, 21). This has improved the document significantly.

The TAP notes that less-detailed intervention actions have been provided for interventions proposed for private forestry, land use planning and leasehold forestry. Expanding private forest lands and wood supply was widely supported in TAP discussions with private forestry operators and government agencies in Kathmandu.

Major interventions are proposed to address drivers of forest degradation. Infrastructure development as a driver of deforestation is addressed in the intervention to expand integrated land use planning. But no direct intervention has been proposed to address encroachment by and resettlement of landless people or those without land titles (although most observers in Kathmandu felt that resettlement of land less is very unlikely given its high political sensitivity).

C 28 The ER Program has undertaken and made publicly available an assessment of the land and resource tenure regimes present in the Accounting Area

Ind 28.1 The ER Program reviews the assessment of land and resource tenure regimes carried out during the readiness phase at the national level (i.e., SESA) and, if necessary, supplements this assessment by undertaking an additional assessment of any issues related to land and resource tenure regimes in the Accounting Area that are critical to the successful implementation of the ER Program, including: I. The range of land and resource tenure rights (including legal and customary rights of use, access, management, ownership, exclusion, etc.) and categories of rights-holders present in the Accounting Area (including Indigenous Peoples and other relevant communities); II. The legal status of such rights, and any significant ambiguities or gaps in the applicable legal framework, including as pertains to the rights under customary law; III. Areas within the Accounting Area that are subject to significant conflicts or disputes related to contested or competing claims or rights, and if critical to the successful implementation of the ER Program, how such conflicts or disputes have been or are proposed to be addressed; and IV. Any potential impacts of the ER Program on existing land and resource tenure in the Accounting Area. The ER Program demonstrates that the additional assessment has been conducted in a consultative, transparent and participatory manner, reflecting inputs from relevant stakeholders	**YES**

The ER Program reviews the assessment of land and resource tenure regimes carried out during the readiness phase at the national level. It supplements this assessment by undertaking additional assessment on specific issues related to land and resource tenure regimes in the Accounting Area, in 3 categories:
Category I – The range of land and resource tenure rights (legal and customary rights of use, access, management, ownership, exclusion, etc.) and the categories of rights-holders present in the Accounting Area (including Indigenous Peoples and other relevant communities).

ER Program explicitly describes the Legal Nature of Forests that are present in the ER Program Area as Private and Public Forests. It also addresses the different categories/types of Forest Tenure and the attached rights in Table 9, such as: 1) Private forest; 2) National Forest; 3) Government managed forest; etc.

ERPD explicitly says that is necessary to assure customary rights (recognizing and incorporating them on the future on the FBMC – Community Based Forest Management (section 4.4.1).

Category II –ERPD describes the legal status of such rights, and the significant ambiguities/gaps in the applicable legal framework, including rights under customary law, clarifying the legal nature of private and public land tenure in Nepal: "… Article 25 of the Constitution of Nepal has recognized the rights to secure property rights and land/resource tenure of individuals. The rights of private landholders are protected according to these fundamental rights ensured by the Constitution."

However, "The Constitution has not incorporated any specific fundamental rights for securing rights of IPs, though under the state policies of the constitution, the state has expressed strong policy commitment for the promotion of traditional rights of IPs. … Article 51(j)(8) has expressed that the state will make an appropriate arrangement for the indigenous nationalities to participate in decisions concerning that community by making special provisions for opportunities and benefits in order to ensure the right of these indigenous nationalities to live with dignity, along with their identity, and protect and promote traditional knowledge, skill, culture, social tradition and experience of the indigenous nationalities. "

ER Program has proposed activities to promote the traditional and customary rights of IPs considering the legal provisions of the country and additional comments received during the consultation process, in Sections 4.3, 14.1 and 16.1 include activities that safeguard against the loss of IP rights and practices.

ERPD addresses specific rights such as those of Landless Dalit (low-caste peoples): "Article 40(5) of the constitution ensures that the State shall provide land to the landless Dalit in accordance with law and article 40(6) has stated that the State shall, in accordance with law, arrange settlement for the Dalit who do not have housing. Close coordination will be needed across ministries to ensure that when fulfilling this law, forest land is not converted, considering the legal provisions on land-use planning as envisioned in the section 51g of Land Act 1964 and section 67a of the Forest Act 1993."

Category III –The ER Program clearly says that are Private Forests in the Program area and intends to expand 30,141 ha, which should produce 0.9 ER (MtCO2e) (intervention table in Executive Summary). It includes private forest owners as Potential Beneficiaries, but doesn't clarify how it will transfer ER titles of private forest owners to the Carbon Fund.

