

Kulekhani Hydropower Watershed — Nepal's Statutory Royalty-Sharing PES Scheme

PES & Nature-Based Solutions · Good practice · Nepal

Quality score: 33/100

Evidence strength: Observational / pre–post

Summary

Nepal channels 12% of Kulekhani hydropower royalties to Makwanpur district, split 50/50 between upstream and downstream communities — a long-running PES-like scheme, coinciding with a 31% rise in annual water inflow and declining reservoir sedimentation since 1996.

Key dimensions

Dimension	Score
Carbon — sequestration / storage, evidenced	0/3
Biodiversity — conservation / improvement, evidenced	0/3
Water & soil — retention, infiltration, erosion control	3/3
Fire resilience — risk reduction, evidenced	0/3
Governance, certification & transferability	2/3

Evaluated by C-NAPSE

Data sources

C-NAPSE web research — accessed 2026-08-06

Makwanpur District Coordination Committee, with Nepal Electricity Authority hydropower royalties — accessed 2026-08-06

Payments for Ecosystem Services in Kulekhani Watershed of Nepal: An Institutional Analysis of Mechanisms for Sharing Hydroelectricity Revenue (ForestAction Nepal / IASC, Khatri) — accessed 2026-08-06

Payment for ecosystem services: possible instrument for managing ecosystem services in Nepal (Taylor & Francis) — accessed 2026-08-06

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