

# **Forest Investment Program**

## **Terms of reference for**

### **Development of the Forest Investment Plan for Nepal**

## **Background**

Almost 45 percent of Nepal's land area is covered by forests. Various policy documents, including Nepal's Nationally Determined Contributions (NDC) recognize the need to sustainably manage forest resources since forests are an important part of the national economy and the fight against climate change. Nepal is globally known for its community-based approach to sustainable resource management which has significant potential to be expanded and benefit additional communities and forest-enterprises. Other opportunities for enhancing the role of forests in Nepal include watershed management for securing water quality and quantity in the long-term and nature-based tourism which will contribute to the local and national economy.

The World Bank, through FCPF, has been supporting the Government of Nepal on its efforts to reduce emissions from deforestation and forest degradation, and foster conservation, sustainable management of forests, and enhancement of forest carbon stocks (REDD+). Under the Readiness Fund of FCPF, a grant of \$3.6 million was signed with the government in 2011 to help the country get ready for REDD+ through technical studies, consultations and capacity building activities. Since then, the government through the REDD Implementation Center (REDD IC) in the Ministry of Forests and Soil Conservation (MoFSC) has completed preparation of reports on national reference emissions level; national measurement, reporting, and verification (MRV) system; national REDD+ strategy; draft Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF); REDD+ implementation framework; feedback and grievance redress mechanism; and so on. The full suite of studies completed to date is publicly available on the Internet ([www.mofsc-redd.gov.np](http://www.mofsc-redd.gov.np)).

The REDD+ Readiness Grant ended in August 2015. To continue national REDD+ readiness, the government requested the FCPF for additional US\$5 million in November 2015, which was approved by the Participants Committee of the FCPF. The Bank entered into the grant agreement with the Government of Nepal in early 2017 for this additional financing. In relation to the REDD+ Readiness work, the GON also prepared an Emission Reduction Program Idea Note (ER-PIN) and presented to FCPF Carbon Fund for future carbon finance operation. The ER-PIN contemplates a landscape level operation in 12 districts of the Terai Arc Landscape encompassing 2.3 million ha (15% of the country's total land area). The proposed program includes a range of interventions, including forest management enhancements, energy efficiency innovations (biogas and improved cook stoves), livelihood and agricultural intensification, and animal husbandry improvements, and area encompasses and based on GoN's own estimates, the program could generate emission reductions of up to 14 million tons of CO<sub>2</sub> over a 5-year period.

Carbon Fund Participants competitively selected Nepal's ER-PIN and authorized the World Bank to support the development of a full Emission Reduction Program Document (ER-PD). The ER-PD is under completion and it is expected that Government of Nepal will enter into Emission Reduction Purchasing Agreement with FCPF by 2017.

In addition to the Emission Reduction Program Design, Nepal sought access to resources from Forest Investment Program (FIP), a funding window of the Climate Investment Fund (CIF) that aims empowering countries to address the drivers of deforestation and forest degradation both inside and outside of the forest sector to achieve the triple win of being good for forests, good for development and good for the climate. Nepal's letter of intent to receive forest investment plan preparation grant was accepted by the FIP and an agreement was made between the Government of Nepal and the World Bank (an implementing agency of FIP), dated December 19, 2016. Nepal's FIP investment plan will identify priority actions for the development of the forestry sector and sectors affecting forests, including reducing emissions from deforestation and forest degradation and enhancing forest carbon stocks (REDD+). It is particularly relevant since FIP supports the efforts of developing countries to address the challenges and opportunities related to their forests, including but not limited to sustainable management of forests, biodiversity conservation, livelihood diversification and enhancement of indigenous peoples and local communities. FIP investments will be complemented by the FIP Dedicated Grant Mechanism (DGM) that will particularly be used for capacitating Indigenous People and Local Communities through a small grants program designed and implemented by Nepal's Indigenous Peoples and local community groups.

The FIP process in Nepal was launched during a series of workshop sessions on October 25-27, 2016. The workshop brought together a range of stakeholders including government agencies, civil society organizations, private sector, indigenous people and development partners. The sessions introduced the FIP to various forestry sector stakeholders, right holders, government officials and development partners working in Nepal and discussed opportunities and priorities to be supported by the program. The workshop facilitated discussions to collectively identify programs and activities that Nepal can propose in its investment plan and seek financing from FIP and other sources.

## Forest Investment Program and Nepal

FIP promotes a programmatic approach that encourages country governments to strategically address the forest challenge at national or jurisdictional levels. FIP investments are consistent with country-led priorities and strategies for REDD+, while building on existing forestry or related initiatives.

FIP investments contribute to mainstreaming climate resilience considerations as well as enhancing multiple co-benefits such as protecting biodiversity and other ecosystem services; strengthening the capacity of Indigenous Peoples groups and local communities to engage in national and local decision-making processes; and reduce poverty by providing enhanced livelihood options.

In May 2015, Nepal was selected as one of the new six FIP pilot countries. The national resource envelope for planning FIP investments in Nepal is \$24 million, of which \$6.1 million are grants and \$ 17.9 million are concessional loans. An additional grant amount of up to \$4.5 million could potentially be made available to develop the FIP Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities in Nepal.

