Community Forestry and REDD+ in Nepal

by

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A project submitted
in partial fulfillment of the requirements
for the degree of
Master of Science
(Natural Resources and Environment)
at the University of Michigan
April 2013

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ABSTRACT

Reducing the rate and extent of tropical forest loss is a critical component of climate change mitigation efforts. A global agreement to Reduce Emissions from Deforestation and Forest Degradation (REDD+) seeks to transfer funds from developed countries to developing countries such as Nepal in exchange for verifiable emissions reductions. Consequently, Nepal is currently engaged in the challenging task of designing and implementing REDD+ strategies that are effective, efficient, and equitable. Nepal has a historic and successful Community Forestry management system in place that may contribute to potential REDD+ architectures.

This study uses a literature review and interviews with twenty stakeholders involved in REDD+ planning and research in Nepal to assess how REDD+ can be implemented through Community Forestry and to identify any gaps that need to be addressed before implementation. We interviewed individuals in government and civil society in order to identify knowledge and perceptions regarding these issues, and whether that knowledge would support, expand on, or conflict with available literature. This approach allowed us to analyze a spectrum of perspectives among respondents involved in developing REDD+ architectures, and the mechanisms needed to effectively, efficiently, and equitably implement REDD+.

We show that congruity existed among the answers provided by respondents but that problems regarding undecided REDD+ policies and stakeholder engagement remain. Issues that remain unresolved include a lack of institutional capacity for monitoring forests and for distributing payments at all governance levels; insufficient stakeholder engagement in REDD+ planning; the exclusion of non-Community Forest forestry regimes through REDD+ piloting; and land tenure conflicts that will require extensive further research and multi-stakeholder problem-solving before REDD+ moves forward in Nepal. Should these issues be addressed, we conclude that REDD+ could use existing Community Forestry institutions to bring equitable co-benefits and increased carbon storage to Nepal.

ACKNOWLEDGEMENTS

We would like to express our gratitude and appreciation for our advisor, Dr. Arun Agrawal, for initiating this project and reviewing the manuscript despite his very busy schedule.

We would also like to thank Dr. Peter Newton for his accessibility, diligence, and instruction over the course of the project.

We are indebted to Prakash Jha. Dr. Birenda Karna, and Dil Khatri at ForestAction Nepal for their assistance formulating interview questions and providing contacts for our research.

We must thank Govinda Paudel and Ishwor Khadka for their translation services and guidance in the field.

We acknowledge Sarita of Sanu's House in Gwarko, Patan, Nepal for her unrelenting support and direction during our stay in Nepal.

Lastly, we are grateful for our respondents and the information they have shared. Without them, this report would be substantially deficient of data.

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ACRONYMNS

ANSAB	Asia Network for Sustainable Agriculture and Bio-resources
BSM	Benefit Sharing Mechanism
CARE	Cooperative for Assistance and Relief Everywhere
CF	Community Forestry
CFUG	Community Forest User Group
DFCC	District Forest Coordination Committee
DFO	District Forest Office
DFRS	Department of Forest Research and Survey
FCPF	World Bank's Forest Carbon Partnership Facility
FECOFUN	Federation of Community Forestry Users, Nepal
FRA	Forest Resource Assessment
HIMAWANTI	Himalayan Grassroots Women's Natural Resource Management Association
ICIMOD	International Center for Integrated Mountain Development
MoFSC	Ministry of Forests and Soil Conservation
MRV	Monitoring, Reporting, and Verification
MSCMC	Multi-Stakeholder Coordinating and Monitoring Committee
MSFP	Multi-Stakeholder Forestry Program
NEFIN	Nepal Federation of Indigenous Nationalities
NORAD	Norwegian Agency for Development Cooperation
NTNC	National Trust for Nature Conservation
RECOFTC	The Center for People and Forests
REDD	Reducing Emissions from Deforestation and Forest Degradation
RFCCC	REDD Forestry and Climate Change Cell
RPP	Readiness Preparation Proposal
RWG	REDD Working Group
SNV	Stichting Nederlandse Vrijwilligers
WOCAN	Women Organizing for Change in Agriculture & Natural Resource Management
WWF	World Wildlife Fund

CHAPTER 1. INTRODUCTION

Tropical deforestation and forest degradation are major global contributors to the concentration of carbon in the atmosphere and are the primary source of carbon emissions from developing countries (Houghton 2005). In 2008, the United Nations introduced the Reducing Emissions from Deforestation and Forest Degradation (REDD) program, which aims to mitigate this source of global climate change. Developing tropical forest countries are thus designing national REDD+ strategies–meant to be effective, efficient, and equitable—in the expectation of receiving carbon payments from developed countries that could be used for both forest conservation and livelihood diversification for forest-dependent people.

Limited international funding for REDD+ planning has resulted in many countries' policy-makers and governments to expedite research and piloting initiatives by using existing forest management schemes—including Community Forestry (CF)—to facilitate REDD+ so that they can better compete for funds that may become available (Bushley and Khatri 2011). Nepal's decentralized CF system, with its long, successful history of not only reducing deforestation but also increasing reforestation, has garnered global attention and built considerable natural, social, human, and institutional capital (Agrawal 2001). If CF institutions, such as those in Nepal, have congruity with those necessary for REDD+ implementation, REDD+ may be able to harness and possibly improve the capital that CF has already established.

Though REDD+ and CF share goals of forest protection and livelihood support for forest-dependent communities and individuals, the development of REDD+ as a carbon mitigation program introduces many new challenges. Questions remain as to how CF and REDD+ will affect each other:

1. What are the socio-economic and institutional factors that have made CF in Nepal successful and will these serve as barriers or facilitators to REDD+?

2. What are possible synergies and tradeoffs between the carbon and livelihood goals of CF and REDD+ and how can they be managed?

REDD+ can be implemented through Community Forestry pathways effectively, efficiently, and equitably only if some measures are taken to retain the decentralized qualities that have made Community Forestry in Nepal successful and equitable to forest users. The following study will expose many of the problems with current REDD+ readiness and piloting activities, as well as Community Forestry in Nepal, and how they may be resolved.

REDD+ Background

REDD is a mechanism by which the global community is able to "reward individuals, communities, projects and countries that reduce greenhouse gas emissions from forests" (Angelson 2008). REDD can be likened to a two-tier Payments for Environmental Services (PES) program, with: 1) conditional payments from international donors to national-level organizations (e.g., governments); and 2) conditional payments from those national-level organizations to sub-national organizations (e.g., forest users, communities or local governments) (Campbell 2009). These payments from the international level would be conditional on the implementation of policies that resulted in reduced carbon emissions from deforestation. The receiver of these funds would then be responsible for distributing these payments at the sub-national level to the institutions and stakeholders that helped to reduce these emissions, either through policy or behavior changes.

The "plus" in REDD+ includes goals for maintaining co-benefits alongside carbon storage, including biodiversity, enhancement of forest carbon stocks, and forest livelihoods. The relatively rapid advancement of REDD+ results from its potential significance in addressing climate change (because 17% of greenhouse gas emissions are from deforestation and forest degradation (IPCC 2007), and reforestation mitigates emissions from other sources); speed (because no technological innovation is required and gains can be almost instantaneous); low cost (because much deforestation is for marginally-profitable uses and so opportunity costs are easily overcome); and because it represents a potential win-win situation (because of the associated co-benefits) (Angelson 2008).

REDD+ is based on the premise of "additionality"—that payments will incentivize forest managers to conserve more forest area, which will partially mitigate climate change. Additionality is proven through trustworthy monitoring, reporting, and verification (MRV) of carbon storage and is necessary in order to attract buyers and receive carbon offset payments (Corbera 2012).

While the idea of REDD+ has been widely embraced, the reality of implementing it in practice has been more difficult. Designing a global architecture for REDD+ that operates at both the national and sub-national level has proved difficult. Part of this is due to the competing interests of carbon abstraction—whereby the history of a commodity is removed to render units commensurate so that equivalencies (e.g., tons of atmospheric carbon dioxide) can be sold or exchanged (Prudham, 2009)—and the valuation of other forest benefits (Fairhead, Leach, & Scoones, 2012).

A number of important considerations permeate the debate on REDD+ design: How can emissions reductions be measured? What is an appropriate financial structure? How can co-benefits, and particularly gains for the poor, be maximized? Is there a way to ensure that REDD+ doesn't result in the re-centralization of forest governance (Angelson 2008)? These are all questions that for Nepal can only be answered by analyzing the existing forestry management structures. We will first look at the history of forestry management in Nepal.

Nepal

Forested land

Nepal is a small nation, with a land area of just 14.8 million ha, of which approximately 39% (5.8 million ha) is forested (Ministry of Forests and Soil Conservation 2009). The dispersion of these forests can be divided into five bioclimatic zones (alpine, sub-alpine, temperate, sub-tropical, and tropical) and three topographical regions (mountains, middle hills and plains). Six forest tenure classifications exist, determined by the allocation of forest management rights: government forests (including protected forests), community forests, collaborative forests, leasehold forests, religious forests, and private forests. Forest tenure determines who has the rights to live in a certain forest, to

access forest resources, and to transfer those rights to others (Larson, Barry and Dahal 2010). Among the six tenure categories, the government formally owns all but the privately held forested lands. In terms of land area and carbon stored, the two largest forest management groups are the government (approximately 4.6 million ha) and Community Forest User Groups (CFUGs) (approximately 1.2 million ha). Furthermore, the distribution of forest carbon is roughly proportional to the total land area under each tenure category: government managed forests contain 704 million tons (79.1%) of carbon, while CFs account for 183 million tons (20.6%) (Figure 1) (Oli 2009).

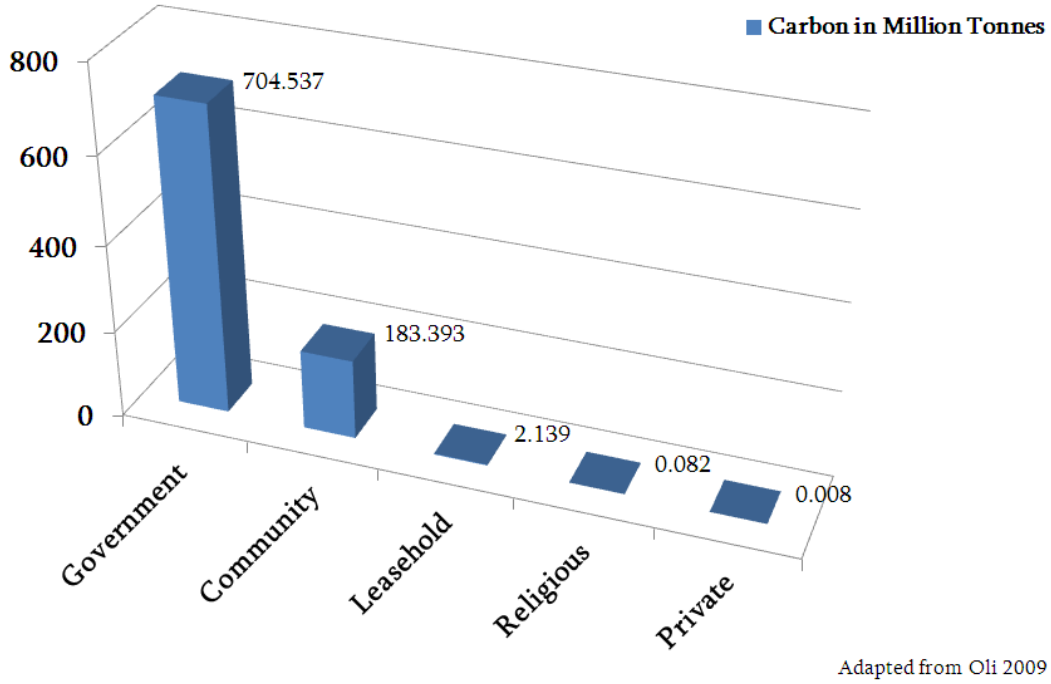

Figure 1: The Distribution of Carbon Stocks in Nepal's Forests Categorized by Governance Regime. The large majority of Nepal's forests are both owned and managed or protected by the government. Community managed forests are the other significant governance regime in Nepal, and have been placed at the center of REDD+ negotiations in Nepal.

The scope for climate change mitigation through Nepal's forests depends in part on how well the government encourages and implements forest management policies in consultation with communities, accounting for regional heterogeneity. For example, the Terai forests in the plains represent 62.4% of Nepal's total above ground carbon stock and are capable of storing and

sequestering more carbon due to the local climate and tree species composition (Baral, Malla and Ranabhat 2010). However, the Terai's forests are also those with the highest rates of deforestation in Nepal, due to the value of their timber (N. Kumar n.d.).

Community Involvement in Forest Management

Nepal has dramatically altered its mode of forest governance over the last sixty years, on at least three occasions. First, it moved from privately-owned forested estates to a state-oriented model. Until the 1950s, most forest management in Nepal was based on indigenous practices to meet subsistence fuel, food, and timber demands. The Private Forest Nationalization Act of 1957 aimed to "prevent the destruction of national wealth [by] nationalizing private forests for their adequate protection, maintenance and utilization, so as to ensure the welfare of the country and the people" (Government of Nepal 1973). All forest land would be nationalized, while non-forest land would remain privately-owned. However, the policy backfired since, faced with this prospect, many landowners chose to destroy their forests and convert them to agricultural land (Pokharel 2005; Sherpa 2010; Bushley and Khatri 2011). Almost 500,000 hectares of forest were destroyed between 1957 and 1976.

Second, in response, the central government abruptly reversed its forest management strategy in 1976, and instead began a program of decentralization and community-involvement (Gilmour, King and Hobley 1989; Pokharel 2005; Ojha 2009). The National Forestry Plan of 1976 and the Panchayat Protected Forest Rules of 1978 sought to curb forest deterioration by designating limited areas of forested land for village management (Acharya 2002).

Finally, in the 1990s, Nepal further embraced strong community forestry management, starting with the Forest Act of 1993, which included local forest users in forest management decision-making and provided mechanisms for these users to benefit from the forests that they manage (Acharya 2002). This led to the creation of CFUGs and to the Federation of Community Forestry Users, Nepal (FECOFUN) in 1995, whose role is to advocate for the rights of CFUGs and

strengthen their role in the policy-making process. Since 1993, Nepal has formally devolved management rights over 1.2 million ha of forest to more than 18,000 CFUGs (ANSAB 2011).

Community managed forests in Nepal can be characterized by a number of commonalities. First, though ownership remains with the government, all management decisions are made by individual CFUGs and each member in a user group has equal rights and access to the forest's resources. Second, these users are represented at the household level and there must be an equitable distribution of benefits among households. Third, CFUGs are not bound by resource-related rules established by villages or municipalities, and non-members are excluded from resource use and management. Finally, the Government of Nepal provides technical assistance to CFUGs when needed, in return for improved forest management (Acharya 2002). Thus, decentralized forest governance in Nepal has enabled forest users to develop autonomous organizations and to reclaim traditional forestry practices.

Nepal's REDD+ Readiness Process

The government of Nepal has placed Community Forestry, with its long history of success and powerful backing institutions such as FECOFUN, at the center of its REDD+ strategy (West 2012). The foremost governmental agency in Nepal pursuing climate change mitigation policies is the Ministry of Forests and Soil Conservation (MoFSC). The ministry is working with many of Nepal's strong network of NGOs and other civil society organizations, who represent local stakeholders and who have historically been successful in promoting equality in negotiations over forest rights between community forest users and the government (Luintel 2006).

As of 2010, a total of about US $7.8 million had been provided by donors as financial resources for REDD+ readiness in Nepal (Ministry of Forests and Soil Conservation 2010).The primary donor has been the World Bank's Forest Carbon Partnership Facility (FCPF), which has awarded Nepal $3.5 million for consultation, outreach, terms of reference development, REDD+ strategy preparation, monitoring efforts, and investment requirements for long term REDD+ implementation and management (The World Bank 2009). The Government of Finland has also

worked with Nepal on a Forest Resources Assessment (FRA) in order to generate baseline data on national forest coverage, carbon stocks, timber products, and other forest resources in protected areas (Ministry of Forests and Soil Conservation 2010). Other major donors include the Swiss Agency for Development and Cooperation, the United States Agency for International Development, and the Japanese International Cooperation Agency.

A REDD+ national strategy, the Readiness Preparation Proposal (RPP), has been developed for Nepal. The development process launched three studies conducted by the Government of Nepal to examine: 1) the impacts of forest utilization on the livelihoods of direct and indirect forest users, 2) the net economic value of forest products and environmental services, and 3) the leading drivers of deforestation and degradation (Ministry of Forests and Soil Conservation 2010). The RPP development process also involved 17 consultation workshops at the local level, 13 at the regional level and 27 at the national level (Ministry of Forests and Soil Conservation 2010). These workshops included forestry experts, government officials, media representatives, academics, and forest user groups. As a consequence of the RPP, a number of pilot projects have been initiated, led by a combination of community groups and national and international NGOs.

Pilot projects

At least seven REDD+ pilot projects have already been implemented in Nepal, and address issues such as capacity-building, benefit sharing, and the potential impacts of the policy on communities (Table 1) (Ministry of Forests and Soil Conservation 2011). The seven pilot projects share a focus on community forests and the impacts that REDD+ may have on their users, and have been largely successful in moving the conversation on REDD+ in Nepal forward. Many of the individuals and groups involved in leading the pilot projects were involved in the development of the RPP, and recommendations have been made to the policymakers in charge of shaping REDD+ policy in Nepal (Ministry of Forests and Soil Conservation 2010). However, there are few pilot projects that engage community forests in the Terai region, so it is unclear what impact REDD+ will have on communities within these high-value, highly-threatened forests (West 2012).

