

Brief of the CDM Project under HPIDP

for

Selection of a Firm/Organization/Agency

for

**SELLING OF CARBON CREDITS ACCUMULATED
THROUGH A/R (AFFORESTATION AND REFORESTATION
OF DEGRADED LANDS) WORKS UNDER BIO-CARBON SUB
PROJECT. IN HIMACHAL PRADESH, INDIA**

Himachal Pradesh Reforestation Project – Improving Livelihoods and Watersheds

**Integrated Development Project for Source Sustainability and
Climate Resilient Rainfed Agriculture (HPIDP)**

(HP Forest Department)

Himachal Pradesh Reforestation Project under MHWDP now HPIDP – Improving Livelihoods and Watersheds

Forests are important Carbon sinks, influencing climate by absorbing CO₂ the most prevalent and important Green House Gas (GHG) from the atmosphere, and storing carbon in wood, litter, leaves, roots and soil. The area under forest cover in Himachal Pradesh is estimated to be 15443 sq.km as per Forest Survey of India report 2021. Area under open forest accounts for 5180 sq.km of the total forest area and is available for afforestation activities.

The HP Mid-Himalayan Watershed Development Project (HP-MHWDP) was implemented in the mid and high hills range from 600 to 1800 meters by the Government of Himachal Pradesh during 2005-2017 with the assistance of World Bank, covering 11 watershed divisions falling in 10 districts. The Bio Carbon reforestation Project under Clean Development Mechanism was an additional component of the HP MHWDP. The project was registered with UNFCCC on March 4, 2011. The project aimed to protect watersheds, enhance tree cover, conserve biodiversity, improve livelihoods and generate carbon revenue. The focus was on reforestation for which the local communities received cash incentives from the sale proceeds of Carbon Credits through the project and State Government.

(i) Project area, carbon stock and carbon revenue

The Bio-Carbon parcels are located in the mid-altitude region of Himachal Pradesh, India at elevation ranging between 600 – 1800 meters above mean sea level. The project implemented A/R (Afforestation and Reforestation of degraded lands) project in 139 Gram Panchayats (GPs) by creating 292 plantation parcels covering 3216 ha. of degraded land. The project area raised plantation parcels in various land categories viz. Forest Land (2943 ha); Community Land (227 ha) and Private land (46 ha) spread over 139 Gram Panchayats (GPs) involving 231 Village Development Societies having 4374 members including 1424 women members.

(ii) History of Previous Verification Cycles

The CDM Project has already gone through two verification cycles for the carbon credits. During the first monitoring cycle (July 2006 to December 2012) and the second monitoring cycle (January 2013 to December 2017) a total of 152 sample parcels were selected for verification and calculation of Carbon Credits. The methodology AR-ACM0001 ver. 3 was

used for the verification and calculation of Certified Emission Reductions (CERs) during both cycles. The CDM Project is now due for the third monitoring and verification cycle.

Currently, the Bio-Carbon project of the MHWDP is being looked after by HP-IDP (Integrated Development Project) a World Bank funded project implemented by the Government of Himachal Pradesh (GoHP) for Source Sustainability and Climate Resilient Rainfed Agriculture (IDP) in 428 Gram Panchayats of 10 districts in the State. Himachal Pradesh Forest Department is the nodal agency for the project implementation and functioning which operates through Himachal Pradesh Natural Resource Management Society (HPNRMS).

HP-IDP – A Brief

The Integrated Development Project (IDP) is investing in measures in upstream catchment areas to improve source sustainability, sustainable land and watershed management and increase agricultural water productivity in selected Gram Panchayats in Himachal Pradesh.

The current project has 4 components:

- i) Sustainable Land and Water Resource Management
- ii) Improved Agricultural Productivity and Value Addition
- iii) Institutional Capacity Building for Integrated Watershed Management
- iv) Project Management

Clean Development Mechanism

The Clean Development Mechanism (CDM) is a mechanism under the Kyoto Protocol of the United Nations Framework Convention on Climate Change that allows developed countries to take action in developing countries to meet their greenhouse gas (GHG) emission reduction commitments. Article 12 of the Kyoto Protocol defines the dual purpose of the CDM as follows:

- To assist developing countries in achieving sustainable development and in contributing to the ultimate objective of the Convention (to address climate change)
- To assist industrialized countries in achieving compliance with their Quantified Emissions Limitations and Reductions requirements under Article 3 of the Kyoto Protocol.

Under the Clean Development Mechanism (CDM) of the Kyoto Protocol greenhouse-gas emission offsets are measured in tons of CO₂ equivalents and are called “Certified Emission Reductions” (CERs).

The CDM project along with the potential carbon revenue enabled reclamation of highly vulnerable lands subjected to soil erosion and land degradation in the state. The project activities promoted biodiversity due to protection and planting of native tree species reduce soil erosion and siltation of water bodies.