The Government of Nepal has secured a preparation grant to develop, supported by the World Bank, an investment plan and initiate the development of the Dedicated Grant Mechanism for indigenous Peoples and Local Communities. The grant is executed by the Ministry of Forests and Soil Conservation with the REDD Implementation Center as the coordinating entity. The REDD Implementation Center (RIC) is the lead institution to coordinate REDD activities in Nepal. RIC is the focal point for the FCPF and has also been named as the focal point for FIP.

The Government intends to submit its Nepal Investment Plan “Forests for Prosperity”, including a work plan to develop the Dedicated Grant Mechanism for endorsement to the FIP Sub-Committee, the governing body of the FIP in November 2017. In this context RIC is seeking to hire a consulting firm to support the REDD IC in the preparation of Forest Investment Plan (FIP), a work plan for the development of the Dedicated Grant Mechanism and an Outreach and Participation Plan for Capacity Building and Information Disseminations related to FIP at local and national levels.

## Scope of work

This assignment entails the following six main tasks.

### **I. Desk Review and Analysis**

The firm should conduct a thorough review of several policy, program, plans and reports related to forestry sector development in Nepal. With this review, the consultants should be able to conduct overall situation analysis to identify strength, opportunity, gaps, and challenges in forestry sector development especially reducing emission from deforestation and forest development. The consultants will review the following documents, but are not limited to:

- Forest Policy 2015 and implementation plan
- National land use policy 2012
- Forest sector strategy 2015
- Forest sector regulations
- Forest Resources Assessment Nepal (various reports )
- “Project Bank in the Forestry Sector of Nepal” prepared by the ministry.
- Fiscal policy and plans of Government of Nepal
- Annual Plan and budget for last 5 years
- Project bank in forest sector developed by the MoFSC
- Forest related directives and guidelines

- Instruments related to social and environmental safeguard mechanism
- Draft National REDD+ Strategy 2017
- Draft Emission Reduction Program Document
- Policies, strategies and mechanisms related to private forestry, forest enterprises, nature-based tourism and value chains of forestry products
- Workshop Proceeding: Forest Investment Program Inception Workshop, 25-27 October 2016
- Relevant international policy documents and publications

## **II. Consultation**

The preparation of Forest Investment Plan and a plan for Dedicated Grant Mechanism should ensure inclusiveness and be carried out in a highly consultative manner both at national and local levels. For this, detailed consultation plan should be developed and included in the proposal. The consultation plan aims to facilitate the development and validation of FIP and DGM at different levels. At least 36 Focus Group Discussions with district level key stakeholders (Community forests networks-FECOFUN & ACOFUN, Government staff-DFO and Protected area management, forest entrepreneurs, Indigenous Peoples, Dalits, Madhesi and Women), 5 regional level consultation meeting/workshop- (drawing on support from REDD+ IPOs and CSO Alliance for consultations at ER program level,) with government agencies, indigenous peoples, civil society organizations and private sectors should be carried out. At national level, at least two workshops (inception and final) and interview with key experts, development partners and policy makers should be carried out. These consultations are conducted with a clear checklist and plan for communicating information for the plan and stakeholders.

## **III. Forest Investment Program Development**

Develop Forest Investment Plan to be implemented over the next 8 years (2018 to 2026) to promote sustainable management of forests and forest-smart investments throughout the country, including the 12 districts of the Tarai Arc Landscape where Emission Reduction Program Document (ERPD) is under development. The plan should be consistent with Forest Policy and Implementation Plan 2015, Forest Sector Strategy 2016 and Nepal REDD+ Strategy 2017 (currently at final draft stage), ERPD and other relevant plans. The plan for investments and technical assistance should be specific, measurable, achievable, realistic and should be completed within the time frame. The plan should also provide monitoring and evaluation process along with a results framework. A guidance note for the development of an FIP investment plan, including a template is attached as an annex I.

The budget for the Investment plan will not be limited to the US\$24 million or the payments expected from the ERP. The investment plan should propose a budget for all planned activities with a view to leverage other resources including IDA and funding from other sources. The investment plan will propose forest and forest-smart investments that will contribute not only to forest conservation, but also to economic growth, job creation, poverty reduction and livelihood improvements in other sectors affecting forests (including infrastructure development and agriculture).

#### **IV. Implementation plan for DGM**

A separate work plan for the development of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in Nepal will be annexed to the FIP. The plan should consist of a timeline and activities for the development of the DGM and initial ideas activities to be funded under the DGM and ensure that Indigenous People and Local Communities can meaningfully participate in the implementation of the investment plan.

#### **V. Institutional Arrangement for Implementing the Plan**

The institutional arrangement is imbedded in the Plans. The consultant should develop a clear institutional arrangement for plan implementation in line with current institutional arrangement of the Government of Nepal and as required by the World Bank. The plan should clearly outline the roles and responsibilities of different institutions in implementing the plan. The plan should also be informed of and indicate the institutional arrangement of restructuring of the forestry sector as implementation of the new constitution (federalism) proceeds. Institutional arrangement for both FIP and DGM should be clearly mentioned in the plan.