Another specific challenge only briefly addressed in the ER Program is related to Land Use and resettlement Law: "Conversion of forestlands to settlements and agriculture is a continuing problem particularly in the districts of ER Program Area. Most encroachment and informal settlement in forests, along river sides and road sides, takes place as a result of landlessness. Natural disasters also have produced another round of landless, and this is likely to intensify as climate change advances. Forestland has been distributed to the landless households under various land reform commissions."
"Despite numerous commissions to address the landless issue, there has been only limited success. To respond to this, the Government of Nepal has enacted the Encroachment Control Strategy 2011 and Land-use Policy 2015 to control further encroachment into forests. The Land Act 1964 and Forest Act 1993 has made special provision to control illegal registration and encroachment into forests. According to Section 67a of the Forest Act, forestland will not be

converted into settlements or resettlement areas except for those people who are affected by natural disaster and nationally prioritized projects. These legal and policy instruments have been taken into consideration during the design and implementation of the ER Program."

The ERPD addresses this issue only succinctly, and ideally would and explain activities the ERP or Nepal intends to perform in the future related to this specific issue.
Finally, the ER Program demonstrates that the additional assessment has been conducted in a consultative, transparent and participatory manner, reflecting inputs from relevant stakeholders, but there are still some gaps on the inclusion of the IPs and CSO recommendations as result of the consultation process in the ER Program text.

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. Beyond what is required for the successful implementation of the ER Program, the ER Program is encouraged to show how it can contribute to progress towards clarifying land and resource tenure in the Accounting Area, where relevant.	**NO**

The ER Program has not yet made available the ESMF and SES plans, and so doesn't explain in detail how the relevant issues identified in the above assessment have been or will be taken into consideration in the relevant Safeguards Plan(s). This is especially relevant in relation to intervention activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied.

Also, the ER Program should describe in more detail the planned actions and interventions under the ER Program that will lead to emission reductions and/or removals within the context of Safeguards implementation.

Ind 28.3 The ER Program provides a description of the implications of the land and resource regime assessment for the ER Program Entity's ability to transfer Title to ERs to the Carbon Fund	**NO**

The ER Program describes in general the ability of the ER Program entity to transfer title in relation to the public lands and public forest (taking in consideration the six different types of forest management).

However, the ER Program does not yet address how is going to deal with the Private Landowner Forest within the TAL Program area, taking in consideration the ER Program intends to account at least with 0.9 mtCO2 ERs resulting from privately owned forests. It will be important for the ER Program to clarify this issue to avoid conflicts and potential double counting issues.

C 29 The ER Program provides a description of the benefit-sharing arrangements for the ER Program, including information specified in Indicator 30.1, to the extent known at the time.

Description of benefit-sharing arrangements [16.1 in ER-PD of 15 Jan. 2016]	**YES**

ERPD contains a thorough description of work to date on a BSP, including: identification of a set of principles; inclusion of both carbon and non-carbon benefits (identified via multi-stakeholder district consultations and included in Table 53 p.178 ERPD). The BSP will focus on the transfer and distribution of ER purchase payments, and include other revenues as identified in the Section 6 of the ERPD and the Annex 1, Summary of the Financial Plan.

The process of delivering benefits will be defined within each intervention. Existing systems for benefit sharing in Nepal program are summarized in Table 51 p. 173, demonstrating significant precedent and experience in sharing revenues, including in Community Forestry under the Forest Act 1993, where specific tax and royalty income shares for forest

management, poor people, and investment for community development are identified; a 30-50% income sharing in Protected Areas under NPWC Act 1973, and in the AEPC biogas program.

The legal context of existing practices for and examples of BS are thoroughly summarized in Table 51. The reference to carbon benefits and their ownership by the federal government in the 2015 Constitution of Nepal, and its provisions giving legal authority to all levels of states to collect and share forest-based and other natural resource royalties, appear to provide adequate legal foundation for development of BSP on forests in the ERPD, in addition to guidelines provided in the 2011 Climate Change Act.

The BSP development process is now laid out in detail in Table 52 of the revised ERPD, a welcome improvement. It foresees TOR for development of the BSPlan developed in Sept. 2017 onward timeframe, stakeholders identified, and a draft Plan written by February 2018, with formal approved by the government hopefully a month later.

C 30 The Benefit Sharing Plan will elaborate on the benefit-sharing arrangements for Monetary and Non-Monetary Benefits, building on the description in the ER Program Document, and taking into account the importance of managing expectations among potential beneficiaries

Ind 30.1 The Benefit-Sharing Plan is made publicly available prior to ERPA signature, at least as an advanced draft, and is disclosed in a form, manner and language understandable to the affected stakeholders for the ER Program. The Benefit-Sharing Plan contains the following information: The categories of potential Beneficiaries, describing their eligibility to receive potential Monetary and Non-Monetary Benefits under the ER Program and the types and scale of such potential Monetary and Non-Monetary Benefits that may be received. Such Monetary and Non-Monetary Benefits should be culturally appropriate and gender and inter-generationally inclusive. The identification of such potential Beneficiaries takes into account emission reduction strategies to effectively address drivers of net emissions, anticipated implementers and geographical distribution of those strategies, land and resource tenure rights (including legal and customary rights of use, access, management, ownership, etc. identified in the assessments carried out under Criterion 28), and Title to ERs, among other considerations. Criteria, processes, and timelines for the distribution of Monetary and Non-Monetary Benefits. Monitoring provisions for the implementation of the Benefit-Sharing Plan, including, as appropriate, an opportunity for participation in the monitoring and/or validation process by the Beneficiaries themselves	**N.A.**

The benefit sharing plan has not yet been developed in detail, so it has not yet been made publicly available.

