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Does Management of Community Forestry Really Benefit Nepal's Rural Poor?

*Mahesh Raj Dahal**

Abstract

Loss of equity of forest resources in rural poor communities is the same as a loss of forest resources in the environment. Both of them have serious threats on the lives and livelihoods of millions of poor families and the environment. We should not forget to give more emphasis on environmental justice when we are considering the equity of resource distribution. However, the past decade has witnessed an increasing emphasis on community-based resource management with a focus on poverty alleviation. The belief was that giving local user groups' formal property rights provides them with an incentive to manage extraction of fuelwood, fodder, and other forest products in a sustainable manner and community welfare will increase as a result of an increase in forest resources and halting land degradation. But coming to date, despite having the most innovative policies to promote community-based resource management in place, community forestry in Nepal is said to have been unable to reduce rural poverty and provide a significant contribution to the livelihood of poor and marginalized people. It is due to its failure to take into account the benefit approach for sustainable use and equity of forest resource distribution within the rural poor community in the society.

Introduction

Forest resources are considered as the most important natural resource for people's livelihood and for the maintenance of ecological balance. Forest resources are the second largest resource after water resources in Nepal. About 30 percent of the total area is under some sort of natural vegetation cover such as trees, shrubs or grasses. However, forest areas are under great pressure for meeting firewood, fodder, timber, medicines and infrastructure development. Loss of forest area started along with malaria eradication and resettlement programmes in the Terai since 1950s. The problem was further compounded due to the change of ownership from private to public as per the Private Forests Nationalization Act, 1957. Nepal comprised of 6.4 million hectares of forests in 1964, which declined to 5.8 million hectares including shrub land by the mid-1990s (DFRS, 1999a, 1999b). However, forests

* Mr. Dahal is a Lecturer in Economics, Central Department of Education, Tribhuvan University, Kirtipur.

cover only 4.27 million hectares (29 per cent) of the total area of the country. On the other hand, given that about 88 percent of the total population resides in rural areas of Nepal, poverty is much more severe in rural areas (44 percent households) as compared to the urban areas (23 percent households) (NPC, I-PRSP: 2001, 5). The intensity and severity of poverty in the rural area almost twice as high as those in urban area. Using the Nepal Living Standard Survey data and poverty line[1] the National Planning Commission of Nepal estimated the incidence of poverty in Nepal to be about 42 percent (World Bank, 1999). If the definition of "US one dollar a day" poverty line is used, which is often used for the purpose of making international comparison of poverty, then the incidence of poverty in Nepal turns out to be 53.1 percent (NPC: 2001, 4).

In the context of decreasing Nepal's forest area and increasing intensity and severity of rural poverty Nepal had formally introduced community forest management before two decade ago with a policy acceptance that access to natural resources and decentralized management based on local people's participation over natural resources is critical for local development and forest conservation. In 1978, Nepal adopted community forestry as a new strategy that "initially emphasized people's participation in reforestation of degraded lands" (Hunt *et al.*: 1996). Late 1980s had transformed community forestry to include participatory forest management and rural development. The basis of participatory forest management is the handing over control of local forests to forest user groups (FUG) that have locally recognized rights to use a forest. The Forest Act in 1993, supported by the Forest Rules issued in 1995, gave community forest user groups (CFUGs) legal rights to sell all forest products from their forest (but not rights to sell the land, build houses or cultivate the area) "in return for assuming responsibility for protection of the forests" (Hunt et al., 1996). Currently, some 10,000 Forest User Groups (FUGs) are engaged in the management of approximately 747,908 hectares of forest areas. The potential of community forestry management by people participation to secure basic needs for local people giving "priority to poor community, or to the poorer people in a community" (HMG, 1988: 10, sec. 112.4) and to reduce rural poverty by improving the well-being of poor is frequently advocated in Nepal and elsewhere. Although, the conservation or vegetation cover (bio-physical condition) of forest resources are found remarkably improved since the forest resource management regime shifted from state to local community participatory management however, equitable distribution of forests benefits within the rural community especially across the disadvantaged and marginalized groups of people has not been clearly demonstrated. Nevertheless, loss of equity of forest resources in rural poor communities as the same as a loss of forest resources in the environment. Both of them have serious threats the lives and livelihoods of millions of poor families and the environment.

