



## Maintaining Competitiveness in a Carbon Constrained World

Nepal case study: The Forestry sector

.....  
Asish Subedi & Ratnakar Adhikari  
South Asia Watch on Trade, Economics and Environment (SAWTEE)

26<sup>th</sup> July 2013



## Structure

- .....
- The context
  - Medicinal and aromatic plants
  - Climate finance in the forestry sector
  - Opportunities and risks in the sector
  - Key policy recommendations



## The context

---

- Forest cover in Nepal
- Forest management regimes in Nepal
  - Forest and shrub-lands under different institutional regimes
- Community forests—a success story?
  - The success story
  - And the problems within
- Current trends of deforestation and degradation
  - why it happens?

---

3



## Medicinal and aromatic plants

---

- Why MAPS are important to Nepal ?
- Opportunities
- Challenges:
  - Lack of standards and certification
  - Laboratory testing
  - Branding
  - Inadequate labour supply
  - Government support and incentives
  - Climate change
  - Political stability

---

4





## Climate finance in the forestry sector

---

- Potential for developing countries like Nepal to tap the financial and technical benefits emerging from carbon market mechanisms like the REDD
- Summary of the REDD+ piloting projects in Nepal
- Local and international non-governmental organizations that have been piloting the modalities of REDD implementation in Nepal
- Unfortunately, progress towards developing carbon finance through REDD+ has been very slow at the international level, and it is not clear how or how quickly the mechanism will develop going forward
  - too much reliance should not be placed on this as a funding mechanism
  - shift in focus: identify and support the development of market opportunities that do not rely on carbon markets
  - tapping into the voluntary market for carbon offsets which seems to be developing better than REDD+ at the moment

---

5



## Opportunities and risks

---

- Illegal logging and clearance for competing land use
- Demand for timber and firewood and raw materials
- Weak forest governance
- Problems in community forest management
- Scope for private sector management of forest
- Identification of livelihoods from sustainable forest use
- Comparative advantage in medicinal and aromatic plants
- Sustainable livelihoods from ecotourism
- Climate finance from public sources, or potentially through REDD+ in the longer term

---

6





## Key policy recommendations

---

- Need for the implementation of multi-stakeholder processes to develop a joined up strategy for forestry management
- Commercial development of the forest sector
- Involvement of the private sector
- Putting the people first: help build sustainable livelihoods for community forest user groups

---

7



Thank you!

