

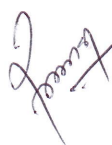
Government of Nepal
Ministry of Forests and Soil Conservation
REDD-Forestry and Climate Change Cell
Babarmahal, Kathmandu, Nepal

**Terms of Reference for
Development of REDD+ Strategy for Nepal
(FCPF/REDD/S/QCBS-20)**

1. Background

Nepal is implementing series of activities as stipulated in the Readiness Preparation Proposal (R-PP) to prepare itself for REDD+ (Reducing Emissions from Deforestation and Forest Degradation) mechanism to harness potential benefits of REDD+ implementation in future. Nepal believes that participation in REDD+ mechanism has potentiality to generate carbon revenues as well as non-carbon co-benefits. It has been envisioned that REDD+ implementation has potentiality to contribute in sustainable forest management and improvement of forest law enforcement and governance at large. REDD+ architecture will also help in achieving Nepal's obligation to contribute to global low carbon emission development and sustainable development agenda.

The Forest Carbon Partnership Facility (FCPF) and bilateral/multilateral donors are supporting Nepal to make ready for "REDD+ mechanisms". The objective of Nepal's REDD+ Readiness is to participate in REDD+ process and benefit from the potentially emerging performance-based payment systems for REDD+ within the context of the UN Framework Convention on Climate Change (UNFCCC). It has been assumed that these performance-based payment systems (reduction of emissions and/or enhancing sink capacity) will be based on sound social and environmental policies, plans and programs to address drivers of deforestation and forest degradation so that GHG emissions can be significantly reduced through biological sequestration of carbon with reference to a credible and marketable reference emission level



(REL)and/or Forest Reference Level (FRL). There has been deep concern about the methodological robustness in establishing national REL/FRLand MRV systems.Beside that appropriate policies and institutions are also critical to implement REDD+ successfully. Therefore, a comprehensive national REDD strategy is needed to support in developing appropriate policy, institutionsand implementation modality of REDD+ in Nepal. REDD+implementation in Nepal should have met social and environmental safeguards and have generated adequate co-benefits.


In order to become ready for REDD+, Nepal is preparing REDD+ Strategy. The purpose of the REDD+ strategy is to guide to develop a set of policies and programs for addressing the drivers of deforestation and forest degradation and improving the carbon sink capacity of the forest. The strategy will be developed in line with the principle of the sustainable development in general and to the national forestry sector vision - forests for prosperity in particular.

2. Objectives

The general objective of this assignment is to develop REDD+ Strategy for Nepal, as guided by the framework attached in Annex A of this TOR.


Other specific tasks expected under this assignment include the following:

- Critically review the existing study reports to assess major drivers of deforestation and forest degradation in all ecological zones of Nepal viz. Terai, mid-hills and high mountains.
- Prioritize the drivers in all physiographic zones and propose strategy options and key interventions that will address the drivers of deforestation, forest degradation, and enhance sink potentiality through sustainable management of forests (SMF), conservation of forests, and enhancement of forest carbon stocks (REDD+).
- Conduct trade-off analysis of REDD-plus strategy options, including opportunity costs, investment costs, transaction costs, and abatement costs including estimating the unit cost of avoiding deforestation and forest degradation.



- Examine the leveraging power of economic and non-economic incentives of REDD+ against direct and indirect cost of policy adjustments, which would be incurred by other land use sectors in order for them to incorporate REDD+ into their activities.
- Assess the feasibility (socioeconomic, political and institutional) of the strategic options through analysis of risks, and opportunities for the proposed options, including an analysis of institutional capacity.
- Present a risk analysis framework that summarizes major types of risks¹, and how significant they are (e.g., low, medium, high) for the major REDD-plus strategy options and proposed key activities.
- Critically review the strength, weakness, opportunities and threats of REDD implementation through different approaches- such as National, sub-national / Project level and Hybrid approach- and propose appropriate approach and implementation modality for Nepal.
- Identify potential non-carbon benefits of REDD+ and propose strategy to optimize those benefits.
- Assess, identify and agree on specific roles to be played by non-forest sectors (direct drivers, key institutional players, etc) in the implementation of REDD+ (PAMs, safeguards, BDS, M/MRV) and evaluate opportunity for synergies (or conflicts) between the identified options and other national development priorities, including assessment of trade-offs across development goals or sectors, or consideration of any relationship to an evolving low carbon development strategy, biodiversity conservation strategy and ways of mitigating conflicts and enhancing synergies.

¹Risks include domestic political risks for a new policy and uncertainties of the international policy process. Some other significant risk factors include: environmental risks; socio-cultural risks; and major financial, operational, organizational, political, regulatory, and strategic risks potentially associated with major strategy activities. For example, assess the risk of domestic leakage caused by the REDD-plus strategy options, i.e., the risk of strategy options displacing deforestation and/or forest degradation from one area to another within the country, through activity shifting or market leakage.