This paper, therefore, aims to focus on distributional issues of forest resource management concerning rural poor in the context of the country's overriding poverty reduction objective addressing two dimensional relation of present community forest management, namely survival-benefit relation and the well-being benefit relation to rural poor. The primary question that this paper tries to answer, on the basis of some empirical studies, is whether the management of community forestry really benefits the Nepal's rural poor or not.

[1] The poverty line was estimated to be NRS 4,404 per person per year on the basis of a daily per capita calorie requirement of 2124, average price level prevailing in 1995/96 for this food basket, and a factor to account for non-food expenditures.

Emergence of Community Forest Management in Nepal

Forest administration system in Nepal barely existed until the 1950s. It was only in 1957 that the government announced that forest areas technically "belonged" to the State and it officially placed them under government protection and control, with the introduction of Private Forest Nationalization Act. It was viewed by different people in different perspectives on the objectives and results of this Act. Some people argue that the real purpose of the Act was to reduce the area of land controlled by cronies of the Rana regime (Joshi 1989; Gilmour, 1990). Others claim that this usurpation of forest area by the government led to widespread feeling (Bajracharya, 1983; FAO/World Bank, 1979). Gilmour and Fisher (1991) note that there may have been a crisis about 1950, with the instability that followed the collapse of the Rana regime, but it is doubtful that the Nationalization caused widespread or unusual amounts of deforestation. Mostly, rural residents remained unaware of the Act (Carter 1992; Karan and Ishii, 1996). Forest Acts in 1961 and 1967 defined forest categories and methods for describing, registering, and demarcating forest area. Operationally, however, these provisions were largely unenforceable. The Forest Department was unable to effectively manage, monitor, or protect the vast tracts of national forests (Britt, 2000). Customary forest management regimes have thus *de facto* operated either in conflict with or parallel to official government policies. Because government intervention capacity remained limited, customary practices continued in many areas. Studies suggest that these systems vary regionally (north to south, and west to east) in relation to climatic variations, mountain ecology, forest composition, the ethnic groups involved, and the size function and rules for regulating use. Customary systems included agreements for protection, regulation of access, silvicultural practices, and the distribution of forest products (Fisher 1989; Gilmour 1990; Messerschmidt 1986; Campbell, Shrestha and Euphrat, 1987).

The declines of Himalayan forest cover in the beginning of 1970s appear worldwide concern. While initial estimates have proved wrong, debates about the condition of Nepal's forests, and the causes and consequences of deforestation continue (Bajracharya 1983; Eckholm 1975; Hamilton 1987; Ives 1987, 1991; Ives and Messerli 1989; Metz 1991; World Bank 1978). Multiple anthropogenic activities have contributed to conditions of forest cover in the Himalaya. Studies indicate, however, that deforestation in the Nepalese Hills is neither as recent nor as widespread as previously implied. Many Middle Hill forests were reduced to their present boundaries between 1750 and 1900 as a result of *jagir* and *birta* land tenures encouraged the conversion of forests into agricultural holdings in order to extract maximum land rents from peasant cultivators (Mahat, Griffin and Shepherd 1986). Important changes in forest legislation began in response to: (a) the National Forestry Conference held in Kathmandu in 1975, (b) the findings of "A Task Force on Land Use and Erosion Control" (National Planning Commission, 1974), and (c) Eco-doom reports by Eckholm (1975) and the World Bank (1978). These nearly simultaneous occurrences served to focus national and international attention on forests and deforestation. The resulting discussion was instrumental to the creation of the 1976 National Forestry Plan and the type of state- sponsored community forestry, which was officially adopted at that time.

