

Looking at the Institutions within the Community Forestry Institution

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Abbreviations/Acronyms

ACAP:	Annapurna Conservation Area Project
ADB/N:	Agriculture Development Bank/Nepal
APP:	Agriculture Prospective Plan
BS:	Bikram Sambat (A Nepali calendar)
CBO:	Community Based Organisation
CDG:	Community Development Group
CDO:	Chief District Officer
CF:	Community Forest/ry
CFUC:	Community Forestry User Committee
CFUG:	Community Forestry User Group
DAO:	Department of Agriculture
DDC:	District Development Committee
DFO:	District Forest Office/r
DLS:	Department of Livestock
DSCO:	District Soil Conservation Office
DWSO:	District Drinking Water supplies Office
FC:	Financial co-operatives
Ha.:	Hectare
HH:	Household
HLFFDP:	Hills Leasehold Forestry and Forage Development Project
HMG:	His Majesty's Government
JICA:	Japan International Co-operation Agency
JTA:	Junior Technical Assistant-Agriculture
LFP:	Livelihoods Forestry Project (HMG/DFID collaboration)
LHF:	Leasehold Forestry
LHFUG:	Leasehold Forestry User Group
MCAP:	Manaslu Conservation Area Project
NARC:	Nepal Agriculture Research Council
NARMSAP:	Natural Resource Management Sector Assistance Programme (HMG/DANIDA collaboration)
NGO:	Non-governmental Organisation
OG:	Operational Guideline
PFC:	Production /cum Financial Co-operative
PRA:	Participatory Rural Appraisal
Rs.:	Nepalese Rupees
UG:	User Groups
WRFD:	Western Regional Forestry Directorate

About this work

Community forestry intervention in Nepal is essentially an institution building process that aims for a sustainable and equitable forest management system at the local level. Operational Guidelines are available which guide the interventionists in terms of the required field procedure. The Operational Guidelines emphasise on 'Interest Group Meetings,' which is actually at the heart of the intervention process. Those meetings aim for genuine consensus building for attaining ultimate sustainability and equity objectives.

This work intends to look at the possibilities of non-community forestry institutions that co-exist with the community forestry institutions the forestry interventions create and support. It is argued that a number of non-community forestry institutions might co-exist with the community forestry institutions. Their origin might range from 'indigenous' through 'induced' to 'sponsored'. The thrust of those institutions might range from the production and financial concerns to self-help. Such institutions may be seen as a crystallised form of local 'interest groups' that tend to interact within themselves, between them and the larger community forestry system that tends to embrace them all.

It is stressed that community forestry intervention in Nepal tends to overlook such prevailing institutions despite the fact that it itself is an institution building process. Potentiality, however, exists for acknowledging such institutions in a way that local interests are explored in a more holistic and pragmatic way. This essentially means initiating the modification of the existing extension process in a way that fully takes into account other prevailing institutions.

The study is based on fieldwork in four community forestry user groups and the corresponding institutions in Gorkha, Tanahun, and Parbat districts during May-Jun 2002. Methodology consisted of participatory rural appraisal (PRA) and a series of informal discussions with concerned executive members, key persons and the rest of the members of the institution concerned. Oral history constituted bulk of the information source.

Key words: Community forestry, Community development, Interest groups, Extension, Intervention, Institution building.

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Background

Nepal's forestry policy accords highest priority to Community forestry (CF). Government intends to handover the management responsibility and the use rights of all accessible hill forests to the local communities of forest user groups (CFUGs) 'to the extent that they are willing and capable of managing them' (HMG 1989). CF policy has been very popular amongst the donor communities. Numerous projects have been involved in facilitating the handover of the National Forests to CFUGs and in their subsequent management. To date over a million hectares of forests have been handed over to more than 13,000 user groups (CFUG data Base Dec 2003). The user groups are managing forest resources as guided by the agreements reached between the government and the communities concerned (this, however, is not to suggest that there are no deviations)

Community forestry intervention as an institution building process

Handover of the national forests into community forests essentially involves interventions that focus on institution building processes (rather than a blueprint) for achieving a sustainable and equitable forest management and benefit sharing system. The equitable benefit sharing system has two important facets. First, the locally acknowledged use rights (in contrast to *de jure* rights which lies with the government) of the forest dependent communities are insured; second, the aspirations of all sections of the communities (which are heterogeneous by nature) are addressed. The District Forestry Office (DFO) rangers are supposed to play a pivotal role in the overall intervention process. Rangers are often supported from donors and NGO staff in carrying out the job. Operational Guidelines (OG) about the required field processes are available (HMG 2001). OG are expected to be followed during the concerned interventions. The guidelines emphasize a series of *Interest group meetings* and *Tole meetings*, which are essentially seen as a means of consensus building and empowerment. The end products of the field processes are a consensus based *Operational Plan* and accompanying *CFUG Constitution*.

The concern

It may be striking that while CF intervention has essentially been accepted as a process of sustainable and equitable institution building there has so far been little reference of the other institutions that might co-exist. Operational Guidelines were prepared as early as 1989 (HMG 1989) and have been revised a number of times (HMG 1992, HMG 1995, HMG 2001). The latest revision was done in 2000-2001 by a task force that comprised of all major projects and programmes that have been pursuing community forestry. The revision is a large improvement over the pre-existing guidelines in a number of respects. The most

notable being it's guidance towards planning for a number of community development works required by the group. The provision clearly contrasted with the earlier guidelines, which lacked such details thus leading to the use of the CFUG funds in an ad hoc basis.

Despite improvement over the past, the Operational Guidelines (HMG 2001) still fail to explicitly point out the possible existence of coexisting institutions and about their utility. Indigenous systems of forest management are probably the only exceptions of such acknowledgements. Indigenous systems of forest management might be the result of a dynamic response of the local communities over the declining state of forest resources. Communities indigenously institutionalise norms for forest management and benefit sharing (Fisher 1989). Such institutions, however, may or may not be evident in the form of an organisation.

