

# Nepal's Forest Policies on Community Forestry Development: the Government Perspective

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## Abstract

Forest user groups are managing more than 1.1 million hectares or 25% of the national forests. Although the greenery has been maintained and expanded in some areas, and local communities are getting various benefits, the programme still faces many challenges. These challenges include pro-poor orientation of the programme; focus on income generation activities; managing forests to produce 'in-demand' products and intensification; involvement of local government, and so on. Despite the achievements, the contribution of community forestry to poverty alleviation as targeted by the Tenth Plan or Poverty Reduction Strategy Plan and Millennium Development Goals is limited. In addition, challenges also lie in increasing the productivity of forests and strengthening good governance for equitable sharing of benefits. Therefore, the government is implementing programmes to tackle second generation reforms in three thematic areas: sustainable forest management, livelihood promotion, and good governance.

## Introduction

Nepal is a small mountainous country in the central Himalayas between India and China. The kingdom borders China to the north and India on all other sides. The total area of the country is 147,181 sq. km; the total population is 23 million with a 2.2% annual growth rate as per the census of 2001; and the population density is about 157 per sq km (CBS 2002). The status of Nepal in selected social sector parameters at the end of Ninth Plan is shown in Table 1.

Parameter	Unit	Status
Population below absolute poverty	%	38
Literacy rate of population above 15years	%	49.2
Primary school enrolment	%	80.4
Infant mortality rate	per '000	64.2
Families with drinking water facilities	%	61.9
Average life expectancy	Years	61.9
Per capita GNP	US \$	240
Annual economic growth rate	%	3.6

Source: HMGN 2002

According to the Constitution of 1990, Nepal is a sovereign country with a multiparty democracy and a constitutional monarchy. The parliament elects the prime minister, who then forms the cabinet. The cabinet is the executive body, consisting of twenty-one ministries. The parliament is the legislative body of the country. The country has an independent judicial body which has a court system of various levels throughout the country. For administrative reasons, the country is divided into five development regions and 75 districts. A Regional Director heads each region and the districts are administered by chief district officers. Each district has a district development committee (DDC), which functions as the local government. The DDC chairperson is the

main representative of the local government. There are about 4,000 municipalities and village development committees (VDC) under the districts. They are the lowest level of elected representatives.

The area covered by national forests and protected area systems, which include national parks, wildlife reserves, hunting reserves, conservation areas, and buffer zones, is about 5.83 million hectares. According to the Department of Forest Research and Survey (DFRS 1999) this is 39.6% of the total area of the country. The forest area has decreased at an annual rate of 1.7% between 1978 and 1994, whereas forests and shrublands together decreased by an annual rate of 0.5% (DFRS 1999). The macro-level data need to be updated to incorporate the expansion of greenery due to the implementation of the community forestry programme.

## Institutions for forest management

The institutions directly involved in national forest management in Nepal are the Ministry of Forest and Soil Conservation and the Department of Forest. The Ministry has four technical divisions: the Foreign Aid Coordination Division, Planning and Human Resource Development Division, Monitoring and Evaluation Division, and Environment Division. Forest officials of joint secretary level head each of these divisions. The minister leads the ministry, and the permanent secretary is responsible for overall administrative matters. The ministry is responsible for the overall policy coordination, monitoring, and planning of activities related to the forestry sector. The ministry has five departments which are responsible for programme implementation. The Department of Forest is responsible for the management of national forests outside the protected areas. The Department of National Parks and Wildlife Conservation is responsible for managing the national parks and implementing the genetic conservation programme. These two departments are the public land-management agencies of the government. The other three departments, namely the Department of Soil Conservation and Watershed Management, the Department of Plant Resources, and the Department of Forest Survey and Research are more involved in service provision in the fields of watershed management, research and development related to tissue culture and non-timber forest products (NTFPs), and survey and research related to the management of forests, respectively.

The Department of Forest is the largest department of the ministry and is responsible for overseeing and implementing community and private forest and national and leasehold forestry programmes. It has three technical divisions: the National Forest Division, Community Forest Division, and Planning and Monitoring Division. Field-level forest management activities are implemented through 74 district forest offices (DFOs). Each district forest office has a number of 'ilakas', which is a field-level forest office, between the forest range post and district forest office. The assistant forest officer is the head of the ilaka forest office and a number of range posts under it. There are up to three 'ilaka' forest offices, and eight to fifteen range posts in a district forest office.

According to the Forest Act 1993, all forests outside the protected areas, except for private ones, are government owned and are called national forests. For the purpose of management, national forests are further divided into different types such as government-managed, protection, community, leasehold, and religious forests. The definition of these forests is given in Annex 1.

The Community Forest Division under the Department of Forest is responsible for policy guidance, implementation support, and monitoring of community forest programmes and projects in Nepal. A division chief of joint secretary level heads the division. The list of community forestry programmes and projects presently operational in Nepal is listed in Annex 2.

