

Helvetas Swiss Intercooperation Nepal

Nepal's Mitigation Action: Promoting Sustainable Forest Management and Bioenergy

Terms of Reference for National Expert: Private Sector Engagement

1 Background

Mitigation Action Facility (earlier known as NAMA Facility) entrusted Helvetas with a Detailed Preparation Phase (DPP) for the proposed project "Promoting Sustainable Forest Management and Bioenergy in Nepal". Ministry of Forests and Environment (MoFE) is the main partner of the Facility, whereas Helvetas Swiss Intercooperation is the applicant/applicant support organization with Bakas Renewable Energy Limited as the implementing partner.

The project aims to contribute the Government of Nepal's long-term strategy to achieve net-zero emissions by 2045. The Country's 2nd NDC policy document sets an ambitious target to increase the sustainable management of forests, maintain 45% of the country under forest cover and enhance carbon sequestration. Further, by 2030, Nepal aims to ensure 15% of the total energy demand is supplied from clean energy sources. Country's forests suffers from invasive species, forest fires, and unsustainable management of forests. Waste biomass has been identified as major sources of GHG emissions. The country is combatting the spread of invasive species which are causing the spread of forest fires. In order to prevent such fires and unsustainable practice of forest and biomass management, the promotion of sustainable forest management and the management of invasive species are considered to be crucial. It is in this context that a project, commonly called NAMA Supported Project (NSP) with an approach to transformational change is proposed. The NSP intends to enhance carbon sequestration of forests and achieve behavioural change of fossil and conventional fuel users to switch over to sustainable bioenergy. The NSP promotes sustainable forest management practices and converts hazardous biomass into biomass pellets which will lead to the reduction of forest fires. The NSP will further initiate behavioural change in brick and cement industries to switch from fossil fuel to sustainable biomass pellets. After the implementation of the NSP, 75,060 ha of forest will be sustainably managed thereby contributing to the production of 100,000 Mt of bio-pellets per year. In addition, the NSP intends to promote occupational health and safety measures, as well as gender sensitive approaches in bio-energy Small and Medium Scale Enterprises (SMEs). With the promotion sustainable bioenergy and increased production of biomass pellets, the NSP promotes the creation of jobs in rural areas.

In terms of the mitigation potential of the project, it is intended that this will be the first dedicated project of its kind in the implementation of Nepal's 2nd NDC by focusing on two mitigation actions:

Firstly, it proposes to substitute fossil fuel with densified biomass pellets produced from forest floor biomass of sustainably managed forests; and

Secondly, it targets to enhance the carbon sequestration capacity of forests. Over the course of its implementation, the NSP thereby expects to reduce around 4.91 million tCO₂e.

In order to prepare the DPP as per the template provided by NAMA Facility, analysis of some of the aspects (see Annex 1a) of the proposed project is felt necessary. It is in this context that this consultancy service is sought.

2 Objectives of the assignment

The overall objective of the assignment is to contribute to the development of quality NSP proposal by securing the commitment and participation of the private sector stakeholders. Specific objectives are to:

- *Conduct system analysis for bio-pellet sector. It shall consider policy environment related to bio-pellet enterprise, investment, financing opportunities, market, price, profit/revenue, tax, trade, business environment related to technology, equipment, skilled technical human resources, business development service related to bio-pellet producing and consumer industries and household consumers*
- *Analyze interest of with Business and Financial Institutions, potential producers, end-consumer industries such as brick, cement and other factories in bio-pellet*
- *Ensure co-funding environment among FIs, business incubators and potential pellet producers.*
- *Formalize MOU and collaboration agreement in terms of potential fund flow mechanism between forest users, FIs and private sector bio-pellet producing industries.*
- *Support Helvetas in DPP planning and implementation, as necessary and mutually agreed.*

3 Deliverables

- System analysis report
- Stakeholder engagement report. The report shall include the followings:
 - ~ *List of existing bio-pellet producing industries, potential industries, pellet buyers, business development service providers, financial institutions ready to finance bio-pellet producing industries, equipment and technology providers etc.*
 - ~ *Minutes of meetings with stakeholders*
 - ~ *Workshop proceedings if applicable*
 - ~ *Summary of interview with the resource persons and key informants*
 - ~ *Commitment letters of or MoU with stakeholders – governments, pellet producers and users, financial institutions, community user groups, NGOs*

The report templates shall be provided by Helvetas upon signing of the contract.

4 Estimated time frame and scale of input

The assignment is for 45 days spread over December 2023 and October 2024. The distribution of time over this period shall be mutually agreed between Helvetas and the consultant.

5 Competencies and requirements of skills and knowledge

- Higher University Degree in relevant field. Ph.D. is preferred
- Good knowledge of policy and practices related to enterprise, business and financial sector
- Demonstrated experience working with private sector, financial institutions and market players
- Basic understanding of forest-based enterprises is preferable
- Good communication and facilitation skill
- Excellent report writing skill in English language