Lack of adequate level of awareness about the existence of institutions translates into the recommended extension modality. The modality considers '*interest group meetings*' and '*tole meetings*' to be the essential means through which latent interests and aspirations of the weaker section of the community may be adequately explored.

We argue that interest groups might not necessarily be formless in structure but, instead, could have been crystallised (or heading towards that process) into one form or another of institutions. This has a clear degree of implication on CF intervention process, which naturally gets carried out amidst a number of other local institutions either during the phase of hand over or the support phase that follows. A decision to ignore this reality would naturally be absurd and could be unhelpful at best and counterproductive at worst. While such institutions have interactive dynamics within themselves, between one another and between them and the community forestry systems, our objective here is rather limited. We essentially want to highlight the reality that community forestry institutions might contend with a number of other institutions operating generally within (but not necessarily) the exclusive boundary of the group. We purposely leave out the more formal official institutions like VDCs and the Wards despite their relevance to the CF process. Although their relevance to CF has been agreed upon in theory¹

¹ Local Sel-Governance Act 1999 and Rules 2000 see more direct role of the formal bodies like DDCs and VDCs in the local resource governance. The current community forestry development programmes and projects, in the hills in particular, on the other hand, see that indigenous use-rights boundary of the local people may not necessarily conform to the administratively defined DDC/VDC boundaries. They thus imply that communities of user groups are more relevant units for all types of decision-making about the local resources where the formal bodies like VDC and DDC might have relatively little role to play.

it is a debatable area because there has been a lack of consensus about their involvement in practice.

Cases

Below we present four cases from CFUG institutions and the non-forestry institutions that co-exist. We deliberately keep the accounts of CF short to provide space for rest of the institutions. The last three cases have been presented relatively briefly both because the data there were limited and also because we had to make certain compromises in favour of a report of readable length.

Biren Chok CFUG, Prithvi Narayan Municipality #9, Gorkha

This community forest user group is located on the Gorkha-Khairini road, roughly at 7 km. from Gorkha Bazaar. The group holds two patches of forests namely, Deurali (63 ha.) and Jangale (18 ha.). CF handing over was done in 2049 (BS²). Sal is the principal species in both of the patches. The road passing through the ridgeline roughly divides the major UG settlements and the smaller forest patch on the northwest with the bigger forest patch on the southeast. The user group currently consists of 170 HHs that are divided in 7 big and small clusters; five of which are on one side of the road and two clusters on the other. Birenchok is the local business center and is located just on the ridgeline by the side of the road. Ethnic Magars are the dominant group. The other castes are Brahmin, Chhetri, Newar, and a number of occupational groups.

A closer look at the community forest user group would show a number of formal and informal institutions in co-existence.

Fresh vegetable production group, Biren Chok

This is probably the oldest local institution of the place. There are currently 17 members in the group all of which are Magars and come exclusively from the CFUG HHs. It was initially pushed by JTA as early as 2044 with a view that the farmers' efficiency in producing vegetables could be improved. This concept however remained dynamic in the sense that originally the entire population within the VDC boundary were targeted for the program but over the course of time the coverage was narrowed down to ultimately arrive at what the situation is now.

Though the remaining group members continue to produce vegetables, their emphasis has changed. The current thrust is savings and credits. Each participating HH deposits Rs. 100 a month (Originally the sum was Rs. 10 which changed over time to Rs. 20, Rs. 50 and Rs. 100). Currently the group has Rs. 12,000 in their fund. The members are entitled to borrow money for which 18 per cent interest rates are applicable. Lending does not require collateral and is very attractive.

They have introduced a provision through which shares may be bought and sold. Current price of each share is Rs. 10,000. The demand for the share is very high but the group would like to restrict it within the Magar communities. People may not like to sell shares but some times financial crisis forces them to do so.

² Bikram Sambat (BS) dates have been used in all of the cases. BS calendar is roughly 57 years ahead of the Roman calendar.

Gandaki/Dhaulagiri savings and credits co-operative Biren Chok

These two are female co-operatives, each of which currently consists of 73 members. Roughly about 5 members from each group are believed to have come from outside the CFUG boundary. The origin dates back to 2048 when the Lion's Club staff facilitated forming small groups to help generate income. This evolved into two groups comprising of poorer people consisting of 25 individuals in each. The club had then supported each of the groups through adult education/training followed by running a small-scale business (goat rearing, vegetable production and grocery shop keeping). Gradually the group started small savings and credit schemes and was ultimately registered with the District Co-operative Office as a financial co-operative. The groups since then stopped the income generation component and limited itself in savings and credit schemes. The membership continued to rise to arrive at the present number.

Each member contributes Rs. 50 a month and the current total saving with each of the groups has reached Rs. 700,000. The members are entitled to borrow the money for which an interest rate of 18 per cent is applicable. Borrowing does not require any collateral and is very attractive. Default is unusual.

The scheme is becoming very popular and they have recently opened the scheme for buying and selling shares. While they are quite liberal in terms of extension of membership, they are keen that it retains the identity of the female co-operative. They thus have restricted entry to males who have insistently tried to get a membership only to be denied.

Jana Seva multipurpose co-operative, Biren Chok

The birth of this institution was actually the result of men's stimulus to join the above-mentioned women's group. This institution comprises of 56 male members all of whom come from the CFUG. It registered with the District co-operative office in 2053. All they essentially do at the moment is savings and credits. The 'multipurpose' function is not pursued despite the name. The name was given only to facilitate the registration process, as the co-operative office (which has the authority to register) would prefer not to see too many co-operatives under the same nametag. Each member deposits Rs. 50 a month. Members are entitled to borrow money from the collected funds. Money may be borrowed for a maximum of 12 months at an interest rate of 18 per cent. The shares are currently transacted at Rs. 400.

Biren Chok Pear production group

This group, again, is the result of denial by the women co-operatives to take them in. They consequently decided to take advantage of the scheme of the DAO, which was prepared to provide support for fruit production. The current membership is 34 all of whom come exclusively from CFUG HHs. Each of the members is supposed to plant a minimum of five saplings of pear and deposit Rs. 50 in the group's funds (this amount was initially Rs. 30). The fund has now reached Rs. 130,000, which is lent out monthly to the members in rotation at a rate of 18 percent per annum. Limited available funds and heavy demand require those who want to borrow money to place the request in advance. The ones who put the requests first are given priority.