## History of community forestry

As in other countries, Nepal also practised forest management exclusively implemented by the state or the government. The Department of Forest (Forest Service) was established in 1942 for the scientific management of forests under state ownership (HMGN 1976). Since then, it has been responsible for the management of these forests. Private forests in the country were nationalised after the promulgation of the Private Forest Nationalisation Act in 1956 (HMGN 1956). After the promulgation of this act, forests in the Terai (the southern plains contiguous to the northern plains of India) and hills came under the legal ownership of the government. Forest management at that time was only protection oriented. The Forest Act of 1961 (HMGN 1961) was promulgated, and it provided special rights to forest officers and also gave them authority to arrest offenders without warrant. Again, a separate Forest Protection Act was promulgated in 1967 (HMGN 1967). This act gave additional power to foresters and established a one-person special court run by the divisional forest officer. Thus, forest officers were legally very powerful.

But, because local people lived around the forests and because of their dependency on these forests, forest management in Nepal was always a concern of the local people in terms of fulfilling their subsistence needs such as fire wood, fodder, and timber. Although the forests were nationalised and forest officials were made very powerful and could arrest forest offenders, deforestation continued and forest management was practised in vain. Forest management carried out exclusively by the Department was not successful. The question was how to include local people in forest management so that they had an incentive to manage them. This was the crucial issue in the 1980s. Thus, while preparing the National Forest Plan of 1976 (HMGN 1976), the need for people's participation in forest management was envisaged as a priority.

In fact, the National Forest Plan of 1976 was the first government document to mention people's participation in forest management. The plan was highly committed to introducing people's participation in forest management. The Forest Act of 1961 was amended in 1977 to make provisions to hand over a part of government forests to local political units called 'panchayats' at that time.

## Panchayat Forest Rule 1978 and Panchayat Protected Forest Rule 1978

The Forest Act of 1961 was amended in 1977 to facilitate people's participation in forest management. Accordingly, Panchayat Forest and Panchayat Protected Forest Rules were brought forward for implementation in 1978 (HMGN 1978). These rules officially initiated the implementation of the community forestry programme in Nepal. Under these rules, forest land without trees was handed over to local panchayats as 'panchayat forest', and land with trees as 'panchayat protected forests'. In order to implement this provision, HMGN implemented several community forestry projects. The first project among them was the Hill Community Forestry Project supported by the World Bank which was operational in 38 hill districts.

Once the forests were handed over to the panchayats as panchayat forests and panchayat protected forests, these political bodies had to carry out the following tasks.

- (i) Sowing seeds and planting seedlings
- (ii) Protection and maintenance of forests
- (iii) Implementation of scientific forestry management plans prepared by the forest division concerned in consultation with the panchayat
- (iv) Protection of forest products against theft and smuggling
- (v) Protection of forest against fire hazards
- (vi) Protection of forest from girdling, lopping, resin tapping, debarking, or any other kind of damage
- (vii) Prevention of removal of stones and gravel, soil, or sand from the forest area (Manandhar 1980)

The Panchayat and Panchayat Protected Forest Rules of 1978 had the following inherent problems.

- (i) Forests were not handed over to the actual users who were protecting the forests or who could protect the forests. The local people did not feel that they were the owners of the forests, because the forests were handed over to lower-level political units.
- (ii) Village leaders elected to the panchayats had no incentive to manage the forests properly, because they were elected for five years and most of the forests were too far away for them to monitor.
- (iii) Because the forests were highly degraded, there were no immediate benefits and incentives for long-term management. Similarly, since the Panchayats used to get a portion of the income from the protected forests, the villagers did not have much of a sense of ownership in managing these lands.

The concepts and terms used in the community forestry programme in Nepal are given in Annex 3.

## Community forestry policy context

### Master Plan for the Forestry Sector

The Master Plan for the Forestry Sector (MPFS) (HMGN 1989) was prepared between 1986 and 1988. The plan was approved in 1989. It provides a 25-year policy and planning framework for the forestry sector. The plan is still the main policy and planning document for the development of the forestry sector. The long-term objectives of the Master Plan include the following.

- To meet the people's basic needs for forest products on a sustained basis
- To conserve ecosystems and genetic resources
- To protect land against degradation and other effects of ecological imbalance
- To contribute to local and national economic growth

The MPFS has given the highest priority to the community and private forestry programme. In relation to the community forestry programme, some of the important highlights of the MPFS are as follow.

- All the accessible hill forests of Nepal should be handed over to user groups (not to the panchayats) to the extent that they are willing and capable of managing them.
- The priority for community forests is to supply forest products to those who depend highly on them.

- Women and the poor should be involved in the management of community forests.
- The role of forestry staff should change to that of extension service providers and advisors. The forestry staff should be provided with reorientation training so as to be able to deliver the services needed by the community forest user groups (CFUGs).

The major recommendations of the Master Plan were incorporated into the formulation of the new Forest Act (1993) and Forest Regulations (1995).

### **Forest Act 1993 and Forest Regulations 1995**

The Ministry of Forest and Soil Conservation carried out several consultation exercises with local people, non-government organisations, international agencies, and others in formulating the new, comprehensive forestry legislation. Finally, the legislation was enacted as the Forest Act in 1993 (HMGN 1993) to replace the old forest acts of 1961 and 1967. The government approved the new Forest Regulations in 1995 (HMGN 1995). The act and the regulations have given substantial rights to local people to manage their community forests.

