

Forests, Community-based Governance and Livelihoods: Insights from the Nepal Swiss Community Forestry Project

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Abstract

Community forest user groups (CFUGs) in three mid-hill districts of Nepal (Dolakha, Ramechhap and Okhaldhunga) have been able to practise good forest governance and manage thousands of hectares of community forests, as well as to contribute to improving the condition of the forests and people's livelihoods. There is an increase in forest products available in terms of the trend of sustainable off-take of timber, fuelwood, and fodder. It is shown that, despite the difficult conflict situation prevailing in the country, CFUGs are practising inclusive democracy, in which there is increased participation and representation of women and disadvantaged groups in leadership positions. These groups are directly contributing to increased access to education for socially-deprived populations through user group funds, self-employment and income-generating opportunities through forest products as ways of earning additional income, receiving greater opportunities for capacity building, and gaining access to group funds in times of crisis and natural disaster. CFUGs have not only contributed to forestry-related matters, but have also contributed to at least 16 areas of services lying within the domains of 17 government ministries.

While trends in governance, forest condition, and contribution of community forestry to livelihoods are positive, contemporary community forestry faces two major challenges. First, the intention and actions of the government, Maoist insurgents, and local government towards the autonomy of CFUGs, especially towards financial autonomy, are not clear. Second, the positive economic impact of community forestry is not as visible as expected in uplifting poor women and Dalit households. To address such challenges, multi-dimensional projects with major components of governance, forest resource management, pro-poor livelihoods, and enterprise-related interventions are necessary. Community forestry is a source of inspiration and a vehicle for change in the villages. These groups should be supported for a few more years to make them fully sustainable and self-reliant. This is possible if the project works through a conflict-sensitive management approach.

Introduction

Despite difficulties, community forestry is advancing. Community forest user groups (CFUGs) are emerging as local umbrella institutions with relatively better governance and the capability of restoring forest land, its condition, and a sustainable supply of forest products equitably and delivering goods and services covering at least 16 disciplines. However CFUGs at the moment face two major challenges: full financial autonomy from big political actors and reaching out to the poorest (also see Pokharel and Paudel 2004). The key strategies, processes, and factors responsible for change are multi-dimensional and complex in nature. Establishment of good forest governance is the foundation for change that can only ensure the sustainable management of forest resources, which ultimately leads to forestry's contribution to equity and livelihoods of the poor.

Nepal-Swiss Community Forestry Project: a brief introduction

The Nepal-Swiss Community Forestry Project has been in operation since 1990. The Project is being implemented in three districts of the Middle Hills, namely Dolakha, Ramechhap, and Okhaldhunga. These districts have an estimated forest area of 238,422 hectares, of which 33% (77,277 ha) has been handed over to the local communities as community forests. By June 2004, a total of 93,113 household members (76% of the districts' population) had been organised into 812 CFUGs. The role of the project is to give financial and technical support to the facilitation of a process through which government, non-government, and forest user groups can work jointly to promote community forestry to render it economically, ecologically, and institutionally sustainable.

Community forestry is advancing

The major achievements of community forestry in the project area can be summarised under three broad headings; namely, forest governance, sustainable forest management, and livelihoods.

Forest governance

Increasing interest of communities in taking over community forests

Even given the difficult sociopolitical situation, communities are very interested in taking over the national forests as community forests. The number of CFUGs increased from 162 in 1995 to 812 in 2004 in the three districts. As a result, the area of forest under community control has increased six fold in nine years. The area increased from 13,300 ha in 1995 to 77,100 ha in June 2004. After deduction of a 25% estimated overlap of members in the total district population of 108,000 households, the coverage of household membership in the CFUGs increased from 18% in 1995 to 76% in 2004.

Increasing representation of women, dalit, and ethnic groups in CFUG committees

The percentage of women on CFUG committees increased from 21% in 1995 to 35% in 2004 in the project area. It is encouraging to report that the number of women in chairpersons' positions also increased from 15 in 1995 to 35 in 2004. Similarly Dalit representation on CFUG committees increased from 3% in 1995 to 11% in 2004. This leadership figure is proportionately the same as the percentage of the Dalit population who are CFUG members. Likewise, representation of ethnic minorities on FUG committees increased to 42% in 2004. It is encouraging to note that in all project districts, there is an increasing trend for chair and vice-chairpersons to be from the Dalit community: for example, in nine years the number of chairpersons from this community increased from 7 to 11 and vice-chairpersons from 11 to 24.

