**INTEGRATED SAFEGUARDS DATA SHEET**

**(FCPF READINESS FUND)**

**CONCEPT STAGE**

Report No.: 61683

**Date ISDS Prepared/Updated:**

**I. BASIC INFORMATION**

**A. Basic Project Data**

|  |  |
| --- | --- |
| Country: Nepal | Project ID: P116001 |
| Project Name: REDD Readiness Preparation Program | |
| Task Team Leader: William B. Magrath | |
| Estimated Appraisal Date: NA | Estimated Board Date: NA |
| Managing Unit: SASDA | Lending Instrument: |
| Sector: Forestry (80%); Agriculture (20%) | |
| Theme: Climate Change (67%); Other Environment and Natural Resource Management (33%) | |
| IBRD Amount (US$m.):  IDA Amount (US$m.):  GEF Amount (US$m.):  PCF Amount (US$m.):  FCPF Amount (US$m.): 3.6  Other financing amounts by source: | |
| Environmental Category: TBD | |
| Simplified Processing Simple [ ] Repeater [ ] | |
| Is this a transferred project Yes [ ] No [ ] | |

**B. Project Objectives [from section 2 of R-PP Assessment Note]****:**

The objective of the Nepal Readiness Preparation Program is to prepare Nepal to engage in and benefit from the potentially emerging system of payment for environmental services of forests on the basis of environmentally and socially sound policies and programs to reduce deforestation and forest degradation, a credible and marketable counterfactual reference forest carbon emission “baseline” scenario, and technically robust systems of forest measurement and reporting. The Program will also develop forest policy and management systems, information and data, participatory methods and other human and institutional capacity of direct use in management and development of forests in Nepal for national poverty reduction, economic development and environmental purposes.

The Program will produce a set of studies providing policy and investment recommendations the key anticipated country needs for full and effective marketing of forest-based carbon dioxide emissions reductions including an accepted national REDD strategy and implementation system; a supportable reference emissions level projection (baseline) and a monitoring, reporting and verification system.

**C. Project Description [from section 3 of R-PP Assessment Note]****:**

The Readiness Preparation Program is made up of four major components consisting of research studies, trials, feasibility and pre-feasibility studies, consultations and training. Total costs of the program are estimated at US$7.5 million. The Readiness Preparation Program unites work being done by multiple agencies of government, non-governmental organizations and with support from various donors. These activities comprise a multi-stakeholder, participatory approach that includes analysis and development of forest and payment for environmental services policies and institutions, estimation of a reference scenario for forest-related carbon emissions, design and development of an emission monitoring, reporting and verifications system, and overall management and support of the national REDD readiness process.

**Component 1. REDD Analysis and Policy Development (US$3.1 million)**

(a) Stakeholder Consultation and Participation (US$2.4 million). The Consultation and Participation Plan is intended to promote meaningful participation of all stakeholders and interest groups in the REDD readiness activities to enhance the potential positive benefits and reduce the risks or adverse effects. Proposed activities for the Plan include: awareness and outreach, capacity development and consultation. The component would support radio and TV programs, newspaper articles, extension materials, journal and newspaper articles, awareness workshops, and website updates. Capacity Development will include training for staff of implementing institutions formation of a team of master trainers/facilitators, training of trainers, district level training, workshops for journalists, support for forestry and other academic institutions, development of training curricula and manuals, consultation workshops, public hearings, public notice and feedback collection, round-table meetings, consultations with experts, reflection/validation workshops.

(b) Land Use and Forest Policy Analysis(US$0.1 million). The following further in-depth studies will be conducted forest sector governance, law enforcement and policy implementation , a study on the drivers of deforestation and forest degradation in *Terai,* *Churia* and in the High Mountain physiographic regions, a study on the value-chain of forest products (timber and a few key non-timber forest products), a study on the existing and potential supply and demand situation for forest products in different regions, a study to develop coordination mechanisms amongst the Government Departments and between the government department and other stakeholders.