At present, the community forestry programme is implemented as per the provisions of this legislation. The focus is on institutionalising (CFUGs) as independent and self-governing entities, nationwide expansion of community forestry, providing use and management rights to the local community, and creating an accountability forum for community development. It has also limited the role of the district forest office to that of supporter, facilitator, monitor, and regulator of community forestry. The main features of community forestry according to the Forest Act and Regulations are as follow.

- (i) Any part of the government forests can be handed over by a district forest office (DFO) to the communities who are traditional users of the resource. Only the rights of forest management and use are transferred from the Forest Department to the users, not the ownership of land itself.
- (ii) A part of the national forests can be handed over to a CFUG irrespective of the size of forest and number of households in the group.
- (iii) Handing over of national forests as community forest takes priority over handing them over as leasehold forest.
- (iv) CFUGs have to manage the forest as per their constitution and operational plan as approved by the DFO.
- (v) CFUGs are recognised as independent and self-governing entities with perpetual succession.
- (vi) CFUGs are allowed to plant short-term cash crops such as non-timber forest products like medicinal herbs.
- (vii) CFUGs can fix prices for forestry products under their jurisdiction and sell the forest products.
- (viii) CFUGs can transport forest products under their jurisdiction to anywhere in the country.
- (ix) CFUGs can accumulate their funds from grants received from the government and other local institutions, from the sale of community forestry products, and from amounts received through other sources such as fines, and so on. CFUGs can use their funds for any kind of community development work and as per their decision.
- (x) CFUGs can amend operational plans by informing the DFO.
- (xi) In cases of forest offences, CFUGs can punish their members according to their constitution and operational plan.

- (xii) If forest operations deviate from the operational plan, resulting in damage to the forests, the DFO can take back the community forests from the users. However, the DFO must give the forest back to the CFUG once the committee is reconstituted.

### **Forest Sector Policy 2000**

In the beginning, the community forestry programme was initiated from the perspective of conservation. The same concept has been adopted by the Forest Policy of 2000. Moreover, some decision-makers saw two main differences between the MPFS policy and the new Forest Act and Regulations. First, the MPFS stated that accessible forests in the hills and mountains should be handed over as community forests, but the forest act and rules did not differentiate between the hills and mountains, and the Terai in handing over national forests as community forests. Secondly, the MPFS prescribed the use of community forests to meet the basic forestry product needs of local people, but the Act and Regulations expanded the rights of users to sell forest products, even to outsiders, as a means of generating income to carry out community development activities. The new policy withdraws some of the rights of local forest users in the Terai, with the idea that the forests would be managed better by the active involvement of the government. The Forest Policy of 2000 is described below (HMGN 2000).

- (i) The barren and isolated forestlands of the Terai, inner Terai, and the Churia hills will be made available for handing over as community forests. Community forest operational plans will be prepared and forest products will be used based on annual increment.
- (ii) As the main objective of community forests is to fulfil the basic needs of local communities for fuelwood, fodder, and small timber, when surplus timber is sold by the CFUGs, 40% of the earnings from the sale of surplus timber coming from the community forests of the Terai, Siwaliks, and Inner Terai will be collected by the government for programme implementation.
- (iii) The large patch of forests in blocks in the Terai and Inner Terai will not be handed over to local communities as community forests. They will, instead, be managed by the collaborative solidarity of local users, local political bodies (VDCs and DDCs), and the government.
- (iv) The collaborative solidarity of users and the local political bodies will get 25% of the income from the sale of surplus forest products, whereas the government will get 75% of the income.
- (v) Since the Churia forests are important for recharging the Terai underground water and for conserving soil, they will not be handed over to the users. Instead, they will be managed as protected forests for watershed conservation.

The policy has created antagonism between the Terai users and the government. Neither has the government been able to manage the forests in a better manner. Presently, the government is trying to pilot this 'collaborative forest management' in the three Terai districts with the financial support of the Dutch government. The outcome of this pilot programme has yet to be seen in the field. As per a cabinet decision, the government imposed a 40% revenue-sharing modality on the sale of timber from the community forests of the Terai and Inner Terai. However, the Supreme Court annulled this decision. The government then began to collect this revenue through promulgation of the Finance Act. The Finance Act was later revised in this fiscal year (FY 2003/04). As per the revised Finance Act, the government collects only 15% of the sales' proceeds from the sale of surplus timber of only two commercial species in the Terai.

## Tenth Plan for the Forestry Sector (2002-2007)

The Tenth plan was prepared in the context of the Millennium Development Goals and is also considered to be the Poverty Reduction Strategy Paper (PRSP). The plan has targeted the reduction of poverty in Nepal from 38 to 30% by the year 2007. It has four pillars for intervention, namely, (a) broad-based high economic growth, (b) social sector development, (c) social inclusion and targeted programmes, and (d) good governance. In line with the overall objectives of the PRSP, the Forestry Sector under the Tenth Plan also has twin goals: (a) reducing deforestation, soil erosion, and degradation of biodiversity and (b) solving the problem of poverty and unemployment. They are further elaborated upon as follows.

- Sustainable management and conservation – This includes a sustainable supply of forest products and environmental conservation through management and enterprise development of forests, watersheds, plant resources, and biodiversity.
- Poverty alleviation – This includes creating employment and income opportunities for the poor, women, and disadvantaged groups through participatory approaches.

The major targets of the Tenth Plan related to community forestry are shown in Table 2.

