

# TWO DECADES OF COMMUNITY FORESTRY IN NEPAL: WHAT HAVE WE LEARNED ?



Serabasi, 1974



Serabasi, 2010



Schweizerische Eidgenossenschaft  
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Swiss Agency for Development  
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NEPAL SWISS COMMUNITY FORESTRY PROJECT

inter  
cooperation

Natural Resource Management  
Rural Economy  
Local Governance and Civil Society



*Discussion going on about the content of this publication*

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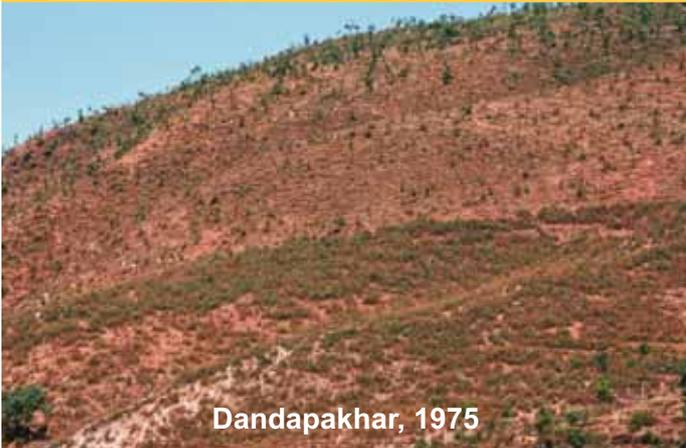
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Namdu, Dolakha, 1989



Namdu, Dolakha, 2010





Dandapakhar, 1975



Dandapakhar, 2010

**NEPAL SWISS COMMUNITY FORESTRY PROJECT**  
Web: [www.communityforestry-nscfp.org](http://www.communityforestry-nscfp.org)

## FOREWORD

Over 20 years ago, the Swiss Agency for Development and Cooperation (SDC) made a commitment to provide long term support to implement the Master Plan for the Forestry Sector in Nepal. This commitment is fulfilled through Nepal Swiss Community Forestry Project (NSCFP). Despite many issues, we are so privileged to have directly contributed to the visible impacts of community forestry as indicated in this publication. The project has been a trend-setter in community forestry in addressing the structural issues of resource governance, poverty, gender inequality, social discrimination and inequity. The advancement of community forestry through better forest governance, a multi-partnership approach, targeting the poor and discriminated at the household level, the implementation of a partnership model for the promotion of forest based enterprises, and the strengthening of bottom-up planning and feedback systems from the grass roots to the national level are some of the key contributions that the project has made. The ecological, social and economic outcomes thus achieved have clearly improved the livelihoods of poor and discriminated women and men.

I am glad to share that SDC has decided to extend its support for such activities through a new Multi-Stakeholder Forestry Programme (MSFP) which builds on the learning of NSCFP, the DFID-funded LFP and other programmes. I believe that in many respects it sets the baseline for the new forestry programme.

### **Elisabeth Von Capeller**

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The Department of Forests has had the privilege to partner with Switzerland together with other development partners in community forestry, which is now proven to be the one of the best mechanisms to reverse the rate of deforestation and to contribute to the livelihoods of the rural people. I spent productive time during my career in the Nepal Forest Service as a District Forest Officer (DFO) in one of the hilly districts supported by Nepal Swiss Community Forestry Project (NSCFP). I am very impressed with the commitment and cooperation of the Swiss in being innovative and consistent in their long term vision and support, which the forestry sector needed.

I remember NSCFP's work in the 1990s was more on the establishment of plantations, private tree cultivation, forest nurseries and regeneration of natural forest. Then it shifted its focus by developing inventory guidelines, practicing sustainable management and utilisation of forests, supporting to establish pro-poor enterprises and livelihood model. By so doing, the project has provided benefits not only the people of four districts, but also set the trend for others to learn about how to implement community forestry to ensure both ecological and economic sustainability of community forest user groups. Further, NSCFP's contribution to human resource development not only enabled forestry professionals and community leaders to serve at the community level, but also people supported by NSCFP have been able to serve nationally and internationally.

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## ACKNOWLEDGEMENTS

This document is the product of a “capitalisation” process that began in early 2010, and took shape during a number of subsequent sharing events. It was started during a meeting of NSCFP staff members, who were asked to brainstorm on project experiences, and to list and prioritise the main topics on which a project “capitalisation” should focus. “Capitalisation” in this sense means a self-reflection and identification of lessons learned. Nine topics came to the fore. A list of key project stakeholders was then drawn up, and representatives of each stakeholder group contacted to elicit their opinions about the project. They were particularly asked to highlight what, in their view, had been the successes and the failures related to the nine topics identified – and to suggest any other topics that they thought important to cover. As there was no strong recommendation on further topics, the original nine were retained. In August 2010 some of these stakeholders – chiefly ones with a district-based perspective - came together in Kathmandu for a mini-workshop. This was followed by a larger one-day workshop in September, at which the results of the stakeholder comments were presented and discussed separately, by topic. Important points were recorded – both ones on which there was general agreement, and ones on which opinions differed. The inputs of these resource persons were further complemented by project-commissioned studies and reports on specific issues, as deemed necessary.

The material thus collected was brought together in the current document, which has been through a series of drafts to which contributions and further comments have been made by project staff. It is thus an NSCFP production, containing both the potential biases and the insights of those closely engaged in current project implementation. Much effort has been placed, nevertheless, on incorporating a wider stakeholder perspective, including a historical overview. For this we are very grateful to all those persons listed in the annex for their contributions. The quotes of some of these individuals, given in text boxes through the document, were chosen to show a range of views. Not all these views are shared by project staff.

We take this opportunity to thank the Swiss Agency for Development and Cooperation, SDC for their long support to NSCFP – and in particular, Elisabeth von Capeller and Bimala Paudyal-Rai for their very close collaboration over the last phase of NSCFP. We trust that this document represents an accurate portrayal of NSCFP and different stakeholder perspectives. Nevertheless, it is not necessarily an expression of the views of SDC. Thus any errors that may be unwittingly contained are our responsibility.

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on behalf of the NSCFP team

**Jane Carter**  
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## List of Abbreviations

AIDS	: Acquired Immune Deficiency Syndrome
ANAR	: Alliance for Natural Resource Management
B.Sc	: Bachelor of Science
BOG	: Basic Operational Guidelines
CBO	: Community Based Organisation
CC	: Cluster Coordinator
CEEPARD	: Community Environment Education and Public Awareness Association for Rural Development
CF	: Community Forestry
CECI	: Centre for International Studies and Cooperation
CFF	: Community Forestry Facilitator
CFMS	: Community Forest Management School
CFUG	: Community Forestry User Group
CHURDEP	: Community Human Resource Development Programme
CIFOR	: Center for International Forestry Research
COFSUN	: Community-based Forestry Supporters' Network
COOF	: Cooperation Office (of SDC at country level)
CSPM	: Conflict Sensitive Programme Management
CTA	: Chief Technical Advisor
DAG	: Disadvantaged Group
DANAR	: Dalit Alliances for Natural Resource
DANIDA	: Danish International Development Agency
DDC	: District Development Committee
DFO	: District Forest Officer
DG	: Director General
DFID	: Department for International Development
DoF	: Department of Forests
ECARDS	: Ecology, Agriculture and Rural Development Society
FECOFUN	: Federation of Community Forestry Users, Nepal
FINNIDA	: Finnish International Development Agency
FORD	: Friendship for Rural Development
GPSE	: Gender, Poverty and Social Inclusion
HIMAWANTI	: Himalayan Grassroots Women's Natural Resources Management Association
HIV	: Human Immunodeficiency Virus
I.Sc	: Intermediate of Science
IHDP	: Integrated Hill Development Programme

LFP	: Livelihood Forestry Project
LIP	: Livelihood Improvement Programme
LSGA	: Local Self-Governance Act
M.Sc	: Master of Science
MoFSC	: Ministry of Forest and Soil Conservation
MSFP	: Multi-Stakeholder Forestry Programme
MSR	: Multi-Disciplinary Services and Rehabilitation Centre
NAFP	: Nationwide Association of Fostering Providers
NCCR	: National Centre of Competence in Research
NGO	: Non Governmental Organisation
NORMS	: Natural and Organisational Resources Management Services
NRM	: Natural Resources Management
NSCFP	: Nepal Swiss Community Forestry Project
NTFP	: Non Timber Forest Product
NUKCFP	: Nepal UK Community Forestry Project
PPE	: Pro-Poor Enterprise
RECOFTC	: Regional Community Forestry Training Centre
RRI	: Rights and Resources Initiative
SDC	: Swiss Agency for Development and Cooperation
SLC	: School Leaving Certificate
UNDP	: United Nations Development Programme
VDC	: Village Development Committee
VFCC	: Village Forest Coordination Committee
VLDP	: Village Level Development Plan

# CONTENTS

Foreword .....	I
Acknowledgements .....	II
List of abbreviations .....	III
1. Introduction .....	1
2. Evolution of project implementation modality .....	5
3. Human resource and institutional development .....	15
4. Pro-poor livelihoods .....	23
5. Social inclusion: caste and gender .....	29
6. Good governance .....	35
7. Conflict sensitive project management .....	45
8. Sustainable tree and forest management .....	53
9. Forest based enterprises .....	59
10. Forest policy contribution .....	71
11. Conclusion .....	79
References .....	81
Annex 1 .....	87



Bonch, Dolakha 1989  
Before Community Forestry

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Bonch, Dolakha 2010  
After Community Forestry

# 1. INTRODUCTION

Development projects conceived now are rarely expected to have a life of more than five years, perhaps ten years at most. Looking back over more than twenty years of project experience in community forestry - itself grounded on an integrated development project of a similar time span - is thus a rare opportunity. Of course trees and forests require a longer establishment period than many other development interventions, and that is part of the rationale for a long time frame – but not the only one. The project has also sought to promote social change in favour of the poor and disadvantaged, and it was recognised both by those involved in the project and by independent evaluators that this is not rapidly achieved<sup>1</sup>.

The beginnings of Nepal's community forestry programme may be traced back to the late 1970s, at a time when there were many concerns about the environmental stability of degraded Himalayan slopes and the subsistence needs of the growing population (Eckholm, 1976; World Bank, 1978). Huge progress has been made over the intervening years, with community forestry being widely hailed as one of Nepal's success stories (Gilmour and Fisher, 1991; Gautam et al., 2002). Some 25% of the total forest area of the country is now productively managed by local communities. Yet there are critics. Indeed, the Nepal Swiss Community Forestry Project (1990 – 2011) has reached an end at a time of renewed and growing scepticism about community forestry in Nepal's media and amongst some key figures in the forestry sector – a criticism that in many ways is born of the success of the programme overall. Regenerated, productive forests are a source of wealth, and who benefits – or who should benefit - from that wealth is a source of contention. As was made clear during the international conference on community forestry held in Pokhara in September 2009<sup>2</sup>, Nepal's community forestry programme has played a significant role in empowering rural forest users – in economic, social and political terms (Pokharel et al 2009). Yet the degree to which this has happened varies across the country, and many challenges remain. Indeed, throughout the world, community forestry is recognised as having far more potential benefits for the poor and disadvantaged than have yet been achieved (IUCN, 2011; International Forestry Review, 2009; RRI, 2008).

This document seeks to review and document the part that NSCFP has played in the development of community forestry in Nepal. Although for simplicity, the name NSCFP is used to refer to the project over its entire lifetime, it in fact began in 1990 as the Dolakha Ramechhap Community Forestry Development Project. It then became NSCFP in 1996, when the district of Okhaldunga was added. When SDC took the decision to move into Khotang district in 2009, and to phase out all its activities in Dolakha by the end of 2010, NSCFP followed the same pattern – although it was already in its last phase.

<sup>1</sup>See for example Gronow et al (2003), and Hobbey et al (2007) for independent project reviews.

<sup>2</sup>For the declaration made at the workshop, see <http://www.forestrynepal.org/article/tags/4404>

*Two decades of community forestry in Nepal: What have we learned?*

*“NSCFP is a project with a long term commitment. This is critical as the project had long term planning with a short, medium and long term vision.”*

*Peter Branney, Livelihood and Forestry Programme (LFP)*

*“NSCFP has been focusing in the same geographical area for more than 10 years, whilst there are many districts with less resources but more poverty”*

*Arun Sharma Paudel, Department of Forests (DoF)*

It is important to note that NSCFP activities were set in a larger context of long-term Swiss development support, geographically focused in the hills of Central Nepal. One complementary component was a programme of road and bridge building that provided easier access to first areas of Sindhupalchowk, then Dolakha, Ramechhap, Okhaldunga and now Khotang districts. A variety of other activities were also supported, particularly in the sectors of health and agriculture; this continues in the latter three districts, with ever-greater coordination between projects. The main thrusts of forestry development in the precursor to NSCFP are outlined in box 1, from which it may be seen that the emphasis was on getting trees into the ground, with strong technical support.

**Box 1: Main features of the forestry component of Integrated Hill Development Programme - IHDP (1970- 1989 )**

This programme was one of the integrated rural development programmes being funded by various donors in Nepal in the 1980s. It began in Sindhupalanchok district and expanded into Dolakha district. The forestry aspects within its integrated rural development approach are summarised as follows:



*Plantation in Denuded hill of Dandapakhar, Sindhupalchowk in 1975*

- Plantation as a way to revive forest condition- mainly of exotic *Pinus caribaea* on difficult, degraded sites and native *Alnus nepalensis* on damper sites
- Technical forestry focus: nursery, plantations mainly of weeding, cleaning, etc.
- Local participation in plantation
- Educational campaign on the value of the forest and the need to conserve it
- Technical inputs mainly by expatriates
- Technical training (technology transfer)

Source: Paudel (2010) – with minor modifications

Much has changed in development thinking, and also development needs, over the last twenty years. This is clearly reflected in the way the project focus shifted over time – from being primarily (although never solely) technically and environmentally oriented in early years, to focusing more heavily on social and political aspects – especially poverty alleviation, equity and good governance - in later years. NSCFP was active in setting such trends, and indeed recognised the need for, and attempted to promote, social inclusion from the start. Development trends must also be set in Nepal's particular context of violent civil conflict over the period 1996 to 2006. This influenced both the way in which the project was implemented, and the whole focus of operations. To provide a somewhat simplified overview, key trends in project activities are captured in the table on the next page.

Rather than providing a chronological summary of NSCFP's activities, this document is structured into nine topics, as follows:

- Implementation modality/fund management
- Human resource and institutional development
- Pro-poor livelihoods
- Social inclusion: caste, ethnicity and gender
- Good governance
- Conflict sensitive project management
- Sustainable tree and forest management
- Forest based enterprises
- Forest policy contribution

Whilst these topics are treated separately for purposes of analysis and documentation, they are of course inter-linked and over-lapping. By focusing on them, the intention was to highlight findings that should be taken into account in future support to Nepal's community forestry programme – particularly through the new Multi-Stakeholder Forestry Programme. With this in mind, key issues for the future are listed at the end of each section.

Two decades of community forestry in Nepal: What have we learned?

**EVOLUTION OF NSCFP**

	<b>Focus</b>	<b>Environmental interventions</b>	<b>Social interventions</b>	<b>Economic interventions</b>	<b>Political context</b>
Phase I: 1990 - 1991	Pilot phase (Successor of IHDP)	Gathering baseline data			Multi-party democracy introduced.
Phase II: 1991 - 1996	<ul style="list-style-type: none"> <li>Afforestation</li> <li>Capacity building in community forestry</li> </ul>	<ul style="list-style-type: none"> <li>Nurseries</li> <li>Plantations</li> <li>Trees on private land</li> </ul>	<ul style="list-style-type: none"> <li>Training (re-orientation) of government staff</li> <li>Awareness raising for local people</li> <li>CFUG formation</li> </ul>		Early years of multi-party democracy and optimism for future
Phase III: 1996 - 2000	<ul style="list-style-type: none"> <li>Multi-stakeholder approach</li> <li>Improved forest management</li> </ul>	<ul style="list-style-type: none"> <li>Participatory forest inventory: method development, training</li> <li>Management for production of NTFPs</li> </ul>	<ul style="list-style-type: none"> <li>Capacity building of NGOs and government staff</li> <li>CFUG formation</li> <li>Post-formation support of CFUGs by NGOs</li> </ul>		Years of civil conflict, growing Maoist presence in the project area
Phase IV: 2000 - 2004	<ul style="list-style-type: none"> <li>Strengthening multi-stakeholder approach, NGOs</li> <li>Action research on community development issues</li> <li>Community forestry policy</li> </ul>	<ul style="list-style-type: none"> <li>Productive forest management: demonstration plots</li> <li>Participatory NTFP inventories, method development, training</li> </ul>	<ul style="list-style-type: none"> <li>Capacity building of NGOs</li> <li>CFUG governance issues</li> <li>First ideas on pro-poor livelihoods</li> <li>Contributions to CF guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Pro-poor enterprise development tested</li> <li>Small scale support for NTFP production</li> </ul>	Strong Maoist influence on project area; community forestry tolerated but no field access for government staff
Phase V: 2004 - 2008	<ul style="list-style-type: none"> <li>Systematic pro-poor approach</li> <li>Pro-poor policy contribution</li> </ul>	<ul style="list-style-type: none"> <li>Productive forest management (but little fieldwork)</li> </ul>	<ul style="list-style-type: none"> <li>CFUG governance</li> <li>Pro-poor livelihoods</li> <li>Services delivered by NGOs</li> </ul>	<ul style="list-style-type: none"> <li>Pro-poor enterprises</li> <li>Value chain approach, M4P introduced 2007</li> </ul>	Strong Maoist influence on project area, then Comprehensive Peace Agreement 2006; district elections 2008 largely returned Maoist candidates
Phase VI: 2008 - 2011	<ul style="list-style-type: none"> <li>Continued pro-poor focus</li> <li>Ecological, social and economic sustainability of CFUGs</li> <li>Policy contribution</li> </ul>	<ul style="list-style-type: none"> <li>Productive and sustainable forest management, some timber inventories</li> <li>High altitude forest/natural resource management investigations</li> </ul>	<ul style="list-style-type: none"> <li>CFUG governance</li> <li>Pro-poor livelihoods</li> <li>CFUGs supported to buy services from NGOs/</li> </ul>	<ul style="list-style-type: none"> <li>Value chain promotion of selected products</li> <li>Community managed NTFP business in partnership with private sector</li> </ul>	Peace process falteringly continued. Government factionalised, constitution building, peace building and state restructuring process on going

## 2. EVOLUTION OF PROJECT IMPLEMENTATION MODALITY

*“This project believes in transparency and quality. It has regularly updated its activities, approaches and strategies.”*

Kumbha Raj Lama, DoF

*“Administrative and operational costs of the project seem much higher than the programme costs because of the parallel structure created for project implementation.”*

Balaram Adhikari, DoF

Various issues are important in considering the manner of NSCFP’s implementation, but first and foremost is the long time period that the project has covered. As remarked in the introduction, this has provided a major opportunity to both develop a long term vision, and to adapt according to circumstances. Twenty years ago, the direct implementation of development projects by donors, with a number of expatriates in key positions, was the norm. For a community forestry project, the Department of Forests was then the obvious implementing partner, given the relatively weak nature of civil society organisations and the fact that the forests concerned are State property. In fact, in the first exploratory phase, SDC channelled almost all funding directly through the Department of Forests under so-called “Red Book funding<sup>3</sup>,” and had only minimal local staffing – plus a resident expatriate adviser and periodic consultants. It was in the second and subsequent phases that the move was taken to make a significant split in financing between “Red Book” and direct funding – the latter covering activities such as human resource development, action research and agroforestry. These were managed through separate project staff and offices (in Kathmandu and at district level), with strong involvement of expatriate staff in all aspects of project cycle management as well as technical assistance.