Buffalo raring Group, Biren Chok

Despite the name, this institution limits its activity to buying milk from a number of farmers. The procured milk is ultimately supplied to the milk co-operative located in Gorkha bazaar. The members count 25 all of who come from CFUG HHs. They receive financial support from two sources. DLS had provided Rs. 75,000 for buying a buffalo bull with the official intent of improving the future breed of the local buffaloes. They, however, decided not to use the money for buffalo but instead used it for buying the necessary gears required for milk collection and fat testing. The amount procured, however, was not adequate for the purchase; the group was short Rs. 59,000. The remaining amount was met from the support of a number of other institutions. The group has now been criticised for having taken undue profits contrary to the theoretical provision, which did not allow them to take any middleman margin.

Chandi Deurali Mothers group

This group was formed in 2057 and now has around 25 members. All of them come from CFUG HHs. This group can be considered to have emerged partly from desire of the Magar women to work for community solidarity and partly on account of discomfort they felt while being a member of the *women cooperatives* described above. Their discomfort is claimed to have roots in two things. Firstly, the clever Brahmin and Chhetris hold the main responsibilities in the co-operatives and tend to be biased against the *Magars* who were mostly illiterate. They had greater hassles in borrowing the money and needed to follow a more rigid deadline in paying back the loans. In contrast the Brahmins and Chhetris received loans easily and were able to waive the deadline for the loan payment.

Another reason for the split was difficulty in jointly participating in the group's annual income generating program during *Deusi* and *Bhailo* (both are ceremonial group dances performed during the famous *Tihar* festival). During the festival

women perform dances at night traveling from house to house collecting funds. However the Brahmin and Chhetri women, who see themselves as people of upper status do not drink alcohol and do not want to travel in the night with Magar women.

They were keen to officially register their group but had failed to do so for various reasons. They did not have confidence to personally go to the CDO for registration and hence approached the ward chairman (A Magar) for help. Apparently, he attached a condition and indirectly suggested that they would have to support him politically in return for his support in getting their institution registered. This created a deadlock and the group remained unregistered. Failure to register must have affected their spirit but not to a point of a total collapse.

They raise funds annually from *Deusi* and *Bhailo* and invest the money in the construction of various types of temples. They do so as soon as they collect the money from such events. Part of the reason for the quick investment may be attributed to their inability to keep accounts.

Prabhat Kalin Magar federation, Biren Chok

This ethnic Magar association is part of national-level network, which was conceived in the year 2054 under the initiatives of District level association in Gorkha bazaar. It is yet to be registered to date. Current membership stands 144, which comprise of 100 HH from CFUG and the rest from the bordering area. Despite its unofficial status, the association remained relatively active for a couple of years. They raised money through *Deusi* and *Ghatoo* (a Magar dance) and had accumulated Rs. 12,000/- in its fund. The people agree that the association could not be active to the extent it had the potential for. They blame the nature of the Magar community who do not find time for the meetings and say that the principle reason for the lack of activity is attributed to the same. Despite the lack of enthusiasm, the association ran in one form or another until a couple of years ago but ceased to operate when the district level executives of the network were arrested on charge of suspected Maoist insurgents.

Drinking water and sanitation group, Biren Chok

This group was constituted in 2057 to respond to the critical need of drinking water in and around Biren Chok as well as the school there. While the bulk of the group members consist of CFUG members, it is not exclusive. The ones who send their children to the school in Biren Chok are also closely affiliated in the overall group process and tend to contribute to the system.

The people were smart enough to form into a group to buy the water source (located in private land) and to carry out all menial work voluntarily when they realized that the District Drinking Water Supply Office (DWSO) was prepared to extend financial support for the rest of the activities. They take pride over the fact that all work was finished much earlier than the deadlines given to them. The land where the water source was located had been bought under the name of the school so as to facilitate the buying process. Money required for the purchase of the water source amounted to Rs. 65,000, which was collected from the existing local institutions including CFUG. The DSCO deposited a bulk sum of Rs. 60,000 in their account for maintenance. Each HH contributes Rs. 20 a month to pay for the watcher who gets a monthly sum of Rs. 2000.

Other institutions

There are a number of other institutions on top of what have been described. Those included the *high school, youth club, Red Cross, Soil and Watershed Conservation Group*, and *Rural Development Bank's Credit Group*. Accounts of these institutions are not elaborated here owing to space.

Upallo Gyanjha CFUG, Manakamana # 8, Gorkha

This community forestry user group lies on Gyanjha slope on the other side of Mugling Bazaar across Trishuli River. Ethnic Magars are the dominant group. Shifting cultivation is widely practiced in the area.

Community forestry extension process had been started as early as 2048 but was impeded when the ranger changed his mind and, instead, urged the people to take initiatives for taking over parts of the land as leasehold plots. That is what ultimately happened. Patches of land in the area were divided into 25 HHs as lease land. The forest area that remained was handed over as CF as late as 2059. The forest comprises two patches: one is just across Trishuli river near Mugling Bazaar and the other is further up. The operational plan and accompanying constitution guide their required official institutional norms. While the forests have been largely recuperating for the past several years, their sustainability is questionable. This is apparent when looking at the fact that the people have refrained from doing any silvicultural operations for fear that doing so might open up avenues for illegitimate removal of firewood to be sold in Mugling bazaar. A number of institutions are apparent in this CFUG.

Leasehold forestry groups

Five patches of forests under the CFUG boundary have been handed over as LHF to five groups. Virtually all of those people who have a membership in LHF also have a membership in the CFUG, but not necessarily vice versa. The groups are

receiving government support in a number of areas including pasture, income generation and community development works. There is wide spread dispute regarding LHF. People grumble that forest patches under the claim of wider community and those under the shifting cultivation of the very poor HHs have been deceitfully given to the HHs who are not necessarily poor.

