



Government of Nepal
Ministry of Forests and Environment

SYNOPSIS OF NATIONALLY DETERMINED CONTRIBUTION (NDC) 3.0

Nationally Determined Contributions (NDCs) are a key component of the Paris Agreement and play a crucial role in achieving its long-term goals. The Paris Agreement (Article 4, paragraph 2) requires each Party to prepare, communicate, and maintain successive nationally determined contributions that it intends to achieve. Parties shall pursue domestic mitigation measures to achieve the objectives of such contributions.

The Government of Nepal has prepared and submitted three NDCs to UNFCCC in 2016, 2020, and 2025. While its contributions to global emissions are minimal, Nepal demonstrates a strong commitment to its international commitments. Nepal's NDCs serve as strategic guides to safeguard its people, enhance economic growth, and foster a sustainable, greener future. This brief will highlight the key features and commitments outlined in NDC 3.0.

GHG EMISSION AND REMOVAL SCENARIO

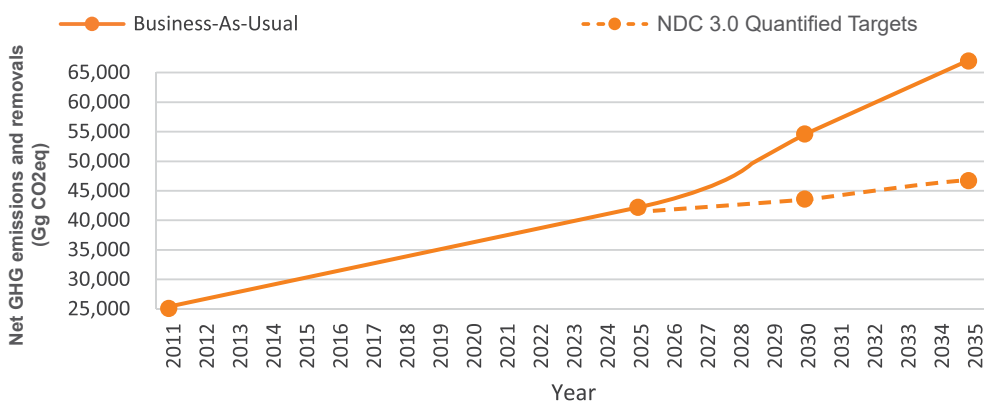


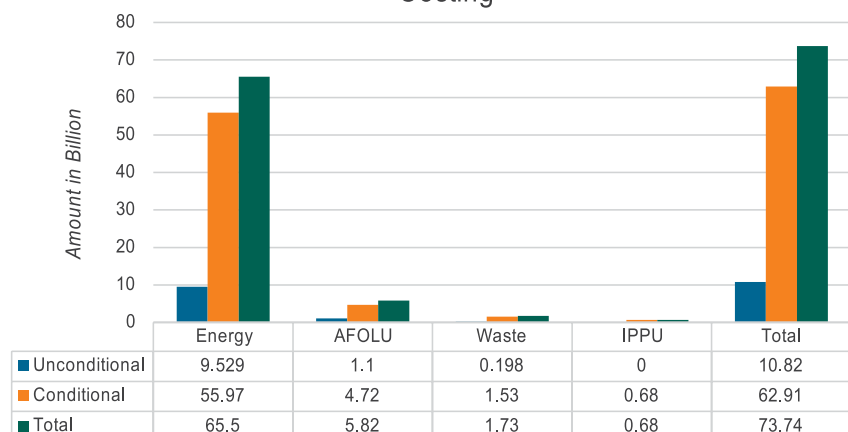
Figure 1: Net GHG emissions and removals in 2011, with an estimate for 2030 and 2035.

- Compared to the Business-As-Usual Scenario, the quantified mitigation targets will reduce net GHG emissions and removals by 8,866.53 GgCO₂eq (17.12%) in 2030 and 16,627.80 GgCO₂eq (26.79%) in 2035.
- 97% of total greenhouse gas emissions reductions are expected to be conditional on international climate finance and support.

