

REDD in Nepal: Stakeholders Perspective about Future Policy Arrangement

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MSc Thesis



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ABSTRACT

This study explored and analyzed the views of stakeholders regarding the potential consequences of the proposed REDD policy for community forestry of Nepal. One aspect of this study was to understand and analyse the policy arrangement that is emerging as a consequence of REDD. Another aspect was to understand and analyze likely and preferred policy arrangements under REDD in the future. In-depth semi-structured interviews were conducted with twenty respondents from three groups which included government, civil society and donor communities. In addition, document review and workshop participation were also done for data generation. By using qualitative method of data analysis this study found that there is possibility for evolving two different and competing types of arrangements namely, State Based Carbon Forestry and Community Based Carbon Forestry arrangements. But as the discussion about REDD is in initial stage, none of these arrangements have institutionalized yet. Therefore, at this moment these arrangements are defined as arrangements in gestation. State Based Carbon Forestry arrangement is the likely arrangement under which conservation is expected to be the primary goal. Community Based Carbon Forestry is the preferred arrangement for a majority of the respondents under which meeting the livelihood requirements of the forest dependent poor and indigenous people is expected to be the primary goal. The overall finding of this study based on the detail analysis of four dimensions is that the majority of the stakeholders believe that CBCF will be the best option for Nepal.

Keywords: REDD, Community forestry, State based carbon forestry, community based carbon forestry, policy arrangement

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ACRONYMS

ACOFUN	Association of Collaborative Forest Users of Nepal
ANSAB	Asia Network for Sustainable Agricultural and Bioresearches
BISEPST	Biodiversity Sector Program for Siwaliks and Terai
CBCF	Community Based Carbon Forestry
CDM	Clean Development Mechanism
CF	Community Forestry
CFM	Community Based Forest Management
CFUGs	Community forestry user groups
CIFOR	Centre for International Forestry Research
COP	Conference of the Parties
Co ₂	Carbon dioxide
DFID	Department for International Development
DNA	Designated National Authority
FAO	Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
FECOFUN	Federation of Community Forestry Users Groups Nepal
GHG	Greenhouse Gases
GOs	Governmental Organizations
GoN	Government of Nepal
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HMGN	His Majesty Government of Nepal
HIMAWANTI	The Himalayan Grassroots Women's Natural Resource Management Association
ICIMOD	International Center for Integrated Mountain Development
INGOs	International Nongovernmental Organizations

IPCC	Intergovernmental Panel for Climate Change
IUCN	International Union for Conservation of Nature and Natural Resources
LFP	Livelihood and Forestry Program
MFSC	Ministry of Forest and Soil Conservation
MoEST	Ministry of Environment, Science and Technology
MPFS	Master Plan for the Forestry Sector
NEFUG	Nepalese Federation of Forest Resource User Group
NTFPs	Non Timber Forest Products
NGOs	Non-governmental Organizations
NPC	National Planning Commission
NTNC	Nepal Trust for Nature Conservation
PAA	Policy Arrangement Approach
PA	Policy Arrangement
PF	Panchayat Forest
PPF	Panchayat Protected Forest
REDD	Reducing Emission from Deforestation and Forest Degradation
R-PIN	Readiness Plan Idea Note
R-Plan	Readiness Plan
SA	Stakeholder Analysis
SBCF	State Based Carbon Forestry
SNV	Stichting Nederlandse Vrijwilligers
SDC	Swiss Agency for Development and Cooperation
UNFCCC	United Nation Framework Convention on Climate Change
WB	World Bank
WTLCP	Western Terai Land-use Conservation Project
WWF	World Wide Fund

CHAPTER 1 INTRODUCTION

1.1 Background

Forests serve a dual function of source and sink of carbon in the global carbon cycle (Masera et al. 2003). Evidence has shown that forested areas store 20-50 times more carbon per unit area than that of cleared land (Houghton 2005). According to the Food and Agriculture Organization (FAO) estimate, total carbon content of the forest ecosystem for the year 2005 was about 638Gt C, which was greater than the amount of carbon in the atmosphere. However, deforestation which is the major source of carbon emission, is taking place around the globe at an alarming rate. The estimated global deforestation by FAO was around 13 million ha/per year during the period of 1990 to 2005 (FAO 2005). In relation to this, (IPCC 2007) estimated emissions from deforestation in the 1990s to be at 5.8GtCO₂/yr. Further, IPCC also notes that reducing and/or preventing deforestation and forest degradation are the mitigation option, as the release of carbon as emissions into the atmosphere is prevented

Houghton (2005) highlighted that deforestation is mainly taking place in the tropical countries. Moreover, trees in tropical countries hold 50 % more carbon than that of the tree outside of the tropics. Because of this reason, deforestation in tropical countries has been accounted as the main source of atmospheric carbon caused by land use change. Likewise (Stern 2007a) stressed that tropical deforestation is the second most important source of atmospheric carbon after the energy sector. Similarly (IPCC 2007) has also claimed that 65% of the total mitigation potential is located in the tropics and 50% of which could be achieved by reducing deforestation. Despite these facts, the role of forest in carbon emission reduction has been excluded from the first commitment period of the Kyoto Protocol (KP).

The role of forest as sink has been recognized through Afforestation/Reforestation projects under the Clean Development Mechanism (CDM). But still, there are restrictions on such sink

projects. Only those forest areas which were planted after 1990 are considered eligible to sell carbon credits through a market mechanism (Klooster and Masera 2000; Skutsch 2005, 2006). Given that forests of course existed prior to 1990, the likelihood of many developing countries to benefit from carbon stored in their existing forest has been ceased under the first commitment period. On the other hand, they also have limited financial and technical capacity for large scale plantation to benefit under sink project.

1.2 Inception of REDD at the International level

During the recent years, the role of forest in the global carbon emissions, particularly because of tropical deforestation in developing countries, has become the most prioritized international agenda under climate change. As a result, a new kind of climate change policy named Reducing Emissions from Avoiding Deforestation and Forest Degradation (REDD) was first proposed in the 11th Conference of the Party (COP) meeting held in Montreal in 2005. The proposal was submitted by the coalition of Rainforest Nations led by Costa Rica and Papua New Guinea (Humphreys 2008). The window of opportunity for this proposal was opened only in 2007 in the 13th COP meeting held in Bali when the delegates agreed to include the REDD principle in the future climate treaty (Angelsen 2008; Karsenty 2008). REDD is based on the simple theory under which incentive to developing countries are provided by developed countries for developing new policies and measures for the maintenance of carbon stocks in forests through reducing deforestation and forest degradation (Karsenty 2008; Peskett et al. 2008). The decision about REDD has opened up the possibility for the inclusion of community based forest management (CFM) system in developing countries which was previously excluded by CDM (Karky 2008).

Several studies have claimed that CFM is potentially the cost effective way for reducing green house gas (GHG) emissions through forestry activities (Klooster and Masera 2000; Peskett et al. 2008; Skutsch 2005; Stern 2007b). One reason is many local communities in developing

countries are already managing their forest to meet their different purposes. Therefore, if these communities are provided with financial incentives for their services in forest management they will have additional reasons to consider the conditions required for avoiding deforestation and forest degradation when making relevant decisions. Consequently, this incentive would provide additional income sources for poor communities. In addition, it will help prevent global carbon emission (Pagiola et al. 2005)

However at the same time, there are also some skepticisms on the implications of REDD in poor communities. Civil society organizations have raised concern about pro-poor REDD, as rules for reducing deforestation and forest degradation have not been developed yet (Peskett et al. 2008). Two main concerns have been expressed in several studies conducted in the context of REDD implementation (Landell-Mills and Porras 2002, Kerr 20002b) In (Pagiola et al. 2005). First, increasing the value of currently marginal land may serve as an incentive for powerful actors to take control of this mechanism, especially in areas where tenure is not secured. In addition, there is also the possibility of increasing government interference in the customary land tenure system and thereby, increasing state control over forest land (Humphreys 2008). Evidence shows that approximately 75% of tropical forest lands are administered by governments, 4% by local communities and around 24% are privately owned. However, the proportion of this distribution varies with countries (White and Martin 2002).

The second argument is related to the flow of financial benefits. It is possible that benefits from REDD might flow to national treasuries rather than towards local people (Humphreys 2008). The Poorest households of the community who depend on gathering non-timber forest products from the forests might suffer under the REDD mechanism by limiting their access to forested land (Humphreys 2008; Peskett et al. 2008). In addition it is also stressed that the equitable distribution of benefits, the ability and role of different individuals or groups to participate in REDD related activities, the control and access over forest and carbon are expected to be the mostly debated issues in REDD (Peskett et al. 2008).

It is clear that there are different opinions about REDD, but in general REDD is believed to have the potential to provide benefits to developing countries. Unlike, the CDM approach, which recognizes only afforestation and reforestation REDD has the possibility of recognizing a wider range of forest management activities. Hence it also increases opportunities for community based forest management (CFM) of countries like Nepal. As Nepal is widely known for its successful implementation of a community forestry (CF) program, it will be expected to benefit from REDD. Up to this point, deforestation and forest degradation have been treated only as an upshot of poverty and mismanagement in Nepal (MFSC 2008). Hence there is a need for adjustment in the existing forestry sector policy, including CF, in order to accommodate with the changing context. This adjustment on the other hand, is likely to have different consequences on the existing perspective of stakeholders about CF, its rules related to the benefit sharing mechanism and tenure system, power relations between actors etc. Thus, taking this into account, this study is focused on understanding and analyzing the consequences of the proposed REDD policy for CF of Nepal.

1.2 Problem Statement

The Kyoto Protocol, adopted in the 3rd COP held in Japan, first paved the path for the carbon market under the CDM. However; issues were raised about the inadequacy of CDM in recognizing the wider contribution of the forestry sector in combating GHG. Discussions about the role of forestry in climate change mounted when the claim was made that deforestation and forest degradation are responsible for emitting 18-20% of global GHG emission (IPCC 2007; Stern 2007b). As a consequence, REDD was recognized as a policy to address deforestation and forest degradation which were not accounted in the existing climate treaty.

Along with the rising debate about REDD at the international level, Nepal has also expressed its interest to become part of this debate. The Current Three-Year Interim Plan of Nepal (2008-2011) has mentioned promoting carbon trade. Under the forestry sector, carbon trading has

been recognized as an opportunity to reduce poverty, promote forest conservation and contribute to the sustainable development goal of the country ((NPC) 2008). Furthermore, the Government of Nepal (GoN) has expressed its interest by participating in the international competitive grant and submitting Readiness Plan (R-Plan) Idea Note (R-PIN) to the World Bank's (WB) Forest Carbon Partnership Facility (FCPF) Fund. R-PIN has been designed from the perspective of a CFM mechanism. Although, at the moment the CF policy does not have a provision related to climate change. Even though CFM policies will not constrain REDD, some important adjustments are critical to make it favorable to global climate policy (Karky 2008)

Few authors have claimed that global environmental debates result in fundamental transformation of the existing forest policy at different levels in order to accommodate new dimensions of the debates (Brown and Corbera 2003; Rudel 2008). In line with this, recent study by (Karky 2008) have stressed the need for developing a conducive policy and institutions at the national level to accommodate an emerging REDD dimension in the forestry sector. Furthermore, the government also stressed the need to review existing benefit sharing mechanisms, tenure rights and management responsibilities in relation to REDD (MFSC 2008). Hence, this indicates that the existing CF policy arrangement of Nepal has the possibility to change, giving rise to either a new kind of policy arrangement or an adjustment in the existing arrangement.

Given this context, this study tries to understand and analyze emerging and future REDD policy arrangement of Nepal by exploring the perspectives of stakeholders. For the purpose of this study, future REDD arrangement will be analyze as the likely arrangement and preferred arrangement. This distinction for the future REDD arrangement is made by considering the existing forest management practices of Nepal. In the existing situation, mainly two types of forest management systems are dominant, namely the state based forest management and CF. CF has been the successful forestry program for including poor and forest dependent local people in forest management activities. However, up until now its success is limited in the middle hills and the mountainous regions. On the other hand, large section of forest area,

particularly in the Terai is still under state based forest management system. One of the reasons for this is the availability of the commercially valuable timber species in these areas (Blaikie and Springate-Baginski 2007). Even though CF forestry is widely appreciated for fulfilling the livelihood requirements of the forest dependent communities by involving them in forest management activities, state is not willing to hand over the management authority to the local communities. This study therefore, expects similar situation in the context of REDD because REDD is about getting financial incentive for reducing the existing rate of deforestation and forest degradation.

The purpose of this study is to bring clear picture of what the majority of the stakeholders expect about the future consequences of REDD are for forest policy in Nepal. Hence this study will contribute to the ongoing REDD debate that has recently started in Nepal to develop national REDD strategy particularly. This will be done by clearly depicting on what majority of the stakeholders think could be the best option of forest management for Nepal in the context of REDD. This study will also contribute for further studies because up until now there are only very few studies about REDD in Nepal.

1.3 Research Objectives and Research Question

1.3.1 Research Objective

This study aims to understand and analyze the potential consequences of REDD policy for the community forestry policy arrangement by assessing the perspectives of stakeholders in Nepal.

1.3.2 General Research Questions

To operationalize the main objective of this study, the following three general research questions will be answered.

1. What kind of forest policy arrangement is emerging along with the global REDD debate in Nepal?

2. What is the likely forest policy arrangement, if REDD policy is introduced in Nepal?
3. What is the preferred forest policy arrangement, if REDD policy is introduced in Nepal?