The most comprehensive pilot project underway in Nepal, and the one which comes the closest to providing a functioning system that could work for REDD+ across the country, is the 'Forest Carbon Trust Fund' (Figure 2). Four features define this project as unique. First, it has actually made payments to local communities: in 2011 and again in July 2012 when a USD 95,000 seed grant from the Norwegian development agency (NORAD) was distributed. These payments represent the delivery of significant financial resources to community forest users: the Chanarwati, Ludhikhola, and Kayerkhola watersheds received USD 44,188, USD 26,122, and USD 24,691, respectively. Second, payments take into account the condition of the forest before project implementation, so that communities were not penalized for having historically taken better care of their forests (Gurung 2011). This deviates from the often-cited expectation that REDD+ can and will only pay for additional reductions in deforestation relative to a recent baseline. Third, the project has designed and implemented a nested system for distributing payments, which combines a national and sub-national strategy. Payments are made to three Watershed REDD Networks, each made up of one representative from each CFUG, for their contributions to sustainable forest management: The Watershed REDD Networks are then responsible to distribute the money to individual CFUGs (ICIMOD, ANSAB et al. 2011). This mechanism bridges the community and the national level, satisfying both the need to centrally administer payments, and to make payments to households that reflect local heterogeneity in participation and costs (Newton et al. 2012). Fourth, the payment system distributes funds to CFUGs based on a system that not only recognizes the amount of carbon stored and sequestered, but that also takes into account social variables. Only 40% of payment values are based on forest carbon enhancement, with the remaining value weighted to favor households with a greater number of indigenous (10%), Dalit (15%), and female (15%) members, to favor households in poverty (20%). This mechanism may help to ensure that REDD+ benefits are felt by marginalized groups, and to avoid elite capture. In sum, the project's differentiated payments are intended to encourage equality and provide social co-benefits, and have led to an increase in wealth for many households and have incentivized sustainable forest management (West 2012).

Table 1: List of Pilot Projects Underway or Nearing Implementation in Nepal. A wide array of government organizations, civil societies, and NGOs have taken the lead on implementing pilot projects to address various issues that need to be resolved for REDD+ to be successful. Most of the projects have focused on specific issues, such as capacity building, education, and MRV needs.

Pilot project name	Leading organizations	Location	Aims	Impacts	Reference(s)
Grassroots Capacity Building Program	RECOFTC FECOFUN		To build capacity at a local level and to educate communities on the issues surrounding REDD+ and its potential effects.	This project has developed a training manual, in both Nepali and English, that is intended to prepare national and district level instructors on issues related to REDD+ and climate change so that they may share this knowledge with various stakeholders.	Government of Nepal 2011 The Center for People and Forests 2012
Climate Change and REDD Program	NEFIN	In 40 districts throughout Nepal	Capacity building for REDD+ and climate change, but with a specific focus on indigenous groups.	This project has developed educational radio broadcasts, new education materials, and teacher-training.	Sherpa 2012 NEFIN 2010
REDD+: Reducing Poverty in Nepal	WWF Nepal Winrock International		To measure carbon and produce baseline data, and to develop a user-friendly mechanism to collate locally-collected and entered data and make them centrally available at the national level. To emphasize the importance of an equitable benefit sharing mechanism.	This project has been successful in establishing a baseline for certain regions, including the Terai, and has assessed the potential for carbon sequestration, leakage, and additionality within the Terai Arc Landscape. It has identified data management as especially problematic, as there is no database currently that would allow for easy input of data collected at local levels that could then be accessed by more centralized forest professionals.	Joshi and Bhatta 2010 Government of Nepal 2011
Hariyo Ban Program	WWF Nepal CARE FECOFUN NTNC	Terai Arc Landscape and Chitwan-Annapurna Landscape	To focus on biodiversity conservation and climate change adaptation, in addition to payments for ecosystem services.		
Himalayan Community Carbon Project	Rupantaran Nepal (under the Plan Vivo framework) with bilateral funding from the UK and Nepal's Livelihoods and Forestry Programme		To seek ways for local communities to engage in international markets for a variety of different ecosystem services using a certification system. it is focused on carbon markets and on forest management methods that increase carbon stocks. to reduce forest degradation and deforestation within community forests by reducing demand for forest products, diversifying local livelihoods to reduce forest dependency, and allocating land within forests to the poorest households, which are often excluded.	This project has already submitted the necessary forms to Plan Vivo and is awaiting validation so that project areas may begin receiving Plan Vivo credits.	Plan Vivo Foundation 2013 Livelihoods and Forestry Programme 2011
Governance and Payment System for Community Forest Management under REDD+ (or Forest Carbon Trust Fund)	ICIMOD FECOFUN ANSAB	In three watersheds in three different districts. Includes 10,266 ha of community forest, 105 CFUGs, and 18,000 households.			Government of Nepal 2011 West 2012 Gurung 2011 ICIMOD, ANSAB et al. 2011

The Forest Carbon Trust Fund was designed not only for a specific context, but also to meet the requirements of the RPP so that the project could later be scaled to the national level. A similar distribution system to the Watershed REDD Networks model could thus be established to transfer funds from a national level trust fund to a more local level if REDD+ were implemented more widely (ICIMOD, ANSAB et al. 2011).

The project is still a work in progress, however, with high levels of uncertainty regarding its effects. The differentiated payment structure is complex, and has left some individuals confused as to what exactly they are receiving payments for and why some households are receiving more than others (West 2012). The complex nature of the qualifying criteria means that some households have reportedly received double payments, and there is concern that this confusion could lead to social conflict and disorder, while also leaving insufficient funding to incentivize other community members. Additionally, there is uncertainty about the continuity of payments once the seed money for the project runs out (Ministry of Forests and Soil Conservation 2011; West 2012).

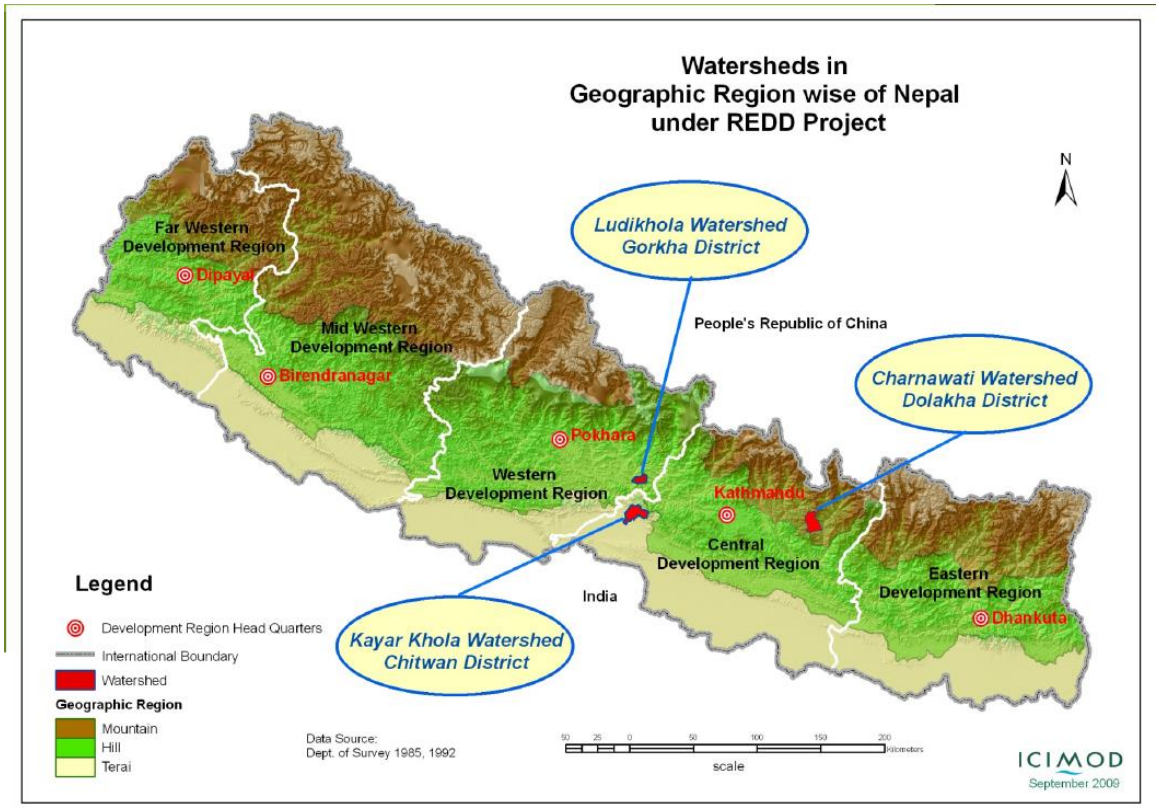

Figure 2: A Map of the Piloting Sites of the Forest Carbon Trust Fund Project in Nepal. This project is being implemented within three watersheds that are respectively located in the Gorkha, Chitwan, and Dolakha Districts. This image also contains the three different geographic classifications for Nepal's forests.

CHAPTER 2. METHODS

Research Framework

We decided on a constructivist approach to guide our research. Constructivism asserts that social interactions are facilitated by mutually shared notions based on the interests and identities of purposive actors, a product of which is collective ideational factors (Finnemore 2001). Ideational factors are corresponding conceptual suppositions that offer insight into topics of concern. Topics most relevant to this study include monitoring, stakeholder engagement, benefit-sharing, and institutional arrangements at various political levels, among others. We desired to know whether the literature available would compare or contrast with the experiences, opinions, and perspectives of interviewed respondents working on these issues in Nepal. This approach allowed us to then identify a range of perspectives on the current developmental and organizational processes, and what mechanisms could potentially be in place to sustainably implement REDD+.

We pursued this research with the understanding that, while engaging with possible respondents, we may collect insufficient systematic evidence for some of the assessments maintained by our study participants. This is due to the fact that the REDD+ pilot projects in operation were still in their infancy, and the data available was limited to the immediate perceptions of the actors involved. Therefore, a holistic research design was chosen in order to obtain opinions from individuals in numerous sectors, including government, intergovernmental agencies, non-governmental organizations, civil-societies, and community advocacy groups. We were unable to approach private syndicates that could be affected by REDD+ policies and plans.

Literature Review

We completed a comprehensive literature review to build an in-depth Nepal case study. Nepal was selected because of its history of successful decentralized forest management and progress in establishing REDD+ institutional capital and pilot projects. The literature reviewed included peer-reviewed journals, grey literature (e.g., government reports, local newspaper articles, and NGO

publications and presentations, including the respondents' organizations), and websites (of government agencies and NGOs). The literature was so used to shape our interviews and inform interview question development. The literature review was extended after interviews were completed to cover new topics and projects that were brought up in interviews.

Question Development

We used the research questions provided by the World Bank (similar to those listed in the Introduction) and the literature review to develop open-ended interview questions. We followed an *exploratory* process as described by Robson (1993), as our goals were "to find out what is happening…seek new insights…[and] assess phenomena in a new light". The question-concept matrix (Appendix C) aligns important research concepts with interview questions. We pre-tested the questions with researcher Prakash Jha at ForestAction, an IFRI partner and non-profit research organization in Nepal, before revising final questions. Throughout the process, we added, rephrased, or deleted several questions, based on the perceived success or failure of those questions. For example, we reworded the phrasing in several questions that was confusing to some participants, and deleted other questions that received redundant responses.

Interview Process

Contacting Respondents

In order to identify and network with potential respondents, we consulted with ForestAction, IFRI's partner institution in Nepal. We developed a list of individuals directly and indirectly working on REDD+ issues and/or Community Forestry within the country of Nepal. Each person on the list was contacted via electronic mail as to eschew spatial and temporal constraints between ourselves and interviewee candidates. Each electronic letter included a brief introduction of us, our research institution and client, the scope and details of our project, who recommended the candidate's insight, and why we wanted to interview the candidate (Appendix D). Attached to each electronic letter was a document containing the list of questions we intended to choose questions from, as well as a consent form asking for the respondent's permission to publish

their responses and record the interview. We took into consideration that electronic mail may limit and bias the population in terms of income, age, and gender. To account for this, we often requested phone numbers if electronic mail addresses were not available. In very few cases, there were no phone numbers available and we were reliant on the help of field assistants.

In-Person Interviews

Respondents were allowed to choose where they wished the meeting to be conducted in order to minimize the burden on each participant and so that they could be as comfortable with the process as possible. Almost every respondent preferred that they be interviewed at their workplace, with the only exceptions being the interviews that were conducted with the NCA, REDD Watershed Network in Chitwan, and Shaktikhor CFUGs. These were also the only three interviews that were not conducted in English and required the use of a translator. Before each interview began, a brief written and verbal summary of the project was provided, as well as a consent form which asked them whether they wished to remain anonymous in our report, as per IRB requirements (Appendix E). This form also asked for permission to record the interview. One participant wished to remain anonymous, and a different participant requested we do not record the interview.

The interviews followed the interview-concept matrix, but not all respondents were asked the same questions, with questions selected based on each study participant's expertise on various topics related to CF and REDD+. A "narrative interview" approach was established, as described by Auerbach & Silverstein (2003):

> One cannot assume that current literature can provide an adequate set of questions. The researcher must therefore provide the participants with opportunities to bring up unanticipated topics, so it is important to be flexible about the questions you ask.

The order from the matrix was generally not followed, but instead, follow-up questions were often asked in order to clarify the point that the participant was making, which provided the participant with more time to focus on a specific topic, allowing for increased detail in responses. In addition, many questions were withheld or added to take advantage of the occupational special knowledge of certain respondents.

Matrix Production and Transcription

We audio recorded all interviews excepting the group interviews with the Nepal Chepang Association, Shaktikor CFUGs, and REDD Watershed Network in Chitwan (and the one respondent that requested his interview not be recorded), and took thorough notes during all interviews to capture main ideas and key points from respondents. We reviewed and summarized these to identify 20 well-developed topic areas, which guided a partial transcription process of the voice recordings—meaning we only transcribed relevant quotes. We followed Zinsser's (1976) suggestion for transcription editing: striving for "brevity and fair play", by reducing repetition and making small grammatical corrections.

We formatted those partial transcriptions into a matrix of topic areas by respondent. From this, we extracted thematic statements from respondents to be included in the Findings chapter. We chose these statements based on their unique content relative to information uncovered during the Literature Review.

CHAPTER 3. FINDINGS

LITERATURE REVIEW: PERCEPTIONS OF COMMUNITY FORESTRY AND REDD+ IN NEPAL

Institutional overview

The government of Nepal has placed community forestry at the center of its REDD+ strategy, in part because of the country's successful history and confidence in decentralized forest management (West 2012). The success of REDD+ in the context of community forest management in Nepal will depend on the coordination and cooperation of all relevant actors to present a unified plan of Nepal's REDD+ strategy to the international community (Dahal and Banskota 2009). The government's recognition of the importance of non-state involvement is reflected in the RPP's emphasis on the importance of multi-stakeholder engagement (Ministry of Forests and Soil Conservation 2010), and the central role it has given to communities and CFUGS in Nepal's planned REDD+ strategy (West 2012). The Ministry of Forests and Soil Conservation is working with many of Nepal's strong network of NGOs and other civil society organizations, including many well-established community-forest groups such as FECOFUN and the Association of Collaborative Forest Users in Nepal (Luintel 2006).

Likewise, several civil society organizations have proactively sought government involvement in REDD+ pilot projects. For example, the 'Forest Carbon Trust Fund' has established positions for government employees on several of the leadership committees (Ministry of Forests and Soil Conservation 2011; ICIMOD, ANSAB et al. 2011). This suggests that both government and civil society organizations are committed to cooperating with each other in order to further Nepal's climate change interests in relation to REDD+, and that community forest groups are well-placed to have a voice in the development of REDD+ strategies in Nepal.

Civil society organizations, local communities, academic researchers, and government officials in Nepal have all expressed concerns about the possible impacts of REDD+ on forest

communities. These concerns relate to discussions on benefit-distribution, the continuity of REDD+, and to the likely impacts of REDD+ on recentralization, additionality and co-benefits, and stakeholder engagement.

National level institutions

Despite these commitments, Nepal's existing institutions were not sufficient to facilitate the development and implementation of REDD+, and Nepal has invested much effort into developing new institutional arrangements at the national level to better facilitate carbon market transactions, even while it waits for resolution of the international uncertainty surrounding REDD+. In 2009, soon after the FCPF approved Nepal's Readiness Proposal Idea Note (R-PIN), the government created three national-level institutional mechanisms for implementing REDD+ in Nepal have been established (Bushley and Khatri 2011, (Ministry of Forests and Soil Conservation 2010). These are the REDD Forestry and Climate Change Cell (RFCCC), the higher-level REDD Working Group (RWG), and the Apex Body, the Multi-Stakeholder Coordinating and Monitoring Committee (MSCMC) (Figure 3). The RFCCC is responsible for communication and outreach among stakeholders, measurement of carbon assets, and initial policy development. The RWG is the planning committee, responsible for approving and monitoring REDD+ activities such as workshops and ensuring all stakeholders are represented in the decision-making process. The MSCMC approves all REDD+ policies developed by the RFCCC (Ministry of Forests and Soil Conservation 2010). These three institutional mechanisms have worked together to develop and facilitate Nepal's RPP.

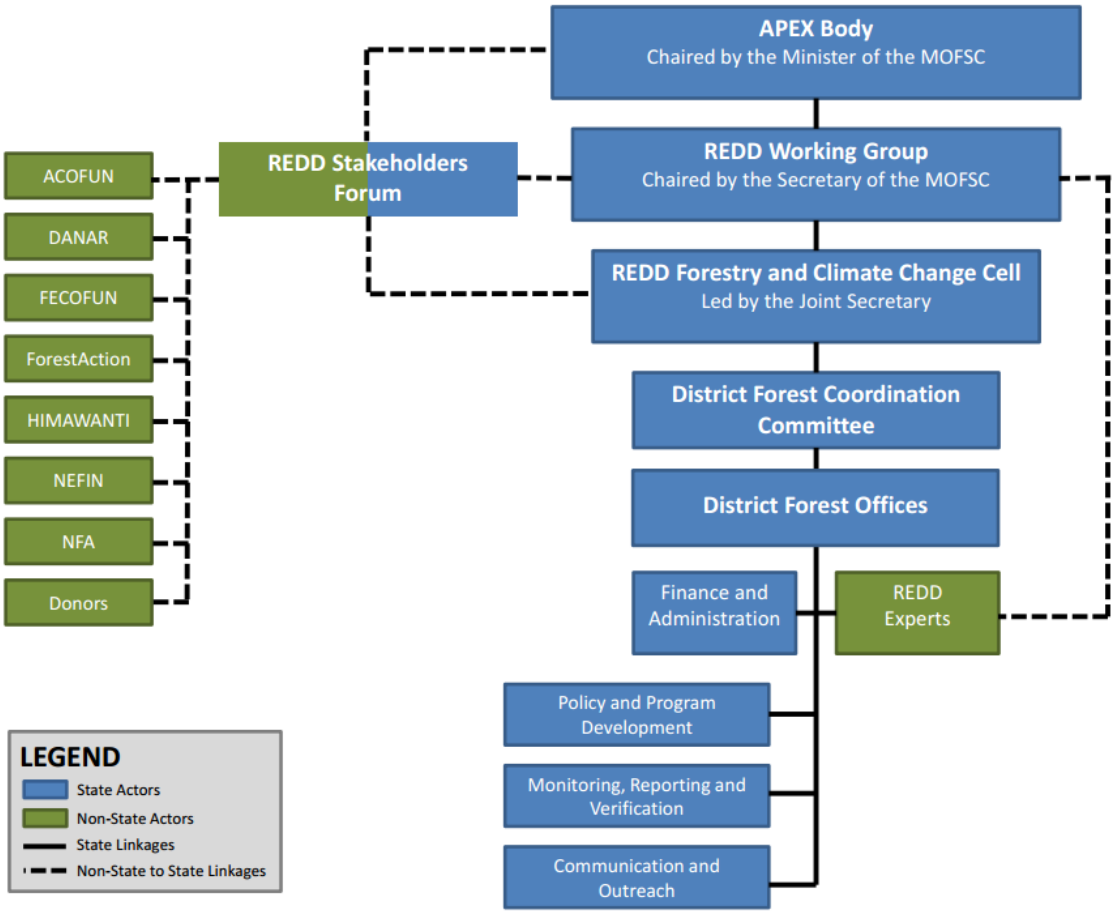

Figure 3: Institutional Arrangement for REDD+ Planning Process and Future Implementation. This multi-stakeholder arrangement, made up of both old and new institutions, was developed to be the core of REDD+ policy development at the national level. It provides opportunities for both government and non-government stakeholders to participate and be included in the process (adapted from Ministry of Forests and Soil Conservation 2011).