The National Forestry Plan offered provisions for handing-over limited areas of

Government land to village *panchayats*, with technical assistance provided by the Forest Department. However, the "community" component of community forestry remained absent. Up to 125 hectares of severely degraded (often totally deforested) land could be handed-over to the *pradhan panchas,* local *panchayat* leaders, for planting and protecting seedlings under the supervision of the District Forest Officers. The emphasis was on planting and protection. Nurseries were built, plantations were established, forest watchers were hired, and barbed-wired fencing was used to enclose areas. This attempt at community forestry did not appeal to local people, and the lack of enthusiasm showed. Early studies indicated that community forestry was being imposed and that there was very little information about the policy. In this stage, community plantations being established through the "help" of local labor at the expense of institutional development and real participation. Convincing Forest Department staff and other stakeholders to "let go" or otherwise hand-over forests (both benefits as well as responsibilities) to local people was a tentative, experiential, and dialogical process.

Starting in the mid-1980s small-scale pilot projects were used to demonstrate local People's capacity for both protecting and managing forest resources. New forms of extension were experimented within Dolakha and SindhuPalchowk districts; and attitudinal reorientation trainings of Forest Department staff—away from "policing"—were initiated in Dhankuta district. Consultants working through bilateral projects in conjunction with Forest Department staff, primarily rangers tested these ideas. The individuals involved, and the projects they represented, were in a better position to take risks and experiment with resource management partnerships. If an activity was not successful, it was discarded. However, if it proved successful, it was replicated (Gronow 1987; Gronow and Shrestha 1988; Gronow and Gronow and Shrestha 1991). Contradictions between policy and Local-level Operation in community forestry was felt only in the late 1980s and effort were made to mediate through changes in policy.

For the first time first Community Forestry Conference was held in Kathmandu in 1988 and participants of the Conference pointed-out the limited role that local people were playing in community forestry. It was verified by the success of the pilot-projects, local forest resource management ability of community started very seriously by a larger circle of bureaucrats, politicians, and donors. Key persons were convinced that further right to use and manage resources to user community is necessary to improve forest management and may likely to resolve conflicts between local-level concerns and *panchayat* based applications in policy. In such a way the emergence of community forest management and the birth of "user group" concept was taken place in Nepal.

At the same time two Ministries - Forests and Soil Conservation consulting with FINIDA and Kathmandu-based stakeholders were prepared a "Master Plan for the Forestry Sector". And draft of its were made available for public scrutiny. There were over 100 revisions and numerous reincarnations of this 13-volume document. The Master Plan (1990) eventually recommended: no ceiling on the area of forest handed-over; that forests should be handed-over to "user groups" (not *panchayats*); benefits from the forest should remain with the user group; that women and the poor benefits from the forest should remain with the user group; that women and the poor should be involved in the management of community forests; and, that the process of handing- over forests should be accelerated.

In this way, forest user groups were identified as the appropriate local Institution responsible for the protection, development, and sustainable utilization of local forests under the Master Plan. And, community and private forestry were classified as the highest priority programs for the forestry sector in Nepal. The Forest Act of 1993 and the Forest Regulations framed in 1995 have reaffirmed the government's positions for assigning more autonomy to forest user groups as self- governing institutions with rights to acquire, transfers, and sell of forest products.

As mentioned above, donor-driven and state-sponsored community forestry in Nepal as a top-down policy was the outcome of a negotiated attempt between the center (agents of the government and donors) and periphery (local peoples forest product needs) concerns. The mandate for action emerged out of discussions, which remained mostly within the confines of capital cities (between governments, donors, and development practitioners). Negotiations about the purpose and form of this mandate were based on prerogatives set by donors in response to claims about the causes and consequences of deforestation.