1.4 Report Outline

This report consists of seven chapters. Chapter one provides the overall introduction on the role of deforestation in global carbon emission and the inception of global policy for addressing deforestation and forest degradation. This section further elaborates upon the problem statement and research objectives for this study. Chapter two discusses the theoretical framework used for this study, namely the Policy Arrangement Approach (PAA) and its concepts. This chapter also explains the operational framework developed for this study using the concept of Policy Arrangement. Further, this chapter also presents the rephrased research questions in relation to the concepts of theoretical framework. Chapter three explains about the methodology adopted for this study. It consists of research strategy adopted for this study, stakeholder analysis (SA) and different methods used for data collection. Chapter four elaborates upon the CF in Nepal. This chapter consists of four subsections. Section 4.1 explains about the development of CF in Nepal. Section 4.2 explains about the CF policies. Section 4.3 explains about the linkage between CF and climate change. Finally, section 4.4 provides the linkage of CF and the proposed REDD policy in Nepal. Chapter five provides the results of the research questions based on the data analysis from interview. This chapter consists of two subsections in which the first section elaborates upon the findings about the emerging arrangement and the second section elaborates upon the likely and the preferred arrangement in relation to REDD in Nepal. Chapter six presents the conclusion, discussion and recommendation. Section 6.1 presents the discussion about the few main findings. Section 6.2 presents the overall conclusion drawn from this study as per the research questions. Section 6.3 presents some recommendations made for further research. Finally, Chapter seven provides the reflection of the whole study in terms of the findings, theoretical framework and methodology used.

CHAPTER 2 THEORITICAL FRAMEWORK

This chapter elaborates upon the theoretical basis of this study. In section 2.1 I will introduce the Policy Arrangement Approach (PAA) and its three main concepts namely, institutionalization, political modernization and policy arrangement. This section will also provide an insight upon why I used PAA and not the other approaches which are also used for understanding and analyzing the policy processes. In section 2.2 I will operationalize the concepts of a policy arrangement relevant for this study. Finally in section 2.3 I will rephrase the three research questions that were formulated in chapter 1. The rephrased questions will be directly related to the four dimensions of the Policy Arrangement (PA).

2.1 Policy Arrangement Approach

For understanding and analyzing the dynamics of change for the CF policy practices as a consequence of global REDD policy, this study used PAA as its theoretical basis. PAA provides an analytical framework for assessing change and stability in day to day policy practices which become instrumental in broader structural changes in the contemporary society (Arts et al. 2006). This theory was developed by (Arts et al. 2006) for studying the policy processes in the sector of environmental policy domain. There are also number of other approaches namely, *Advocacy Coalition Framework (ACF)*, *Policy Network Approach (PNA)* and *Policy Discourse Analysis (PDA)* that can be used for understanding and analyzing policy processes. However, PAA was purposively. It is because according to the aforementioned frameworks such as the PNA and ACF reforms in the environmental policy happens because of the strategic responses of actors to problems that have been raised in administration. While less attention is paid to the fact that these reforms may also happen as a consequence of political changes such as a movement and expansion of politics, administration and policy beyond the current formal institutional framework (Arts et al. 2006). Furthermore, the interaction between actor and structure is not balanced by these theories. Besides they also neglects structural, social and

political development compared to that of the PAA (Arts et al. 2006). PAA on the other hand tries to balance the interaction between actors and structure and also organization and content because it makes a connection between all kinds of every day policy processes and long term developments (Arts et al. 2006).

PNA uses interaction processes between multi-actors in order to understand and analyze policy making processes. This approach places too much emphasis on the role of cooperation and consensus and ignores conflict, power and power differences (Klijn 1996). According to this approach change in the policy occur as a result of interaction between multiple actors in the policy processes. This approach believe that actors make or change policy because they are mutually dependent with each other (*ibidem*)

ACF focuses on issues in policy subsystem for understanding the process of policy change. This approach assumes that shared beliefs on the problems or issue of policy process act as a glue between actors to form coalition and compel actors to cooperate with each other (Sabatier 1988). Further, it also believes that actors in a coalition are mutually dependent on one another in pursuit of their goal and hence cooperate with each other. These approaches are criticized for paying less attention to structural aspects like rules and powers/resources (Arts and Leroy 2006).

In contrast to the above mentioned two approaches, PDA places much emphasis on the contents of the policy. It aims to understand why a particular definition of environmental problems become dominant and authoritative over another (Hajer 1995). This approach is based on an assumption that the political power of a text is not derived from its consistency but from its multiple interpretability. It recognizes the role of language.

Given that these approaches are either too focused on actors like ACF and PNA or either too focus on content like PDA it was not possible to analyze the research questions that this study aimed to answer. On the other hand, as PAA tries to balance between the substance and

organization and also actor and structural context by putting all these aspects in one framework it was possible for this study to analyze the research questions using the concept used under PAA. Hence, because of these number of reasons PAA was chosen for this study. PAA uses three theoretical concepts namely, *Institutionalization*, *political modernization* and *policy arrangement* to create a balance between actor and structure and also substance and organization. However, this study will use the concept “policy arrangement” as per the requirement of its research objectives.

Institutionalization: In general, the concept Institutionalization refers to the process in which people’s actions result in the formation of more or less a fixed pattern which gradually turns into structures. These structures in turn, guide or constrain individual’s behavior. In the policy processes, institutionalization refers to the development of structures followed by their stabilization and change. The concept stabilization, in institutionalization, refers to the continuation or stability of the content and organization of existing policy practices for a certain period of time. This happens if the problem definition in the ongoing policy process becomes relatively stable; roles and responsibilities become more or less fixed patterns; interaction between actors become more or less a fixed routine; and development evolves with more or less fixed rules etc (Arts et al. 2006). However, it is claimed that stability in the ongoing policy processes will not continue. Change may happen because of a number of factors such as the emergence of new ideas, formation of new coalitions or breaking up of existing coalitions, change in existing rules and or resources etc. Authors of this framework stressed that content and the organizations of policy processes are always subject to continual change and adjustment (*Ibidem*). Thus in summary, institutionalization can be defined as a continuous process of construction, deconstruction and reconstruction of the content and organization of the ongoing policy process (Arts et al. 2006).

Political Modernization: Political modernization is another important concept of PAA. Political modernization refers to the structural processes of social change in the whole political domain of society (Arts et al. 2006). PAA has introduced and analyzed political modernization as a

shifting relationship between state, market and civil society, as well as the inception of new concepts and practices of governance (Arts and Goverde 2006). Because political modernization is a change in the entire political domain of the society, claims are made that it also leads to change in day to day policy processes of different policy domains (Arts et al. 2006). As this concept deals primarily with change and stabilization at the broader political domain than in the day to day policy processes, this concept will not be dealt with by this study. This study is about understanding and analyzing day to day policy processes.

Policy arrangement: Policy arrangement (PA) is another important concept of PAA. This study will reach the intended objective by using this concept. Overtime, this framework has made developed itself because in the beginning, the concept policy arrangement was defined as the temporary stabilization of the content and organizations (Arts and P.Leroy 2006). And now, the same concept is defined as the way in which certain policy domain is temporarily shaped in terms of content and organizations (Arts and Buizer 2008). This indicates that there has been a shift in the emphasis placed by this approach for analyzing the certain PA. Former definition is more focused towards understanding on stabilization with less emphasis on change of a specific PA whereas, a later definition allows assessing dynamics of change within a certain PA. By the use of word 'temporary' in both the definitions, the authors give an indication that policy arrangement is about the understanding of the institutionalization of certain policy process in which change and stability of the content and organization takes place as a continuous process.

PA allows analyzing change and stability of content and organization by offering four dimensions: discourse, actors and their coalition, rules of the game, power and resources. It allows explaining the relationship among these four dimensions in a tetrahedron which are strongly interrelated with each other. As a result of this interrelatedness, change in one dimension leads to change in the other and hence to the entire PA of a certain policy domain (Leroy and Arts 2006). Authors have also stressed that change to a PA may happen because of both intended and an unintended intervention. The interrelatedness of four dimensions is shown in the figure below.

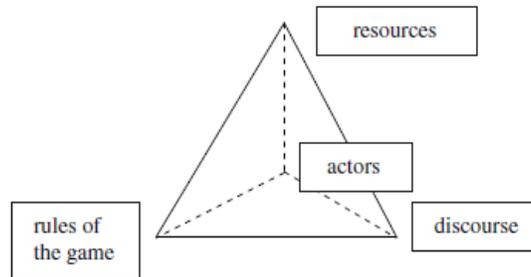


Figure 1 The tetrahedron as symbol for the connections between the dimensions of an arrangement Adopted from (Arts et al. 2006)

Discourse: PA defines “policy discourse as interpretative schemes, ranging from formal policy concepts and text to popular narratives and story lines that give meaning to a policy issue and domain” (Arts and Buizer 2008). This theory makes an assumption that policy arrangements may have more than two discourses that may differ and also may compete with each other (*Ibidem*)

Actors and their coalitions: Actors and their coalitions refers to the actors involved in the policy domain, and their coalitions including their opposition (Leroy and Arts 2006). According to (Arts and Buizer 2008), the differences and competition between discourses within a certain policy arrangement causes actors to unite together in a coalition to strengthen certain discourse while restraining others. Because of this, they have labeled the second dimension of PA as a discourse coalition instead of actors and coalitions of initial framework.

Power and Influence: Power refers to the ability of the actors to mobilize resources to achieve preferred policy outcomes in the policy processes. Similarly influence refers to who determines the policy outcomes and how (Arts et al. 2006; Buizer 2008).

Rules of the Game: Rules of the Game refers to the way the game should be played within what boundaries (Arts and Buizer 2008). It explains the way issues should be framed, policy formulation procedures, procedures for allocation of resources, divisions of authority, competencies and the way the agenda should be communicated among actors (*Ibidem*)

2.2 Operational Framework of Policy Arrangement

After discussing the conceptual part, this section will now deal with the operational part of the theoretical concepts that will be used for this study. Having chosen, the PA concept of PAA approach, all four dimensions will be used to deal with the three policy arrangements under study namely, the arrangement in gestation, the likely arrangement and the preferred arrangement. PA for this study refers to the existing policy practices of the community forest of Nepal, the content and organizations of which may possibly be reshaped because of the global REDD debate. The use of the term “reshaped” in this definition indicates that this study has focused on the definition of policy arrangement that was recently developed by (Arts and Buizer 2008).

This definition was chosen because it allows for understanding and analyzing the dynamics of change within certain policy arrangements. Thus this meet the scope of this study which is about understanding what is happening now as a consequence of REDD and also what could be consequence for the future arrangements, if REDD is implemented in Nepal .

This study defines “arrangement in gestation” as the policy practices that are emerging as a consequence of REDD in Nepal. The term “arrangement in gestation” was first used by (Zouwen 2006) to define policy arrangement that has not institutionalized into a more mature arrangement. Likewise, the *likely policy arrangement* for this study is defined as the policy practices that has the possibility of emerging in the future and is expected to be in favor of the conservationist approach of the state. And, the *preferred policy arrangement* is defined as the policy practices that is preferred by the majority of stakeholders that should emerge in the future, if REDD is implemented in Nepal. This arrangement is expected to be in favor of local communities. Arrangement in gestation has to some extent started becoming apparent but, it has not institutionalized into a mature arrangement yet. On the other hand, the latter two arrangements have only the potential to emerge, if proposed REDD policy is implemented in Nepal.

PA offers flexibility to the researcher to start from any of the four dimensions. Therefore, discourse was chosen as a starting point for this study. The reason for this is that if REDD is agreed to at the international level and is implemented in Nepal, it will have consequence in the existing forest policy practices. To some extent, this can be predicted because stakeholders in Nepal have started taking some initiatives in relation to REDD. Hence, the stakeholders in Nepal have started reframing the existing ideas related to CF in the light of REDD. The Sequence of the other three dimensions was chosen by linking them with the emerging discourses. Some examples are: what are the prevalent assumptions or propositions among actors about CF in the light of REDD? Which actors have the potential to form a coalition in the later part of the REDD procedure? And which actors have the potential to oppose the idea of implementing REDD in CF? Which actors have access to what resources and what kind of power relation has the probability of emerging and are preferred by the actors? What kind of rules in regarding the tenure system and benefit sharing mechanisms are likely to emerge and which is the preferred?

Discourse: For this study, discourse refers to the proposition or assumptions made by the stakeholders about the CF program of Nepal in relation to REDD. Furthermore, discourses have been characterized in terms of discourse in gestation, discourse that is likely to emerge in the future and that is preferred by the actors once REDD is implemented in Nepal. Therefore under this dimension, I focused on understanding how the stakeholders started reframing the idea of CF in relation to REDD in Nepal? What are their assumptions regarding the challenges and opportunities of REDD for CF in Nepal? And what do policy documents contain about related to REDD specifically taking existing CF of Nepal into account.

Actors and their coalition: This study defines coalition as a group of actors who have shared interest concerning forest policy practices that might emerge because of the consequence of global REDD debate or after the implementation of REDD in Nepal. For instance a coalition (and also opposition) of actors who have shared interest concerning discourse in gestation arrangement, groups of actors who will be supporting the discourse under the likely

arrangement and also the group of actors who have a shared interest on discourse under the preferred arrangement.

Power and Resources: Power for arrangement in gestation will be analyzed on the basis of the availability and mobilization of resources. By resources, this study refers to financial resources, authority, information and other resources such as tenure right over the forest. Power for the other two arrangements: likely arrangement and preferred arrangement will be defined in terms of which actors or discourse coalition will be more powerful in order to bring the desired policy outcome. This on the other hand, depends on which discourse will become dominant in the future. This study will not take into account influence which is used in theoretical framework under the power dimension. The reason for skipping influence is the nature of this study, which is ex-ante. Therefore, in this study, it is insignificant to analyze which actors will influence the policy process for creating the desired policy outcome at this preliminary phase of discussion.

Rules of the game: Rules of the game for the arrangement in gestation refers to interaction rules and non-binding rules. While for the other two arrangements, rules of the game refers to rules related to the tenure system in terms of rights over land and resources and also rules for a benefit sharing mechanism.