The other institutions in the area include *a primary school, financial cooperatives (Male-1; Female 1), Youth club, and Magar Sangh.*

Darre Pandhera Community forest user group Vyas Municipality # 3, Tanahun

This CF is just on the other side of Ghansikuwa across Buldi River near Damouli, the district headquarters. A brief history of intervention may be worthwhile as a prelude. The forests with rather scanty trees were widely used by some 70 HHs, which lay on the base of the forest tract. The people were actually doing some primary consultation amongst themselves so as to take over the whole tract of the land as CF. However, the ranger ignored their plea and handed over majority of the area as leasehold blocks to 4 groups (26 members in all). Only the pocket that remained (area 8.4 ha) got handed over as a CF for the purpose of the whole community just over a year ago. The CF is governed by institutional norms written in the operational plan and the CFUG constitution. People believe that while the state of forest regeneration was improving prior to handover, its condition continued to improve after the formal handover.

Leasehold forestry groups

A tract of land has been divided into 4 leasehold groups, each consisting of 5 to 6 members. All those who are members in this group are also members in the CFUG. Poverty alleviation cum environmental restoration is the stated objective of these groups. The people are stunned over the fact that DFO ranger had handed over the patches as LHF disregarding the reality that those were actually used by larger communities. Their discontent is further flared due to the fact that they had already taken initiatives to take over all tracts of land including what was handed over as LHF. As a consequence there was a loss of indigenous use rights by many.

Darre Samaj (association of ethnic Darres), *Mother's group, Drinking water groups* and *primary school* are other institutions that co-exist within the boundary of the CFUG.

Gajoute Chisapani CFUG, Shivalya # 2/3, Parbat

The concerned CFUG is located just above the Pokhara-Baglung road near Kusma bazaar. The CF area is 58 ha which consists of species like sal, pine and chilaune. The forest was handed over in 2052. While 169 HHs were the original members, some 15 HHs decided to move close to Kusma bazaar and ceased to be members. Forest cleaning is done in winter and the products thus acquired are distributed to the members. While fuelwood is free of cost, construction poles cost money. Beside this, the forests are opened one time in *Dasain* and a second time in the New Year's eve for collecting dead twigs and branches required for cooking. The group has employed a watcher for observing the set norms.

The group is renowned for having a novel initiative in which certain CFUG funds are allocated for poverty alleviation purposes. The concerned initiative is a process based one. Wealth ranking is done through community consensus after which a loan is provided to each of them in rotation but with priority to the ones who are at the bottom of the rung. Some 22 HHs are reported to have been benefited since the introduction of the concepts in 2056. The group funds have been used for two other purposes: a) local development works and b) donation. The first essentially involved support to the school and to the drinking water scheme. The later initiative had received major support from an NGO.

Donations involved contributions (rather a forced one) to the Children's Welfare Office building being constructed in Kusma under the initiative of the CDO.

A number of institutions are associated with this CFUG. Those include women *Micro-credit group* (formed under facilitation of a local club and District Women Development Office), *Mother's group* (indigenous endeavor), *drinking water group* (formed through facilitation of an NGO) and *Primary school* (Indigenous initiative which ultimately procured government support).

Reflection

It may be obvious that a number of institutions do co-exist with community forestry. The concerned institutions are essentially a mix of cooperative and voluntary endeavours intending to uplift the status of the participating HHs in a number of socio-economic matters. Institutions fall between a broad spectrum of those indigenously occurring and the ones sponsored from outside agencies. While their territory tends to lie within the CFUG, there may be exceptions. All such institutions are dynamic and might have interactive processes in operation within each of them and between them and the broader community forestry system. The institutions tend to have a savings and credit component which in some way might serve the purpose of rural banking.

Institutions as functionally differing entities

Institutions, by function, may be grouped into: i) *Production/cum financial co-operative (PFC)* ii) *Financial co-operatives (FC)*: iii) *Self-help CBOs* iv) *Service institutions* and v) *Solidarity institutions*.

Fresh Vegetable production group and *Pear group* of Biren Chok typify the *production and financial co-operative*, which though concentrate on agriculture based production, extend their activities to savings and credits. In fact savings and credits tend to be emphasised over agriculture based co-operative ventures. This is despite the theory that agricultural co-operatives needed to gear all their efforts towards agricultural improvements. Every member of the group is obliged to take part in the savings and credits. It is not mandatory that the credited money needs to be invested in agriculture despite the theory, which expects compliance. Thus repayment of loan seems to be a matter of practical concern.

The male and female savings and credit co-operatives of Biren Chok and Gyanjha slope exemplify the *financial co-operatives*. These co-operatives share characteristics with *production cum financial co-operatives* in terms of compulsory savings. However, neither in theory nor in practice, do they specify that the money must be used for a certain specific purpose.

Timely repayment of loan seems to be the only matter of concern. The people who have borrowed money could even decide to make profits by distilling alcohol to be supplied in Gorkha bazaar (this, in fact, is known to be a very lucrative business amongst certain poor HHs). This is not to say that there is total indifference. The female co-operatives in Biren Chok educate the people not to waste the money in socially undesirable activities like alcohol drinking but to invest the money in areas that are financially beneficial. However, they do not keep track of what is done with the money borrowed.

Drinking water groups of Biren Chok and Gajoute Chisapani are the examples of *Self-help CBOs*. These institutions tend to emerge when they see that there is possibility for external support, which may be materialised by way of being organised into groups. Biren Chok CFUG as well as Ganjaute Chisapani CFUG formed into respective groups and acquired the financial support for the drinking water scheme they had in mind. They did so as soon as they knew that supports could be forthcoming if they were organised into groups.

The youth clubs typify the *Service institutions*. These institutions, though they may be inspired by some political ideology of individuals being recognised in the community; the expressed concern tends to be community service. The youths may come forward to take this sort of challenge partly due to their self-less interests to serve the community and partly to their potential interests to pave the way for future political career.