Underlying Problems

Although much knowledge and experiences have been gained in Nepal regarding how to develop grass-root local organizations in the form of community forest users group for management of forest resources, however, it is still unclear what the long-term impact on socio-economic development of forest communities of these organizations will be, particularly on forest-dependent groups access to resources. So far the relation of Community Forestry to rural poverty is concerned, it has two-dimensional relation with it; one is survival benefit relation and other is well being benefit relation. If any component of natural resource management is limited only on survival intention it may serve to rural poor only on subsistence scale and no any sign of poverty reduction can found in such a phenomenon. However, expenditure saving activities from open access harvesting of common property resources may likely contribute to add implicit income to total household income of the poor. On the other hand, if it goes beyond the subsistence attitude and to be able to create additional income and assets through income earning activities from locally available natural resources to support for the well being of rural poor then one may likely to say that natural resource management has positive and larger impact on rural poverty reduction. But evidence shows that either rules of CFUG or forest policy of Government have given more emphasis exclusively on subsistence benefit from non wood forest products ignoring well being benefit from all form of forest resource which have greater and direct impact on rural poverty reduction.

In several instances, as the products increase in value it has become apparent that the access of marginalized groups to the forests is questioned by more powerful groups. There starts an important trade-offs between environmental protection and poverty in resource using process: the rights of the poor are particularly threatened, as access is limited in the recuperation phase, and subsequently as the value of the resource increases. More knowledge about policy and institutional strength of local resource management are required to determine distributional impacts among groups and to assess the trade-offs that are occurring at local level. Similarly,

local management of resources to fulfill local objectives also implies that other trade-offs will also be happening and that perhaps other stakeholder groups are losing out (Hobley and Shah, 1996).

The past decade has witnessed an increasing emphasis on community-based resource management with a focus on poverty alleviation. The decentralization of forest management is generally considered a very positive step in halting forest degradation since giving local user groups' formal property rights also provides them with an incentive to manage extraction of fuelwood, fodder, and other forest products in a sustainable fashion. There is the hope that community welfare will increase as a result of an increase in forest resources. But outcome of local decentralized management of natural resource is pessimistic to address both of poverty and equity issues. So replicability of some success stories and experiments of community forest management requires additional knowledge and adequate modifications according to the needs of rural poor and country's overriding poverty reduction objective and there is a need for stronger attention and a better understanding of how to respond to links between rural poverty alleviation and sustainable natural resources management as well.

Distributional Issues

Development of rural village economy while managing common property resources has emerged as the top resource management policy in Nepal in the past few years. This initiative has emerged largely due to a strong disillusionment with the performance of the centralized management policy to provide sufficient incentives to the resource users to manage local resource on a sustainable basis. Participatory resource management is often seen as an appropriate solution to reduce resource degradation and it was thought that granting property rights over the local commons would ensure the equitable and sustainable use of natural resources. More precisely, when the responsibility of allocating natural resources is delegated to local organizations, communities tend to appropriate these resources for the collective community welfare.

Flow of Forest Product from Community Forest

There are so many provisions seen in the forest policy, which meant that while the basic objective of community forestry remains the fulfillment of subsistence needs for local people; user groups can also legally cultivate Non-timber forest Products and perennial cash crops, as well as commercially process forest products for sale. Natural as well as degraded forest areas are handed-over to user groups, with 100 percent of the benefits accrued to the forest-users and the user group fund. These funds are controlled by user groups and can be used for the development of the community forest or community development activities. Contradictory to this some studies (Malla, Timala, Poudel, Shrestha, Maharjan, Bajracharya, Graner, and Britt) have reveal the facts that the amount of forest products harvested at present are insufficient to meet the users' needs, and the procedures adopted for their distribution (auction, contracts, free distribution and equal distribution) favor the wealthier households. (Malla, 2000)

Following table summarizes the general patterns of rules regarding access to forest products under community forest management.

Table 1. Rules for access to different forest products in community forests

(Forest)	Distribution			Time of collection		
Product	Free of charge	Nominal charge	Sale through Auction/ tender	Any time	Specific time, more than once a year	Specific time once a year
Dry leaf litter	Most	-	~2/3	<1/3	-	-
Green leaf Litter/ tree fodder	~2/3	<1/3	-	<1/3	~2/3	
Dry fallen twigs/branches	~2/3	<1/3	-	<1/3	~2/3	-
Grass	~2/3	-	<1/3	-	~2/3	-
Green fuel wood	-	Most	-	-	<1/3	~2/3
Timber	-	-	Most	-	-	Most
Fruit, seeds, flowers, herbs, climbers and other NWFPs With no cash value	Most	-	-	Most	-	-
Fruit, seeds, flowers, herbs, Climbers and other NWFPs With cash value	-	<1/3	~2/3	Most	-	-

Source: Malla (2000).