These three new institutions were not only designed to be useful during the development phase of REDD+ policies, but also so that they can transition into useful roles during the future implementation phase of REDD+ (although it is unclear what the roles of these institutions would be if REDD+ were implemented nationally) (Ministry of Forests and Soil Conservation 2010). The RPP envisions international payments being made to a national carbon trust fund, but does not specify who would have control of the fund (West 2012). Given the broad concern that the incentive of REDD+ benefits may lead to forest governance recentralization, it is important that multi-

stakeholder institutions can be trusted to manage the fund and to fairly distribute payments to local forest managers (Sunam, Banjade et al. 2010; Bushley and Khatri 2011).

Likewise, several civil society organizations have proactively sought government involvement in REDD+ pilot projects. For example, the 'Forest Carbon Trust Fund' has established positions for government employees on several of the leadership committees (Ministry of Forests and Soil Conservation 2011; ICIMOD, ANSAB et al. 2011). This suggests that both government and civil society organizations are committed to cooperating with each other in order to further Nepal's climate change interests in relation to REDD+, and that community forest groups are well-placed to have a voice in the development of REDD+ strategies in Nepal.

Monitoring, Reporting, and Verification (MRV)

REDD+ implementation requires MRV to satisfy carbon buyers (Corbera 2012), but Nepal currently lacks the financial and institutional capacity to undertake the monitoring, reporting and verification (MRV) necessary for REDD+ (Jha and Paudel 2010). Further, the technical nature and cost of the proposed monitoring, especially remote sensing, may exclude CFUGs from participation (Ministry of Forests and Soil Conservation 2010; Kotru 2012). Techno-bureaucratic and centralized MRV strategies could create further recentralization, while the exclusion of locals and local contextual knowledge could threaten the socioeconomic wellbeing of forest-dependent communities (Bushley and Khatri 2011).

There is a need for baseline forest inventories at national, district and community levels. Nepal has conducted national forest inventories since the 1960s, but these have not been rigorous enough to meet the recommendations of the IPCC (Puliti 2012). More rigorous national baseline surveys could be achieved by strengthening existing institutions. For example, a REDD+ component could be added to the Department of Forest Research and Survey (DFRS), with a multi-stakeholder body overseeing the DRFS to ensure transparency (Jha and Paudel 2010). The DRFS is currently conducting the FRA in Nepal, and this process will likely highlight some strengths and weaknesses of the program while also building organizational capacity.

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However, collection of more nuanced district and community level baseline data, that accounts for local heterogeneity, is beyond the scope and resolution of national level projects such as the FRA and will need to be completed more locally (Kandel 2010). The RPP proposes DFOs and DFCCs as the institutions that should be responsible for MRV activities at the sub-national level (Ministry of Forests and Soil Conservation 2010), but these institutions do not currently have the capacity to complete the task. DFOs have not been closely engaged in pilot projects, and so no system is yet in place that could conduct local MRV (Ministry of Forests and Soil Conservation 2011). A national database is planned, with data input from every DFO, and so vertical coordination is critical (Ministry of Forests and Soil Conservation 2010).

Payment mechanism

A critical objective is the development of a mechanism to distribute payments from the national level to a local level, including to CFUGs and to groups involved in leasehold forests, collaborative forests, and protected forests. The RPP proposes the distribution of payments from the national level to districts through District Forest Coordination Committees (DFCCs), which the government describes as "existing multi-stakeholder bodies" and therefore an ideal institution to fulfill this role (Ministry of Forests and Soil Conservation 2010). However, these same DFCCs have been criticized for being non-inclusive of non-state actors and for being utilized by District Forest Offices (DFOs) only when it is to their benefit (Sunam, Banjade et al. 2010). REDD+ policies must therefore ensure that DFCCs engage with relevant stakeholders, including communities (West 2012).

Recentralization

Nepal forests have strong decentralization laws and community-level institutions, but REDD+ creates incentives for the central government that could further slow, if not reverse, forest management decentralization in Nepal. For example, under the Forest Act and Regulations, CFUG Operational Plans must be revised by CFUGs and renewed by the DFO. There is fear by forest users that if REDD+ becomes lucrative enough, the central government will fail to approve CFUG renewals (Kanel 2006).

A second example of Nepal's incomplete forest management decentralization "signif[ies] the limits of the willingness" of the government to extend Community Forestry management into the Terai (Ribot 2006). No REDD+ pilot project has yet been implemented under Collaborative Forest Management in the Terai, and so communities here may be unprepared for REDD+ and particularly susceptible to greater elite capture (Bushley and Khatri 2011; West 2012).

Land tenure

Although the rights for forest management have been devolved to CFUGs, the government retains all forest land ownership except in private forests. CFUGs therefore have the rights to aboveground carbon stores found in the trees, but the rights to belowground carbon stores found in the soil remain with the government (Ministry of Forests and Soil Conservation 2010). The government could legally claim all revenues from carbon financing that result from soil carbon, unless those rights are formally transferred to CFUGs or other community groups. REDD+ makes no distinction between below-ground (soil) and above-ground (tree) carbon, and this discrepancy has fueled conflicting claims, confusion, and conflict. (Bushley and Khatri 2011; Pokharel 2009; Uprety, Luintel et al. 2011).

Specifically, there has been disagreement over what percentage of REDD+ payments the government should receive from the funds received for belowground carbon storage within community forests (Bushley and Khatri 2011). There is general agreement that the government should receive sufficient funding to cover the transaction costs it incurs as a result of REDD+, but without international guidelines on the proportion of remaining funding that should be retained by

the government, disagreement over funding distribution will likely continue and could threaten the stability of community tenure in Nepal (Sunam, Banjade et al. 2010; Bushley and Khatri 2011).

Additionality and co-benefits

Many people believe that Nepal will be "a good candidate [for REDD+] on the global scale, given its well-respected and long-established community forestry programme" (Pokharel 2009). However, REDD+ seeks additionality in the form of demonstrable reduced rates of deforestation and degradation, and Nepal's historical community forestry success could be interpreted as meaning that deforestation threat and additionality are low relative to other countries. However, additionality might be claimed if long-term effective forest management is accounted for. The inclusion of this metric for historic successful forest management by the Forest Carbon Trust Fund pilot project suggests that REDD+ in Nepal may move toward a broader definition of additionality (Gurung 2011).

Attempts to increase additionality in Nepal could lessen accessibility to other forest benefits (Bushley and Khatri 2011). For example, carbon maximization schemes, such as fast-growing tree plantations, can reduce biodiversity (Ludwig 1993; Putz 2009). But the main concern for forest-dependent people in Nepal is that tighter control of forest use (e.g. prohibition of agriculture and the extraction of some forest products) could reduce the viability of community forest management for subsistence livelihood strategies and that their adaptive capacity will be reduced (West 2012). Related development projects are attempting to provide resources such as central electricity to reduce fuel wood consumption, but not all households can afford it (West 2012).

Diversity and equity in stakeholder engagement, leadership, and issues

Engagement

While government and civil society have voiced strong support for cooperation, there are indications that suggest that increased conflict is a real possibility in the future. Firstly, many pilot projects exclude government officials, or only offered a few positions with minimal responsibilities (Ministry of Forests and Soil Conservation 2011).The civil society sector has complained that

important stakeholders, such as community forest users and indigenous peoples, were left out of early talks on REDD+, and that the RPP process proceeded without proper stakeholder consultation (Sunam, Banjade et al. 2010; Bushley and Khatri 2011). Forest-dependent communities and marginalized groups have had few opportunities to provide their input on REDD+ policies, since meetings are often closed or held in prohibitively-distant Kathmandu. Only four of the 57 RPP workshops included minority groups such as indigenous people, women, and Dalits (a socially marginalized group in the Hindu caste system) (Ministry of Forests and Soil Conservation 2010). Efforts to include the public have been described as "tokenism," and policy discourse has continued to be dominated by a select group of powerful stakeholders (Bushley and Khatri 2011). In fact, many indigenous people within Nepal are unaware of REDD+ and of climate change, which suggests a continued need for educational and capacity-building activities in indigenous communities (Sherpa 2012). This need was highlighted during Nepal Federation of Indigenous Nationalities' (NEFINs) 'Climate Change and REDD Program' pilot program (NEFIN 2010).

Leadership

CFUGs themselves already exclude certain demographics, including indigenous groups, the landless poor and daily wage laborers that therefore will also excluded from REDD+ benefits (Uprety, Luintel et al. 2011). Many indigenous groups, such as the Chepang, have never been afforded land ownership certificates (Hamal 2012), and historical forced relocations preclude their forest membership (Aryal 2008). When disadvantaged men and women are members of CFUGs, they are not represented in the group leadership (e.g. executive committees average only 31.5% women (DFO 2012; WOCAN 2012)) and wealthier and higher caste CFUG members are most often in leadership positions (Malla 2003; Uprety, Luintel et al. 2011; West 2012). The decisions by this elite group can then jeopardize unrepresented populations (such as keeping women from community forest income benefits (Malla 2003)) and particular livelihood strategies (such as restricting shifting agriculture (Aryal 2008) and fuelwood access where the unrepresented poor are most dependent

(West 2012). The existing power asymmetries between stakeholders in community forestry must be addressed if it is to be used to facilitate REDD+.

Gender Issues

Consequently, women and gender issues are visibly absent from REDD+ readiness proceedings. During the creation of the RPP, none of the 22 REDD+ Interim Strategy studies included gender issues, only three of the 17 community consultations were "targeted specifically to women," and only one of the 27 experts consulted during the RPP development process was a female, and none were experts in women's issues (WOCAN 2012). Even when women were engaged, the accelerated nature of the RPP precluded the inclusion of their thoughts and concerns, and short notice of meeting times held at inconvenient locations unfairly burdened women (WOCAN 2012). Only 10% of the REDD+ institutional structure, including the Apex Body and the REDD Working Group, is comprised of women, despite the legal (Community Forestry Guideline of 2009) requirement that 50% of CFUG leadership be women and the heavy reliance of REDD+ readiness on CFUG institutions (Shahi 2012; WOCAN 2012). These issues result in a failure to include women in REDD+ policy formation, and a reduction of female involvement in forest decision-making.

Continuity

The uncertainty of the future of REDD+ in Nepal creates problems in continuity. First, Nepal may be preparing institutions that will be inappropriate for the actual REDD+ program (Bushley and Khatri 2011). Second, an absence of firm funding commitments from developed countries mean that initiatives started as readiness and pilot projects may not be funded beyond the short term. These possible discontinuities between REDD+ pilot projects and full REDD+ implementation are of concern to forest users that are incentivized to alter their traditional livelihoods. For example, the Forest Carbon Trust Fund pilot project has encouraged a Chepang community to plant Chiuri fruit trees to replace shifting agriculture. The Chepang complied because of the large size of the seed grant ($1,176), but are worried about the continuity of payments (Sherpa

2012). With 15-20 years before Chiuri maturation, the Chepang are concerned that food insecurity and poverty may result once the project ceases if REDD+ does not immediately fill that payment gap (Sherpa 2012).

Communities participating in projects that change drastically with no warning have been known to abandon the projects (Corbera 2012). The Ministry of Forests and Soil Conservation has expressed concern that current pilot projects do not represent the likely future reality of a national REDD+ program (Ministry of Forests and Soil Conservation 2011).

Table 2: Summary of Key Literature Findings. This table summarizes the important findings of the Literature Review, categorized by the key issues and topics that are receiving the majority of the attention in REDD+ planning discussions and research in Nepal.

REDD+ Institutional Needs and Concerns	Literature
Monitoring, Reporting and Verification (MRV)	• MRV must adhere to Intergovernmental Panel on Climate Change standards, but these are ambiguous and place no importance on participatory monitoring. • Nepal lacks the funds and infrastructure to meet current standards.
Payment mechanism	• A two-tier payment scheme (from donors to national governments to communities) is the presumed method, but stakeholder exclusion hasn't been taken into account.
Recentralization	• Nepal is vulnerable to recentralization under REDD+.
Land tenure	• Government owns all non-private forested land (i.e., the soil). • REDD+ policy documents make no distinction between aboveground carbon belonging to Community Forestry User Groups (CFUGs) and belowground carbon belonging to the government.
Collaborative Forestry Management (CFM)	• REDD+ piloting in collaboratively managed forests has been limited, but new pilot projects in the Terai may address this gap. • CFM is a step back from decentralized forest management.
Additionality	• Additionality will be difficult to accomplish in Nepal. • Striving too competitively for carbon additionality may affect forest livelihoods. • CFUGs could instead be rewarded for long-term forest protection.
Co-benefits	• Fast-growing tree plantations (to maximize carbon) can reduce biodiversity.
Diversity and equity in stakeholder engagement, leadership, and issues	• The government has been largely excluded from piloting efforts. • A stated goal of REDD+ is to engage diverse stakeholders, • But the absolute number of REDD+ meetings devoted to disadvantaged stakeholders amount to "tokenism".
Issues	• REDD+ policy considerations have not effectively included gender issues.
Leadership	• Elite groups have disproportionate leadership roles in CFUGs.
Continuity	• Will REDD+ begin immediately after pilot projects end? • Or will piloting communities face food insecurity? • The government worries about the effect of REDD+ policies differing from pilot projects.

INTERVIEWS: PERCEPTIONS OF COMMUNITY FORESTRY AND REDD+ IN NEPAL

Overview

The following findings reflect assessments shared by stakeholders and decision-makers interested and involved in REDD+ in Nepal. Even though those interviewed represent a wide cross-section of Nepal stakeholders—national and local government, civil society, and local forest users—we found they were in agreement on many issues. These perspectives both expand and corroborate information in the Literature Review (but with new details), and also express new ideas on the challenges facing the future of REDD+ and CF in Nepal, as well as identifying possible solutions. The perspectives concern the effectiveness, efficiency, and equity of future forest management policies, and fall into similar categories as used in the Literature Review: ability to perform MRV, payment mechanism issues, recentralization(including land tenure and (including Collaborative Forestry Management, and CF and its land tenure), additionality potential, co-benefits, stakeholder exclusion, and discontinuity of policies and funds. These cover the congruity of current Nepal institutions with REDD+ and the current problems with REDD+ implementation in Nepal. REDD+ has the power and money to affect the financial, institutional, natural, social, and human capital of Nepal through a series of synergies and trade-offs, which will be decided by the government of Nepal's treatment of stakeholder engagement and co-benefits with regards to REDD+.

MRV

Monitoring, Reporting, and Verification (MRV) are mandatory elements of proof of forest enhancement *under REDD+*. The current state of MRV is critically limited due to the availability of financial resources, therefore professional surveyors and computer technologies such as geographic information systems and remote sensing would likely be far too expensive for forest communities.

> You should look at the cost. Those sophisticated technologies are very costly. Where is the knowledge to operate those [technologies]? In that sense, the community will have to pay a lot of money for that.

> Resham Dangi, Joint Secretary, RFCCC

Cost is not the only issue in doing participatory community-based monitoring.

Many respondents suggest that those groups given forest management rights should participate in the MRV and inventory processes in order to reduce transaction costs. One respondent believes a sustainable forest management project initiated in 2003 entitled *Kyoto: Think Global, Act Local* by the Netherlands Development Cooperation has shown that CFUGs can be adequately trained to monitor their forests:

> The project came up with two findings. First of all, if communities are trained, they can measure and monitor forest carbon themselves. Secondly, if they are involved in the forest carbon project, it will reduce monitoring and transaction costs.
>
> Eak Rana Magar, REDD+ Pilot Project Coordinator, ICIMOD

At minimum, the tools and knowledge communities currently possess may be sufficient for above-ground carbon assessments.

Many respondents believe the best way to tackle MRV is by examining the standards to which these communities are liable to be subjected. Arguments given by respondents often include the problem of community-based measurements coalescing with technologies frequently used in developed nations, and how those technologies challenge the conventional techniques employed by most local level institutions in Nepal:

> It depends really on what sort of standard you are adopting. If you are adopting a Voluntary Carbon Standard, there I think even the community standards like that of the Climate Community Biodiversity Alliance…clearly recognizes that also community-based measurements are fine with them as long as they are based on Good Practice Guidelines of the IPCC [on] Land use, Land-use Change and Forestry. If we have community-based forest carbon measurements, how do you validate and calibrate with the remote sensing data which is coming from [the Finnish] Forest Resource Assessment? We should update all the forest operational plans of communities and see how far with which confidence interval we are deviating...We have to agree on a baseline.
>
> Rajan Kotru, Regional Programme Manager, ICIMOD

The issue of MRV capacity among communities has been an unresolved problem, especially since both advantages and disadvantages exist in the utilization of participatory community-based monitoring or of remote sensing techniques.

