

## Community Forestry in Nepal: Achievements and Challenges

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### Abstract

*Community forestry program in Nepal officially started in late 1970s. Since then concerning movement has been evolving to involve local communities in the management and utilization of forests. The policy of the government was originally intended to meet the basic forest products required by the communities through active participation in forest development and management. Later, it was expanded to include the mobilization and empowerment of the members of community forest user groups in the development of their local communities. It is observed that the trend of forest degradation has decreased since the handing over of national forests to local communities, but a number of unintended social anomalies have also cropped up. Such anomalies essentially constitute of the inequity and unfairness in the local and national level and in terms of long-term sustainability of forest resources. This paper provides an overview of various issues of community forestry, especially focusing on the major achievements made in community forestry. It calls for rethinking community forestry program in order to face the present day challenges of linking community forestry with livelihood promotion, good governance, and sustainable forest management. It also lays out strategy for reforms in community forestry.*

*Key words: Governance, forest policy, community forestry, forest user groups, Nepal*

### ACHIEVEMENTS

For more than two decades, local communities have been involved in the management and utilization of forests in Nepal. About a million hectares of national forests have been handed over to 12,725 Community Forest User Groups (CFUGs) involving over a million households. About 32 percent of the total population of the country has been benefited from Community Forestry Program (Table 1).

**Table 1. Community forestry national profile**

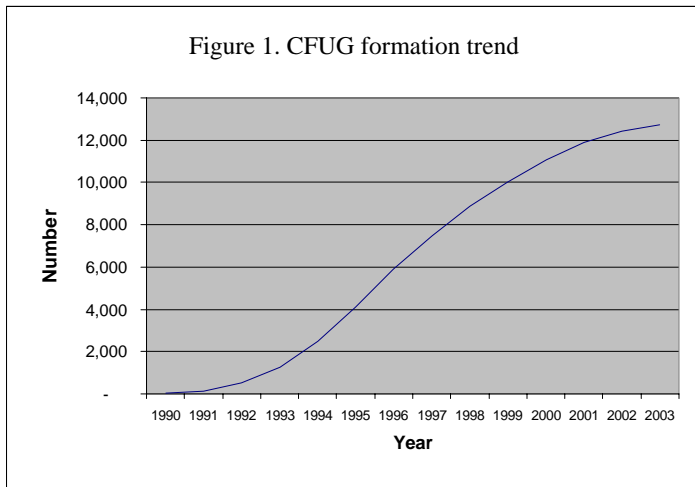
Total area of the Community Forests handed over	10,10,740 ha.
Average size of the community forest	79.43 ha.
Total number of CFUGs	12,725
Total number of households involved	14,22,301
Percent of total population benefited	31.86
Average size of executive committee	11.2
Average size of CFUG	111.77 HH
Average number of women in committee	2.66
Percent of women in the committee	23.74
Number of CFUGs with only women members in committee	617

Source: CFD (as of 10<sup>th</sup> October 2003)

### CFUG Formation Trend

The process of CFUG formation was very slow in the beginning of community forestry program. A measure of this trend through slope calculation using regression analysis indicates that 778 CFUGs per year were formed in the country before 1995. With the enforcement of the Forest Act (1993) and Forest Regulation (1995), community forestry was provided with the legal basis for its implementation. As a result, the number of CFUGs formed per year has increased to 1,479 until the year 2000. Figure 1 gives a picture of this formation trend over time.

As most of the national forests adjoining to human settlements in the mid-hills have been handed over to the local communities, only the distant forests not much of interest to the local communities are now left as residual national forests. A circular issued by the Ministry of Forests and Soil Conservation in the year 2000 to undertake a detailed inventory of community forest for prescribing annual harvest of timber in the operational plan has further delayed the process. Inventory became obligatory before handing over Community forest (CF). With the limited technical capacity of the District Forest Office (DFO), it is difficult to hand over more CF at a faster pace. Slope calculation clearly indicates that only five hundred and forty six CFUGs were formed per year during the period 2000 to 2003.