Significant increase in trained human resources in the village

Many young men and women have become local facilitators, called social workers, and have been able to provide services to CFUGs in conflict situations. For example, there are 190 social workers, who are also members of CFUGs, of which 93 (49%) are women. Emergence of CFUGs as community-based organisation service providers is another achievement in the project districts. Out of forty-four service providers involved in implementing community forestry programmes in 2004, five service providers (11% of the total) are CFUGs that have delivered services to other CFUGs. This demonstrates that farmer to farmer extension has been possible.

Increased NGO involvement in community forestry

In eight years, between 1996 and 2004, more than 70 non-government organisations (NGOs) have been involved in community forestry in three districts. Local facilitators, as well as intermediate science forestry certificate holders, are the main human resources in the NGOs. In addition to divisional forest office (DFO) staff employed by the government, there are 219 trained personnel working in the project area, of which 39 (18% of the total employed by NGOs) are consultant rangers and the remaining 82% are trained local facilitators who are CFUG members. It is important to note that, of the total employment generation through NGOs, more than 85% of the employees are from project districts. The number of women working in both social mobilisation (as social workers) and technical staff (as women consultant rangers) is significant. There are 97 women professionals, 44% of the 219 employees of the NGOs working in community forestry. More interestingly, there are four women consultant rangers (10% of the total rangers) working with NGOs, offering services to implement micro projects; and this is much higher than the percentage of women rangers working for the government (less than 5%). Table 1 gives a summary of the achievements from 1990 to 2004.

Table 1: Summary of achievements in the three project districts			
	1990	1995	2004
Number of CFUGs	0	162	812
Number of Village Development Committee (VDCs)	166	NA	162
Number of households	0	19,585	87,116
Community forest area (ha)	0	13,343	77,133
Trained local facilitators	0	10	180
NGOs in Community forestry	0	0	39
Local NGO forester employees	0	0	49
Women on committees	0	21.5%	34.8%
Women chairpersons	0	15	35
Women vice-chairpersons	NA	NA	233
Number of women only committees	NA	14	17
Dalits on committees	0	3%	10.6%
Dalit chairpersons	0	7	11
Dalit vice-chairpersons	0	11	24
NA = not available Source: NSCFP (2004)			

Sustainable forest management

Increased availability of forest products

It was found that CFUGs in all three project districts have been able to protect, manage, and use the forest resources sustainably. For example, data from Dolakha district indicate that the CFUGs harvest timber, fuelwood, and fodder generating about NRs. 20.8 million per annum per district, which is more than six times the district development budget in the forestry sector. Sources include 65,666 cft timber worth NRs 3.9 million @ Rs 40 per cft; 343,140 headloads of fuelwood worth NRs 8.5 million @ Rs 25 per headload; and 565,100 headloads fodder worth NRs 8.4 million @ Rs 15 per headload.

In addition, CFUGs together with private tree owners and district forest officers have been able to provide raw materials to the forest-based enterprises that have been established in recent years. This has been possible because of improved forests and landscapes in the project districts. There are nearly 50 forest-based enterprises running in the three districts. Of these 41% are timber-based, 28% are Nepali paper-making enterprises, and the remainder are for essential oils, bamboo products, and handicrafts (Table 2).

Type of enterprise	Number of enterprises	Percentage
Timber-based	19	41
Paper-making	13	28
Commercial nursery	6	13
Essential oils	4	9
Bamboo-based	3	7
Handicraft based	1	2
Total	46	100

Source: NSCFP (2004)

Equity and livelihoods

Locally-initiated provisions related to social equity

Evidence indicates that communities themselves have introduced innovative solutions to address the issues of equity and livelihoods of the poorest members of the CFUGs. An analysis of the pro-poor provisions of 812 CFUGs in the three districts indicates that 442 CFUGs (54%) have put clear provisions and practical actions into operation to address issues of equity and livelihoods. Out of the total number of CFUGs with pro-poor provision, a sample of 134 CFUGs indicates that CFUGs have crafted a sophisticated system of equity provisions into their operational plans. The nine main areas include: provisions for forest products, education, loans and grants, humanitarian assistance, enterprises and business, training and skill development, land allocation, employment, and positive discrimination for leadership positions on the CFUG committees. For example, of the 134 CFUGs sampled, 128 were found to have various types of locally-initiated equity provisions for forest products for the poor. Out of the 128, for example, 37% had provided forest products (including timber) at subsidised rates and 32% had distributed forest products (other than timber) free of cost. Similarly, 66 CFUGs had offered educational support to children from poor households; 62 had provided funds to poor households; and so on (Table 3).

