

Nepal's REDD process & Opportunities and challenges for carbon financing in community forestry in Nepal

Baral, JC

Ministry of Forests and Soil Conservation, Singha Durbar Kathmandu, Nepal
E-mail: baraljc@yahoo.com

Key words: Co-benefits, Community forestry, Carbon sequestration, FCPF, Multistakeholder mechanism, REDD, Readiness to REDD, Readiness Plan Idea Note

Introduction

April 2008 marked the beginning of Nepal's initiatives on Reduced Emissions from Deforestation and Forest Degradation (REDD). The process began by way of submitting Readiness Plan Idea Note (RPIN) [1] to the Forest Carbon Partnership Facility (FCPF) that was drawn by the multistakeholder forum under the overall coordination and leadership of the Ministry of Forests and Soil Conservation. Subsequent approval of RPIN by the FCPF provided Nepal with funds to support for Readiness Preparation Proposal (RPP) [2]. Lately the country has submitted the RPP to the FCPF which is currently in the review phase. It is apparent that the country will be receiving support to implement RPP with an objective of being ready for REDD by 2012 [3].

The work draws mainly from the author's own experience enriched by available literature and the interview with the relevant REDD practicers.

Results and Discussions

REDD process in Nepal's community forestry is characterized by both opportunities and challenges.

Opportunities include:

- Over 15 thousand patches of Community forests in the hills of Nepal have already demonstrated that they are capable of sequestering forest carbon (one study shows that the average sequestration rate is 1.8 ton/ha/year) [4]. There already exists a federation of these communities which is keen to support these communities in REDD related process.

- The community forests are characterized by several co-benefits like biodiversity conservation, watershed conservation environmental maintenance, and poverty alleviation.

- Holistic multistakeholder and multisectoral mechanisms are already in place from the apex level to the grassroots. The former mechanism

consists of government (e.g. Ministry of forests), civil society organizations (e.g., Federation of Community Forest User Groups, FECOFUN), Nepal Federation of Indigenous Nationalities, NEFIN) and Private/research Sector (e.g. Forest Action), Likewise, The later would consist of as many as 9 key relevant government entities (such as national planning commission, ministry of finance, ministry of land reform and ministry of forests, ministry of forests) that are responsible for holistically dealing to address the drivers of deforestation.

- REDD cell has been established within the ministry of forests to forge multistakeholder and multisectoral process towards readiness.

- Readiness Preparation Proposal (RPP) drawn from a multistakeholder process is already in place and there are large scale awareness among all stakeholders particularly about the potential of carbon trade and a need for equitable benefit distribution.

- Support is forthcoming both from the FCPF (who is going to pledge for US \$3.5 million) and other bilateral donors within the country.

Challenges include:

- Proving, additionality, permanence and leakage is very difficult both in technical and financial sense. Small patches of community forests are of course capable of sequestering carbon but it is very hard for them to comply with the international demands and standards owing to their small size, scattered location and lack of prior experience in carbon transaction.

- Widespread poverty in the rural areas means that communities might lose interest in the future owing to the reason that REDD is a time consuming and difficult process. Lack of good governance might add up to the problem

- While a workable institution and appropriate tenurial arrangement exists for the hills of Nepal, this is largely lacking in the low land (Terai) and high altitude thus posing a real problem in conserving the forest resource base in these regions of the country.

- The current fluid political situation of country means that the government and the civil society

find difficult to launch a new and demanding programmed like REDD

-While Nepal's community forestry can produce a number of co-benefits including biodiversity conservation, watershed conservation and poverty alleviation, the proposed REDD instrument have a parochial view towards the payment. It provides for payment merely to carbon thus not doing justice to their overall environmental and social contribution. As the situation stands today REDD payment do not cover the full costs involved [5]. Only a system of paying to their overall contribution to their environmental services and the 'indigenous knowledge system' might encourage these people continued interests towards playing meaningful role in the future.

Conclusions

Nepal has been intending to be ready for REDD when the tenure of the Kyoto Protocol (KP) would end in 2012. While opportunities exist, those are accompanied by a number of challenges. However, if succeeded, Nepal's participatory community forestry model may provide an enduring way to conserve the forest resource base thus lending to a viable REDD options not only within its border but across the globe. Nepal thus should proceed towards more

holistic REDD process with active cooperation of the local and international community.

Acknowledgements

I need to thank many individuals including relevant personnel from Federation of Community Forest User Groups, Nepal and the ICIMOD staff engaged in REDD piloting who shared their views on the topic at hand. Likewise, I thank to IBI who invited me to participate at the important and timely conference related to climate change.

¹ GON Ministry of Forests and Soil Conservation, 2008. Readiness Plan Idea Note (R-PIN) Nepal, Proposal submitted to World Bank by Ministry of Forests and Soil Conservation

² GON Ministry of Forests and Soil Conservation, 2010. Nepal's Readiness preparation Proposal, REDD 2010-2013

³ FCPF, June 2010, Review of R-PP of Nepal, Reviewers: Jayant Sathaye + 4 reviewers (Date of review: 10 June 2010)

⁴ Banskota, K., Karky B.S. and Skutch, M. 2007. Reducing Emissions through Community Forest Management in the Himalayas, Nepal, ICIMOD

⁵ "Science for Environment Policy": 2010. European Commission DG Environment News Alert Service, edited by SCU, The University of the West of England, Bristol