Beyond the community involvement and technological elements of MRV, the creation and role of new monitoring institutions require further examination. Since carbon estimates will be subject to verification prior to payment distribution, the accuracy of community forest data should be validated by an external entity. A few proponents of REDD+ in government would like to see verification take place at the local level:

> MRV for REDD projects needs to be strengthened locally [and] it should be some sort of self-monitoring system. So it should be a mechanism devised at the local level, and it is inbuilt, because they have an executive [verification] body, and if they have a flaw in monitoring, then the executive body will try to respond to those flaws. Making this sort of monitoring from the central [government] level is virtually impossible. Even today, we are spending 12-13% of our total community forestry budget on monitoring, but this is not even sufficient.
>
> Anuja Sharma, Community Forestry Development Officer, MFSC

More of the respondents felt that institutions above the local level could be utilized to verify monitoring results. The development of a multi-stakeholder organization contracted to measure and quantify carbon storage in community forests could improve upon ICIMOD's piloting projects, which already serve as an initial model for MRV. A multi-stakeholder MRV system may limit the role of the government since many CFUGs prefer to work with technical experts from non-governmental organizations:

> There should be the technical expertise needed to monitor carbon because the community's level of education, their understanding, and their technical-know-how make it difficult for them to [quantify] their carbon stocks. CFUGs love to work with ICIMOD or the non-governmental sector because if they take any kind of expertise from the government they are compelled to pay the fee to the government's staff. [Funding for this should come from] some kind of multi-stakeholder mechanism, not through one organization because it could be misused. This makes for transparency.
>
> Dharam Uprety, Outcome Manager, MSFP

While a national forest monitoring system is required under REDD+, it may be difficult to find a strategy that will work in all Nepali communities. Nepal needs to agree on a national MRV baseline,

test that baseline in various community forests, and determine what tools are financially appropriate for securing community involvement in each studied case.

Payment mechanism

The payment distribution mechanism for REDD+ in Nepal will depend largely on what sort of system is adopted at the international level. There are two main options: 1) direct international payments to projects at the local level, and 2) international payments to the national government, who would then properly distribute those to projects on a more local level. This latter two-tier payment mechanism would allow for nationalized negotiations with carbon buyers—giving Nepali forest communities more bargaining power and reducing transaction costs.

> If you go nationally, it would be good for us in Nepal...If you break it down so that CFs and CFMs are applying for themselves, it will be much harder to receive funds (from international markets). Both CF and CFM are not very capable of implementing these kinds of projects by themselves. The national government should be leading negotiations with donors and carbon markets.
>
> Anil Shrestha, Value Chain Development Advisor, SNV Nepal

Without tiered payment and negotiation, local CFs may lack the size and capacity to engage in international carbon markets.

Payment utilization

After CFUGs receive their payments, most respondents agreed that the utilization of these payments should be left up to the communities, with some minor guidelines as to how this money should be used.

> Let the local people decide how REDD money should be used, since we have a mechanism already in place. There is a CF fund at the community level. The group has autonomy as to how this fund should be used. So far we do not have a directive for fund allocation from the central level. Personally, I am against setting such a directive. However, there should be some directive for regulating the financial directive for REDD, but not intervening in the ways in which they allocate that fund. There are some broad guidelines such as 25% of funds should be used for forest development, 35% for proper activities. They have to follow the 25% directive, but the 35% is not in the legislation, so if they do not allocate 35% in proper activity they will not have a problem, b/c it is only at the guideline level, so they have some freedom.

> Anuj Raj Sharma, Community Forestry Officer, Department of Forests

While CFUGs should be encouraged to invest these funds into forest conservation and the members of the community that are most dependent on the forests for their livelihoods, respondents generally agreed that autonomy should remain with members of the community.

Tiered payments would nominally recentralize forest management in Nepal, by placing more power and responsibility on the central government to distribute these payments in a fair manner. Government employees feel the government can better utilize this money than local communities.

> Any single dollar, if it comes to the Nepalese economy, macro-economically it contributes to the country's economy. But it should not come as a divider, because the country's reeling from the conflict situation, and it is not over. So the dollar should not divide the community, but should come as a connector.
>
> Anuja Sharma, Community Forestry Development Officer, MFSC

They use this effectiveness as justification for keeping this power. Combining this with the government's ownership of CFUG's soil carbon, gives Nepal's government the ability to keep a greater share of REDD+ benefits by recentralizing some forest governance.

Recentralization

Many researchers have expressed concern within the literature that REDD+ threatens to recentralize forest governance, and Nepal is no exception (Bushley and Khatri 2011). Several of the respondents for this study shared these concerns with us, especially those from the non-government sector:

> There is one thing we doubt: the REDD process can re-centralize. Now there is a decentralized process (in Nepal's forest communities)—in their own CFs, they make their own decision.
>
> Apsara Chapagain, Chairperson, FECOFUN

Recentralization of forest governance is an especially worrying prospect in Nepal, since its decentralization of forest governance is one of the primary reasons that the CF management of Nepal has received global praise (West, 2012).

Bundling

The small size and negotiating power of CFUGs are the reason many of the respondents agreed that CFUGs would have to be bundled in some way for REDD+ to work, which would then allow MRV and payment distribution to be done at a larger level. However, since REDD+ is still in the piloting stage in Nepal, respondents were hesitant to give a definitive answer as to how best to bundle CFUGs.

> This is really difficult issue …I can't say what will be the proper size for bundling. It should be on trial based on experience in implementation. …They will definitely need to be bundled though, while thinking about balancing (between) reducing transaction costs while also being able to listen to voice of those who really need to use the forest.
>
> Anonymous, Researcher

Thus, there is some concern that while bundling may be necessary to lower transaction costs, bundling at too large a scale may recentralize some forest governance and leave some forest-dependent people almost powerless when it comes to REDD+. In order to address this concern, one researcher suggested that bundling be left up to CFUGs so that they can decide how best they should be bundled:

> When it comes to the point of managing and enterprising, I can see all participating community forests understanding the enterprise concept, so managing forests more on the enterprise oriented manner. They can be an individual member, and then they can join and make their own aggregate identity, whatever is convenient for them. It must be geographical, but it can be anything like political-geographical boundary, not necessarily like District 1, District 2, or watershed, but a couple of watersheds.
>
> Bhishma Subedi, Executive Director, ANSAB

Allowing for individual CFUGs to decide how they should aggregate themselves would result in more power at local levels. Bundling forests at a different level than currently exists in Nepal will be important for REDD+ implementation. However, it remains unclear as to what would be the best way to bundle CFUGs so that transactions costs can be kept low while local involvement in deciding how forests can be used remains high. Bundling at the district level might allow for simpler implementation with existing institutions, but no pilot projects have yet been started at this level. Bundling at the watershed level, as has been done in the Forest Carbon Trust Fund project, was

perhaps the most popular response, but this could be due to many of the respondents being involved in this project. No matter what level is chosen, though, it will be important that funding be invested into increasing institutional capacity for REDD+ implementation at these levels, because knowledge surrounding REDD+ remains highly centralized. If this is not completed, it is very unlikely that benefits will be correctly distributed.

Leakage

However forests are bundled, it will be necessary to involve all of the governance regimes (CFs, CFMs, leasehold, government) within that region in order to discourage people from simply utilizing other forests in order to maximize the REDD+ benefit received for their own forest. This would be an example of leakage, and is an issue that several respondents mentioned as a legitimate problem that already exists in many CFs even without REDD+:

> The community forestry concept has worked because communities have been conserving their forests and going to the government forest. A lot of damage to the State forest has emerged from those community users.
>
> Rajan Kotru, Watershed Management Specialist, ICIMOD

Thus, even though CF is perceived as a positive governance regime in Nepal, there are still some unresolved issues that would need to be addressed before the arrival of REDD+, which has the potential to further exacerbate this problem by providing increased incentive to use a different forest.

Fortunately, bundling all forests within a geographic region, which will already be necessary in order to properly distribute payments and to conduct MRV, will help relieve some of this pressure by making it so that deforestation in an area outside of a CF will have a direct impact on the size of the payment received by that CFUG:

> If you are bundling with only one regime, then leakage is obvious. It is difficult. As you can see, people want us to hand over these open access forests (to communities). We hand them over to the community, and community conservation is very good and very clean. It is conserved because people have shifted their behavior from their community to the nearby forests. That's why our proposal is we should not go with only this community regime. Let's bundle all regimes together so we can delineate some kind of reference area within our project boundaries.
>
> Resham Dangi, Joint Secretary, RFCCC, Ministry of Forests

It is unclear if simply bundling forests will be sufficient to discourage leakage, though, and adds an additional issue to consider when deciding on the proper size that areas should be bundled. If the bundled areas are too small, leakage will be more likely since it will be easier for someone to enter a different bundled area from their own and use those forests. It is for this reason that some respondents encouraged bundling the largest areas possible:

> Leakage is also an issue that is being discussed during our involvement with the community. When we try to manage CFs or CFMs in a different way, if we focus only on CFs while a nearby forest is left out of this mechanism, there is a tendency to use or harm the forest that is not involved in REDD, so there is a chance of leakage. To avoid this type of leakage, we have recommended that if REDD is implemented, it should cover as large an area as possible. For example, a large watershed area or landscape management, so that we can avoid this type of leakage.
>
> Anil Sherestha, Value Chain Development Advisor, SNV Nepal

If leakage was the only issue of concern when deciding how large bundled areas should be, it would be a simpler decision, since a larger area would likely be better. However, with additional issues to consider, especially transaction costs and recentralization of forest governance, bundling remains a difficult issue with no simple solution presently.

Land tenure

Community Forestry has successfully reforested much of Nepal, but faces a reinvigorated government challenge to land tenure under REDD+. REDD+ payments may incentivize the government to take advantage of current land tenure laws and seek larger soil carbon payments or reconsider approving CFUG renewals. One suggestion is to devolve land ownership to CFUGs. It is likely the Government of Nepal will remain adamant about retaining its proprietary rights to community managed forests:

> FECOFUN is now pushing to receive land tenure from the government. However, since it is the property of the government now, the government does not want to give the land to CFUGs. The community may accrue benefits from the forest, but land tenure must reside with the government.
>
> Ajeet Karna, District Forest Officer-Lalitpur

Some respondents expressed concern for the social and economic consequences that could arise from the government relinquishing its ownership of non-private forests to community forests participating in REDD+. The underlying argument being that community forest leaders may be inclined to increase their profit margins by any means possible:

> [Giving forests over as a] 'green deed' is a very dangerous idea. If you are given a deed, it is your fundamental right to sell it. If you put it in the market, no one can stop you. Educated members of the community can take advantage of the non-educated ones. In fact, that is the root of corruption.
>
> Bhaskar Karky, Resource Economist, ICIMOD

Private ownership of CFs might compromise REDD+ goals, namely poverty reduction, gender equality, inclusion of indigenous groups in forest management, and payment mechanisms (Kanel and Kandel 2004). A few advocates of community tenure suggested imposing restrictions on what the communities can and cannot do with the land once they are given the title:

> Being a member of an NGO, I would recommend that land should be passed on to the community, but there should be some control mechanism, because sometimes communities can make mistakes.
>
> Anil Shrestha, Value Chain Development Advisor, SNV

Though organizations such as FECOFUN have traditionally advocated for the transfer of land ownership to communities, it is improbable that the government will give forest land ownership to CFUG managers.

Delineation of carbon ownership will be necessary prior to Nepal's entry into the carbon market. Most respondents agreed that local CFUGs deserve the majority of REDD+ payments as compensation for the work they do and tradeoffs they make. The size of REDD+ payments and transaction costs remain highly uncertain—many respondents refused to even suggest what percentage should go to the local CFUG versus the government.

> Carbon payments should be directed to the communities after a good monitoring system (is paid for with REDD+ funds). I think it's very futile to say an exact percent that should go to CFUGs…because of the different (physiographic) zones and different levels of sequestration that take place; you can't broadly categorize carbon sequestration at a national or regional level. There needs to be more data.

Navraj Pradhan, Ecosystem Adaptation Analyst, ICIMOD

The high levels of uncertainty surrounding REDD+ make this issue difficult to discuss. Some also feel that forest benefits should be shared among all Nepalis, not just those who live in forests. If a higher percentage of REDD+ payments went to the central government, they could be used to benefit "all people":

> It was an old practice within Nepal that 100% of the benefit from forests went to CFUGs. Around 10 years ago, though, the government decided to start taking 40% of revenue from the CFUG. FECOFUN resisted, and the MoFSC was forced to take only 15%. If you look at the issue from a CF's perspective, they claim 100% of benefits. But from the government's point of view, other citizens should also be treated equally. CFUGs are people very much interested and involved in managing CFs. They should get [the biggest] proportion of the benefit. But still, there are other people in Nepal, who don't have any patches of forest, who should also receive some benefit. It is the responsibility of the nation to provide some benefit to all of the people who do not have any forest.
>
> Ajeet Karna, District Forest Officer Lalitpur, Department of Forests

Benefitting all Nepalis is an argument for the government to receive a greater share of REDD+ benefits than covering transaction costs may require. However, many civil society groups take objection to this reasoning.

This matter can be resolved through highly participatory processes and the inclusion of all relevant stakeholders. REDD+ does provide a clear threat to recentralization of forest governance in Nepal at both central and more local levels. However, as long as capacity for REDD at local levels continues to increase, political capital of supporters of CF remains high, and civil society in Nepal remains engaged in REDD+ processes, interviews suggest that this recentralization can be avoided. This will be beneficial to both local forest users and those interested in protecting Nepal's forests long term.

Collaborative Forest Management

The most heavily deforested region in Nepal is within the Terai, and as a result the greatest potential for additionality in Nepal as a result of REDD+ is likely in this area. However, even before REDD+ discussions within Nepal, there was debate over the best way for the forests within this

region should be managed. Respondents for this project reflected this debate when asked for comments on CFM. Very few of those interviewed believed CFM has been successful in the areas in which it has been implemented up to this date. On the other hand, while many respondents were quick to point out problems with how CFM has been implemented, especially with the current BSM, many also gave suggestions that seemed to suggest that there may be some merits to the idea, at least within the Terai.

When CFM was first implemented in Nepal in the early 2000s, the government explained that they chose to pursue CFM instead of CF within the Terai as a way to better spread benefits throughout the region.

> CFM was designed with partnership with the government so that distant users are also able to benefit from the forests that they are utilizing…In a sense, CFM provides distant users the opportunity to use the forest in their vicinity. For example, a forest, there can be a forest in the Northern region. There are then inhabitants in the Southern region that live 10-20 km away from the forest, but still depend on the forest (for their livelihood). The benefit they were getting in the past was low. When CFM was introduced, they received a larger pie for utilizing the forest, so they are also happy. The BSM of CF only gives right/access only to nearby users. This is the basic and major different between CF and CFM.
>
> Anil Shrestha, Value Chain Development Advisor, SNV Nepal

Ajeet Karn, DFO in Lalitpur, echoed this reasoning, responding:

> But in the Terai, there are forests located in the northern part in which the people are dependent on the forest. So there is a large population dependent on the forest that is located far from the forest itself. So the concept of CF is not suitable for that area. The concept of CF may be very good in the Himalayas and mid-hills, but outside of these another type of governance besides CF is necessary.
>
> Ajeet Karna, District Forest Officer Lalitpur

On the other hand, many supporters of CF have expressed skepticism that this is the real reason for CFM being implemented in the Terai, believing that the government has been wary of permitting CF in this region because they desire a larger percentage of the benefits from the more profitable forests. Several respondents expressed this skepticism of CFM.

> The concept of CFM started around 2000 or 2001. At that time, especially in the lowlands, many forest user groups were demanding to become CFUGs. However, the government was not ready to hand over that type of forest to local communities at that time, because if they did, the government would lose revenue…According to

> recent guidelines, only 25% of revenue generated from CFM goes to the local community through the local government, not directly to the local community.
>
> Dil Raj Khanal, Policy Facilitator, FECOFUN

Many of those interviewed, especially those that do not work for the government, believe that CFM currently provides local communities with an unacceptably small percentage of the total revenue provided by the forest. Dharam Uprety simply stated, "'"Existing governance and benefit sharing mechanisms do not make collaborative forest management successful."

In addition to perceiving this BSM as unjust, the lack of enforcement in the region has kept CFM from being an effective mechanism. Eak Magar explained, "Strong law enforcement is mandatory for the Terai (due to the higher demand for timber) (Magar 2012)." However, some respondents expressed a belief that law enforcement in the area was quite weak, even non-existent.

> CFM is not working…in practice, it is useless. If you get the chance to visit a CFM site, it is de facto open access…In a CFM site, the (management of) forests are less accountable to user groups, because user groups do not have the chance to elect a chairperson, and because the chairperson is elected from such a large group of people, they think of themselves as a politician. In our country, with the problem of corruption, when people are elected from 100,000 people they need to earn money for re-election, so they are aiming to earn more money.
>
> Anonymous, Researcher

This lack of accountability to forest user groups presents an issue of enforcement that current institutions seem ill-equipped to address if CFM continues to be pursued within the Terai.

However, in spite of these shortcomings, there was general agreement that CFM may yet be a reasonable solution in the Terai if several conditions are met. The anonymous researcher, even with the reservations expressed above, explained, "The purpose and objective of CFM is very sound."

> After the 3rd Assembly of FECOFUN, we started to change our position on CFM, and proposed that if the government was willing to recognize the rights of people over forest resources, and develop equitable BSM within CFM, then maybe the difference between CFM and CF was not a big thing, and as long as the government is willing to recognize their rights, we (FECOFUN) have no strong objections.
>
> Dil Raj Khanal, Policy Facilitator, FECOFUN

While opinions on CFM in Nepal are mixed, there seemed to be general agreement that the current iteration of CFM was institutionally weak and functionally lacking. However, the views expressed by

many respondents seemed to suggest it could be a promising mechanism within the region—especially regarding additionality capacity—as long as changes were made to improve on what is currently being done.

Additionality

Prior to baselines for carbon measurement being decided and results from carbon measurement in REDD+ pilot projects being released, there is insufficient quantitative data on whether REDD+ mechanisms will achieve additionality in Nepal Community Forests. Respondents familiar with the piloting efforts were able to share opinions and observations regarding behavior changes that affect carbon storage. Incorporating co-benefits and altering baseline requirements were also discussed as ways to ease additionality criteria within REDD+.