Community and Private Forest Development	Unit	Target	
		Normal Case	Low Case
CF user group formation	Number	2500	2500
Operation plan preparation and handing over	Number	3000	3000
Operational plan revision	Number	4000	4000
Forest management support to user groups	Number	2500	2500
Silviculture demonstration plot establishment and operation	Number	500	425
Forest enterprise development for poverty alleviation	Number	500	500

## Major strategies in the Tenth Plan

The community forestry programme has also been considered as a vehicle for poverty alleviation. The major strategies related to the objectives of poverty alleviation and community forest management are as follow.

- Increase the livelihood opportunities for people living below the poverty line by expanding forest development activities.
- Increase the participation and access of the poor, women, and disadvantaged groups to the decision-making forums of CFUGs.

## Community forestry policies in the Tenth Plan

- Formulating and implementing the integrated programme in community forestry, based on broad economic growth, social empowerment, social justice and equity, and good governance to support the poor, women, and disadvantaged groups and to increase their livelihood opportunities
- Organising poor, local households with the same interest in community forestry as sub-user groups to increase their access to and benefits from community forests
- Introducing farming of NTFPs and medicinal plants in government-managed forests and community forests
- Identifying the problems related to community forestry and resolving them through stakeholders' consultations

In relation to the last, the user group formation process will be monitored and improved to solve the problem of forest product distribution among community forest users.

Other community forestry-related policies include the following.

- Introducing biodiversity registration to maintain the rights of local people to local natural resources
- Introducing integrated agriculture and forestry conservation farming in Churia watersheds
- Introducing participatory forest management in buffer zones around the protected areas
- Providing governance training to community forest user groups
- Providing training in gender mainstreaming in forest management

## **Joint technical review of the community forestry programme**

Different multilateral and bilateral development partners have supported the community forestry programme in Nepal since 1979. They include the World Bank, Danish International Development Agency (DANIDA), Department for International Development (DFID) of the UK, United States Agency for International Development (USAID), Australian Aid (AusAid), Swiss Agency for Development and Cooperation (SDC), German Technical Cooperation (GTZ), and recently the Dutch government and non-government organisations such as CARE and World Wildlife Fund (WWF).

The community forestry programme was initially formulated with the objective of forest protection and to fulfil the basic needs of local people for forest products. After 25 years of implementation, most of the community forests have regenerated, but many new issues related to social aspects have emerged. These issues, which need further discussion and resolution, include selling surplus products from community forests, the value addition of these products, multiple forest management and better coverage by the programme, use of community forests for income generation and poverty alleviation, and better use of funds by CFUGs.

In order to tackle these issues, the government and its development partners jointly agreed to an overall review of community forestry in order to make timely improvements in the formulation of strategies and implementation of the community forestry programme in Nepal. A Joint Technical Review Committee was formed. The committee included members from the government and development partners. The process of review began in March 2000 and was finalised in February 2001. There are 11 thematic papers addressing various issues, strategies, and recommendations. Based on the analysis of these papers, the committee came up with a number of major recommendations such as redefining community forestry for livelihood support, using the income from community forests for poverty reduction, giving access to community forests to the poor as sub-user groups, allowing CFUGs to establish enterprises in the vicinity, involving local government in community forestry, and so on (JTRC2001).

## **Achievements of community forestry in Nepal**

During the last 25 years, about 1.1 million hectares (25%) of existing national forests have been handed over to more than 13,600 local community forest user groups. These user groups constitute about 35% of the country's total population. The achievements of community forestry can be seen in terms of better forest condition, social mobilisation, and income generation for rural development and institution building at

grass roots' level. This model of local people's participation in natural resource management has also expanded to watershed management and buffer zone management, for which conservation of watersheds and maintaining biological diversity are the prime objectives. The last Forestry Sector Coordination Committee meeting stressed the need to resolve second generation issues in three thematic areas: sustainable forest management, livelihood promotion, and good governance (Kanel 2004). The first generation issues concern the expansion of forests and improvement in the condition of forests. The experience so far gained indicates that Nepal has been able to reduce deforestation and degradation of forests wherever community forestry has been practised. The achievements made through the community forestry programme are explained below in terms of three, focused thematic areas.

## **Sustainable forest management**

### *Regeneration of forests*

Micro-level studies and anecdotal evidence show that as a result of the community forest programme denuded forests have regenerated and the condition of forests has improved to a great extent. A study in four eastern hill districts showed that the total number of stems per hectare has increased by 51% and basal areas of forests have increased by 29% (Branney and Yadav 1998). In the Kavre and Sindhupalchok districts of central Nepal, one study found that shrubland and grassland had been converted into productive forests, increasing the forest area from 7,677 hectares to 9,678 hectare (Jackson et al. 1998). A study in a mountain watershed at three different times (1976, 1989 and 2000) spread over 25 years showed that small patches of forest have grown and merged among themselves, and this had reduced the number of patches from 395 to 175 and increased the net forest area by 794 hectares (Gautam et al. 2003). Thus, there is an overall improvement in forest contributing to local environmental conservation and increasing greenery.

### *Production of forest products*

The Community Forest Division carried out a study among 1,788 community forest user groups in 2004. It was extrapolated to the countrywide user groups. The study revealed that an estimated 10.9 million cubic feet of timber, 338 million kg of firewood, and 371 million kg of grasses were harvested and used by users during a year. Grasses were consumed locally; timber and firewood were consumed locally as well as sold outside the user groups (Kanel and Niraula 2004).