FINANCIAL OUTLOOK

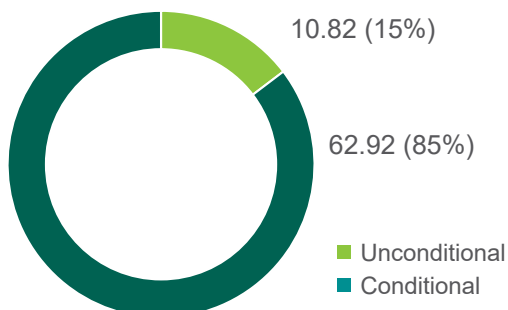
The total cost of the NDC's quantified mitigation targets till 2035 is estimated to be USD 73.74 billion (14.68% unconditional and 85.32% conditional). The mitigation policies and measures have not been quantified, so these costs are not estimated. For the NDC's adaptation priorities till 2035, the total cost was estimated to be in the range of USD 18 to 20 billion.

Costing



BUDGET PLANNING (73.74 BILLION USD)

Nepal recognizes the insufficiency of its resources to meet its conditional targets and highlights the critical role of substantial international climate finance and support. To address climate vulnerability, enhance community resilience, and address loss and damage, Nepal will strategically mobilize domestic and international resources while prioritizing grants for adaptation and loss and damage. It will leverage concessional loans, Foreign Direct Investment (FDI), and equity in productive sectors that do not increase debt burdens.



Domestic Resources

National budgets, private sector investments, public-private partnerships, venture capital, citizen investment funds, and carbon taxes.

International Resources

Global climate funds, multilateral development banks, bilateral funds, debt-for-climate swaps, readiness support, and philanthropic contributions.

QUANTIFIED MITIGATION TARGETS

ENERGY



A. ELECTRICITY GENERATION AND SUPPLY

- Expand renewable electricity generation capacity to 14,031 MW by 2030 and 28,500 MW by 2035. This target includes 10% by 2030 and 15% by 2035 from mini and micro-hydro power, solar, wind power, and Bioenergy.
- Decrease the total system transmission and distribution losses to 11.50% and 10.50% by 2030 and 2035, while upgrading the transmission and distribution lines and substation capacity.

B. COOKING AND HEATING

- Expand the use of electric cookstoves to 2.1 million households and an additional 15,000 institutions and firms by 2035.
- Expand the use of improved cookstoves (ICS) to 750,000 households by 2030 and 1 million by 2035 for cooking.
- Expand the use of metallic ICS (MICS) to 48,068 households by 2030 and 100,000 by 2035 in high-hill areas primarily for heating.
- Expand the use of household-level biogas for cooking to 500,000 households by 2030 and 652,770 households by 2035.
- Increase large-scale biogas plants to 550 units by 2030 and 750 units by 2035.

C. TRANSPORT

- In 2030 and 2035, sales of battery electric vehicles (BEVs) increased to 90% and 95% for all private passenger vehicles (including 2-wheelers), and to 70% and 90% for all public passenger vehicles, respectively.
- Build and operate at least 50 km by 2030 and 100 km by 2035 of an integrated electric bus, trolley, and light rail transit system in Kathmandu Valley.
- Build and operate 200 km by 2030 and 300 km by 2035 of the electric rail networks to support public commuting and mass transportation of goods (freight).

D. INDUSTRY

- Expand the use of electricity-based furnaces for adoption by all iron and steel industries by 2035.
- Use bioenergy (up to 35% of total fuel use) in two limestone-based cement industries instead of coal by 2035.
- Convert 30% of boilers by 2030 and 70% by 2035 to electricity-based systems in all industries with boilers.
- Phase out fixed chimney bull's trench kiln (FCBTK) and convert existing ones to hybrid Hoffman/ tunnel kilns for brick production by 2035.
- Pilot medium-sized electricity-based tunnel kiln for producing 100 million bricks per year by 2030.