Some respondents shared their certainty that carbon storage could be increased. This could be simply that with REDD+ "the enthusiasm to conserve has been increasing" (Gurung 2012) or that the only remaining question is how much money REDD+ will provide:

> We have to have a clear picture whether we'll get more money out of carbon or more money out of timber. Based on that we will make a decision whether or not to increase conservation.
>
> Indra Sapkota, District Forest Officer Chitwan

These respondents asserted that money would of course incentivize forest users to increase forest conservation.

Those claims may be substantiated by changes in forest use behavior during pilot projects that increase carbon storage. Respondents shared observations of behavior changes by CFUG members throughout the Forest Carbon Trust Fund and the Multi-Stakeholder Forestry Program's Himalayan Community Carbon Project. For instance in the latter, CF users realized "'if [they] remove the live branches or use more fodder, then [they] lose [their] carbon'" so they switched to only removing dead branches from forests for fuel (Uprety 2012). This change increased tree growth and aboveground carbon storage while maintaining fuelwood stores. In both pilot projects,

> Additional money for carbon allows for people to take part in different activities… In our project [the Forest Carbon Trust Fund], when people received money, they have

> implemented a number of community interventions that save carbon without reducing the welfare of people that are dependent on Community Forests. Those activities include improved cook stoves, biogas; they're also investing in planting and better management systems. They're also taking fire control measures, and some plantations are focusing on NTFPs.
>
> Bhishma Subedi, Executive Director, ANSAB

Some of these behavior changes had their own unintended co-benefits. Technologies that reduce the need for fuelwood, including improved cooking stocks and biogas, may have created a more equitable labor-sharing process for fuelwood collection, while also reducing timber collection for fuelwood.

> Before REDD, fuel collection was open to every household. In that time, women had to go collect fuelwood…but when the group became part of the REDD project, they decided they better change their forest practice system. They defined and demanded only three days for collecting fuelwood for a month. But three days is not enough [for women to successfully collect enough fuelwood]...That's why men should go with women to collect the fuelwood...That means REDD has brought something social, behavioral change. This is from a community forestry group in Dolakha.
>
> Eak Rana Magar, Project Coordinator, REDD Pilot Project, ICIMOD

This behavior change provides demonstrable benefit to community women while increasing carbon storage. Whether changes like this can reach additionality necessary to attract REDD+ buyers is unclear.

Other respondents expanded, with pride, on the successes of Community Forestry management before REDD pilot projects in Nepal. Dharam Uprety from MSFP had a guess about just how many CFUGs have been so successful they wouldn't find additionality under REDD+, and how many could: "There is still the potentiality to enhance the carbon stock. Among the 18,000 CFUGs, only about 10-12,000 CFUGs are successful in terms of restoration of natural capital" (Uprety 2012). This statement admits that successful CFUGs may not accomplish additionality through REDD+, but unsuccessful or new ones may. Many respondents felt that though money from REDD+ carbon payments would be nice, they wouldn't necessarily increase the amount of carbon stored within Community Forests.

> People are not conserving forest with the expectation that they will get money from REDD. It is basically linked with their own survival. If anything additional is going to

> them in the name of carbon, then it may help. But it should not be in a way that threatens fragile gain from CF. The gain is very little in comparison to their effort, what they already invested. In comparison to this, whatever they are getting is not on par with the benefit they already get from the forest.
>
> Anuj Raj Sharma, Community Forestry Officer, Department of Forests

In this sense, communities that already successfully manage their forests may not be attractive to free-market REDD+ buyers unless the criteria are altered.

One suggestion to solve lack of additionality in Community Forests is rewarding communities for successful conservation and reforestation prior to REDD+ by utilizing an earlier baseline for carbon storage. CFUGs see later baselines as arbitrary compared to the history of forest management, and support choosing earlier baselines.

> That's why Community Forests are demanding the right for carbon for twenty years back….The baseline should be when the project started. If the baseline is from 2000, then the carbon from 2000 to now will be measured. But if your baseline is 2015, then 15 years of carbon are gone. This is an advocacy issue for Nepal.
>
> Eak Rana Magar, Project Coordinator, REDD Pilot Project, ICIMOD

Carbon payments based on an earlier baseline may incentivize forest managers who are already successful to continue pursuing conservation.

Co-Benefits

Adding in co-benefits to expand the nature of REDD+ from carbon maximization can make additionality more attainable. Eak Magar from ICIMOD explained why considering co-benefits in REDD+ is so important:

> [Ecosystem services] should be part of the payment criteria. If a local community conserves biodiversity more than other communities they should benefit…How can ecosystem services be a tradeoff?
>
> Eak Rana Magar, Project Coordinator, REDD Pilot Project, ICIMOD

Giving visibility to the co-benefits of livelihoods and biodiversity, rather than restricting the focus to carbon maximization, may attract more buyers, and enhance livelihoods and biodiversity. This would admittedly change the nature of REDD+ away from carbon maximization. Brishma Subedi from

ANSAB suggested an all-encompassing certification system for forest co-benefits, arguing that one system of protection could be the most efficient, effective, and equitable.

> We are trying to expand the FSC [Forest Stewardship Council] certification system to include other ecosystem services, including disaster mitigation, reduction in consumption of forest, water quality. Having one certification system that includes these would also do very well for REDD. It would also be cheaper and more reliable. Having one credible system is important.
>
> Bhishma Subedi, Executive Director, ANSAB

He also explained that promoting one positive benefit—e.g., carbon storage—will not also protect every other positive benefit unless those are also considered and protected.

> Co-benefits will not happen automatically just by protecting forests for carbon. Biodiversity can actually be reduced by promoting faster growing trees. However, many activities that protect forests will provide other benefits.
>
> Bhishma Subedi, Executive Director, ANSAB

Incentivizing co-benefits instead of focusing only on maximizing carbon will have a more equitable outcome.

Diversity and equity in stakeholder issues, leadership, and engagement

Training

The success of Community Forestry is evidence that Nepal can accomplish the difficult task of building human, social, and institutional capital. NGOs use creative formal and informal efforts to educate forest communities on forest issues:

> We use also other audio/video tools to sensitize communities. I have a district in Jumla that has heavy deforestation and degradation going on and we showed a film, for example, on what deforestation/degradation process can cause you and what it means for their agro-ecosystem and their water.
>
> Rajan Kotru, Regional Programme Manager, ICIMOD

The government currently does not have the resources to adequately promote REDD+ awareness and educate communities on potential adaptation measures:

> Local people ask us: How can we benefit from [REDD+]? And we cannot say anything, because we do not have any government program to tell them. To sensitize them we have a minimal sharing/training program for one or two days in a year. So

> we are just sensitizing them to climate change: what it is, and how to adapt to it. Our department has proposed that we amend community forestry plans so that they can cope with climate change disasters.
>
> Ajeet Karna, District Forest Officer—Lalitpur

Nepal must work even harder to ensure communities most susceptible to a changing climate are educated sufficiently and prioritized during policy implementation and made capable of joining the global carbon market. There are many considerations that must be made when trying to ensure effective and equitable education efforts:

> What approaches are you using? What language are you using? Who are the people who are going to do it? How do you select these people? Where do you keep the venues? That means a little more investment.
>
> Dibya Gurung, Coordinator, WOCAN

She implores the government take a more active role in the dissemination of information on REDD+, as a necessary component for enhancing social and human nationwide.

The government should also invest more money to build up both its own capacity and that of the CFUGs:

> One important thing is that, within the government, there are very few human resources and they need to build capacity. Therefore, some [REDD+] money should be used to develop capacity within government agencies. The rest of the money, however, should be utilized for developing capacity at the local level. For example, training workshops and translating REDD materials to local languages. If we utilized [initial] resources in this way, local people will then be able to express themselves to the government and raise their voices so the government will realize they need to respect the concerns of local people.
>
> Dil Khanal, Policy Facilitator, FECOFUN

CFUGs and other program participants will be able to use their REDD+ payments for community development:

> [Communities] can use that money for education, health, and other infrastructure and development sector […] for their livelihoods. But if REDD+ incentives are concentrating more on carbon values then it will not be positive.
>
> Pasang Dolma Sherpa, Coordinator, NEFIN

In sum, capacity enhancement may require the involvement of multiple parties in terms of information dissemination and allocation of financial and human resources.

Gender and other issues

Women, and the stakeholders who support gender issues, remain left out of the REDD+ process. "The whole REDD process, gender has been quite silent—very weak I would say." (Gurung 2012) Even though CF has progressive gender provisions, the way REDD+ is using CF pathways is not benefiting women.

> REDD is standing on CF achievements they have made—it's supposed to build on that. So in CF, women are 50% of key positions...We would have thought that stepping on that, REDD would have been really new and progressive. Now there's opportunity…But it's still not there.
>
> Dibya Gurung, Coordinator, WOCAN

Despite this, Ms. Gurung doesn't think this is intentional on the part of the government. She is "not saying [gender issues] are being ignored on purpose…Unfortunately many people don't know so much about the gender issues…even though people have been talking about it for a long time." By identifying ignorance as the root, Ms. Gurung hopes continuing to raise awareness of women's issues can increase inclusion. Making the government aware that current engagement efforts are insufficient was a theme among respondents.

In order to encourage equity and inclusion with REDD+ payments, a significant percentage of benefits will be distributed to CFUGs for reasons that are not related to carbon storage and sequestration. In order to reduce conflict between CFUGs and the government, as well as within CFUGs, and increase equity for disadvantaged groups, REDD+ payments to CFUGs will likely depend on the demographics of individual CFUGs, specifically with regards to the percentage of the total population that is made up of marginalized groups (indigenous, women, Dalit, and impoverished) (ICIMOD, ANSAB, FECOFUN 2011).

But even equitable policies and payments meant to correct disadvantages could create conflict between community groups, at least in the short-term. Respondents called the problems

associated with perceived preferential treatment "positive discrimination" (Karky 2012), which can be corrected through awareness and education.

> There will definitely be conflicts when certain groups get money while others don't…When they start seeing that some people are getting money from REDD that others are not getting, then for some time it will create a situation of conflict, but later they will start realizing [the reason and value]. Over time it will ultimately empower people, so there is a need to convince people as to why it is necessary [to give disproportionate benefits].
>
> Anonymous, Researcher

Distributing benefits to promote stakeholder inclusion and livelihood success of disadvantaged forest dwellers, when combined with education as to why it is important, can not only reduce conflict, but build social capital in local communities and all of Nepal.

> Including these [disadvantaged] groups will strengthen communities…so gradually we have to include these people and strengthen their capacity so they can also contribute towards development.
>
> Anil Shrestha, Value Chain Development Advisor, SNV Nepal

With the proper engagement, payment criteria, and education respondents hope that REDD+ money will "serve as a connector, not a divider" (Sharma 2012).

Some respondents introduced another factor that could be equitable in determining payment amounts: climate change vulnerability. If current climate change trends continue, temperatures at higher elevations will increase at higher rates than lower elevations, making the Nepali people living in the Himalayas especially vulnerable to climate change (Agrawal et al. 2003). Distributing benefits to address this issue could promote adaptive capacity as an additional co-benefit of REDD+ payments.

> REDD can be both a climate change mitigation tool while also contributing to climate change adaptation...So, one criteria of distributing REDD money could be to focus on the climate change adaptation, similar to the way that it would for women or the poor. You could categorize the areas as having more or less trouble with the issue of climate change (and provide a higher benefit to these areas)…In my opinion, REDD should not only focus on mitigation in Nepal, because Nepal is more vulnerable to the effects of climate change…these two things should be balanced. If we want, we should operate to minimize greenhouse gas emissions as well as to help communities adapt to climate change. These will go together.
>
> Anonymous, Researcher

Considering the increasing rate of climate change and Nepal's poverty and climate vulnerability, bringing climate change adaptation into the REDD+ climate change mitigation framework is a worthy option.

Engagement

Current REDD+ readiness institutions lack the structure and purpose to meaningfully engage stakeholders. The perceived goal of some of these institutions is not even to engage, but instead to spread awareness. Whether respondents observed that "the stakeholder forum is just to inform, just to share" (Magar 2012), or that "politicians and policymakers have not paid attention what to do at the grassroots level" (Karn 2012), these respondents drew a distinction between awareness and stakeholder groups being included in the decision-making process. Most respondents felt that exclusion of disadvantaged groups creates conflict in Nepal.

> Conflict that has been observed to date is from exclusion. When they feel like they have been excluded from rights they think they should be getting, it has led to demonstrations and almost violent conflict…If we continue to do this in the longer term, it will burst.
>
> Anil Shrestha, Value Chain Development Advisor, SNV Nepal

Involving all stakeholders would reduce future conflict and complaints. Respondents are hopeful that smart stakeholder engagement, or what Pasang Dolma Sherpa called "faithful consultation," before and during REDD+ will bring livelihood and community co-benefits while precluding conflict.

Disadvantaged groups may not be effectively represented even when individuals from these groups are included in REDD+ meetings. The government has sometimes invited individuals other than those identified and nominated by civil society groups as being able to make significant contributions. "Technically, indigenous people were consulted, but practically no." (Sherpa 2012) The government "just pick[ed] up [stakeholders] from the street and then s[aid] 'these are indigenous people'" (Sherpa 2012), despite the lobbying efforts by civil society groups and presentation of themselves as willing and able to meet. This is one of the reasons civil society groups do not feel the government is taking meaningful stakeholder engagement seriously.

Problems with stakeholder engagement in REDD+ have their roots in the documented disproportionate exclusion of women and other groups from CFUGs leadership. Yaman Chepang described disenfranchisement where "even in 90% Chepang CFUGs, the leadership is not Chepang" (Chepang 2012). Groups who are allowed into CFUG leadership positions may not fare much better. When women are in CFUG executive committees, they may be assigned tasks along gender role lines:

> Women we interviewed still feel like they have been sidelined in a sense...Women are still used mostly for administrative and tedious work even if they are in decision-making positions.
>
> Dibya Gurung, Coordinator, WOCAN

Disproportionate representation in decision-making creates disproportionate decisions on forest access and use. The emergence of REDD+ and its concomitant focus on Community Forestry management in Nepal offers an opportunity to re-evaluate the success of Community Forestry. The international focus and amount of money involved in REDD+ has created a higher-stakes position to improve stakeholder engagement in both Community Forestry and REDD+.

REDD+ would potentially bring millions of dollars to Nepal forest users, through undecided payment criteria and pathways. Unfortunately, respondents report the government is not sufficiently engaging local forest users, disadvantaged groups, and the NGOs that represent them, and REDD+ terms don't require any such engagement. This could lead to inequity in benefits distribution and forest-use policies that disproportionately affect forest-users who are poor, indigenous, Dalit, female, or otherwise disadvantaged. Respondents felt these failings were unintentional on the part of the government, and had many theories as to how engagement could be improved—in both REDD+ readiness and CFUG representation—and how this could improve leadership, forest management, and equity in benefits sharing.

Continuity

The financial, procedural, and temporal continuity (or rather discontinuity) of REDD+ pilot projects, and between REDD+ pilot projects and the official REDD+ rollout, is causing concern

amongst respondents. Lack of funding has already caused SNV to phase out REDD+ piloting in Nepal (Sherestha 2012), and may preclude further piloting that is deemed necessary.

> The government of Nepal wants to do a pilot with the World Bank fund. Now we have a problem here with this project, the ['Forest Carbon Trust Fund']. There is no REDD agreement as of yet. So our NORAD money ends next year and when we pack our bags, that's going to set a very wrong precedent on what REDD is all about.
>
> Bhaskar Karky, Resource Economist, ICIMOD

Discontinuities in funding will affect not only the way REDD+ policies turn out, but gaps in between pilot projects and REDD+ roll-out may ultimately affect forest-dependents' food security. "This payment increases dependency and high expectations later on...This project is just for three years." (Magar 2012) If communities change behavior to increase carbon storage, but they are not adequately or continuously paid, then "what happens if [payments] stop in the middle and they don't have food? ...These are the big challenges faced by indigenous people in the future." (Sherpa 2012) The complete stoppage of needed funds is one problem and the changing of REDD+ terms between the pilot projects and full rollout is another.

Even if a national REDD+ program is forthcoming, REDD+ pilot projects that do not accurately reflect the likely terms of future REDD+ arrangements may present a misleading portrait of REDD+ to participating communities and gain their approval under false pretenses of conditions that cannot be maintained. Part of this stems from misinformation or lack of awareness regarding the origin of funds. Some pilot project participants are unaware where the payments come from, or that they may stop.

> The funds they have received in the project implemented by ICIMOD, FECOFUN, and ANSAB they believe are from the sale of carbon, but that is not the case…That is a grant, not money from the sale of carbon.
>
> Anil Shrestha, Value Chain Development Advisor, SNV Nepal

Current REDD+ pilot projects give 100% of carbon payments to the community because the money originates in grants for community and REDD+ development. But under full REDD+ implementation the government will receive a proportion of the total as soil carbon payments, through the bundled payment distribution structure or a tax.

> Here, the forest land belongs to the government. There will be no compromise on that…Of course ICIMOD has been giving 100% of payments—as it is project-based—given to the people. Because it's project money, the government is currently ignoring the concept.
>
> Bhishma Subedi, Executive Director, ANSAB

Ms. Gurung elaborates on Corbera's (2012) idea that participation in projects now, does not guarantee participation later, should policies change: CFUGs "go on protecting, and go on conserving, and finding ways to do that, but if the expected benefits do not come, then there might be backlash later on." (Gurung 2012) If the pilot projects are not representative of future realities, CFUGs that agree to participation in REDD+ now may pull out later.

All the respondents agreed one of the biggest challenges is the amount of uncertainty in Nepal's and the international community's REDD+ policies. Deciding on the criteria before REDD+ is implemented is critical. Refusing to do so may foment backlash from pilot participants if guidelines change. More importantly, "If you have these very unclear criteria that are not well-thought, the chances of benefits going to [disadvantaged] people are even less." (Gurung 2012) The Nepali government is focusing its REDD+ readiness activities preparations on CF, but uncertainties about the future shape of REDD+ mean that the longer-term pay-off for Nepal is unknown. This impacts the future success of REDD+.