## **Livelihood promotion**

Community forestry is contributing to livelihood promotion in many ways. These include fulfilling the basic needs of local communities, investing money in supporting income generation activities of the poor, and providing access to the forests for additional income or employment.

### *Fulfilling subsistence needs*

An estimated 8 million cubic feet of timber, 336 million kg of firewood, and 371 million kg of grasses produced from community forests were used by local people for their internal consumption in one year (Kanel and Niraula 2004). The use of these products has helped to support the livelihoods of local people.

### *Financial support to livelihood promotion*

The same study showed that CFUGs earned an estimated 416 million rupees annually from the sale of forest products outside their groups. The earnings were used for

different purposes: e.g., 12.6 million rupees for pro-poor community forestry including loans to poor families, and giving them training in forest-based income generation activities and others (Kanel and Niraula 2004).

#### *Access to forests for income generation*

As a pilot programme, some user groups like Ghorlas CFUG in Myagdi (Baniya 2004) and Jhauri in Parbat are establishing sub-user groups of the poorest of the poor who have no alternative employment or income. These sub-user groups are given access to community forests to produce NTFPs or medicinal plants and are allowed to share the income. If this mechanism were to be replicated on a large scale, there is tremendous scope for additional contributions to livelihoods from community forests.

### **Good governance**

#### *Establishment of robust legislation*

The Forest Act 1993 (HMGN 1993) and Forest Regulations 1995 (HMGN 1995) are robust legislations that recognise community forest user groups as self-sustained independent entities recognised by the DFO. The legislation gives full authority to user groups to manage community forests as per the operational plan approved by the DFO. Twenty-five per cent of the income from CFUGs has to be spent on the protection and management of the forests. The remaining seventy-five per cent of the income can be spent on other activities such as community development. At present, all the elected bodies such as the parliament and local-level political units have been either dissolved or not elected. However, CFUGs are grass roots' organisations that have elected committees responsible for forest management and other local-level development activities. The Forest Act and Regulations provide ample freedom to undertake any development activities and a forum under which local people can exercise democracy.

#### *Participation of local people*

According to the legislation itself, local people have the rights and also the duty to manage community forests. Local people are spending their voluntary labour in various community development activities. The users spent more than 2.5 million person days in forest related activities in a year. The value of this voluntary labour contribution is about NRs 164 million rupees at an opportunity cost of NRs 65 per person per day (Kanel and Niraula 2004). Out of the total labour contributed to the community forestry programme, 42% is for community forest protection, 19% for meetings and assemblies, and 19% for forest product harvesting.

#### *Establishment of networks*

There are networks of user groups established at range post, district, and national levels. The Federation of Community Forestry Users, Nepal (FECOFUN) has the largest network of user groups at different levels, since more than 70% of CFUGs are affiliated with it. There is also another network of forest users known as NEFUG (Nepalese Federation of Forest Resource User Groups). These networks of user groups also work as pressure groups to promote good governance within the community forestry programme. The existing 13,600 user groups themselves are also a good example of networks of local communities.

#### *Participation of women and other minority groups*

Increasing participation of women, the poor, and disadvantaged groups has been very important, yet a difficult issue in community forestry. Participation of these groups has been improving and the national data base maintained by the Community Forestry

Division shows that women's participation is about 25% and that there are about 600 CFUGs operated by women only on the committees.

#### *Local-level capacity building*

About 7.7 million people (35% of the population) are involved in the 13,600 CFUGs. Similarly, a large number of elected leaders, or about 170,000 local people, are working as committee members. Some local people in the user groups and committees have received a lot of training in skills such as silviculture, gender equity, record keeping, and so on; and this training has strengthened local capacities to a great extent. As a result of these local-level democratic exercises and training, many CFUG members have been elected into different positions in the DDCs and VDCs.

## **Challenges and issues**

As mentioned before, user groups are managing more than 1.1 million hectares or 25% of the national forests. Although the greenery has been maintained and expanded in some areas, and local communities are receiving various benefits, the programme still faces many challenges. These challenges include the pro-poor orientation of the programme; focus on income-generating activities; managing forests to produce demanded products and their intensification; and involvement of local government. Details of the challenges are described below.

### **Good governance**

#### *Pro-poor orientation of the programme*

The government of Nepal became successful in handing over the rights and duties of community forest management to local communities, expecting that the poor would get the major benefits. However, problems are emerging because of the capture of community forestry benefits by local elites who are elected as the agents of forest users. Even now comparatively well-off members influence and capture the decision-making forum in user groups and committees. Making these institutions more accountable and responsible to poor and disadvantaged groups and women is still a very challenging job in community forestry.

#### *Participation of local government in the community forestry programme*

According to the Forest Act 1993 (HMGN 1993) and Forest Regulations 1995 (HMGN 1995), user groups are established and recognised by the DFO and they operate independently as autonomous and self-governing entities. So far, local government is not directly involved in community forest management. However, according to the Local Self Governance Act 1999 (HMGN 1999), responsibility for managing natural resources within their area of jurisdiction belongs to the local governments. Once the Act becomes fully operational, the role of the DFO will be limited. Thus, the gradual process of transferring authority to local governments is important, and, in the long run, effective involvement of local government in community forestry is also a critical issue.