Mother's group, Magar sangh and Darre Samaj are the examples of *Solidarity institutions*. These institutions might emerge from an interest to have solidarity amongst communities (*Aama group/Magar sangh*). Such institutions might be prominent in areas of mixed ethnicity particularly if the higher castes dominate the lower caste ethnic tribes. In such situations those feeling discriminated against tend to demonstrate their solidarity by forming their own groups.

Institutions differing in origin

Institutions may also be divided on the basis of their origin. While more than one factor may be responsible for the emergence of an institution, it is possible to present a typology based on the principle factors which may have contributed towards its birth. Institutions, based on their origin may be classed under i) *indigenous* ii) *facilitated* iii) *induced* and iv) *sponsored*.

Indigenous institutions may symbolize a critical need for communal solidarity. Those may be gender based or general. Mothers group would typify a gender-based institution and may be relatively old in origin. Solidarity for water supply may exemplify the general type.

Induced institutions though originating from initiatives within the community, in fact, might have actually been introduced from elsewhere. Initiation may be partly because the community leaders would like to copy good examples they have witnessed. The activities of the youth clubs can be an example of this. In other instances, groups may emerge as a result of reluctance on the part of the existing groups to extend the membership. This is exemplified in the *Pear production group* of Biren Chok, who after denial from the female co-operative opted to form a new institution altogether.

Facilitated institutions may be the most dominant form of institutions. Emergence of this type of institution seems to have taken place particularly after the dawn of the multiparty democracy in 1990. Master Plan for the forestry sector 1989, Co-operative Act 1991, and the

APP 1995 seem to have triggered a number of facilitative interventions under the initiative of both GOs and the NGOs.

The term *Sponsored institution* may be considered misnomer in one sense. No institutions may be unilaterally sponsored unless there is some degree of local interests that would plea for its need. However, institutions like wards and schools might be considered more as a sponsored institution rather than indigenously occurring. In sponsored institutions the bulk of the funds for the construction and daily management may be available from the government. Schools might represent one of the oldest institutions in the locality except for the ward, which tend to have even older history.

The following table presents how different local institutions might emerge through variable types of policy source and support system.

Institutions and their source

Local institution	Supporting organisations	Policy source
Community forestry user group (CFUG)	District Forest Office	Master Plan For Forestry sector (MPFS)1989/ Forest Act 1992 /Forest rule 1995
Financial co-operatives	Lion's club	Co-operative Act 1991
Rural Development Bank's Women's Credit Groups	Rural Development Bank	Development Bank Act 1996/Rural Development Bank Rule 1993
Agricultural groups/ co-operatives	District Agricultural office	APP 1995
Livestock group/co-operatives	District Livestock Service (DLS)	APP 1995
Ethnic groups (e.g. Magar, Darre etc)	National ethnic federations	Institution Registration Act 1977
Mother's group	Indigenous/Induced	Institution Registration Act 1977
Self help CBOs (e.g. drinking water)	Indigenous	Institution Registration Act 1977
Service institutions (Clubs)	Indigenous/induced	Institution Registration Act 1977
Community Development Group (CDG)	DSCO	Community Development Group Guidelines 2000
Leasehold Forestry Group (LFG)	District Forest Office (the theoretical collaborators are ADB/N, DLS and NARC)	Forest Rules 1995
School	Indigenous/sponsored	Education Act 1992