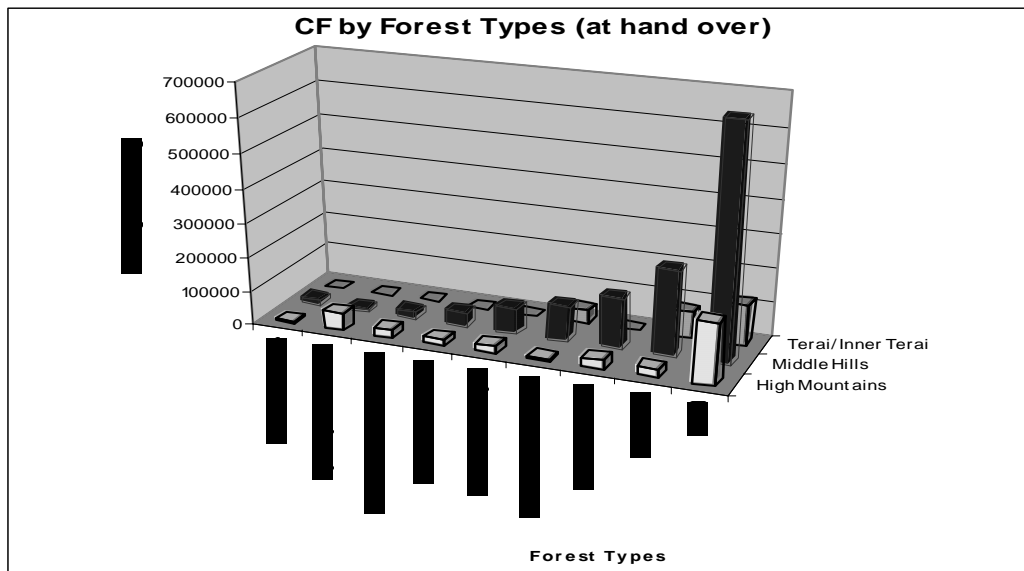


**Characteristic Features of CF at Hand over**

CFUGs are not only provided with well-stocked forests but also degraded forests. Out of the total hectares of community forests handed over to CFUGs, 74 percent were in good condition, 19 percent were degraded and the remaining seven percent were not specified. Geographical distribution of CF based on forest condition shows that 80,136 hectares of CF in Terai, 5,29,401 hectares of CF in middle hills and 1,33,573 hectares in high mountain are in good condition. A total of 35,030 hectares of CF in Terai, 1,16,667 hectares of CF in the middle hills, 41,362 hectares of CF in high mountains are degraded.

Community forests have been categorized into four types based on the type of vegetation dominating them. 83 percent of the total CF area is forest, 14 percent is shrub land, three percent is plantation and 0.2 percent is grassland. *Sal* forest dominates the community forest followed by subtropical deciduous forest and coniferous forest. Figure 2 provides information on community forests by major forest types.

Figure 2. Distribution of CF by forest types



**Distribution of Community Forests**

About 12.4 percent of the total CF has been handed over to 13.9 percent of the total households in Terai, while 68.9 percent of the total community forests have been provided to 68.7 percent of the total households in the middle hills. In high mountain, 18.8 percent of total CF has been handed over to 17.5 percent of total households involved in CFUGs.

**CHALLENGES IN COMMUNITY FORESTRY**

Main challenge in CF lies in integrating CF policy and practice with democratic governance and livelihood imperatives. Community forestry needs to be looked at from three dimensions: Communities, Forestry and Community Forest Management. The core issue lies on interaction between social and natural systems.

**Governance**

The challenge for all societies is to create a system of governance that promotes, supports and sustains human development - especially for the poorest and most marginal. The goal of governance initiatives in community forestry should be to develop capacities that are needed to realize development that gives priority to the poor and women, sustains the environment and creates needed opportunities for local employment.

**Transparency**

In community forestry, stakeholders should have access to information in order to understand and monitor them. More attention is needed on the transparency in forest management, forest product flow and fund generation and utilization.

### **Forest Management**

Community forest management issues are only discussed in committee meetings and in general assembly, where poor people and women usually do not participate. The normal practice in community forestry is that the elite members of the society tend to take all key positions in the executive committee and make decisions on community forest management such as harvest of the forest products and their distribution. The ordinary users of the CFUG are least involved in the overall process and have virtually no idea whatsoever related to harvest of their community forest. Thus, it may ignore the traditional dependence of the poor, women and occupational castes on forest for their livelihoods.

The need of the community and the condition of the community forest should determine the forest development activities. But it is not addressed in most of the Operational Plans (OPs). As the elite members of the CFUG and the DFO staff make the decision on this matter, ordinary users are unaware about it.

Many management prescriptions are conservative in terms of the harvesting levels allowed for forest products. Complete closure of community forest in the initial period of implementation harms the poorest the most. Many users have the feeling that community forest is the chairpersons' forest.