#### *Revenue sharing among the users, local political bodies, and government*

Local communities use the forest products produced in the forests for their subsistence. But community forests also have surplus forest products such as timber, firewood, medicinal plants, and other NTFPs. Communities also sell these surplus forest products to outsiders at a market price. Until last year, local user groups in the Terai and inner Terai used to pay 40% of their income from the sale of surplus timber to the government. This percentage has now been reduced to 15% through the Finance Bill enacted in July 2004. So far, local governments do not receive a share of this

income. According to the Local Self Governance Act 1999, the management of natural resources within their areas is the prerogative of local governments. Therefore, additional discussion is needed to arrive at an agreeable revenue-sharing mechanism acceptable also to local governments.

#### *Hunting and wildlife farming in community forests*

Many kinds of wildlife, especially deer, are found in many community forests. Wildlife farming and using the products for meat and other souvenirs can be an attractive source of income. However, due to lack of clarity in the legislation, this potential resource is not explored and is not used.

#### *Inclusion of distant users*

Especially in the Terai, traditional users of the forest live far from the forests. However, the forest is an important source of livelihood for many distant users. New settlers coming from different parts of Nepal now surround the community forests in the Terai. Once the forests are handed over as community forests, they become the main beneficiaries. The issue of including distant users and their practical involvement in community forest management and use is a topic of debate which needs to be resolved. The government is now piloting 'collaborative forest management' in some Terai districts, but the result of this strategy has yet to come.

### **Sustainable forest management**

#### *Backlogs of operational plans*

CFUGs are expected to prepare operational plans for their forests and manage them as per the provisions in the plan. Carrying out a forest inventory has been made mandatory for preparing an operational plan since 2000. Due to the low-level of knowledge about such inventories among the users, preparation and renewal of operational plans are taking longer than initially anticipated. Since government foresters are limited in number and community forests are expanding, support from the government foresters for preparing operational plans and inventories is difficult. Such support also creates dependency on DFO staff for preparing operational plans. This has led to a lot of backlog in revision of operational plans. Due to the delay in the renewal of operational plans, most of the activities in community forests are being adversely affected, reducing their contributions to the livelihoods of local communities.

#### *Reluctance to apply improved silvicultural management techniques*

There are very few demonstration or model community forests which show the benefits of intensive forest management to the users in a user friendly way. To some extent, local communities seem to be reluctant to apply improved techniques of forest management, thinking that the application of these techniques might destroy the forests. The concepts of active forest management and optimum production of forest products to fulfil the needs of the local community and facilitate sale of surplus products are comparatively new for community forest user groups. Both the supply and demand aspects of improved silvicultural forest management have to be accelerated to enhance benefits from community forests.

#### *Transforming technical forestry into the local knowledge system*

About 35% of the country's population is involved in the community forest user programme. The users are the real or de facto managers of the forests. But, due to the massive numbers of users involved in forest management, it is not possible to train all the people involved in community forestry through formal education at school or in universities. Thus, transferring technical knowledge of forestry to the local people is a

challenging job. Transferring knowledge through experiential learning could be the best vehicle for enhancing productivity and ensuring sustainable forest management.

### *Initiating Forest Certification*

Many community forest user groups have medicinal and aromatic plants in their community forests. These plants and the products are even exported outside the country by private companies. Forest certification is a sustainable forest management device, the products of which could be easily marketed outside the country. The process of forest certification has been initiated as a pilot programme in some user groups. But availability of sustainable harvest data of those NTFP species and knowledge about biological diversity in community forests, which CFUGs have protected, are still scarce. Recently, the Forest Stewardship Council delegated the authority to issue forest certificates to those CFUGs that manage their own forests and supply products in a sustainable manner.

## **Livelihood promotion**

### *Focusing forest management on the needs of users*

Most of the operational plans prepared to manage the community forests are based on conventional knowledge of timber production. However, in the villages poor people use small amounts of timber. Their demands are focused on fuelwood to cook food; grass as animal feed or bedding material; poles as construction materials for houses, huts, and shades; and NTFPs for domestic consumption or income. These factors have yet to be incorporated widely in the sustainable management of community forests.

### *Focus on income-generating programmes*

The total area of community forests generates about Rs 913 million per year. The users are spending 36% of these earnings in community development activities such as schools, roads, health posts, and other development activities (Kanel and Niraula 2004). Benefits from these activities to the poor are minimal, as the poor use them the least. About three per cent only is spent on pro-poor programmes. Allocation of an additional percentage of the income to improve the standards of living of poor, disadvantaged groups and women could go a long way towards resolving the second generation issues in community forestry. The Community Forestry Division is working on formulating a fund mobilisation and use guideline so that more resources can be channelled into pro-poor activities and programmes.

### *Supporting women, the poor, and disadvantaged groups*

As the local community leaders and elite groups dominate the decisions of user groups, fulfilling the concerns and needs of the poorer sections of the community is a big issue in community forestry. Thus, within the community forest user group, supporting the poor and disadvantaged groups to improve their livelihoods is a big challenge.