The pattern of **separate project offices**, once set, remained to the end of NSCFP. The establishment of parallel structures is widely questioned in development circles today, but given the multi-partnership model of the project that developed, it would have been extremely difficult to operate in any other way especially during the conflict period. A team of specialised and dedicated full time project staff was essential for the same reason. A similar modality may be observed in other projects, such as the DFID-funded Livelihoods Forestry Project (LFP) and the former Nepal Australia Community Forestry Project (NACFP).

<sup>3</sup>The Red Book is the budget for the entire estimated Government of Nepal expenditure for one financial year. It is drawn up annually by the Ministry of Finance, and covers all available funds - from own sources, and from foreign agency grants and loans. Under “Red Book” donor funding, the Government of Nepal agrees to undertake certain activities in line with their regular duties and is then reimbursed on a timely basis by the donor, based on actual expenses. Effectively, this is budget support. By contrast, non-government organisations such as FECOFUN were contracted to implement specific activities on behalf of NSCFP; they did not receive budget support.

The **multi-partnership approach**, introduced in the third phase (beginning 1996), represented a major change in the modality of project implementation. That is, the project no longer partnered solely with the Department of Forests, but sought to support multiple actors in community forestry – in particular NGO service providers, but also advocacy organisations (most notably the Federation of Community Forest Users, FECOFUN), and actors in the private sector - as and where possible. The reasons for this were varied. One was very practical: the growing recognition of the difficulty of working solely with the government agency in a situation of civil conflict (this indeed became the over-riding factor). With increasing Maoist presence in the project area, Forest department staff became largely confined to the district head-quarters and it was locally based NGOs, with their local knowledge and contacts, which were able to continue to operate. There was also the more moral argument of wishing to work in a balanced manner with different sectors of society, and to do so in a manner that particularly supported the disadvantaged. NGOs were seen as having specific potential in this respect, and indeed over the years have become increasingly vocal about support for the poor and disadvantaged.

*“The major question is to what extent the resources reach the CFUGs – they who are the targeted beneficiaries of the project. In comparison to the money paid for DFO quarter maintenance, the money reaching CFUGs is actually very limited. CFUGs have also started questioning this... The transparency on the finances of the DFO programme is very questionable.”*

Shankar Katuwal, Chairperson, FECOFUN Okhaldunga

*“Budget allocation has been somehow balanced as it is channelised through various stakeholders such as the government, NGOs, CFUGs and FECOFUN.”*

Dil Bahadur Khatri, Forest Action

In the late 1990s, it became a common trend for donors to reduce their number of employees in-country (retaining generalists rather than specialists), and to out-source project management to professional organisations that could offer appropriate technical, financial and managerial competences. The rationale for this was that when the full costs were taken into account, out-sourcing was (generally) cheaper and more efficient – and left donor personnel more free to engage at strategic and policy levels. A call for tenders to manage NSCFP was won by the Swiss non-profit making organisation Intercooperation, which managed the project since 2000. Intercooperation thus undertook full responsibility for fund management, employment of project personnel, and delivery of expected results - including monitoring and reporting. All project funds were channelled through Intercooperation, which, through its project office in Kathmandu, channelled funds to the Government of Nepal Treasury for Red Book activities, and to other partners for direct-funded activities. This worked smoothly and effectively, but led to a perception of the part of some stakeholders that the project was costly to run.

In today's Nepal, there is much awareness about the Paris Declaration and subsequent initiatives, and questions have been raised (particularly amongst civil society organisations) about the justification for **engaging external, international organisations** as project implementing agencies. Paudel (2010) cites the arguments of high cost ("an additional ladder in the value chain"), having an "apolitical and soft approach in dealing with issues like poverty, market driven exploitation, policy changes, equity and governance"; and hindering the development of national institutional and human capacity in project management. These are strong charges; their validity should be judged against project achievements. Certainly the "expatriate-led" development model did not last. As in other countries, there has been a conscious effort to reduce expatriate support - whilst retaining core "Swiss values" in development cooperation<sup>4</sup>. Thus from 2002 onwards, a Nepalese national has held responsibility for project management, and by the last phase, the project was staffed entirely by Nepalese – with only one, less than half-time, specialist expatriate adviser. This was not linked to the civil conflict, but represents a general trend in development cooperation.

*"In early days, there were many Swiss... Personally, I like the fact that the Nepalese managers are also doing a good job in leading the Swiss projects"*  
Mitha Lamichhane, NSCFP driver

The relationship between the donor, SDC and the project managing organisation, Intercooperation developed in a somewhat atypical manner in Nepal due to the conflict situation. In most countries, the implementing organisation operates with considerable independence. However, the conflict necessitated a high degree of coordination between all Swiss-funded projects – sharing information to ensure better outcomes, transparency, safety and cohesion in activities. This so-called **cluster approach** has been an important tool in conflict sensitive programme management, and it brought undoubted benefits - especially at the height of the conflict (see also the section on this theme).

*"Swiss management has been very unique. There is a lot of communication and coordination among its various projects... Knowing what other projects have been doing in the district has made NSCFP very dynamic in its working area."*  
Peter Branney, LFP

*"Regular information exchange meetings, bi-monthly meetings and updates have enhanced transparency."*  
Khumba Raj Lama, ex DFO Okhaldhunga

Nevertheless, some would argue that the benefits of engaging an independent project management organisation have been eroded by the demand for strong

<sup>4</sup>These values include social inclusion (fighting discrimination), equity (thus taking a pro-poor stance), subsidiarity (or devolved decision-making), transparency and sustainability.

cohesion. For example, SDC is actively involved in guiding staff recruitment processes - usually a matter left to the implementing agency. Similarly, in taking any sensitive decisions on the ground, project personnel are expected to check first with security officer of SDC in Kathmandu and Liaison Officer of SDC responsible for the respective districts. Thus there is a fine balance between independence and coordination, and a constant need for excellent communication.

In planning the last phase of NSCFP<sup>5</sup>, it was recognised that despite project efforts, there was considerable variation in the degree of sustainability of the (then) 919 CFUGs in the project area, with some being much more advanced in others with regard to the quality of their forest and its management, their ability to generate income, and their institutional maturity. The decision was made to place emphasis on terminating the project with a critical mass of CFUGs that could be considered fully sustainable in ecological, economic and institutional terms, and would thus serve as role models for others. This fitted well with SDC's cluster approach – which not only entails district level coordination between different projects, but also the focusing of all activities in particular geographical areas (clusters) within the district. The CFUG database of project districts clearly indicates that cluster CFUGs do show overall better performance, as can be seen in subsequent sections of this document and NSCFP (2011). However, many project staff and stakeholders have not been convinced by the concept of selective support. They consider that CFUGs outside the cluster areas have been unfairly treated. Certainly it was not always easy to explain to non-cluster CFUGs the reasons for the “two tier” approach.

*“There is now discrimination between clusters and non-clusters: Non-cluster CFUGs feel discriminated as they do not get any resources from the project. I have realised that for the same kind of work we have to adopt a different approach in the two types of CFUGs...”*  
Shankar Katuwal, Chairperson, FECOFUN Okhaldunga

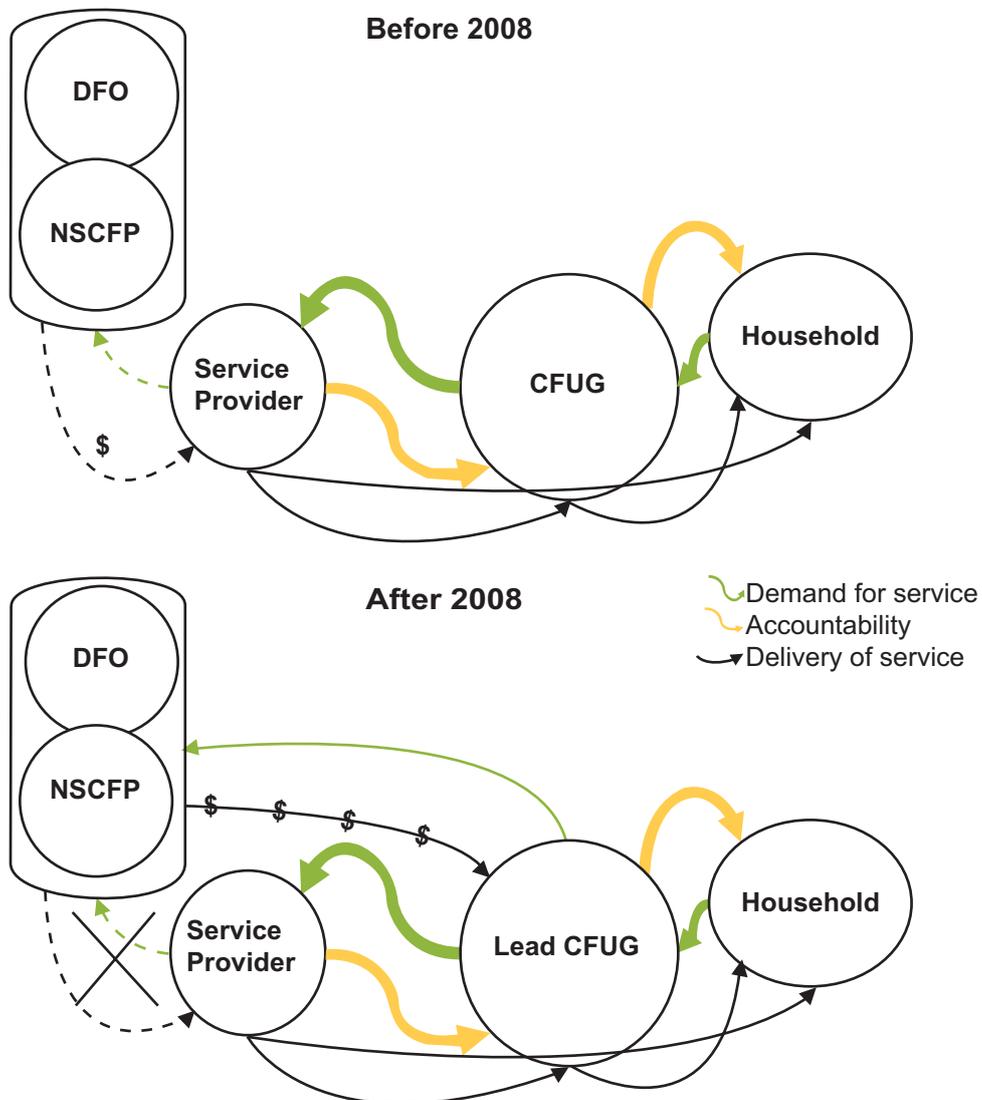
*“As in the cluster approach, NSCFP could focus on CFUGs to work for the poor and Disadvantaged Groups (DAGs)<sup>6</sup> more intensively by mobilising local social mobilisers. However, working for the poor and DAGs in such intensity in non-cluster areas is next to impossible. Non-cluster CFUGs have been constantly pressurising NSCFP staff for more programmes.”*  
Anita Shrestha, NSCFP

In seeking to support CFUGs to become financially independent, another change introduced in the last phase of NSCFP was the channelling of funding directly to them, rather than via NGO service providers (who were previously contracted to undertake work on behalf of the CFUGs). Most of the CFUGs have an administrative and financial management system in place, although at a small

<sup>5</sup>For planning a new phase of an on-going project such as NSCFP, the main goal and objectives of the project are discussed and agreed at a “planning platform” attended by representatives of key stakeholders. The details are then worked out in discussions between SDC and NSCFP staff.

<sup>6</sup>For planning a new phase of an on-going project such as NSCFP, the main goal and objectives of the project are discussed and agreed at a “planning platform” attended by representatives of key stakeholders. The details are then worked out in discussions between SDC and NSCFP staff.

scale. For financial transactions, the project thus had three options: NGOs, individual CFUGs, or a limited number of representative CFUGs. Given the administrative complexities entailed, one CFUG – named a “**lead CFUG**” was selected by project staff in each cluster VDC to perform financial transactions. The funds that they handle are mainly grants for livelihood support to the poorest in the community. To support the CFUGs in their enhanced role, Community Forestry Facilitators (CFFs) and Cluster Coordinators (CCs) were appointed, mobilised and supervised by the project partner FECOFUN, and have a crucial role to play in strengthening governance in non-cluster VDCs. The CFFs report progress to the Village Forest Coordination Committee (VFCC) and work for the lead CFUG. The logic behind this modality is to make CFFs accountable to CFUGs and leverage NGO service providers in the empowerment of CFUGs, setting the path for sustainability (see figure below). An alternative approach would have been to channel funding through the VFCCs, as is current practice under the DFID-supported LFP.



Some NGOs have interpreted and criticised this new funding modality as an undermining of their role and source of funding by the project, claiming that they have been “raised” by the project and then left to fend for themselves “before they can walk”. They have particular doubts about the creation of a new cadre of currently project-hired individuals. They also doubt that CFUGs will ever be able to afford all the services that NGOs can provide.

*“NSCFP has prepared high level technicians in the forestry sector whose services are too high for CFUGs to afford...NSCFP should provide middle level technicians/facilitators and coordinate with local agencies and CFUGs to mobilise them.”*

Bhola Khatiwada, COFSUN

*“NSCFP has not made NGOs self sustained by optimising the capacity of local human resources. So NGOs are still dependent on donors and projects.”*

Ramesh Sunam, Forest Action

From the project perspective, an undermining of local NGOs was neither an explicit intention nor an inevitable result; the undesirability of relying on a single project for work was always made clear. Direct funding allows the CFUGs to choose which services they require, and which NGO they would like to perform them. In practice, it is difficult to draw any conclusion on the results of the new fund flow mechanism, as there has not been enough time for a full evaluation. First experiences are discussed in Chhetry (2010). Proponents point to the skills and confidence that lead CFUGs have gained, especially in financial management. On the more negative side, the selection of one CFUG in a VDC may have favoured certain groups over others, re-igniting old village animosities or power struggles. This is likely to be very context-specific - but it is certain that such selective processes carry an inherent danger of inequity, however carefully made.

#### **Box 2: A Lead CFUG in practice**

Dikidabre Setobhir CFUG of Rasnalu VDC in Ramechhap has been managing services in Rasnalu VDC since 2009. Formed in 2004, this CFUG has a forest area of 149.25 hectares and 303 member households. Dikidabre was selected as one of the lead CFUGs for its good governance practices such as leadership by a strong female chairperson, a socially inclusive management committee, democratic manner of decision making, regular and timely general assemblies, well kept records (both meeting minutes and accounts), sound financial management system, demonstrated commitment towards sustainable forest management, and active pro-poor support through the commercialisation of forest products.

Once the lead CFUG started to function, the CFF Ram K. Shresth observed an improvement in coordination among the VDC stakeholders which has resulted in increased synergies, and reduced duplication of efforts and transaction costs amongst the CFUG members. Moreover, this approach has promoted a decentralised system of fund disbursement and has helped to build CFUGs’ capacity as a fund and staff manager. The result is an increased sense of ownership over, and responsibility for, the project funding.

According to the chairperson, Ms. Mira Devi Sunuwar, “Women and Dalits got the opportunity to come into leadership positions and developed skill in managing more funds and staff. After Dikidabre started working as a lead CFUG two years ago, there are also inclusive executive committees in the other CFUGs that it has led.”

Mr. Chattra Bahadur Sunuwar, Principal of the local school-Gokulganga Secondary School remarked, “Thirteen CFUGs in Rasnalu have improved their account keeping system after Dikidabre became the lead CFUG. Coordination with the VDC, DFO, groups supported by Poverty Alleviation Fund and other organisations has also improved which has contributed greatly in the pro-poor livelihood improvement programmes.” However, some members of non-lead CFUGs have complained, questioning why a lead CFUG should be more privileged than the others.

A complementary coordination mechanism for overseeing the effectiveness of the flow of development funds is through a multi-stakeholder framework of local governance bodies, notably through an all-party coordination mechanism. In order to promote the effectiveness of such a mechanism, the project piloted a Village Level Development Planning process in six VDCs (Byrne and Chhetry, 2011). However, with Village Development Committees (VDCs – the local administrative body) having no elected representatives<sup>7</sup>, there has been no body with a democratic mandate through which to operate - although a temporary institutional arrangement is in place (see section on governance).

*“Lead CFUGs have helped in the exchange of experiences among CFUGs and increased their linkage with other institutions.”*

Sitakunda CFUG committee members, Dolakha

*“The programme implementation through lead CFUGs has enhanced their capacity in fund, staff and programme management.”*

Usha Dahal, NSCFP

*“If funding is not through local government (accountable bodies), this raises a question over the long term sustainability of the system.”*

Peter Branney, Project Adviser, LFP

An aspect of project management that has been given considerable attention under NSCFP is the **monitoring and evaluation** of project activities. The project maintains a database with key output level indicators for all CFUGs in the project area – now numbering over 1,026 in the three main project districts<sup>8</sup>– and has particularly detailed data on 116 sample CFUGs and 178 cluster CFUGs<sup>9</sup>. All staff members meet on a bi-annual basis to review progress, discuss successes and

<sup>7</sup>Local elections last took place in 1998 and the mandate of the elected VDC officers expired in 2002.

<sup>8</sup>In addition, NSCFP has been working with 266 CFUGs in Khotang district. The total number of CFUGs in all four districts at the end of July 2010 was 1,292.

<sup>9</sup>The 116 CFUGs comprise all those in the cluster areas that were formed prior to 2000, and thus have a level of institutional maturity. Self monitoring of CFUGs takes places in every 2-3 years with the facilitation of local NGOs. The original records are kept by the respective CFUG committee, but the copies are forwarded to the project office for entry into the database. The 178 cluster CFUGs comprise all the CFUGs in the cluster areas – including those formed after 2000.

*Two decades of community forestry in Nepal: What have we learned?*

failures, and tailor their activities accordingly. Whilst planning and monitoring has always broadly followed a logical framework, the system has become tighter over the years, with a system of outcome monitoring (used by all SDC projects in Nepal) having been practised since 2008 (see SDC, 2008).