- Assess the role of (and responsibility) of local communities (IPs, CFs, minorities and women, etc) in the implementation of REDD+ activities, and monitoring of safeguards (including multiple benefits) and forests.
- Review information retained with REDD Cell and other stakeholders on SESA, REL, and MRV, as needed by the framework attached in Annex A of this TOR (separate studies are being undertaken on these topics, and REDD Cell will facilitate to obtain information needed for the strategy from those studies).

3. Expected Output

The REDD Cell needs to receive well referenced and comprehensive report on REDD+ Strategy, as specified in the objectives above, in the format attached in Annex A of this TOR. The report should be acceptable to all key REDD+ stakeholders including bilateral and multilateral donors and other climate finance instruments for making decision on investment in REDD in Nepal.

4. Study Approach

The study will be based on desk review of available secondary information and structured interactions with key informants and relevant stakeholders at local, district, regional and national level. Some literatures for review can include but not limited to:

- National REDD strategies of different countries.
- Study on drivers of deforestation and degradation of forests commissioned or coordinated by REDD Cell and other relevant study by other research organizations;
- Relevant REDD+ reports published by REDD Cell and other NGOs/IPOs/CSOs/INGOs etc.
- Nepal's REDD Readiness Preparation Proposal (R-PP).
- Reports of different REDD+ pilot projects from Nepal and other countries.
- Relevant law, policy, strategy and plans.
- Any other relevant documents from Nepal and from other REDD Countries.

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- Academic report, news articles, consultant and NGO studies.

Primary data will be collected and analyzed when necessary to fill data gaps and to validate secondary data analysis findings through:

- Stakeholder (issue-based) mapping and interviews
- Interest group discussion.
- Field visits and consultation workshops.

The consulting firm or consortium of consulting firms also needs to collect information from stakeholder consultation and/or interviews at local, district, regional and national levels. REDD Cell expects the consortium to organize at least three national consultation events, five regional events and fifteen district/local level consultations (one in each high mountain, middle mountain and Terai physiographic region of the five development regions of Nepal) events during this process of strategy development.

4.1 Study Team

The study team will be comprised of one international expert and three national experts. The Team Leader is expected to have thorough understanding of and more than 15 years of experience in REDD+ and Climate Change, forest governance, and NRM policy analysis at national and international level. The team leader will be responsible to coordinate the overall process and to ensure that all specific tasks of the ToR are being addressed satisfactorily in the report, while other members will help the team leader in specific activities. Other team members are also expected to have a clear understanding and 10 – 15 years of experience in REDD+, forest governance, and NRM policy analysis from socio-political and economic perspective. Minimum qualification for all members is a master's degree in forestry, NRM or related disciplines, whereas a research degree is preferred. The tentative input from each of the expert is projected as follow.

Team Leader: Policy Analyst	P-m	2.00
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Forest or Natural Resource Analyst: Deputy Team Leader	p-m	4.00
Political Economist or Public Policy Analyst	p-m	2.00
Sociologist	p-m	2.00

4.2 Work plan

The team is expected to prepare an inception report with a detailed work plan that shall guide the process. This work plan will describe how the study will be carried out, including work schedule, methodology to be used related to each specific task, information collection and analysis, and reporting. Based on the work plan, a detailed plan of study will be discussed and finalized jointly by the study team and the REDD cell.

5. Qualification/experiences and competency of the consulting firm or consortium of consulting firms

The consulting firm or consortium of consulting firms to be involved in this assignment should demonstrate the ability to carry out this study with sufficient experience in leading multi-disciplinary teams. The firm has to have the proven capability of studying and producing consistent high quality reports. The consulting firm or consortium of consulting firms has to demonstrate proven expertise in the following areas (possibly one member can cover more than one field of expertise):

- REDD+ and climate change
- Social, environmental, and economic assessment of REDD+
- forest governance system of Nepal
- feasibility and cost benefit analysis of projects/strategies
- Demonstrated track record of accepted proposal

6. Selection Method

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A consulting firm will be selected in accordance with the procedures set out in the World Bank's Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, January 2011 (Consultant Guidelines) adopting selection method of "Quality- And Cost- Based Selection (QCBS)". The consulting firms will be evaluated and short-listed based on the approved evaluation criteria.

7.Duration of work

This study is planned to be completed in four months and will start by May, 2014.