The ERPD text does provide a very detailed discussion of what is likely to be in the eventual Plan though, some of which is summarized under in Indicator 29 above. The text clearly identifies categories of beneficiaries. The Plan will include both carbon and non-carbon benefits (identified via multi-stakeholder district consultations and included in Table 53 p.178 ERPD).

The ERPD states “the Program will allocate at least 80% of available funds under the ERPA for field-level ER activities; that is to local communities, Indigenous Peoples, and private forest owners,” with 20% used to support policies and measures across national and regional government institutions to facilitate of field-level activities.”

C 31 The benefit-sharing arrangements are designed in a consultative, transparent, and participatory manner appropriate to the country context. This process is informed by and builds upon the national readiness process, including the SESA, and taking into account existing benefit-sharing arrangements, where appropriate

Ind 31.1 The Benefit-Sharing Plan is prepared as part of the consultative, transparent and participatory process for the ER Program, and reflects inputs by relevant stakeholders, including broad community	**N.A.**

support by affected Indigenous Peoples. The Benefit-Sharing Plan is designed to facilitate the delivery and sharing of Monetary and Non-Monetary Benefits that promote successful ER Program implementation. The Benefit-Sharing Plan is disclosed in a form, manner and language understandable to the affected stakeholders of the ER Program	
The benefit-sharing plan was not available at the time of the TAP assessment. However, the process for developing the proposed ERPA to date has been quite inclusive, with extensive consultations held at local and district level with indigenous peoples, local communities, forest user groups and women's groups in the ERP area. These consultations covered a range of topics, though none appears to have focused exclusively on the Benefit Sharing Mechanism. "During the REDD+ readiness process, the Government of Nepal commissioned a study on cost-benefit-sharing and institutional arrangements in the TAL. This study identified and assessed key agencies and stakeholders for the implementation of the ER Program in the 12 districts of TAL and analyzed their existing capacity and potential role in the ER Program. It assessed different options of institutional arrangements, and developed a model for the ER Program." (ERPD p. 173). The study seems to have focused mainly on institutional arrangements. "The ERPD development team organized two national level workshops where first the initial and then the (revised) draft benefit-sharing process was presented and feedback was received from a wide range of stakeholders including national and district government, CSOs, Indigenous Peoples, local communities, International NGOs, forest user groups, women's groups, Dalits, private sector, marginalized groups and other experts." (ERPD CH. 15.2) While a Benefit-Sharing Plan (BSP) for the ER Program has not been completed, many of the elements of the BSP are already in place, in the form of existing rules for benefit sharing that apply to community forests and to areas under collaborative forest management arrangements between the forestry department and local communities, among others (see Table 51 in chapter 15.3 for a full list of existing benefit-sharing mechanisms that will apply in the ERP area). According to the ERPD, the general rules that will apply to the Benefit Sharing Mechanism are: (i) Pursuant to 2011 Climate Change Policy, out of the total results-based payments under the ER Program, 80% will be dedicated to local level, up to 20% allocated for management costs of the government; (ii) the 80% dedicated fund will be spent as a capital investment program in the Community-Based Forest Management (CBFM) groups; (iii) non-carbon benefits such as timber and medicinal plants will be distributed as per the approved management plans of the respective CBFM groups. The next steps for the development of the Benefit Sharing Plan are summarized in Table 52 added into the advanced draft ERPD: (i) preparation of TOR for development of the BSP; (ii) Preparation of the draft BSP; (iii) formal endorsement of the BSP by the Government of Nepal, in March 2018.	
C 32 The implementation of the Benefit-Sharing Plan is transparent	
Ind 32.1 Information on the implementation of the Benefit-Sharing Plan is annexed to each ER Program monitoring report and interim progress report and is made publicly available [16.1]	**N.A.**
Only applicable at the time of verification.	
C 33 The benefit-sharing arrangement for the ER Program reflects the legal context	
Ind 33.1 The design and implementation of the Benefit-Sharing Plan comply with relevant applicable laws, including national laws and any legally binding national obligations under relevant international laws	**N.A.**

The ER Program doesn't describe a Benefit Sharing Plan in detail at this stage. Nevertheless, the ERPD specifically expresses that in due time the REDD IC (ER Program Management Entity) will elaborate a Benefit Sharing Plan and will comply with international and national relevant applicable laws:

"According to Article 59(4) of the Constitution the Federation, State and Local level shall provide for the equitable distribution of benefits derived from the use of natural resources or development. Certain portions of such benefits shall be distributed, pursuant to law, in forms of royalty, services or goods to the project affected regions and local communities. The 2015 constitutional provisions have given legal authority to all level of states to collect and share the royalty from natural resources including forest, though the detail legal framework will be developed after election of states and local institutions and establishment of such states at the beginning of 2018."