Objectives of CDM Project:

The broad objective of the Project includes:

- To sequester Green House Gases (GHG) through reforestation on degraded forest, community and private lands.
- To fulfill global and national environmental objectives to develop innovative cost-effective ways to minimize climate change risks.
- To provide multiple benefits to the poor farmers through carbon revenue, land stabilization and employment opportunities.
- Carbon credits (as cash incentive).

Carbon Stock and Carbon Revenue

Implementation of A/R (Afforestation and Reforestation of degraded land) CDM project and carbon sequestration generated CDM revenue termed as CERs. Revenue for carbon credits is calculated based on growth and accumulation of carbon in tree biomass (aboveground and below ground biomass). The biomass stocks are periodically measured from permanent plots to estimate the carbon revenue. Verification of Carbon stocks is carried out at the interval of every five years and the CERs generated are sold accordingly. The CER revenue from degraded forest land and community lands are shared with the GPs and in turn with the individual families. The CER revenue from the degraded private land is transferred to the stakeholders as already defined. The flow of CER revenue depends on growth rate of trees and carbon price. A total 65,582 CERs were generated during the first five year period (2006-12) and 1, 62,752 CERs were generated during second cycle (2013-17) respectively and disposed of accordingly.

Socio-Economic and Environmental Benefits of Bio Carbon Project

This project was implemented with following objectives:

1. Knowledge generation on project preparation, planning and management, watershed protection.
2. Sequestration of CO₂ generating Carbon revenue.
3. Cash incentive to communities.
4. Payments to local institutions to improve infrastructure.
5. Employment generation.

Monitoring System:

The monitoring covered a range of parameters such as area planted, condition of the land parcels, survival of seedlings, tree biomass growth, events occurring in the project area etc. Plantation Journals are being maintained and updated to reflect relevant information of each parcel. The survival rate of the Bio Carbon plantations was calculated in December, 2016. Out of 3216 ha of bio carbon plantations, 558 ha area has survival rate of more than 75%, 1359 ha has survival rate of 50 -75 % and 1299 ha has survival rate of up to 50%.

The Assignment

HP-IDP now invites financial bid for Selling of CERs generated through above mentioned A/R (Afforestation and Reforestation of degraded land) project in Himachal Pradesh from the interested parties.

The firm/agency/organization should quote the Net price per CER (INR/USD) for the carbon credits as per the current scenario. The firm/ agency/organization will carry out verification and certification and the expenditure for the same will be borne by the bidder. Taxes leviable if any in this matter will be payable by the selected entity and not by this office.

However, it will be at the sole discretion of the CPD to cancel the entire process at any stage without assigning any prior reason. In the event of any dispute the legal institutions/courts within the state of HP alone shall be the competent authority to take the final decision.

CLIENT AND INVOICE RECIPIENT

Chief Project Director
HP Integrated Development Project (HP-IDP)
Solan, (173212) H.P. India.

CONTACTS

For all issues dealing with contracts, invoices and deliverables will be communicated to CPD, HP-IDP, Solan, Himachal Pradesh (India).

REQUESTED SERVICES AND DELIVERABLES

Task: - Purchase of the CERs generated through above mentioned A/R (Afforestation and Reforestation of degraded land) project in Himachal Pradesh.

Project Design Document (PDD): India Himachal Pradesh Reforestation Project – Improving Livelihood and Watersheds CDM Ref: 4174 (**Annexure I**)

Methodology: AR-ACM0001 ver. 3 – Afforestation and Reforestation of degraded land.

Sample Plots: 152 (As selected during the first and second verification cycle) Locations Attached (**Annexure - II**).

Government of Himachal Pradesh
HP Forest Department
HP Integrated Development Project (HPIDP) for
Source Sustainability and Climate Resilient Rain Fed Agriculture
Forest Road, Solan - 173212, H.P.

HP Integrated Development Project (HP-IDP) for Source Sustainability and Climate Resilient Rain Fed Agriculture, Solan, invites sealed Financial Bids from Firms/Agencies/Organizations for “**Selling of Carbon Credits accumulated through A/R (Afforestation and Reforestation of degraded lands) works under Bio-Carbon Sub Project in Himachal Pradesh**”.


The financial bid document and brief about the project along with PDD document containing the details of selection criteria, submission requirements, etc. can be downloaded from the project website www.hpidp.org.

Further details, if any, may be obtained from the office of Chief Project Director, Integrated Development Project, Forest Road, Solan - 173212 during working hours.

You may submit your response in sealed envelopes physically by post/courier or by hand till 02/08/2024 upto 01:30 PM.

Queries if any, may be referred in writing to the office of Chief Project Director at the above mentioned address or Telephone No. 01792 -223004 or at E-mail: jdpsolan@gmail.com with CC to ddidpsolan2017@gmail.com on or before 27.07.2024.

Note: Chief Project Director, IDP Solan or any of its designates, reserves the right to cancel this request for Financial Bids and invite afresh with or without amendments, without liability or any obligation for such request for bids and without assigning any reason. Information provided at this stage is indicative and HP-IDP reserves the right to amend/add further details.