### **Forest Product Flow**

Forest products sharing mechanism is not well defined in the operational plan of many CFUGs. Most of the OPs have mentioned about the price of the timber and the fuel wood that users have to pay, but remain silent on Non-Timber Forest Products (NTFPs). Even if it is mentioned in the plan, non-timber forest products would be distributed as per the decision of the executive committee. Although it is the role of general assembly in deciding distribution mechanism, the executive committee takes most of the decisions regarding benefit-sharing mechanisms. As the representation of the poor and disadvantaged groups in the executive committee is meagre, the sharing mechanism could hardly fulfill the demands of forest products for the poor and disadvantaged groups.

In most of the CFUGs, timber is distributed either on first-come-first-serve basis or a fixed amount of product subject to availability. The extraction of fuel wood and grass is done either by executive committee decision or allowed for specific period of time. If the products are sold to members, the poor do not have the ability to pay. The poor rarely voice their arguments in their favor to extract products for meeting their requirements.

Community forest may not result in more benefits to the poor if it is poorly executed. Many landless and occupational caste people are forced to dependent on fuel wood from the adjoining natural forests due to the closure of community forest in the name of protection.

### **Inclusiveness of Participation**

Although the forestry sector policy has tried to define accessibility to forests and forest products linked with collectively recognized traditional user rights, distant and seasonal users have been excluded. Once excluded from the CFUG, one has to pay very high fees to get back their traditional access and use rights. An issue here is ensuring use right of genuine users and promoting equity within the members of the CFUGs.

### **Accountability of Executive Committee**

Accountability and ownership are the important variables contributing to positive impacts of community forestry. Executive committee members should always be accountable to the users of the CFUG. But it has not happened in the real life in most of the CFUGs.

In principle, the control over community forest rests with CFUGs. The assembly of a CFUG makes decisions related to community forestry. Assemblies also prepare constitution and operational plan, define and recognize use rights and make forest management decisions including protection, harvesting, benefit sharing, and mobilization of CFUG funds. The assembly elects an executive committee. In reality, the executive committee makes most of the decisions on behalf of users and committee members. The development of an appropriate mechanism is required to avoid dominance of committee members in decision-making and to make them accountable towards the general users in the CFUGs.

### **Responsiveness**

The Forest Act, (1993) and Forest Regulation (1995) provide the legal basis for the implementation of community forestry and recognize CFUG as self-governing autonomous corporate bodies for managing and using community forests. The government has also endorsed a concept paper on 'Churia, Terai and Inner Terai'. One of the provisions of the paper relates to the sharing of revenue from the community forests for the purpose of program implementation.

Statutory provisions such as cabinet or ministerial level decisions and departmental circulars affect community forestry processes. For instance, one of the departmental circulars made in 1999 imposed a ban on felling of green trees from community forests (Kanel 1999). Although, it was later replaced by another circular limiting the harvest within the annual increment.

OPs are almost silent about the linkages and coordination mechanisms among different CFUGs. None have identified the potentiality of sharing experiences, supports and benefits that can be derived from the effective implementation of the OP.

Generally, elites in the study area are exercising their power, as they are more aware of legislation, have access to information and are capable to use them for their benefits. Many user group members are hardly aware of their own community forest constitutions and operational plans and lack understanding of their rights and responsibilities towards effective functioning of their FUG. Lack of adequate knowledge and technical skill among users might be the reason for the formulation of poor operational plan and constitutions. Involving people in the process of community forestry is the key step in raising awareness on community forestry.

### **Livelihood and Social Justice**

Community forestry was initiated to address the livelihoods of the people and management of natural resources. Although some progress has been achieved in this respect, it is often criticized for lack of positive livelihood benefits to rural poor.

### **CFUG FUND GENERATION AND UTILIZATION**

Several CFUGs have been selling their valuable forest products at a price lower than the market price to the contractors. Most of the fund generated from the sale of the forest products is spent by CFUGs in some way or the other. The lack of transparency in account keeping system allows the limited groups of elite a good chance to make personal gains. This has created mistrust against the CFUG committee among the users. As a result, frequent changes in the executive committee members have

occurred. Delayed or not handing over of the account records to the new executive committee members has increased the chances of misuse of the CFUG fund.

Most of the auditors would not have an understanding about CF policy and the provisions of financial management in CF legislation. This may be one of the reasons that auditors are not able to point out the misappropriation of the CFUG fund.

The discussion above indicates that there are challenges to a long-term sustainability of CF and CFUG institutions irrespective of the fact that the forest protection regime in the country at the moment is reasonably effective.

### Income and Expenditure

Table 2 provides information on income and expenditure of CFUGs in Nepal. The data presented in this table is incomplete as some of the CFUGs have not supplied relevant information. The CFUGs of Terai alone have contributed 46.5 percent of the total income of the CFUG, while CFUGs in the middle hills and high mountains have contributed 47.8 percent and 5.7 percent respectively. In yet another study, records from Terai and Inner Terai districts show that CFUGs have earned a total of about NRs. 47.9 million, NRs. 77.5 and NRs. 75 million from the commercial sale of timber and fuel wood outside the CFUGs during the fiscal year 2000/01, 2001/02 and 2002/03 respectively (CFD database as of October 2003).