"Therefore, as an ER Program entity, the REDD IC will develop a Benefit Sharing Plan and Safeguards Plan considering this constitutional provision in the future before signing in ERPA or before receiving any upfront payment from the Carbon Fund for the implementation of the ER Program".

The revised ERPD now does clarify the future procedure to elaborate the Benefit Sharing Plan:
"In addition, to the above principle, the BSM will also support the established modalities for revenue sharing under the CBFM regimes established under the Forest Act (1993), and Forest Regulation (1995). Through this, the existing benefits being generated by CBFM areas will be promoted under the ER Program. The benefit sharing plan will be developed based on the timeframe shown" in Table 52.

C 34 Non-Carbon Benefits are integral to the ER Program

Ind 34.1 The ER Program outlines potential Non-Carbon Benefits, identifies priority Non-Carbon Benefits, and describes how the ER Program will generate and/or enhance such priority Non-Carbon Benefits. Such priority Non-Carbon Benefits should be culturally appropriate, and gender and inter-generationally inclusive, as relevant	**YES**

Non-Carbon Benefits (NCBs) are a high priority for the Nepal ERPA, and for many of the local-level stakeholders consulted during the REDD+ Readiness and ERP preparation processes.

The aim and anticipated outcomes of the ER Program activities and interventions is to go beyond the minimum requirements of safeguards, which ensures that the program does no harm to livelihoods and biodiversity, by ensuring significant positive non-carbon benefits through enhancement of livelihoods, social norms and rights, generation of environmental benefits, conservation of natural forests and their ecosystem services, and promotion of effective forest governance mechanisms. In addition, the ER Program will improve the resilience of communities through ecosystem-based adaptation.

The potential NCBs for each of 7 major interventions are listed in Table 54 in 16.1, in ERPD. The importance of non-carbon benefits was one argument for the REDD+ IC decoupling program payments from CO2 ER performance, linking them instead to existing cost-sharing arrangements for community forest and collaboratively managed forests (ERPD Executive Summary).

In addition to extensive work on NCBs in the Terai, REDD IC is developing a program with the World Bank's Wealth Accounting and Valuing Environmental Services (WAVES) program to strengthen its ability to collect data on natural capital's contributions to the economy, and to use that data to further shape the national REDD+ program. Natural Capital Accounting (NCA) will be used as a tool to capture the value of the market and non-market contributions of forests and their link to the economy, further cementing the importance of NCBs in Nepal's REDD+ programs.

The text and tables refer to the role of Dalits (low-caste groups) and other marginalized peoples for priority Non-Carbon Benefits. But they do not discuss how work on NCB's should be culturally appropriate, nor are gender and inter-generationally inclusive roles identified. Elaboration of this would be appreciated in a revised ERPD section.

Ind 34.2 Stakeholder engagement processes carried out for the ER Program design and for the readiness phase inform the identification of such priority Non-Carbon Benefits	**YES**

The potential NCBs that will be generated in the proposed ER Program were identified, scoped and validated through district-level consultations with communities and stakeholders in each ER Program district.

During district consultation workshops, participants were informed about NCBs, including the meaning and categories, and how NCBs can be incentivized alongside the generation of emission reductions during the implementation of the ER Program. The participants were requested to list possible NCBs that could be generated while implementing different ER Program activities proposed by the stakeholders in each district. Annex 5 of the ERPD contains a detailed summary of the findings of these Stakeholder Consultations and workshops on NCBs.

C 35 The ER Program indicates how information on the generation and/or enhancement of priority Non-Carbon Benefits will be provided during ER Program implementation, as feasible.

Ind 35.1 The ER Program proposes an approach utilizing methods available at the time to collect and provide information on priority Non-Carbon Benefits, including, e.g., possibly using proxy indicators. If relevant, this approach also may use information drawn from or contributed as an input to the SIS	**NO**

ERPD confirms that information on priority Non-Carbon Benefits will be integrated in the SIS (still under construction). Indicators for measuring Non- Carbon Benefits are not discussed in the ERPD.

At the next stage of ERP development, when the SIS design will have been completed, it would be important to provide additional information on indicators selected and how they will be monitored in practice, including the role of implementing partners. This will be challenging, due to the wide variety of NCBs that have been prioritized in the ERPD, many of which are hard to quantify.

Ind 35.2 Information on generation and/or enhancement of priority Non-Carbon Benefits will be provided in a separate annex to each ER Program monitoring report and interim progress report, and will be made publicly available	**N.A.**

Only applicable at the time of verification.

