An earlier version of the full 110 page paper was presented at the workshop. This two-page summary is based on a review of the paper produced by ICIMOD's Culture, Equity, Gender & Governance (CEGG) integrated programme.

It has long been recognised in development circles that to improve the livelihoods of the very poor and powerless in rural areas means increasing their access to natural resources and economic opportunities. Past analysis of these issues, however, has mostly concentrated on the institutions and social relationships of communities at local levels, almost to the exclusion of examining the national and international levels of discourse and action. This study shifts the focus to policy processes, institutions, and development practice at the macro-level. It investigates how the behaviour of government officials, aid donors, and other actors deeply affects the access of the poor to resources and opportunities.

The study argues that policy and institutional analysis that is oriented towards sustainable poverty reduction and social inclusion should be time, sector, and country specific. In keeping with this, the study looks in detail at the forestry sector during the last fifteen years in Nepal to illustrate the importance of this approach.

The study is based on an extensive literature review and the considerable experience of the two authors. It presents case studies on community forestry, leasehold forestry, a leading federation of community forestry users, and the growth of the handmade paper industry as evidence. These case studies investigate how the behaviour of macro-level actors has affected access and economic opportunities at local levels. The study examines how coalitions of government, local and donor actors have, over time, been more or less effective in bringing about changes in the legal framework and institutional mechanisms for developing access to resources for poor and marginalised people in Nepal.

The paper’s actor analysis looks at rent-seeking behaviour, government revenue collection, the lack of ‘learning and change’ by donors, bureaucrats, and other policymakers, social responsibility in the private sector, consultancy contracts, and the ways some groups have achieved an effective voice in policy processes and programme design and implementation whilst others have not.

Some of the findings and ways forward recommended by the paper are:
1. **Acting upon findings at the macro level.** There is an enormous empirical literature, both local and international, that shows why the promotion of development initiatives such as forest user groups in the name of poverty reduction and social inclusion does not necessarily lead to poverty reduction and social inclusion. It appears, however, that many donor, government, and NGO actors at the macro-level are either unaware of these findings or do not act on them. Useful ways forward involve analysing and finding effective ways to change the cultures and reward systems in which development actors work at the macro-level.

2. **Encouraging transparency at the macro-level.** In Nepal, NGOs, aid agencies and government offices are gradually opening up their organisational ‘black boxes’ and are increasingly making ‘internal’ reports available to outsiders. These moves towards greater transparency and accountability at the macro-level are to be encouraged.

3. **Effective decentralisation.** The study confirms the findings of many earlier reports that effective devolution and decentralisation are still needed in Nepal.

4. **Expertise needed more than ever.** In some quarters, the promotion of short-term training on such topics as participatory rural appraisal and gender awareness, while often useful, has led to the illusion that strong disciplinarily-trained economists, anthropologists and other social scientists are no longer needed to carry out design, analysis, monitoring and assessment tasks in macro-level organisations. In Nepal this attitude needs to change if issues of access by the poor to resources and opportunities are to be effectively addressed.

5. **Proactive search for positive institutional innovations.** While many past development policies, programmes, and projects have not led to significant poverty reduction and more social inclusion, many case studies show how coalitions of actors have brought about positive changes, often outside the planned impacts of formal development interventions. It is suggested that more effort is needed by macro-actors to search out, understand, and build on these positive social processes that are already occurring in many places in Nepal.

6. **Personnel commitment to values.** Finally, and most importantly, it has often been the strong personnel commitment of members of the involved alliances and coalitions that has led to positive change taking place in policy processes and development practice resulting in sustained poverty reduction and social inclusion.

The study concludes by briefly looking at other sectors and countries to illustrate why the culture of policy processes and development practice are location-specific and should only be analysed in the specific political context of each country. The ongoing conflict which is greatly affecting the behaviour of policy and development actors in Nepal at the time of this study illustrates this point well.

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The paper is available from FAO’s Livelihood Support Programme (lsp@fao.org) and online at [http://www.fao.org/sd/dim_pe4/pe4_040501_en.htm](http://www.fao.org/sd/dim_pe4/pe4_040501_en.htm)