#### **VI. Resource Plan for FIP**

Develop a resource plan for Nepal's Forest Investment Plan for 2018-2026 covering all costs associated with the implementation of the projects listed in the plan. The plan should allocate an indicative budget for each listed project. It is expected that the review of government programs and fiscal plans will indicate the current investment contribution from the government, private sectors and other development partners. The plan should identify potential sources of fund for each activity. The plan should also provide a detailed

#### **VII. Coordination and Cooperation**

There are several governmental and non-governmental stakeholders in forestry. The government institutions include Ministry of Forests and Soil Conservation, National Planning Commission, Ministry of Finance, Department of Forests, Department of National Park and Wildlife Conservations, District Forest Offices, Protected Area Management Offices. In order to coordinate and provide policy guidance to the FIP IP development and execution process, the Government of Nepal has developed a steering committee involving most of the above mentioned government institutions. This policy level steering committee is chaired by the Secretary, Ministry of Forests and Soil Conservation. Similarly, non-governmental institutions include Forest Users Groups and their networks, FNCCI-Forestry Division, Indigenous Peoples and their networks. Besides, local governments (and provinces), as per the new constitution, may also be elected/ formed under the new constitution. Strong coordination and collaboration will be needed with these institutions. Hence, while developing the FIP consultation plan and Outreach and Participation Plan, a mechanism should be developed to ensure their meaningful contribution, cooperation and collaboration.

## Qualification and Team composition

### **Qualification of Firm:**

Any Firm registered in national VAT system is eligible to apply. The firm should have proven and relevant work experience in sustainable forestry and REDD+ initiative in Nepal. The firm should possess at least five years' experience with valid registration, VAT clearance, demonstrated annual transaction, audit and renew. If consortium is bidding, letter of joint venture from partnering firms should be submitted. The profile of firm should contain a minimum of following information

- Mission, vision and objectives
- Date of registration and place of registration
- Relevant work experiences of last five years
- Annual transaction for last five years
- Human Resources
- VAT clearance certificate

### **Qualification and composition of Team:**

The team will be headed by an international coordinator which will be directly hired by the World Bank. Hence, s/he will not be part of this proposal. At national level, at least six experts are required. They include a National Team Leader cum Forestry Expert, Climate and REDD+ Expert, Gender and Social Inclusion Expert, Legal and Policy Analyst, Forest Economists/Finance Expert, Private Investment and Nature-Based Tourism Expert. The firm needs to ensure that the proposed team composition possess required qualification, skill and experience to deliver high quality result for each task. In addition to this, the firm can propose additional experts as necessary and supporting staffs at field especially during consultations and logistic staffs such as accountant/s and logistic officer.

#### **a. National Team Leader cum Forestry Expert**

The National Team Leader cum Forestry Expert will lead the expert team in Nepal in close coordination with and under the guidance of the International FIP Coordinator appointed by the World Bank. He/She will jointly report to and work under International FIP Coordinator and the REDD Implementation Center. The Consultant will

- Assess and analyze forest policies, measures, working documents, FIP and forestry related publications and develop a firm foundation for the FIP-IP
- Develop a plan of actions (i.e. guideline) considering available team members, provided time and objectives of the FIP IP.
- Coordinate the team and make sure that all of the experts are preparing corresponding reports and harmonizing the efforts.
- Coordinate consultation meetings and policy discussions
- Identify and propose potential interventions for sustainable management of forests and forest-smart investments to be undertaken under FIP IP.

- With Forest economist, estimate tentative costs for forestry activities.
- Prepare a report detailing activities, sites, targeted groups, stakeholders and their roles and responsibilities, estimated costs, expected outcomes and the way how the proposed forestry activities fit into the FIP IP interventions and harmonize the outcomes.
- Prepare a final report combining reports from all the thematic experts
- The team leader will closely work with the International Consultant (co-lead) to be hired by the World Bank.

**Requirements:**

The National Team Leader cum Forestry Expert should be a Nepali national and have strong knowledge on Forest Sector Policy, Programs and Plans. He/she should have minimum qualification and experiences as below

- Hold at least a postgraduate degree (masters, preferably PhD) in forestry, environmental science or related fields.
- Have at least 10 years working experience in designing and implementing policy and programs related to sustainable management of forests, natural resource management, forest governance community based forestry and other relevant projects in Nepal and/or developing countries.
- Experience in Nepal and international organizations in NRM related project (preferably forestry) will be an advantage.
- Demonstrate technical capacity, including analytical skills, and proven track record in delivering multi-sectoral, complex programs
- Good understanding of forestry sector policies, programs and plans
- Sound knowledge on forestry sector institutions, current program implementation arrangements and process in Nepal.
- Experience in conducting risk assessment and feasibility assessment in the socio-economic context of Nepal.
- Writing, facilitation, and communication skills are essential.

**b. Climate Change and REDD+ Expert**

The Climate change and REDD+ expert will report to the national team leader. She/he will work under the guidance of the team leader in close collaboration and consultation with REDD IC (FIP focal point) as well as the International FIP Coordinator whenever needed. She/he will specifically be responsible to:

- Access, review and analyze climate change policies and measures unfolding at national and global scale and develop firm foundation for FIP IP in the context of Nepal
- Identify potential climate change mitigation and adaptation interventions to be undertaken under FIP IP harmonizing with existing plans of actions including regular forestry, livestock, agriculture and other line agencies' programs, emissions reduction program and programs being

undertaken by other development partners like ICIMOD, WWF, NGOs and civil society organizations.