## **Conclusions**

The community forestry programme has made substantial contributions in terms of forest cover increase, income generation and rural development, and social mobilisation and institutionalisation of democracy at the grass roots' level, during the past 25 years. The programme emerged as a solution to reducing and halting deforestation and forest degradation in 1978. However, it gradually evolved into a participatory forestry programme based on institutional development. The Forest Act of 1993 and the Forest Regulations of 1995 have further elaborated the concept and practice of community forestry, and the differences between the community as an

institution and forest management as activities for both conservation and income generation. Now the CFUGs are among the most robust institutions in Nepal and are also the entry point for other rural development activities. Therefore, community forestry in Nepal is now more of an institution building process and a movement to contribute to poverty alleviation.

This paper discusses community forestry (as any social reform programme) not as a linear but as an iterative and 'muddling through' process. There is a view that community forestry has brought about a fundamental shift in the forest management paradigm. This shift in mindset is that institutional innovation or reform should precede technical innovation, because technical change cannot be brought about within an institutional vacuum. This is the reason why we consider that reforms in governance or creation of appropriate institutions to manage emerging problems and the reconfiguration of forest policy and operational rules are prerequisites for sustainable forest management and livelihood promotion. The evolution of community forestry in Nepal attests to these reforms in an incremental fashion. Other countries planning to involve people in resource management should learn that there are country-specific pathways that need to be followed rather than copying practices from a particular country. Successful innovations or reforms are slow processes, as the major stakeholders or power holders have to agree on the implications of these reforms. Every innovation or reform will have differential cost and benefit impacts on different individuals and groups. This implies considerable transaction and transformation costs. These can be reduced if the individuals and groups are involved from the inception in implementing new programmes. The success of community forestry lies in the engagement of various stakeholders from the very beginning of programme formulation. Practice has always led to policy in the case of community forestry.

So far about 1.1 million hectares (or 25% of the existing national forests) have been handed over to 13,600 local community forest user groups. These user groups constitute about 35% of the country's total population. Communities are also informally managing a significant portion of national forests, mainly in the Terai. How to involve them in this process of community forestry so that distant users also receive the benefits is a challenge.

Community forestry has brought about a significant change in the condition of handed-over forests, and, in some cases, the area of forests has also expanded. A recent study conducted by the Community Forestry Division shows that these community forests annually generate about NRs 747 (\$12) million from the sale of forest products among themselves and to outsiders. If other sources of income, such as grants from the government, fines, and so on, are included, the total CFUGs of Nepal annually generate more than NRs 913 million. Annually, they spend NRs 457 million on forest development (28%), community development (36%), and CFUG operations (14%). Only 3% of the total expenditure is allocated to pro-poor programmes. The institution-building role of CFUGs is also significant, as they are the only democratically elected bodies in Nepal. At present, about 25% of the executive members of CFUGs are women. These groups have been successful in mobilising household members' involvement in local development and also act as accountability and public hearing platforms. About 2.5 million person days' equivalence of voluntary labour is mobilised annually to undertake forest and community development and to generate social capital in rural areas.

Despite these achievements, the contribution of community forestry to poverty alleviation as targeted by the Tenth Plan or PRSP and Millennium Development Goals is limited. Besides, challenges also lie in increasing the productivity of forests and strengthening good governance for equitable sharing of benefits. Therefore, the government is implementing programmes to tackle second generation reforms in three thematic areas: sustainable forest management, livelihood promotion, and good governance. These are also elaborated upon in the Proceedings of the Fourth National Workshop on Community Forestry (Kanel et al. 2004).

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## Annex 1: Categories of Forest According to the Forest Act 1993

**Government-managed forests** – Forests managed by the government for the benefit of the country and people through production and protection of the resources.

**Protected forests** – Forests declared ‘protected forests’ and managed for their environmental, scientific, and cultural importance.

**Leasehold forests** – Forests handed over to forest-based industries for the production of raw materials needed by forest-based industries or handed over to people living below the poverty line to sustain their livelihoods through the production of different forest products such as firewood, timber, forage, and non-timber forest products.

**Religious forests** – Forests handed over to local religious institutions for development, protection, and use.

**Collaborative forests** – This is a recently developed concept of forest management in partnership with local people, local government, and the Department of Forest in which the inputs and responsibility for management are shared among partners. These belong to government-managed forests, and they are not mentioned in the Forest Act and Regulations; they are being piloted in some Terai districts.

## Annex 2: Major Community Forestry Programmes and Projects in Nepal in 2004

Project Name	Donor	Project Period	Coverage in Districts
Nepal Australia CRM and Livelihood Project	AusAid	2002-2005	2 hill districts
Natural Resource Sector Assistance Programme	DANIDA	1998-2005	38 hill districts
Livelihood Forestry Programme	DFID	2000-2007	12 hill +3 Terai
Biodiversity Sector Programme for Siwalik and Terai	DGIS	2002-2009	8 Terai districts
Churia Forestry Development Project	GTZ	1994-2005	3 Terai districts
Nepal Swiss Community Forestry Project	SDC	2002-2005	3 hill districts
Sagun Programme under SO5	USAID	2002-2007	2 hill and 3 Terai
AusAid= The Australian Agency for International Development (AusAID) ; DFID = Department for International Development (UK) , DGIS = Directorate -General for International Cooperation (Netherlands); DANIDA = Danish International Development Agency; SDC = Swiss Agency for Development and Cooperation; USAID = United States Agency for International Development			

## Annex 3: Concepts and Terms

**Village panchayat** – Village panchayats were the lowest-level political bodies, consisting of nine territorial units called ‘wards’. Eleven elected members – 9 ward members, one from each ward, one mayor, and one deputy-mayor known as the ‘Pradhanpancha’ and ‘Upa Pradhanpancha’ – ran a village panchayat. After the reinstatement of multiparty democracy in 1989, the Panchayat system of polity was abolished. The village development committee (VDC) has now replaced the village panchayat.

