Maintaining Competitiveness in a Carbon Constrained World
Nepal case study: The Forestry sector

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South Asia Watch on Trade, Economics and Environment (SAWTEE)
26th 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?

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
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

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
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

Thank you!