- Identify hot spot areas, possible stakeholders and suggest best possible governance modality for their active and equitable participation in FIP IP.
- Prepare a report detailing activities, sites, targeted groups, stakeholders and their roles and responsibilities, estimated costs, expected outcomes and the way how the proposed climate change mitigation and adaptation activities harmonize with other FIP interventions.
- Take part in related consultation meetings, share suggested interventions and get feedback (consulting with the team leader).
- Contribute to the various drafts of the FIP IP jointly with other team members and international coordinator.

**Requirements:**

The consultant should be Nepali national possessing the following qualification and experiences:

- Hold at least a postgraduate degree in climate change, environmental science or other NRM related field.
- Have at least 5 years of working experience on climate change, REDD+ and other relevant projects in Nepal and/or developing countries.
- Demonstrate technical capacity, including analytical skills, and proven track record in delivering multi-sectoral, complex programs
- Good understanding of climate change policy, programs and plans in Nepal and at global scale.
- Sound knowledge on forestry sector institutions, current program implementation arrangements and process in Nepal.
- Fluency in English speaking and writing

**c. Gender and Social Inclusion Specialist**

The Gender and Social Development Specialist will report to the national team leader. She/he will work under the guidance of the team leader in close collaboration and consultation with REDD IC (FIP focal point). She/he will specifically be responsible to:

- Access, review and analyze gender and social inclusion related policies, programs, activities and other published/unpublished documents unfolding in at national (i.e. Nepal) and global scale and develop firm foundation for FIP IP in the context of Nepal
- Identify potential areas of gender and social inclusion through the FIP IP.
- Harmonize identified potential gender and social inclusion activities with existing forestry, agriculture, livestock and related sector programs and activities.
- Estimate tentative costs for gender and social inclusion activities in FIP IP as well as in DGM.
- Prepare a report detailing activities, sites, targeted groups, stakeholders and their roles and responsibilities, estimated costs, expected outcomes and the way how the proposed gender and social inclusion activities harmonize with other FIP IP interventions.



- Participate in consultation meetings as required
- Contribute to the various drafts of the FIP IP jointly with other team members and international coordinator.

### **Requirements**

The consultant should be Nepali national possessing the following qualification and experiences:

- Hold at least a postgraduate degree in social sciences, gender, women studies, development studies, social forestry, conflict management, or any other related disciplines.
- Demonstrated skills and experiences in dealing with gender related issues particularly in the forestry sector
- Should have at least five years of experience in community development or rural development, with familiarity of issues on gender, social, cultural and local reality.
- Possess strong knowledge of land tenure, access to and ownership and access/user rights, to include understanding of customary land rights
- Be familiar with participatory rural appraisal and social issues associated with NRM in Nepal and the REDD+ safeguard policies.
- Strong skills in facilitating the multi stakeholder workshops and consultation.
- Fluent in English and Nepali

### **d. Forest Economist/Finance Expert**

The Forest Economist/Finance expert will report to the national team leader. She/he will work under the guidance of the national team leader in close collaboration and consultation with REDD IC (FIP focal point) and the international coordinator. She/he will specifically be responsible to:

- Access, review and analyze forest economics and enterprise development related policies, programs, activities and other published/unpublished reports available at national (i.e. Nepal) and global scale and develop firm foundation for FIP IP in Nepal
- Assess and analyze fund flow mechanism, founding sources and amounts in the forestry and related sectors such as agriculture, livestock, environment and others related.
- Identify potential financial gaps for sustainable forestry and emissions reduction programs, enterprises development in forestry sector and capacity building activities.
- Identify the areas for forest-smart investments.
- Propose area of FIP intervention in collaboration with all FIP IP preparation team members including international coordinator, national team leader, gender and social development specialist, climate change expert, private sector expert, and policy analyst.
- Prepare final lists of proposed activities (for three years) with required budget and sources of funding.
- Participate in consultation meetings as required

- Contribute to the various drafts of the FIP IP jointly with other team members and international coordinator.

### **Requirements**

The consultant should be Nepali national possessing the following qualification and experiences:

- Hold at least a master's degree in economics, preferably resource economics, forest economics or environmental economics.
- At least five year experiences in forestry sector in Nepal especially in program designing, value chain, economic analysis and business planning
- Understanding on private sector involvement in forestry sector
- Knowledge on Potential Opportunity and Challenges on Forest Resource Management in Nepal
- Good knowledge on private sector involvement and investment in forestry related enterprise development
- Familiar with Nepal Government fiscal policy, procurement policy and plans

### **e. Legal and Policy Analyst**

The Legal and Policy analyst will report to the national team leader. She/he will work under the guidance of the national team leader in close collaboration and consultation with REDD IC (FIP focal point). She/he will specifically be responsible to:

- Access, review and analyze policies and measures related to forestry and environmental sectors. In addition to existing policies and measures, the consultant should also assess, review and analyze unfolding issues of environmental and forestry policies and mechanisms at national (i.e. Nepal) and global scale and develop firm foundation for FIP IP in the context of Nepal.
- Identify potential policy gaps, conflicts and overlaps that may influence effective implementation of the proposed FIP IP (programs/activities).
- Provide required legal support to other team members (theme leaders) in close collaboration with international coordinator, national team leader and the REDD IC.
- Prepare policy analysis report for FIP IP in the context of Nepal
- Participate in consultation meetings as required (consulting with the team leader)