*Range post and CFUGs are working together to promote community forestry*

NSCFP has evolved from an expatriate-managed project that channelled most of its funding through the Department of Forests, to a project that is managed by national staff and is channelling funding through a variety of stakeholders – including the ultimate beneficiaries. The transfer of funds directly to CFUG level only became possible recently, once CFUGs had sufficient institutional capacity. Thus mechanisms by which this can be optimised in the current political context – and in the future - are in need of further testing in more CFUGs. There are now more than 1000 CFUGs that have capacity to manage not only forests but also fund and human resources by themselves. Many have established enterprises and generated

employment. To date, the quantitative progress that NSCFP has made in three districts is significant which is tabulated below.

<b>Achievements</b>	<b>Number*</b>	<b>Percentage</b>
CFUGs formed with Constitution and Operational Plan	1111	
Forest area handed over in hectare	100397	58
Households members of CFUGs**	109239	97
Women in CFUG committee leadership positions	3895	35
CFUGs with special provisions for the discriminated poor	840	76
CFUGs practicing regular silvicultural operation	889	80
CFUGs with forest based enterprises	60	
Person days of employment generated by CFUGs***	16080	
Balance of fund of CFUGs generated by themselves in million NRs****	29	

### **Key issues for the future**

- The time taken to establish the system of CFFs, CCs, and lead CFUGs in the last phase of NSCFP meant that the period was insufficient to test the assumption and demonstrate the result. It would be worth continuing and carefully monitoring the system for a further period of at least two years. The monitoring would need to cover not only the performance of the lead CFUGs themselves, but also the effect of this mechanism on the CFUGs served by each lead CFUG.
- One option that could be investigated is the rotation of Lead CFUG status, giving a greater number of CFUGs the opportunity of this experience. However, this would have to be balanced against the risk of reduced long-term responsibility and a “profit whilst we can” mentality.
- Once local elections finally take place, and Village Development Committees are functioning according to an elected mandate, transferring funds to the groups with a multi-stakeholder forest sector sub committee, a coordination body for the forestry sector would seem an obvious way forward. Ways to test such a mechanism could be investigated – and care taken to incorporate lessons learned from the lead CFUG experience.
- The concept of one social mobiliser per VDC and one lead CFUGs responsible for one VDC is also being tested in the new district of NSCFP operations, Khotang, and is worth continuing for comparative purposes.
- There are many wealthy CFUGs which can contribute funds to the VDC to extend support to weaker (or less resource-endowed) CFUGs in the same VDC. Lead CFUGs could also play a linking role, working with the VDC to address inter-group inequities.

\*Percentage of achievements vary in cluster and non cluster CFUGs

\*\*About 25% member households are deducted as overlapped households. This may vary from district to district

\*\*\*With a minimum of 90 days of work in a year

\*\*\*\* Annual income of 919 CFUGs is found to be 41.2 million NRs and the annual expenditure 12.4 million NRs.



## 3. HUMAN RESOURCE AND INSTITUTIONAL DEVELOPMENT

*“NSCFP began long term engagement in human resource development by supporting local people (especially poor people), providing scholarships from class 1 to higher studies (up to Bachelors level). This has contributed greatly to the development of local human resources in the project area.”*

Dil Bahadur Khatri, Forest Action

In stakeholder workshops reviewing project achievements, there was widespread agreement on the significant contribution made by NSCFP to human resource and institutional development in the project districts, although this cannot be fully separated from the general Swiss presence and impact of other related projects. Capacity building took many forms - changing the outlook, opportunities and lives of many individuals as well as influencing the development of forestry institutions in Nepal. The institutional impact is considered first, followed by an outline of the different types of scholarships and training courses taken up by individuals.



*Training enhancing human capacity at the village level*

### ***Institutional development***

In the first two phases of NSCFP, human resource development efforts focused on building an institutional orientation towards community forestry within the primary partner, the **Forest Department**. Part of this training was technical in nature - ranging from improved nursery management to forest inventories, and part specific to community forestry legislation and practices. The general and most important thrust, however, was a re-orientation to a participatory mindset, encouraging community involvement in all aspects of forest planning and management. Scholarships (see next section) for I.Sc, B.Sc and M.Sc courses in forestry, with particular focus on social forestry were also offered to Forest Department Officers; most such individuals became particularly community-orientated in their subsequent work. One of them was the current Director General of the Department of Forests, who was supported by NSCFP for his Masters degree in Australia.

*Two decades of community forestry in Nepal: What have we learned?*

*"I would not have been in the position I am today without the support I received from NSCFP. The offer of a scholarship to me was not only a social prestige, professional award and an opportunity for me to grow and develop my career, but it also transformed my way of thinking. I became more committed to working closely with local communities".*  
Gopal K Shrestha, Director General of the Department of Forests

In this way, the project made a significant contribution to the national skills base in forestry. The internal project monitoring system notes that in the early 1990s, the main reason that Forest Department officials went to the field was to punish forest offenders; they were perceived by local people as police. By the early 2000, the changed role of Forest Department officials from police to partner or advisor in supporting community forestry was "clearly recognised by CFUG members, and there were very few complaints against them" (though their field movements were restricted)<sup>10</sup>. The importance of project support in anchoring community forestry institutionally, in government practice, should not be underestimated – even if NGO and Forest Department staff members express different perspectives on the current situation.

*"Members of government staff have still not become used to actively practice good governance and a gender sensitive approach, and do not maintain transparency."*  
Kamala Basnet, FECOFUN, Dolakha

*"NSCFP has been more interested in working with the NGOs than with the government."*  
Bishnu Lal Ghimire, DFO, Okhaldhunga

In the third and fourth phases (1996 – 2004), NSCFP turned its focus to encouraging individuals or small groups of individuals to register as NGOs and become service providers that could work directly with CFUGs. The concept of local service providers was widely viewed as a major innovation at the time – and one that other projects followed subsequently, recognising its practicality in the time of civil conflict. NGO staff members were trained in legal aspects of community forestry, participatory methodologies, and specific methodologies such as well-being ranking, livelihood opportunities assessment, and governance coaching. The fact that a significant amount of project work was outsourced through these NGOs allowed them to gain experience and competencies so that they could diversify their services, and also offer them to other organisations apart from forestry.

*"NSCFP is one of the reasons for the establishment of many local NGOs in the district."*  
Ratna Kandel, Secretary, Pahadi Samaj Kalyan Kendra, Doramba, Ramechhap

<sup>10</sup> NSCFP maintained a monitoring sheet documenting the key changes that have taken place over time against various parameters related to attitude, behavior and organisational culture of the forest departments and related institutions. This was commonly known as the commonly known as A3 size rolling sheet of monitoring, which is summarised in NSCFP Issue Paper Number 1 (see NSCFP, 2007).

*“Social mobilisation, institutional developments and human resource development in the district have been possible only through NSCFP.....Local NGOs are now well capacitated and can even compete at the national level.”*

Hitraj Karki, Gramin Bikas Manch (FORD) Nepal, Okhaldhunga

*“NGO capacities have been built through NSCFP intervention. Now many trained people have been engaged not only in forestry; they are competent human resources available locally of health, drinking water and education sector too.... NSCFP was the one who started involving NGOs as new service provider actor, and now this approach is being extended in other districts”*

Ramesh Sunam, ForestAction

*“Most of the NGOs operating in the district now and working for various donors and development agencies are those which were trained by NSCFP and have worked with NSCFP before”.*

N.R. Neupane, NGO activist, Dolakha

At the same time, the growth of NGOs in the project area provided an opportunity for some young people to gain local employment, although not to the extent that it had a significant effect on out-migration trends in the districts.

*“Another aspect...is the reversal of the brain drain which had taken place in...rural areas. In general, the young educated people originating from the rural areas had difficulties to find their place back home. The involvement of local NGOs as service providers for emerging Forest User Groups provided an opportunity to engage them in the “micro-projects”. ..”*

Karl Schuler, NSCFP Team Leader (for SDC) Sept 1995 – April 1999; Assistant (later Deputy) Country Director of SDC in Nepal to Feb 2004

*“I appreciate the multi-partnership approach of the project. Although this was challenging at the beginning, it helped create local employment and many human resources”*

Ganesh Karki, FECOFUN

The dynamics of NGO development were not simple, however. Some of the most energetic professional forest rangers left the department to establish their own NGOs, specialising in the provision of technical services. Some would consider this an unfortunate loss of departmental expertise; others of healthy competition. At the political level, many of the NGOs through which the project worked – especially in Dolakha district – were overtly (or perceived to be) linked to one particular party, giving rise to complaints by Maoists that the project had to revisit the way it was operating in terms of working with local NGOs. Competition for work between NGOs sometimes became fierce, and project staff members were under constant pressure to demonstrate absolute political neutrality, accountability and transparency in the face of spurious accusations (see section on conflict sensitive management).

It has already been noted that in the final, post-conflict years of NSCFP, particular emphasis was placed on building the capacities of CFUGs, and that NGOs have

*Two decades of community forestry in Nepal: What have we learned?*

felt discomfort over the changed operational modality. There was, however, not a complete cessation of capacity building support to NGOs. Rather, training opportunities became increasingly mixed between Forest Department staff and others, as a means of building mutual understanding. Workshops, practical exercises, study tours and the like focused on particular topics of relevance to a variety of stakeholders - including activities linked to the commercial harvesting, processing and marketing of NTFPs, and to the promotion of good governance and social equity (see NSCFP, 2010).

Finally, an important support provided by NSCFP for the institutional development of CFUGs is through their federation FECOFUN, the growth of which spanned much of the project's lifetime. NSCFP was strongly instrumental in the early days of its establishment, as recalled by Patrick Robinson.

*"The key moment which led to the emergence of the federation was the first national FUG workshop, which could easily not have had the impact it had, were it not for pro-active lobbying by the project for the workshop to be organised and financed collaboratively by three donors... This gave sufficient weight to the event, and spread risk sufficiently amongst donors, that existing power structures were unable to downplay the event."*  
Patrick Robinson forestry adviser to SDC Nepal 1989-1995 including CTA NSCFP 1990-1995



*FECOFUN is one of very few organisations in Nepal where 50% women are in leadership positions*

FECOFUN has become an organisation with a national membership of over 11,200 CFUGs, playing an important and highly active advocacy role with regard to community forest policy and legislation in the country. It is also a major NGO through which the project has channelled much service provision, and in this there has been a somewhat uncomfortable mingling of roles, with service provision on a commercial basis sometimes undermining the credibility of its advocacy function. Views within FECOFUN on this matter vary.

*“By making an advocacy organisation such as FECOFUN its service provider, NSCFP has diverted the whole essence of the organisation. FECOFUN seems no more than an NGO now! So FECOFUN should seriously reflect and reorient its original mission and its current functioning mechanism and culture.”*

Bharat Pokharel, Project Director, NSCFP

### **Capacity building of individuals through scholarships**

NSCFP adopted the deliberate strategy from 1995 onwards to aim not only at building capacities in forestry, but at generating a resource pool of educated citizens, particularly **girl children, women, and members of other disadvantaged groups** (especially *Dalits*). The long project time scale meant that this could be done systematically, providing opportunities for people at very different stages in their education, and in some cases continuing this support to enable them to fully reach their education goals. In total, some 800 school pupils have benefitted from pre-SLC project scholarships, allowing them to continue their studies to SLC level. Some of these individuals went on to further studies that were also funded by the project, notably social mobilisation (42 women supported since 2001) and Technical Certificate Level Forestry (I.Sc.) – leading to work as a Forest Ranger (69 individuals supported since 1990).

*“All interventions had to include the poorest in decision making and benefits. This is the only way to reduce or alleviate poverty. One of the things that was already functioning at the time and which was extremely effective was the scholarship system for Dalit girls .... This was really a far-sighted intervention, especially for a forestry project working through education”*

Mike Nurse, NSCFP CTA mid 2002 – mid 2004 (and working for NAFFP 1990 – mid 1993)

Scholarships were also provided for higher level training – primarily to Forest Department staff members, but also to members of NSCFP staff. Over the entire project period, 22 persons were funded through the Bachelors course, running for four years, whilst 20 were funded to study to Masters Level. Most of these people returned to the country to swell the numbers of highly qualified forestry personnel (even if not necessarily working for the project), whilst some are now active in community forestry at an international level. In this contribution to national capacities, people trained through NSCFP support are currently working within the Forest Service of Nepal, NSCFP itself, international NGOs, user groups and federations, and private sector organisations. Whilst in earlier phases a selected

few received scholarships, in the latter phases scholarship funding has been spread amongst a larger number of individuals for locally available courses. A total of 24 scholarships for Masters Courses were awarded, of which 40% were NSCFP staff members who partly or almost wholly funded themselves, using project case material for their theses.

*“NSCFP made a major contribution to my career which I will never forget...At a difficult time for me in 2001, I was awarded a scholarship to study abroad for my Masters degree in forestry in the UK. That was a real milestone in my life. Although I am now working for an international coalition, I always refer to Nepal’s experience in my work, and I seek to support development in Nepal in whatever way I can”.*

Ganga Ram Dahal, current Regional Facilitator of the Rights and Resources Institute

A study conducted for NSCFP (Kanel, 2010) attempted to trace some of the impacts of the various scholarship opportunities afforded by the project, taking a sample of 188 individuals that was roughly representative of the total number of persons who had received each type of training. This indicated that selection had indeed focused on the poor and disadvantaged, with 48% coming from the well-being category poor, and 21% from the very poor (together 69%); similarly, in total 72% were Janajati or Dalits (an equal proportion of each). As also noted in the section on social inclusion, the SLC scholarships are widely perceived to have had a positive impact on life opportunities for women and the disadvantaged – both for the individuals concerned and as role models for others. In the study by Kanel, 38% of respondents specifically said that they felt they had become “inspirers” or “role models” for the community. One individual example is Rukmaya Sarki (see box 3).

### **Box 3: Changing lives: Scholarship recipient Rupamaya Sarki**



Rupamaya remembers always wanting to go to school, but she was only able to do so at the age of 13, when the local teachers persuaded her parents to let her. As the eldest of 11 children, of whom 8 are living, her parents had previously kept her at home to look after her siblings. She stuck out in class as she was far older than the other children, and as she worked her way up the school, she had a lot of difficulty keeping up with her studies at the same time as fulfilling the wishes of her parents to help out at home. When she reached 9th grade her mother died, and this pressure increased further. At this point

she received a project scholarship, which allowed her to continue on to grade 10. After passing her SLC, she gained a project scholarship to become a social mobiliser, studying at the MSR Training Center, Kathmandu. For her practical experience she had the opportunity to join the DfID funded Livelihood and Forestry Programme, LFP in Parbat. As a Dalit with good social skills, she gained a ready rapport with other Dalits, and her work was greatly appreciated – to the point that she was offered a job with LFP when she completed her course. She worked for the project for four years in Bhojpur, and then

moved to Kathmandu as a freelance social mobiliser and data collector. She is now the national treasurer of a Dalit network devoted for Dalits' rights over natural resources, DANAR. Much of her income goes to support her younger sisters (one of whom suffers from depression), but she is very conscious of the personal opportunities that she has had through her studies. "As a young girl, I thought that my whole life lay in the village, but now I have been outside, I have a very different view on what I can do in my life."

### **Key issues for the future**

- The pre-SLC scholarships for girl children and other disadvantaged groups could be widely replicated, given the potential that it has for grassroots empowerment. It should be carefully monitored, both to ensure transparency, and to follow-up on the effects of the education received.
- NGO service providers now have a clear, widely recognised role in providing support and capacity building to CFUGs. There are sufficient professional NGOs in the project area to meet current demand, although it remains to be seen how far CFUGs will be prepared to pay for this. NGO service providers outside the project area that have not been exposed to similar donor support may need considerable capacity building to reach similar standards, but this is a service that the more mature NGOs from the project area might be able to offer.
- Given the setbacks to work opportunities and staff morale during the conflict period and the gap in hands-on, practical experience in community forestry, selective needs-based training could be offered to Forest Department staff. This might focus on participatory approaches and tools such as wealth ranking, livelihoods opportunities assessment and governance coaching.
- CFUGs are likely to need further support in managing their affairs on a sustainable basis, and ideally they should be able to draw such support from a mixture of NGO and government (Forest Department) services.
- Future project-based support for FECOFUN should be carefully discussed with the leadership of that organisation, to ensure that payment for its local level services does not undermine its national-level credibility in advocacy. The establishment of two separate funding mechanisms under two separate branches of the same organisation might be considered.



## 4. PRO-POOR LIVELIHOODS

*"NSCFP has been known as an organisation which speaks for the poor."*  
Surya Kumari Rai, Sobrudanda CFUG, Okhaldhunga

*"Currently many projects say that they have pro-poor approach, but NSCFP has been very strong in its procedure and process."*  
Dibya Gurung, UNDP, Former Programme Officer, SDC

*"NSCFP has been advocating a lot for the poor. It is high time that the project brings a programme that gets resources directly to their households"*  
Laxman Gautam, Department of Forests

NSCFP began as a forestry project seeking to support the livelihoods of the rural poor, and from the outset staff sought to conduct interventions in a socially inclusive manner, benefitting the poor. Nevertheless, it was in 2000 that a very strong "pro-poor" thrust was introduced, based on a rigorous gender analysis and the root causes of chronic poverty: class (disparity in economic opportunities), caste (especially untouchability), ethnicity, gender, geographical disparity and



*Community forestry has a big challenge to address the issue of poverty, gender and caste discrimination in Nepali society*

vulnerability (which may be a result of the first four, but also encompasses ill health, disability, human trafficking and suffering related to the armed conflict and the debt load of generations). A system of well-being ranking was introduced, under which every CFUG is required to identify the extreme poor. (The current term used is *bipanna*, rather than *garib* which refers to economic poverty. However, some consider the term to be derogatory, and favour the term disadvantaged meaning socially discriminated poor people - *garib tatha upekshit*.) It is important that the well-being ranking is discussed thoroughly by the CFUG members, and the identification of the *bipanna* or disadvantaged agreed in a general assembly, as this enhances “ownership” and acceptance. The *bipanna* usually fall into the SDC category of disadvantaged groups (DAGs) – persons who are both economically and socially disadvantaged. This means that they are socially discriminated, and economically have food sufficiency for less than six months of their annual food requirements from their own production and a daily income of less than 1 US \$ per capita.