Most forest user groups restrict the use of forest products that have cash value or are in short supply such as timber, fuel wood and traded NWFPs. Some groups permit free collection of certain forest products and charge for others. Some groups specify a time for harvesting only green wood (fuel wood and timber) and allow other forest products to be collected free of charge any time of the year. Some forest user groups allow the collection of only dead and dry materials (fallen twigs and branches and leaf litter) and impose a complete ban on the use of other forest products. Many forest user groups will provide construction wood to households

that suffer damage from fire, landslides, earthquakes or other natural calamities; a certain amount of fuel wood for ceremonial use (weddings, cremations or funerals); wood free of charge for public works such as construction of schools or health posts; and additional loads of fuel wood, also free of charge, to local blacksmiths for manufacturing agricultural tools.

Fuel wood

Harvesting and distribution of fuelwood, especially green fuelwood, is the main concern of most forest user groups (Timala, 1999). A study in the hill district of Baglung by Timala showed that little green fuelwood is harvested from community forests, whether plantation or natural forests; most forest user groups provide less than ten headloads (one headload = 50 kg) of fuelwood to each household, and two thirds of forest user groups provide three headloads or less to each household annually (Timala, 1999). The data from below table no. 2 reveals the fact that with the equal distribution of fuelwood under community forest management, the average poor household obtains less fuelwood than before.

Table 2. Comparison between fuelwood received from community forests and Household needs

Fuel wood (head loads)	Household categories		
	Rich	Medium	Poor
Total required	90	90	90
Required from community forests	5	28	45
Received from community forests (plantations)	8	8	8
Difference	+3	-20	-37
Percentage difference	+60	-71	-82
Received from community forests (Natural forests)	16	16	16
Difference	+11	-12	-29
Percentage difference	+220	-43	-64

Source: Timala, 1999.

Timala (1999) from the above table no. 2 estimated that the average rich household requires about five headloads of fuelwood from community forests annually, compared with 28 headloads in the medium category and 45 headloads in poor households. Prior to the community forestry intervention, the average amount collected by rich household was only five head loads from community forests, due to richer households often obtained fuelwood from their own private trees. The current arrangements of CFUGs provide more than twice as much fuel wood from community forests to these households as they received before. Opposite to this, in the case of natural forests, the average poor household receives only about one third

to one fifth and in the case of plantations of the amount collected from community forests before the intervention. The average household under the medium category also receives considerably less than before.

Community Forest User Groups generally allow collection of dry, fallen twigs and branches free of charge with limited scale to the members of poorer and medium households, which cannot be expected to contribute greatly to overall household fuelwood requirements. Recent research results from four community forests in the western hills region indicate that with more intensive management and harvesting it would be possible to increase the fuelwood supply from community forests. The current yield of 1.5 tones per hectare per year could be increased to 5.3 or 6.4 tones per hectare per year on a five- or eight-year rotation, respectively(Branney, Neupane and Malla, 2000). The extent to which this can be achieved will depend on the number of households, and the management regime. Some of the study's harvesting techniques are now being adopted (Malla, Neupane and Branney, 2000).

Subsistence Benefit From Non-wood forest products

As per mentioned above in introduction section, Community Forestry has two-dimensional relation with rural poverty; one is survival benefit relation and other is well being benefit relation. If any component of natural resource management is limited to provide only survival benefit it may serve to rural poor only on subsistence scale and no any sign of poverty reduction can found in such a phenomenon. However, expenditure saving activities from open access harvesting of non-wood forest product (NWFPs) or common property resources may likely contribute to add implicit income (no any cash value) to subsistence household income of the poor. They are important for dally household use. Herbs, climbers, grasses, roots, bark, flowers, fruit, seeds and leaves of trees, and shrubs etc are known as NWFPs that do not have a market value. Rural households for subsistence purpose use all these NWFPs.