### **Requirements**

The consultant should be Nepali national possessing the following qualification and experiences:

- Hold at least postgraduate (Masters) degree in public policy, law, Natural Resource Management or Environmental Science or related discipline
- Have at least five years' relevant experience at national level
- Have demonstrated experience in forestry sector policy analysis and development process in Nepal
- Understanding on present organization structure of MoFSC and roles and responsibilities at each level

**f. Private Sector Investment cum Nature-Based Tourism Expert**

The Private Sector Investment cum Nature-Based Tourism Expert will report to the national team leader. She/he will work under the guidance of the national team leader in close collaboration and consultation with REDD IC (FIP focal point). She/he will specifically be responsible to:

- Access, review and analyze national and international policies, practices, published and unpublished documents of private sector involvement in the forestry sector and their contributions to tackle with climatic effects. Such an analysis is expected to develop firm foundation for FIP IP in the context of Nepal.
- Undertake consultations with related investors, potential investors, entrepreneurs, bankers and government officials and explore opportunities and challenges ahead for private sector to be engaged in forest enterprises (in consultation with the team leader)
- Stock take of private sector's investment and engagement in forestry and nature based tourism sector.
- Identify potential activities and areas for establishing forest -based industries/enterprises and nature based tourism.
- Prepare a comprehensive report on how private sector can be a part of the FIP IP in Nepal harmonizing with other thematic reports. Required fund, potential sources and gaps should also be estimated in the report.
- Contribute to the various drafts of the FIP IP jointly with other team members and international coordinator.

***Requirements***

The private sector investment and nature based tourism expert should be Nepali national possessing the following qualification and experiences:

- Hold at least post graduate (Masters) degree in ecotourism or industrial economics, or Natural Resource Management or Environmental Science or related disciplines
- Have at least five years working experience in entrepreneurship, forest based industries (timber, non-timber), nature based tourism and payment for ecosystem services.
- Proven experiences in value chain and market potential analysis of forest based resources
- Experiences and understanding of private forestry potentials
- Aware of existing rules and regulations, institutional arrangement and governance in forestry, climate change, protection area system and ecosystem services in Nepal

Similarly, to implement Outreach and Participation Plan of FIP, the firm should propose an expert who is responsible for coordination and facilitation of the proposed activities. Necessary supporting staff should be proposed during the submission of the plan.

## Deliverables and reporting

The expected duration for FIP development and implementation plan for DGM is three months. There are several deliverables expected to produce.

1. A detail work-plan: Detail work plan for both FIP and DGM preparation should be submitted within the first two week of the start of the assignment. The work plan should outline a detailed schedule for each deliverable under the scope of work outlined above in order to meet specific milestones . Similarly, refined consultation plan to facilitate the FIP and DGM preparation process is required and agreed during the inception.
2. A Forest Investment Plan for Nepal: A comprehensive forest investment plan for the Period 2018-2022, five annexes and summary sheet as guided and outlined in annex I&II: Guideline for Preparing the Country -level Investment Plan, annotated outline for investment plan and summary sheet. The plan should be delivered within three months of the assignment start date.
3. In addition to the FIP, each expert is expected to produce a brief analytical assessment report of their own field, namely critical analysis on 1) Scope for sustainable forest management and forest-smart investments, 2) Climate change, REDD+ and PES, 3) Gender and social inclusion in forestry, 4) Forest economics and climate finance, 5) Legal and policy aspect of forestry, 6) Private sector involvement; and 7) nature-based tourism.

Similarly, as stated earlier section, the activities included in the Outreach and Participation Plan will have to be implemented throughout the FIP development and implementation process. However, the selected firm and REDD IC will agree on the specific activities and accordingly detailed plan of action and required fund will be developed and approved by the REDD IC.

The work plan should be developed in close collaboration with REDD IC. The National Team Leader and Forestry Expert will report to the chief of REDD IC and work together with International FIP Coordinator (co-leadership) and work in close coordination with REDD IC focal point.

## Inputs to the firm

REDD IC will provide access to background documents to carry out the assignment. In particular, the consultants are required to review, familiarize with, and incorporate in the work of the present assignment the results of a number of REDD+ readiness studies that REDD IC carried out and is still carrying out.

The REDD IC will support for necessary communication for consultation process at all levels. REDD IC will support the firm to coordinate and attend the national level and field level consultations process as and when necessary and feasible.

REDD IC and the World Bank will review and provide regular input and suggestions to the consultant(s), which are required to be taken into account. The deliverables must be agreeable to both REDD IC and the Bank.

Given the nature of the work which will be formally submitted to FCPF Carbon Fund by the Government of Nepal, the completion of the contract is subject to the full support and endorsement of the products by the Government of Nepal.

## Selection process and Criteria

The short-listed firm will be asked for the development of a detailed proposal. The selection process of EoI and proposal will follow The World Bank's Guidelines for Consultant Procurement 2011.

## Schedule of work

The assignment is expected to start in the middle of July 2017 and accomplished in three months.

## Application Procedure

Eligible firm should provide Expression of Interest in a sealed envelope containing the following documents.