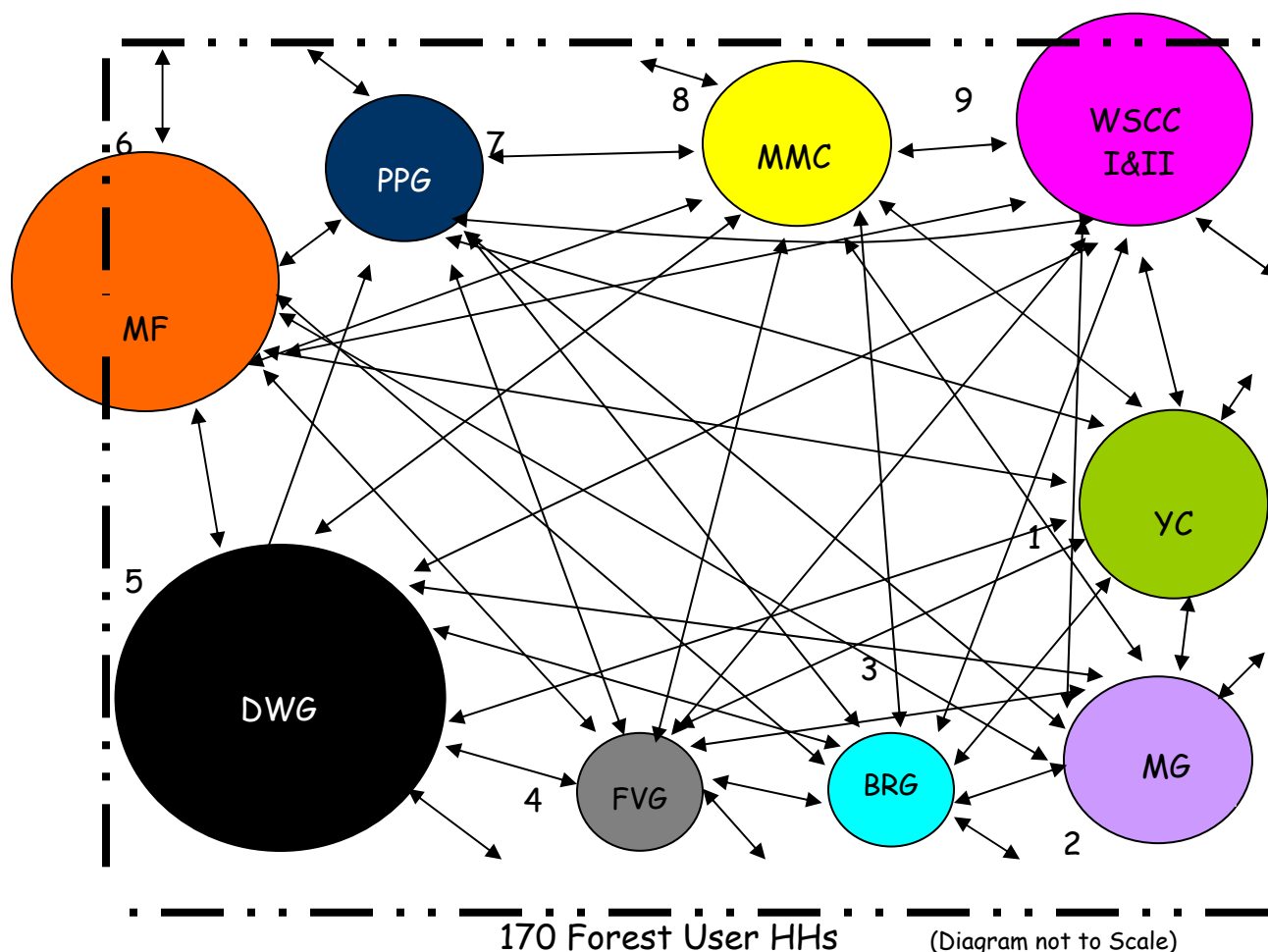
CFUG at the centre of institutions

It is apparent that the institutions at the local level tend to have their 'epicenter' at the CFUG. This is to say that other community institutions tend to occur within the territory of the CFUG and normally not the other way round. Probably the only major exceptions are the schools, ethnic federations and financial institutions, whose members or beneficiaries may extend outside the boundary of the CFUGs. The forests provide a basis of livelihoods to a number of people residing in a relatively large geographical area. The people covered by such

groups tend to form social bonds within. A whole group may split for a specific reason but they might not see a need to join the institutions lying within the boundary of another CFUG altogether. While saying that micro-institutions normally fit within the boarder of CFUG institutions we do not mean that the memberships are independent and exclusive. To the contrary, the memberships largely overlap between the institutions within a fixed boundary. CFUG can actually be considered as a 'solar system' under which a number of 'institutional planets' tend to operate some times independently but often in an overlapping fashion. This is not to suggest that all micro institutions are part and parcel of the CFUG but that they may certainly have relations and inter-linkages with the CFUG in several matters. Those range from commonality in memberships as well as in products and service sharing between them.

CF-LHF memberships provide a striking example that illustrates the accommodating nature of CF. The mere 8.4 ha. CF in Darre slope accommodates as many as 71 HHs while LHF with nearly triple area accommodates only 26 of those. It may be further striking to note that all the HH with membership in LHFUG are also members of the CFUG but not vice versa. This is to say that all LHFUG members are CFUG members. However, only a small portion of the CFUG members have a membership in LHFUG despite the much bigger size of the resource contained by the latter. This actually tends to be the general case. CFUG tends to accommodate a number of people and the related institutions. This is not normally observed in the case of LHFUG. Diagram 1 exemplifies how a number of institutions tend to be accommodated within a single CFUG institution. We want to stress that we have not been able to show the institutional overlaps owing to the more rudimentary nature of our current work. (Part of circle outside the CFUG boundary denotes the corresponding memberships).

Diagram 1: Institutional inter-relationship
Birenochok Deurali Community Forest User Group,
 Prithwi Narayan Municipality - 9, Birenochok, Gorkha



SN	Name of Institution	Symbol	Individual from inside the FUG	Individual from outside the FUG	Total
1	YC - Youth Club		63	0	63
2	MG - Mother's Group		25	0	25
3	BRG - Buffalo Raring Group		25	0	25
4	FVG - Fresh Vegetable Group		17	0	17
5	DWG - Drinking Water Group		149	-	149
6	MF - Magar Federation		100	44	144
7	PPG - Pear Production Group		34	0	34
8	MMC - Multipurpose Co-operatives, Men		56	0	56
9	WSCC - Saving & Credit Co-operative, Women I		68	5	73
	WSCC - Saving & Credit Co-operative, Women II		68	5	73
10	CF - Community Forest		170	-	170

Note:

- Institutions shown in the diagram are for only example. There are in fact over 20 institutions co-existing with CF and many of them have not been shown (see case above).
- The independently located circles should not be confused with their independent locations on the ground. A number of them do actually overlap but it has not been possible to depict here.
- Part of circle outside the CFUG boundary denotes the corresponding memberships from outside CFUG

Institution: an interacting entity

Institutions within a specific place may conflict in certain areas and complement in others. Main areas of conflict might be in terms of membership and the related resource. While some institutions tend to compete with others in terms of attracting more members this is not always the case. In certain situation individuals may find it difficult to buy membership.

Competition for attracting membership has roots in the presence of a large number of institutions, many of which tend to have savings and credits schemes. Limited cash within every HH in a certain locality would mean that there could be a virtual 'tug of war' between the institutions to attract new members. Just opposite might be the situation when individuals show their desire to buy membership in financially more profitable institutions while the same may be reluctant to allow a new entry for a number of reasons.

Probably the major institution that tends to conflict with the CF system is LHF. The later tends to compete with the former for the scarce forest resource base. Also field interventionists are normally inclined to favor LHF for various reasons including associated financial incentives.

The institutions tend to complement each other by the way of providing support in terms of financial matters and by improving the general awareness level of its members. Support in financial matters is sought through guarantee of payback in case of default. The case of CF trying to get a payback guarantee from financial co-operatives provides an example. Improvement in the awareness level of the members is due to fact that the institutions are often overlapping and hence their members tend to be more informed of their rights. This is mainly owing to improved social contacts leading to enhanced communication.

Community forests may be the source of a free '*land bank*' for constructing office buildings that any other institutions might require for their administration. Likewise they may be the source of free timber for construction purposes. This is practiced despite the official restrictions that land from community forestry may not be alienated for any other purpose. Schools have used lands for free from CF in all places where it required land for construction. The youth club in Biren Chok had gone ahead with constructing an office building in collaboration with CF but has lately been adjourned.