AGRICULTURE, FORESTRY AND OTHER LAND USE (AFOLU)



A. AGRICULTURE

- Install 500,000 improved cattle sheds for efficient manure management by 2035.



B. LAND USE, LAND-USE CHANGE, AND FORESTRY (LULUCF)

- Maintain at least 46% of the total area of the country under forest cover (including other wooded land limited to less than 2.7%) and advance sustainable forest management.

INDUSTRIAL PROCESS AND PRODUCT USE (IPPU)



- Decrease clinker factor to 75% for cement production.

WASTE



- Treat 510 million liters of wastewater per day before being discharged by 2035.
- Treat 370,000 cubic meters of faecal sludge per year by 2035.
- Manage healthcare waste using non-burning technologies in 1400 Healthcare Facilities (HCFs) by 2030 and 2800 HCFs by 2035.
- Install combined effluent treatment plants in 6 Industrial Estates by 2035.

ADAPTATION OF PRIORITIES

Nepal's adaptation priorities for 2030 and 2035 are designed to integrate climate resilience across all sectors, guided by a gender-responsive and locally led approach.

- By 2035, ensure all 753 local governments prepare integrated gender responsive Local Adaptation Plans of Action (LAPA).
- By 2030, a comprehensive Sectoral Vulnerability and Risk Assessment will be completed across ecological and administrative regions, considering differential vulnerabilities and the best available climate science.
- By 2035, adaptation priorities will be synergized with the LAPA framework for localizing adaptation and integrating adaptation into local government level planning processes for addressing the urgent needs of the climate vulnerable people and communities.

Similarly, cross-sectoral adaptation targets emphasize resilient urban and rural settlements, climate-proofing transport and physical infrastructure, and safeguarding tourism, cultural heritage, and health systems.

- By 2030, 90% of the population is expected to have access to safe water and sanitation, expanding further by 2035 through large-scale rainwater harvesting, groundwater monitoring, and aquifer recharge.
- Climate-resilient WASH and health services will be strengthened, including training thousands of health professionals and implementing climate-sensitive disease surveillance.
- Disaster risk reduction will be advanced through multi-hazard early warning systems, GLOF risk management, and ecosystem-based solutions.
- Capacity building and awareness are central, with targets to train thousands of adaptation resource persons, mobilize climate-smart schools, and ensure continuity of education for children despite climate shocks.
- Overall, the strategy envisions a resilient Nepal by 2035, integrating science, local knowledge, and inclusive governance into climate adaptation.

Key initiatives include establishing climate-resilient farms, expanding irrigation, piloting insurance schemes for farmers, improving agro-meteorological advisories, promoting sustainable forest-based livelihoods, and conserving wetlands and watersheds. Adaptation in water resources and energy focuses on climate-resilient infrastructure, hydropower, and river basin management, alongside glacier monitoring, water quality assessments, and watershed restoration.

Loss and Damage

Nepal will pursue the following actions related to loss and damage:

INSTITUTIONAL STRENGTHENING	<ul style="list-style-type: none">• Strengthen capacity and institutional landscape, including coordination and synergy, in alignment with national and international mandates related to loss and damage.
INTEGRATED DATA FRAMEWORK	<ul style="list-style-type: none">• A federally integrated data framework will be established to systematically collect, manage, archive, and share information on extreme and slow-onset events, covering both economic and non-economic losses.
POLICY ENHANCEMENTS	<ul style="list-style-type: none">• Enhance its National Framework on Climate Change Induced Loss and Damage to ensure comprehensiveness (including non-economic as well as hazard specific losses and damages) and establish a robust implementation mechanism.• Strengthen and update its relevant policies to ensure the inclusion of climate-induced displacement and risk-sensitive resettlement planning.
RESEARCH AND ASSESSMENT CAPACITY	<ul style="list-style-type: none">• Nepal will strengthen research and assessment capacities on extreme and slow-onset events, including cascading and compounding risks, climate attribution, and projected future losses.
CAPACITY BUILDING	<ul style="list-style-type: none">• Technical capacity across government, civil society, and private institutions will be enhanced to effectively deploy new and emerging technologies.
REPORTING INTEGRATION	<ul style="list-style-type: none">• Nepal will also integrate loss and damage reporting into national communications, Biennial Transparency Reports (BTRs), and other reporting mechanisms.
FIDUCIARY AND SAFEGUARD STRENGTHENING	<ul style="list-style-type: none">• Take measures to strengthen the fiduciary standards and enhance the environmental and social safeguards of designated direct access and implementing entities to fully benefit from the direct, rapid, and simplified access offered by the FRLD.