(c) Strategic Analysis(US$0.2 million). The development of analytical studies will provide a scientific foundation for the National REDD Strategy. Studies will help fill the knowledge gaps about land use, the forestry sector, and the drivers of deforestation and forest degradation. Research will collect relevant information to facilitate the identification of the magnitude of the potential impacts of REDD in the country. These studies will be communicated to key stakeholders through a consultation process in the next stage of the REDD preparation process. Three broad analytical studies will be conducted assessing the value of the forest at the national level, evaluating the political economy of land use at the national level, assessing carbon emissions from drivers of deforestation and forest degradation. Consultation for strategic options prioritization including the participation of representatives from the private sector, non-governmental organizations, academia, government officials, indigenous peoples, local communities, women, dalits, political parties and civil society, outreach of policies and studies, strategic options assessment economic and financial assessments of selected strategic options, preparation and consolidation of the REDD Strategy document and Endorsement and development of relevant plans

(d) Implementation Framework Development (US$0.3 million). Studies under this subcomponent will address (i) Forest Carbon Ownership and Land Tenure; (ii) REDD Implementation; (iii) Financing Mechanisms; (iv) Stakeholder Engagement and Governance; (v) Data Management, Monitoring, Reporting and Verification; (vi) Institutional and Governance Reform; and (vii) Work Plan and Budget. further studies/consultations including a study and consultation process for establishing forest carbon ownership in Nepal a study and detailed consultation on proposed ideas for REDD implementation mechanisms and the associated costs of the proposed institutional arrangements policies and programs for the implementation arrangements will be developed for approved by the government of Nepal.

(e) Social and Environmental Impact Assessment (US$0.2 million). Studies leading to preparation of a social and environmental impacts of possible REDD arrangements and preparation of a Environmental and Social Management Framework.

**Component 2.** **Reference Scenario Formulation** **(US$ 1.4 million).** This component will use existing and new data and modeling techniques to formulate a projection of “business-as-usual” emissions of carbon from forest-related sources in Nepal against which emission reductions and transaction can be conducted. It will include creation of a biomass surface from Land Resource Mapping Project (LRMP) data, creation of a comparable current biomass surface based on the planned FRA activities; development of a country wide economic model, and capacity building activities.

**Component 3. Monitoring, Reporting and Verification Systems Development** **(US$ 1.8 million)**. This component will develop information sources and systems capable of supporting future emissions reductions claims and transactions. It will extend current and planned systems of timber and non-timber forest products surveys, inventories and data management systems to include carbon accounts. This will involve field surveys, studies, modeling and systems design work and will include acquisition of satellite-based information and data from new forest forest mapping system.

**Component 4. Program M&E and National Readiness Management (US$ 1.2 million)**. This component will support the national REDD institutions including the REDD Multi-sectoral, Multi-stakeholder Coordinating and Monitoring Committee as the apex body; the REDD Working Group (RWG) at the operational level; and the REDD-Forestry and Climate Change Cell as the coordinating entity. It will provide technical and administrative support to the REDD Cell, including support for financial management, procurement and consultant selection, contract management and overall management and consolidation of work under the program.

**D. Project location** **and salient physical characteristics relevant to the safeguard analysis (if known): NA**

**E. Borrower’s Institutional Capacity for Safeguard Policies:**

Nepal has its own policy framework to address social environmental impacts in the development process. The responsibility for enforcing these policies lies with various institutions at different levels of the government. Generally, the capacity with these agencies is weak and has been gradually improving with continuous assistance with from international agencies. The REDD Cell itself is in the process of mobilization. Considerations will be given to the staffing and expertise needs for the implementation of the Environmental and Social Management Frameworks. Principles as outlined in the Bank’s safeguard policies, particularly relating to indigenous communities, will be followed in the execution of the studies under the Grant. A Consultation and Participation Plan has been developed to continue the consultation efforts for the grant activities.