SUMMARY

The findings support the idea that current Nepal institutions—including CF, the Ministry of Forests and Soil Conservation, and District Forest Offices—can support successful forest management and a carbon offset PES, but would only be able to implement REDD+ in an efficient, effective, and equitable manner if changes to the in-country institutions and REDD+ itself are made. The existing CF institutions in Nepal competently manage forests, distribute benefits, and perform basic monitoring and enforcement at a local level.

However, REDD+ scales up all of these, requires more stringent MRV methods, and does not encourage the government to incorporate opinions of local forest users into policies, despite

listing equity as one of its main goals. REDD+ also threatens to recentralize forest management as a way for Nepal's government to lower transaction and MRV costs, while strengthening the government's power to claim a greater share of REDD+ benefits over the communities living in and managing the forests. This could result in greater pressure to maximize carbon storage, possibly at the expense of the livelihoods of communities most dependent on forests. In addition, although utilizing CF institutions for REDD+ would increase efficiency, in their current state CFUGs are having a negative effect on the equity of some disadvantaged groups, and this focus on CF largely ignores other governance regimes. While several possible solutions to many of these issues were discussed during interviews, it is essential that these problems be resolved before REDD+ implementation, both through the continued research from pilot projects and increased stakeholder engagement.

Table 3: Divergence between Literature and Interviews with Stakeholders. This table summarizes and emphasizes points that were brought up in interviews that either diverged from or expanded on the key points found in the literature. Note that the information found in the literature column is the same as can be found in Table 2.

REDD+ Institutional Needs and Concerns	**Literature**	**Interviews**
Monitoring, Reporting and Verification (MRV)	• MRV must adhere to Intergovernmental Panel on Climate Change standards, but these are ambiguous and **place no importance on participatory monitoring**. • Nepal lacks the funds and infrastructure to meet current standards.	• Benefits from meeting IPCC MRV standards will force a **tradeoff** in cost and lack of participation. • Provisions for **participatory monitoring are very important to local** forest managers. • There should also be **verification of co-benefits** and engagement, not just carbon.
Payment mechanism	• A two-tier payment scheme (from donors to national governments to communities) is the presumed method, but **stakeholder exclusion hasn't been taken into account**.	• The government has competency to efficiently manage funds. • Using a centralized payment mechanism will **give the central government some power** over payment sharing. • If Community Forestry User Groups' (CFUGs) benefits are not established before the roll-out of REDD+, their negotiating position will be weak.

Recentralization	• Nepal is vulnerable to recentralization under REDD+.	• Respondents know that even if recentralization is not intentional on the part of the government (and despite CFUGs' powerful influence), it will likely occur through bundling and the payment mechanism.
Bundling		• Individual **CFUGs will not be capable of independently negotiating** receipt of payments.
Land tenure	• Government owns all non-private forested land (i.e., the soil). • REDD+ policy documents make **no distinction between CFUGs' aboveground carbon and the government's belowground carbon**.	• The **soil carbon/land tenure issue needs to be resolved** before the REDD roll-out, by delineating what proportion of benefits will go to whom, in order to protect local forest users' rights and benefits. • This will also decide **what proportion of forest benefits will be shared with all Nepalis**. • Other suggestions include giving restricted land ownership to CFUGs.
Collaborative Forestry Management (CFM)	• REDD+ **piloting in collaboratively managed forests has been limited**, but new pilot projects in the Terai may address this gap. • CFM is a step back from decentralized forest management.	• **The Terai has the greatest capacity for carbon additionality** through reforestation and reduction of deforestation • Government officials believe CFM is the **future of forest management in the Terai** (beyond existing Community Forests (CFs)). • CF supporters find current CFM practices **unjust**. • **REDD+ readiness continues to only consider CF**.
Additionality	• Additionality will be difficult to accomplish in Nepal. • Striving too competitively for carbon additionality **may affect forest livelihoods**. • CFUGs could instead be **rewarded for long-term forest protection**.	• REDD+ pilot payments are incentivizing some observable **changes in behavior** (that increase carbon storage). • **Established CFUGs won't be able to achieve additionality.** • This can be resolved by easing the carbon maximization goal by setting an **earlier baseline** for carbon measurement, or **expanding into non-CF areas** (especially CFM and state forests).
Co-benefits	• **Fast-growing tree plantations (to maximize carbon) can reduce biodiversity**.	• Incorporating co-benefits (e.g., biodiversity and livelihood outcomes), perhaps through a more **comprehensive environmental service certification**, could allow for higher payments.

Diversity and equity in stakeholder engagement, leadership, and issues	• The **government has been largely excluded from piloting efforts.** • A stated goal of REDD+ is to engage diverse stakeholders, • But the absolute number of REDD meetings devoted to disadvantaged stakeholders amount to "**tokenism**".	• REDD+ leaders and the government **do not adequately differentiate between awareness and engagement.** • **Awareness initiatives are also insufficient** to explain REDD issues to stakeholders of different backgrounds and languages. • Respondents from civil society groups are frustrated that their r**epresentatives are not being invited to decision-making**, and are adamant that e**ngaging stakeholders in a meaningful and just way will reduce and prevent conflict**.
Issues	• REDD+ policy considerations **do not include gender issue**s.	• Weighted criteria for proportion of REDD payments could include **climate vulnerability**.
Leadership	• **Elite groups have disproportionate leadership roles in CFUGs**.	• Even among CFUG executives, women are forced into **gender roles**.
Continuity	• **Will REDD begin immediately after pilot projects end?** • Or will piloting communities face **food insecurity**? • The government worries about the effect of REDD+ policies differing from pilot projects.	• **Lack of funding** is causing **pilot projects to end and not be renewed**. • REDD+ may use different policies than have already been accepted by communities participating in pilot projects, which will **affect enrollment in, and success of the program**.

CHAPTER 4. DISCUSSION

PERCEPTIONS OF REDD+ CONGRUENCY IN NEPAL COMMUNITY FORESTRY

In this project, we used a thorough literature review and interviews with stakeholders involved in readying Nepal for REDD+ to attempt to answer the broad question of whether or not Nepal is currently ready to implement REDD+. The literature and interviews suggest that while CF can serve as a strong base for REDD+ in Nepal to grow around, there are several outstanding issues that must be addressed in order to ensure that REDD+ implementation does not result in ineffectiveness, inefficiencies, and inequities with negative consequences for both Nepal's forests and the people that depend on them for their livelihoods. While CF-supporting institutions are powerful and effective, they are currently not prepared to meet the additional requirements that REDD+ would bring, especially in terms of MRV and payment distribution. However, CF has a relatively long history of success in Nepal, and if the issues that remain unresolved are addressed and existing institutions are strengthened, REDD+ may have positive impacts in Nepal. These impacts include small increases in carbon storage and sequestration in Nepal, and some potentially significant positive impacts on the livelihoods of forest-dependent people in Nepal. However, it must be stressed that these issues must be addressed prior to REDD+ implementation, before there are negative impacts on the people that are dependent on the forests, which could both threaten their livelihoods and reduce the likelihood that they would be willing to engage in the REDD+ process in the future,

MRV

The major questions that have been asked concerning MRV include who will monitor, how they will monitor, and who will provide systematic oversight. We believe that it has been demonstrated that it is necessary for communities to become significantly involved with MRV, and that verification should take place at the local or regional level to account for the heterogeneity of land cover. Although technological tools such as remote sensing may provide better data both for monitoring forests and substantiating reported carbon claims, they may also result in negative

impacts, especially an increasing of transaction costs and relegating duties to trained technicians. The tradeoffs existing between basic monitoring techniques and computer-based methods may shed light on the relative aversion to increased MRV costs and contracting external personnel. Remote sensing, for example, can be utilized to successfully identify the gaps in forest canopies and detect where roads and log decks have been established to legally and illegally harvest trees (Joshi 2010). However, forest fires, forest product consumption, and animal grazing all pose problems for data collection via satellite imagery (Joshi 2010). While remote sensing offers the advantage of corroborated forest analysis, it cannot be used solely as a means to estimate vegetation or carbon percentages over short intervals in time due to the transient nature of deforestation and degradation beyond the forest canopy.

Interviews with relevant stakeholders suggest that it may not be prudent to require such technology unless it is provided through a multi-stakeholder regime within the country that can pool resources and produce the data required to meet IPCC standards. Participatory monitoring has already demonstrated that it can provide data that is nearly as effective as technologically advanced methods within a pilot project in Nepal (Jha and Paudel 2010). It has also been found to provide additional co-benefits of reducing transaction costs, increasing participation in forest conservation by clarifying the relationship between forest protection and carbon benefits, and increasing transparency in MRV processes, which will make communities more trusting of the payments received (Skutsch, M., Van Laake, P. E., Zahabu, E., Karky, B. S., & Phartiyal, N. P., 2009). For these reasons, local participatory monitoring should be encouraged in all forest areas with nearby communities that can monitor them. However, due to the fact that CFUGs often inventory and monitor their forests using basic dendrometric measurements, their technological capacity is severely limited, so significant capacity building is required in local communities that wish to be involved in REDD+ projects. This will require continued pilot projects investigating the best ways to engage local communities in monitoring their forests and increased funds to implement this training.

Payment distribution

For REDD+ to be successful in Nepal, it is likely that payments will need to first be distributed to the national government for proper distribution to sub-national levels (Bushley and Khatri 2011). Directly applied to the context of REDD+, land tenure could determine what percentage of financial benefits communities receive and whether or not those benefits are secured in the long-term. There is general agreement between stakeholders that the government of Nepal will keep all REDD+ payments for the forests that it manages and protect, which contain 79% of all carbon stocks in forests (Oli and Shesthra, 2009). However, since REDD+ implementation within CFs has so far received the large majority of research and funding, it is still very uncertain as to how benefits will be split between government and community managed forests. This is partially due to ambiguity at the international level regarding how different management regimes should benefit from REDD+, even though it is likely that government managed forests will be receiving some benefit (Bushley and Khatri 2011). While CF will play an important part in any future implementation of REDD+, other governance regimes will also play important roles, and it is important that these issues begin being discussed well in advance of REDD+ implementation.

There is an important reason that the sharing of benefits within CFs has received so much attention, though. Nepal currently has no legal foundation for the establishment of carbon rights in Nepal, a problem exacerbated by the government being able to make legal claims of ownership of community managed forests while CFUGs have claims to forest management and many of the benefits that are a result of that management (Bushley and Khatri 2011). While disagreements over land tenure may remain an issue among stakeholders until statutes are in place settling carbon rights, it is important that an attempt is made to settle this dispute by engaging all stakeholders now, especially since government workers and members of civil societies seem to agree on many issues. While the topic of land versus soil carbon remains heavily disputed, almost all stakeholders that were interviewed agreed that the government of Nepal should receive at least 10-15% of the benefits for community managed forests in order to cover transaction costs. Even though there is some debate over whether or not the government should receive benefits beyond transaction costs so that all

Nepali people can benefit from a national resource, if all stakeholders are involved in this process, interviews suggest that acceptable terms can be reached.

After agreeing upon terms for splitting REDD+ benefits for community managed forests between the government and CFUGs, it will still be necessary to develop both guidelines for distributing these payments at a sub-national level and a multi-stakeholder institution to ensure that these payments are distributed according to these guidelines. Since REDD+ payments in Nepal are meant to encourage equity and inclusion of marginalized groups, benefits at the sub-national level will need to be dependent on more than just carbon (ICIMOD, ANSAB, FECOFUN 2011). In fact, the Forest Carbon Trust Fund pilot project is distributing only 40% of payments based on carbon, with the rest being distributed based on the proportion of the population that is indigenous, female, and impoverished. While this type of distribution will likely have long-term positive effects within communities, it is important that when payments are distributed to CFUGs, community members are made aware of why their community received that payment. There has been some confusion within the pilot project as to how exactly the payment amounts are being calculated, which may be partly due to the current distribution mechanism being so complicated that certain people within communities (e.g. an indigenous women) may be being double-counted (West, 2012). This may require a simpler mechanism in order to keep transaction costs low. Also, even though doing so would likely increase transaction costs, giving a higher proportion of benefits to more vulnerable communities could make REDD+ an important tool for climate change adaptation—whether or not its payments are weighted on climate vulnerability—and it should begin receiving attention in REDD+ discussions.

Properly distributing these payments according to these guidelines will require the development of a multi-stakeholder institution that has members of both existing government and civil society institutions. This institution will need to work closely with whatever organizations handle MRV. Such an institution could ensure transparency throughout the process and provide local communities with confidence that they are receiving the correctly sized payment. After receiving

their payment, CFUGs should be given final autonomy as to how it used, although they should be encouraged to use a certain percentage on forest conservation and improving the livelihoods of its members. However, if actual requirements are put into place that require approval from the government, not only would this be a terrifically expensive task, it could also provide the government with a reason to potentially not renew a lease agreement with the CFUGs and recentralize forest governance.

Recentralization

REDD+ has been recognized as a potential threat to decentralized forest governance, and Nepal is not immune (Bushley and Khatri 2011; Phelps, Webb, & Agrawal 2010). The literature review found that the tenuous land tenure between CFUGs and the government of Nepal leaves CF especially threatened by REDD+ implementation, especially if its payments prove lucrative (Kanel, 2006). The lack of capacity within many CFUGs may also provide an additional reason that the government may justify forest governance recentralization. While respondents seemed confident that institutional and political support for CF in Nepal is currently sufficient to prevent this from happening, there are no guarantees that this support will continue. This problem is exacerbated by the current political uncertainty that will continue to exist until a Constitution is ratified. With that being said, members of civil societies and NGOs remain committed to engaging with the government in REDD+ planning discussions whenever possible. This engagement will discourage any efforts by the central government of Nepal to recentralize forest governance.

While national recentralization of forest governance is certainly a concern in Nepal, it is important to note that recentralization could also happen at more local levels. Many marginalized members of CFUGs, typically indigenous and impoverished, continue to be left out of leadership roles within many CFUGs. If this continues, and REDD+ is implemented, these very groups that are most dependent on the forest may find that their livelihoods are now threatened by elite capture. This will be due to forest management plans at the community level possibly discouraging, or even putting an end to, activities that these people currently rely on for their livelihoods so that benefits

from REDD+ are maximized. Similar to other issues, capacity building, especially within marginalized groups, could go a long ways in resolving this issue. This problem could also be partially addressed by distributing payments at a sub-national level.

Land tenure

Land tenure for CFUGs remains controversial in Nepal. The current tenure insecurity may be leaving CFUGs and other stakeholders without the legal ability or provocation to commercialize their forest products to generate income and invest in forest enhancement. These concerns stem from the government's history of reclaiming community forests for violating forest law, relatively short 5-year lease agreements, and the potential partitioning of below-ground carbon and above-ground carbon (Kanel 2006; Naughton-Treves et al 2011). For example, timber harvesting by CFUGs is forbidden despite the high value of timber in many regions of Nepal (Naughton-Treves et al 2011). Such limitations to local governance may simply be deterring communities from harvesting trees within their own forests, choosing instead to harvest off site in adjacent forests. This issue of leakage will only be exacerbated if REDD+ is implemented, since it can provide even greater incentive for members of CFs to utilize forests from different management regimes.

Resolving the issue of leakage at a sub-national level can be partially addressed through the bundling of all forests within a certain geographic area. Interviews suggested that in order to discourage leakage, bundled areas should be as large as is geographically feasible. Larger bundled areas have the added benefit of reducing the transaction costs due to MRV and payment distribution (Acharya, Dangi, Tripathi, Bushley, Bhandary, and Bhattarai, 2009). Thus, it follows that bundled areas should be as large as possible, with the important caveat that they do not become so large that local voices are left out decisions regarding forest use. If this happens, this would be a clear example of recentralization of forest governance due to REDD+.

Collaborative Forest Management

With all the attention that recentralized forest governance has received in Nepal as a result of REDD+ discussions, it is important to recognize that the government of Nepal's commitment to

continue to decentralize forest governance was already being questioned before REDD+ was even being discussed at international levels. Ever since CFM pilot projects first began in 2003, proponents of CF have argued that CFM is a clear example of the government of Nepal's unwillingness to decentralize forest governance in highly profitable forests so that the government can continue receiving large financial benefits from them (Bampton et al. 2007). The government claims that it introduced CFM as a way to allow for more distant forest users to share in the financial benefits received from the productive and profitable forests in the Terai region, and since CFUGs keep the large majority of payments for themselves, CF would not work in the region. While the motivations of Nepal's government are still being debated in regards to CFM, the literature and interviews were largely in agreement that CFM is both unjust and non-functional (Bampton et al. 2007).

Interestingly, interviews with both government and non-government researchers in Nepal shared common ground over CFM. Specifically, if the government is willing to provide a greater share of the benefits from timber harvest in the Terai with local communities, civil societies in Nepal may be willing to give it their support. This would provide local communities with greater incentive to utilize their own forests, and to stop treating nearby forests as if they were open-access. Providing a greater share of benefits and governance to local communities could also encourage a greater sense of ownership of the surrounding forests, which could improve enforcement within the region and prevent outsiders from coming in and harvesting timber. All of these could potentially contribute to lowering the rates of deforestation, which could be a promising development if REDD+ were implemented, especially for investors interested in carbon additionality. However, since there is still no significant piloting underway in the Terai researching possible linkages between REDD+ and CFM, and the government has not promised to compromise on CFM, such developments currently appear unlikely.

Additionality

Under the current REDD+ framework, and assuming that the year REDD+ is implemented will serve as the baseline for carbon storage, achieving additionality in Nepal sufficient to attract

REDD+ buyers may not be an attainable goal, even though some behavior change has been observed in pilot projects. Respondents for the most part were very desirous of REDD+ payments and often brought up ways to change the additionality criteria that would be to the benefit of Nepal. Suggestions included moving the baseline to reward historically successful CFUGs and giving weight to additionality for other co-benefits beyond carbon maximization, especially biodiversity. These suggestions would certainly benefit the people of Nepal, and help with their adaptive capacity, but might preclude a substantial increase in carbon storage. Considering REDD+ was initially proposed as policy meant to reduce carbon emissions, these ideas may not be compatible. However, it has been proposed at international levels that REDD+ could go even further (i.e., REDD++) beyond carbon maximization and begin considering issues such as biodiversity, which would make many of Nepal's forest ideal candidates.