**Table 2. Income and expenditure of CFUG**

Region	No. of CFUG	Area (ha.)	No. of HH	Total Income (000)	Total Expenditure (000)
Middle Hill	9,353 (73.5 %)	6,96,044 (68.9 %)	9,76,715 (68.7 %)	85,112 (47.8%)	43,407 (35.9%)
High Mountain	2,456 (19.3 %)	1,89,843 (18.8 %)	2,48,619 (17.5 %)	10,070 (5.7%)	4,532 (3.7%)
Terai/ Inner Terai	916 (7.2 %)	1,24,853 (12.4 %)	1,96,967 (13.9 %)	82,898 (46.5 %)	72,950 (60.3%)
Grand total	12,725	10,10,740	14,22,301	1,78,080	1,20,889
Expenditure percentage of the income					67.9

As per the Forest Act (1993), CFUG must spend at least one fourth of the fund generated from implementing OP in forest development activities. However, most of the CFUGs constitutions have not categorically mentioned about the proportion of fund to be spent for different forestry development activities. Users have taken harvesting and transportation of forest products, salary of the forest watchers and office support staff as forest development costs. In Terai, major share of fund is spent on harvesting operations. Contribution of community forestry in community development is low. The funds are spent mostly on activities such as village trail improvement, supporting school, club and constructing culverts. Many of the poor families cannot be readily benefited from these. No specific programs are developed and implemented using CFUG fund to enhance the livelihood of the poor and disadvantaged groups.

### Intensification of NTFP Related Activities Program

Most of the OPs still emphasize on timber management and hardly mention about NTFP management. A good management of NTFPs would have great potential for contributing to the national poverty alleviation programs while maintaining the diversity of the forest ecosystem under community forest management. Managing NTFPs could also contribute to increase the incomes of the landless and poor.

## **Identification, Demonstration and Replication of Poverty Reduction Practices at Local Level**

With community forestry, local villagers have demonstrated their ability to manage natural resources for local benefits. Providing soft loan to the poor for income generating activities such as knitting cloth from the fibre of Allo plant is an example of initiatives taken at the local level. But such innovation should be linked with adaptive forest management interventions. Broader access to the forest resources at community level has definitely contributed to the improvement of livelihoods, though such impacts are not assessed properly. Focus needs to be given to identify, demonstrate and replicate such practices in other communities.

## **Linking and Tapping Diverse Funds for Poverty Reduction**

For the improvement of livelihoods at community level, Poverty Alleviation Fund and Local Development Fund could be used and channeled through community forestry program. Programs related to poverty alleviation like women awareness, micro credit, etc. should be tied up with community forestry to minimize livelihood issues in community forestry. Special attention needs to be paid in avoiding duplication of programs. The role of the local bodies could be improved by coordinating the program with other development programs.

## **Equitability and Benefit Distribution**

Active participation of poor, women and disadvantaged groups in decision-making is critical for effective community forest management and equitable benefit distribution among the users. Poorer households, especially those without land, cannot use fodder, leaf litter, and other agricultural inputs from CF, which are benefits enjoyed mainly by better-off households. Also, timber is mostly purchased and used by better-off households since the poor households do not have the need or ability to pay for timber. The poorest households do not benefit from the harvesting due to the lack of a legal provision to sell unused products. The distribution system in community forestry is criticized for failing to provide more benefits to the poor households (Malla 2001).

## **STRATEGY FOR REFORMS**

### **Governance**

Drawbacks encountered during implementation needs to be removed and emphasis should be given to good governance to make community forestry program more effective and result-oriented. Good governance is the result of, rather than a prerequisite for good forest management. We highlight some of the key elements of governance, which have to be considered in strategy development.

### **Policy Relevance**

The key for the success of the community forestry rests within the CFUG formation process. Strategic procedure such as compulsory involvement of poor and disadvantaged group in planning and decision making needs to be designed and promoted to ensure their proper representation and help them to realize their authority, responsibility and accountability. Detailed guideline for constitution and operational plan preparation could be helpful to address adequately the social, technical, financial and institutional dimension of community forest management.

The role of the government is changing with the development of community forestry. Until now the government in forestry still has two faces: one of a policeman and controller and the other of friend and partners. These two different and sometimes conflicting roles will have to be reconciled in order to build good relationship with the users. Time has come to correct such a duality in the roles of the government staff in forestry.