C 36 The ER Program Entity demonstrates its authority to enter into an ERPA and its ability to transfer Title to ERs to the Carbon Fund

Ind 36.1 The ER Program Entity demonstrates its authority to enter into an ERPA with the Carbon Fund prior to the start of ERPA negotiations, either through: i. Reference to an existing legal and regulatory framework stipulating such authority; and/or ii. In the form of a letter from the relevant overarching governmental authority (e.g., the presidency, chancellery, etc.) or from the relevant governmental body authorized to confirm such authority.	**YES**

The ER Program Entity identified as the Ministry of Finance demonstrates its authority to enter an ERPA with the Carbon Fund prior to the start of ERPA negotiations.
The ER Program Entity demonstrates its authority through an existing legal and regulatory framework stipulating such authority: This legal provision is stated on the Government of Nepal (Business Allocation) Regulation 2015: "This Regulation has allocated the rights and responsibilities of each ministry of Nepal and based on these rules, the concerned ministry has authority to approve any plan and program that are relevant to Schedule-2 of the Government of Nepal (Business Allocation) Regulation 2015. Schedule-2 (18.16) of this regulation has given authority to the REDD

IC… in behalf of MoFSC, to… coordinate with and request the Ministry of Finance to sign the ERPA with the FCPF Carbon Fund as per Section 2(11)(13) of the Government of Nepal (Business Allocation) Regulation 2015."

Ind 36.2 The ER Program Entity demonstrates its ability to transfer to the Carbon Fund Title to ERs, while respecting the land and resource tenure rights of the potential rights-holders, including Indigenous Peoples (i.e., those holding legal and customary rights, as identified by the assessment conducted under Criterion 28), in the Accounting Area. The ability to transfer Title to ERs may be demonstrated through various means, including reference to existing legal and regulatory frameworks, sub-arrangements with potential land and resource tenure rights-holders (including those holding legal and customary rights, as identified by the assessments conducted under Criterion 28), and benefit-sharing arrangements under the Benefit-Sharing Plan	**NO**

The ER Program Entity demonstrates in principle its ability to transfer to the Carbon Fund the Title to ERs from the Public Lands Forests as described in section 4.4 and 17.1-2. However, it has not yet clarified how the ER Program Entity will deal with the privately owned Forests. Until that occurs, the ability to transfer title to the Carbon Fund could be limited to the Public Forests ERs (the vast majority of ERs to be transferred).

The ER PD describes a Formal Letter of Approval that will legitimate the ER Program Entity to transfer title of ERs to the Carbon Fund. Thus, the ER Program Entity that will sign the ERPA in accordance to the ER Program will not be the same that will transfer the ERs:

"A formal letter of approval of the ER Program, and its consideration for inclusion in the FCPF Carbon Fund, is included in Annex 10… According to the Government of Nepal (Business Allocation) Regulation 2015, the ER Program Entity and ERPA signing entity will not be same. The regulation gives authority to the Ministry to Finance to sign the ERPA. The Ministry of Finance will establish detailed working arrangements with MoFSC and REDD IC outlining how funds will be released prior to signing the ERPA. This will be developed in parallel to the benefit sharing arrangements outlined in Section 15."

Unfortunately, on the version submitted for TAP Assessment there is no text or letter on Annex 10. Given that the ER Program entity that will transfer the ERs (REDD IC) will not be the same entity that will sign the ERPA (identified as Min. of Finance), it will be critical that the Entity that will transfer the ERs (REDD IC) demonstrates its ability to do so in accordance with the options established in the Indicators 36.1 and 36.2 text.

Ind 36.3 The ER Program Entity demonstrates its ability to transfer Title to ERs prior to ERPA signature, or at the latest, at the time of transfer of ERs to the Carbon Fund. If this ability to transfer Title to ERs is still unclear or contested at the time of transfer of ERs, an amount of ERs proportional to the Accounting Area where title is unclear or contested shall not be sold or transferred to the Carbon Fund	**NO**

The ER Program doesn't show the ability to transfer the Title to ERs to the Carbon Fund (see comments on 36.2.).
It has until "prior to ERPA signature, or at the latest, at the time of transfer of ERs to the Carbon Fund" to do so.

C 37 Based on national needs and circumstances, the ER Program works with the host country to select an appropriate arrangement to avoid having multiple claims to an ER Title.

Ind 37.1 Based on national needs and circumstances, the ER Program host country has made a decision whether to maintain its own comprehensive national REDD+ Program and Projects Data Management System, or instead to use a centralized REDD+ Programs and Projects Data Management System managed by a third party on its behalf. In either case of a country's use of a third party centralized REDD+ Programs and Projects Data Management System, or a country's own national REDD+ Programs and Projects Data Management System, the indicators below apply	**YES**

The criteria is met. The ER Program host country has made a decision to maintain its own comprehensive national REDD+ Program and Projects Database Management System to be managed by REDD IC: "The National REDD+ Strategy, 2016 has indicated that a central-level, independent carbon registry, which would work as a repository of REDD+ related information (e.g., information on the location, ownership, carbon accounting, financial flows for sub-national and national REDD+ programs and projects), will be established and maintained within the REDD IC…" (ERPD p. 186-88).

Nevertheless, there apparently is confusion in the ERPD text, which describes the national REDD+ Program and Projects Data Management System as an "independent carbon registry" (Section 18.1). The ERPD may want to follow FCPF convention and reframe the term to "independent REDD+ Program and Projects Data Management System" to avoid confusion with the "ER Transaction Registry".