2.3 Explanatory Diagram on Expected Institutionalization Process of Future REDD Policy Arrangements

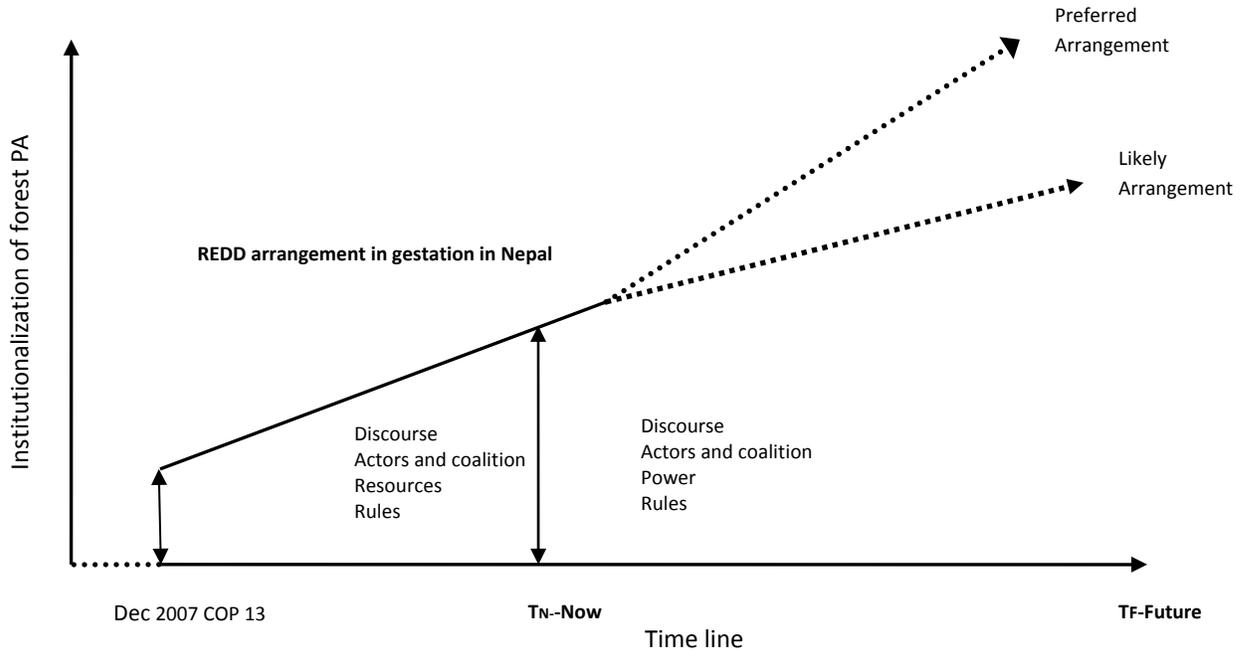


Figure 2 Explanatory Diagram on Expected Institutionalization Process of Future REDD Policy Arrangements

As REDD is still an issue for discussion, the above figure indicates the ex-ante situation of an ongoing policy practices as a consequence of REDD. The x-axis denotes the time perspective and the Y-axis denotes the institutionalization of potential policy arrangements in the context of REDD. The dotted line in the x-axis indicates that arrangement about climate change and forestry started to emerge prior to 2007. The dark line that begins in 2007 until it splits into two dotted lines indicates the arrangement that is emerging as a consequence of REDD debate which in this study is defined as the arrangement in gestation. This arrangement is determined by four dimensions: discourse, actors and coalition, resources and rules of the game. The increasing order of the line in the Y-axis indicates that different ideas about existing policy practices in relation to REDD are floating around the policy making process and has not yet developed into a coherent policy framework. The splitting up of the single line into two dotted lines indicates that at a certain time in the future, the ideas that are scattered now will become

more focused into two or more arrangements. For this study it is assumed that there will be two different arrangements namely, the likely arrangement and the preferred arrangement. These two arrangements will be analyzed by means of the discourse, actors and coalition, power and rules related to tenure system and benefit sharing mechanism. Institutionalization of these arrangements will depend which discourse will become dominant Likewise, which actor will support this discourse, how resources will be mobilized, what type of power relation between actors and what kind of rules will be created for governing the emerging arrangement will also determine which arrangement will be institutionalized in the future.

2.4 Rephrased Research Questions

In chapter one, I formulated three research questions. In this chapter, I will re-formulate my research questions based on those three research questions Reformulated questions will be directly related with the four dimensions of policy arrangements that are explained in the previous sections of this chapter.

1. To what extent did changes take place in the existing forest management discourse, actors and their coalition, resources and rules of the game along with the global REDD debate?
2. What are the views of stakeholders concerning the likely and preferred discourses for the forest management practices in the context of REDD in Nepal?
3. What do the stakeholders expect to happen in the existing coalition if the proposed REDD policy is introduced in Nepal and what do they prefer in terms of coalition building?
4. What are the views of stakeholders about the likely power relationships between actors and what do they prefer?
5. What are the views of stakeholders about the rules related to benefit sharing and the tenure system for community forestry under REDD and what they prefer in terms of these rules. ?

CHAPTER 3 RESEARCH METHODS

Given that there is a clear theoretical framework and the research objectives, it is now important to highlight how this study was conducted. Hence, this chapter presents the methodology adopted for this study. Section 3.1 explains about the research strategy adopted for this study. Section 3.2 describes about the reasons behind choosing the Nepal as the study area. Section 3.3 elaborates on stakeholder analysis, units of observation and the unit of analysis, section. Section 3.4 explains about the methods adopted for data collection and section 3.5 elaborates upon the data analysis and finally section 3.6 which explains about the validity and reliability of this study.

3.1 Research Strategy

To get an insight about the potential consequences of the proposed global REDD policy for CF policy arrangement, exploratory research strategy was adopted. In other words, this is a prospective exploratory study or *ex ante* study attempting to understand what could be the consequences of global REDD policy for the national policy practices. Exploratory studies are considered as a valuable means for finding out what is happening and to seek what is on the way by asking questions (Robson 2002:59) In Saunders (2003). Building on this research strategy, this study intends to understand what is happening now in the policy practices as a consequence of the consultation process initiated about REDD in Nepal. And also, what is expected to happen for the future policy practices, if REDD is implemented in Nepal.

3.2 Selection of Research Location

This study was conducted in Nepal. There are number of reasons for choosing Nepal as a study area: First, Nepal is considered as one of the successful countries for implementing CFM approach since last three decades (Heinen and Kattel 1992). Second, there is increasing concern at the international level about introduction of proposed REDD policy in the CFM of developing countries. Third, claims have been made about the potentials of CFM to provide triple benefits: biodiversity conservation, rural development and forest services such as carbon sequestration (Klooster and Masera 2000). Fourth, GoN has initiated the process for exploring the possibilities of REDD in Nepal with support from FCPF fund. Finally, the concept of REDD itself is new to Nepal and not much studies have been done yet, therefore, findings of this study may contribute to the ongoing policy process of Nepal in relation to REDD. In addition, as there are limited study on REDD, this study will also serve as a basis for further research by building on its findings.

3.3 Stakeholder Analysis, Unit of Observation and Unit of Analysis

Stakeholder analysis (SA) is an approach and procedure for understanding of a system by means of identifying the key actors or stakeholders in the system, and assessing their interest in that particular system (Grimble and Chan 1995). For this study, SA was done in order for exploring the perspectives of stakeholders about the potential consequences of the proposed REDD policy for the CF policy arrangement of Nepal. By stakeholders, this study mean any group of people who have shared interest about REDD, who affect and/or are liable to be affected by the decision and action related to. Key stakeholders were identified by using purposive sampling technique which was then followed by snowball sampling. For this, few key stakeholders involved in the REDD procedure were identified first. This was done in two ways. First, list of participants who participated in the COP14 held in Poznan was obtained from the internet. Second, list of stakeholders who supported GoN for preparing R-PIN was made from

the document submitted by Nepal to WB. Respondents were then purposively selected from this list. Further to validate the selected key respondent, they were requested to suggest name of relevant informants who could meet the research objectives of this study.

Unit of observation for this study constitute individuals only from three groups of stakeholders: Government, donor community and civil society. By donor community this study refers to the respondents from International Nongovernmental Organizations (INGOs) and donor assisted programs in Nepal. By government this study refers to the respondents from MFSC (Ministry of Forest and Soil Conservation) and by civil society it refers to the federation and NGO. Given that REDD is relatively a new topic for Nepal, a majority of the stakeholders at the local level are not aware about the concept of REDD. Therefore, one of the limitations for this study was to conduct interview with stakeholders at the central level. All together, twenty respondents were interviewed as per their contribution, influence and importance in the overall procedure of REDD in Nepal. Among these respondents, 4 represent the government, 3 represents the civil society and 12 represents the donor communities.

Unit of analysis for this study is the policy arrangement in gestation and the potential arrangements for the future in the context of REDD.

3.4 Methods of Data Collection

Qualitative data were collected from the second week of February to mid of April 2009. Data collection techniques adopted was mainly in-depth semi structured interview to answer all the three research questions. In addition, documents were reviewed to answer the questions related to the discourse dimension. And also, the answers related to the benefit sharing and tenure system were obtained from document and also from workshops.

3.4.1. Document Review

Documents related to REDD such as its evolution, its opportunities and challenges for developing countries, its potentiality for CFM were reviewed first to gain insight about REDD in general. At the same time, documents related to CF and REDD in Nepal were reviewed to general idea about the state of CF and an ongoing REDD debate in Nepal. Due to the lack of the availability of academic literatures with regards to REDD in the context of CF, documents such as those submitted by Nepal to (WB), meeting minutes of working group, presentations made by MFSC to donor and national stakeholders, reports related to REDD from different organizations, newspaper articles and journal articles were reviewed. Most of these documents were obtained by contacting individual organization.

3.4.2 In-depth Semi Structured Interview

Based on the research strategy adopted for this study, in-depth semi structured interview was done with 20 key informants involved in REDD related activities. In-depth semi structured interview is considered as useful tool for not only understanding what is happening or is potential to happen but also for understanding the reasons (Saunders et al. 2003). Face to face in-depth interview was conducted for about 40 to 50 minutes depending upon the time provided by each informant. Audio recording of the interview was done by taking consent from the respondents. Respondents were promised to keep them anonymous for the purpose of confidentiality. Discussions during the time of interview were concentrated mainly around what is happening in the policy practices as a consequence of initiated REDD procedure and what is potential to happen for the existing policy practices, if REDD is implemented in Nepal. Open ended questions were made in advance to structure the discussion in line with the research objectives,. Questions were also created during the time of interview to further explore on the topic under study. This was done by asking respondents to further explain their answer by asking why questions. Focus of the interview was to understand the views of stakeholder

regarding the arrangement in gestation, arrangement that is likely and the preferred arrangement by concentrating around the four dimensions.

3.4.3 Workshop participation

During the time of data collection, I attended two workshops. These workshops were organized by CARE-Nepal and WWF Nepal. Both of these workshops were organized for the experts in Nepal. The Workshop organized by the CARE-Nepal was mainly focused on the existing benefit sharing mechanism of CF. Therefore, it gave an opportunity to get better insight about the existing benefit sharing mechanism of CF in Nepal. And, the workshop organized by WWF Nepal was an inception workshop for developing appropriate mechanism for benefits sharing and tenure rights in relation to REDD for the future. These workshops thus helped me to get in-depth insight about the existing and potential benefit sharing mechanism and also about the potential tenure system in the context of REDD.

3.5 Data Analysis

Miles and Huberman's Framework for the qualitative data analysis was adopted for this research (Punch 2005b). According to this framework, qualitative data analysis can be done in three steps: data reduction, data display and conclusion drawing/verifying. Data reduction is a continuous process throughout the analysis and involves editing, segmenting and summarizing of data at an early stage; coding and memoing at the midst of data analysis while conceptualizing and explaining of data is done in the final stage (Punch 2005b). To get started with data analysis, first the 20 recorded interviews were transcribed into verbatim. This was followed by data reduction through coding. On the first level, descriptive coding was done for summarizing the segments of collected data. For this, categorical themes were developed as per the core of analysis or theme into separate rows for each expert. Categorical themes

include discourse, actors and coalition, rules of the game (benefit sharing mechanism and tenure system) and power/resources. Later these categorical themes were used for making inferential coding as per the specific research questions. This helped to summarize data from 20 experts under each specific research question. Memoing was also done since the beginning of coding process by putting the ideas that comes out during the time of coding and reading the text of interview. Given that collected data includes the perspective of informants under study, data display has been done in descriptive manner. This was then followed by drawing conclusion of the study.

3.6 Validity and Reliability

Validity refers to the ability of an instrument to reflect the real meaning of the concept under study (Babbie 1990; Kumar 2005). It is an ability of an instrument to measure what it was intended for. Validity depends on the logical link between questions asked and objectives of the study (Kumar 2005). To achieve this, questions were developed taking into account the concepts used in the theoretical framework and the objectives of the study. Similarly, questions were pre-tested and some modifications were done based on results of pre-testing.

Reliability on the other hand, refers to the ability to get similar findings if similar study is repeated using similar research method to either the same groups of informants or another (Punch 2005a; Saunders et al. 2003). Reliability of the findings of qualitative research is said to depend on bias: interviewer bias or response bias (Saunders et al. 2003). These bias were tried to overcome by: first validating the list of relevant key informants for this study by asking informants during the time of interview and secondary sources; second, by well preparing the topic before the interview; and third, by providing key informants with short introduction about the purpose of this study and expected outcome to make them aware of the topic. This was done either through email or through telephone during the time of making appointment. And also, during interview, key informants were again informed briefly about the purpose of this study and expectations from the informants. Discussion with the informants was based on the

checklist. Probing was done to get further explanation on the issues that were unclear or insufficient for addressing research question.

CHAPTER 4 COMMUNITY FORESTRY IN NEPAL

4.1 Development of community forestry in Nepal

The Community forestry program has been widely accepted as one the most successful forestry program of Nepal because of its significant role in biodiversity conservation and livelihood improvement (Kanel et al. 2005a). The history of community based forest management of Nepal dates back to 1970s. Prior to 1950s, forests were controlled by local elites under the feudal system; between 1950s to mid of 1970s, Forest Department controlled the access over forest resources. The concept of community participation in forest management evolved only after an unsuccessful experimentation of protection focused forest management modality until 1970s. Given that people were dependent upon forest for their livelihood, there was realization from government that management without involvement of local people cannot become successful in Nepal (Kanel et al. 2005b; Malla 2001; Springate-Baginski and Blaikie 2007). Hence this raised the issue of participation of rural people in forest management activities.

As a consequence, in 1976 (GoN) accepted and officially endorsed National Forestry plan. This plan recognized the importance of rural communities in forest management and acknowledged the role of forests in economic development of rural people (Springate-Baginski and Blaikie 2007). However, real implementation of participatory forest management began in 1978 when Panchayat forest (PF) and Panchayat Protected forest (PPF) regulation were enacted. These rules authorized panchayat or local political body to implement scientific forest management through: natural and artificial plantation, protection and maintenance of forests, controlling forest by minimizing forest fire, deforestation, smuggling and theft Kanel et al. (2005). Hence, an era of participatory forest management began in Nepal. However, in due course of time, PF and PPF started getting condemnation for number of reasons. First, this management approach was considered to have overlooked the livelihood requirement of rural people. Second, it was criticized for being partiality, favoritism and nepotism by people holding power in the local political body. Further, it also had a problem with forest boundary because under these rules,

people in one panchayat could not access to their traditional right over forest if they belong to another panchayat (Springate-Baginski and Blaikie 2007).

These shortcomings of PF and PFF resulted in a shift from panchayat based forest management to community based forest management. This new paradigm started after the implementation of the Master Plan for the Forestry Sector (MPFS) in 1989. This document provided a 25 years of roadmap for forest management in which CF was identified as a primary forest management modality for protection, management and utilization of forest resources in the country (Kanel et al. 2005b; Malla 2001; Springate-Baginski and Blaikie 2007). CF management modality was further strengthened because of the restructuring of political system from party less system to multi party political system in 1990.

Even though the idea of CF was conceptualized under the MPFP in 1989, it was institutionalized only after few years later by the Forest Act of 1993 and Forest Rules of 1995 through the formation of an autonomous body called CF User Groups (CFUGs). These rules granted substantial rights to local people for protection, management and utilization of forest through the formulation of CFUGs (Springate-Baginski and Blaikie 2007). Since then, CF is identified as a means for supporting the livelihood of local people and ultimately a means for poverty reduction.

4.2 Community Forestry Policies

As stated earlier, PF and PFF Rules of 1978 put milestone in initiating CF program in Nepal. This program was identified as prime management modality by the MPFS in 1989. The MPFS identified forestry sector as a means for fulfilling the needs of an economic sector, for poverty alleviation and for the sound environment. Its long-term objectives were: meeting the basic needs of the people on sustainable basis, conserving ecosystem and genetic resources, protecting land against degradation and other effects of ecological imbalance, and contributing local and national economic growth (HMG 1989). Similarly, forest act of 1993 and forest rules of 1995 handed power of forest management to CFUGs. These rules authorized local users to manage CF in accordance with the CF constitution and operational plan (OP). Similarly, CFUGs

were given authority to amend their OP by informing district forest offices (DFO). Importantly, CFUGs were given right to generate revenues by selling forest products, which in accordance with their OP, could be used for community development works. Tenth five year plan of Nepal also highlighted role of CF in reducing prevailing poverty of Nepal from 38% to 30% (HMGN 2002). It was realized that CF can become important means for reducing poverty in the context of four pillars namely, broad based economic growth, social sector development, social inclusion/ targeted program, and good governance (HMGN 2002). Hence issues of equitable benefit sharing, inclusion of disadvantaged groups, women and poor people, forest governance, sustainable forest management, supporting livelihood of rural people have become part of CF management in Nepal. Furthermore, exploring new opportunities under CF such as forest certification, access to genetic resources and benefit-sharing, bio-prospecting and very recently carbon financing has become some new agendas of CF (Kanel et al. 2005b).

4.3 Community forestry and Climate Change

Different studies have claimed that CF of Nepal have made substantial contribution to the sustainability of natural resources and also to the well being of the people managing the resources (Kanel et al. 2005b; Springate-Baginski et al. 2003). Study in the Terai districts of Nepal shows that the rate of deforestation and forest degradation has decreased due to the implementation of CF program (Kanel et al. 2005b). As of May 2008, 25% of the national forest, covering around 1.2 million hectares of forest land are being managed by 14,390 CFUGs, representing almost 1.6 million households (GoN 2008). Given that CF plays an important role in sustainable forest management, no net CO₂ emission takes place from CF (Karky 2008). The reason for this is that CO₂ is released during combustion and sequestered during biomass growth thereby, balancing each other. Earlier research in community forests have highlighted three possible strategies namely, carbon sequestration, carbon conservation, and carbon substitution, for highlighting role of CF in global climate change mitigation scheme (Bass et al. 2002; Sharma et al. 2004). Activities such as community plantation, forest restoration,

community fire control schemes, non timber forest product (NTFP) management contribute to mitigation of carbon emission.

Despite the evidences of the significant role of CF in emission reduction, CF has remained outside the scope of the existing global climate treaty. However, because of the recognition of deforestation by the COP 13 held in Bali, hopes have raised about the possibility of including CF into the global climate treaty (Staddon 2009). Government of Nepal also seems to be optimistic about the possibilities to benefit under the proposed REDD policy. As a result effort to explore the opportunity of Nepal to benefit from REDD has also started. Recent study has also proved that existing CF policies do not have any hindrance for implementing global climate treaty (Karky 2008). This has further increased expectation of stakeholders in Nepal. Consultation process to prepare policies conducive for REDD has also started between actors. Thus the way how this consultation between these different groups of stakeholders will take place and how an adjustment will be done in the existing forest policies will determine the future policy arrangement in the context of REDD in Nepal

CHAPTER 5 POLICY ARRANGEMENT UNDER REDD

5.1 Introduction

Within the global forest and climate change debate, REDD has become the most important agenda for discussion since last few years. REDD, as a principle, is widely appreciated by the developing countries, however its implementation mechanism yet to be developed (Karsenty 2008). The outcomes of an ongoing debate and decision in the COP 15 has been expected to determine the architecture of REDD for the future. However, it is a matter of individual nation's sovereignty to shape the future structure of REDD in their own context. Therefore, GoN has started preparatory procedure for developing National REDD strategy. This initiation of Nepal can be expected with emergence of a new policy arrangement or reformation of existing policy arrangement in Nepal.

This chapter will highlight the results of this study. Section 5.2 elaborates upon the findings about the arrangement that is emerging as a consequence of REDD since 2007 after the Bali conference. Section 5.3 presents the finding about the potential arrangements that may emerge if proposed REDD policy is implemented in Nepal in the future. Potential arrangements will be explained in terms of likely arrangement and preferred arrangement. Section 5.4 elaborate the diagram showing the possible institutionalization process of potential future Arrangements in the context of REDD. And finally, Section 5.4 provides the comparison of two potential future arrangements.

5.2 REDD Arrangement in Gestation in Nepal

5.2.1 REDD Discourse in Gestation

REDD discourse started to emerge in Nepal as an upshot of the global forest degradation and climate change debate. According to (Dahal and Banskota 2009), discourse related to REDD started to emerge in Nepal from 2004, in the fourth national CF workshop held in Kathmandu. During this workshop, concerns were raised about the limitations of the forestry sector faced under CDM and the exclusion of community based forest management for developing countries within the KP (Sharma et al. 2004). Since then, efforts were made to understand the role of CF in enhancing the condition of forest in degraded areas. However, like in many other countries REDD was first introduced in Nepal after the delegates of the Bali conference organized experience sharing workshops. These workshops were considered an important stepping stone for initiating REDD discussion in Nepal. However, discussion about REDD gained further momentum, when (WB) (WB) suggested the GoN to participate in a competitive grant under the Forest Carbon Partnership Fund (FCPF) by submitting R-PIN. As a consequence, the first move towards REDD was made by the GoN by calling a consultation meeting held on the 27th of March 2008. This meeting was organized by the MFSC and was led by its Foreign Aid Division (Karky 2008). Since then and particularly after acceptance of R-PIN by WB, high hopes have been raised by the stakeholders in Nepal that the community forest of Nepal can reap benefits from REDD in the future (Dahal and Banskota 2009). Additionally, acceptance of R-PIN led to the formation of collaboration between stakeholders from different organizations: government organizations, international non-government organizations, and civil societies in order to explore the possibilities of REDD in Nepal. As stakeholders have started interacting with each other and scrutinizing the opportunities of REDD in Nepal, different ideas have started to float around in the existing forest policy community in relation to REDD. Closer look at the responses of the three groups of respondents indicates that two potential discourses namely, State Based Carbon Forestry(SBCF), and community based carbon forestry (CBCF) are likely to emerge in

relation to REDD in the future. SBCF discourse is the likely discourse under which conservation is expected to be the primary goal. CBCF is the preferred discourse for the majority of the stakeholders under which meeting the livelihood requirements of the forest dependent poor and indigenous people is expected to be the primary goal (These discourses are explained in detail in section 5.3). However, neither of these two discourses seems to be dominant at this point because a coherent policy framework about these discourses has yet to be formed.

5.2.2 Actors and Coalition

A Numbers of actors are working together for developing the R-Plan. Prior to the Bali conference, only a few organizations like Nepal Trust for Nature Conservation (NTNC), World Wilde Fund (WWF), ICIMOD, WINROCK international, International Union for Conservation of Nature and Natural Resources (IUCN) and Ministry of Environment, Science and Technology (MoEST) were active on the issues related to climate change. NTNC and ICIMOD were more concerned about linking CF with a global carbon financing mechanism, while other organizations were focusing on the adaptation measures of climate change. After the Bali conference, WB, MFSC and a few civil society organizations such as the FECOFUN, Forest Action Nepal etc emerged as new actors in relation to the REDD discussion in Nepal. The WB is considered an important initiator of the REDD discussion in Nepal because of its financial support to prepare the R-Plan for Nepal by 2012. MFSC is also considered an important actor for driving the REDD discussion. Once the decision was made to participate in the competitive grant of the WB, organizations including Swiss Agency for Development and Cooperation (SDC), Western Terai Land-use Conservation Project (WTLCP), Livelihood and Forestry Program (LFP), Asia Network for Sustainable Agricultural and Bioresearches (ANSAB), CARE-Nepal, Stichting Nederlandse Vrijwilligers (SNV) also started to getting involved on the issue related to REDD. Thus for the purpose of writing R-PIN to submit to the WB, an ad hoc working group called Nepal Carbon Action Group was formed. This action group consisted of 30 personnel from 14 different organizations which developed R-PIN voluntarily (Dahal and Banskota 2009).

Given that the dominant discourse in relation to REDD has not formed yet, a hegemonic discourse coalition is also not apparent or in other words, there are no competing discourse coalitions in relation to REDD. Instead a cooperative attitude among stakeholders is emerging to explore the opportunities of REDD in Nepal (Dahal and Banskota 2009). To some extent, the influence of REDD is apparent regarding the coalition formation because organizations which supported two different coalitions previously have united together in the context of REDD. Even though cooperation does not necessarily mean the emergence of one coalition, it has created the possibility of changing the existing composition of actors supporting two discourses. Provided that there is probability of two discourses in relation to REDD, it can be expected that two discourse coalitions, one supporting a SBCF and another supporting CBCF may emerge in the future. At this juncture, it is difficult to predict the composition of these two coalitions, because in order to steer up the REDD procedure an institutional framework consisting of multi actors has formed at the central level. This institutional framework is described in detail below.

Multi-sectoral –Multi-stakeholder Coordinating and Monitoring Body

This is an apex body for coordinating and monitoring REDD initiation in Nepal. This body is represented by nine different government ministries/commissions and the GOs (government organizations), NGOs (Non government organizations) and private sectors. Ministries and organization within this body are comprised of the National Planning Commission, the Ministry of Finance, the Ministry of Tourism, Ministry of Water Resources, the Ministry of Agriculture, the Ministry of Land Reform, the Ministry of Industries and the MFSC. Each of these ministries will assign a representative who will work as ex-officio member. In addition, each of these ministries will also nominate GOs, NGOs and private sectors representatives of their respective domain in an equal proportion. The Minister and the Secretary of the MFSC are the coordinator and the joint coordinator of this body respectively. A Majority of the respondents mentioned two important reasons for formulating multifaceted body for REDD. First, GoN wants to go beyond its traditional belief system that deforestation can only be controlled by the efforts of MFSC. Secondly, a multi-sectoral and multi-stakeholder involvement has been prompted as an

important approach for generating a feeling of ownership among multiple stakeholders about REDD (Baral 2009). Furthermore, it is also assumed that multi-sectoral and multi-stakeholder involvement will be productive for achieving the poverty reduction and biodiversity conservation goals of Nepal. This large body will be responsible for steering the entire climate change agenda at the national and international level.

REDD Working Group

The second tier is a small working group represented by eight organizations: three different departments under the MFSC, three civil societies and two donor organizations working in the forestry sector of Nepal. The secretary of the MFSC is the coordinator of this working group. This working group will work to achieve three main objectives. Their long term objective is to explore whole the complete climate change agenda as it applies to Nepal. Preparing the R-Plan is their immediate objective and getting ready for REDD by 2012 is the midterm objective. This working group will share their work with the broader team and receive feedback from them.

REDD Cell

REDD cell is a separate unit within the MFSC and is coordinated by the joint secretary of the MFSC. This is a more formal body which consists of three government officials who up until now have represented the working group. REDD cell is responsible for capacity enhancement and reformulation of existing forest policy as per the requirement for international carbon trading regime. Additionally, this body will also be responsible for formulating and regulating rules and programs that minimizes the risk of climate change on the forestry sector (Miya 2009). However, the immediate objective of REDD cell is to frame and prepare R-Plan through a deliberative and consultative process. The national policy, drafted by REDD cell, will be forwarded for endorsement by the GoN.

5.2.3 Power

Provided that there are no conflicting coalitions between actors until this point, there are also no apparent power sharing conflicts between the various actors in relation to REDD. In fact, there seems to be a relatively amicable atmosphere compared to that of the past. For example, inclusion of civil society in the REDD working group has been widely appreciated by donor communities and civil societies. A Study Ojha by showed that civil societies were only involved in two policy processes out of fifteen between 1998 and 2004 (Ojha et al. 2006). As REDD discussion has begun very recently in Nepal, it would be premature to state which actor is more dominant over another. As a result, power for the REDD arrangement in gestation will be studied in terms of the availability of resources and or access to resources by the various groups of actors. When referring to resources, this study will consider authority, financial resources, information, and other resources for instance tenure right over forest land and products.

Given that REDD is related to climate change and as REDD has not yet been declared as a separate protocol under UNFCCC, MoEST seems to be the entity with the most power. This is because, MoEST has been designated as the focal ministry by the GoN to decide on the issues related to climate change. As a clear demonstration of its authority over REDD, MFSC has been leading the entire REDD procedure since the Bali conference. Although, up until now, MoEST has not displayed its influence concerning REDD. However, majority of the respondents stressed on the role clarification of MoEST and MFSC to avoid conflict in the future

Regarding the financial resources, MFSC seems to be the powerful actor because of its access to financial resources over US \$ 1 million from WB's FCPF fund to develop national REDDS strategy. In addition, MFSC has also 100% access to national forest. On the other hand, organizations like WWF, ICIMOD, NTNC, WINROCK, SNV, SDC etc appear powerful in terms of their availability of knowledge and information related to REDD. As a result, they have started

the process of developing pilot projects to generate information about methodology, benefit sharing mechanism and an appropriate tenure system for REDD in the context of Nepal.

Finally, with regard to the availability of resources, civil societies does not seem to be a powerful actor at this point in time. However, they have started getting involved in the REDD debate through networking at the international and national level, participating in workshops, garnering information about REDD and collaborating with donors. Hence, the existing resource distribution pattern between actors reveals that there is relatively fragmented power relation between actors which has not been equitable distributed. It is necessary to keep in mind that ongoing REDD procedure is in gestation period that could go in various direction depending which discourse will become dominant in the long run. Consequently, a coalition of actors that support the dominant discourse will control the momentum of REDD process.

5.2 4 Rules of the game

From the discourse dimension, it is evident that two discourses related to REDD may emerge in the long-run. Hence it is probable that rules, both formal and informal will be created in relation to one of these discourses depending on which gains dominance over. As of now, no formal rules have been created in terms of regulations, legislation, code of conduct, guidelines etc. It is logical to not have formal binding rules at this juncture when the arrangement is still in the gestation stage and has not yet institutionalized. However, some informal rules, particularly interactions, have been created since the initiation of the R-PIN write up procedure. In the beginning, an ad-hoc group started meeting at 2-3 months interval to discuss the REDD process and Plans (Ojha 2008). This interaction between stakeholders led to the formation of an interaction rule as well as some non-binding rules. However, rules regarding how this entity will be operated in the long term have not been created yet. They are expected to be formulated during the development process of R-Plan prior to 2012. So far, non-binding interaction rules related to time allocation by representatives of working group and REDD cell have been created.

It has been decided that representatives from non-governmental organization within the in REDD working groups, must allocate 30% time for REDD related activities. Similarly, three government officials appointed in the REDD cell must devote 100% of their time toward REDD related activities. Furthermore, a decision has also been made that government officials working in REDD cell will not be transferred to another district or sector before 2012.

Few organizations such as WWF and WINROCK have started wider consultation both at the national and local levels to develop appropriate methodology for carbon accounting, benefit sharing and developing appropriate tenure systems through implementation of pilot projects in three sites.

Likewise, FECOFUN, ICIMOD and ANSAB have also started wider consultation for developing an appropriate benefit sharing mechanism for REDD by implementing pilot projects in three community forests. Donor communities such as BISEP-ST, SNV, LFP and IUCN have also started in-house discussions for developing appropriate benefit sharing mechanisms.

5.3 Likely and Preferred Policy Arrangement under REDD

5.3.1 Discourse

During the course of time, discursive shift has taken place in the forest management regime of Nepal. From 1956 up to the mid 1970s, the state forest management remained hegemonic discourse, under which forests were totally controlled by the state. At the end of 1970s, Forest Policy 1976 and Forest Rules 1978 were introduced. Their introduction resulted in a slight shift from the state controlled forest management discourse to the participatory forest management discourse. Under this discourse, most of the degraded national forests in the middle hills were handed over to the local political bodies called panchayat. Later in 1990s, a shift took place in the participatory forest management discourse giving rise to the community forest

management discourse. Under this discourse, rights to control and manage the forest resources were shifted from the local political body to the local autonomous body called CFUGs. Since then, subsequent shift has been taking place within the CF discourse. In the beginning, CF was conceptualized as a tool for restoring degraded forests and fulfilling the basic forest product requirements of the rural people. Over time, with the restoration of degraded forest, CF was viewed as a tool for poverty reduction rather than just as a means for fulfilling the forest based requirement of the local people. Since the commencement, community forest management discourse has been widely preferred by grass root communities and partner organizations. However, because of the reservation shown by the state in devolving rights to the local communities, specifically in the Terai by limiting CF modality only in the middle hill regions, state based forest management discourse always remained hegemonic. Hence, in the context of REDD reshaping of these discourses can be expected.

5.3.1.1 Likely discourse under REDD

Since the Bali decision on REDD, a number of different ideas in relation to REDD and the potential of CF have started to float around the forest policy debate of Nepal. Until this point, these ideas have not gained coherent policy framework. However, based on the analysis of interviews related to discourse dimensions this study has found two discourses have the possibility to evolve in the long run in relation to REDD in Nepal. As mentioned earlier, these two discourses are SBCF discourse and CBCF discourse. Between these two discourses, majority of the stakeholders think that SBCF is the likely discourse in the context of REDD. Two respondents from civil society and seven from donor communities, who are in favor of CF believe that REDD will benefit the state rather than the communities. They argued that at this point, the state has 100% land ownership over the entire nation's forest and 100% authority over remaining 75% of the total forest land. They elaborated that only 25% of the forest area is managed as a community forest in which communities have 100% right, but only over the forest resources. They also stressed that the rate of deforestation is higher in the forest area

which is under the state control than that of the forest managed by the communities. Because of these reasons, they think that REDD has the potential to promote existing state control forest management discourse by means of reforming it into “State Based Carbon Forestry discourse”. They also assume that SBCF discourse has the potentiality to become dominant in the future. Their argument is based on the idea of reservation shown by the state to hand over forest in Terai to the local communities until now.

Likewise, two respondents from civil society and five from donor communities doubt whether REDD will address the needs and aspirations of the poor and indigenous forest dependent communities. They consider REDD only as a tool for addressing international environmental problems. They are also suspicious about the possibility of law enforcement by the government to meet certain forest management obligations. Hence, according to their views, REDD is likely to promote a conservationist approach. Two respondents from civil society stressed that in order for sustaining this discourse state has the possibility to declare protected forest and or conservation area in the currently degraded areas and keep the forest dependent poor and indigenous people out of the forest. They seemed to be mainly concerned about the Terai region of Nepal rather than the mid-hill where CF is already in existence.

5.3.1.2 Preferred discourse under REDD

Provided that two discourses have potential to emerge in the future, the most preferred discourse by the majority of respondents (two from civil society, one from government and six from donor communities) is the “CBCF discourse”. All three groups of respondents think that REDD has the potential to strengthen the existing community based forest management discourse by reshaping it into CBCF discourse. Even though it is unclear how community forests will benefit from REDD, high hopes have been placed on REDD as an additional incentive for the communities. These respondents have epitomized REDD as a means for conserving biodiversity, improving environment and ultimately improving the livelihoods of the forest dependent poor and indigenous communities. According to them it is possible by building on the existing CF

practices. Additionally, they also indicated that REDD has the potential to promote CF in Terai, which until now is a major issue of the forestry sector. Their argument is based on the idea that REDD requires to reduce existing rate of deforestation and forest degradation, which in Nepal was possible only with support from local communities. Thus because of these reasons, they think that REDD has the potential to serve as a compelling factor for the state to hand over national forests of Terai to the local people. On the other hand for middle hill they see REDD as a tool for strengthening the existing CF practices by complementing the existing issues such as the sustainable forest management, forest governance, and livelihood promotion. In general, these groups of people link REDD with the poverty reduction and the sustainable development goal of Nepal. These ideas expressed by the respondents in relation to REDD manifests that they are in favor of the CBCF because they stressed for replicating CF modality of middle hills in Terai in order for addressing deforestation and forest degradation for REDD. However, this discourse was not supported by two government respondents, because they were not in favor of handing over national forest of the Terai to the local communities. But on the other hand, they were in favor of strengthening existing CF practices in the middle hills under REDD.

5.3.2 Actors and Coalition

5.3.2.1 Likely coalition building under REDD

It is clear from the analysis of discourse dimension that there is possibility of two discourses in the future. Along with the emergence of these discourses, there is possibility of evolving two discourse coalitions such that one coalition strongly in favor of the SBCF discourse and another coalition in favor of the CBCF discourse. As REDD is about generating financial resources by reducing the existing rate of deforestation and forest degradation, three respondents from civil society and seven from donor communities mentioned about the possibility of the formation of coalition between state/government and few donor communities who have been supporting the conservation efforts of the government. Likewise, three respondents from donor communities and two from civil society stressed about the possibility of emerging new actors

such as the business companies or international carbon traders who are also expected to be in favor of the conservation effort the state. They believe that the involvement of the WB in the ongoing REDD procedure is preparing ground for such new actors. According to them, the WB is a business oriented organization and is expected to be more focused towards making profits rather than for safeguarding the rights of poor and indigenous communities. On the other hand, three government respondents seem to be optimistic about the financial support from the WB because according to them it is not possible for Nepal to build the capacity for REDD without the external support. Three respondents from donor communities also gave similar opinion. In addition there seems to have some reservation among about the representation in the working group because few respondents from the donor communities and civil societies claimed on the weak representation from the civil society organizations. For example, civil society organizations like Nepalese Federation of Forest Resource User Group (NEFUG), The Himalayan Grassroots Women's Natural Resource Management Association (HIMAWANTI), Association of Collaborative Forest Users of Nepal (ACOFUN) etc, are not in this working group. Thus because of these reasons respondents who are in favor of CBCF discourse believe that state, few conservation oriented donor communities and few new actors particularly carbon traders will come together to strengthen SBCF discourse.

5.3.2.2 Preferred Coalition building under REDD

As results in the preferred discourse dimensions showed that CBCF is the preferred discourse for majority of the respondents. Therefore, in order to strengthen this discourse majority of the respondents seem to prefer a coalition of actors that will safeguard the rights of the forest dependent poor and indigenous communities over the forest and also over the benefit from REDD. Seven respondents from donor communities prefer strong coalition of civil society organizations in order for lobbying and advocating for pro-poor REDD. They believe that this coalition will lobby for handing over of the national forest in Terai to the local communities in order for reducing the existing rate of deforestation. On the other hand, three respondents

from civil society prefer a coalition of civil society and donor communities that are in favor of CBCF discourse. They argued that civil society needs support from donor communities such as for capacity enhancement and also for sharing information and resources.

On the contrary, two government respondents are not in favor of the strong coalition between donor and civil society. They mentioned that civil societies have developed a culture of opposing government's decision and thereby, paralyzing government to function properly. They further added that donor should work independently for providing technical and financial backstopping for government and also for civil societies.

Few respondents (one government and three from donor communities) are in favor of mixed coalition consisting of government, civil society, donors, and private organizations for REDD. According to them, without the mutual cooperation, compromise and trust between these Nepal cannot benefit from REDD. They further elaborated that REDD framework should be developed from Nepalese context taking into account that the livelihood options of the majority of rural Nepalese population is directly dependent on forest.

5.3.3 Power and Resources

5.3.3.1 Likely power relation between different actors under REDD

In general it can be expected that power relation between actors in the future will depend on which discourse coalition will emerge as a dominant coalition. Analysis of interview on actors and coalition dimension reveals that the likely discourse coalition will consist of state, few conservation organizations and few private companies. Likewise, analysis of interview on power dimension found that a majority of the respondents believe that the state and the actors who will support the SBCF discourse will emerge as a powerful actor during the entire REDD procedure. According to two respondents from the government, three from the civil society and six from the donor communities, state and particularly MFSC is likely to become the most powerful actor under REDD. One of the important reasons for this is they have control over

nation's forest and are reluctant to release management authority to the communities. They are also expected to be powerful in terms of the financial recourses under REDD, if they will continue to lead the REDD procedure in Nepal. These respondents also indicated that donor communities and private companies are likely to be the next powerful actors after the state. They think that dependency of the state towards donors for financial resources, knowledge and technical backstopping is key reason which will enable donor to remain in a power position. Consequently donors are expected to have influential role in agenda setting and decision making and thereby, shaping the whole REDD procedure in Nepal. In contrast, they claimed that civil society will relatively have limited power in decision making if SBCF discourse becomes dominant. They stressed that they will possibly have strong role in agenda setting but limited role at the time of decision making. Thus, if the SBCF discourse becomes dominant, the power relation among actors is expected to be top down with unequal distribution of power between actors.

5.3.3.2 Preferred Power Relation between Actors under REDD

Closer look on the ongoing interaction pattern between actors shows that until now the REDD procedure is not dominated by any single actor. In fact, multi-stakeholder dialogues has started taking place in the context of REDD. To some extent, this approach is much appreciated by the respondents. Respondents think that this initiation of MFSC could serve as stepping stone towards more flexible power relation as civil society was never involved in policy formulation process in the past. However, at this initial stage of REDD discussion respondents think that it is difficult to predict the power relation between actors.

Given the sovereign right of state in international negotiations and national policy formulation, majority of the respondents who prefer CBCF discourse also think that the state should be in the centre of the decision making process. In contrast to the SBCF discourse where majority of the respondents (from civil society and donor communities) expect authoritative role of state, they preferred facilitative role of the state.

As expected, government respondents preferred central role of the state in the entire REDD formulation procedure. They indicated that the state should have the responsibilities such as central monitoring and policy formulation related to REDD implementation. Similarly, some other responsibilities highlighted by them are setting standards for forest management under REDD, piloting REDD at small scale and regulating and facilitating the entire process of REDD in Nepal.

In contrast to the likely role of civil society under SBCF discourse, role of civil society is preferred to be active in both the agenda setting and on decision making under CBCF discourse. Additionally, lobbying for pro-poor REDD was highlighted as another preferred role of civil society. This was reflected in the response of two respondents from civil society and five respondents from donor communities, who preferred civil society to be the powerful actor on the issues related to rights of forest dependent poor and indigenous people. In line with these views, three government respondents also agreed with the active role of civil society in strengthening the existing forest resource governance by serving the function as watchdog.

Facilitative role of donor was preferred by majority of the respondents from donor communities. According to nine respondents from donor communities, their role under REDD will be to facilitate government in international negotiation, information dissemination, information sharing, organizing seminars and workshop related to REDD, capacity enhancement of actors at the national and local levels, financial support for action research on REDD etc. On the other hand, respondents from civil society highlighted that donor should not engage in power game and stressed that they should remain outside the boundary of power game. They opined that donor should play important role for capacity enhancement of civil society for advocating and lobbying on the rights and benefit-sharing mechanism with the policy makers. They also mentioned that donor should provide technical backstopping to government for establishing baseline scenario, methodology development for inventory, monitoring, market linkage etc. Similarly, respondents from government mentioned that donor communities should facilitate government in garnering information for decision making and facilitate in developing appropriate model for REDD. Hence, the preferred power relation for majority of

the respondents is the fair distribution of power between the actors in the entire process of REDD.

Three respondents from donor communities and one respondent from civil society have different opinion about power sharing in the context of REDD. According to them, Nepal is making a new constitution that is based on the principle of federalism and as REDD will be implemented only after 2012 they are in favor of devolved power relation from central to local communities. They justified their argument on the ground that local communities are the managers of forest and therefore, have the right to decide on how to manage and use their forest. They added that these communities should be supported by all other actors such as the civil society, INGOs and government. Likewise, respondents from government also indicated that they preferred flexible power relation in relation to REDD.

5.4.4 Rules of the game

5.4.4.1 Likely rules about forest tenure system and benefit sharing mechanism under REDD

As explained earlier, paradigm shift from traditional state controlled forest regime to the people centered CF regime underwent over the course of time with several experimentation. And now, with REDD as a new dimension has opened up the possibility of further shift in the in the contemporary forest management practices thereby, resulting in shift in the existing tenure system and benefit sharing mechanism.

Given that REDD is still under negotiation at the international level, rules governing the secure tenure system and benefit sharing mechanisms related to REDD have yet to be developed. It can be predicted that the new rules regarding the tenure system and benefit sharing mechanism will be created based on the discourse that will gain dominance in the future. Given that SBCF is the likely discourse to become dominant in the future, majority of the respondents who are in favor of the CBCF discourse nonetheless expect that REDD mechanism will be government centric. Two respondents from the civil society and seven from the donor

communities argued about this possibility. They mentioned that the new rules about the carbon ownership, particularly in Terai, will possibly be in favor the state. They indicated that the possible payment mechanism will be made at the national level. As a result, the state will have direct access over the benefit from REDD. Given this, they think that the new rules regarding benefit sharing mechanism has the possibility to provide absolute right to the state for controlling the benefits from REDD. They justified their claim by giving two evidences from the past. First is the hesitation shown by the state to hand over the commercially valuable forest of the Terai. Second is the 15% tax imposed by the state for selling two commercially valuable timber species outside of the community forests. Given such autocratic nature of the government, they indicated that the government might declare protected forest in the degraded areas of the Terai to comply with the requirements of REDD.

5.4.4.2 Preferred rules about forest Tenure system and benefit sharing mechanism under REDD

It is generally claimed that the secured tenure system for the local communities improves the forest conditions, promotes sustainable forest management and ensures the livelihood promotion of rural communities (RRI 2009). The analysis of the interviews regarding this dimension indicates that CBCF has the potential to safeguard the rights of the local communities. Because, majority of the respondents who are in favor of the CBCF discourse indicated that they prefer new rules regarding the tenure system and benefit sharing mechanism in Terai. Whereas for the middle hills, they prefer continuation of existing mechanisms with few additional rules for claiming the potential benefits from REDD by the communities. Two respondents from the civil society and five from the donor communities also stressed that the new rules for benefit sharing under REDD should ensure the livelihood promotion of local communities in order to meet the poverty reduction goal of the state. They further elaborated that the government should not claim over the benefit from REDD. According to them, government is a facilitator and has other sources of income. Hence, they stressed that the new rules should provide 100% benefit to the communities. Furthermore,

three respondents from civil society mentioned that the tenure system under REDD should also safeguard the rights of indigenous communities to control and access over the forest resources. According to them, indigenous communities should have the right to choose whether they want to introduce REDD in their forest or they want to continue the existing management practices. Further, they also mentioned that there should be clear rules for both situations.

In contrast, one respondent from civil society and six from donor communities stressed for the new rules for both the Terai and the middle hills in order for ensuring the tenure security and benefit sharing under REDD at different levels. They elaborated that the new rules should ensure equitable distribution of benefit among stakeholders at different levels rather than just between the state and the community. Regarding the tenure system, they are in favor of the new rules that ensure land ownership to the government. And regarding the benefit sharing mechanism they are in favor of new rules that ensure the larger proportion of share to the communities. Majority of the respondents mentioned that the share between the community and the government should be in the ratio of either 95:5 or 90:10 and also most of them said that the proportion of share for the government should be gradually reduced over time. They argued that the local cost paid by local communities for reducing deforestation and forest degradation is higher than that of the other stakeholders. Similar arguments were raised by the majority of the participants who participated in the workshop organized by WWF. Regarding the tenure system, majority of the participants indicated that the land ownership should be with the state. Whereas regarding the benefit sharing mechanism, they were in favor of the equitable benefit distribution among different stakeholders with larger proportion of share to the communities. However, it was not decided what should be proportionate share at different levels.

In line with this, all four government respondents also indicated that they are in favor of tenure system where land ownership will be with the state. And regarding the benefit sharing, they also seem to be in line with the majority of the other respondents because they also indicated that the community should receive the larger proportion of the share under REDD. At the same

time two of them stressed that new rules regarding the tenure system and benefit sharing mechanism are also likely to be determined by the international requirement.

Regarding the benefit distribution, three respondents from donor communities think that there should be a provision of reserve fund at the central level. The reason for this is to avoid unintended situation for the community if they could not reach the target of reducing deforestation and forest degradation such as by fire or any other intended or unintended hazards. They claimed that reserve fund will function as insurance for the communities, if they will not be benefitted under REDD despite their effort to conserve forest. Likewise, another option under benefit sharing mechanism mentioned by the two respondents from civil society and three from donor communities is the formation of the “multi-stakeholder forest carbon trust fund” at the central level. According to them, money from REDD should directly come to this trust fund and should be channelized to local communities by creating appropriate mechanism that would ensure the livelihood promotion of the local people. These respondents are not in favor of the rules or provision that would allow the government to take control of the benefits from REDD. They think that the government will be comparatively less focused towards the benefit of communities.

5.4 Institutionalization process of Future REDD Policy Arrangement

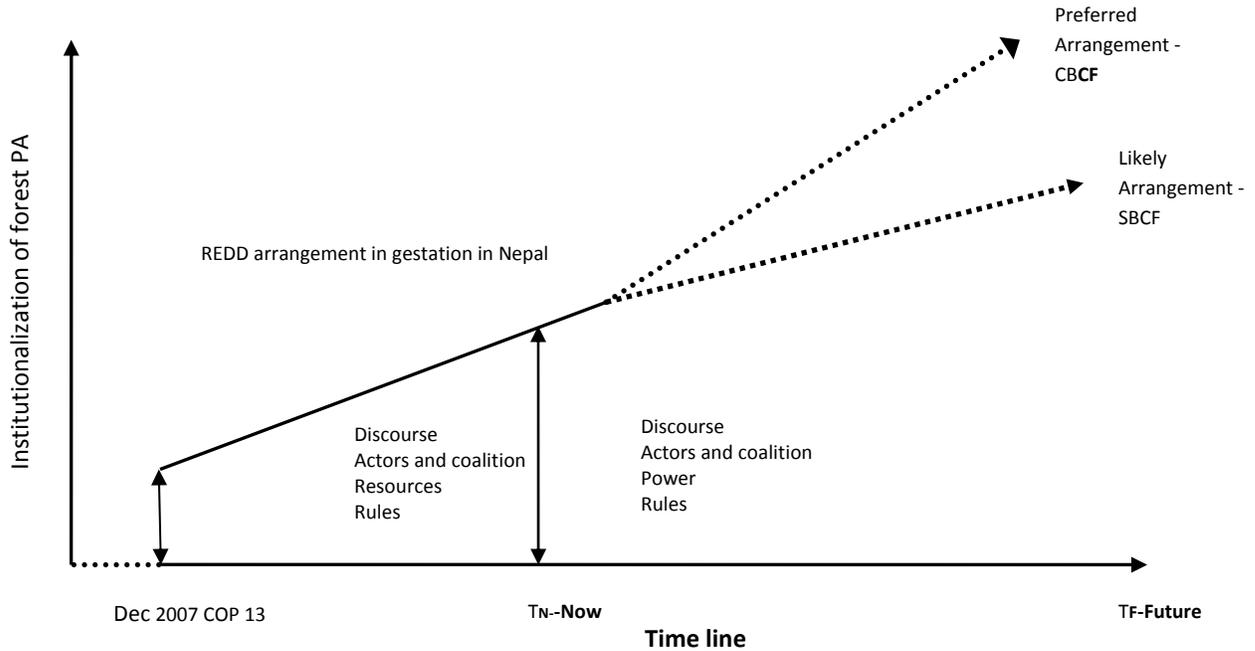


Figure 3 Diagram Institutionalization process of Future REDD Policy Arrangement

As explained in chapter 2, the x-axis of the above figure denotes time perspective and the Y-axis denotes the institutionalization process of policy arrangements. In the Y-axis, single dark line until it splits into two dotted lines, represents the arrangement is gestation. Under this arrangement, few changes have started taking place in all of the four dimensions. For example, resource from WB, formation of institutional framework at the centre level, creation of non-binding rules and interaction rules, multi-stakeholder dialogue etc. However, up until now this arrangement does not have well defined policy framework. The figure also shows that this situation has the possibility to continue for certain time in the future. But with the dotted line, this figure intends to show that there is possibility of emerging two arrangements in the future. These two arrangements are, one is SBCF, which is also the likely arrangement in the future. Another arrangement is the CBCF, which is the preferred arrangement for majority of the stakeholders. Further, this figure tries to show that CBCF arrangement has the highest possibility of being institutionalized compared to that of the SBCF arrangement because it is preferred by majority of the stakeholders.

5.5 Comparison of Likely and Preferred REDD Policy Arrangements

Table 1: Comparison of Likely and Preferred REDD Policy Arrangements

Dimension	Likely Arrangement	Preferred Arrangement
Discourse	<ul style="list-style-type: none"> • State Based Carbon Forestry discourse • REDD is characterized as pro-conservation rather than pro-community • REDD is likely to provide benefit to state rather than to the community because 75% of the total forest area is under complete control of state with higher deforestation rate • Target for reducing deforestation and forest degradation is likely to be of high importance 	<ul style="list-style-type: none"> • CBCF discourse • REDD is epitomized as triggering factor for handing national forest in Terai to communities in order for reducing existing rate of deforestation. • This discourse is expected to serve the poverty reduction as well as forest conservation goal of Nepal • Needs and aspiration of the people towards forest will be of high importance
Actors	<ul style="list-style-type: none"> • Coalition building is likely to happen between government and few donor organization and also few private companies which support conservation effort of government. 	<ul style="list-style-type: none"> • Strong coalition building is preferred between different civil society organization in order for lobbying and advocating for the safeguarding the right of rural people and also for developing appropriate benefit sharing mechanism • Coalition building is also preferred between civil society and donor communities who support CF program in Nepal. This coalition building is preferred in order for strengthening the capacity of civil society by providing financial and technical capacity.

<p style="text-align: center;">Power</p>	<ul style="list-style-type: none"> • The state is expected as the powerful actor because of its formal role in the international and national politics. • Donor is likely to be another power actor because of the dependency of state and civil society in financial and technical support as well as for information related to REDD. Therefore, they are likely to have strong role in shaping the whole idea of REDD in Nepal • Civil society is likely to have active role in agenda setting with limited role in decision making power. • Power relation is expected to be top-down approach 	<ul style="list-style-type: none"> • State is still preferred at the centre of decision making with facilitative role and providing technical backstopping • civil society is preferred next to state with active role in agenda setting and decision making regarding the rights of local people and benefit sharing mechanism • Donor communities are preferred outside the boundary of power play with facilitative role for providing financial and technical support to state & civil society
<p style="text-align: center;">Rules</p>	<ul style="list-style-type: none"> • Landownership is likely to be with government either by 100% benefit from REDD to government or very small proportion of benefit to community by declaring conservation area or protected forest 	<ul style="list-style-type: none"> • Land ownership with government with equitable benefit sharing mechanism between different stakeholders at different level but higher percentage to the communities. • Landownership & 100% benefit from REDD to the communities for certain period of time under REDD

CHAPTER 6 CONCLUSION DISCUSSION AND RECOMMENDATION

This chapter consists of three sections. Section 6.1 concludes the overall findings of this study. This section is divided into three separate sections as per the research question. Section 6.2 presents the discussion by relating the findings with key four concerns of REDD. Finally, this chapter ends with section 6.3 by providing recommendation for the further future research.

6.1 Conclusion

GRQ 1: What kind of policy arrangement is emerging because of the global REDD debate in Nepal?

Based on the analysis of interviews from 20 respondents and also the literary review, this study has reached the conclusion that there is a possibility of two different and competing arrangements under REDD in the future. The two arrangements are State Based Carbon Forestry and Community Based Carbon Forestry. According to the majority of the respondents, State Based Carbon Forestry is the likely arrangement which is expected to promote the conservationist approach of the state. While at the same time, Community Based Carbon Forestry is the preferred arrangement by the majority of the respondents and is expected to meet the needs and aspirations of forest dependent poor and indigenous people. The findings of this study have also indicated that the composition of actors, the power relation among these actors and also the rules related to tenure rights and benefit sharing will depend on which arrangement will ultimately become dominant when REDD is introduced in Nepal.

Given that the discussion on REDD is in the preliminary stage, this study has found that there is a good cooperation between actors at this juncture. This conclusion was reached because it was apparent that actors with conflicting interest such as those who emphasize the rights of rural people over forest resources and those who emphasize a conservationist approach are

working together to uncover the potential of REDD in Nepal. However, based on the existing cooperation between these diversified groups of actors it cannot be concluded that this cooperation will sustain for the long term. Based on the detailed analysis of actor dimension under the arrangement in gestation has enabled this study to conclude that there is also the potential of emerging two competing discourse coalitions in the long run. Regarding the power relationship under the arrangement in gestation, this study has reached the conclusion that the state is relatively flexible compared to that of the past, which was of an authoritative nature. This conclusion was reached based on the historical evidence where consultations were rarely done with civil society but can be seen in the case of REDD since its commencement. A closer look on the access to and availability of different resources such as the financial, natural and authority, the Ministry of Forest and Soil Conservation seems to be relatively the most powerful actor in the case of REDD at this point. Donor communities also appear to be equally powerful actors because of their access to financial resources, information and also because of the availability of human resources. Despite the influential role of the civil society in the policy making processes in the past, they appear to be the least powerful actor in the at this point. Lack of the availability of financial resources and information related to REDD is the main reason for this. Finally in terms of the rules of the game in the arrangement in gestation, except few non-binding rules and interaction rules, other rules for governing REDD procedures have not been created.

GRQ 2: What is the likely forest policy arrangement, if proposed REDD policy is introduced in Nepal?

Based on the views of the respondents regarding the four dimensions, this study has reached the conclusion that State Based Carbon Forestry is the likely arrangement in the future. In light of the discourse dimension under the State Based Carbon Forestry arrangement, this study has found that respondents mainly from the civil society and donor communities characterized REDD as a tool for strengthening the conservationist approach of the state. This may be because of the requirement that the project under REDD should be additional. In the context of

Nepal, the Terai forest, which is still under the control of the state and which has the higher rates of deforestation and forest degradation, has the potential to meet this requirement.

Regarding the actor dimension under the State Based Carbon Forestry arrangement, this study has found that a majority of the respondents think that there is a possibility for coalition building between organizations that are in favor of the conservationist approach. This is because of the weak representation of different civil society organizations and high representation of conservation friendly donor communities and technical experts in the working group. Besides, it was also found that this coalition is expected to focus more on reaching the target of REDD by means of forest conservation than on meeting the livelihood requirements of forest dependent poor and indigenous people.

Under the power dimension of the State Based Carbon Forestry arrangement, this study has found that a majority of the respondents characterized REDD with top down power relationship between actors. Consequently, government is expected to be at the centre as a dominant actor with authoritative role. Provided that both the government organization and also the civil society depends on donor communities in Nepal for financial and technical support, this study found that a majority of the respondents expect that the donor community will be another important powerful actor under the State Based Carbon Forestry arrangement. Likewise, this study has found that civil society will have the least power in the decision making procedure of REDD.

Finally under the rules of the game related to the tenure system and benefit sharing mechanism, this study has found that a majority of the respondents characterized REDD with strict rules that will be in favor of the state rather than in favor of forest dependent poor and indigenous communities. As a result, the financial benefit particularly from Terai is expected to be channeled towards the national treasury rather than mobilizing the livelihood activities of local people. This opinion might be based on the financial benefit from Terai forest going directly to the national treasury rather than towards the livelihood improvement of grassroots communities. Thus in general it can be concluded that there is a high chance for the State Based Carbon Forestry arrangement to become dominant in the future because of the eligibility

of the national forest in the context of REDD. Or in other words, forest under the control of state Terai has the potential to meet the requirement of additionality where as forest which are managed by the community do not meet this criteria.

GRQ 3 What is the preferred forest policy arrangement, if the proposed REDD policy is introduced in Nepal?

Regarding the preferred policy arrangement, this study has found that Community Based Carbon Forestry is the preferred arrangement of the majority of respondents. This conclusion was reached based on the detailed analysis of the four dimensions. In depth analysis of the discourse dimension in relation to the Community Based Carbon Forestry showed that REDD is epitomized by a majority of the respondents as a means for achieving part of the poverty reduction goal without jeopardizing the target of REDD. This may be because poverty is considered as one of the main causes of deforestation and forest degradation in Nepal. Therefore, without addressing the issue of poverty there will be less potential for Nepal to benefit under REDD in the long term MFSC (2008). In addition REDD is also considered as a factor for handing over of national forest in Terai to local communities which is still considered an important issue. This may be mainly because of the past experiences which have shown that without community participation deforestation and forest degradation cannot be reduced.

In terms of the actor dimension in relation to this arrangement, this study has found that a majority of the respondents prefer a strong coalition of civil society organizations and donor communities who support CF in Nepal. Given that civil society organizations are considered to be the people's organization, it has been found that respondents prefer this coalition to represent the voice of rural communities during the agenda setting and decision making process of REDD. As REDD is expected to promote the conservation approach of the state, this coalition is expected to serve the function of a watchdog towards the government's decision that might put people outside the boundaries of REDD.

Given that a strong coalition of civil society is preferred, it was found that respondents preferred a more diffused and devolved kind of power relationship rather than a centralized and controlled one. Similar to the State Based Carbon Forestry arrangement, it was found that the state is preferred to be in the centre even under the Community Based Carbon Forestry arrangement. This was mainly because of the formal role of the state in the international negotiation procedures, national policy formulation and regulation processes. However, regarding the role of the state under Community Based Carbon Forestry, it was found that almost all respondents preferred the facilitative role rather than the authoritative role. On the other hand, under the Community Based Carbon Forestry arrangement respondents' preferred the civil society to be comparatively more powerful actors after the government. While the position of donor communities are preferred outside of the power game with a facilitative role for both the government and civil society.

Finally in light of the fourth dimension that is the rules of the game, Community Based Carbon Forestry arrangement is characterized with well defined rules related to the tenure system and a benefit sharing mechanism that are favored by communities. It was found that a majority of the respondents preferred rules that will safeguard the rights of poor and indigenous people over forest resources and also a 100% benefit to the communities. Thus based on the overall findings of this study, Community Based Carbon Forestry is the preferred arrangement of the majority of respondents. Therefore, it is suggested that in order to benefit from REDD, the community forestry model which is widespread in the middle hills should also be replicated in the Terai.

6.2 Discussion

At this juncture, several deliberations are taking place in relation to REDD internationally and within Nepal. These includes whether REDD lead to the expansion of state authority and hence promote to centralize control, thus being threat to the livelihood of the forest dependent poor and indigenous people. Whether community based forest management are effective for REDD

(Karky 2008; Murdiyarso and Skutsch 2006) , is another concern about REDD. Related to this concern is the challenge for community based forest management under REDD. Likewise, safeguarding the rights of the forest dependent poor communities is the another crucial concern under REDD(Chaudhary 2009; Peskett et al. 2008). Hence, by considering these concerns I will discuss the overall findings of this study under the following four points.

State Based Conservation Approach is Likely

The findings of this study clearly indicate that a majority of the respondents assume that state based conservationist approach is likely under REDD in the future. This finding is in line with those of Vickers (2008) where REDD is considered as an incentive factor for government to take control of the natural forests. One reason mentioned for this is an increase in the value of the forests that were previously uneconomical. In the case of Nepal, a majority of the respondents think that REDD will further support the existing reluctance of the state to delegate power to the local communities. Findings related to the possibility of declaring the degraded forest area of the Terai as the protected area is comparable with other studies by Kanninen, Murdiyarso et al. (2007); Peskett, Huberman et al. (2008). These studies have also indicated that REDD has the potential to create or expand protected areas for reducing the existing rate of deforestation and forest degradation. Evidence shows that protected areas with restrictive rules have the possibility to be an effective strategy for REDD than those of the forest that are sustainably managed (Clark et al. 2008). With such evidences at hand it is possible for the respondents to think that government might be prompted for implementing conservationist approach in the context of REDD. Provided that protected areas can reduce the rate of deforestation and forest degradation, it can be expected that (GoN) might be motivated to declare protected areas to reach the target of the national REDD strategy.

Effectiveness of Community Forestry for Addressing REDD

During the course of time there has been a realization by the GoN that without a support of the local communities it is not possible to reduce deforestation and forest degradation (Kanel, Poudyal et al. 2005; Springate-Baginski and Blaikie 2007). Several studies have indicated that community forestry can successfully reduce the rate of deforestation and forest degradation.

Studies conducted in the twenty districts in the Terai have found that the rate of deforestation has decreased from 8000 to 800 ha per year after the implementation of community forestry (Kanel et al. 2005b). Also, after the implementation of Community Forestry, the number of stems per hectare has increased by 51% and basal areas of forests by 29% (Branney and Yadav 1998) In (Kanel et al. 2005b). It is also claimed that community forestry can serve the function of sink because of the natural regeneration of degraded areas and thereby, increasing biomass within the community forest (Murdiyarsa and Skutsch 2006). In line with this (Karky 2008) has shown that community forestry in Nepal has been successful in reducing degradation and deforestation despite the extraction of timber, fuel wood, fodder and Non Timber Forest Products (NTFPs) by the local communities to meet their subsistence need. Hence, these evidences justify that community forestry could be more effective both from the stand point of the forest dependent local people and also for reducing the rate of deforestation and forest degradation. Furthermore, the above mentioned evidences also give good reason for a majority of the respondents to prefer CBCF arrangement in the context of REDD. Hence the findings of this study under the preferred arrangement imply that CBCF would be the best and most realistic option for Nepal. First, to meet the livelihood needs of the forest dependent poor communities. And, second to meet the goal of reducing deforestation and forest degradation without putting at risk the needs and the aspirations of people who are directly dependent on forest for their subsistence livelihood.

Challenge for Community Forestry

Even though community forestry has been proven as an effective means for meeting the target of REDD, issues related to leakages and additionality are considered as a challenge for the existing community forests (Karky 2008; Karky and Banskota 2006). According to Karky (2008) addtionality is a major constraining factor for the existing CF of Nepal to benefit from REDD. This is because Additionality in REDD refers to a condition to ensure that the reduction in deforestation and forest degradation would not have happened without the intervention of the proposed REDD project (Murdiyarsa and Skutsch 2006). Given that communities in Nepal were successfully managing their forest for decades without any financial incentive from outside, it

would probably be difficult to argue that existing community forestry is an additional project for REDD. On the other hand, there is also an opportunity for arguing in favor of CF that the existing rate of deforestation and forest degradation would have had mounted in the absence of these community forests

Likewise, Karky (2008) has indicated leakage as another important constraining condition for the existing CF to benefit under REDD. Leakage refers to the negative externality beyond the project boundary that leads to greater carbon emission. There are numbers of other studies which claim that restricted protected areas lead to deforestation in nearby areas. A study by (Ewers and Rodrigues 2008) in and around sustainably managed timber concessions in Peru have found around 50% reduction in deforestation in that area with a several hundred percent increase in deforestation in surrounding areas thereby, resulting in no change in the overall rate of deforestation. In line with this, it is most often argued that the existing CF of Nepal is also reducing the rate of deforestation and forest degradation at the cost of surrounding national forest (Karky and Banskota 2006; Upadhya et al. 2005). Hence until an appropriate mechanism is developed to address the issue of leakage, existing CF have less potential to benefit from REDD. Given that a majority of the respondents preferred the CBCF arrangement, replication of the existing community forestry model in the Terai region could be one of the best options to solve the issue of leakage as well. This is because, when all the nearby forest area is managed by the communities under the same principle of community forestry there will be no available forest for deforestation and forest degradation to occur. However, CF may not be the only option to benefit under REDD by taking into account the needs of forest dependent people. Therefore it is also important to look for other potential alternatives that do not threaten the livelihood of the forest dependent people.

The Role of the Civil Society for safeguarding the rights of the poor communities is crucial

The findings of this study clearly indicate that a number of actors are engaged since the consultation process of REDD for exploring the possibilities of REDD started in Nepal. Findings have also indicated that there is a weak representation from civil society organizations. As REDD is associated with financial incentive, it is probable that conflict may arise on a number of

issues such as a lack of transparency on financial distribution between stakeholders, lack of transparency in decision making, ownership issues etc. Thus in order to ensure transparency in different activities of REDD including a benefit sharing mechanism, safeguarding the rights of the local communities, the role of the civil society is crucial. Their crucial role in safeguarding the rights of the forest dependent poor and indigenous communities is justified by their contribution in overturning the decision of the cabinet to impose a 40% tax on two timber species of Terai when sold outside the communities (Skutsch et al. 2008). Even though they were not successful for overturning 100% of the tax, but communities now pay only 15% tax for the same two timber species. This case gives an indication that the government may also easily impose new rules under REDD that will possibly be in favor of the state. Given this uncertainty of the government in imposing new rules on the community, a majority of the respondents in this study think that there should be a powerful role of the civil society in the context of REDD. A number of other studies, including the submission made by GoN to WB have stressed the importance of the civil society for promoting transparency, ensuring people's participation and equity in benefit distribution in the context of REDD (Chaudhary 2009; MFSC 2008).

6.3 Recommendations for Further Research

The findings of this study are based on the perspectives of stakeholders that are related to the forestry sector of Nepal. It is clear that the drivers of deforestation are diverse and require a considerable attention from different sectors. This study therefore suggests that future study should seek to incorporate views of wider groups of stakeholders from different sectors to understand and analyze the consequences of REDD in Nepalese rural communities. The findings from such study would provide scientific evidences to the policy makers to make international communities aware of the Nepalese context and to avoid imposing the strict international rules that may not be favorable from the stand point of the forest dependent people.