- Letter of Expression of Interest
- Profile of the Firm
- Copy of Registration Certificate
- Copy of Renewal Certificate
- Copy of Annual Audit Report for last three year
- CVs of potential experts
- Letter from partnering institutions if joint venture is proposed

The short-listed firm will be requested to submit a full proposal along with following documents.

- Technical proposal for FIP development in a sealed envelope. The proposal should include duly signed CVs of experts
- Financial proposal for FIP development in a sealed envelope.
- Technical proposal for Outreach and Participation Plan for Capacity Building and Information Dissemination related to FIP at grassroot level.

Proposal should be submitted in the following address.

REDD Implementation Centre  
Babarmahal, Kathmandu, Nepal.  
Tel : 977 1 – 4239126  
Fax : 977 1 – 4215261  
Email : info@mofsc-redd.gov.np

## A. Annex 1

### Guidance for Preparing the Country-Level Investment Plan

#### Principles, Objectives and Outcomes

*Principles.* The Investment Plan should be country-led and country-driven, and should be designed to “support developing countries’ REDD-efforts, by providing up-front bridge financing for readiness reforms and public and private investments identified through national REDD readiness plan building efforts, while taking into account opportunities to help them adapt to the impacts of climate change on forests and to contribute to multiple benefits such as biodiversity conservation, protection of the rights of indigenous peoples and local communities, poverty reduction and rural livelihoods enhancements”<sup>1</sup>.

FIP funding should be additional to current ODA and should allow for blending grant and highly concessional finance with domestic and international public and private financing. This financing will be made available through the MDBs. The processing of FIP financed projects and programs will follow the MDBs’ established policies and procedures and comply with the FIP investment criteria.

The Investment Plan should adopt a programmatic approach, building on and avoiding duplication of existing work and development strategies, including REDD readiness programs and strategies, and should clearly demonstrate the initiation of transformational change in forest-relevant sectors and monitorable contributions to emissions reductions. Specific investment criteria are spelled out in the [FIP Investment Criteria and Financing Modalities](#).

*Objectives.* Country-level Investment Plans will support the objectives of the FIP<sup>2</sup> which are to:

- (a) initiate and facilitate steps towards transformational change in developing countries’ forest-related policies and practices;
- (b) pilot replicable models to generate understanding and learning about the links between forest-related investments, policies and measures and long-term emission reductions and conservation, sustainable management of forests and the enhancement of forest carbon stocks in developing countries;
- (c) facilitate the leveraging of additional financing resources for REDD+, leading to an effective and sustained reduction in deforestation and forest degradation, thereby enhancing the sustainable management of forests; and
- (d) provide valuable experience and feedback in the context of UNFCCC deliberations on REDD+.

*Immediate Outcomes of the Implementation of an Investment Plan.* The immediate outcomes of the implementation of a country-level Investment Plan are:

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<sup>1</sup>Paragraph 10, *FIP Design Document*

<sup>2</sup>Paragraph 11, *FIP Design document*

- (a) strengthened institutional capacity, improved forest governance and availability of information;
- (b) integration of climate mitigation measures and other forest ecosystem service considerations in the forest sector; and
- (c) reduction of pressure on forests, including from other land use sectors.

## **Annotated Outline for Investment Plan**

The following general structure for the Investment Plan is suggested, recognizing that country or regional circumstances may differ. The Investment Plan would likely cover the information requested under the consolidated investment criteria for programming priorities in a FIP pilot (see *Investment Criteria and Financing Modalities*). More detailed suggestions for structuring the document are provided below.

### **Section 1 Description of the country and sector context (3 pages)**

The Investment Plan will be developed through a transparent participatory stakeholder process on a country-specific basis to achieve nationally-defined REDD+ objectives. Therefore, a brief summary of the government's existing forest-relevant development plans or programs that include low carbon objectives related to forests should be prepared, including specific forest or other relevant sectors and climate change strategies. The following sector-specific background information should be provided:

- (a) description of the major national forest- or forest landscape-based sources of GHG emissions and projected trends
- (b) status and trends concerning forest and woodland resources
- (c) economic importance of forestry sector and those sectors affecting forests (local livelihoods, contribution to GDP, poverty linkages)
- (d) explanation of the key drivers of deforestation and degradation
- (e) summary of national REDD+ program/plan or equivalent
- (f) summary of other ongoing REDD+ programs (e.g. FCPF or UN-REDD) for forest, woodland and wider forest landscape management, including funding sources
- (g) description of forest governance arrangements (legislation, regulations, land rights and tenure systems, institutions and their capacities, participation of key stakeholders including indigenous and other forest communities, and accountability arrangements)

### **Section 2 Identification of opportunities for Greenhouse gas abatement (2 pages)**

The Investment Plan will identify key opportunities for reducing emissions from deforestation and forest degradation as well as the conservation and enhancement of forest carbon stocks. The interventions should be sufficiently flexible to include a wide range of possible public and

private sector activities. The investment opportunities should meet the FIP investment criteria as outlined in the *FIP Investment Criteria and Financing Modalities*.

