

# Building a Resilient Churia Region in Nepal

## Project summary

<b>Country</b>	Nepal
<b>National Designated Authority</b>	Ministry of Finance
<b>Project size</b>	US\$ 47.43M (US\$ 39.39M GCF grant; US\$ 8.04M co-financing)
<b>Co-financiers</b>	Ministry of Forests and Environment (MoFE)
<b>Project duration</b>	7 years
<b>Mitigation / adaptation focus</b>	<input type="checkbox"/> Mitigation <input type="checkbox"/> Adaptation <input checked="" type="checkbox"/> Cross-cutting
<b>GCF Results areas</b>	Reduced emissions from Forestry and land use; Increased resilience of Ecosystem and ecosystem services

## Objective

The project objective is to enhance the climate resilience of ecosystems and vulnerable communities in Nepal's Churia region through integrated sustainable natural resource management (SNRM) approaches.

## Components

The project objective will be achieved through the following Components:

- **Component 1:** Scaling up climate-resilient Sustainable Natural Resource Management (SNRM).
- **Component 2:** Strengthening institutions and planning for climate-resilient SNRM.
- **Component 3:** Improving knowledge, awareness and local capacity for climate-resilient SNRM.

### Project intervention area

The project activities will focus in the Central and Eastern Churia-Terai Region, where 26 vulnerable river systems were identified through a multi-criteria risk analysis together with the vulnerability assessment conducted for the project.

1. The Churia hills are located between the mid hill areas to the north and the plains in the south of Nepal (Terai), where the Churia hills perform critical ecological and socio-cultural functions both upstream and downstream. With more than 50% of its area under forests and riverine areas, the Churia hills render hydrological services such as regulating surface water flows and ground water recharging. All major river systems in Nepal pass through the Churia hills before reaching the densely populated alluvial plains in the Terai and northern India. The landscape extended over the Dun, Hills, Bhavar, and Terai is known as the Churia region.
2. Men and women living in the Churia region are highly dependent on natural resources to maintain their livelihoods. Agriculture and Forests are essential resources to engage active population in economic activities. Agriculture alone contributes more than 60% to the economy of the region. Forest resources are important for ecological goods and services; such as timber, fuelwood, non-timber forest products (NTFPs) and cultural services. To ensure food, water and energy security for households in the Churia region, there is a need for well-managed forests to maintain a healthy ecosystem. However, the entire region is vulnerable due to fragile soils, high vulnerability to flash flooding and frequently changing watercourses.
3. Through the 'Building a Resilient Churia Region in Nepal' (BRCRN) project, the GCF grant financing and co-financing provided by the MoFE will strengthen the resilience of local communities and ecosystems to adapt to climate change, and reduce emissions from deforestation and forest degradation. The project will address the specific barriers inhibiting Churia communities, government entities and other stakeholders from transitioning to a more climate-resilient, sustainable and low-emissions development pathway, and will equip them to continue pursuing this pathway.
4. The BRCRN project aims to confront these challenges by enhancing the resilience of ecosystems and vulnerable communities in Nepal's Churia region. It will promote widespread adoption of climate-resilient land use practices, confront the challenges of deforestation and forest degradation and better maintain the forest ecosystem in the Churia hills, and build resilience to climate-induced hazards.
5. It will also build the capacities of governments, communities and other stakeholders to better understand and respond to climate change risks in the future, and scale up much needed support sustainably.
6. The project is conceived as a direct contribution to Nepal's nationally determined contribution (NDC). It aims to set in motion a sectoral transformation from a climate-

vulnerable to a climate-resilient, lower-emissions and sustainable development pathway for the Churia region, and equip government and other key stakeholders to continue driving this process of transformation well into the future.

7. The GCF support will be instrumental for enhancing the climate resilience of ecosystems and vulnerable communities in Nepal's Churia region through integrated climate-resilient SNRM approaches. Nepal's NDC discusses the country's strategy and commitments to climate change, yet notes the need for additional technical and financial support to fully implement its NDC.
8. The project will have an impact on Greenhouse Gas (GHG) emissions from the Agriculture Forests and Other Land Use (AFOLU) sector in Nepal. Assuming an 80 percent adoption rate, the project will therefore deliver average annual emissions reductions of 574,180 tCO<sub>2</sub>eq, which is equivalent to about 11.48 million tCO<sub>2</sub>eq over the 20-year period.
9. At least 200,681 households with approx. 963,268 people will directly benefit from the project. At least 50% of beneficiaries will consist of women with proportional representation of indigenous peoples (31%), Dalits (13%) and other marginalized groups. In total 3,216,248 people will indirectly and directly benefit from the project.

The approved Funding Proposal and relevant documents are available online:

<https://www.greenclimate.fund/project/fp118>

**Table 1: Intervention area selection Criteria and Process**

Intervention Area	Criteria / process
Provinces	Among the 7 Provinces in Nepal, Provinces 1, 2 and Bagmati were selected during the project design stage as the overall geographic focus for this project. The selection of these three Provinces was based on the assessment of Collective Vulnerability in the Eastern Himalayas (ICIMOD, 2009), i.e., vulnerability integrated across different components of mountain ecosystems and dimensions and relative vulnerability of biodiversity, water, ecosystems, and human wellbeing to climate change impacts.
Targeted 26 River systems	Due to the inter-connected (upstream and downstream) nature of climate change challenges and unsustainable natural resource management challenges in the Churia region, and the associated focus on integrated climate-resilient SNRM within this project, river systems within Provinces 1, 2 and Bagmati were selected as the most appropriate geographic unit to guide project planning and interventions. In total, 26 river systems (the "Project Area") were selected and prioritized for interventions and support under this project. These river