Having identified the *bipanna* within their membership, the CFUG members are expected to explore options for improving their livelihoods, taking into account all potential assets (economic, physical, biological, human, social, and political) in a manner based on a livelihood systems analysis, but modified to local circumstances<sup>11</sup>. The requirement for CFUGs to set aside a part (35%) of their “income” (how this is calculated is subject to varied interpretation, whether income or expenditure and over what period) to benefit the poorest members – identified according to well-being ranking - is now a mandatory one, enshrined in the government Community Forestry guidelines (see section on forest policy contribution). It is nevertheless not easy to institutionalise; by 2010, 83% of the CFUGs in the project area had conducted a well-being ranking and all have made some sort of provision for the *bipanna* or disadvantaged. Well-being ranking has become widely accepted by other agencies as a reliable means of identifying the poorest in the community. At the same time, the project recognises that well-being ranking gives a “snap-shot in time”, and does not fully capture the dynamics of poverty. The *bipanna* are chronically poor, but other dynamics – which households are slipping into poverty, and which are pulling themselves out of it – are not recorded. Repeat well-being rankings after several years are desirable in this respect, and would also potentially provide a good means of monitoring changes, although it has not been possible to introduce this widely as it would be too expensive. Changes are instead tracked through case studies and observations of sample households.

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<sup>11</sup> The project uses the acronym FREELIFE plus H2O as a way to remember all aspects to be covered. They are funds (loans at reasonable interest rates), representation in leadership positions, training for employment, educational scholarships, access to community forest land, pro-active inclusion in decision making processes, equitable access to forest products and the opportunity to participate in forest-based enterprises. The additional H2O refers to health, humanitarian aspects and support from other organisations.

*“The well being ranking exercise promoted by NSCFP and practiced now by CFUGs helped to mobilise CFUG funds. This has also attracted other agencies to help such identified poor. Many development agencies now have started using the household as their target beneficiary, as identified by the well being ranking exercise. Many households which have been identified through well-being ranking are now getting opportunities and help from various agencies other than NSCFP.” Brahma Dhoj Gurung, NSCFP*

In addition to the above, NSCFP has provided interest-free loans to the identified extreme poor for home-based livelihood activities. This provision is known as LIP – Livelihood Improvement Programme (see box 3, Pokharel and Carter, 2007 and Tembe, 2010). Under the LIP, some 2,786 extreme poor households were assisted in improving their livelihoods. A study (Tembe, 2010) investigated how a 10% sample of the first 1,436 (reached between mid 2004 – mid 2006) had fared. It found that 84% of the households had made significant economic gains – enough to be food sufficient through the year, and in the case of 34%, to make some household purchases in addition. Furthermore, some 76% reported lower anxiety, often linked to a feeling of better social status within the community. The 16% of households that had not been able to benefit significantly from the programme were the very poorest – comprising elderly, handicapped or otherwise destitute individuals with no able-bodied family members. For such cases, the only solution seems to be a form of social security payment by the local government.

#### **Box 4: Livelihood Improvement Programme (LIP)**

Under the LIP, the selected *bipanna* households are entitled to a loan of Rs 5,000, of which 75% should be paid back in instalments to form a rotating fund within the CFUG. The funding is channelled through the CFUG, which is paid a further 15% service charge for organising the loans (thus providing incentive). For these livelihood activities, the disadvantaged households make the choice themselves, and draw up a simple financial plan with facilitation from a service provider. Given the financial limit of Rs 5,000 and the paucity of options in remote areas, it is difficult to be very innovative. Furthermore, households identified as *bipanna* are quite often so because of the ill health or disability of a key member – thus rendering them unable to undertake physical labour. Most plans thus involve simple interventions such as the raising of livestock (usually goats or pigs), or the manufacture for sale of leaf plates, brooms, wooden utensils, bamboo products and furniture. Households often give preference to traditional (caste) occupations with which they are familiar, although the project sought to challenge such stereotypes.

Overall, the LIP may be considered highly successful, and a clear demonstration that such intensive household-directed efforts are effective – although of course the numbers compared to the numbers of extreme poor in the project overall are fairly small. It is calculated that an investment of at least \$ 200 is required to bring a person out of poverty, although this figure must be used with caution as it depends on the level of original poverty, the time span of engagement (for the development of social and human capital), and accessibility to basic services such as drinking water, road and electricity. A further complicating factor is the degree to which legal

rights related to access to natural resources can be exercised in practice.

*“The project through its poverty reduction and livelihood improvement approaches has been successful in starting a process of structural transformation in the CFUGs and not just delivering welfare provision. It has reached the extreme poor where most projects do not even recognise these people as a separate group and so they remain invisible to development support. The individual coaching of extreme poor households (often extremely socially excluded) has begun to build confidence and remove some elements of their exclusion.”*

Mary Hobley, NSCFP External Reviewer 2007

The holistic concept of poverty in all its social as well as economic dimensions that is used by NSCFP must be stressed, as the specific livelihood plans and provisions for the *bipanna* is only one part of the way in which poverty is addressed. The misconception that it is the main way has led to some criticism, as indicated by the following comments.

*“Through providing very little support NSCFP has aimed at having a big impact on poverty reduction. Does this really help?”*

Bishnu Lal Ghimire, DFO, Okhaldhunga

*“After much intervention, the population of the poor in the project districts is still over 40% whilst the cash investment of the project funds to directly reach the poor is less than 5% of the total budget.”*

Damber Tembe, NORMS



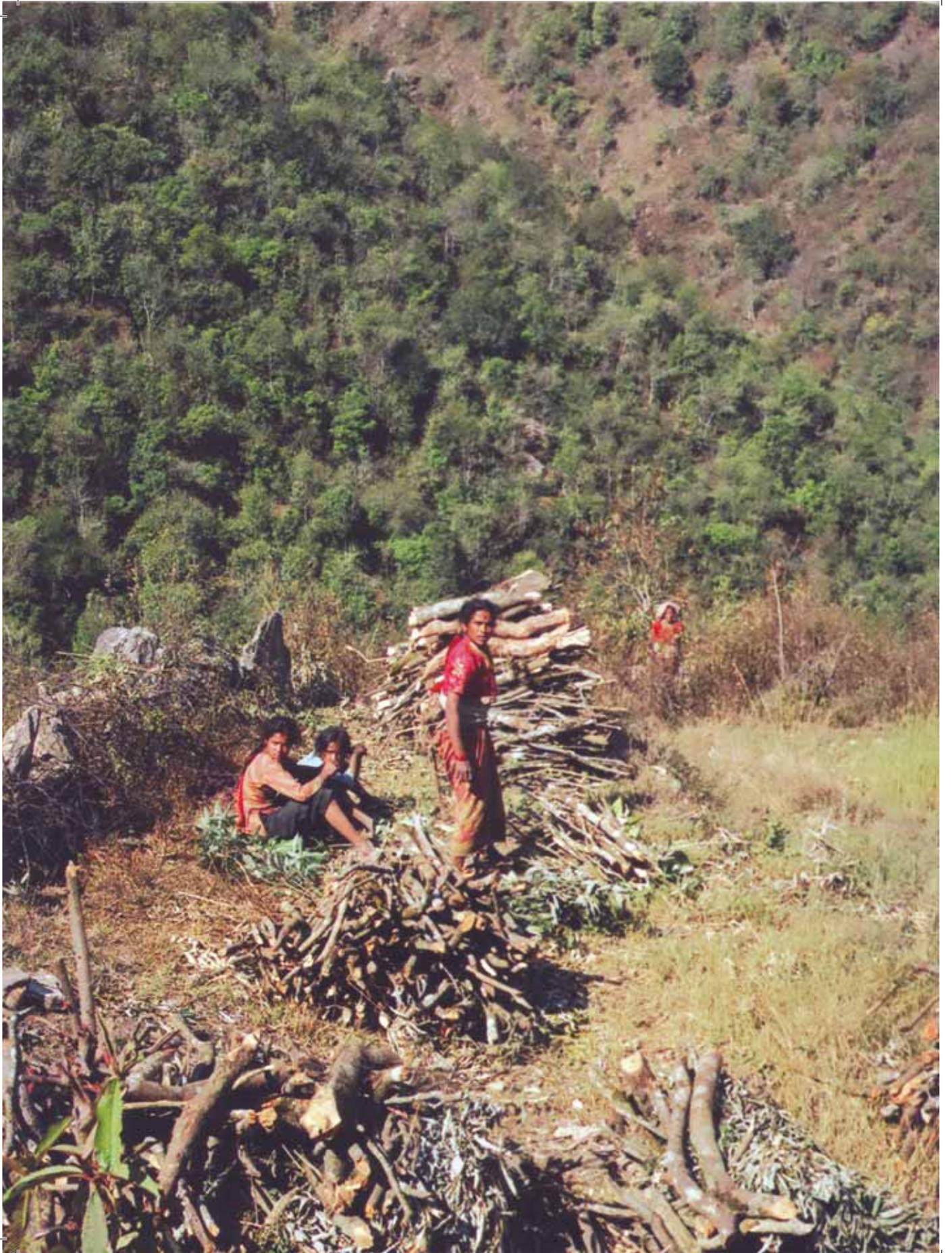
*Community forestry promotes wood, food and fodder together*

From the project perspective, the main way in which poverty is addressed is by raising awareness and willingness amongst CFUG members to do something themselves about the poorest and most disadvantaged, starting by treating them with respect and dignity. The LIP is then one particular mechanism for channelling support – one that is administratively complex to manage, and difficult to increase in volume without attracting negative dynamics (such as jealousy and fund misappropriation). From 2000 onwards, NSCFP has monitored the extent to which CFUGs

make “pro-poor” provision in their planning and implementation, and the extent of social inclusion in decision-making processes. This is discussed in the section on governance.

### **Key issues for the future**

- Given the inherent potential inaccuracy of using well-being ranking on a one time basis, a system of regular repeat ranking should be introduced and institutionalised, ideally every three years but at maximum every five years. This could also be used for monitoring the number of households that have increased their well-being, stayed the same, or are no longer present due to migration or death.
- The LIP as a concept is effective; for an investment of \$ 200 most extreme poor households are able to significantly improve their livelihoods. It is therefore worth replicating in future – either as part of a forestry programme or in separate poverty-focused efforts.
- Loans to highly vulnerable, infirm individuals should not be encouraged. The provision of some form of social security assistance from local government is more appropriate.



## 5. SOCIAL INCLUSION: CASTE AND GENDER

*“NSCFP has contributed remarkably in mainstreaming the agenda of gender and social inclusion throughout the community forestry sub-sector.”*

Bishnu Lal Ghimire, DFO, Okhaldhunga

*“NSCFP scholarships have played crucial role in women literacy in the district and the way it has targeted the disadvantaged people.”*

Usha Dahal, NSCFP

*“Although it is a pro-poor project, NSCFP still has to improve a lot in its perspective for women.”*

Gita Bohara, HIMAWANTI

Various forms and dimensions of social exclusion exist in Nepal, rooted in discrimination on the basis of caste, economic status, ethnicity, gender, age, disability and vulnerability (for example the trafficking of girls, or infectious diseases such as HIV/AIDS and TB) as well as other aspects. As NSCFP has been particularly active in fighting discrimination on the basis of caste and gender, this section focuses on these aspects.



*Community forestry is devoted to reduce the work load of women in Nepal*

Although the project was always active in promoting the role of women as well as men in forest management, systematic attempts to address gender began in 1995. It was at this point that the project formally recognised that improving the rights and position of women did not mean focusing purely on women, but on working with men and women together on gender relations – and doing so from a caste perspective (Bhatia, 1995). Gender awareness and social equity became a cross-cutting theme for all activities, at all levels – in working with community forest users (see box), with partners (service providers and government), and with regard to project staff; further details may be found in Nightingale (2007).

### **Box 5: Gender and caste**

Many detailed studies conducted in Nepal have sought to understand the roles of women, and the complex inter-relationship between caste and gender (e.g. Acharya and Bennett, 1981; Bennett, 1983). At the risk of considerable over-simplification, the cultural expectations of the so-called high castes – Brahmins and Chhetris – with regard to rural women are often quite restrictive and home-focused, with livelihood roles being strongly gendered. Like the higher castes, Dalits tend to idealise a home-based role for women, but financial constraints may render this impossible. Ethnic groups (Janajatis) such as Tamangs, Magars, Gurungs and Sherpas tend to be more flexible in the gendering of roles and responsibilities, but women of such groups may also be restricted in their public contributions. Overall, rural women are often hesitant to participate in community activities due to a heavy workload, and deference to men in public fora. It is difficult for them to participate actively in community meetings or become leaders unless the men in their family are supportive, and other family members are available to take up domestic tasks. Younger women, especially daughters-in-law - who may have innovative ideas and a good education – often have particularly heavy workloads and are rarely allowed time off domestic duties to attend meetings. Promoting mutual respect and understanding between men and women is an integral part of NSCFP's work, as illustrated by the case of Jhamkimaya given below.

**Jhamkimaya Tamang** is an energetic, confident woman who from the start took an active role in the planning and management of the CFUG of which she is a member (Mayur Gaura CFUG, Melung VDC, Dolakha District). Her husband disliked her involvement in the CFUG, but at this point he left the village to work overseas, and so could not see her daily activities. Jhamkimaya, meanwhile, was elected CFUG president – a role that took her out of the village to discuss with FECOFUN members and NSCFP staff in the district headquarters. When her husband returned, he was full of suspicion - provoking a crisis in their relationship. The situation was resolved through a meeting between the husband and FECOFUN members. When he realised that his wife was held in esteem by others, he changed his opinion and expressed pride in Jhamkimaya's work. Clearly it was important that he fully understood his wife's role and gave her his support.

**Within CFUGs**, NSCFP has sought to raise collective awareness of the moral justification for social inclusion, as well as the benefits of community cohesion that it can bring. This was done through coaching and capacity building. To some extent, the strong presence of Maoists in the project area may - with their political doctrine of social equality - have raised CFUG acceptance of the participation of women and disadvantaged castes. At the same time, there is a very obvious logic that those who use the forest the most should be directly involved in decisions about its management – and it is women who are particularly engaged in fodder and fuelwood collection (at least at most times of the year), whilst some Dalits have particular needs – the most obvious being charcoal production by the Kamis (blacksmith caste).

Project self evaluation data indicates that in the early 1990s, most disadvantaged individuals were extremely reluctant to attend meetings, and if they did, they rarely spoke - nor were they encouraged to do so. As a result of governance coaching and similar interventions, this is no longer the case in most CFUGs. The figures show good and increasing participation by women and Dalits, even if there is still room for improvement. The current average presence of women in CFUG executive committees in the three main project districts is 35%, compared against the national average of 26% (Chhetry, 2009). If trends in the project area are considered, women's participation is on the increase – from 29% in 2000 to 35% in 2008<sup>12</sup>, whilst in a smaller cluster sample of 116 households (2009), it is 39%. Most of the women leaders are young school graduates, which is a further positive sign.

<sup>12</sup>In 2000, the total number of CFUGs was 609; it increased to 919 in 2008 and 1,026 in 2010 (NSCFP, 2010). The percentage increase in representation of women and Dalits thus represents a major increase in the number of individuals holding such posts.

With regard to the participation of Dalits in CFUG executive committees, this has also seen an increase from 5.2% in 2000 to 9.9% in 2008. The overall Dalit population of the district is 8%, meaning that Dalits are now even slightly over-represented. However, it seems less easy for women and Dalits to reach key positions in the committees (chair, secretary or treasurer); in 2000 the number of CFUG chairwomen in all three project districts was 3, whilst in 2008 it was 8 (increasing to 11 in the 2009 cluster sample). Significantly, there were many more vice chairwomen – 25 in 2000 and 48 in 2008. No Dalits chaired a CFUG in 2000, but 4 were vice chairpersons; in 2008, 2 Dalits chaired a CFUG and 7 vice-chaired.



*Women participation is significant in community forestry*

Essentially, the need for women and Dalits representation in committees is acknowledged, but they are sometimes elected more out of political correctness than real belief and trust in their abilities. As the following quotes make clear, numbers of women and Dalits on committees are not enough in themselves. It is not possible to analyse leadership performance by gender – although it could be a useful learning exercise for men and women in key CFUG positions to exchange experiences on their manner of leadership.

*“If a dalit bipanna woman who was once selected as secretary by the CFUG general assembly cannot reach the same position again, then our approach of inclusion is also questionable... I feel it is a matter of regret that we have not been able to monitor whether she became a real secretary, or just a secretary in namesake. We need to improve on this and find out how we can monitor realistically.”*

Shankar Katuwal, Chairperson, FECOFUN Okhaldunga

*NSCFP has taken initiative in bringing women to leadership positions. [However], NSCFP has not been able to convince male and female at the household level to promote female representation in the CFUG committee. Women still back off from the leadership positions or they are not given the chances.*

Kamala Basnet FECOFUN Dolakha.

*CFUGs led by women seem more transparent and praise worthy.*

Nawaraj Neupane, CEEPAARD, Dolakha

Recognising that there is still hesitation to elect women and Dalits to key positions – and/or a reticence on the part of women and Dalits to accept the task, NSCFP has sought to constantly raise awareness through CFUG coaching. For example, equal pay for equal work has been a widely discussed issue, and one that many CFUGs uphold even though it goes against many norms, including government pay schemes for labourers. Other activities specifically focused on increasing the capacities of women and Dalits are the scholarship programme (see capacity

*Two decades of community forestry in Nepal: What have we learned?*

building section), training for women and Dalits in leadership skills and information on legal aspects of community forestry (Khadka, 1999), and opportunities for village level facilitation (young women and Dalits thus becoming role models). The project has also used a quota system to ensure that equal numbers of women and men are employed at the field level as Community Forestry Facilitators, and regular coaching is provided to them by project staff.

*“NSCFP has done a very good job by declaring quota for women for its service providers, field facilitators and other beneficiaries....The concept of Equal Pay for Equal Work has come into practice.”*

Nawaraj Neupane, CEEPAARD, Dolakha

*“NSCFP has played a crucial role in training women facilitators locally, but it still needs to invest in capacity building of Dalits, women and the discriminated poor. We still need to change the mindset of elites to become pro-poor, pro-women and pro-Dalit.”*

Usha Dahal, NSCFP

Probably the aspect in which the project was least successful in promoting gender awareness was in decisions over sustainable forest management (Nightingale, 2007). Here the differing priorities of men and women (men being typically – but not always - particularly interested in income generation from timber and other NTFPs; women being interested in a nearby supply of fodder and fuelwood) have not always been well recognised and incorporated into Operational Plans, although the situation varies considerably across the project area.

The promotion of social inclusiveness amongst partners is generally considered to have been more successful amongst **NGO service providers** than within the rather male-dominated Department of Forests. Nevertheless, gender balance in staffing has not yet been achieved amongst the service providers who have worked for NSCFP. Amongst them, FECOFUN is the most successful in implementing gender-balanced representation, including at leadership level.