### **Section 3      Enabling policy and regulatory environment (1-2 pages)**

The Investment Plan should

- (a) describe the fiscal and regulatory framework, land use policies, market structure, other incentives, and medium-term expenditure frameworks in the forestry (including REDD+ readiness) and related sectors to support the operations envisaged in the plan;
- (b) describe the extent to which the existing regulatory and policy framework supports, or conflicts with, REDD+ objectives; and
- (c) further identify existing regulatory gaps and governance challenges and describe the barriers that exist and what the potential impacts of public and private sector interventions could be if these barriers are addressed.

### **Section 4      Expected Co-Benefits from FIP Investment (1 page)**

The Investment Plan should identify expected co-benefits from FIP investments, including the contribution to the improvement of local livelihoods, poverty alleviation, and human development of forest dependent communities, including indigenous peoples, as well as, the protection of biodiversity and other ecosystem services; enhance climate resilience, and the promotion of gender equality and social sustainability. A key element will be the description of environmental and social outcomes and benefits of the FIP investments.

### **Section 5      Collaboration among MDBs and with other Partners**

The Investment Plan should discuss the collaboration potential among MDBs and with other development partners (e.g. FCPF, UN-REDD, GEF) in preparing the Investment Plan as well as potential collaboration during implementation of the Investment Plan. This should include a brief description of relevant ongoing or planned activities of potential partners, the status of interaction and the potential to leverage financial and technical resources with the view to enhancing the implementation of the Investment Plan and making it more comprehensive.

### **Section 6      Identification and rationale for projects and programs to be co-financed by FIP (4 pages)**

A sub-set of interventions for FIP co-financing should be selected from the wide range of opportunities identified in Section 2. For each project or program, the Investment Plan should:

- (a) Prioritize activities that
  - i. would enable the scaling-up of approaches, forest management models, technologies, and solutions that are successfully piloted but not in routine use, and/or



- ii. would help generate working examples of low carbon forest development that might be applied at scale to the country, geographic sub-region or sub-sector. An appropriate justifications needs to be presented for why these activities are prioritized.
- (b) Assess the cumulative emissions savings, explaining how investments
  - i. would explore new opportunities previously unrealized at scale, and/or
  - ii. are linked to policy and regulatory change t that will stimulate much wider action by creating new opportunities and removing barriers.
- (c) Estimate the replication and scalability potential of the project or program, e.g. its potential impact on the deforestation rate, pace of rehabilitation of degraded areas, conservation of existing forest carbon stocks, REDD activities and payments, and/or forest carbon emissions.
- (d) Provide evidence of poverty reduction, environmental and social co-benefits by prioritizing activities that
  - i. help reduce poverty by enhancing economic growth or by improving services to the poor, taking into account the gender dimension of poverty and/or
  - ii. provide local or regional environmental benefits such as greater biodiversity, improved watershed management or better soil quality.
- (e) Take into account the framework of the MDBs' Country Assistance/Partnership Strategies, other relevant national planning exercises and activities of other development programs, including the FCPF, UN-REDD, bilateral development agencies, UN and GEF.
- (f) Establish 2-3 results indicators consistent with the FIP Results Framework and identify methodology to measure those along with a timeline for achieving results.

## **Section 7      Implementation potential with risk assessment (1-2 pages)**

An assessment of the implementation potential of the alternative GHG emission reduction options in the Investment Plan should be considered. This would include an analysis of the technical and management capacities of the executing agencies or project sponsors/entities as well as their financial health. If there are bottlenecks in related infrastructure or land use, the ability of executing agencies or project entities to resolve these problems should also be addressed. The Investment Plan should include an initial description of potential risks that might affect the implementation of proposed investments including: country and sub-national level risks; sector policies and institutions; technology, governance, environmental, and social risks.

## **Section 8      Financing plan and instruments (half-page)**

The Investment Plan should provide a projected amount of FIP co-financing and total financing requirements for each intervention, potential sources of public and private financing (including carbon finance, bilateral development banks and agencies, and non-traditional financiers). The

Investment Plan should also identify FIP leverage ratios and types of financial instruments e.g., commercial loans, concessional financing, grants).

## **Section 9      Results Framework for Investment Plan (1-2 pages, table format)**

Consistent with the FIP Results Framework<sup>3</sup>, each FIP pilot country Investment Plan should provide a higher-level results framework presenting expected results from FIP investments, success indicators and means of verification (e.g. information on methodology how indicators will be measured or relevant data gathered). Projects and Programs supported under the Investment Plan will have to present their own respective results frameworks but have also to report against relevant key indicators in the results framework for the investment plan (aggregation). This section should also provide information on baseline information against which progress will be monitored.

### **Annexes**

The Investment Plan should include five annexes that summarize:

Annex 1: the proposed project and program pipeline, including the notional FIP resource allocation, an estimate of resources that would be leveraged, projections of potential carbon emissions reductions from both, the co-financed portfolio as well as the larger transformational impact and other results indicators.

For each project concept, a project outline annex (maximum two pages) should be provided that includes:

- (a) MDB and lead Government Agency(-ies)
- (b) Problem statement (1-2 paragraphs)
- (c) Proposed transformational impact and co-benefits (1-2 paragraphs)
- (d) Implementation readiness (1-2 paragraphs)
- (e) Potential national and international partners including their REDD+ financial support(1 paragraph and a table)
- (f) Rationale for FIP financing (1-2 paragraphs)
- (g) Safeguards
- (h) Financing plan
- (i) Project preparation timetable
- (j) Request for project preparation grant if required

Annex 2: A stakeholder involvement plan which presents an assessment of the relevant stakeholder groups in the pilot and how these groups have been involved in the design and will be involved in the implementation of the Investment Plan and related projects and programs.