	<p>systems were selected based on the results of a multi-criteria analysis, which included an analysis of the river systems' exposure to climate change impacts and their particular vulnerabilities, as well as the extent of natural resource (including forest) degradation.</p> <p>The statistical analysis was also performed to understand the correlation between different variables related to the deforestation. The parameters which showed a significant correlation include:</p> <ul style="list-style-type: none"> <li>- Deforestation trend 2000-2010-2015 in total forest areas lost over this 15-year assessment period</li> <li>- Deforestation annual 2010- 2015 in % (annual deforestation rate)</li> <li>- Area shares per river system classified as Degradation based on the Churia Master Plan (MP)</li> <li>- Area shares per river system classified as slope instability/ susceptibility</li> <li>- No Settlements in Churia Hills</li> <li>- Flood prone population increase 2001 – 2011 in % per river system</li> <li>- Area shares per river system prone to flooding in %</li> <li>- Area shares per river system located in Churia hills</li> </ul> <p>All of these factors considered deriving vulnerable/ critical river systems, and the results produced list of vulnerable river systems. Considering origin of the river and triggering factors, 26 river systems are finalized.</p>
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### River Systems

The river systems include in the Project Area;

- Province-1 includes 13 river systems: Kokaha, Gideri Khola, Sun Koshi, Adherei-Baruwa-Duar Khola, Budhi Khola, Patnali Khola, Lohandra Nadi, Bataha Khola, Bakraha Khola, Kankai Nadi, Ratuwa Nadi, Biring, and Mechi.
- Province- 2 includes 7 river systems: Lakhandehi Khola, Ratu Nadi, Charnath, Kamala-Belsot-Jogiya, Balan Khola, Bihul Nadi, and Khado Khola.
- Bagamati Province includes 6 river systems: Chadaha Khola, Kamala-North, Tawa-North, Tawa-South, Kamala-South and Thakur Khola.





**Table 1: Overview of beneficiary calculations**

Type of Community-based Organization (CBO)	Average membership (# of households per CBO)	Number of CBOs to Target	No. of Households engaged in BRCRN project
Community Forest Users' Group (CFUG)	180	557	100,260
Collaborative Forest Management (CoFM) Committee	32,227	3	96,681
Farmers Group (FG) and Soil Conservation Users' Group (SCUG)	40	50	2,000
Public Land Forests Users' Group (PLFUG)	15	100	1,500
Pro-poor Leasehold Forest Users' Group (PP-LFG)	6	40	240
Total	N/A	750	200,681

3. Furthermore, at least one Indigenous Peoples Organization (IPO) in each province will also be among the direct beneficiary CBOs. It is expected that this will not add to the total number of beneficiary households; the members of these IPOs will also be members of other CBOs (CFUGs etc). The IPOs will be targeted as beneficiary CBOs for particular project activities, in consultation with Indigenous People (IP) representative bodies e.g. Nepal Federation of Indigenous Nationalities (NEFIN). This project will also benefit professional staff of MoFE, provincial Ministries of Industry, Tourism, Forests and Environment (MoITFE), Ministries of Land Management, Agriculture and Cooperatives (MoLMAC) and others. They also benefit as "Professional Beneficiaries".
4. Activity interventions will be targeted towards different bio-geographical zones and contexts, with a focus on the Churia, Bhavar and Upstream Terai above east-west highway.

## Implementation arrangement

1. The Food and Agriculture Organization (FAO) and the Green Climate Fund (GCF) entered into an Accreditation Master Agreement (“AMA”) on 8<sup>th</sup> June 2018, which became effective on 4<sup>th</sup> October 2018. The AMA established general terms and conditions applicable between FAO and the GCF. General provisions included in the AMA will be applicable to the funding proposal including co-financing executed project components. This requires FAO to enact specific obligations on the Executing Entities (EE) regarding specific Project components.
2. In the capacity of Accredited Entity (FAO-AE), the BRCRN Funding Proposal was submitted by FAO to the GCF secretariat, and was approved by the 24<sup>th</sup> meeting of the GCF Board held on 12-14 November 2019. The Proposal was formulated in consultation with the Government of Nepal (GoN) including background, rationale, project framework, budget, implementation and management arrangements, as well as oversight, monitoring, management information and reporting.
3. The GCF and the FAO entered into a Funded Activity Agreement (“FAA”) on 14<sup>th</sup> November 2019 with respect to the Project, setting out the terms and conditions for the monitoring, supervision and implementation of the funded activity including the conditions to fulfil for the disbursement of fund instalments from the GCF to FAO-AE. The FAO and the Government of Nepal (GoN) entered into an Agreement for the implementation of the project **“Building a Resilient Churia Region in Nepal (BRCRN) on 3<sup>rd</sup> May 2020** setting out the framework for the collaboration between the GoN and FAO–AE with respect to the financing, implementation and execution of specific components of the Project. The **FAA entered into effect on 12<sup>th</sup> May 2020** (“effective date”).
4. The GoN has acknowledged that, pursuant to the FAA and the AMA, FAO-AE will be responsible to the GCF for monitoring and supervising the implementation of the entire Project, including with respect to the implementation of components co-financed and/or co-executed by the Government.

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<p>Preparatory Team: Pashupati Nath Koirala, National Project Director, Sushil Bhandari and Raj Kumar Gupta Undersecretary, Thakur Prasad Magarati and Amar Adhikari Assistant Soil Conservation Officer.</p> <p>Food and Agricultural Organization Technical Team: Bala Ram Kandel National Project Manager, Ganesh Yadav, Monitoring and Environment Specialist.</p> <p>Freelancer Specialist: Gopal Kafle</p>			