*“Those women who have been trained do not have many opportunities to use their skill. There has been no self reflection on the optimum use of trained human resources in whom NSCFP invested... The focus on women human resources is still limited and inadequate, as only 40% of the workforce in NGO managed work such as social mobilization are women; why not 50% women?”*

Kamala Basnet, FECOFUN, Dolakha

At the political level, national level civil society women leaders such as Rama Ale Magar, Chairperson of HIMAWANTI Nepal and Apsara Chapagain, Chairperson of FECOFUN strongly feel that once they gained experience and knowledge of leadership at the grassroot level (CFUG committees), they were able to build confidence for district and then national level leadership. They have now been approached by political parties to take responsibilities for women wings of political parties. Community forestry in this sense has been a spring-board to wider political careers for women.

As far as the government partner is concerned, NSCFP’s scholarship programme has helped to improve social inclusiveness within the Department of Forests. However, this is only to a limited extent; thus for example there has never been a female DFO in the project area, and 90% of Rangers are still male. NSCFP recognised that women and Dalits working professionally in the department serve as important role models; thus out of the 69 I.Sc scholarship recipients whose

training was supported by the project, 19 (28%) were Dalit, 25 (36%) Janajati, and 20 (29%) were female (including some of the Dalits and Janajatis). Similarly, among the 21 B.Sc. scholarship recipients, 10% were Dalits, 14% Madheshi and 29% Janajati. In this manner NSCFP has tried to promote work force diversity through ensuring that there are well qualified candidates from discriminated groups.

*"The project was pioneer...in designing staff and ranger training scholarship procedures which promoted a balanced mix in ethnic, caste and gender representation of staff committed to the aims and values of the project."*

Patrick Robinson, Forestry Adviser to SDC Nepal 1989-1995 including CTA NSCFP 1990-1995

*"The project has to take the initiative in mainstreaming the issue of gender and social inclusion in the government sector."*

Shyam Khadka, NSCFP

Arguably a key project influence on attitudes within the government towards gender and social equity has been at the level of the Ministry of Forests and Soil Conservation (MFSC) through a GPSE (Gender, Poverty and Social Equity) monitoring task team. This group originally brought together 25 different organisations representing donors, international NGOs and MFSC to discuss, identify and work on gender and social exclusion issues in the NRM sector. As a result, a common monitoring framework was developed, tested and implemented, which some 16 organisations took steps to pilot – including NSCFP. NSCFP experience was regularly shared in the GPSE meetings, but the momentum for continuation was rather lost when key individuals in the group moved to other positions.

Finally, NSCFP was able to maintain a very clear position on social inclusiveness as a result of its own staffing practices, which followed the SDC rules on workforce diversity. Thus positive discrimination was used in staff recruitment to increase the numbers of women, Dalits and (to a lesser extent), Janajatis. This does not mean that unqualified and otherwise unsuitable individuals were accepted, but that those from discriminated groups were given preference both in selection and in the awarding of in-service training and scholarships. Men from advantaged backgrounds were not excluded, but needed to be exceptional and to demonstrate a high awareness of and commitment to gender and social equity. As a result, at the end of 2010, 33% of managerial positions were occupied by women, even though the overall percentage of women staff members was 29%. In terms of caste and ethnicity, the project was highly successful in promoting workforce diversity; 47% of staff members were of Janajati groups, and 15% were Dalits – in both cases, more than their population ratio in the project area<sup>13</sup>.

### **Key issues for the future**

- Although great improvements in social inclusiveness have been made at CFUG level in the project area, continued support is needed – in general coaching and specific support for women and Dalits. Specific scholarship schemes for women and Dalits are particularly important in this respect.
- Service providers are now well aware of the need to demonstrate social inclusiveness within their own workforce and working practices, but this should continue to be demanded when evaluating their work and awarding contracts.
- The workforce diversity policy of SDC and NSCFP is now institutionalised in SDC and its projects. It could be introduced much more widely – especially within government departments.

<sup>13</sup>In the three NSCFP supported districts, the population of Janajati and Dalits is 42% and 8% respectively.



## 6. GOOD GOVERNANCE

*"In the NSCFP area, there is increasing accountability of related stakeholders such as CFUGs, CFUG committees, DOF and FECOFUN.... Synergies have been built among multiple partners."*

Nawaraj Neupane, CEEPARD, Dolakha

*"Through its good governance programme, NSCFP has supported [CFUG] executive committee members in realising their duties, rights and responsibilities."*

Nir Bahadur B.K. Identified poor and vice secretary, Sallaghari CFUG, Kathajor, Ramechhap

According to the UNDP, "Good governance ensures that political, social and economic priorities are based on broad consensus in society and the voices of the poorest and the most vulnerable are heard in decision making over the allocation of development resources. It includes essential elements such as political accountability, reliable and equitable legal frameworks, bureaucratic transparency, effective and efficient public sector management, participatory development and the promotion and protection of human rights."<sup>14</sup>

The concept of "good governance" used by NSCFP followed the definition used by UNDP (see box above). The key principles of good governance that were specifically promoted were: transparency, accountability, equity, inclusive participation, efficiency and effectiveness. These principles were implicit in early project phases, but became increasingly explicit over the project lifetime. Good governance was encouraged in all three main sectors of society: government (the Forest Department), the private sector (the service providers and private forest-based enterprises); and civil society (the CFUGs and their federation FECOFUN). It was applicable to all project activities and partners, in both capacity building and in project practice – including the behaviour of project staff. That said, governance-based interventions followed the same trend as described for human resource and institutional development – shifting from an early focus on the Forest Department, to a subsequent focus on the NGO service providers, and then to the CFUGs. As greatest efforts have been focused on the CFUGs, it is this experience that is highlighted – especially as it is through such interventions that greatest opportunities are seen for future developments in bottom-up governance processes.

First attempts to promote community forestry in Nepal (1978 – 1988) focused on handing over responsibility for forest management to local government (then the panchayat, a single party political and village administrative unit). An important government decision early in the lifetime of NSCFP (as promulgated in the Forest Act 1993), which had far-reaching implications for good forest governance, was to

<sup>14</sup><http://www.pogar.org/publications/other/undp/governance/undppolicydoc97-e.pdf>

introduce the concept of community forest user groups. This decision put community forest management in the hands of all the households using a particular forest, rather than in the hands of an institution that was at the time dominated by elites, with territorial boundaries very different from forest boundaries. Establishing CFUGs required time and effort to identify and record all the households involved in a socially inclusive manner. Thus NSCFP initially invested considerably in building the capacities, understanding and commitment of first Forest Department staff, and then NGO service providers, in this task. When CFUG formation is done thoroughly, it sets the base for all forest users to have an equal say in forest management – but when done quickly and in a non-inclusive manner, good governance is undermined from the start.



*Annual meeting and public hearing are institutionalised in community forestry*

### **Transparency**

Transparency is understood as relating to who is involved in making which decisions, and how such information is communicated. Thus from the beginning of CFUG establishment, NSCFP sought to facilitate a process by which all households using the forest were not only officially included in the group,

but were also informed of what this meant, of their rights and responsibilities, and gained the habit of attending meetings, joining in discussions and participating in decisions. CFUGs are expected to announce the agenda of meetings in advance, keep written records of who attends, the topics discussed, and the decisions made – as well as of their financial dealings. Self-monitoring data shows that from a situation early in the project life when very few CFUG members knew what was written in their operational plan or what decisions had been made by their committee, most members now at least have a broad knowledge of these matters, and many can cite detailed provisions.

A particular tool by which the project has sought to encourage transparency and other principles of good governance within CFUGs is through governance coaching, as explained in text box 6.

### **Box 6: Governance coaching at CFUG level**

Governance Coaching is a tool developed by NSCFP to encourage CFUG members to reflect on governance practices within the group, and on what can be done for the *bipanna*. NGO service providers were trained in its implementation, and were at first accompanied in the field by a member of NSCFP staff, although this is no longer considered necessary except for occasional monitoring. The tool is fully described in NSCFP Issue Paper 5 (2007). Normally some 30 or so persons take part in the coaching – executive committee members plus others selected on the basis of full member representation. The governance practices discussed include the style of leadership, financial record-keeping, the way that meetings are organised and recorded, etc. Then the provisions for the poor and disadvantaged are reviewed. How this works in practice is reflected in the following comments by a CFUG executive committee member:

*“During the Governance Coaching we reviewed the [Operational] Plan – what we had decided, what we had done, who had come to the meeting, what was written and then what had actually been done. One thing we realised was that everyone who participated signed, and then the decisions were written afterwards as we thought that everyone had agreed – but actually the correct thing to do is to write the decisions first and then to sign. We also realised that there was not a single decision in the Plan that was specifically about the poor – most decisions related purely to forest management.... We learned what we had overlooked, where we had made mistakes - such as not thinking about the bipanna, and not recording income and expenditure thoroughly - and we realised how to improve...”*

Ganesh Bahadur Majhi – Secretary, Ampani Thulobhir Community Forest, Ramechhap District.

However, governance coaching requires more than one input in order to be effective, as this reflection from a facilitator indicates. He was speaking about the CFUG of Manthani, in Charikot municipality.

*I followed up closely myself for my own interest over a five month period, even though we [ECARDS] had a contract for only 1 month facilitation. When we first came, the participation of women, bipanna and Dalits was low, and the fund was stuck in a bank gaining virtually no interest. So I was curious to see what changes took place. After five months, a woman was chairperson; they had created a scholarship for two bipanna, and were making loans at a slightly lower interest rate for bipanna – basically, a lot of changes in a short time. After two years, I went again. Now there are five women in the committee, but a woman has not been retained in the position of chair....Essentially, I feel that there needs to be follow-up. Whilst there was initially a lot of change in the CFUG, this was because the project paid for facilitation. Since then there hasn't been project input, and so the whole change process has stagnated. Follow-up should focus on issues specific to the particular CFUG. If you can go at least three times in the first year, using the opportunity of regular meetings to do some coaching, it could really make a difference. During this time you have to train some people in the group who will afterwards continue to take things forward”*

Jagannath Basnet, facilitator, FECOFUN (formerly ECARDS)

It is of course also important that transparency is demonstrated by the facilitating NGO service provider staff; and with regard to relations with and within the Forest Department. For example, when approving an Operational Plan, the DFO should

check that all the necessary information is given clearly, and is consistent in content. Even though these processes are national norms, they are followed to a very varied extent around the country.

### **Accountability**

Accountability may be seen as a two-way mechanism. Having formed a CFUG and decided the rules for forest management and benefit distribution, the individual members of the group are expected to abide by what they have agreed. They are accountable to each other, to their committee, to the DFO who has authorised their Operational Plan, and ultimately to the State that formulated community forestry policy and law. This upward accountability is often stressed by officials, but like any decentralised system, community forestry also contains an important element of downward accountability – requiring the State and its representatives as well as service providers to be accountable to the CFUGs. Here the role of FECOFUN as a grassroots federation of CFUGs demanding government accountability and reacting if any regressive rules or regulations are proposed is particularly important. The project has been careful to encourage FECOFUN in its legitimate efforts in this regard, without supporting any divisive activities (such as violence and preventing staff Forest Department from undertaking their normal duties). Overall, project self-monitoring records show an increasing accountability of Forest Department officials over time; for example, frequent staff transfers were common in the early 1990s but are no longer an issue because the government made a provision for civil servants to serve a mandatory minimum two years in post. More importantly, accusations of corruption are at least taken seriously and investigated through parliamentary committees, legal commissions and the office for monitoring abuse of authority bureau. Many forestry officials are suspended and cases are filed; the recent removal of the Minister of Forests on grounds of corruption is



*Women take account keeping and financial transparency particularly seriously*

a case in point. While this latter illustration goes beyond project influence, it is an example of changing attitudes to which NSCFP has contributed.

Accountability at CFUG level may be assessed in numerous ways, although one of the most obvious is with regard to financial management. Drawing on service providers, the project routinely trained all CFUGs in book-keeping skills. The yearly accounts must be presented and discussed at the annual general

<sup>15</sup>Chhetry analysed the sample of 116 cluster CFUGs, and quoted the total sums involved. His figures have been corrected to average per CFUG.

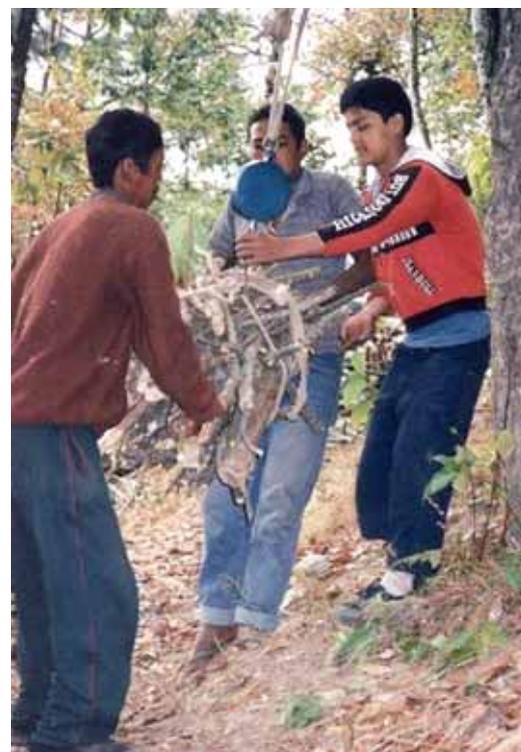
meeting of the CFUG, and any queries clarified. Legally, they must also be audited – although this is difficult to enforce. Nevertheless, project figures show that among 919 CFUGs surveyed, 87% of CFUGs in the project area audited their accounts using local auditors, with endorsement from the public auditing in their general assembly. The project auditors also made spot checks. Overall, the income generated by CFUGs has shown a very steady increase. Chhetry (2010)<sup>15</sup>, shows that sample average annual incomes increased from Rs 21,336 in 2000 to Rs 80,103 in 2008 – and appear to have further increased since then. As financial volumes grow, the risk of mal-practice might be expected to rise. Instead, over the years the project observed a trend towards increased transparency and accountability, with corrupt practices becoming increasingly unacceptable. The example below, given by Keshav Paudel, is typical.

*“As part of my duties, I have accompanied members of the project’s audit firm in their field inspections. One I remember particularly was Tauke Danda CFUG in Lyang-lyang VDC, Ramechhap. We realised that the group had a very small bank balance, and Rs. 10,000 invested in a loan. The committee was uncomfortable about speaking on this matter, and it was only after much persuasion that the chairwoman admitted the problem. The previous chairperson – an influential individual - had absconded with the money, and they felt powerless to do anything. We suggested that they took up the matter in writing and in person with FECOFUN and the DFO. This they did, and the man was threatened with legal action. He then started paying back the money in instalments, and finally made good his debt.”*  
Keshav Paudel, Finance Manager NSCFP

### **Equity**

Equity implies a fair sharing of benefits, not just an equal share. One part of equity promotion by NSCFP has been the emphasis placed on making special provision for the poor and disadvantaged – as outlined in the section on pro-poor livelihoods. Equitable decision-making is not, however, limited to such provision. It is about integrating the concept of fairness into all decisions, a concept that the project sought to stress through governance coaching. For example, herders wishing to pasture their animals in the forest will be expected to pay for the privilege – but the amount should be determined according to their wealth, and degree of forest use.

Equitable decision-making can be assessed from the way that a CFUG allocates its budget in a broad manner, apart from specific allocation to the poor. Expenditure on community infrastructure and development in the project area rose from an annual average of Rs 2,491 in 2000 to Rs 11,974 in 2008, and



*Equity in community forestry is vital for the poor*

*Two decades of community forestry in Nepal: What have we learned?*

became markedly more “socially focused”. The reasons for this could be many, but rigorous coaching and monitoring have an effect on the ground. Thus it was common in earlier times for CFUGs to spend considerable funds on temples and community buildings that were used by the elites and added to their social prestige; often Dalits were not even allowed into these temples. By the end of the project, community expenditure was more on items that either benefit all community members equally (such as stretchers or similar items related to health care), or are “poor friendly” (such as drinking water supplies to poorer, disadvantaged hamlets). Finally, CFUGs have become a significant source of local credit – providing loans at what is considered a reasonable interest rate. This was some 24% per annum, but dropped recently, sometimes to as low as 12% per annum. In general, default rates are low – thus the CFUG benefits, as do the members taking loans. In most cases, they would otherwise either not be able to obtain credit, or be subject to far higher interest rates – local money lenders usually demand a rate some three times higher. (Rural credit is nevertheless a complicated matter – see Chhetri and Timsina, 2010).

In general terms, the promotion of equity within individual CFUGs is now unquestioned. An issue that is increasingly questioned, however, is how to promote equity between CFUGs – some of which have the good fortune of large, rich forests whilst others have far smaller forests that may be poor in desired species? Whilst part of forest richness and diversity may be attributed to management, much relates to simple site location. It has been proposed that a tax on CFUGs could be paid to VDCs or even to the district level, to DDCs, but these are mechanisms that, whilst discussed in project circles, have not been possible to test.



*Issues related to class, caste, gender and ethnicity are discussed*

***Inclusive participation***

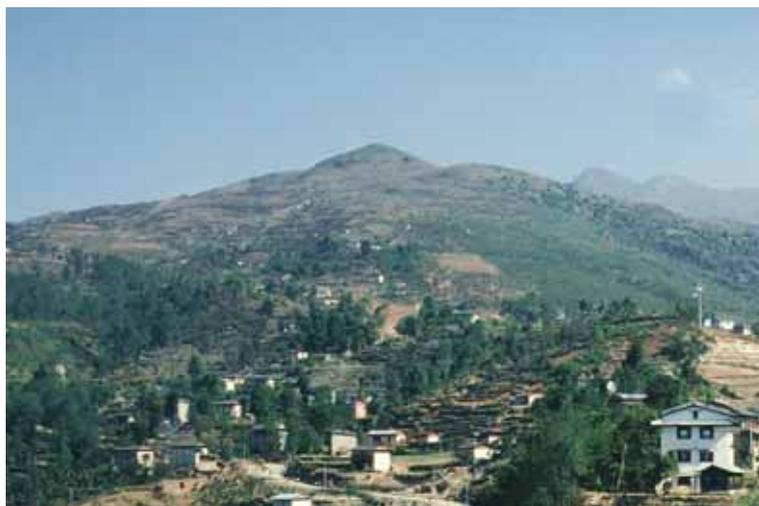
The way in which NSCFP sought to encourage the participation of women and Dalits in CFUG decision making, and particularly in their representation in committee positions, has already been discussed in the specific section on this topic. Inclusive participation of course means that the views of everyone are expressed, heard and taken into account in decision-making. This goes beyond numbers present or even representation in committees. It requires good, inclusive leadership and group

demand. Again, governance coaching was an important tool for promoting inclusivity; specific capacity building in leadership skills also contributed.

Inclusive participation was promoted by NSCFP in other sectors of society in various ways. It has already been noted that scholarships and training for DFO staff sought to increase workforce diversity and participatory attitudes, and that the same was true for NGO service providers, and for project staff. With regard to the private sector, a particularly innovative idea was that of pro-poor enterprises (see section on forest-based enterprises). Whilst this proved difficult to implement in practice, the concept of workforce diversity and participation in decision making (to the extent possible) has continued in many forest-based enterprises.