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<sup>3</sup> To be approved by the FIP Sub-Committee.

Annex 3: An Implementation Plan for Dedicated Grant Mechanisms for Indigenous Peoples and Local Communities and Linkage with FIP.

Annex 4: FCPF/UNREDD Readiness Preparation Proposal (R-PPs), National REDD+ Plan, Action Plan or equivalent (if available)

Annex 5: Technical review of the country Investment Plan by an expert/peer review group (from FCPF roster of experts)

Template for Summary of Investment Plan<sup>4</sup>

## FOREST INVESTMENT PROGRAM

## Summary of Country Investment Plan

<b>1. Country/Region:</b>		
<b>2. FIP Funding Request (in USDmillion)::</b>	<i>Grant:</i>	<i>Loan:</i>
<b>3. National FIP Focal Point:</b>		
<b>4. National Implementing Agency (Coordination of Investment Plan):</b>		
<b>5. Involved MDB</b>		
<b>6. MDB FIP Focal Point and Project/Program Task Team Leader (TTL):</b>	<i>Headquarters-FIP Focal Point:</i>	<i>TTL:</i>
<b>7. Description of Investment Plan:</b>  (a) Key challenges related to REDD+ implementation  (b) Areas of Intervention – sectors and themes  (c) Expected Outcomes from the Implementation of the Investment Plan  (d) Link to activities supported by FCPF and UN-REDD Programme		
<b>8. Expected Key Results from the Implementation of the Investment Plan (consistent with FIP Results Framework and FIP Core Indicators<sup>5</sup>):</b>		
<b>Result</b>	<b>Success Indicator</b>	
(a)		
(b)		
...		
Expected direct GHG emission reductions from FIP investments (over the lifetime of the project/program):  Project 1: Project 2: Project...:		

<sup>4</sup>To be submitted together with the full plan document for endorsement by the FIP Sub-Committee.

<sup>5</sup>For core indicators, see annex 9.

9. Project and Program Concepts under the Investment Plan:							
Project/Program Concept Title	MDB	Requested FIP Amount (\$)⁶			Public Sector / Private sector	Expected co-financing (\$)	Preparation grant request (\$)
		TOTAL	Grant	Loan			
<b>TOTAL</b>							
10. <b>Timeframe</b> (tentative) – Approval Milestones:							
		FIP Sub-Committee Approval		MDB Board Approval		Expected Date of Effectiveness⁷	
Project 1:							
Project 2:							
Project...:							
11. <b>Link with FCPF and UN-REDD Programme Activities:</b>							
12. <b>Other Partners involved in design and implementation of the Investment Plan⁸:</b>							
13. <b>Consultations with Indigenous Peoples and Local Communities:</b>							
14. <b>Private Sector Involvement:</b>							
15. <b>Other relevant information:</b>							

⁶Includes preparation grant and project/program amount.

⁷Expected date of signature of grant or loan agreement.

⁸Other local, national and international partners expected to be involved in design and implementation of the plan.

## Relevant Documents

## Annex 3

1. The World Bank's Forest Investment Programme (FIP): Core elements and critical issues
2. Climate Investment Fund- FIP Monitoring and Reporting Toolkit-2016
3. Forest Policy and Implementation Plan 2015
4. Nepal Forest Sector Strategy 2015
5. Nepal's Readiness Preparation Proposal REDD 2010-2013
6. Emission Reduction Program Idea Note (ER-PIN)
7. Emission Reduction Program Document 2017
8. Nepal REDD SESA report Final revision (6 Aug 2014)
9. Nepal REDD ESMF Final revision (6 August 2014)
10. Study on Drivers of Deforestation and Degradation of Forests in High Mountain Regions of Nepal
11. Study on Invasive Alien Species (IAS) as Drivers to Deforestation and Degradation of Forests
12. A Study on The Demand and Supply of Wood Products in Different Regions of Nepal
13. Environmental Safeguards in Forestry Projects
14. Nepal's ER-PIN (ANNEXES) to FCPF Carbon Fund-March 7, 2014 (Final)
15. Mid-Term Progress Report and request for additional funding
16. REDD+ SES Nepal Version 2014 – Nepali (Feb. 2014)
17. REDD plus feasibility study
18. REDD plus piloting Report
19. Role of forest on climate change adaptation Report
20. MRV Reports (Full Cost Proposal document, Institutional Assessment Report, MRV Geographic Information System Data Catalog, MRV IT and GIS Platform Report, MRV System Nepal organization and HR requirements, MRV-Final Reports, Nested Approach Report, Report on Capacity Needs for Community Carbon Monitoring, Report on WISDOM model)
21. Forest Investment Program Workshop Proceeding 25-27 October, 2016
22. Forest Resources Assessment Nepal (various reports )
23. Intended Nationally Determined Contribution (communicated to the UNFCCC Secretariat, February 2016)
24. Hamro Ban (various, published by Department of Forest)
25. Post Disaster Needs Assessment 2015