Ind 37.2 A national REDD+ Programs and Projects Data Management System or a third party centralized REDD+ Programs and Projects Data Management System needs to provide the attributes of ER Programs, including: i. The entity that has Title to ERs produced; ii. Geographical boundaries of the ER Program or project; iii. Scope of REDD+ activities and Carbon Pools; and iv. The Reference Level used. An ER Program for the Carbon Fund should report its activities and estimated ERs in a manner that conforms to the relevant FCPF Methodological Framework C&Is	**YES**

The ER Program defines that a national REDD+ Programs and Projects Data Management System will provide the attributes of ER Programs, including: i. The entity that has Title to ERs produced; ii. Geographical boundaries of the ER Program or project; iii. Scope of REDD+ activities and Carbon Pools; and iv. The Reference Level used. The text and a graphic elaborate how it will be designed, the timeframe for constructing it, and its general principles.

Ind 37.3 The information contained in a national or centralized REDD+ Programs and Projects Data Management System is available to the public via the internet in the national official language of the host country (other means may be considered as required).	**NO**

The System is still in development, and so the data it will eventually contain is not yet available to the public via the internet in the national official language. The Indicator is not met

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**

The Data Management System is not yet operational, and its administrative procedures not yet fully fleshed out.

However, the ER Program describes some administrative procedures the country intends to define for the operations of a national or centralized REDD+ Programs and Projects Data Management System. But the text doesn't address the main requisites yet, and doesn't clarify if an audit of the operations would be carried out by an independent third party periodically, or this would occur via an agreement with the Carbon Fund.

C 38 Based on national needs and circumstances, ER Program host country selects an appropriate arrangement to ensure that any ERs from REDD+ activities under the ER Program are not generated more than once; and that any ERs from REDD+ activities under the ER Program sold and transferred to the Carbon Fund are not used again by any entity for sale, public relations, compliance or any other purpose

Ind 38.1 Based on national needs and circumstances, the ER Program host country has made a decision whether to maintain its own national ER transaction registry, or instead to use a centralized ER transaction registry managed by a third party on its behalf	**YES**

The ER Program host country has made a decision to use a centralized ER transaction registry managed by a third party on its behalf, World Bank.

Ind 38.2 The national or centralized ER transaction registry reports ERs for the Carbon Fund using the accounting methods and definitions described above in the MF	**N.A.**

Since the ER transaction registry at the World Bank does not yet exist, the ERPD doesn't clarify if the registry will use the accounting methods and definitions described in the MF, although presumably the World Bank would, since it houses FCPF, which developed the MF. The ERPD does now clarify the future steps to implement such a registry in Nepal over time in the revised ERPD, Table 55:

Table 55: Proposed timeframe to develop carbon registry system in Nepal

Date	Process step	Lead	Contributing
September to October 2017	• TOR prepared for assessing and recommending carbon registry mechanisms for Nepal	RIC/DFRS	DFRS
October 2017 to January 2018	• Study completed to assess and recommend carbon registry mechanisms for Nepal	RIC/DFRS	MoFSC, Ministry of Environment, WWF, ICIMOD, AEPC
February 2018	• Internal discussion of carbon registry options including with the Designated National Authority • External discussions with recommended carbon registries • Assessment of options for carbon registry	RIC/DFRS	MoFSC, Ministry of Environment, WWF, ICIMOD, IPs and LCs, AEPC
By April 2018	Decision on the choice of the carbon registry	RIC/DFRC MoFSC	MoFSC, Ministry of Environment

Ind 38.3 An independent audit report certifying that the national or centralized ER transaction registry performs required functions is made public.	**N.A.**

An independent audit report certifying that the national or centralized ER transaction registry performs required functions cannot yet be made public, since the registry does not yet exist.

The ERPD doesn't clarify if an independent audit report certifying that the national or centralized ER transaction registry performs required functions will be performed eventually, and if it will be made public.

Ind 38.4 Operational guidance exists, or is in advanced stage of preparation, that clarifies the roles and responsibilities of entities involved in the national or centralized ER transaction registry, as well as rules for operation of the registry.	**N.A.**

The registry does not yet exist, thus the ERPD doesn't describe the operational guidance or an advanced stage of preparation, that clarifies the roles and responsibilities of entities involved in the national or centralized ER transaction registry, nor rules for operation of the registry.

Annex 1 to the TAP technical assessment

TAP Review Visit to Kathmandu, Sept. 17-22, Meetings

Sunday, September 17, 2017

10 am - 12 noon: Meeting with REDD IC people and the ERPD team

Participants:

1. Sindhu Dhungana – Joint Secretary, Chief, REDD IC
2. Mohan Paudel – Under Secretary, REDD IC
3. Mohan Biswakarma – Under Secretary, REDD IC
4. Srijana Shrestha – Assistant Forest Officer, REDD IC
5. Hari Pandey – Assistant Forest Officer, REDD IC
6. Santosh Nepal – ERPD team leader, WWF Nepal
7. Ugan Manandhar – ERPD team, WWF Nepal
8. Ananta Bhandari – Forest Lead, WWF Nepal
9. Dil Raj Khanal – Lawyer, ERPD team
10. Dorna Ghimere – World Bank, Country Office
11. Rajesh Koirala – World Bank
12. TAP Team: Ken Andrasko, Fred Stolle, Yadav Prasad Kandel