Deputy Director (Administration)
Integrated Development Project
Forest Road, Solan-173212 (H.P.)

COUNTRY: INDIA

Assignment Title: Selection of a Firm/Agency/Organization for Selling of Carbon Credits accumulated through A/R (Afforestation and Reforestation of degraded lands) works under Bio-Carbon Sub Project in Himachal Pradesh.

1. The Bio Carbon sub-Project under Clean Development Mechanism (CDM) titled “*India Himachal Pradesh Reforestation Project –Improving Livelihood and Watersheds*” is a registered CDM project activity being implemented in the State of Himachal Pradesh under the umbrella of the World Bank funded MHWDP now HP-IDP.
2. The HP-IDP Project now invites Financial Bids from Firms/Agencies/Organizations for Selling of Carbon Credits accumulated through A/R (Afforestation and Reforestation of degraded lands) works under Bio-Carbon Sub Project.
3. Selection Criteria:
 - a. The Firm/Agency/Organization is required to submit their financial proposals in sealed envelopes.
 - b. The firms should quote their best price per CER in their financial bids.
 - c. The firms quoting highest net price per CER will be selected.
 - d. All the costs including measurement, verification, certification, evaluation, reporting, field visits and administrative costs, etc. will be borne by the Firm/Agency/Organization itself.
4. The detailed Project Design Document (PDD) along with brief of the project document can be downloaded from the project website www.hpmdp.org.
5. The financial bid document shall be placed inside sealed envelopes clearly marked financial bids for “**Selling of Carbon Credits accumulated through A/R (Afforestation and Reforestation of degraded lands) works under Bio-Carbon Sub Project in Himachal Pradesh.**” addressed to Chief Project Director, Integrated Development Project (HP-IDP), Forest Road, Solan-173212 (H.P.) along with the name and address of the Firm/Agency/Organization /Agency by 2nd August, 2024, Time: 01:30 PM (IST).
 - a. The financial bids can be submitted physically to the address, by registered post/ speed post/courier or by hand. HPIDP shall not be responsible for postal delay for any reason (s).

Important Dates	Date	Time
Publishing Date	16.08.2024	
Document Download Start Date	17.08.2024	10:00 AM
Document Download End Date	01.08.2024	12:00 PM
Bid Submission End Date	02.08.2024	01:30 PM
Bid Opening Date	02.08.2024	03:00 PM


Deputy Director (Administration)
HP-IDP, Solan, HP

APPLICANT'S REQUEST FOR FINANCIAL BID

To,

Chief Project Director,
Integrated Development Project,
Forest Road Solan-173212 (H.P.)

Subject: Submission of financial bids for Selling of Carbon Credits accumulated through A/R (Afforestation and Reforestation of degraded lands) works under Bio-Carbon Sub Project in Himachal Pradesh.

Sir,

In response to the Invitation for financial bids published on _____ for the above purpose, we would like to submit financial bids for Selling of Carbon Credits accumulated through A/R (Afforestation and Reforestation of degraded lands) works under Bio-Carbon Sub Project in Himachal Pradesh.

As instructed, we attach the financial bid documents in sealed envelope:

Sincerely Yours,
Signature of the applicant
[Full name of applicant]
Stamp.....
Date:

Encl.: As above.

Note: This is to be furnished on the letter head of the organization.

FINANCIAL PROPOSAL (Terms and Conditions)

1. The firms should quote Net price per CER in their financial bids (in INR).
2. All the costs including, measurements, reports, verification, field visits and administrative costs, applicable taxes, etc. will be borne by the Firm/agency itself applying for the bid.
3. The firms quoting highest net price per CER will be selected.
4. The selected firm will undergo contract agreement (including Mode of payment) with HP-IDP within 15 days.
5. If the selected firm do not sign the contract agreement within the given time the firm quoting second highest bid will be called for signing the contract.
6. EMD @5,00,000/- will be charged from the selected firm which will be refunded on work completion.
7. If the contract signing firm fail to comply by the terms and conditions of the agreement, penalty will be charged @5% of the total cost of the CER evaluated.

Financial Bid

- ✓ **Financial Bid Inviting Authority:** HP-IDP, Solan Himachal Pradesh.
- ✓ **Name of Work:** Selling of Carbon Credits accumulated through A/R (Afforestation and Reforestation of degraded lands) works under Bio-Carbon Sub Project in Himachal Pradesh.
- ✓ **Name of the bidder/bidding firm/firm/organisation:**

Bid for purchasing “Carbon Credits accumulated through A/R (Afforestation and Reforestation of degraded lands) works under Bio-Carbon Sub Project in Himachal Pradesh”

S N	Description	Rate per CER (INR)	GST if applicable (INR)	Total rate per CER (INR)
1	Carbon Credits accumulated through A/R works under Bio-Carbon Sub Project in Himachal Pradesh			

*No overwriting, corrections, interlineations, etc. are permitted in the financial bid, if found, the bid shall liable to be rejected.

Signature of the applicant

[Full name of applicant]

Stamp.....

Date: