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| UNITED NATIONS DEVELOPMENT PROGRAMMEBDP/EEG - MISSION REPORT SUMMARY Date: 4th April 2013 | | | | UNDP_Logo-Blue w TaglineBlue-ENG.png |
| Name Estelle Fach, UN-REDD/UNDP  Aki Kono, UN-REDD/UNDP GEF EBD | | | |
| **Approved Mission Itinerary:**  Bangkok – Kathmandu –Bangkok | | **List of Annexes**:  Annex One: Mission schedule  Annex Two: Minutes of the TS Inception Meeting, 25th March 2013 | | |
| Inclusive Travel Dates: | | **Key counterpart(s) in each location:** | | |
| 22 – 26 March 2013 |  | Location: Kathmandu, Nepal   * Shoko Noda, Country Director, UNDP * Jorn Sorensen, Deputy Country Director, UNDP * Vijaya Singh, Shanti Karanjit ,Yam Nath Sharma, Bandana Risal (UNDP Nepal) * Resham Danghi (Under Secretary, Ministry of Forests and Soil Conservation REDD Cell) * Naya Sharma Paudel, Rajesh Rai, Dil B Khatri (Forest Action) * CSO alliance (NEFIN, Dalit, FECOFUN) * Workshop participants (see the participants list in Annex One below) | | |
| **Purpose/Objectives of Mission**  To oversee the inception phase of targeted support (two studies by Forest Action) to ensure the overall quality and soundness of the approaches and methodologies designed by the Forest Action, in particular regarding transparency and accountability focus, and broad support by all relevant stakeholders for the studies through an inception workshop (see Annex One for the mission schedule). | | | | |
| **Context**  Nepal (through REDD Cell) submitted a request for Targeted Support in March 2012. The original request was for support in two broad areas – i) corruption risks in REDD+, and ii) REDD+ finance management. A UN-REDD/UNDP scoping mission took place in August 2012 to assess FCPF and other relevant partner activities and progress, and to discuss with relevant stakeholders to narrow the focus of TS to ensure its relevance and additionality in the overall national REDD+ process.  Based on the mission findings, the REDD Cell and UN-REDD agreed on two focused objectives of the Targeted Support:   * Increased effectiveness of the National REDD+ Strategy in addressing drivers and causes of deforestation and forest degradation; and * Increased understanding by the Government of Nepal of potential options for effective, equitable and transparent management of REDD+ finance.   The Forest Action was selected through a competitive process to help deliver this work in January 2013. This inception workshop is to validate the processes and methodologies of the work to deliver the objectives. | | | | |
| **Summary of Mission Activities/ Findings**  **Overall considerations**   * It had to be stressed throughout that this Targeted Support is complementary, not substituting, to FCPF- supported activities * The two studies executed by Forest Action fill strategic gaps in the country’s readiness process (with the more technical parts of RL, MRV supported by the FCPF and local BDS by civil society actors) towards a country strategy for the World Bank Carbon Fund. * Another unifying element for these two studies is corruption since they will examine 1) how corruption drivers deforestation & degradation and 2) transparency gaps and needs for each fund management system (and subsequently making transparency& accountability recommendations) * Forest Action is very seasoned and knowledgeable and a number of studies on drivers exist, but without prioritization: the policy changes recommendations will be the novel elements of the Drivers study. * The recurring corruption practices in the forest sector (raised by a number of stakeholders) happen often through district forest officers assigned to high value timber areas to engage in illegal logging.   **Meeting with UNDP CO Senior Management and Environment Team**   * UNDP CO wants to re-establish a strong natural resources management/biodiversity portfolio, while also aligning activities in that area to support the Local Governance and Community Development Programme (LGCDP) of the Government. * UNDP CO looks to this TS work also as an entry point for identifying strategic directions for future programming that link climate change, ecosystems, decentralization and poverty reduction, particularly in the context of LGCDP. * DCD pointed out of a lack of balanced capacity in national institutions and CSO partners as an issue, as key focal points are often outside of the country, participating in international and regional meetings and have no time to transfer knowledge within their respective organizations and lead activity implementation.   **Meeting with UNDP CO Governance Team**   * An anti-corruption unit in the department of forests would not work; CIAA has authority, but instability of leadership (CIAA has three forest officers seconded from MFSC) * National Vigilance Center is in charge of prevention and promotion (NVC operates at the local level) * UNDP CO has no anti-corruption-specific work, but support on local governance, public administration and rule of law could be useful * Federation of Nepalese journalists are increasingly specializing in sector –reporting – although unsure whether they have undertaken forest sector yet   **Meeting with Forest Action and Research Team**   * Review of previous recommendations on their workplans was done, and further recommendations were made. * Methodological issues were discussed, particularly on assessment criteria and scope. * A political economy approach alone was decided not adequate for the drivers study as it alone will not necessary lead to solution seeking; therefore, a stakeholder consultation process will play an important role in formulating recommendations. * Issue of scale of financing should also be considered in the fund management study as it influences the feasibility of options and risks. * Stressed with Forest Action the need to: highlight transparency and accountability issues and recommendations in both studies; examine relative impact of each driver; examine feasibility of proposed change to prioritize recommendations.   **Meeting with REDD Cell** (head: Resham Danghi)   * REDD Cell seems open about corruption issues, both in small meetings and through public statements * Nepal will be co-chair for LDCs in UNFCCC – Resham interested in LULUCF good practices, methodologies and linkages * World Bank will second an officer to support the implementation of RPP. * An Italian consulting firm will be brought in to design a MRV system, starting from April. * Initial REL/RL is nearly completed by a Kenyan consulting firm, and this should be linked to the drivers study by Forest Action. * Work on carbon rights will be altered, as REDD Cell feels that addressing land tenure is more critical, and carbon rights might not be so relevant when it comes to a national approach. * A sub-national approach will be taken – WWF will help develop a Terai sub-national progremme – but, coordination at the national level will remain a challenge. * CSO engagement is critical, but current fragmentation within the CSO network and contentions between some CSOs are of concern, and REDD Cell is taking a cautious approach. * Discussions on possible second phase Targeted Support (taking forward some recommendations, digging deeper in some studies) was initiated. Use of GEF resources is also considered.   **Meeting with IIED**   * IIED is conducting a global study to look at the linkage between drivers of deforestation and forest degradation and women’s inclusion and empowerment. Nepal is a study country. A meeting with their local consultant was held to establish collaborative working arrangements between IIED and Forest Action. Gender findings from the IIED study will be considered in the drivers study by Forest action.   **Meeting with REDD+ CSO Alliance**   * While CSOs were actively involved during the RPP preparation, the implementation phase funded by FCPF mainly focuses on technical aspects, and social and capacity components were originally intended to be co-financed by partners like MSFP and USAID projects, but so far, CSO involvement has been limited, as MSFP and USAID projects are not specifically for REDD+. * Concerns about access to information (documents not translated, not circulated) and representation in the REDD Working Group/Taskforce (voices dominated by government representatives) were raised. One suggestion made is for better CSO/IP organization through ‘CSO Forum” with a broader range of CSO stakeholders (not restricted to forest users organizations), in order to strengthen voice and legitimacy. * Government, in consultation with CSOs, is considering including this in a request for funding, modalities to be further discussed. * Highly fragmented and politicized CSO landscape poses a risk; and therefore, the Government and third party organizations have suggest proceeding with caution, particularly with the national elections planned for May.   **Outcomes of Inception Workshop (**presentations on the [Workspace](http://www.unredd.net/index.php?option=com_docman&task=cat_view&gid=2978&Itemid=53) )   * Inception workshop triggered substantive comments than methodology comments from the participants. * From the invited participants, Transparency International and Ministry of Environment did not join. * Possible reason is that workshop was held the day before national holiday, but that fact that REDD+ has been seen as a forest sector initiative has also been an issue (also highlighted in the [CPEIR Nepal report](http://www.npc.gov.np/uploads/publications/2012011212346.pdf)) * There were number of suggestions to be considered in setting out the two studies (see Annex Two for more detail): * Examine and consider macro-economic trends as drivers of today might not be drivers of tomorrow; * Consider the impact of the country’s fragile political and governance systems on drivers and REDD+ financing; * Consider poor cross-sectoral coordination and political and social fragmentation as underling risks; * Re-examine whether REDD+ will benefit Nepal in the context of poverty alleviation and development; * Pay more attention to gender and IPs perspectives; * Consider options for effectively regulating voluntary carbon activities in addressing drivers and financing issues; * Consider fund management lessons and experiences of other sectors such as education and health; and * Consider the risk of budgetary support (on/off) as it might not effectively respond to specific drivers.   **Debriefing after the workshop**   * TS fund transfer modalities were now clarified. * Country office suggested to hold launch event in September to ensure government participation ; a revised timeline, agreed with Forest Action, is available here (Aki please upload and provide link) * New delivery schedule for the Forest Action was agreed as below. This was necessary, considering the current national circumstances, particularly since the national elections are planned for May.  |  |  |  |  | | --- | --- | --- | --- | | **Payment No** | | **Timing** | **Deliverable** | | **1** | End-March | | Refined workplans with a list of comments and suggestions from the workshop as well as strategies for addressing those stakeholder inputs. | | **2** | Mid-May | | Baseline assessments and report outlines for the study reports | | **3** | End-August | | First draft reports | | **4** | End-October | | Final reports (reflecting national validation inputs) | | | | | |
| Follow up actions:  * Estelle, Berta and Aki to subsequently review of drafts developed by Forest Action (study outlines and drafts) – continuously emphasizing transparency issues/requirements * UNDP DG team to be consulted as D&D study progresses as well * Aki to clarify linkages with REDD Cell between Drivers study and REL work undertaken by CAMCO (Kenya) * Shanti to ensure that conclusions of studies are translated into Nepalese and summarized for adequate access to information by all stakeholders * Tsegaye/Estelle to ensure that REDD+ and anti-corruption UN-REDD video is disseminated to National Vigilance Center (via the UNDP CO) * Estelle to seek feedback from Forest Action on using the REDD+ CRA Guidance * Aki to communicate with Dina to make adjustments in Forest Action’s payment schedule/contract. | | | **Distribution List:**  Tim Clairs, UN-REDD UNDP PTA  Celina (Kin Yii) Yong, UN-REDD SE  Berta Pesti, UN-REDD  Dina Hajj, UN-REDD  Elspeth Halverson, UN-REDD  UNDP PACED Team | |

### Annex One: Mission Schedule

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| Date | AM | PM |
| Day 1  Friday, 22 Feb | * 9:05 am – Estelle arrives * Estelle meets with anti-corruption related stakeholders (Transparency Int’l, UNDP Governance team, Environment team, etc.). * 12:45 pm - Aki arrives | * 2:30 Meeting UNDP Shoko ,Jorn ,Vijaya, Shanti * 3:30 Meeting with Governance Team( Yam Nath Sharma and Bandana Risal) * 4:30 pm –Team meeting (Estelle, Shanti, Naya, Dil and Aki ) to discuss baselines, approaches and methodologies |
| Day 2  Saturday, 23 Feb | * 8:30 am- Estelle and Aki to have an internal meeting * 10:30 am (till 14:00) - team meeting continues (Estelle, Shanti, Naya, Dil and Aki ) | Rest |
| Day 3  Sunday, 24 Feb | * 9:00 am – Meeting with Resham and other REDD Cell members * 11:00 am – Meeting with REDD+ CSOs Alliance | * 13:30 – Team meeting to prepare for the workshop * 15:00 – Meeting with IIED consultant working on drivers and gender analysis to link up |
| Day 4  Monday, 25 Feb | * 8:30 am– Stakeholder validation workshop | * 13:30 – Debriefing to reflect on stakeholder feedback and discuss next steps (Forest Action, Estelle, Aki, UNDP CO Env Team) * 16:00 – Budget discussion and GEF/CB2 proposal aligned to REDD+ (Aki and UNDP CO Env Team) |
| Day 5  Tuesday, 26 Feb | * 9:00 – Estelle and Aki to discuss follow up actions | * 13:45 – Aki departs * 16:05– Estelle departs |

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### Annex Two: Minutes from the TS Inception Meeting on the 25th March 2013, Kathmandu, Nepal (prepared by Forest Action)

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| **AGENDA: Inception Workshop on REDD+ Financing and Drivers of Deforestation**  **Venue:** Hotel Himalaya, Lalitpur | | |
| **Time** | **Activities** | **Speaker/Moderator** |
| 8.30-9.00 am | Registration and breakfast |  |
| 9.00 - 9.15 am | Welcome and objective of the programme | ReshamDangi, MoFSC |
| 9.15 - 9.45 am | Introduction to the study | Akihito Kono, UNREDD |
| 9.45 - 10.15 am | Transparency and accountability issues in REDD+ | Estelle Fach, UNREDD |
| 10.15 - 10.45 am | Presentation 1 - REDD+ financing and benefit sharing | Rajesh Rai, ForestAction |
| 10.45 - 11.15am | Presentation 2 - Drivers of Deforestation | Dil Bd Khtri, ForestAction |
| 11.15 – 11:45 am | Tea Break |  |
| 11.45 - 12.30 pm | Plenary discussion and feedback on the presentations | Naya Sharma Paudel |
|  | Conclusion and closing remarks | Resham Dangi, MoFSC |
| 12:30 - | Lunch |  |

An Inception Workshop was organized in Kathmandu on 25th March 2013 that brought all relevant stakeholders. Representatives from Ministries, Departments and other agencies of the Government of Nepal, development partners, civil society and private sector were present in the meeting (See Annex 1 for list of participants). The idea, objective and methodologies were presented, comments and feedback were received, commitments to support the study were expressed and follow up action plan was agreed. This note briefly captures the presentation and discussion during the workshop.

**The Program:**

Mr Resham Dangi, chief of REDD Forestry and Climate Change Cell welcomed the participants and provided a short overview of REDD+ process in Nepal. He further elucidated the objectives of the workshop and requested the participants to provide their views and inputs in that line. Elaborating on the evolution of the studies, he highlighted that international agencies have expressed deep concern on the potential risk of corruption on REDD financing. He suggested that Nepal being a member of the UN Convention on Anti-Corruption, must adopt all initiatives towards mitigating such risks. These studies are part of the Government of Nepal’s commitment to take all possible initiatives towards this end.

He expressed that UN-REDD program has had a significant role to support REDD+ programs in various developing countries globally. With his expression on having a fruitful workshop, he passed on the floor to the presenters.

**Presentations:**

A total of four presentations were delivered. The first presentation was by Akihito Kono from UN-REDD program who provided an overview of the concept of REDD+, UN-REDD program and its objectives and scope. According to him a request was put forth by the REDD cell to UN-REDD for targeted support on i) study on the national framework for REDD+ financing; and ii) Gaps in policy and measures in addressing the priority drivers of deforestation and forest degradation. He explained how these two studies were interrelated around the concerns of maintaining transparency and accountability in REDD+ implementation in developing countries. He further clarified that ForestAction was selected through a competitive process to help deliver the proposed studies.

Ms. Estelle Fach from UNDP delivered a presentation entitled "transparency, integrity and accountability for REDD+". She provided a list of national frameworks and international agreements pertaining to transparency and accountability and its link to REDD+. Moreover, lack of integrity would undermine the effective, efficient and equitable REDD+. Though there are various corruption risk brought forth by REDD+ nevertheless, it presents opportunities to strengthen transparency and accountability, both in the forestry sector and fund management. Finally, various actors in terms of integrity for REDD+ was listed in the presentation.

Likewise, presentation entitled "Assessment of key policies and measures to address the drivers of deforestation and forest degradation in the context of REDD+ readiness in Nepal", was delivered by Mr Dil B Khatri from ForestAction. Mr Khatri presented the objectives and framework of the study where proximate and underlying drivers of deforestation and forest degradation was discussed. This was further linked with the historical pattern of deforestation in Nepal where he stressed on the need for a deeper understanding on the issues. The approach and methodology of the study was finally introduced.

The final presentation was delivered by Dr. Rajesh Rai on "Assessing options for the design of an effective, efficient and equitable fund management system for REDD+ finance in Nepal". After presenting the objectives and broader framework of the study he highlighted the proposed methodology and list of relevant literature. He then presented a short overview of diverse performance based public financing schemes and trust funds operating in Nepal.

**Clarifications and feedback:**

Further clarifications and feedback was sought following the presentations. The individual responses to the presentation are discussed in detail below.

* Sahas Man Shrestha, Director General (Department of Forest Research and Survey-DFRS)

Among several, awareness among communities is an important factor of deforestation.

* Tunga Rai, (National Federation of Indigenous Nationalities –NEFIN)

There is a lack of clarity on the development assistance and REDD+ financing among people. Therefore there is a need to clarify such issues. Also, the notion that migration has triggered deforestation and forest degradation needs further analysis. This is because migration equally has positive impacts on forest cover as grazing has declined in the hilly areas due to outmigration.

* Keshav Kanel, Independent Researcher

In terms of financing architecture in Nepal, there are more than 100 mechanisms and they exist in different context. The government has its own mechanism and is regarded as a transparent one. The principle on the mechanism of development fund and REDD+ fund however is of different nature. In this case, there can be two separate accounts to manage these funds - one for development assistance and other for carbon account, the latter being a matter of performance based and is associated with our rights. On the other end, a meta-analysis would be important to analyse the drivers of deforestation rather than analysis of particular site, driver or few selected cases. Therefore, two broader perspectives would be important for this analysis - i) micro economic perspective, which should look into the implications of change in commodity price on deforestation; and ii) macro politico economic perspective like governance failure, tenure reform and so forth.

* Netra Timsina, ForestAction Nepal

REDD+ has become a highly technical issue and there is a need to simplify it. In terms of the financing mechanism, there is a need to reflect on the questions like has it really worked and supported the national interest? Or has it simply been upto the interest of the donors? There is a need to critically assess our interest as well. In terms of deforestation in Nepal, the main reason is politics. For instance, few commissions like *Sukumbasi Ayog* (commission on landlessness) among others have been formed under the leadership of political parties, distribute forestland mainly in and around growing towns along the road head which has directly triggered deforestation.

* Birkha Shahi, Secretary (Federation of Community Forest User Nepal -FECOFUN)

There is a need to assess how a single ministerial decision has impacted deforestation. Policy is not an issue, but what is the intention of people is more important. Both the development assistance and REDD+ assistance is a matter of our rights. Moreover, there is a need on harmonizing REDD+ financing with the existing benefit distribution system e.g. those existing in community forestry. Therefore this study needs to take into account these existing practices without altering their current structure.

* Braj Kishore Yadav, Director General (Department of Forest)

Both the proposed studies are important for the forest department. The Department of Forest (DoF) is keen to learn from findings of these studies. We suggest ForestAction to work closely with the DoF people during the study. Yes, deforestation is one of the major problems and it will continue unless we can demonstrate that, saving forest is beneficial than destroying it. Unfortunately, the media has solely accused the forest officials though diverse and complex factors are driving deforestation. For instance, the Department of Mining often issues licenses to companies without our consent providing them a legitimate base to carry on mining in the forest area. Similarly, construction of road through forest areas under the local development scheme is overwhelming. IEE/EIA is carried out for formality sake since development in the form of construction is in the interest local government agencies like DDCs. Also, there is a clear lack of coordination between the DDC and the district forest office (DFO). The study team should interact with DFOs and a separate meeting with the DoF officials would gather required information.

* Kapil Adhikari, (Federation of Forest based Industries and Trade Nepal- FENFIT)

At a time when the whole country is moving towards REDD+, there is a need to conduct a comparative assessment of costs and benefits from different options of forest management. For example, there should be an informed policy choice based on whether Nepal will benefit more from REDD+ or from sustainable timber business. We strongly feel that Nepal and its poor citizen cannot afford conservation for the sake of REDD+. We can see timber wasted in the forest which otherwise could have been utilized to boost the local and national economy. We really need to evaluate the existing practice of managing government and community forest considering the need to full realization of the economic potentials of forests.

* Dibya Gurung, (Women Organisations for Change in Agriculture and Natural Resource -WOCAN

The management of research and development funds (NARDEF) in agriculture could provide a good insight for REDD+ financing study. Moreover, there is a need to carry out the study from a gender perspective and think more on how the fund management could be made more gender friendly. Well, undermining equity is also a form of corruption, so institutional analysis (both formal and informal) especially at the district and local level will be important in this regard.

* Kumud Shrestha (Nepal Foresters' Association- NFA)

The forest managers should ultimately benefit from REDD+. How to create incentive to the forest managers to get them involved in REDD+ should be sought.

* Sunil Pariyar (Dalit Alliance for Natural Resources Nepal -DANAR)

Dalits are vulnerable in terms of climate change impact. However, elite capture at all levels of governance is explicit. There is a need to allocate a separate fund for the marginalized people and should be transparent and participatory.

* Netra Sapkota, USAID

The study should closely look into through governance perspective. Governance for whom, what and in which sector should be clearly defined. In terms of drivers of deforestation, means of verification would be important. So this study should take these issues into account.

* Nirmala Shrestha, HIMAWANTI

REDD+ financing should focus on benefiting people dependent on forest resources especially women, Dalits, indigenous people and the poor.

**Discussion and feedback:**

Following the session on clarification and feedback, discussion on the methodology and process of the study was discussed. Naya Sharma Paudel moderated the discussion where perspectives from diverse actors were sought. The issues raised during the discussion are summarized below:

***REDD+ financing***

* Resham Dangi, REDD Cell

From an international perspective, the UN Convention against Corruption and many national anti corruption bureaus are concerned with potential risks of corruption around carbon trade and REDD+ financing. In fact, given likely growth of the widely spread carbon market and involvement of numerous non-state actors in the process, the REDD+ financing poses a high risk to national security. In recent years international financing has been matters of national security because unaccountable money can be spent in smuggling and illegal purchase of arms and ammunitions. Therefore, a transparent REDD+ is critically important for nation states to monitor its flow. Nepal as a signatory to the international treaty, must comply with it. We should think about how best our funding mechanism can be well governed and transparent and how it can respond to the performance in terms of reducing emission.

* Sahas Man Shrestha, DFRS

REDD+ can learn a lot from ongoing good practices on payment of ecosystem services (PES), for example from Costa Rica. In terms of financial arrangement, we should acknowledge that neither any fund separate from the government system nor that goes within the regular budget would provide good answer. There should partly be a control mechanism from the government, but if it comes from the RED book of the government, the process will get too lengthy. So a separate government managed fund beyond the red book can be effective.

* Tunga Rai, NEFIN

The framework is good as it allows us to compare potential financing modalities against effective, efficient and equitable REDD+ outcomes. We think strong and active involvement of government is important to ensure attributes. Likewise, involvement of government is imperative to ensure Free Prior and Informed Consent in REDD+.

* Vijaya Singh, UNDP

We should be aware of the current financing mechanisms operating in other sectors such as education and health. Education and health sector comes under the Sector wide Approach Programme (SWAP). But there is no sense of forestry program going under the swap program. When we go outside the government system for any kind of fund management, there are accountability risks associated with it. And also, few reviews of fund management suggest that we should follow the government system. However, even within this approach there can be diverse schemes which varies based on whether the money is accounted or not and whether it actually flows through the RED book or directly. In order to get good insights of the diverse schemes two aspects should be included in this study – the climate financing and the energy financing schemes.

* Sunil Pariyar, DANAR

Dalits are one of the most forest dependent communities in Nepal but they have often been marginalized in the policy process. Though we see multiple governance challenges within the government system, we can hold it accountable than other institutions. It is easy to fight with the REDD cell rather than any other CSO because the REDD Cell is a government body. The REDD+ money should reach to those who sacrifice more for conservation. There should not be a mechanism for bidding for proposal rather it should come in the form of support/help.

* Netra Sapkota, USAID

The particular modality of REDD+ financing is of less importance. What is important here is the attributes of these modalities: transparency, accountability, legitimacy and predictability. How can we ensure it adopts an inclusive and democratic process in decision making and consider interests of diverse institutions of forest managers. So need to explore these areas in consideration for this study. Moreover, how communities will be represented in that study needs to be ensured since more than 30% of the forest is managed by them.

* Keshav Khanal, WWF Nepal

The insights from biogas and micro-–hydro provide good examples of how climate change mitigation initiatives can be incentivized through external financing. These can provide valuable inputs to REDD+ financing schemes.

* Naya Sharma Paudel, ForestAction Nepal

One of the risk of budgetary funding is it may not respond the specific drivers of deforestation and degradation. For example, the money provided by the Kulekhani Hydro-power goes to Makawanpur DDC and that is disbursed to VDC in its watershed. Unfortunately, the major chunk of that money is spent in constructing seasonal roads that has resulted in erosion, landslide and siltation so that the ultimate goal of this incentive is undermined. Therefore, ensuring that the money will be spent in right purpose will be critically important.

* Resham Dangi, REDD Cell

There is a tradeoff between equity, efficiency and effectiveness. So we should think in terms of risk assessment of these three. For example, embezzlement, corruption, elite capture and fraudulent cases may increase. So if these risk factors are incorporated first and assessed then it will be effective.

* Akihito Kono, UNREDD

Need to think on what sort of finance is feasible for a country? What actions are required to address the DoDs at different levels? There are two important aspects we should be considering in this study. First, the modality of national REDD+ financing varies with the size of the fund which comes through the understanding of the carbon price. Second, the identification of key drivers of deforestation would help understand how these can be addressed. This will also have implications to modalities of financing.

***Drivers of Deforestation:***

* Netra Sapkota, USAID

Re-assessment of drivers is necessary. There are two important aspects. First, as the drives are dynamic we should keep track of how the drivers keep changing demanding periodic validation. Second, there are unique dynamics of land use change in different ecological zones and it is important to understand those micro phenomena. Considering this, Hariyo Ban programme is conducting a study on deforestation and deforestation in its project areas.

* Keshav Khanal, WWF

Watershed level drivers including natural specificities, infrastructure development and dependency patterns are important. Hariyo Ban programme is conducting the study on deforestation and degradation of our project area considering these issues.

* Resham Dangi, REDD Cell

Macro, meso and micro level drivers of deforestation are entirely different. As we are trying to capitalize this study for national REDD+ study, the national level drivers and their major trends help us understand the national scenario. As these drivers hardly operate in isolation and often operate in association with others, we need to understand the larger picture. Therefore we are looking for an aggregate picture at national level though we can get insights from sub-national or project level insights from TAL or CHAL.

* Shanti Ojha, UNDP

We must have a longitudinal perspective of drivers as the relative significance (impact level) varies with time. Those which do not sound significant today can emerge as a major driver in the future. For example, migration, remittance and its impacts on hill forests is a recent phenomenon.

* Tunga Rai, NEFIN

Need to look at the change in the national policy. Certain policy such as Community Forestry has huge impact on deforestation and degradation. Many policies have multiple knock on effect or multiplier effects. As there are several changes in the land and forest tenure and management regime, it is important to see their intended and unintended impacts.

* Resham Dangi, REDD Cell

Defining drivers in terms of REDD+ is not that easy and none of the country has been clear in terms of drivers of deforestation. The drivers operate in different combination and permutation and have short and long term effects. Therefore, we need to be specific on what we want and what can realistically be achieved in a given time and resource. He expressed his full support to this study and said that this will be a valuable study in terms of REDD+ process for Nepal. And thanked all the participants and closed the session.

**List of Participants**

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