### **Efficiency and effectiveness**

An overview of the efficiency and effectiveness of CFUGs can be gained from their self-evaluation as well as through the monitoring of achievements such as forest condition, establishment and running of forest enterprises, income generation, and ability to resolve internal conflicts themselves, sustainable management and harvesting and benefit distribution. The overall project aim was for CFUGs to become fully sustainable entities – and those in the cluster areas broadly consider themselves to have achieved this.



*Degraded forest condition in Khorthali, Dolakha in 1989 before community Forestry*

Another important aspect of effectiveness is the degree to which CFUGs are linked with each other, and with other relevant programmes and institutions. Modalities of linking CFUGs with each other (lead CFUGs, FECOFUN) are discussed elsewhere. An important hub for linking CFUGs to other programmes will be the VDC, once it is fully operational (see below). In the meanwhile, individual CFUGs have in many cases developed successful links with service providers, banks, private entrepreneurs, and other actors. In the last phase, locally based social mobilisers and facilitators played an important role in facilitating such linkages.



*Better forest condition in Khorthali, Dolakha in 2010 as community forest*

### **Good governance and democracy**

Good governance coaching and other capacity building in the CFUGs in the project area succeeded in raising awareness and changing practices in a democratic

*Two decades of community forestry in Nepal: What have we learned?*

direction – particularly amongst those in the cluster areas. In some ways, the conflict period also served to promote this trend. Given that the local village administration (VDCs) ceased to operate with an elected mandate in early 2002 (it not being possible to hold further elections), only interim (non-democratic) provisions are in place. This vacuum in local democratic processes was one that, in many ways, CFUGs came to fill. CFUGs provided a meeting ground for persons of all political parties, and were themselves non-political. They used their funds to undertake development activities that would normally be the responsibility of the State. This included the maintenance of paths, bridges and schools, small-scale local generation of electricity, humanitarian support to those in need, scholarships for poor children, and sometimes even teacher salaries. CFUGs initiated all these rural development activities from their own resources generated from community forests. Had their work been supported and recognised by the State, they could no doubt have done even better.

*“CFUGs’ contribution is still not recognised fully. Regular monitoring of activities carried out by CFUGs and their governance practice are still lacking – if it had been more intensive, CFUGs would have done even better”*

Ganesh Karki, FECOFUN

There are further positive “knock on” effects of CFUG learning in good governance, in that those who have gained experience within CFUGs represent a pool of resource persons for other community initiatives and elected office. According to one observer (see quote of Karl Schuler), this was already this was apparent in the late 1990s. More recently, NSCFP has attempted to capitalise on CFUG experiences in good governance in pilot village level participatory planning (VLDP).

*“Through the community forestry approach, we had an opportunity to support practical democracy in the countryside. It was much easier to discuss democracy through the example of real things – access to forests, use rights – than in vague terms of political discourse. ..when the last VDC elections were held [in 1997] it was interesting to see that a good number of those elected had come up through their involvement in CFUGs”*

Karl Schuler, NSCFP Team Leader (for SDC) Sept 1995 – April 1999; Assistant (later Deputy) Country Director of SDC in Nepal to Feb 2004



*Monitoring in community forestry is the key*

The pilot VLDP process was tested by NSCFP in six VDCs, notably Magapawa and Suspa in Dolakha district, Gundel and Okhreni in Ramechhap district, and Narmadeshwor and Thulachhap in Okhaldunga district. This experience is analysed and documented by Byrne and Chhetry, 2011, and demonstrates at once both considerable insights into participatory planning processes on the part of community members, as well as the challenges that still exist. Thus, for example, even though the principle of social inclusion was recognised, literate individuals from advantaged backgrounds tended to dominate, and it was particularly difficult to ensure

that persons from remote parts of the VDC could participate or be represented due the time needed simply to reach meetings. Although all political parties were actively involved, party politics sometimes interfered with decision making processes. Most importantly, however, the VLDP process was not grounded in an established institutional procedure. This gave flexibility for testing a procedure, but undermined the legitimacy of the result, since its implementation depended on the willingness and goodwill of the (government appointed) VDC secretary, the district administration and all the stakeholders concerned. This said, the VLDP process very clearly demonstrated the need for transparency and accountability, and for strong linkages between different development actors at the village level. These it helped to foster – putting the pilot VDCs in a good position for the future.

*“NSCFP’s facilitation in the formation of VDC level Forest Coordination Committee has been vital in creating a common coordination platform among the political parties, VDC and other agencies.”*

Gorakh Bahadur Basnet, Chairperson, Bhitteer CFUG, Dolakha

*“Public and social auditing is required amongst the project stakeholders at the district and community level”*

Govinda Paudel, Forest Action

### **Key issues for the future**

- Whilst CFUGs in the project area have shown marked signs of improved internal governance, this has required quite intensive facilitation. A single intervention of governance coaching is generally insufficient to make a long term difference; more regular support over a period of years is needed. However, if CFUGs are to manage their own funds and demand services according to their perceived needs, governance coaching may not be given priority. This must be taken into account in future support strategies.
- The project’s pilot VLDP exercise demonstrated that CFUGs have much pertinent experience to offer in village level planning and decision-making. In the immediate term it seems worth supporting opportunities to further support such types of village level coordination as and when they arise. In the longer term, once VDCs are elected, it will be important to ensure that CFUG experience is fully recognised and incorporated into governance procedures.
- At least in the districts where VDC-level social mobilisers have been introduced (Ramechhap, Okhaldunga and Khotang), continued efforts should be made to work through them.
- With the civil conflict over, and the State re-asserting its authority at local level, it is important that government staff will be able to respond to the people’s demand for good governance. In this respect, Forest Department and also district development staff are likely to need capacity building and reorientation to work within the framework of local government.
- The pressure on NGO service providers to demonstrate good governance principles in their own organisational set-up and practice is likely to increase in future. They will need to focus their efforts on providing services at VDC level.
- A healthy partnership between CFUGs and private entrepreneurs depends on both being socially responsible, with the latter agreeing to operate according to principles of good governance (see later section). More efforts are needed in developing an enabling regulatory framework in this respect.



## 7. CONFLICT SENSITIVE PROJECT MANAGEMENT

*"The Swiss projects could operate in conflict because many programmes used a pro-community approach with activities that could benefit the rural people."*

Damber Tembe, NORMS

*"Through its pro-poor livelihood theme, NSCFP also aims to contribute in promoting post-conflict peace and reconciliation processes at local and national levels."*

Dinesh Paudel, NSCFP former Programme Officer; consultant

Formally, Nepal's civil conflict began in February 1996 and ended with the signing of a Comprehensive Peace Agreement between the government and the rebel Maoist forces in November 2006. It was thus on-going for over half of the period of NSCFP operations, whilst its legacy continues to be felt afterwards, as the peace process slowly continues. The effects of the conflict on the project were at first relatively minor, but by the height of the conflict (2000 – 2006), Maoists were active



*Forest Range Post building destroyed during Maoists insurgency in 2004*

in most of the territory of Dolakha, Ramechhap and Okhaldunga districts, with little more than the district headquarters being safe for government personnel. Official figures indicate that as a result of the conflict, hundreds of people in these three districts lost their lives, although this is probably an underestimate; hundreds more were physically injured or deeply traumatised by events. That the Maoists had considerable local support is demonstrated by the fact that in the subsequent elections to constitutional assembly all the districts returned Maoist MPs.

Faced with the deteriorating security situation, SDC adopted a **conflict sensitive programme management (CSPM)** approach, which essentially aims to contribute to the prevention of violence and the peaceful resolution of conflict whilst continuing to channel development assistance to rural population, taking due security measures. As part of CSPM, SDC worked with other donors to develop comprehensive **Basic Operational Guidelines (BOGs)**; these became the rules by which most development agencies operated. NSCFP staff members were bound by the BOGs (see box), and in addition adopted the following working practices (see Pokharel and Paudel, 2005).

- Conflict sensitisation exercises were conducted with project staff and partners using various tools (e.g. relationship analysis; conflict mapping; time line analysis; trend analysis of conflict incidence and effect on project activities etc).
- Flexibility to adapt to the context became the key for all planning and implementation
- Staff engaged in joint conflict analysis with the SDC country office
- Staff and partners together developed a common understanding of what the BOGs meant in practice (“should” and “should not” do), and internalised the “do no harm” approach
- Regular communication was held with the SDC-Nepal Programme Coordination Manager and Security Officer and Liaison Officer, and between project staff to jointly and constantly assess and analyse the security situation, and decide upon activities accordingly.
- Staff participated in security and conflict related meetings to share information and develop a common understanding between projects and SDC country office. These developed into “district cluster meetings”, attended by team leaders of all SDC-funded projects – which continue to be held during the peace-building period.

**Basic Operating Guidelines (BOGs) agreed to by Undersigned Agencies in Nepal**

Based on principles agreed internationally and in Nepal, we the undersigned have adopted the following Basic Operating Guidelines for all development and, if necessary, humanitarian assistance in Nepal.

1. We are in Nepal to contribute to improvements in the quality of life of the people of Nepal. Our assistance focuses on reducing poverty, meeting basic needs and enabling communities to become self-sufficient.
2. We work through the freely expressed wishes of local communities, and we respect the dignity of people, their culture, religion and customs.
3. We provide assistance to the poor and marginalized people of Nepal, regardless of where they live and who they are. Priorities for assistance are based on need alone, and not on any political, ethnic or religious agenda.
4. We ensure that our assistance is transparent and we involve poor people and their communities in the planning, management and implementation of programmes. We are accountable to those whom we seek to assist and to those providing the resources.
5. We seek to ensure that our assistance tackles discrimination and social exclusion, most notably based on gender, ethnicity, caste and religion.
6. We recruit staff on the basis of suitability and qualification for the job, and not on the basis of political or any other considerations.
7. We do not accept our staff and development partners being subjected to violence, abduction, harassment or intimidation, or being threatened in any manner.
8. We do not work where staffs are forced to compromise core values or principles.
9. We do not accept our assistance being used for any military, political or sectarian purposes.
10. We do not make contributions to political parties and do not make any forced contributions in cash or kind.
11. Our equipment, supplies and facilities are not used for purposes other than those stated in our programme objectives. Our vehicles are not used to transport persons or goods that have no direct connection with the development programme. Our vehicles do not carry armed or uniformed personnel.
12. We do not tolerate the theft, diversion or misuse of development or humanitarian supplies. Unhindered access of such supplies is essential.
13. We urge all those concerned to allow full access by development and humanitarian personnel to all people in need of assistance, and to make available, as far as possible, all necessary facilities for their operations, and to promote the safety, security and freedom of movement of such personnel.
14. We expect and encourage all parties concerned to comply strictly with their obligations under International Humanitarian Law and to respect Human Rights



*“SDC was very active in the development of the BOGs, and this created a good environment. Do no harm and safe and effective conflict sensitive management were very useful for operating in conflict.”*

Bharat Pokharel, Project Director, NSCFP

The **practical effects** of the conflict on project activities were numerous. The rule of government and democratic processes ceased to function properly, meaning that village administrations could no longer operate smoothly. The Maoists ran parallel government at various levels, and people had to comply with the rules of both governments. The political side of the VDCs could not operate, but the administrative side (VDC secretary) was still to some extent functional, although under tremendous pressure from Maoists for forced donations and extortion. More than the VDC staff, the restriction of movement of line agency staff from district headquarters was significant. Fear of violence and intimidation of the part of both the government and Maoist forces meant that people started distancing themselves from any external development initiatives; it was safer not to talk to any strangers coming into the village, to travel to meetings, or even to express oneself openly in public. In the case of community forestry, activities were particularly limited by a ban on gatherings of people, and limited access to some forests – which were often used (by both sides) for military camps. The Maoists also made government buildings a specific target, with the result that many Forest Department buildings were destroyed – along with all local forestry records. Being commonly situated in quite isolated places, they made easy targets.

As the Maoists grew stronger in the project area, they started imposing their own rule. Their leadership appreciated the CSPM approach of SDC, and thus did not call for a halt to SDC-supported activities. Furthermore, the aims of community forestry – especially the livelihoods support for the very poor and disadvantaged – corresponded with Maoist philosophy, although of course partnering with the government did not. In discussions with NSCFP staff, one Maoist likened community forestry to a house that had good foundations, but which had been badly constructed. In following the BOGs, project staff members were limited in their movements, being required to give priority to their personal safety and that of their colleagues. Often the only practical option was to work through local NGOs and community-based organisations (CBOs) who had good local contacts and could thus dare to travel where project staff could not. Anyone travelling not only risked intimidation and violence at the hands of Maoists, but also the government forces – both parties were suspicious, but generally less so of local people. A particular difficulty at local level was that Maoists started to expect CFUGs to contribute to the rebel movement out of their funds. This encouraged CFUGs to spend rather than to save, and to be very cautious about any income generating activities – thus timber harvesting operations were delayed, and the development

<sup>16</sup>The term *bidrohi* in Nepali was used, literally meaning rebel. This was a term coined by the government of Nepal for the Maoists during the armed conflict period for going against the rule of law of the State.

of forest-based enterprises limited to ones that would be acceptable to Maoists. Some CFUGs were also asked to change their name to one with Maoist significance; this immediately made them targets for retribution by the government forces. Sometimes forest users had to seek permission from both the Government Department of Forests and the Maoists in order to conduct any forestry operations – a time consuming and difficult demand.

The CSPM approach brought considerable clarity of action to the often uncertain security situation during the worst years of the conflict. Nevertheless, project staff did not always find it easy to implement. With some minor and brief exceptions, staff remained stationed in the district headquarters - but trying to conduct activities as far as possible “as normal” required both courage and patience. Sometimes partners and even other staff members used the conflict as an excuse for doing poor work. On occasions there was also the sense of being undermined by higher level decision-making and the strong need for SDC coordination. One particular issue was a feeling of solidarity with other project staff, and not wishing to jeopardise project operations, and thus jobs, by speaking out about problems.

*“During the conflict, the working policy and strategy had to be changed so frequently that the implementing partners were confused and were not able to cope with the project’s changing strategy. Although the main aim of SDC was to engage with the government and rebels to create development space for projects and partners to operate in and on the conflict, on various occasions project staff and partners were in a tense situation... Senior SDC staff went to a secret place “underground” to meet rebellion<sup>16</sup> leaders. This empowered the rebels who then thought that they were important as they could obstruct development work and ‘big’ officials would go to see them. This in turn disempowered local project staff, as the rebel leaders would not listen to them and would demand the presence of big officials from SDC. As a result SDC projects (NSCFP and similar other SDC funded projects) were accused of being too ‘soft’ on the rebels, or local staff and SDC were even accused of being ‘supporters’ of the rebels”.*

Anita Shrestha, NSCFP Ramechhap

#### **Box 7. Operating during the period of conflict**

Usha Dahal, District Forest Coordinator of Okhaldhunga recalls her memory of working in and on conflict during 2004-2005 in the following way.

“As per SDC’s policy at that time we continued development efforts in community forestry despite the heightened conflict. We wanted to focus our interventions on targeting the poor households in remote areas – mostly those affected by the Maoists. According to the CSPM approach, when going to the field we had to inform our plan of movement to the district administration and the police, and had to secure their permission to travel to that area. On the one hand, this put us on the suspect list of the administration, as how was it possible for us to work in such places without having connection with Maoists ? On the other hand, the Maoists were furious to see us there in the village running programmes without registering our project in their ‘government unit’ and gaining prior approval of the programme. They used to suspect us of being spies for the administration. Many of us were on the suspect list of “both the governments”. Nevertheless our commitment to serve the

*Two decades of community forestry in Nepal: What have we learned?*

people in need during the time of conflict, with impartial and friendly behaviour to all and a clean image, proved them wrong. Later, following the peace agreement, we were told by both of them that we were true development workers, nothing else!”

Similarly, Anita Shrestha, Forest Development Officer of Ramechhap district, recalls that she herself was kidnapped for a day by the rebels. This was a very frightening experience at the beginning. Nevertheless, it was also an opportunity for her to explain how the project operated and for whom. She was able to communicate about the project’s goal, mission, working strategies and the impartiality that she had to maintain. At the end, the rebels were somehow convinced by her, and she was released the next day. She had the strong impression that the main reason the rebels believed her was that she worked for the Swiss. Some of their leaders were aware of NSCFP’s work, and thought well of it. In addition, they had a positive image of Swiss support for vocational training, suspension bridges, community forestry and the Lamo-sanghu to Jiri road.

The chairperson of FECOFUN Ramechhap, Narayan Karki remarked that many committee members of CFUGs and FECOFUN leaders, including himself, were threatened, thrashed and man-handled in an attempt to get them to hand over at least 50% of the groups’ funds to insurgents. Yet they resisted. Since on many occasions the fund was granted to the poorest households, the Maoists were under moral pressure not to demand too much. They feared that if the poorest households, whom they claimed to be fighting to liberate, saw that they were only after money, they would go against them.

*“Open feedback about feelings about development space in conflict to top SDC or project leadership could have caused either an additional task to travel to engage with warring parties for dialogue, which would often expose the one for forced donation or suspect, or the closure of the project – which would have risked the livelihoods of many project beneficiaries and staff. Since despite SDC’s attempt to create development space and protect staff, the working environment was fearful, some people would not express their feelings in meetings but they used to express their feeling of insecurity and uncertainty in person only”.*

Anonymous, one participant of NSCFP’s Whole Staff Meeting

Looking back on the conflict period, different people perceive the effects differently – no doubt in part reflecting their different political views. For some, the conflict merely served to **constrain development** activities.

*“The conflict in fact had negative impact on NSCFP’s work. In many groups much of the fund of CFUG was captured by the rebellion group. Not much creative and innovative work could be crafted during the conflict; only a few programmes had to be continued which were safe. Attention had to be placed more on the security and safety of staff rather than the effectiveness of the programme. NSCFP was sandwiched between the warring parties. I don’t think conflict had any positive impact on development; if there had been no conflict, much could have been done to improve the livelihood of the people through forest management.”*

Bal Krishna Sharma, Journalist

For others, the conflict **accelerated the process of social transformation** – particularly the movement against discrimination based on caste, ethnicity and gender. Since local elites were challenged and sometimes chased out by the Maoists, they could no longer continue overtly discriminatory practices – particularly towards Dalits and others of disadvantaged backgrounds. Social acceptance of specific measures to improve the livelihoods of the poor, listen to their opinions, and pro-actively include them in development dialogue, also grew. Another positive effect was that fund management by CFUGs generally improved, becoming more pro-poor and less subject to misuse. This may be explained by the threat of Maoists confiscating the community funds.

