



GLOBAL CLIMATE CHANGE

MAY 2008



USAID has obligated millions of dollars in support of Nepalese climate change objectives and has leveraged additional funds from private sector investment in four hydropower projects. With continued USAID financial, technical and programmatic support, energy efficiency and ecosystem sustainability will further be improved and greenhouse gas emissions mitigated.

BACKGROUND

Nepal is a landlocked country between India and China with some of the most rugged topography on earth. Despite enormous hydropower potential, Nepal is currently one of the most electricity-starved nations in the world. About 40% of the population has access to electricity, but this number drops to about 10% in rural areas. Nepal is barely able to meet its existing peak demand of 557 megawatts. Developing Nepal's hydropower potential could meet the growing demand for electricity in homes, agriculture, industry, health and education while replacing the unsustainable and environmentally degrading use of biofuels. There is great potential to produce enough clean energy to meet the needs of neighboring countries, which will provide both returns on capital investments in hydropower infrastructure in the form of foreign exchange earnings, and reduce the polluting sources of energy generation in the importing countries.

SECTOR-SPECIFIC CLIMATE CHANGE ACTIVITIES

Recognizing these facts, USAID/Nepal has strategically focused on climate-friendly energy projects and governance programs. In the area of clean energy production, USAID is supporting efforts to develop small- and medium-scale hydropower plants as an alternative to unclean biofuels. By improving governance practices, USAID is empowering communities and civil society groups to more effectively manage natural resources and conserve biodiversity.

Over the past few years, USAID has assisted the Government of Nepal's energy institutions to develop capacity in the areas of power sector reform, regulation and hydropower investments. Among its capacity building activities, USAID trained government professionals in conducting environmental impact assessments (EIA) and understanding global climate change issues. By encouraging the development of public-private partnership investments to increase Nepal's use of hydropower, USAID secured funding to develop two micro-hydropower projects in the Dolpa and Taplejung districts of Nepal. The first power plant has already been completed and is providing electricity services to more than 1600 people. When both plants are fully functioning, they are expected to generate a combined 307 MWh of clean energy and provide enough electricity to power 2,000 households. The electricity services in these areas will reduce dependency on firewood, thereby reducing emissions from unclean biofuels and alleviating pressure on local forests.

PARTNERS

USAID's partners in climate change activities in Nepal include:

- CARE
- Federation of Community Forestry Users Nepal (FECOFUN)
- Resource Identification and Management Society (RIMS)
- World Wildlife Fund (WWF)

Because partners change as new activities arise, this list of partners is not comprehensive.

The Strengthened Actions for Governance in Utilization of Natural Resources (SAGUN) program promotes practical ways to educate forest groups and exercise sustainable forest management and good governance principles and practices. The program focuses on four key objectives: 1) strengthening governance, 2) improving livelihoods, 3) conserving biodiversity, and 4) implementing policy advocacy campaigns. In 2007, USAID assisted 869 community forestry and buffer zone groups and their federations to build their organizational capacity to achieve these objectives. Communities and buffer zone inhabitants have been trained in active forest management, conservation and sustainable harvesting of timber and non-timber forest products, sustainable grazing practices, bio-fencing, participatory biodiversity monitoring, equitable distribution of forest products and park revenues, preparation and revision of forest operational plans, etc. The program organized interactive activities and advocacy campaigns at community, district and national levels on issues and challenges surrounding sustainable forest management, biodiversity conservation and climate change. These efforts have indirectly led to the devolution of 15,830 hectares of forest to local communities for sustainable conservation, management and utilization. Notable achievements include:

- 12,050 hectares of community forests and buffer zone area brought under improved management applying silvicultural operations;
- 25,565 metric tons of forest products have been harvested in a sustainable way to be used for subsistence and/or sold in local and international markets;
- 631 groups audited their accounts to demonstrate transparency and accountability;
- 300 groups either prepared or revised their forest operational plans including mandatory provisions for public hearings and public auditing; and
- 146 livelihood improvement plans were prepared and implemented, targeting poor community members for economic empowerment.

Taken together, these efforts contribute remarkably to the long term sustainability of forest ecosystems, mitigating the release of carbon into the atmosphere. By protecting their surrounding ecosystems, people are further protected from experiencing the potentially negative effects of climate change.

For more information, visit:
<http://nepal.usaid.gov>