CFUG contributions to local development and livelihoods

A desk study was carried out to assess the type and scale of work carried out by CFUGs on various livelihood needs of the communities. A total of 65 newspaper articles, covering 31 districts, written by journalists during the period from 2002-2004 were reviewed. From the review it was found that CFUGs are acting like small nations and an umbrella of local governance at community level, delivering services related to almost 16 line ministries. Box 2 gives examples of the forms of activities that CFUGs have undertaken. These include: institutionalisation of democratic practices, CFUGs working as village banks and financial institutions, marketing and supply of forest products, judiciary, cooperatives and collectives, security and internal affairs, environmental management, agriculture and livestock development, drinking water and community infrastructure, gender empowerment and social equity, education, transport, communication and information, tourism, health services, and forestry development.

Table 3: Equity provisions in FUGs' decisions and operational plans				
Type of provision	Operational plans with provisions for the poor			
	Dolakha	Ramechhap	Okhaldhunga	Total
No. of FUGs in sample	32	72	30	134
Equitable, distribution of forest products				128
Forest products at subsidised rates	22	5	21	48
Forest products other than timber given free of cost*	10	22	9	41
Timber given free of cost	0	13	0	13
Greater quantities of forest products	0	0	13	13
Additional fuelwood provided to the blacksmith for making charcoal	0	0	11	11
Additional fuelwood and fodder given as compensation for construction timber given to the well-off	0	1	0	2
Positive discrimination in favour of dalits and women for leadership positions on the committee	20	40	15	75
Support to education				66
Scholarships for dalits and poor children	30	28	8	66
Employment to the poor				5
Opportunities for the disabled and dalits to work as social workers	2	0	0	2
Employment opportunities as forest watchers	0	1	2	3
Land allocation to the poor				19
Allocation of forest land to the poor	6	8	5	19
Training opportunities for the poor				7
Selection to participate in training courses, workshops, and meetings	0	0	1	1
Skill development training for the poor	0	6	0	6
Funds for the poor				62
Grants in cash	1	3	1	5
Loans without interest	22	7	11	40
Loans with low interest	0	3	0	3
Fund mobilisation for poor households (HHs) by the committee		14		14
Access to business and enterprise opportunities				19
Support for livestock	0	18	0	18
Support to establish forest-based enterprises	0	1	0	1
Welfare and humanitarian support				24
Humanitarian grants in cash	10	0	3	13
Exemption from membership fees		2	8	10
Transportation support for delivery of forest products to poor HHs	0	1	0	1
* Extrapolated on the basis of a study carried out in 72 CFUGs on the implementation status of pro-poor provisions in operational plans.				

Box 2. CFUGs are Self-governed Institutions and Good Vehicles for Delivering Services to Villages

- (i) CFUGs select or elect CFUG committees annually democratically institutionalisation of democratic practices
- (ii) CFUGs manage finances and loan out money to the villagers CFUGs working as village banks and financial institutions
- (iii) CFUGs harvest forest products, supply goods, and services to communities marketing and supply of forest products
- (iv) Conflict over access and control over resources and land boundaries and disputes over land tenure are settled by CFUGs judiciary
- (v) CFUGs form networks and federations that have become strongly nested organisations to safeguard users' rights cooperatives and collectives
- (vi) Patrolling and protection of forests have been regular work for FUG members who guard forests on a rotational basis security and internal affairs
- (vii) CFUGs have been very active in work related to soil conservation and watershed management environmental management
- (viii) CFUGs have supported their members in income-generating activities related to vegetable farming, livestock, horticulture, fishery, and beekeeping together with construction and maintenance of water irrigation canals agriculture and livestock development
- (ix) CFUGs have contributed to the construction and maintenance of physical infrastructure such as drinking water schemes, community buildings, and wooden bridges drinking water and community infrastructure
- (x) CFUGs have sensitised community members to having more inclusive governance with proportionate representation of women, dalits, and members from ethnic minorities and remote places gender empowerment and social equity
- (xi) CFUGs have invested in scholarships for poor children, teachers' salaries, school buildings, and furniture education
- (xii) CFUGs have invested their funds and labour in the construction of roads and trails transport
- (xiii) CFUGs have practised a system of public auditing, public hearing, and two-way communication and information flows both vertically and horizontally communication and information
- (xiv) CFUGs have promoted eco-tourism by constructing picnic and recreational spots; temples, and eco-clubs tourism
- (xv) CFUGs have raised awareness about health, hygiene, and sanitation and invested in health posts, medicine, and equipment health services
- (xvi) CFUGs have constructed community forest nurseries, established plantations, protected and managed natural forests sustainably and have started establishing forest-based enterprises forestry