*“I feel that the conflict situation helped NSCFP to become more inclusive and pro-poor in a very effective way. So in that sense, the conflict created an environment for NSCFP to be more pro-poor.”*

Damber Tembe, NORMS

*“The Swiss policy was understood by the rebels as ‘apolitical’ and impartial, so the rebels were soft towards the Swiss. The pro-poor programme of NSCFP was very compatible with the aim of the rebels who were also fighting for the poorest and voiceless.”*

Usha Dahal, NSCFP

*“...we carried out the programme satisfactorily by building their trust and confidence on our working principle and strategies towards the livelihoods improvement of poor and disadvantaged group of societies. We convinced them on the pro-poor programme and democratic community forestry approach as the inspiring tool for social transformation.”*

Ganga B, Bishwakarma, Forest Development Officer, Okhaldhunga

In conclusion, the CSPM approach of SDC has been widely hailed as a success – most notably in enabling project activities to continue in the field, albeit at a highly reduced and adapted level. In seeking to support community forestry in remote areas, NSCFP was amongst those projects that were especially challenged by the security situation, yet it managed to continue at least some activities throughout the entire conflict period. The local trust and credibility thus generated has been an important factor in continued work during post-conflict times.

### **Key issues for the future**

It is hoped that the peace-building process will bring a permanent end to the conflict, and that CSPM will thus become an approach of the past. At the same time, the conflict is not yet fully over, and it will not be for sure until disparities based on class, caste, ethnicity, gender, remoteness and vulnerability are addressed. Commitment to address such issues is therefore needed, always keeping an approach of adaptability to changing conditions. In this context, the following lessons may be learned.

- The “do no harm” approach of analysing options according to how they will impact on whom, can also be used in the post-conflict period and is indeed highly suitable for it.
- NSCFP’s attempts to target the poorest households in the most remote parts of the districts were in fact an important vehicle of CSPM, and generated respect from all parties. Addressing such spatial poverty should be continued.



## 8. SUSTAINABLE TREE AND FOREST MANAGEMENT

*“NSCFP has done a commendable job in forest management. It is the source of greenery in our otherwise denuded and degraded forests through plantations, and training in nurseries, forest development and management.”*

Krishna Bahadur Karki, Chairperson, Thangsa Deurali CFUG, Dolakha

*“Still far more need to be done to promote the practice of sustainable management of forest according to their types and on tree harvesting procedure in Community Forestry.”*

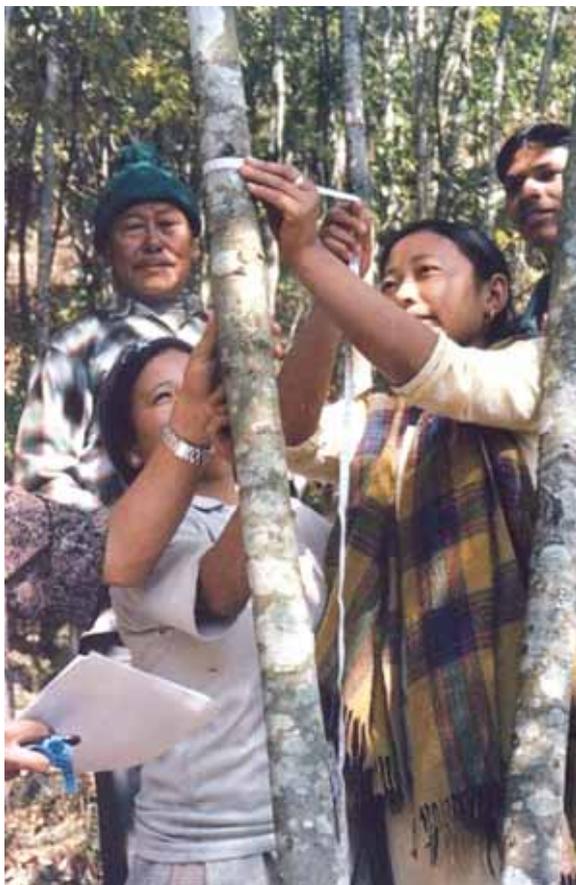
Gopal Kumar Shrestha, DG, Department of Forests

Restoring tree cover to degraded slopes was an early project objective, as described by the CFUG chairperson above, and is well illustrated by photographic comparisons between the early 1990s and today (Pokharel and Mahat, 2010). Indeed, **afforestation** had already been supported under the earlier SDC-funded IHDP in Sindhupalanchok and Dolakha districts. Attempts were also made to encourage private tree cultivation through the provision of planting material, although it was later found that farmers often cultivate trees spontaneously when necessary (finding their own seedlings), if they have the land to do so (Carter, 1992).

In keeping with other community forestry programmes in the country, attention shifted in the mid 1990s from tree planting to **sustainable forest management**. A particular silvicultural challenge at the time was how to convert areas planted with monoculture pine (usually the fast-growing exotic *Pinus caribaea*) to mixed broadleaved forest that would more readily serve fodder and fuelwood needs. Whilst NSCFP worked on this issue, the project was particularly innovative in developing “user-friendly” methods for sustainable, productive forest management. Many members of Forest Department staff at the time were concerned that handing over forests to communities would result in over-harvesting (especially of timber), so determining sustainable harvesting levels was important both for them and for CFUGs. In fact, the tendency of most CFUGs in the early years of their formation was to ban all harvesting (often including fuelwood and fodder) in order to conserve the forest. Unlike richer members who generally have some private resources, the poorest generally have no alternative source of tree products. Thus when promoting community forest management, it was a priority to determine how forests could be managed for multiple products on a sustainable basis.

*“NSCFP’s concept of forest management has been very effective. CFUGs which had conventional views that trees should not be felled to conserve forests have now been actively involved in the timely management of forests.”*

Prakash Raj Bhandari, Chairperson, Ram Bazar CFUG, Okhaldhunga



*Forest users are good managers of forest*

Since quantifying what is growing in a forest is the first step to determining sustainable harvesting levels, an early project focus was on participatory forest inventories. Monitoring data indicates that in 1996, only 4 out of the then 162 CFUGs in the project area had conducted an inventory when preparing their Operational Plan. By 2004, the number was 470 out of a total 705 CFUGs; by 2010, it was almost all 1,024 CFUGs. A number of years of action research resulted in a series of publications giving recommendations on the sustainable management of a variety of NTFPs (Paudel and Rosset, 1998), guidelines for community-based timber and NTFP inventories (Rai, aus der Beek and Dangal, 2000 and Paudel and aus der Beek, 2001, respectively), as well as instructions for field facilitators on NTFP management (Paudel, aus der Beek, and Bhujel, 2002). This work paved the way for users to manage community forests not only for the usual subsistence products of fuelwood, fodder and occasional timber for construction, but also medicinal, oil-bearing and fibrous plants for **commercial purposes**. As a result, CFUG Operational Plans could be improved, especially in areas where the forest has considerable productive potential.

The action research also resulted in a considerable increase in capacity – skills and knowledge – amongst DFO staff. Nevertheless, a conservative

mind set still prevails. Thus prescribed felling of timber in community forests remains to this day only half (2% per year) that of the annual increment (which for many species in the mid hills is estimated to be up to 4% per year), whilst what is actually harvested is generally less than that prescribed. When not thinned and properly managed, forest productivity declines, particularly with regard to timber (high tree density resulting in a very low annual increment). The result of this very low level of timber extraction is not simply a matter of inefficient management. It has a direct and negative impact the CFUG members, particularly the poorest amongst them, who as a result of low timber harvesting have a reduced share of benefits. This issue is described further in the section on forest-based enterprises.

#### **Box 8: Sustainable Community Forest Management in practice**

It is not difficult to find local people who perceive a massive positive change in the landscape as the result of community forestry. One example is Min B. Tamang, member of Piple CFUG, Kathjor, Ramechhap, who remarks as follows. “After ten years of continuous efforts by us, the bare land that was given to us has now turned into dense forest and it is the habitat of many wild animals.”

In addition to their institutional activities, CFUGs regularly conduct silvicultural operations.

Indra B. Shrestha, a member of Golamtar Palekoban CFUG, explains how this is handled in her CFUG. “We carry out cleaning operations annually in various blocks in a rotational basis, and have harvested almost half the large trees in the area. They have been replaced by more and diverse tree species. It is now so visible that these operations have enhanced forest health in terms of diversity, as well as fulfilling users’ demands for forest products. Rotational grazing has been promoted in certain months, when people are allowed to graze a limited number of animals in particular blocks.”

Narayan Khadka, member of Sakshat Seti Devi CFUG, Ramechhap, comments “...we have put fire line construction as an important activity in our annual plan. We do it and it has been effective, because unlike in the past we have had few incidences of fire in recent years, and we have been able to fight against it on the few occasions that it has occurred.”

Similarly, Thulo CFUG in Rampur, Ramechhap, has on its own initiative undertaken actions to minimize the impact of landslides along a road corridor of some 1.5 km. The CFUG collaborated with the District Soil Conservation Office to plant grasses and bamboo. These provide the dual benefits of soil stabilisation and fodder that can be cut for livestock.

As part of project support for innovative community forest management, a number of demonstration plots – known as **Community Forest Management School (CFMS)** plots - were established in the three project districts. The idea, borrowed from the well-known concept in the agricultural sector of Farmer Field Schools, was to give forest users the opportunity to test different management regimes. Five CFMS were established with project support in each district; in Ramechhap, a further five were established through DFO support. In all cases the differentiated management was started with enthusiasm, and records maintained for a few years. After this, however, the rigour of management declined – mainly as a result of the difficulty (near impossibility) for project or DFO staff to visit the plots, which led to a drop in the motivation of CFUG users.

*“In most cases Community Forest Management School (CFMS) plots were established and measurements taken for some years, but later they were left unattended and unmanaged. It was difficult for villagers to maintain them with all the tables and figures in the register without technical support from the DFO staff. Although villagers were still willing to continue the management of the experimental plots, they had difficulties in understanding technical terms and volume tables, and no incentive to do so. In one case the person who was trained for the CFMS left the village for [employment in] the Gulf and his replacement has not yet received training”.*

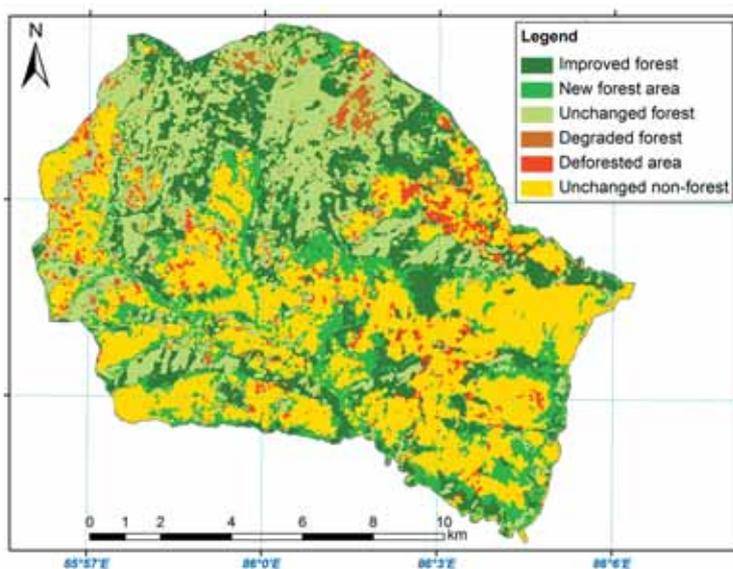
Surya Kumar Maharjan, Forest Consultant for NSCFP

It was unfortunate that at the same time that knowledge and skills in multi-purpose forest management were being harnessed in the project area, the civil conflict was escalating. This meant that visits to forest areas by project or Forest Department staff – or indeed gatherings of forest users – became dangerous. Forests were perceived by the security forces as being hiding grounds for Maoists, and as a result sometimes community forests were felled, or at least the understory removed. Over the period 2003 – 2006, the project was strongly hindered from conducting any innovative forest management activities. During and after that time, the project focus shifted to other issues such as gender, equity and poverty (in line with SDC

priorities). This has led to perceptions among some stakeholders that the project did not do enough on forest management issues.

Looking back over the 20 years of project activities, work on sustainable forest management peaked in mid-way through the project's life. In the post-conflict period, it should have been possible to return to more intensive support – with important emerging topics being the management of high altitude forests (identified for special consideration earlier, but not possible to follow up for reasons of limited access); the monitoring of environmental changes – forest condition, biodiversity, soil and water conservation; and opportunities afforded through climate change adaptation and mitigation mechanisms. The importance of all these topics was recognised by NSCFP staff (see Pokharel and Byrne, 2009), and indeed certain efforts were made to include them in project activities, but they were perceived to fit poorly with the emphasis on governance and poverty alleviation. This said, it is a fact that forest cover in the area has increased in area and in density.

An improvement in forest cover following the introduction of community forestry in Nepal has been well documented in various parts of the middle hills (see for example, Branney and Yadav, 1998; Gautam et. al., 2002; DOF, 2005; Kandel, and Neupane, 2007; Luitel et. al., 2009; Nagendra et. al., 2008). These findings are fully supported by the photo monitoring of the forest cover along the Lamosanghu - Jiri road corridor (Pokharel et. al, 2011). To quantify the change observed in the photos in terms of the areas and density, the project commissioned a study to analyse forest cover change in Dolakha district using GIS (Geographic Information System). The study was conducted in the clusters of Bhimeshwor, Singati, and Thulopatal, covering 10 VDCs. Landsat imageries from 1990 and 2010 as well as aerial photographs from 1992 were obtained, and a GPS survey of a total area of 27,902 hectares conducted. Community forest boundaries were digitised and compared against the Landsat images. The study results showed that the forest density has improved in all three studied clusters between 1990 and 2010. The rate of conversion from sparse forest to dense forest was between 1.13 - 3.39 % per year. Similarly, the forest area has increased at a rate of up to 1.96 % per year. In comparing the patterns of forest cover change in



Forest cover change in Bhimeshwor cluster between 1990 and 2010

different management regimes, it was found that the rate of conversion of non-forest areas into forests was significantly higher in the community managed forests compared against government and private forests.

In addition to these demonstrable increases in forest density, data from the project's sample 116 CFUGs shows that whilst in year 2000, only a little more than half (68) of the sampled CFUGs were actively managing their community forest, by 2008 this had risen to over 95% of them (113) (Chhetry, 2010).

*"NSCFP has not been able to address high altitude forest management to the extent that it could have done."*

Arun Sharma Paudel, Department of Forests; also Kumbha Raj Lama, Former DFO Okhaldhunga

*"Despite its strengths, the project has placed little focus on the linkage between forest and climate change."*

Peter Branney, Project Adviser, LFP

*"Attention is required in identification, protection and management of biodiversity, especially the endangered species. Community forestry has an important, but not well recognised role in biodiversity conservation, this is a largely unfulfilled role of community forestry."*

Khil Bahadur Tamang, Forest Ranger. Ramechhap

### **Key issues for the future**

- Despite the availability of sound technical methods to calculate sustainable levels of timber harvesting, and the existence of data from most community forests in the project area to allow such calculations, timber harvesting remains far below optimal levels. This represents a waste of the resource – since harvesting is necessary to optimise forest productivity - and a major loss of CFUG revenue. Increasing timber harvesting from CFUGs and ensuring that the benefits are distributed equitably remains a major challenge for the future.
- The work conducted by NSCFP on sustainable NTFP harvesting could usefully be revived and disseminated in CFUGs currently conducting – or planning to conduct – commercial NTFP operations. Further refinement of such methods could also be considered.
- Ideally, the boundaries of all newly created CFs should be digitalised, with these digitalised maps forming part of OPs and being kept in a national database. Similarly, a gradual digitalisation of all CF boundaries should be conducted to ensure that they cannot be contested, and that national CF records are accurate. This will be especially important in the case of future carbon markets.
- In the event of payment for environmental services becoming a widely implemented reality, there is huge potential to elaborate, test and introduce simple methods for the participatory monitoring of forest biodiversity and condition. Methods for community-based carbon assessment and monitoring could also be widely tested and introduced.
- The challenges, opportunities and mechanisms for community forestry in high altitude forests (where users are often seasonal and from a variety of locations) are worth further investigation and support.



## 9. FOREST BASED ENTERPRISES

*“NSCFP was successful in broadening the vision of economic development and establishing pro-poor enterprises ensuring shares for the poor. This kind of experiment is very exciting, because if it works, it has the capability to transform rural people’s lives.”*

Mike Nurse, NSCFP CTA mid 2002 – mid 2004 (and working for NAFFP 1990 – mid 1993)

*“NSCFP has identified the poor and helped them become forest entrepreneurs. Despite NSCFP being ahead in forest policy influences, it still needs to work on economic transformation of the CFUGs for their sustainability.”*

Parbat Gurung, Forest-based entrepreneur and social activist, Dolakha

Forest-based enterprise development under NSCFP is perhaps the most controversial of all project components. Project staff recognised quite early on in the project’s history that for CFUGs to become fully independent and self-financing, they needed to be able to generate substantial income from their forest resources. The best way to do this was identified as being through better processing and marketing of forest products, at the same time creating local employment opportunities. Non-timber products were considered to have particular potential given that timber harvesting was and remains a sensitive issue. The difficulties of supporting the establishment of viable commercial enterprises in remote locations where those concerned have very little business experience or market information should not be under-estimated. Indeed, at one stage there was a proposal to develop a separate project focusing on this issue (see quotes), but it did not materialise. Instead, NSCFP itself took up the challenge.

*“SDC missed, in 1994 and again in 2003, and despite strong and justified demand by the project, the opportunity to effectively and sufficiently support the much greater potential for income generation by the FUGs and rural population by refusing to specifically increase and proactively target support for “Forest product promotion and marketing”...”*

Patrick Robinson, forestry adviser to SDC Nepal 1989-1995 including CTA NSCFP 1990-1995

*“Forest-based enterprise development was an issue on which there was a division of opinion between the COOF and SDC-Bern. We in the COOF [SDC-Nepal] pushed strongly for a separate project on Forest Products, with a strong marketing component.... However, the Forest Products project never came about.”*

Karl Schuler, NSCFP Team Leader (for SDC) Sept 1995 – April 1999; Assistant (later Deputy) Country Director of SDC in Nepal to Feb 2004

NSCFP’s initial approach in supporting forest-based enterprises, from 2000 to

2006, was driven by a strong pro-poor focus. This followed project objectives, and was also essential to gain acceptance from the Maoists in the project area (who were highly sceptical of any “capitalist” interventions). Entrepreneurial training based on a variety of products was provided to some 500 villagers in many remote areas. About 200 of those trained established micro-enterprises. Most were household-based, a few were CFUG based, and three were medium sized enterprises, established according to a tri-partite partnership model. The three partner categories of these latter enterprises – processing traditional paper, fruit juice and resin – were the concerned CFUGs, the *bipanna* amongst their membership, and local investors or entrepreneurs. Each invested in the company and thus had shares in it – with the project investing on behalf of the *bipanna*. In this way, the project sought to both provide start-up capital for the enterprise, and ensure that the *bipanna* had a voice in the management – with the opportunity to earn dividends from eventual profits. This exciting and innovative model, inspired in part from a study tour to India in 2003 (organised through a support agency for small businesses in Bangalore), became known as the **Pro-Poor Enterprise (PPE) model**.