1.20 pm – 2.0 pm: Meeting with Department of Forest Research and Survey (DFRS)

Participants:

1. Mr Yam Pokharel – DDG, DFRS
2. Meg Nath Kafley – DDG, DFRS
3. Sindhu Dhungana – Chief, REDD IC
4. Raja Ram Aryal – DFRS
5. Ananda Khadka – DFRS
6. Ananta Bhandari – Forest Lead, WWF Nepal
7. Ugan Manandhar – ERPD team, WWF Nepal
8. TAP Team: Ken, Fred, Ludovino Lopes, Yadav

2.0 pm – 4.30 pm: Meeting with the ERPD team including Lawyer

Participants:

1. Sindhu Dhungana – Chief REDD IC
2. Srijana Shrestha – REDD IC
3. Dil Raj Khanal – Lawyer, ERPD Team
4. Ananta Bhandari – Forest lead, WWF Nepal
5. TAP Team: Ken, Fred, Ludovino, Yadav

Monday, September 18, 2017

8.0 – 9.0 am: Meeting with Lawyer (ERPD team) at Hotel

Participants:

1. Dil Raj Khanal – Lawyer ERPD team
2. Rajesh Koirala – World Bank
3. Ludovino – TAP team
4. Yadav Kandel – TAP team

10 am – 12 noon: Meeting with IPs and CSOs – Training Cente, Babarmahal

Participants:

1. Pasang Sherpa – CIPRED - pasangtu2010@gmail.com

2. Bina Shrestha – COFSUN, Nepal – binabhojpur@yahoo.com
3. Aman Dangaura – COFSUN, Nepal – aman330@gmail.com
4. Rama Ale Magar – HIMAWANTI, Nepal – nhimawanti@gmail.com
5. Ganesh BK – RDN Nepal – ganeshbikal@gmail.com
6. Sunil K Pariyar – DANAR Nepal – sunildanar@yahoo.com
7. Tunga Bhadra Rai – NEFIN – tungarai@hotmail.com
8. Shanti Dewan – NIWF – junitadewan123@gmail.com
9. Anukram Adhikary – ForestAction, Nepal – anukram@forestaction.org
10. Bhola Bhattaria – NAFAN – nafannepal8@gmail.com
11. Jai Prakash Pandey – ACOFUN – acofun_2006@yahoo.com
12. Shambhu Prasad Dangal – RECOFTC – shambhu.dangal@recoftc.org
13. Ganesh Bahadur Karki – FECOFUN – karkign@gmail.com
14. TAP Team: Ken, Fred, Ludivino, Yadav

1.0 pm- 2.o pm: Meeting with Ministry of Law
Participants:
1. Toya Nath Adhikari – Joint Secretary- Ministry of Law and Justice
2. Sindhu Dhungana – REDD IC Chief
3. Srijana Shrestha – REDD IC
3. Dil Raj Khanal – Lawyer, ERPD Team
4. TAP Team: Ken, Fred, Ludovino, Yadav

2.30 – 4.30 Pm: Meeting with ERPD team (Carbon Accounting)
Participants:
1. Yam Phokheral – DDG, DFRS
2. Sindh Dhungana – REDD IC, joined in the second half
3. Mohan Paude – REDD IC
4. Basanta Gautam – Arbonaut
5. Ananta Bhandari – WWF Nepal
6.Ugan Manandhar – WWF Nepal
7. Srijana Shrestha – REDD IC
8. Rajesh Koirala – World Bank
9. Santosh Nepal – WWF Nepal, joined in the second half
10. TAP Team: Ken, Fred, Ludovino, Yadav

5.30 pm – 7.0 pm: VC Meeting with Simon on Safeguards (World Bank Office)
Participants:
1. Mohan Paudel – Under Secretary, REDD IC
2. Dorna Ghimire – World Bank, country office
3. Rajesh Koirala – World Bank
4. Ms Anu Rajbhandari – World Bank
5. Dil Raj Khanal – Lawyer – ERPD team
6. Tunga Rai – NEFIN
7. Simon Rietbergen – Safeguard Specialist – TAP team (Joined from Sudan)
8. Kennan W. Rapp – Sr. Social Development Specialist– World Bank, Delhi (joined From Bangkok)
9. TAP Team – Ludovino, Yadav

Tuesday, September 19, 2017
11.0 am – 12.0 noon: Meeting with the ICIMOD
Participants:
1. Eklabya Sharma, Deputy Director General, ICIMOD

2. Bhaskar Singh Karky, Resource Economist, ICIMOD
3. Mir Abdul Matin, Senior Geospatial Applications Specialist, ICIMOD
3. Birendra Bajracharya – Regional Manager, Mountain Environment Regional Information System (MENRIS), ICIMOD
4. Sindhu Dhungana – Chief REDD IC
5. Rajesh Koirala – The World Bank
7. TAP Team: Ken, Fred, Ludovino, Yadav