**Panchayat forest (PF)** – Any forest (two-thirds of which needed planting), handed over to an adjoining panchayat for management, protection, and use was called a panchayat forest.

**Panchayat protected forest** – Any forest that needed protection and or some enrichment planting, but which was handed over to an adjoining Panchayat for its management, protection, and use was called a panchayat protected forest.

**Forest Act 1993** – The Forest Act promulgated in 1993 is the present basis for the smooth functioning of the community forestry programme in Nepal. This act also provides implementation guidelines for the operation of government-managed forest, protection forests, leasehold forests, and religious forests.

**Forest Regulations 1995** – The Forest Rules were made under the forest act of 1993. These rules guide the implementation of community forestry programmes in Nepal. These rules also explain the operation of government-managed forests, protection forests, leasehold forests, and religious forests.

**Community forests** – Community forests are the parts of national forests that are managed and used by local users organised into community forest user groups (CFUGs), legitimised as independent and self-governing institutions by the government. They have a charter of incorporation and are responsible for the management of the national forests provided to them. While handing over the national forest as community forests, the DFO has to consider accessibility or distance from the village of the communities to the forest and the interest in and capacity of the users in managing the forest. The objective of the community forestry programme is to produce collective benefits to the local communities of forest users from the development, conservation, and use of forests.

**Community forest user group** – An independent and self-governing entity formed by a number of households living near a particular forest area and legally recognised by the Forest Act of 1993. The group is responsible for the management of a particular community forest handed over to them. The constitution of the user group controls its democratic functioning. The community forest user group members have the rights given by the legislation and as mentioned in the operational plan. They can use the forest products internally at a price fixed by the groups themselves and also sell the surplus forest products to outsiders at market prices. They also have a fund and the income from the sale of forest products and any other resource has to be deposited in that fund. The fund can be used for forest protection and community development activities.

### **Community forest user committee**

A committee of a CFUG formed normally by election or selected by the user members for effective implementation of day-to-day activities of community forest user groups. It has about 11 members and they constitute the executive wing of a CFUG. The

committee has no rights laid down by the Forest Act and Regulations; however, it exercises rights as authorised by the user groups and as mentioned in the operational plan. It has been reported that most of the executive members of the CFUGs are from the elite or wealthy classes, and they do not necessarily represent the interests of the poor, women, and socially disadvantaged members of the group.

### **Operational plan**

A legal document prepared by user groups for the management of a particular forest area under their jurisdiction and approved by the DFO. The plan guides the management of a particular community forest normally for five to ten years.

### **Process of handing over community forests to user groups**

The following major steps are carried out in the process of handing over community forests to CFUGs.

*A letter of interest is given to the DFO* – The local community members living around the forest have to apply to the DFO, expressing their interest in managing the particular forest around them.

*Investigation for handing over* – Once the DFO receives the letter of interest, he sends a ranger (forest technician) to help the community identify the traditional users of the forests so that they are not excluded from the user group. The ranger also helps the users prepare the constitution of the user group.

*User group formation* – Once all the traditional users are identified, a constitution to form a CFUG is prepared. Next the users in a group have to give an application to the DFO according to the format mentioned in the Forest Regulations of 1995. With the information about the user group, the constitution will have (i) objectives of forest management; (ii) rights, duties, and responsibilities of the user group; (iii) forest protection measures; (iv) fund utilisation measures, and so on. Once the user group is formed and its constitution is registered, it is legitimised by the DFO. A certificate of registration is given to users as proof of user group formation.

*Operational plan preparation* – As per the needs of the users, and depending upon the productivity of the forest, the users prepare a simple management plan for the forest; the local ranger helps them. Operational plan preparation is a very important process for the users, because they will have to follow it in managing the forest and extracting forest products. Estimation of annual yield is mandatory in preparing an operational plan. An operational plan will contain information such as the objectives of forest management, a rough map of the forest, division of the forest into compartments, and silvicultural prescriptions to be followed in managing the forest. After preparing an operational plan, users have to apply to the DFO for approval.

*Handing over of the forest* – If the DFO finds that the operational plan confirms to the rules and procedures, then s/he approves it and a certificate for handing over the community forest is given to the user group in the format mentioned in the Forest Regulations of 1995. Then, the users have to manage the forest and use the forest products according to the approved operational plan. If the operational plan has to be amended, the user group can do this by informing the DFO (according to the Forest Regulations of 1995). If the operational plan is not followed, the government may take the community forest back, but it has to be handed over to a reconstituted CFUG. In other words, once a forest is handed over to a community, the government cannot take it as a government-managed forest. Instead, it has to remain a community forest.