**F. Environmental and Social Safeguards Specialists on the Team:**

Mr. Chaohua Zhang (SASDS)

Mr. Drona Raj Ghimire (SASDI)

**II. SAFEGUARD POLICIES THAT MIGHT APPLY**

The FCPF readiness preparation grant must comply with World Bank safeguard policies regarding the management of environmental and social impacts.

The readiness preparation phase is meant primarily for technical assistance and capacity building activities, with the objective to prepare the country for large scale intervention yet to come. The grant will not finance any implementation of REDD+ activities on the ground (investments, pilot activities). The readiness preparation grant will help the country to prepare for the implementation of REDD+ and support work on an Environmental and Social Management Framework (ESMF), to be in place at least in a draft version at the end of the implementation of this grant agreement. The ESMF is part of the Readiness Package, which is the final product of the readiness preparation process under the FCPF.

For the future potential, environmental and social impacts and risks from the implementation of the REDD+ Strategy (which is not known at this present stage), the SESA would allow i) social and environmental considerations to be integrated into the final strategy; ii) this to be done in a participatory manner including disclosure of draft and final documents; and iii) a framework to be put in place in case there are future adverse impacts

The critical elements of this grant agreement include the preparation of elements for a REDD+ strategy and the definition of the benefit sharing system, which will have potential impacts both socially as well as environmentally. The impacts may benefit certain groups or certain locations, but may also bring risks that may be detrimental for others. As part of this grant agreement, the potential risks will be identified and mitigation options will be identified.

For the preparation of a possible demonstration project to be supported financially by a subsequent Bank instrument (e.g., the Forest Investment Program or FCPF Carbon Fund), a full safeguards assessment must be prepared.

It is envisioned that the safeguards policies mentioned below will be considered during the elaboration of the REDD+ strategy, which will be revised and eventually triggered under the future investment phase and carbon transactions.

| **Safeguard Policies Triggered *(please explain why)*** | **Yes** | **No** | **TBD** |
| --- | --- | --- | --- |
| **Environmental Assessment (OP/BP 4.01)** | **X** |  |  |
|  | | | |
| **Natural Habitats (OP/BP 4.04)** |  | **X** |  |
|  | | | |
| **Forests (OP/BP 4.36)** |  | **X** |  |
|  | | | |
| **Pest Management (OP 4.09)** |  | **X** |  |
|  | | | |
| **Physical Cultural Resources (OP/BP 4.11)** |  | **X** |  |
|  | | | |
| **Indigenous Peoples (OP/BP 4.10)** | **X** |  |  |
|  | | | |
| **Involuntary Resettlement (OP/BP 4.12)** |  | **X** |  |
|  | | | |
| **Safety of Dams (OP/BP 4.37)** |  | **X** |  |
|  | | | |
| **Projects on International Waterways (OP/BP** **7.50)** |  | **X** |  |
|  | | | |
| **Projects in Disputed Areas (OP/BP 7.60)** |  | **X** |  |
|  | | | |
| **Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank-Supported Projects (OP/BP 4.00)** |  | **X** |  |

**III. SAFEGUARD PREPARATION PLAN**

1. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: *[N/A]*
2. For simple projects that will not require a QER, the target date for preparing the PAD-stage ISDS*:* *[N/A]*
3. Time frame for launching and completing the safeguard-related studies that may be needed.

The specific studies and their timing[[1]](#footnote-2) should be specified in the PAD-stage ISDS:

**IV. APPROVALS**

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| --- | --- | --- |
| ***Signed and submitted by:*** |  |  |
| **Task Team Leader:** | **Mr. William Magrath** | **12/17/2010** |
| ***Approved by:*** |  |  |
| **Regional Safeguards Coordinator:** | **Mr. Sanjay Srivastava** | **Date** |
| **Comments:** | | |
| **Sector Manager:** | **Mr. Simeon K. Ehui** | **Date** |
| **Comments:** | | |

1. Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in-country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons. [↑](#footnote-ref-2)