Following table expresses how rural households including rural poor people are dependent on forest resources for fodder and leaf litter from the Western hill areas of Nepal. It also shows that Leaf litter can be collected freely from community forests for use as livestock fodder, but access to such products is not necessarily equal.

Table 3. Dependence on community forests for fodder and leaf litter

Landholding Category	Fodder supply		Bedding materials	
(Ha)	Amount per Livestock unit *(MJ)*	Percentage from common land	Amount per household *(kg)*	Percentage from common land
0.5 25	560	34	2 270	60
0.51-1.5	39 600	24	5 040	64
1.5 69	830	18	7 730	66
Mean	46 480	23	5 230	64

Source: Adapted from Malla (1992).

According the above statistical table it is generally the rich households with large-scale landholding and livestock owners who have benefited from the distribution arrangement of CFUG. However, free collection of grass and leaf litter implies that every household within a forest user group has equal access to these forest products; poorer households do not necessarily obtain large quantities, probably because richer households with more land have more livestock and more labour. Smallholders obtain a greater proportion of their fodder and leaf litter from community forests or public lands. Nevertheless, in terms of absolute quantity, households in the largest landholding category obtain much more fodder from community forests (12 570 mega joules MJ]) than do households in the smallest landholding category (8 690 MJ) – a difference of 3 880 MJ (45 percent). Similarly, the average household in the largest landholding category uses nearly three times more leaf litter than the average household in the smallest landholding category.

Well Being Benefit From Community Forest

As per stated above in introduction section, Community Forestry has two-dimensional relation with rural poverty; one is survival benefit relation and other is well being benefit relation. If any component of natural resource management is limited to provide only survival benefit it may serve to rural poor only on subsistence scale and no any sign of poverty reduction can found in such a phenomenon. If it goes beyond the subsistence attitude and to be able to create additional income and assets through income earning activities from locally available natural resources to support for the well being of rural poor then one may likely to say that natural resource management of forestry sector has positive and larger impact on rural poverty reduction. Some studies have focused in terms of cash value from community forest in this regard. . A considerable number of rural people, especially women and children from poorer households, participate in collection and sale of various NWFPs from community forests (Edwards, 1996a; Subedi, 1999). In some areas, up to a quarter of the total household income is derived from the sale of NWFPs in the market (Subedi, 1999). However, community forest management in most areas has, to date, concentrated largely on the production of timber, fuel wood, fodder and leaf litter. The rules included in community forest management plans generally revolve around timber or better-quality wood (such as what to cut or what not to cut, which species should be left and which should be removed), and these are often incompatible with the management and use of NWFPs (Edwards, 1996b). For example, the rules usually state that weeds and other unwanted plants should be cleared so that high-value trees can grow well, but in the process many NWFP species such as herbs and climbers, some of which have important medicinal value, may also be cleared (Malla, 2000). Maharjan (1996) reported on efforts of some forest user groups to grow species that provide NWFPs with cash value in their community forest areas, including Swertia chirata (an indigenous medicinal Plant), ginger, broom grass, cardamom and bamboo as well as trees for resin tapping and pines for souvenir production. These programmes emphasized the involvement of women and poor households. However, some of these activities ended with losses and the withdrawal of participants as a result of inadequate financial support and inefficient community forest management (Maharjan, 1998).

Income And Expenditure Pattern in Community Forest

Income of Forest User Group

Local forest user groups obtain income from the sale of green fuel wood, poles, timber, seeds, grass, and tree seedlings. The other sources come from membership fees, fines, cash payment by members in lieu of labor, contributions, donations, and rewards and support from the District Forest Office and field projects for plantation and protection activities (Hunt, Jackson and Shrestha, 1996). Information on the proportions of the contribution of the various sources to the total income is unavailable, but it is obvious that a greater portion of the income of most community forest user groups are obtaining from other sources rather than forestry activities.