## **Policy Clarity**

Various policy statements such as HMG's 5-year Plan, decentralization policy, and the Master Plan for the Forestry Sector are based on incrementalism. They should be reconciled. Moreover, within the legal framework of different sectors, there are conflicts, overlaps and gaps. This creates uncertainty among implementing agencies and among CFUGs. There is a need to redefine community forestry from a means to fulfilling forestry-related needs of rural people to poverty reduction, good governance and sustainable forest management. Joint Technical Review Committee (JTRC 2000) has recently stated that:

"In Community Forestry, HMG/N transfers communities the responsibility of managing government forests and the right to using the forest products in a sustainable way and with the ultimate policy objective of improving livelihoods of rural communities" (JTRC 2000).

There is a clear policy recommendation that CF needs to shift from protection orientation to the production one and that it will also have to incorporate 'improving livelihoods of rural communities' as a vital goal of the forestry program in the country. Community Forestry Division of the Department of Forest has initiated Community Forestry Interaction Group meeting to follow up JTRC recommendations. At national level, Forestry Sector Coordination Committee under the chairmanship of the secretary of Ministry of Forest and Soil Conservation is the forum where government, donors, civil society organizations, users and service providers can exchange views and discuss matters on forest sector policy. Policy and Legislation Sub-committee has been formed to look after the policy, rules and regulations related to community forestry. Department of Forest provides continuous feedback in policy implementation through directives, guidelines and circulars. A participatory process will be adopted while revising community forestry policies involving all stakeholders.

Forestry sector legislation is conflicting with many other acts such as Local Self-governance Act, Mine Act, Land Act etc. It is obvious that they need to be revised so as to make them congruent with each other. This will be a huge task but appointing inter-ministerial working group would ease the process in preparing a list that identifies the areas of overlap and conflict. In some cases, issuing a circular by the concerned ministry may solve the conflict.

Most of the CFUG have not made any provisions for involvement of local bodies in executive as well as in advisory committee. However, Local Self-governance Act has duly acknowledged the role of local government in natural resource management. The rights and responsibilities of CFUGs, Village Development Committees (VDC) and District Development Committee (DDC) need clarification. A VDC/DDC level Natural Resource Management Coordination Committee and VDC representation on the user group executive committee and user group representation on the VDC and /or council may help to facilitate the process. Local bodies should be bestowed with monitoring responsibilities.

The number of CFUGs is rapidly increasing but the number of DFO field staff remains constant. District Forest Staff do not have the capacity to provide increasing and varied types of support as demanded by the CFUGs in addition to their statutory duties. The Local Self-Governance Act has created uncertainty as to who in the future will provide services for community forestry, which are presently provided by Ministry of Forest and Soil Conservation. These problems can be solved by gradually outsourcing the delivery of extension services to the CFUGs through service providers.

## **LIVELIHOOD AND SOCIAL JUSTICE**

One of the Millennium Development Goals agreed at the United Nations Millennium Summit includes halving extreme poverty and hunger by 2015. Similarly, the main objective of Tenth Plan is "to reduce poverty". As a sub-sectoral program of the tenth plan, community forestry aims to promote employment and income generation opportunities to poor and disadvantaged families. It further



promotes NTFPs under community forest management. Managing community forests focusing on NTFPs not only increases the income of the CFUG but also generates employment for its users.

Solving livelihood issues in other forestry program such as leasehold forests may help to address the economic problems of poor and disadvantaged groups. Leasehold forestry is targeted for the people living below the poverty line to raise their income and to restore the degraded ecosystem. Incorporating leasehold forestry concept in CF could complement community forestry in solving the poverty and equity issues. CFUG fund could be utilized on income generating activities for the poor and disadvantaged groups.

Poor, especially the landless do not have fixed place to reside. But to be a member of a CFUG, one has to be a resident of that locality. On this ground, they are excluded from being a CFUG member. The primary limiting factor here is exclusion of poor and disadvantaged groups particularly women from decision-making process. The revised community forestry guideline has prescribed the inclusion of a male and female as members of a household in CFUGs, but it will take a while to fully enforce it in the field. Therefore, efforts need to be made in raising awareness about gender and equality among users especially women to encourage them in forest management and use of resources. In this ground, a female and a male member from each household should be registered as user of the CFUG. Moreover, permitting poor and disadvantaged individuals to engage in forest based income-generating activities could help to increase equity within user group. The key to strengthening the equity and livelihood impacts of community forestry rests within the CFUG formation process. All these issues should be the main agenda for the forthcoming Community Forestry National Workshop.

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