Source: Pokharel (2005)

Challenges

Despite the achievements and contributions that CFUGs have made in relation to social equity and livelihoods through community forestry, among many others, there are two major challenges. The first is external and related to the autonomy of CFUGs, and the second is internal and related to poverty.

The external challenge relates to the intentions and actions of big political actors such as the government, particularly the Ministries of Finance and of Forest; Maoist insurgents; and local government towards the financial autonomy of CFUGs, and CFUGs' relationships with these 'big' actors. Although there are policies, a legislative

framework, and verbal assurances that very much support a community-based resource management regime, perceptions and decisions made with regard to benefit-sharing arrangements and taxation remain ambiguous, threatening the autonomy of CFUGs' decision-making rights.

The internal challenge is related to the equity sensitivity and poverty orientation of local power elites who are CFUG leaders. Equity provisions for the benefit of the poor mentioned are outcomes of many factors. The most significant factors are local champions and charismatic young leaders who are exceptional in their thinking – different from the fatalistic thinking that Nepali society has suffered for too long. Finding good leaders in villages is a real challenge.

Lessons learned: factors responsible for positive change in community forestry

There are a number of factors responsible for the success of community forestry and its contribution to forest restoration, social equity, and livelihoods.

- **Policy-making process** – The current forest policy of Nepal was developed through a long process of 'learning by mistakes'. Enactment of the Forest Nationalisation Act in 1957 was an attempt that proved to be a test of the impact of the 'state control' approach to forests, and it led to a loss of large areas of forest in Nepal. This resulted in the emergence of the notion of a decentralised approach to forest management which took place in 1978 and promoted the establishment of panchayat and panchayat protected forests. It took almost 10 years to learn and realise that forest management by local bodies was not effective. Further decentralisation was required to community-level user groups for better participation and effective forest governance. The latter concept was endorsed in 1987 in the Master Plan for the Forestry Sector. Piloting on the process of forest handover was allowed until the Forest Act was rewritten in 1993. An additional two years was taken to draft the Forest Regulations and Community Forestry Operational Guidelines which were officially formalised in 1995. Altogether it took almost 17 years to formulate the appropriate policy and legislative framework currently in practice. The most important lesson learned from this process was that to have good legislation in place, innovation and piloting should be allowed first, this should be followed by policy formulation and enacting legislation, following adequate experience and lessons obtained from piloting.
- An **enabling policy framework** should trust the strengths of local communities and grant them autonomy.
- **Multi-stakeholder participation** and interactions on policy and practice at various levels should be encouraged and institutionalised. Forums such as the Forestry Sector Coordination Committee at the central level and the District Forest Coordination Committees in the districts are examples.
- The **role of champions and change agents** in the community, in organisations, and at policy level are the key to positive change.
- A **shift from subsistence livelihoods** to an enterprise and business-oriented approach should be promoted to generate more wealth from community forests.
- The **process and the steps responsible for positive change** are community forestry's emphasis on institution building and good and inclusive forest governance (first step), capacity building of forest users for effective forest resource management using forest management as a means not an end (second step), mobilising group funds and forests for social equity and improved livelihoods

(third step), and contributing to poverty eradication through forest-based enterprises and businesses (fourth step).

- The **main strategy** that worked well in terms of addressing **gender and equity** issues was not to consider CFUGs as homogeneous entities. Inequalities exist within CFUGs in terms of wealth, gender, caste, and remoteness. Extra efforts are required from development agencies and power elites along with methodological innovations to ensure pro-poor sensitivity. In addition, a separate structure and budget should be allocated for a social equity component that exclusively targets the poorest members of CFUGs.
- Learn how to **govern democratically** from the CFUGs.
- Further **enable and empower the CFUGs** working 'in and on conflict' through a conflict sensitive project management approach (see NSCFP 2005) and learn how to work in and on conflict.

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