8.Eligibility criteria

Valid registration certificate; ii) Tax clearance or renewal of tax certificate; iii) VAT/PAN registration certificate (For international consultants to be submitted at the time of contract signing); iv) consulting firm must be registered for last THREE years; v) legally binding joint venture agreement in case of applying in joint venture and vi) Fulfilment of the Bank's Conflict of Interest criteria

9.Deliverables

The consultants will submit an inception report within the first week of the contract commencement describing the consultants' plan of actions. This report should be accompanied by a work/time schedule to ensure that the final submission will be made on time. The inception report must be approved by the client in order to proceed with further work.

Draft copies of the final REDD strategy will be submitted to the client within three and one half month months (3.5 Months) of commencement of the contract agreement. Following the final review by the client of the submitted draft documents and the ensuing communication, the consultant shall prepare and submit five final hard copies and an electronic copy of the required documents to the REDD Cell. The final report must be in two languages: English and Nepali.



10. Client's Input to the Consultant

The REDD Cell will designate a focal officer while contracting the agreement to supervise and oversee the contract and to help implement the study by providing feedback and coordination with other government agencies including the Forest Resource Assessment (FRA) project, as necessary.

The focal officer will also facilitate the consulting team to arrange consultation meeting with the relevant stakeholders and members of National REDD Strategy development technical committee for their comments and feedbacks at different stages of this study.

Annex A

Consolidated framework structure for National REDD-plus Strategy of Nepal

I: INTRODUCTION

1.1 REDD+: Concept and Evolution

1.2 REDD+ in Nepal's Context

1.3 Nepal's Journey towards REDD+

1.4 National REDD+ Strategy Formulation Process

II: GUIDING FEATURES OF NEPAL'S REDD+ STRATEGY

2.1 Strategic Directions

- Vision; Mission, Objectives, Guiding Principles
- Scope, Scale, Implementation Approach
- Financing Mechanism, Forest Reference Level (RL), Forest Carbon Trust Fund

2.2 Existing Policy and Institutional Context for REDD+

2.2.1 Forest, Biodiversity, Environment and Climate Change Related

2.2.2 Social and Environmental Safeguards Related

III: REDD+ STRATEGY PREPARATION

3a Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy, Governance

3a.1 Assessment of land use

3a.1.1 Land use trends

3a.1.2 Efforts to-date to (address deforestation and forest degradation) maintain and improve forest land use

3a.1.3 Assessment of land tenure and associated governance issues

3a.1.4 Assessment of natural resource rights and the associated governance issues



3a.2 Assessment of Land Use Change Drivers

3a.2.1 Identification and prioritization of drivers of deforestation and forest degradation

3a.2.2 Analysis of the underlying causes of drivers of deforestation and forest degradation

3a.3 Assessment of Forest Law and Policy in the context of REDD+

3a.3.1 Strength and Shortcomings of Forest Law and Policy in the context of REDD+

3a.3.2 Policy and/or Programmatic Measures taken to overcome the existing shortcomings and their outcomes

3a.3.3 Way forward to address the key drivers of deforestation and forest degradation through refinement in policy, law and implementation approaches

3a.4 Assessment of the governance situation in the context of REDD+

3a.4.1 Existing governance structures and mechanisms – the extent to which they are conducive to REDD+

3a.4.2 Measures taken in the past to overcome the identified shortcoming and their outcome

3a.4.3 Way forward to address the deforestation and forest degradation through improvement in governance situation

3b. REDD+ Strategy Options Assessment

3b Strategy Options

3b.1 Identification and selection of strategy options

3b.2 Feasibility assessment of selected strategy options and the risk mitigation measures

3b.3 Action Plan for the implementation of strategy options

3c. REDD+ Implementation Framework

3c.1 Institutional, Economic and Governance Arrangements

3c.1.1 Institutional Structure (for the implementation of REDD+ strategy/program)

3c.1.2 Governance Arrangement (for the Implementation of REDD+ strategy/program)

3c.2 Legal Arrangements

3c.3 Gaps remaining in the Implementation Framework

3d Social and Environmental Impacts

IV SETTING UP THE REFERENCE LEVEL (RL)

4.1 Nepal's Existing Circumstances with respect to setting RL

4.2 Methodology and Approach for setting the RL

4.3 Functioning of the Preliminary RL at National and Sub-National Level

4.4 Proposal for Further Adjustment in RL

4.5 Work Plan for Proposed Adjustment in the RL

V: MONITORING SYSTEMS FOR FORESTS AND SAFEGUARDS



5.1 Nepal's National Forest Monitoring System (NFMS)

- 5.1.1 Design and Operational Mechanism of Nepal's NFMS
- 5.1.2 Rationale for the Selection of Methods Used (/Proposed) in the System
- 5.1.3 Action Plan to Institutionalize a Fully Operational NFMS
- 5.1.4 Stakeholder Participation in course of NFMS Development

5.2 Information System for Multiple Benefits, Other Impacts, Governance and Safeguards

- 5.2.1 The National Forest Information Management System (NAFIMS)