2.0 pm – 3.30 pm: Meeting with the Private sector representative
Participants
1. Shyam Sundar Dhakal – President, Federation of Forest Based Industry and Trade (FENFIT), Nepal
2. Kapil Prasad Adhikari – Immediate Past President, (FENFIT)
3. Jagat Narayan Maharjam – Member, FENFIT
4. Bhupendra Prasad chaulagain – Member, FENFIT
5. Arun Sharma Poudyal – Technical Advisor, FENFIT
6. Bishnu Kumar Joshi – Association of Private Forest Owners
7. TAP Team: Ken, Fred, Ludovino, Yadav

3.30 pm – 5.0 pm: Meeting with REDD IC and ERPD Team
Participants:
1. Sindhu Dhungana, Chief REDD IC
2. Santosh Nepal- ERPD team, WWF Nepal
3. Ananta Bhandari – Forest Lead, WWF Nepal
4. Rajesh Koirala – World Bank,
5. TAP team: Ken, Fred, Ludovino, Yadav

Wednesday, September 20, 2017
10.30 am- 11.30 am: Meeting with Ministry of Population and Environment
Participants:
1. Ram Prasad Lamsal – Joint Secretary
2. Sindhu Dhungana (Left after briefing about the REDD Process)
3. TAP Team: Ken, Fred, Ludovino, Yadav

11.45 am – 12.45 pm: Meeting with the Director General – Department of Forest
Participants:
1. Mr Krishna Acharya – DG, Department of Forests
2. Sindhu Dhungana – REDD IC
3. Prakash Lamsal – Under Secretary, Department of Forests
4. Rajesh Koirala – World Bank
5. TAP Team: Ken, Fred, Ludovino, Yadav

2.0 pm – 3.0 pm: Meeting with Ministry of Finance
Participants:
1. Baikuntha Aryal – Joint Secretary, International Economic Cooperation Coordination Division, Ministry of Finance
2. Surya Pokharel – Under Secretary, Ministry of Finance
3. Sindhu Dhungana – REDD IC
4. Srijaja Shrestha – Assistant Forest Officer, REDD IC
5. Rajesh Koirala – World Bank
6. TAP Team: Ken, Fred, Ludovino, Yadav

3.15 pm – 4.0 pm: Meeting with Ministry of Agriculture Development
Participants:
1. Suresh Babu Tiwari – Joint Secretary,
2. Parsuram Adhikari – Under Secretary, Ministry of Agriculture Development
3. TAP Team: Ken, Fred, Ludovino, Yadav

4.15 pm – 5.0 pm: Meeting with Ministry of Local Development
Participants:
1. Guru Subedi – Under Secretary, Ministry of Local Development
2. Ramila Bhandari – Ministry of Local Development
3. Ek Rau Sigdel – Environmental Specialist, Ministry of Local Development
4. Sindhu Dhungana – REDD IC
5. TAP Team: Ken, Fred, Ludovino, Yadav

Thursday, September 21, 2017 - (Public Holiday – 1st day of the Dashain Festival)
TAP Team worked on TAP draft assessment report.

Friday, September 22, 2017
8.0 am – 9.0 am: Meetinh with Resham Dangi – Former REDD Cell Chief
Participants:
1. Resham Dangi – Former REDD Cell Chief
2. TAP Team: Ken, Fred, Ludovino, Yadav

9.30 am – 10.30 am: Meeting with the World Bank Country Office
Participants:
1. Rajib Upadhya – South Asia External Affairs, World Bank Country Office
2. Dorna Ghimire – Senior Environmental specialist, World Bank, Country Office
3.TAP Team: Ken, Fred, Ludovino, Yadav

11.30 am- 12.30 pm: Meeting with President Chure Terai Madesh Conservation Board (Chure Board)
Participants:
1. Hem Lal Aryal – Member Secretary, (Chure Board)
2. TAP Team: Ken, Fred, Ludovino, Yadav

2.0 Pm – 3.0 pm: Meeting with the secretary, Ministry of Forests and Soil Conservation
Participants:
1. Mr Prakash Mathema – Secretary, Ministry of Forests and Soil Conservation
2. Mr Maheshwor Dhakal – chief, Biodiversity and Environment Division
3. Mr Chandra Man Dangol – Chief, Forest Enterprise and Management Division
4. Sindhu Dhungana – REDD IC chief
5. Rajesh Koirala – The World Bank
5. TAP Team: Ken, Fred, Ludovino, Yadav

3.30 pm – 5.30 pm: Wrap-up meeting with REDD IC and the ERPD team
Participants:
1. Sindhu Dhungana – REDD IC chief
2. Santosh Nepal – ERPD Team, WWF Nepal
3. Ananta Bhandari – Forest Lead, WWF Nepal
4. Ugan Manandhar – ERPD Team – WWF Nepal
5. Rajesh Koirala – The World Bank
6. TAP Team: Ken, Fred, Ludovino, Yadav