Diagram 1 would indicate how virtually every single institution is linked with the rest of the institutions and the larger community forestry system. The uniform arrow width, however, should not be confused with uniform interrelationships. The nature and extent

of interrelations widely vary and more in-depth work would be required to be able to depict the precise nature and extent of the interrelationships.

Occurrence/frequency is variable

We have noted that the institutions do not occur to the same extent everywhere. Biren Chok CFUG represents a site with the most numerous institutions while the rest have institutions to a much lesser extent.

A look at these cases would provide some clues. Areas nearer the district headquarters tend to have more institutions and in more remote areas there tends to be a lower number. This may be attributed to the awareness level of the people near the headquarters who see the advantage in organising themselves into groups. Also the facilitating agencies who are generally based in district headquarters tend to provide help to institutions operating from there due to their easy access. By the same token, accessibility tends to determine how active the group is. Also, prevailing institutions near such accessible areas might induce the formation of several other new institutions. This is true particularly if the institutions are potentially beneficial to the larger section of the community. This may be attributed to both the potential benefits people see in being organised and to increased awareness in the surrounding areas brought about through overlapping memberships.

Possibly the other important factor is people's diversity. Higher levels of diversity perhaps coincide with a higher frequency of institutions. Diversity in terms of economy, ethnicity as well as other social matters may determine the institutional formation process. Economic diversity can result in oppressive behavior on the part of the rich to the poor, thus prompting the later to act together for social consolidation. The case with ethnic diversity may be similar. Higher castes tend to oppress the ethnic castes that tend to respond to the situation by uniting together. Prevalence of elitism can take two forms. At times elite community members contribute to institutions for power and prestige. In others cases the elite merely want satisfaction derived from having been able to contribute to social works.

Institution: a dynamic entity

Institutions are dynamic both in origin and in their operation. In the operational phase dynamism persists in their intra-institutional as well as inter-institutional arrangements and also in the activities they conduct.

Institutions are generally reflections of a community's internal aspirations. Aspirations are determined by social, cultural and economic factors all of which remain dynamic.

When born, one institution naturally instigates others. A new institution gets formed when over time institutions grow in size to reach a point where they cannot be accommodated given the current situation. This could possibly lead to a split in an existing institution or the formation of new entity altogether. Some times conflicts are responsible for a split of the existing institution, and may lead to the emergence of a totally new one.

While some institutions are liberal enough to extend membership, others are conservative owing to their ethnic interests.

Some institutions remain dormant on the wake of financial (e.g. youth club) or political (Magar Sangh) crisis but may revive as the situation turns favourable.

Institutional arrangements get changed. The entry condition including fees, qualifications etc tend to remain dynamic. Support conditions for the members' changes and so do the interest rates that get applied for financial transactions. Institutions that start out simple may begin carrying out more complicated functions once their confidence is improved. From a production base institutions tend to turn into savings and credit co-operatives and finally into commercial enterprises (e.g. dairy).

Institutions: a cash repository

It is apparent that the institutions are a convenient repository for cash at the local level. Institutions in general tend to incorporate an element of savings and credit in the due course of their voyage, if not instantly. Some of the groups now have substantial sums of money, which essentially gets circulated amongst the members for around 18 per cent interest. It may amaze people to note that the cumulative cash figure within the territory of Biren Chok CFUG would exceed Rs. 2 million; cash held by the two of the women's saving and credit groups alone would account for over half of that sum. This tendency seems to have been heavily influenced by the local people's interest to have a convenient place to deposit their savings from the small income they make and could be conveniently borrowed back when required. The beauty of the system lies in promptness and in its tradition that would not require any collateral.

Evidently the conventional commercial banks may not replace the need of such local systems for a number of reasons. First, such banks are normally located far away from village areas requiring special time to be devoted for transactions. Second, the official formalities required by such banks are too cumbersome especially for the poor who tend to be illiterate and lacking collateral. Third, Banks tend to have huge differences in deposit and lending and people do not find sense in getting involved in business with the banks. The Bank offers a meagre 3 per cent on personal savings, but it charges over 18

per cent for most of its lending. Villagers instead would rather have a transaction with their own institution than having to pay the operational cost of the bank and having to face number of hassles in the course of transaction. Of course the credit facilities offered by Rural Development Banks in some places are less cumbersome. However, the people find that even there the bank overcharges them for running its own administration.

The interest rates in their co-operatives though not small, they go along with it for a number of reasons including a sense of security, convenience in borrowing and the profitability factor of which they are also a part. It gives them a dividend. The shares are also saleable at very attractive price thus fetching a larger return from the original investment.

Discussion and conclusion

Institutional reality

It is obvious that there could be a number of institutions within (sometimes outside but constituent members overlapping to a large extent) the community forestry institutions occurring indigenously as well as through support from outside. It may also be noted that nearly all institutions have an 'epicentre' at CFUG but with variable forms of 'ripples' and mostly with several overlaps. This is to say that nearly all institutions and their members tend to occur within the CFUG frontier but with a great degree of extension and interconnections in terms of membership and their functions. These field realities might have at least two major policy implications: the first has to do with community forestry intervention itself and second with the broader field of community development.

Implication to community forestry extension process

Complement to the interest group meetings

A clear question stands: if community forestry intervention is an institution building process for equitable and sustainable forest management systems, can we afford ignoring other institutions in the community simply because those are non-forestry institutions? After all, communities at the local level interact with forestry and non-forestry systems alike, and those two are intricately inter-linked. While a number of implications may be evident, the most conspicuous one has to do with the community meeting processes that theoretically strives for broad-based consensus. Community forestry expects *interest group* meetings to be a powerful tool in bringing latent community interests to the surface so that they could be discussed more thoroughly in order to attain an equitable and sustainable community forestry system. In this background a clear question may be posed: can we simply overlook these conspicuously occurring institutions in a bid for

finding *interest groups*, which are more latent, abstract and obscured? The underlying idea behind the guideline's recommendations for '*interest group*' meetings is that local interests are more abstract and hidden than crystallised and conspicuous. The presented cases have clearly shown that interest groups are not necessarily hidden but may have already been crystallised into a more visible institutional form. So, it may be necessary for forestry interventions to focus on existing institutions before they try to dig out the more latent interests.