According to the findings of this study, CBCF arrangement is the best option for Nepal. One of the important reasons to be in favor of community based carbon forestry arrangement is the success of existing community forestry policy in Nepal. However, in this preliminary phase of REDD discussion, it would not be wise enough to think that community forestry is a panacea for reducing the rate of deforestation and forest degradation. There are numbers of approaches that could address deforestation and forest degradation. Even with in Nepal there are different other management modalities, such as the lease hold forestry, buffer zone management, collaborative forest management etc. Hence, further research is needed to find the other possible options that reduce the rate of deforestation and forest degradation without jeopardizing the livelihood needs of the local people.

The issues of tenure security and the benefit sharing mechanism is likely to be the most contentious issue under REDD. This study is able to show what could the likely and preferred rules that have the potential to be created with respect to these issues. However, this study did not assess how agreeable these rules could be for different stakeholders. Hence future research should aim to provide with a better idea of how agreeable and feasible these kinds of rules would be in the context of REDD. This is because without wider agreement national target of REDD would be difficult to meet.

CHAPTER 7: REFLECTION

This chapter consists of three sections. Section 7.1 reflects on the overall findings of this study. This section elaborates mainly on the likely arrangement and preferred arrangement in the context of REDD. Section 7.2 presents reflections on the selected theoretical framework by showing the relationships with the objectives of this study. This section elaborates upon the reason for choosing this framework for this theory and the difficulties encountered using this framework. Finally, section 7.3 reflects on the methodology applied for this study.

7.1 Reflection on Findings

Reflecting on the likely arrangement this study has found that a majority of the respondents think that REDD has the possibility to strengthen the conservationist approach. Under this arrangement they characterized REDD as an incentive for government to take control over the benefit(s) received under REDD by declaring protected areas in degraded areas. It is also assumed under this arrangement that the government will have an authoritative role. Power will be centralized and rules related to the tenure system and benefit sharing mechanism will favor the state rather than the forest dependent poor and indigenous communities. This arrangement can however, have both the positive and negative consequences for REDD. A positive consequence is that by adopting a strict conservationist approach the goal of reducing deforestation and forest degradation can be achieved because of the complete restrictions. This is because, protected areas are considered to as an effective tool for meeting the target of a national REDD strategy (Clark et al. 2008). On the other hand, a negative consequence is that because this arrangement will be highly focused on conservation rather than on the livelihood requirements of people, there is possibility of the forest dependent communities turning into the drivers of deforestation. This concern has also been raised by (Peskett et al. 2008); Vickers 2008). In the case of Nepal around 31% of the people live below the poverty line, of which 72%

are forest dwellers (MFSC 2008). For this reason, if the needs and aspirations of these people are not considered when designing the national REDD framework for Nepal, a negative consequence is more probable.

Likewise, reflecting on the preferred arrangement, this study has found that a majority of the respondents believe that the CBCF arrangement is the best option for Nepal. One of the important reasons is the story behind the success of CF program in reducing the rate of deforestation and forest degradation. This is also one of the reasons that the majority of the respondents think that REDD could be a compelling factor for the state to hand in the national forest in the Terai to the local communities.

Even though community forestry, as such, is an important model for meeting the livelihood requirements of the rural communities without jeopardizing the environment and the biodiversity, but the potential for its expansion throughout the country is limited. On the other hand, as protected areas are mainly dedicated towards biodiversity conservation and less focused towards the livelihood requirements of rural communities, the preference of the majority of respondents is CBCF. As many factors need to be taken into consideration for reducing the rate of deforestation and forest degradation, and that no one management solution will be applicable to the entire nation, particularly for Nepal where there are different management modalities besides community forestry.

It is therefore, important to look for different options that could have significant impact on the livelihood requirements of the poor and also on the national REDD target. And among those options, CBCF should be the most prioritized option with well defined rules that are pertinent to the needs and aspirations of the rural communities. These rules should be created in a participatory way because unless the local people will feel that their requirements are met and unless they will have a feeling of ownership towards forest management for REDD, they will not be motivated to consider activities required for REDD. Hence, the result could be counterproductive for REDD.

7.2 Reflection on Theoretical Framework

As explained in chapter two, this study has used the concept PA of PAA to systematically understand and analyze the ongoing and future forest policy arrangements in Nepal. AsPA balance both content and organization with in one framework it is considered as comparatively more comprehensive than other approaches. Because of this comprehensiveness, it was possible for this study to remain organized and well structured from the outset. Likewise, a systematic distinction for comparing four dimensions helped to map out different elements within the dimensions and operationalize as per the criteria of this study. For example, by using the four dimensions it was possible to uncover issues such as: what are the main ideas that are floating around the policy making processes, how these ideas are framed by the actors, what do policy documents contain relating to REDD, who are the actors involved in the entire REDD procedure, what are the resources these actors have and what kind of rules they have created to steer the ongoing practices etc. In addition, by building upon the emerging arrangements and by using the interrelatedness of the four dimensions, it was possible for this study to understand and analyze the ex-ante situation of potential forest policy arrangements in the context of REDD.

In order to first understand the ongoing situation and later the future situation, discourse dimension was used as a starting point. Other three dimensions were analyzed by relating them with the discourse dimensions. By doing this, it was possible to understand the policy arrangement that is emerging as well as to explore the future arrangements. For example, likely and preferred discourse, likely and preferred composition of actors, likely and preferred power relationship between actors and the likely and the preferred rules related to benefit sharing mechanism and tenure system. Thus with the use of PA, it was possible to explore and analyze three different arrangements: present arrangement,, preferred future arrangement “CBCF arrangement” and the likely future arrangement“ State Based Carbon Forestry arrangement”. Furthermore, it was also possible to compare the likely and preferred arrangements using the four dimensions. Thus, because of the clear framework of PA to systematically link all four

dimensions, it was possible to come up with the conclusions about the two potential arrangements of REDD in Nepal.

Even though PAA is considered as a comprehensive framework compared to other approaches, but still some difficulties were encountered during the time of data collection and data analysis because of the certain limitations on the theoretical framework. The first difficulty was encountered because of the differences in the analytical emphasis of this framework and this study. The emphasis of PA is on understanding and analyzing the stabilization of policy making processes rather than on the dynamics of change (Lieverink 2006). In the other words, PA offers an analytical tool to understand and analyze the institutionalized policy practices. This framework was not developed for analyzing and understanding the arrangement that is yet to be institutionalized and/or has the potential to emerge in the future. Therefore, sticking to the definition of the policy arrangement that was conceptualized in the beginning seems inappropriate for this study which aims at understanding and analyzing the ex-ante situation rather than the ex-post situation. This concern was also raised by Van der Zouwen (2006) and has come up with new kind of arrangement called “arrangement in gestation”. By the arrangement in gestation, this author means an arrangement that has not been institutionalized. The arrangement type that Van der Zouwen (2006) has come up with seems to fit for this study. However, this author has also not suggested an appropriate tool to understand and analyze arrangements that are in gestation. Therefore, I had difficulties in fully operationalizing some of the concepts for example power for an ex-ante situation on the basis of the concepts that are used for ex-post evaluation.

Likewise, another difficulty that I encountered both during the data collection and data analysis is, strong interrelatedness of the dimensions. For example, most often it was difficult for me to distinguish the clear boundary between actor and power dimensions. Furthermore, as this framework itself is still developing and does not does have clear analytical tool for systematically analyzing the ex-ante situation and as this study is about exploring the ex-ante situation, difficulties was encountered also with the data collection and data handling. Even the author seems to be concerned about this issue because in the beginning this framework was

more focused for understanding and analyzing the stability of certain policy arrangements. Eventually, it has also started focusing towards dynamics of change. Thus development of analytical tool under this framework would help to make a better understand the ex-ante situation and hence make significant contribution in the policy debate.

7.3 Reflection on Methods

As explained in chapter three, this study adopted an exploratory approach for understanding and analyzing the consequences of a proposed REDD policy in the ongoing forest policy practices of Nepal. The data collected was primarily qualitative. The method of data collection involved face to face semi structured in-depth interview, document review and workshop participation. Interviews were mainly conducted with the stakeholders directly involved in the REDD debate both in Nepal as well as at the international level. A list of respondents was prepared in advance which was also verified at the time of the interview. Respondents were found to be enthusiastic about the topic. All three groups of respondents were cooperative in giving information about what is happening in relation to REDD in Nepal. However, some difficulties were encountered for exploring views related to likely and preferred arrangements. There are three reasons for these difficulties: First is an uncertainty about how REDD will govern at the international level as well as in Nepal beyond 2012. Second is whether or not CF will benefit under REDD is uncertain because evidences have shown that the rate of deforestation and forest degradation has already reduced in the forest area that are managed by the community and hence no additionality under the REDD project. Third, some stakeholders were not completely aware of REDD procedures. Thus, this necessitated more probing thereby making each interview time consuming.

This study would have become even more extensive if perspectives of grass root communities and other stakeholders were also incorporated. However, incorporation of the views of grass root communities were practically not possible because at this moment they were not aware of

the scope and limitations of REDD. The reason for this was the discussion about REDD, which was found to be limited amongst stakeholders at the central level. Further, I believe that the findings based on information obtained from individuals with limited knowledge would provide superficial data. Hence, these groups of people were not selected for interviews. On the other hand, respondents from the federation of indigenous people were contacted, but because of their busy time schedule it was not possible to incorporate their views. Their views would have played an important role in understanding the perspective of indigenous people about REDD in Nepal because one of the important concerns under REDD is the rights of indigenous people. Given that respondents were limited to the stakeholders from the forestry sector, findings of this study will have a limited scope. On the other hand, As REDD is related to forestry, and stakeholders from forestry sectors are more involved in the ongoing procedures of REDD since its conception. Their views about the likely and preferred arrangement are more realistic than of other respondents. In addition, because of their experiences in the policy process of the forestry sector and also because of their involvement in program implementation, they seem to be more enthusiastic to uncover the potential of REDD in Nepal. They are also concerned about the adjustment in the existing forest policies according to the changing context. Based on these reasons, it can be assumed that data collected from these respondents is more valid.

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ANNEX 1: LIST OF KEY INFORMANTS

First Name	Last Name	Organization	Stakeholder Group
Jagdish Chandra	Baral	Ministry of Forest and Soil Conservation	Government
Resham	Dangi	Department of Forest	Government
Ramesh	Shakya	Department of Forest Research and Survey	Government
Kumud	Shrestha	Nepal Forester Association	Government
Ngamindra	Dahal	National Trust For Nature Conservation	Donor community
Bhaskar Singh	Karky	ICIMOD	Donor community
Marco van der	Linden	SNV	Donor community
Ram Chandra	Khanal	IUCN	Donor community
Dinesh	Karky	Western Terai Landscape Complex Project	Donor community
Devi Chandra	Pokhrel	Biodiversity Sector Program for Siwalik and Terai	Donor community
Ugan	Manandhar	WWF	Donor community
Maksha Ram	Maharjan	CARE Nepal	Donor community
Mohan Bahadur	Gurung	WINROCK International	Donor community
Ramu	Subedi	Livelihood for ForestryProgram	Donor community
Sony	Baral	ANSAB	Donor community
Shiva Shankar	Pandey	ANSAB	Donor community
Hemanta	Ojha	Forest Action Nepal	Civil society
Bhola	Bhattarai	Federation of Community Forestry User Group	Civil society
Dil Raj	Khanal	Federation of Community Forestry User Group	Civil society

ANNEX 2: CHECKLIST FOR INTERVIEW

Questions for the Arrangement in gestation

1. How long have you been involved in the discussion of REDD in Nepal?
2. In your opinion what is the present position of Nepal in the context of REDD?
3. In your opinion what has Nepal done so far in the context of REDD?
4. In your opinion what has your organization done so far in the context of REDD in Nepal?
5. Who do you think are the stakeholders of REDD in Nepal? Why
6. In your opinion what has been the role of government up until now in the context of REDD?
7. In your opinion what has been the role of civil society up until now in the context of REDD?
8. In your opinion what has been the role of donor communities up until now in the context of REDD?
9. In your opinion, how would you define the existing relationship between different stakeholders involved in REDD procedure?

Questions for the Likely and the Preferred Arrangement

Questions for addressing discourse dimension

1. To what extent do you think that REDD should be introduced in Nepal? Why
2. To what extent do you think that REDD is an opportunity for the community forestry program of Nepal? Why
3. To what extent do you think that REDD is a challenge for the community forestry program of Nepal? Why

Questions for addressing actors and coalition dimension

1. To what extent do you think that the stakeholders working together now in the issue of REDD are likely to continue to agree with each for long term? Why
2. What kind of coalition do you expect in the context of REDD in the long run? Why
3. What kind of coalition do you prefer in the context of REDD? Why

Questions for addressing Power/Recourse dimension

- 1) In your opinion what is the expected role of government in the context of REDD? Why
- 2) In your opinion, what should be the role of forest department in the different processes of REDD? Why

- 3) In your opinion, what is the expected role of donor communities in the different processes of REDD? Why
- 4) In your opinion, what do you think should be the role of donor communities in the different processes of REDD? Why
- 5) In your opinion, what is the expected role of civil society in the different processes of REDD? Why
- 6) In your opinion, what should be the role of civil society in the different processes of REDD? Why
- 7) What kind of power relationship do you expect between different stakeholders in the context of REDD in the long run? Why
- 8) What kind of relationship would you suggest between different stakeholders in the context of REDD? Why

Questions for addressing the rules of the game dimension (related to tenure system and benefit sharing)

- 1) To what extent do you think that the existing rules related to tenure system and benefit sharing mechanism would be appropriate for REDD? Why
- 2) In your opinion, do you expect new rules related to land ownership in the context of REDD? If yes, could you elaborate on what kind of rules you expect?
- 3) In your opinion, do you expect new rules related to resource ownership? If yes, could you elaborate on what kind of rules you expect?
- 4) In your opinion what kind of rules would you prefer in relation to land and resource ownership? Why
- 5) In your opinion, do you expect new rules related to benefit sharing mechanism under REDD? If yes, can you elaborate more? Why
- 6) In your opinion, what kind of rules related to benefit sharing mechanism would you prefer in the context of REDD? Why