Diversity and equity in stakeholder issues, leadership, and engagement

No matter what the size of forest bundles are, it is essential that all stakeholders, especially those from marginalized groups within CFs, are involved in forest management decision-making to ensure that forest governance does not become recentralized. However, since the REDD+-readiness process in Nepal has already been found to have issues of exclusion, there are no guarantees that this would happen if REDD+ were implemented. The Literature Review revealed missed opportunities in the inclusion of disadvantaged stakeholders through the REDD+-readiness process (Sherpa 2012). Interviews with civil society groups brought even greater urgency to the solving of these failures. If these stakeholders continue to be left out of REDD+ negotiations and discussions, it is very likely that this exclusion will continue after REDD+ implementation.

As discussed at the end of the Literature Review and as was evident to us throughout the interview process with both state and non-state organizations, civil society groups in Nepal are numerous, well-informed, and passionate about improving the equity of REDD+ planning and implementation. Increasing their presence and influence in decision-making would have very positive impacts on the REDD+-readiness process. Additionally, since stakeholder engagement only reduces

conflict if the stakeholders feel involvement in the process, it is also necessary to solicit feedback on whether or not they feel included and engaged. Several of the people we interviewed mentioned that even when they were asked to get involved, they felt that the government was more interested in presenting information to them than having a discussion.

The REDD+-readiness process is also bringing attention to stakeholder participation problems that currently exist within many CFUGs, which has provided Nepal's government and civil societies with motivation to use the REDD+-readiness process to also improve stakeholder inclusion within CFUGs. Community Forestry in Nepal is a valuable governance regime, but elite capture of leadership positions is still common in many CFUGs, which may threaten the livelihoods of unrepresented populations if REDD+ is implemented (Malla 2003; Uprety, Luintel et al. 2011). If the government commits to the same proposed promises and safeguards with members of CFs as it has done with civil society groups, the REDD+ readiness process could increase social capital within CFUGs by providing marginalized groups with an opportunity to be involved in decision-making.

Through CFUGs, REDD+ has the ability to engage stakeholders and create equitable policies that benefit local forest dwellers. If stakeholders continue to be neglected, however, conflict may increase and inequitable forest access policies may be implemented, to the harm of impoverished local populations. There are many symptoms of stakeholder exclusion in Nepal forestry: lack of participation by and consideration of women, indigenous people, castes, forest-dependents, and climate-vulnerable populations. But the problem and solution may be very simple. Most decision-makers in Nepal have made verbal and written commitments to involving stakeholders throughout the REDD+-readiness process, including both civil societies and local communities (Ministry of Forests and Soil Conservation 2010), but these commitments have not yet resulted in successful stakeholder engagement—mostly due to a centralized planning process. Combine this with not knowing who should be engaged and how best to engage, and the increased expenses to hold meetings outside of Kathmandu. On the other hand, some pilot projects are not involving government workers, which may be the result of poor engagement by civil society groups

(Ministry of Forests and Soil Conservation 2011). Rectifying this issue within pilot projects may increase capital between participating NGOs, forest communities, and government officials, which could lead to the government actively engaging more stakeholders. However, this will require not only more effort on everyone's part, but also more funding that would likely have to be provided by international donors. Without this funding, stakeholder engagement is less likely to occur, which increases the likelihood of forest governance being recentralized.

Training for CFUGS

Propositions made in the literature state that civil society organizations and the Government of Nepal need to collaborate in order to bring effective capacity enhancement to Community Forestry User Groups and other stakeholders. According to the respondents we interviewed, this collaboration entails establishing a conceptual and practical approach to disseminate information on climate change, forestry's contribution to curbing emissions, and REDD+ as a social programme, with the fundamental understanding that reducing emissions entails more than carbon storage and recompense. Potential strategies involve training interested parties in technical and natural science methods as well as institutional/policy guidelines for legitimately participating in REDD+.

Enhancing the capacity of stakeholders may require as many as five training packages prior to REDD+ implementation. These include REDD + governance, carbon assessment and monitoring, disadvantaged stakeholders, indigenous rights, and REDD+ communication through publication or broadcasts (Paudel et al 2010). However, both the literature and interviews convey that some organizations, especially those within the government, require financial and human resources not yet available to them in order to begin nationwide efforts to build capacity among its 18,000 CFUGs and forest-dependent communities. Even if participatory monitoring is employed, though, it would still be necessary for a database to be developed that would allow for information from each forest to be inserted into it to ensure that payments are properly distributed (Jha and Paudel 2010). Currently, no such database exists, and the necessary technology and institutional capacity are lacking (Ministry of Forests and Soil Conservation 2010). It is critical that investments continue to be made

into building capacity within both state and community institutions at more local levels before REDD+ is implemented.

Continuity

REDD-readiness processes and pilot projects were receiving substantial donations from international governments and NGOs, until the program's delays and uncertainties became more apparent. Now, REDD+ in Nepal is stalling just as uncertainties are identified that need to be resolved. If the government undertakes the needed stakeholder engagement and education efforts, then misunderstandings within piloting communities will be reduced and conflict resulting in community backlash or pullout can be minimized.

RECOMMENDATIONS

REDD+ in Nepal presents opportunities and challenges for community forest management. The challenges include the possibility that forest management under REDD+ in Nepal may become more recentralized and that there may be elite capture of benefits. These possibilities are evidenced by: 1) the readiness process, which has been top-down and has not fully successful at securing stakeholder engagement, excluding some groups from possible benefits; 2) development of centralized MRV processes and payment structures; and 3) the government's initiative to expand Collaborative Forestry Management. Here, we identify some areas where a moderated approach might lead to more favorable outcomes.

MRV

Participatory monitoring would be one approach to minimizing the costs of MRV in Nepal. Collecting data on their own forests would engage local communities of forest users and would reduce the costs of technology and experts (Dangi 2012). Community-appropriate methods are available to aid decentralized monitoring, which can include the use of forest plot inventories, GPS units, measuring tapes, and cameras (Asia REDD+ Working Group 2012). Data collection through participatory monitoring in the Forest Carbon Trust Fund pilot project were only "slightly worse"

than the data collected by professionals (Puliti 2012). Most communities currently lack the capacity and resources to make the necessary measurements, but Nepal's diverse and numerous civil society organizations, provided with government support, should be able to quickly train forest users on use of the necessary tools and methods required for carbon measurement (Jha and Paudel 2010). Before this training can take place, uncertainty over which methods will be used and the mechanisms for processing the data will first need to be resolved. We recommend REDD+ promote MRV requirements that engaged communities can reasonably and efficiently accomplish.

Engagement

Diverse, multi-stakeholder groups should encourage meaningful engagement, avoid tokenism and develop monitoring to ensure the longevity of equitable benefit-sharing (WOCAN 2012). Engagement and diversity of leadership must be improved not only for REDD+, but CF. Greater inclusion will increase social capital across the country (Sherestha 2012).

Payments

REDD+ benefit-sharing within community forestry should be weighted on local groups' inclusion of women, Dalit, and other marginalized groups, e.g., the criteria followed in Nepal's Forest Carbon Trust Fund pilot project. An additional consideration for climate vulnerability may improve the adaptive capacity of marginalized forest-dependents. REDD+ in Nepal needs a well-defined payment structure that distributes benefits equitably, but which does not treat marginalized groups as recipients of charity (West 2012). The safeguards built into the RPP include provision for benefit flows to indigenous groups, women and poorer households, and the Forest Carbon Trust Fund could represent a model mechanism for distributing funds in a nested manner. Education efforts on the nature of payments must also be strengthened.

Additionality

To acknowledge and reward CFUGs for years of continued sustainable forest management, and to address the challenge of demonstrating additionality, a model of REDD+ credits could be adopted that includes previous conservation and reforestation efforts (Magar, 2012). Giving visibility

to the co-benefits of livelihoods and biodiversity, rather than restricting the focus to carbon maximization, may attract more buyers, and enhance livelihoods and biodiversity.

Finally, a number of other important issues remain to be addressed if community forest management and REDD+ are to be congruous: 1) Greater emphasis could be placed on the inclusion of local knowledge and contextual heterogeneity in the REDD+ planning process; 2) Stronger tenure rights for community forests are required for CFUGs to protect future REDD+ benefits; 3) Clearly delineated guidelines for benefit distribution would help to resolve conflict over soil and tree carbon rights; 4) Greater attention to Collaborative Forest Management is important since forests under this tenure arrangement have greater capacity for carbon sequestration; and 5) Lessons could be extracted from pilot project experiences to strengthen national REDD+ design, to ensure continuity of payments, and to achieve a more seamless transition between the two phases.

In many cases, safeguards have already been developed. Nepal also has strong civil society groups (e.g. FECOFUN, NEFIN, WOCAN) that are lobbying tenaciously for their respective disadvantaged groups and that have many hopes and ideas that cause them to be optimistic about the possibilities for development and poverty alleviation within REDD+. The challenge for Nepal is to ensure that these safeguards are universally implemented and adhered to, and that these groups are heard.

CHAPTER 5. CONCLUSION

REDD+ could couple well with the established successes of Community Forestry in Nepal either by adopting the design principles associated with improved outcomes in CFs, or by using CFs as a tool to achieve the goals of REDD+. However, the literature and interviews have revealed divergence of REDD+ strategies among institutions on many topics of concern (Table 3). Discussion of REDD+ strategy design has mainly been focused at the national-level, where a reduction in transaction costs will maximize efficiency. In contrast, CF is by definition a sub-national tenure arrangement, with individual forest sites managed by local community user-groups. Resolving this will require multi-stakeholder engagement to ensure that local voices are not left out of REDD+ planning.

While local forest users will eventually play an important role in MRV for REDD+, it may be necessary that forest technicians handle MRV in the short term, while capacity for this task it built up at local levels. The literature review found that participatory monitoring's role has not been properly defined in IPCC standards, which is concerning given their wide usage—many countries are using these to prepare for REDD+ and participatory monitoring has been found to be capable of providing accurate data in Nepal (Jha and Paudel 2010; Puliti 2012). Since Nepal lacks the funds and technical capacity to adhere to higher tier IPCC standards, reaching these will be costly (Puliti 2012). The professionals we interviewed questioned whether meeting these standards to sell more carbon credits would be worth the tradeoff financially and socially (losing the opportunity to involve the community). However, capacity for monitoring forests remains limited within many CFUGs, so enhancing capacity in this regard remains important. Beyond carbon monitoring, respondents placed great emphasis on the additional co-benefits that forests in Nepal can provide and the need to include these in any REDD+ monitoring and verification so they can be considered, Several piloting projects have focused specifically on building capacity and the government and NGOs should begin

using the materials developed and lessons learned from these projects to address local forest users' understanding of REDD+.

Once monitoring has been verified, it will be necessary to distribute payments to the proper recipients. The most feasible and popular option for Nepal is the two-tier payment mechanism whereby international donors would first distribute payments to a national level institution that would then be required to distribute those payments sub-nationally (Bushley and Khatri 2011; Ministry of Forests and Soil Conservation 2010). However, this payment mechanism raises stakeholder exclusion concerns (Bushley and Khatri 2011; Sherpa 2012) that were echoed in many of our interviews—it would give the national government a great deal of power over how benefits are distributed. For this reason, several respondents brought up the need for a multi-stakeholder institution made up of members of the government, civil societies, and CFUGs to encourage transparency in the distribution of payments. Also, while many of the people we interviewed were in favor of the two-tiered payment mechanism, they emphasized the need for the government to guarantee the distribution of payments before REDD+ implementation to discourage the government from recentralizing forest governance and increasing their claim to a greater share of benefits. Settling the issue of soil vs. tree carbon has received quite a bit of attention (Acharya, K.P., Dangi, R.B., Tripathi, D.M., Bushley, B.R., Bhandary, R.R., & Bhattarai, B. 2009; Bushley and Khatri 2011), but the people we interviewed suggested that soil carbon may not be important enough to be deserving of such attention. Instead, they were more interested in involving all relevant stakeholders so that a percentage can be found on which both government and non-government stakeholders can agree upon.

The literature has thoroughly covered REDD+ and its concomitant recentralization worries (Phelps, Webb, and Agrawal 2010), which persist despite Nepal's strong CF-supporting institutions (Bushley and Khatri 2011). The government of Nepal's reluctance to relinquish land tenure or extend CF to the more-profitable Terai has been recognized as an unwillingness to commit to decentralized forest governance in the region (Ribot, Agrawal, and Larson 2006; West 2012). Our non-

governmental respondents were similarly opposed to the current implementation of CFM, but most were willing to drop opposition for CFM in the Terai—even representatives from FECOFUN—if the government was willing to allow communities to keep a greater share of benefits.

On the other hand, it is unlikely that FECOFUN will support using the DFCC structure to bundle CFUGs throughout Nepal, as was proposed in the RPP (Ministry of Forests and Soil Conservation 2010; West 2012). While many of our respondents agreed that bundling CFUGs was a form of recentralization necessary to prevent leakage and lower transaction costs during MRV and payments distribution, DFCCs were not recommended as a viable option for Nepal on the ground. DFCCs were developed to use existing institutions and be multi-stakeholder institutions, but they fall short of full community and civil society inclusion (Sunam, Banjade, et al. 2010). Also, respondents preferred to choose the proper size for these bundles based on pilot project results—and develop institutions to fit those bundles afterwards.

After MRV and payment distribution mechanisms in Nepal are approved, CFUGs may still face difficulties in receiving REDD+ payments. Current additionality criteria under REDD+ may exclude long-successful CFUGs from financial recognition for their carbon storage (Bushley and Khatri 2011; Corbera 2012). Recognizing this, we found many respondents were quick to stress the potential co-benefits that additional money for CFs could provide (e.g., biodiversity and diversified forest livelihoods) and the merits of more comprehensive ecosystem services certification. Research on these co-benefits is still nebulous, though, which may make funding for them difficult to find. We also found that many respondents were very much in favor of allowing Nepal to set an earlier baseline for carbon stocks, since in their eyes, not allowing them to do so would mean that Nepal's CFs were effectively being punished for successfully protecting their forests. However, receiving payments for these co-benefits and the historical success of CF will require finding investors willing to pay for them, which is unlikely if they are not recognized internationally as a component of REDD+. This will make it very difficult for Nepal to compete with other countries vying for limited funding through REDD+.

To prevent rewarding carbon maximization at all costs, proposed sub-national payment mechanisms to CFUGs will distribute less than 50% of all benefits from REDD+ based on existing carbon stocks and additional carbon storage (ICIMOD, ANSAB, & FECOFUN 2011). The rest will be distributed based on the percentage of the CFUG that is made up of traditionally underrepresented groups (e.g., women, indigenous, and impoverished). While such a mechanism may result in the livelihood diversification of disadvantaged people most dependent on forests, it may also be overly complicated—even for the professionals in charge of distributing payments (Ministry of Forests and Soil Conservation 2011; West 2012). Many of the people we interviewed were supportive of such a mechanism for the opportunities it could provide these marginalized groups, but warned that it could create conflict between and even within communities, if the money was distributed without properly educating CFUGs as to why payments were being distributed in such a way.

Educating local forest users on REDD+ payments and climate change came up consistently in interviews. This need has also been recognized in the literature and is the reason that there have been several pilot projects focusing primarily on addressing the need for capacity enhancement at local levels (NEFIN 2010; Sherpa 2012; The Center for People and Forests 2012). These educational efforts have been designed to not only educate local forest users on REDD+ and climate change, but also to build capacity within CFUGs so that they can better participate in the REDD+ planning process. This is especially important since the literature has been very critical of the government's lack of inclusion of members of CFUGs and marginalized groups in this planning (Bushley and Khatri 2011; WOCAN 2012). Members of organizations that represent these groups agreed that they often felt their voices were being left out of REDD+ planning discussions, but emphasized that they did not believe this was on purpose. Instead, they believed the government does not know who to engage or how to include them.

International uncertainty may have an impact on the forest communities living in current pilot project sites. If REDD+ isn't implemented nationally, or funding cannot be found to continue these projects, community members may feel they were presented with false promises. This could

damage community relations with government agencies or NGOs, or even threaten livelihoods if resource-use behaviors have changed because of the pilot project—as with the Forest Carbon Trust Fund tree-planting program. In this case, providing funding safety-nets for pilot project participants should be a high priority for responsible international investors and NGOs within Nepal.

Many REDD+ policies still need to be resolved internationally. In the meantime, it is unlikely that Nepal will receive sufficient funding to ready national REDD+ mechanisms under the current REDD+ guidelines or solve its own forestry management and stakeholder engagement issues through costly piloting projects. In its current state, REDD+ creates possible tradeoffs between carbon storage and the well-being of other forest benefits, which can be solved with alterations at the international, national, and local levels. Despite many differing opinions, members of the government, civil societies, and community groups do not see each other as enemies in the REDD+ planning process, but instead remain committed to continue working on solving these problems in order to maximize the benefits Nepal will receive from REDD+ donors. Above all, we recommend improved stakeholder engagement so REDD+ can harness the passion and knowledge of civil society representatives and local forest users who share the desire to protect forests and forest-dependent people. Decentralized forest governance is the reason that REDD+ donors were initially attracted to Nepal, and the government must remain committed to continued decentralization.

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APPENDIX A
List of Respondents

Respondents			
Name	**Position**	**Organization**	**Classification**
Ajeet Karna	District Forest Officer Lalitpur	Department of Forests	Government
Anil Shrestha	Value Chain Development Advisor	SNV	NGO
Anonymous	Researcher	Anonymous	NGO
Anonymous	Members	Shaktikhor CFUGs	Community
Anuj Raj Sharma	Community Forestry Officer	Department of Forests	Government
Apsara Chapagain	Chairperson	FECOFUN	NGO
Bhaskar Karky	Resource Economist	ICIMOD	NGO
Bhishma Subedi	Executive Director	ANSAB	NGO
Chudamani Joshi	Program Coordinator	Embassy of Finland	Government
Dharam Uprety	Outcome Manager	MFSP	NGO
Dibya Gurung	Coordinator	WOCAN	NGO
Dil Raj Khanal	Policy Facilitator	FECOFUN	NGO
Eak Rana Magar	Project Coordinator, REDD Pilot Project	ICIMOD	NGO
Indra Sapkota	District Forest Officer Chitwan	Department of Forests	Government
Kumar Darjee	Programme Manager for the REDD+ Piloting Project	FECOFUN	NGO
Navraj Pradhan	Ecosystem Adaptation Analyst	ICIMOD	NGO
Pasang Dolma Sherpa	National Coordinator of Climate Change and REDD Partnership Program	NEFIN	NGO
Rajan Kotru	Watershed Management Specialist	ICIMOD	NGO
Ramesh Shakya	Research Officer	Department of Forest Resources and Survey	Government
Ramu Subedi	Team Leader	MFSP	NGO
Resham Dangi	Joint Secretary, Chief	RFCCC, Ministry of Forests	Government
Yaman Chepang	Member	Nepal Chepang Association	NGO

APPENDIX B
Descriptions of Respondents' Organizations

The **Asia Network for Sustainable Agriculture and Bioresources (ANSAB)** has a vision of rural South Asia built on rich biodiversity and prosperous communities. This vision includes rich, healthy and productive ecosystems actively managed and sustainably used by formerly poor local communities. It also features adaptive people and resilient ecosystems able to cope with global climate change. ANSAB seeks to generate and implement community-based, enterprise-oriented solutions that conserve biodiversity and improve the livelihoods of the poorest of the poor while bolstering national economic development and addressing climate change (found at: http://www.ansab.org/about/vision-mission/).