Attention required

While looking for the institutions special attention needs to be paid to the weaker ethnic and other voluntary, informal and formal institutions that may not be at all visible from outside owing their embryonic form. The more vivid institutions such as the 'savings and credit institutions' are also to be keenly examined for two counts. First, a vivid institution does not necessarily mean that all of its members are of equal social competence. This too can have a number of weaker segments that have been dominated by the elite counterparts. A closer look might help reveal the nature of such social realities so that the planned community forestry extension could be designed in a way that it is able to grapple with the same. Second, such examination would help to better understand the elite-nonelite relationships thus providing a feedback for pro-poor forestry intervention.

Warning

Focussing on institutions, however, does not mean that *meetings with existing institutions* might replace the *interest group meetings* that are in practice. Institutions may not be a matter of universal occurrence nor are they of the same frequency everywhere. Where they do exist, they may be of differing vigour and extent. Emergence of institutions might have actually been hindered due to community dynamics within and outside. We have seen that a weaker community's interests for creating a formal institution might have been hindered both from the more powerful neighbouring communities and from the power of politics, which might discourage the official registration process. Intra-community conflicts as well as inaccessibility may hinder institution building making it difficult for a group to be crystallised in the form of institution. This would clearly imply that an extension focus on prevailing institutions might not necessarily replace the *interest group meetings* that are in vogue. But we can say for sure that they can surely be a powerful complement to facilitating intervention in the situations where institutions do occur. To ignore something that exists and to concentrate on another, which does not have a clear shape and form, might not be worthwhile, if not counterproductive.

From '*community forest plan*' to '*community development plan*'?

There may be another equally important aspect to be considered. We are aware that there is a general consensus amongst the development agencies that CF, though

important, could be only one of the powerful constituents of rural community development. Given this reality we, the community forestry interventionists, may not simply get away with the excuse that all we want to do is to help communities in forestry matters. At least the morality factor would compel us to be more holistic. So the real need of the time is to rethink community forestry intervention as a constituent component of rural community development.

It is even tempting to consider whether the *Community Forestry Operational Plan* of a certain CFUG could take the form of a *Community Development Operational Plan*. In the said plan the foremost section could be covered by 'community forestry plan' followed by 'community health plan', 'educational plan', 'drinking water plan', 'poverty alleviation plan' and the like. This essentially means choosing CFUG as a developmental unit at the grass roots. Some might say why should CFUG be picked as a developmental unit when there are so many groups operating in the local level? But we have seen that other groups tend to be formed within the CFUG unit but not generally vice versa.

Surely some confusion is bound to occur. Which intervening agency will take the lead in coordinating the preparation of such an integrated operational plan covering so many aspects of rural development? Forest Office? Soil Conservation Office? Agriculture Office? Livestock Office? Health Office? Given that CFUG accommodate so many institutions (not vice versa), it might not be out of context to propose that DFO currently assume this coordinating role at least to start the initiatives in a pilot scale. We will learn more only through such 'learning by doing exercises.'

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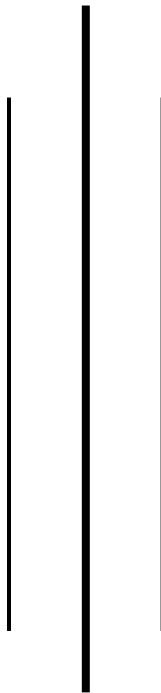
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Ignoring the institutions within the community forestry institution?

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A reflection



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About Western Regional Forestry Directorate (WRFD), Pokhara

WRFD, Pokhara is one of the five Regional Forestry Directorates that are located in each of the country's five regional headquarters. The directorate is responsible for supervising, monitoring, evaluating and supporting the programmes, projects and activities implemented by all offices under the Ministry of Forests and Soil Conservation in the region. The districts included in the western region are Nawalparasi, Rupandehi and Kapilabstun in the Terai; Gorkha, Tanahun, Lamjung, Kaski, Syangja, Palpa, Gulmi, Arghakhanchi, Parbat, Myagdi and Baglung in the hills; and Manang and Mustang in the Himalayas/Trans-Himalayas.

Currently a number of projects are operating in this region. Their focuses range from nature conservation to community forestry and forestry-based livelihoods. The major programmes/projects include:

- NARMSAP (Responsible for Community Forestry in Kaski, Syangja, Palpa, Gulmi, Arghakhanchi, Tanahun, Lamjung, Gorkha and Manang and Soil Conservation and Watershed Management Programme in Baglung, Myagdi, Tanahun, Palpa and Lamjung)
- LFP Hills/Terai (Involved in livelihood focussed forest conservation in Parbat, Baglung, Myagdi, Nawalparasi, Rupandehi, Kapilabstun)
- JICA (Participatory soil conservation in Kaski, Parbat and Syangja)
- TAL (Wildlife corridor development/conservation in Palpa)
- ACAP/MCAP: (Nature conservation in Manang, Mustang, Lamjung, Kaski, Myagdi/Gorkha)
- HLFDP (Leasehold forestry development in Tanahun, Gorkha, and Lamjung)

WRFD strives for participatory and pro-poor natural resource management and believes that there is no known recipe for the same. It aims for an experiential learning mode of intervention, which revolves around the principle of action research, based on 'learning by doing principles'. Consequently, we consciously look at the interventions so as to learn from the strengths and weaknesses those make while implementing the programmes.

The current series is meant to share our knowledge so that the overall understanding can become much richer from valuable feedback from you all. **The views expressed in these series are the outcomes of the studies and in no way should be considered as official policy of WRFD, or HMG.** Please do not hesitate to contact us if you have comments/queries on the subject or have an interest for future collaboration. We will also be pleased to give seminar presentations on the current topic or other issues based papers we will be producing in the forthcoming issues.

We sincerely acknowledge the help of Miss Elizabeth Meilander, Peace Corps Volunteer at DSCO Pokhara who helped us with English editing for this report.