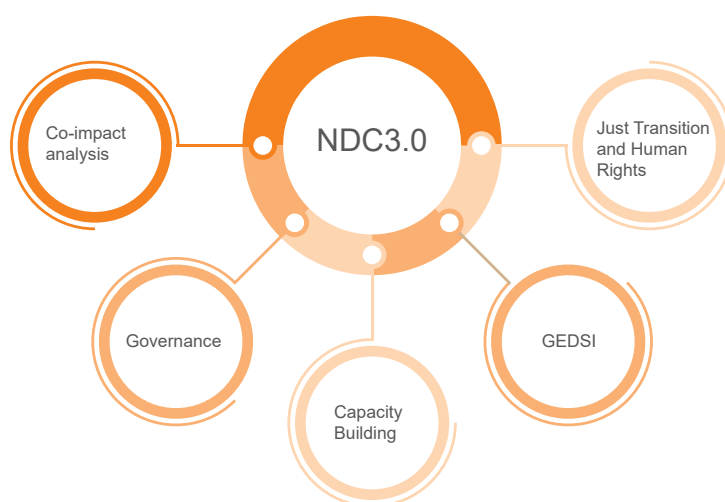
CLIMATE FINANCE



Nepal is committed to mainstreaming climate action by integrating it into national, sectoral, and sub-national budgets to ensure that climate considerations are embedded in all decision-making levels. Recognizing its limited domestic resources, Nepal emphasizes the critical need for substantial international climate finance to achieve its conditional targets. The country will strategically mobilize both domestic and international resources, prioritizing grants for adaptation and addressing loss and damage, while using concessional loans, Foreign Direct Investment (FDI), and equity for productive sectors without adding debt burdens.

- Internal sources such as national budgets, private sector investments, PPPs, venture capital, citizen funds, and carbon taxes will complement external funding.
- Guided by principles of fair share, CBDR-RC, polluter-pays, and climate justice, Nepal will pursue finance from global climate funds (GCF, GEF, AF, SCCF, LDCF), MDBs, bilateral sources, debt-for-climate swaps, readiness support, and philanthropic contributions, while also exploring innovative mechanisms like Article 6 carbon markets, green bonds, blended finance, and multi-funder trust funds.
- To improve access and effectiveness, Nepal will strengthen national systems, institutional capacities, and project bankability to secure predictable international funding.
- A transparent climate finance tracking and accountability framework will ensure efficiency and equity in fund allocation. Inclusivity will be central, with policies integrating GEDSI principles and prioritizing marginalized communities.
- Climate policies will be systematically mainstreamed into provincial and local development plans, aligned with Nepal's decentralized financial structure.
- Carbon market framework and a national carbon registry will be established to manage credits transparently, supported by clear carbon marketing guidelines. Risk reduction for private sector investments will be encouraged through tools like credit guarantees, green credit lines, and climate risk insurance, ensuring both investment security and protection for vulnerable communities.

KEY CONSIDERATIONS FOR NDC IMPLEMENTATION



Government of Nepal envisions effective implementation of NDC 3.0 through preparing its implementation plan, ensuring coordination with all relevant stakeholders and effective action.

**Note: This document was developed under the "Building National Capacities of Nepal to Meet the Requirements of the Enhanced Transparency Framework of the Paris Agreement" (CBIT) Project.*

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