The income generation activities by community forest user groups vary widely and depend on the size, condition and type of forests, the level of forest utilization, the type and proximity of markets and the kinds and practices of economic activities. Overall, however, the cash income of most forest user groups is very low. In 1994-95, the average income for17 Middle Hills districts (comprising 369 forest user groups) were 18 400 rupees (NRs) or US$340 (Hunt, Jackson and Shrestha, 1996). The annual income of almost all of the forest user groups was lower than the average household income (NRs 32 200, or US$600) (Malla, 1992). Only one district (with nine forest user groups) had an average income above NRs 100 000 (US$1 850), partly because one group had a very high income, NRs 790 800 (US$14 640). The other360 forest user groups (97.7 percent) had less than NRs 35 000 (US$650) average income. Some 317-forest user groups (86 percent) had an average income below NRs 20 000 (US$370), while 200 (54 percent) had an average income of less than NRs 7 500 (US$140). Some forest user groups reported no income (Malla, 2000).

Expenditure Pattern

Hunt, Jackson and Shrestha (1996) found from their research that cash expenditure also varied greatly among forest user groups. Average expenditure was found about NRs 87 000 (US$1 610) in the highest earning district with nine forest user groups but one forest user group had very high expenditure (NRs 751 700, or US$13 920). However, 313 forest user groups (85 percent) had less than NRs 7 000 (US$130) average expenditure, while 164 (44 percent) had only NRs 2 700 (US$50) or less average expenditure. It has not yet been determined if there is a correlation between income and expenditure (Malla 2000). Forest user groups have used their income to pay salary of nursery staff, forest watchers, wages for tree planting and weeding labour, and general administration and Operating costs. Many community forest user groups used their fund of money on village welfare and development activities, although generally positive, do not necessarily benefit all the forest user group members, especially those who are most in need, and some activities may only benefit poorer members in the long term. For example, some forest user groups have built schools, without providing the support to enable children of poorer households to attend school. Irrigation channels and drinking-water schemes which are possible only below the catchments level, have often only benefited

the wealthier families that own fertile land in the valleys; most poor households own terraced land on the upper slopes, out of reach of the water systems (Hunt, Jackson and Shrestha, 1996).

To date, little effort has been made to use group funds for the benefit of poorer households. However, better information can lead to better planning decisions. For example, a forest user group committee in the western hills region is applying the results of a research project which defined household categories based on wealth ranks (Malla, Neupane and Branney, 2000) in order to use part of the group fund to lend to people from the poorest group with a low interest rate and without collateral.

Conclusion

From the above analysis and looking some empirical evidences any one may conclude that some households especially poorer ones, have less access today to forest products for subsistence use and income than they had before the community forestry intervention, and that income from the forest is minor and realized only after a long time. Any component of natural resource management should go beyond subsistence benefit approach. Unfortunately, community forestry policy itself has been given more emphasis on the protection of community forests and allowing the poor people's access for subsistence purposes only. It does not mean that protection of forest resources by the community is unnecessary. Protection with growth of production and use of forest resource based on well being benefit approach rather than exclusively emphasis on subsistence benefit approach is critical to rural poverty reduction with sustainable local natural resource management which may likely influence the efficiency of resource use, equity of resource distribution, distribution of transaction costs of resource management, and empowerment and welfare of community members in the society. (The detail work on this aspect is going continuous under the author's Ph.D. research study.) Finally, there is a urgent need to initiate by the top political level for a more balanced approach to community forestry policy implementation which should considers both the subsistence benefit as well as well being benefit approach which leads to a sustainable manner of resource production, protection and utilization for the welfare of rural poor.

Thus, despite having the most innovative policies to promote community-based resource management in place, community forestry in Nepal is said to be unable to reduce rural poverty and provide a significant contribution to the livelihood of poor and marginalized people due to its failure to take into account well being benefit approach for sustainable use and equity of resource distribution within the resource using heterogeneity community in the society.

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