The **Department of Forests (DoF)**—under the Ministry of Forests and Soil Conservation—is the only existing Nepali government agency working directly towards sustainable management, utilization, protection and development of forest resources outside the protected forest areas. DOF extends its services through four administrative levels: (1) Headquarters, (2) District Forest Offices, (3) Ilaka Forest Office, and (4) Range Posts. DOF has the following functional divisions: Planning and Monitoring Division, Community Forest Division, and the National Forest Division. There are 74 District Forest Offices (DFO) responsible for the field level implementation of all the forest development programs, operations and administration (found at: http://dof.gov.np/).

The **Department of Forest Research and Survey (DFRS)—under the Ministry of Forests and Soil Conservation—has an overall objective t**o contribute to conservation, management and sustainable utilization of forest resources through improved technologies and updated forest resource information base (found at: http://www.dfrs.gov.np/content.php?id=235).

The mission of the **Embassy of Finland in Kathmandu** is threefold: (1) As Nepal is struggling with development challenges, the Embassy contributes to the problem solving process in order to promote solidarity, peace, democracy, equality, human rights, sustainable development and the principle of rule of law in the country; (2) the Embassy plans and executes Finnish foreign policy as well as security policy by utilizing Finnish expertise; (3) the Embassy provides administrative services to promote trade, tourism and cultural exchange between Finland and Nepal (for instance visas, publicity and consular services)(found at: http://finland.org.np/public/?contentid=80663&contentlan=2&culture=en-US).

The **Federation of Community Forestry Users Nepal (FECOFUN)** is a formal network of Forest User Groups (FUGs) from all over Nepal. FECOFUN emerged from the idea that forest users from all parts of the country should be linked in order to strengthen the role of Users in policy making processes. Since its inception in July 1995 FECOFUN has grown into a social movement organization with about 8.5 million people represented all of whom are forest users. It is a national federation of forest users across Nepal dedicated to promoting and protecting users rights (found at: http://fecofun.org.np/).

Forest Resource Studies and Action Team (ForestAction) Nepal is a learning oriented, not-for-profit and politically non-aligned, self governed, professional civil society organization. It focuses on research and policy dialogue for productive, equitable and sustainable forest and natural resource management. It blends professional knowledge with citizen power to build pressure for change. Since establishment, it has been working as a key player in forestry and natural resource management

sector in Nepal through its dedicated and multidisciplinary team of professionals who combine their knowledge of natural and social science together in critical action research and policy dialogue. Their main areas of expertise are in: policy process, decentralization, community and local governance, social learning, institutional processes, gender and social inclusion, livelihood promotion, innovation system, critical analysis, knowledge management and publication (found at: http://www.forestaction.org/contents/index/3).

The **International Centre for Integrated Mountain Development (ICIMOD)** is a regional intergovernmental learning and knowledge sharing centre serving the eight regional member countries of the Hindu Kush Himalayas – Afghanistan, Bangladesh, Bhutan, China, India, Myanmar, Nepal, and Pakistan – and based in Kathmandu, Nepal. Globalization and climate change have an increasing influence on the stability of fragile mountain ecosystems and the livelihoods of mountain people. ICIMOD aims to assist mountain people to understand these changes, adapt to them, and make the most of new opportunities, while addressing upstream-downstream issues (found at: http://www.icimod.org/?q=1).

The **Multi Stakeholder Forestry Programme (MSFP)** is designed through a multi-stakeholder process to contribute to poverty reduction and tackling climate change in Nepal. It builds on the achievements of over 20 years of forestry work of the Government of Nepal (GoN) supported by the Finland, Switzerland, and UK (e.g. LFP, NSCFP). MSFP is funded jointly by the Government of Finland (GoF), Swiss Agency for Development and Cooperation SDC, and UK Department for International Development (DFID). GoF, SDC and DFID have already agreed to jointly fund Nepali Rupees 4,450 million for the first four years of MSFP. The MSFP's main beneficiaries are rural communities of Nepal, especially poor and disadvantaged households, and those most vulnerable to climate change. MSFP explicitly targets these groups and gathers disaggregated data to assess its progress. The programme aims to bring an estimated 1.7 million people out of poverty by working with existing and new forestry groups of various kinds and creating an additional 80,000 jobs (found at: http://www.msfp.org.np/about-us-1.html).

Nepal Chepang Association (NCA) is an Indigenous Peoples Organization (IPO) of Chepang peoples established in 1998. It is a common forum of the Chepangs characterized by non-governmental and right-based organizations working to uplift the socio-economic condition, gender equity, rights, culture, tradition, language and history of underprivileged and marginalized Chepang communities (found at: http://www.ncachepang.org.np/).

Nepal Federation of Indigenous Nationalities (NEFIN) is an autonomous and politically non-partisan, national level common organization. NEFIN currently consists of 54 indigenous member organizations widely distributed throughout the Terai, Hills and Himalayas of Nepal. **NEFIN seeks to** establish a Secular and Federal Republic of Nepal where diverse ethnic, linguistic, cultural, religious and territorial Indigenous Nationalities are treated equally. They also want to ensure the rights of Indigenous Nationalities in the New Constitution of Nepal, advocate for ethnic, language and historical identity based federalism with self governance, right to self-determination and proportionate representation of Indigenous Nationalities in the every level and aspects of nation (found at: http://www.nefin.org.np/list/About-NEFIN/4/0/13).

Stichting Nederlandse Vrijwilligers (SNV) is an international **not-for-profit development organisation**. We believe that no-one should have to live in poverty and that all people should have the opportunity to pursue their own **sustainable development**. Starting out in the Netherlands more than 40 years ago, we now work in **38 of the poorest countries** worldwide. Our global team of local and international advisors work with local partners to equip communities, businesses and

organisations with the **tools, knowledge and connections** they need to increase their incomes and gain access to basic services - empowering them to **break the cycle of poverty** and guide their own development. By sharing our specialist expertise in **Agriculture**, **Renewable Energy**, and **Water, Sanitation & Hygiene**, we contribute to solving some of the leading problems facing the world today – helping to find local solutions to global challenges and sowing the seeds of lasting change (found at: http://m.snvworld.org/en/regions/world/about-us/about-us#.UXbLgsqNAe0).

Women Organising for Change in Agriculture and Natural Resources Management (WOCAN) was established in 2004 with the objective to address three major gaps that emerge from the knowledge and experiences of sustainable and rural development processes. These are: (1) policies regarding gender within the agriculture and natural resource management sectors, (2) roles of professional women in implementing policy objectives for rural women's empowerment and gender equality within these sectors, and (3) organizational barriers that obstruct women from realizing positions of leadership and influence to take on such roles (found at: http://www.isealalliance.org/online-community/organisations/women-organising-for-change-in-agriculture-and-natural-resources-management).

APPENDIX C
Question-Concept Matrix

Question-Concept Matrix	
Question	**Concept**
1. Is your organization involved with Reducing Emissions from Deforestation and/or Forest Degradation (REDD) implementation or Community Forestry management (CF)? In what capacity?	Ice Breaker (compare to official documents)
2. What is your and your organization's current role within planning, design, and implementation of REDD and/or CF projects? Does this differ from past or future roles and how?	Ice Breaker (compare to official documents)
3. Do you think the current institutions for the selection process of CFUGs are satisfactory? Can you suggest any ways to improve them?	Project Selection
4. Will these same institutional arrangements be used to select REDD projects or sites? Are new institutions needed, and would these complement or replace existing institutions?	Project Selection
5. Will the national government choose REDD projects or will local communities be able to apply for REDD funding as with CFUG application? Do you think local self-nomination is valuable for REDD?	Project Selection
6. Do you find the current institutional arrangement for CF implementation funds to be satisfactory and efficient? How could these same arrangements be improved to fund REDD projects?	Project Funding
7. In your opinion, would CFUGs be able to efficiently use and benefit from increased funds for management?	Project Funding
8. In your opinion, would directing REDD funding into CF sites be a cheaper or more efficient way to manage forests than putting REDD funding into non-CF sites? Why?	Efficiency/Additionality
9. Seeing as CFUGs do not currently distribute ecosystem service payments, will their institutions be sufficient to distribute REDD carbon payments? Are new institutions needed, and would these complement or replace existing institutions?	REDD Payments
10. In what form should REDD+ payments be distributed? By whom, and to whom? Do you believe certain disadvantaged groups should receive priority for REDD payments? What are those groups?	REDD Payments
11. Are there restrictions on how the payments can be used?	REDD Payments
12. In your opinion, will REDD payments be split between those that own the carbon stored within the trees and the soil? If yes, how? Does this create any problems that were not implicit in CF?	REDD Payments
13. Do you foresee any payment conflicts due to this uncertainty of tree vs. soil carbon ownership?	REDD Payments
14. How could REDD payments be improved?	REDD Payments
15. Will CF monitoring strategies be used for REDD projects? Will any changes, such as additional training, technology, or institutional arrangements be needed?	Monitoring
16. Will REDD monitoring continue to be participatory? Can local knowledge be incorporated? How?	Monitoring

17. Is enough being done to prevent corruption in CFs? Will this be satisfactory when REDD is implemented? Can you suggest any ways to improve transparency?	Effectiveness
18. Do you find the current CF precautions against leakage satisfactory? [LP gas (liquefied petroleum gas) promotion over wood fuel; choosing one forest to save another] Are these precautions useful and sufficient for REDD?	Effectiveness
19. How is CF helping to meet the Millennium Development Goals? How is REDD+ helping to meet the Millennium Development Goals? Are the Millennium Development Goals sufficient indicators for REDD+?	Local Economy and Society
20. Do you predict any positive or negative effects of REDD+ on local livelihoods? [non-tree restrictions: litter, NTFP]	Local Livelihoods
21. In REDD sites, do you anticipate restrictions on how CFUGs are able to use the forest?	Local Livelihoods
22. Are forest communities and local stakeholders being included in the development of REDD+ policy development in Nepal? How? Is this involvement sufficient?	Local Livelihoods (Social Capital)
23. Is any extra effort being made to get marginalized stakeholders involved with forest policies or projects? For example: indigenous people, women, Dalit, and forest-dependent people.	Local Livelihoods (Social Capital)
24. Do you predict any positive or negative effects of REDD+ on community relationships?	Local Livelihoods (Social Capital)
25. Do you predict REDD+ will have any negative impacts on the well-being of forest-dependent communities in exchange for greater protection of these forests? If yes, are these considered necessary trade-offs for increased forest health and security?	Trade-offs
26. What can be done to balance these trade-offs? Are separate institutions necessary to monitor each category, or can one institution attempt to measure both carbon storage and livelihoods?	Trade-offs
27. Do you predict any monitoring or promotion of indirect REDD benefits, such as biodiversity, poverty reduction, economic development, government reform, or rights for minority groups?	Co-Benefits
28. What are advantages or disadvantages of REDD+ over CF in terms of carbon storage?	Carbon Storage Effectiveness
29. Have any attempts been made to measure changes in emissions? Are current institutional arrangements sufficient to handle emissions measurements for REDD?	Monitoring
30. What information and guidance has your organization received regarding REDD+ implementation and who provided it?	Outside Involvement/ Information Provided
31. Is different information given to other local government or community institutions?	Outside Involvement/ Information Provided
32. In recent years, have you observed forest governance being recentralized or decentralized (e.g., Collaborative Forest Management)? Which would you prefer and why?	Recentralization
33. In what ways could REDD strengthen CF? In what ways could REDD weaken CF?	Recentralization

34. Is anything being done to directly influence decentralization or recentralization? Can you foresee any policies to directly influence decentralization or recentralization?	Recentralization
35. Do you have any additional thoughts or information on REDD in Nepal?	Conclusion

APPENDIX D
CONTACT FORM, ELECTRONIC LETTER

Dear [Insert Name Here],

We are graduate students in the School of Natural Resources and Environment at the University of Michigan, Ann Arbor, representing the International Forestry Resources and Institutions, which is undertaking a study meant to help the World Bank create a platform for socially just terrestrial carbon sequestration in Nepal. One component of this study is to interview leaders in Nepal on the issues of community forestry and Reducing Emissions from Deforestation and Degradation-PLUS (REDD+) projects. You have received this e-mail because we believe your professional position will allow you to provide us with valuable insights into the institutional, contextual, and policy factors that make for effective REDD+ community forestry projects in Nepal. The purpose of our research is to provide policy recommendations to the World Bank as to which projects yield satisfactory carbon storage and increase the livelihood benefits for poor individuals in the project areas.

Participation in this study will involve meeting with the three of us for an interview that would last approximately one hour. If you choose to participate, you will be given the option to decide whether or not you wish for the interview to be audio-recorded by a digital device. You will also be given the option to keep all of your answers anonymous. Questions will be open-ended and are meant to provide some insights into the current state of REDD+ in Nepal. We will be in Kathmandu from 27 May to 2 July and would be able to meet with you at a location and time of your choosing.

If you are interested in being interviewed or have any questions, please contact anyone listed below, including our faculty advisor. We greatly appreciate your attention to this matter and look forward to hearing from you at your earliest convenience.

Sincerely,

Student Researchers:

Derrick W. Rosenbach, M.S. candidate, School of Natural Resources and Environment, University of Michigan

e-mail: dwrosenb@umich.edu

Joel R. DeBoer, M.S. candidate, School of Natural Resources and Environment, University of Michigan

e-mail: joeldebo@umich.edu

Jessica L. Whittemore, M.S. candidate, School of Natural Resources and Environment, University of Michigan

e-mail: jwhittem@umich.edu

Faculty Advisor:

Dr. Arun Agrawal, Coordinator, International Forestry Resources and Institutions; Professor, School of Natural Resources and Environment, University of Michigan

e-mail: arunagra@umich.edu

APPENDIX E
CONSENT FORM

Consent to Participate in a Research Study

Community Forestry and REDD+ -- INTERVIEW

Student Researchers: **Derrick W. Rosenbach**, M.S. candidate, School of Natural Resources and Environment, University of Michigan.

Joel R. DeBoer, M.S. candidate, School of Natural Resources and Environment, University of Michigan

Jessica L. Whittemore, M.S. candidate, School of Natural Resources and Environment, University of Michigan

Primary Advisor: **Dr. Arun Agrawal**, Professor, School of Natural Resources and Environment, University of Michigan

You are invited to be a part of a research study that explores the institutional, contextual, and policy factors that make for effective Reducing Emissions from Deforestation and Degradation-PLUS ("REDD+") community forestry projects in Nepal. The purpose of the study is to provide policy recommendations to the World Bank as to which projects yield satisfactory carbon storage results and increase the livelihood benefits for poor individuals in the project areas. One component of this larger study is interviews with leaders in Nepal on the issue of REDD+ and community forestry. We are asking you to participate because we believe your position allows you to be able to provide valuable insights for this study.

If you agree to be part of the research study, you will be asked to participate in one face-to-face interview at the location of your choice. The interview should take roughly one hour. We would like to record the interview to make sure that our conversation is recorded accurately and deemed legitimate. You may still participate in the research even if you decide not to be taped. You may also choose not to answer any interview question and you can stop your participation in the research at any time.

The discussion topics will include the qualifications for REDD+ funding and the mechanisms by which funds are dispersed. We will also discuss how the existing institutional arrangement is or plans to engage various stakeholders in order to increase community level participation without completely centralizing financial and forest management activities. While you will not receive a direct financial benefit from participating in this research, you may find sharing your experiences and available data to be valuable for framing REDD+ and community forestry policy.

We plan to publish the results of this study, but will not include any information that would identify you if wish to remain anonymous. To keep your information safe, the digital recording of your interview will be placed in a locked file cabinet until it is uploaded to a secure computer that is password-protected and uses special coding of the data to protect the information. To protect confidentiality, your real name will not be used in the written copy of the discussion if you desire anonymity. The researchers plan to keep this study data indefinitely for future research about REDD+ and community forestry in Nepal.

There are some reasons why people other than the researchers may need to see information you provided as part of the study. This includes organizations responsible for making sure the research is done

safely and properly, including the University of Michigan, government research offices, or the study sponsor, the International Forestry Resources and Institutions. If you have questions about this research, including questions about the scheduling of your interview, you can contact any of the researchers listed above at the following e-mail addresses: Derrick Rosenbach (*dwrosenb@umich.edu)*, Joel DeBoer (*joeldebo@umich.edu),* Jessica Whittemore (*jwhittem@umich.edu)*, and faculty advisor Arun Agrawal (*arunagra@umich.edu)*.

If you have questions about your rights as a research participant, or wish to obtain information, ask questions or discuss any concerns about this study with someone other than the researchers, please contact the University of Michigan Health Sciences and Behavioral Sciences Institutional Review Board, 540 E Liberty St., Ste 202, Ann Arbor, MI 48104-2210, 00-734-936-0933 **[or toll free, 00-866-936-0933]**, irbhsbs@umich.edu.

By signing this document, you are agreeing to be part of the study. Participating in this research is completely voluntary. Even if you decide to participate now, you may change your mind and stop at any time. You will be given a copy of this document for your records and one copy will be kept with the study records. Be sure that questions you have about the study have been answered and that you understand what you are being asked to do.

I agree to participate in the study.

_____ _____

Signature Date

I agree to be audio recorded as part of the study. (Please check one box below)

☐ ☐

Yes No

My name may appear in the study; I do NOT wish to remain anonymous during the course of this study. (Please check one box below)

☐ ☐

Yes No

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