By 2006, some 23 different types of forest products were being processed and marketed in the project area, but (with a few exceptions) there was little deliberate, focused involvement in specific value chains. About 1,500 CFUG members were receiving direct employment, ranging from 3 to 10 months per year. This does not include the indirect employment generated in other value chains beyond the project districts. The average total annual turnover had by then risen to Rs 12 million, of which more than 60% comprised wages for local people (Paudel, 2009). Yet despite these achievements, there was concern about the unbalanced focus between social and commercial objectives in the pro-poor enterprises. In particular, very few *bipanna* understood the concept of shares, meaning that having shares did not serve as any motivation to them. Indeed, the investment undermined any sense of responsibility for the financial risk entailed, and tended to promote a mindset of dependency. It was also only replicable in situations where there was a philanthropic intention rather than a solely commercial interest. Project staff thus took a conscious decision to cease any direct financial investment in forest-based enterprises. There is a certain irony in this, in that “shares for the poor” have since been taken up by a number of other agencies which do not appear to have realised the associated problems. Essentially, purchasing shares in a company and allocating them to poor people is a simple mechanism of making a donation, but it not only does not guarantee, but often does not result in, genuine benefit to those whose names are on the shares.

*“Most bipanna cannot be successful entrepreneurs despite very heavy facilitation and other inputs. We have not been able to encourage adequate private sector investment in forest based enterprises.”*

Hem Tembe, Former District Project Coordinator, NSCFP, Ramechhap

“NSCFP developed the pro-poor enterprise model that provided shares to poor people and CFUGs. The credit however went to ANSAB [another NGO supporting local enterprises] as NSCFP gradually ceased this approach.”

Dil Bahadur Khatri, Forest Action

### Box 9: Two Pro Poor forest management enterprises producing hand-made paper: one success and one failure

The **Everest Paper Making Enterprise** (full name-Everest Gateway Herbs Private Limited) located in Jiri, Dolakha district is a unique and successful model of a pro-poor enterprise. Established some seven years ago, it is managed through a share-holding mechanism promoted by NSCFP in a tripartite collaboration between the private sector, CFUGs and the *bipanna* members of the CFUGs as share-holders. The enterprise share-holders include seven CFUGs, 126 *bipanna* households (selected through well being ranking), 130 local entrepreneurs, 16 private investors and two institutions. NSCFP provided the share of investment in the enterprise on behalf of the *bipanna* households, and coaching on organisational management. The local infrastructure project of Helvetas which is also funded by SDC supported the construction of a building. Since establishment, each *bipanna* household has received dividends four times, amounting to more than Rs. 5,000 per household. The enterprise employs 12 persons on a regular basis for at least 8 months per year at the remuneration of Rs. 7,000 per month per person, whilst some 100 persons are employed in collecting raw material and firewood for three months per year. Factors militating towards its success have been

- a strong willingness and commitment to collaboration between the local communities, the local forestry officials and the private investor – all of whom come from the Jiri area,
- the sound leadership of a well respected person from the locality.

The main challenges faced by the enterprise are

- a declining availability of raw materials.
- delays in management related decision-making process due to the tripartite governance system

To overcome these problems, the enterprise considering possible alternative raw materials, product diversification such as briquette production in addition to the paper, hiring competent and skilled labour force, and a slim management committee etc. The Everest Gateway model challenged the conventional model in which elites engage to make profit and the involvement of the poor and disadvantaged is limited to the provision of (often poorly paid) labour. Instead, it facilitated their economic empowerment as equal partners of an enterprise in which they have decisive management roles. Further, they have access to and information about employment opportunities as skilled labourers.

The **Likhu Khimti Forest Products Processing Enterprise in Rasnal**, Ramecchap was established in 2007, in recognition of the rich *lokta* (*Daphne* spp) resources in the local community forests, and the perceived strong demand for hand-made paper in Kathmandu. Eight CFUGs came together, with technical advice and support from NSCFP and others. A total 42 *bipanna* were selected to receive priority in wage labour opportunities, as well as shares in the enterprise. Each was allocated Rs 7,000 in shares, but despite their interest *bipanna* households were not in a position to buy share. FECOFUN and one local service provider approached the project together with some representatives of CFUG committee and *bipanna* to the project to provide them Rs 294,000. NSCFP provided that sum of money

as part of equity share in the name of 42 *bipanna* households out of the total investment of Rs 583,000 envisaged in the business plan prepared by the local facilitator. Paper-making equipment was purchased, and women and men trained in its use. Activities commenced, and in the first two years an income of Rs 250,800 was generated. However, a number of difficulties arose, as follows:

- Labour was a limiting factor. Although the *bipanna* were aware of their shares in the company, this was not a sufficient motivation for them to choose to work for the enterprise when they could be paid better elsewhere. The enterprise paid only Rs 160/day, and payment was only made once the product had been sold – meaning there was often a considerable delay until the workers got paid. At the time, a road was being built – for which labourers received Rs 200/day, on the day. Seasonal porter work (carrying potatoes) was also better paid.
- Important managerial decisions often got delayed. Being set up in a democratic manner, representatives of all 8 CFUGs were required participate in key management decisions. This proved to be time-consuming and difficult to organise.
- Leadership was contested, with complaints being made against the enterprise Director, who turned out to be undemocratic and top down.

At a meeting of shareholders and wider stakeholders in October 2010, the decision was taken to lease the management of the company to one person. The company assets were valued at Rs 347,600, and management was contracted at the lump sum payment of Rs. 30,000 per year. However, this arrangement failed to work due to labour shortages and resentment amongst some of the shareholders.

Lessons can be learned from both enterprises, whether successful or unsuccessful. Important factors determining success include the interest and commitment of local people, a robust business plan, democratic leadership, a slim and efficient management team, full cooperation from local forestry officials and local entrepreneurs and investors, and the availability of a sustainable source of raw materials.

From 2006 onwards, NSCFP focused its forest-based enterprise activities on a limited number of specific products, selected for having particular potential to impact on the livelihoods of the poor. Support was conceived according to the **value chain approach**, under which the entire supply chain of a product from raw material to final article is analysed, and “bottlenecks” or weak links are identified. Interventions are then supported in a way that gives opportunities for the poor to benefit – thus drawing also on the concept of **making markets work for the poor**<sup>17</sup>. This new approach was more commercially oriented, and the inputs provided - in terms of direct advice, support for business services and links to sources of credit and to markets - are less tangible, but nevertheless very practical.

The fact that from 2006 onwards NSCFP no longer provided capital or share to *bipanna* or to enterprises took a long while to be accepted, given the earlier precedent that had been set. Instead, the project facilitated financial institutions and CFUGs and facilitated enterprises in seeking capital from other sources. This included support in drawing up realistic business plans and in more general

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<sup>17</sup>See <http://www.mmw4p.org/>

entrepreneurial orientation, such as value chain mapping and assessment of market demand - thus identifying new products with marketing potential. At the same time, the need to establish links with actors further along in the value chain was stressed, and such interactions facilitated. Finally, policy and legal issues acting against the interests of forest users were identified and brought to the notice of policy makers through Project Steering Committee meetings, national level workshop, policy papers and briefs.

The value chains initially chosen for particular focus by NSCFP were handmade paper from *lokta* (*Daphne* spp) and *argeli* (*Edgeworthia garderi*); essential oil from wintergreen (*Gaultheria* spp); resin from pine trees (notably *Pinus roxburghii*); juice from the bel fruit (*Aegle marmelos*) or syrup produced from Rhododendron flowers; fibre from the Allo plant (nettle, *Urtica* spp); and briquettes manufactured from the biomass of community forests. These six value chains were reduced to four in the last phase, with the decision that project engagement in the paper-making, nettle fibre and juice/syrup-making value chains had achieved what was possible. A new value chain was, however, added to those of project focus – that of timber. The project's experience in four value chains is briefly highlighted below.

**Traditional paper making** using the fibre of the commonly occurring forest shrubs *lokta* and *argeli* is a well established small industry in the project area, but one in which individual enterprises have seen very different fortunes, as may be seen in box 9. Key issues have proven to be the supply of raw material, labour availability for processing, and product



*Nepali handmade paper making business is a source of income for forest users*

quality. Although the shrubs from which traditional paper is made are quite common, and sustainable harvesting techniques exist and are known, it is still possible to deplete the resource if harvesting levels are not fixed and respected. This has sometimes occurred (albeit not to a grave extent), despite the fact that NSCFP developed sustainable harvesting guidelines in the late 1990s. It was found that every CFUG involved in *lokta* and *argeli* harvesting needed coaching in sustainable methods; once this need was identified, NSCFP took steps to address it. Processing fibre to make traditional paper is quite labour intensive, and does not always offer attractive pay unless a good price for the product can be obtained. It is for this reason that quality assurance is crucial. There is plenty of poor quality paper available on the market, but manufactures of “value added” paper products in Kathmandu

will pay a premium for good quality paper. NSCFP was able to facilitate this crucial link between the producer and a Kathmandu based buyer, resulting in quality issues being addressed, in the case of Everest Enterprises. Other paper producing enterprises could, however, not reach similar standards.



*Forest users making essential oil from winter green plants*

*“Challenges of forest based enterprises have not been well addressed. As a result of this approach, paper factories in Ramechhap are now on the verge of collapse.”*

Govinda Man Shrestha, FECOFUN

**Essential oil extraction**, most notably of wintergreen, is another small scale forest-based industry drawing on a quite plentiful supply of raw materials – although again in this case it was found necessary to revisit the harvesting guidelines prepared by NSCFP in the late 1990s and ensure that CFUGs were properly coached in sustainable practices. By 2010, some 16 small distillation units producing wintergreen oil existed in Dolakha district, whilst in Ramechhap, two enterprises were producing a variety of oils. Project

records show that over the fiscal year 2009/10, a total of 893.5 kg essential oil was produced from these units. However, there is one major concern in the whole essential oil value chain, which is that whilst the wage rate has increased (to be competitive with other wage labour opportunities), the price paid for the oil has barely altered. The result is that it is increasingly difficult to cover the cost of production. Furthermore, one company has a near monopoly on oil purchases. It argues that prices on the international market are low, due to competition with cheap Chinese oils, but the full situation is more complicated. It is known, for example, that the company has made some ventures into the sale of certified organic oil, but has not passed on the greater margin made on such oil to the CFUGs (who have incurred costs from the certification). NSCFP addressed such issues by attempting to bring greater transparency and information to shareholders in the essential oil enterprises. It also investigated other market outlets, particularly with organic or “Fair Wild” labelling, although these could not be secured within the project lifetime.

**Resin** is a natural product of the Chir pine (*Pinus roxburghii*), a tree species that occurs widely in the project area. Resin tapping is practiced to a limited extent in the project area, mainly in Ramechhap district—where resin-tapping companies have government permission to tap resin; in community forests, they have to make an annual agreement with the CFUG concerned and



*Resin tapping from pine trees is increasing in community forest*

pay them the (government set) royalty. NSCFP played a supporting role in a policy campaign to increase the revenue on resin – conducted through advocacy and reflection meetings between stakeholders and the Ministry. As a result, the price was recently increased a significant amount, from Rs. 3 to Rs.7 per kilogram.

*“The sharp increment in the [government-controlled] revenue for resin has encouraged CFUGs and local people to participate in resin extraction in Ramechhap. Out of 404 CFUGs handed over so far in Ramechhap, 53 of them have potential for resin extraction.”*  
Ratna B. Newar, the Secretary of the Tamakoshi Resin and Turpentine Private Limited, Ramechhap

Resin tapping requires basic know-how and skill in order to maximise yield without damaging the tree; this is also quite a hard, unpleasant job. The companies therefore bring experienced resin tappers from Palpa who undertake the harvest; the resin is then transported to Kathmandu for final processing and packaging. The NSCFP approach to this value chain was to suggest that CFUGs conduct resin tapping themselves, and organise processing in a local enterprise. To this end, training in sustainable tapping methods was provided to selected *bipanna*, and the creation of a community-based resin company was encouraged. Established as a partnership between local CFUGs and private investors, start-up funding for the Tamakoshi Community Resin and Turpentine Private Ltd. was provided partially by FECOFUN, and partially from private sources. It has, however, met with limited success as breaking into the existing market has proved more difficult than anticipated. A particular problem has been the difficulty in finding willing labour given that other, more attractive, options exist.

*“Not much attention is paid to product marketing and quality assurance in the management of community based enterprises. Moreover, the contribution of voluntary labour to promote and run enterprises by community members is not sustainable, as they cannot afford voluntary participation. Similarly, poor households have to be guaranteed employment opportunities rather than just a share in the enterprise capital. Facilitation support to identify the appropriate enterprise is not adequate. Most importantly, timber based enterprises have not been sufficiently promoted. Having the same leadership in FECOFUN as in the enterprise makes the situation complicated, as they cannot offer quality time to both.”*  
Prakash Katuwal, Area Value Chain Officer, NSCFP

**Timber** is well known as the forest-based value chain in which there is greatest potential to generate profit. However, it is also the most un-transparent of the value chains, entangled in a web of rules and regulations that are difficult to follow, and high levels of informal payments (tips and bribes). For this reason relatively few CFUGs in the project area were involved in timber harvesting until recently, and the project did not make it a first priority. CFUGs are required to obtain permission from DFOs to sell timber, and this is only given if all local subsistence needs can be proved to have been met. Separate permission to transport timber to the sales point is also required. Furthermore, timber harvesting is only permitted in the drier part of the year (November to June) – which gives a very short harvesting period for forests at higher altitudes. Another rule is that forest-based enterprises with the private sector investment cannot be established within or close to forests; a distance of at least 1 km from the forest boundary must be left. Conditions such as these tend to dissuade would-be investors. Other aspects that complicate timber marketing are the royalty rate, which is fixed as the same regardless of the type and quality of timber, and the payment of taxes at many points along the value chain (multiple taxation).

In the years 2008 - 2011, NSCFP supported a selected number of timber-rich CFUGs in cluster areas in making commercial use of their forests. This included

facilitating CFUG standing timber inventories and the revision of Operational Plans, organising study tours for CFUG members, Department of Forest and NGO staff on timber processing, supporting the establishment of timber depots, and providing assistance in the drawing up of business plans. In 2009/10, a total 22 CFUGs in the project area sold timber on the market, generating an estimated 5,572 working



*Community forests have started producing timber for commercial use as well*

days overall, of which over 70% were taken up by poor and disadvantaged household members. A number of practices that are disadvantageous to CFUGs were also highlighted. One is the auctioning of standing trees, which tends to be highly favourable to contractors and gives no incentive for environmentally sensitive extraction. Ideally, this should be halted completely. Another unfavourable practice is the centralised (district level) nature of controlling mechanisms, including the issuing of permits for felling and for transport. This would be more efficient if decentralised to range post or village level. The greatest hope for increased transparency and accountability in the timber sector is, however, from CFUGs acting together to push for change - and in so doing refraining from any illegal practices themselves.

Analysis of the harvesting regime of 178 cluster CFUGs indicate that there is an increased trend of the harvested timber both in terms of the number of groups and the volume of timber. In 2006, 120 CFUGs harvested 85,758 cubic feet (some 2,428 m<sup>3</sup>), whereas in 2010 the number reached 150 CFUGs, which collectively harvested 174,337 cubic feet (some 4,936 m<sup>3</sup>) timber. Nevertheless, harvesting rates still fall well below prescribed allowable cuts, indicating that CFUGs are more conservative than the Department of Forests.

In conclusion, much experience and many lessons have been generated from NSCFP's support for forest-based enterprises. The challenges in each value chain are different, although there are common threads. One is the difficulty of breaking into markets that are already well controlled by existing companies. A more fundamental and critical one is the offer of local wage labour opportunities - always seen as an important aspect of being pro-poor, with the disadvantaged having priority. Figures indicate that DAGs took up nearly 20,000 days of employment in NSCFP-supported forest-based enterprises in the fiscal year 2009-2010. Yet for three districts, this is small amount. Rather than simply generating paid labour opportunities, the real challenge has proven to be the generation of jobs that pay well, regularly and reliably, and thus allow those concerned to work with dignity. Given that alternative options exist (especially out-migration), until forest-based enterprises can offer good employment conditions they will tend to struggle in meeting their labour needs. Finally, there are many policy issues – evidenced by obstructive rules and regulations – that effectively inhibit opportunities for CFUGs to establish viable commercial enterprises. General forest policy issues are discussed in the final section.

### **Key issues for the future**

- Whilst the tripartite arrangement of enterprises in which shares are held by the identified poor, CFUGs, and private investors did not prove highly successful in all cases, the concept of promoting equitable enterprises remains valid. Future efforts should focus on promoting business partnerships between CFUGs and private concerns, with a professional manager employed to take daily management decisions, and strategic decisions taken by a representative board of directors. The directors should also be aware that the payment of dividends to CFUG members as soon as possible after establishment is a crucial factor in establishing a sense of ownership in the enterprise.
- Focusing on specific value chains is essential to understand the intricacies of supply and demand. Through this understanding, decisions can be taken on which interventions where along the chain hold greatest potential to increase profits for the CFUGs. Using this lens, particularly opportunities for the poor and disadvantaged can also be identified.
- The maximisation of commercial opportunities for CFUGs should be a clear policy priority. With this, there should be a thorough assessment and re-writing of the numerous rules, regulations and other obstacles currently

inhibiting CFUGs from generating the income that they could. This issue requires strong collaboration between different stakeholders in pushing for policy change – including members of the private sector, convinced members of the Ministry and Department of Forests, the Department of Cottage Industries, Ministry of Environment and advocacy organisations such as FECOFUN.

- The timber value chain remains the most potentially lucrative for CFUGs and thus it is important that continued support is given for CFUGs wishing to exploit their timber resources.
- Business services remain poorly developed in the project area, and in rural parts of Nepal more generally. There is a need for further support in developing such services – offering advice on matters ranging from the writing of business plans to value chain analysis, market assessment, product development, etc.
- In order to be attractive employers, forest-based enterprises need to give greater consideration to workforce management – making clear, mutually binding offers that guarantee a minimum number of days labour at a certain rate. Limited advance payment (as sometimes done in competing offers) might be considered as a means to enhance employee commitment.



# 10. FOREST POLICY CONTRIBUTION

*"The strength of the project in being able to influence policy and legislation was made possible by the strong and close involvement of project staff at field level combined with detailed monitoring indicators which enabled the justification for specific recommendations to be made on the basis of concrete and often quantified field realities"*

Patrick Robinson, forestry adviser to SDC Nepal 1989-1995 including CTA NSCFP 1990-1995

Nepal is well known in international forestry circles for its innovative policy on community forestry, developed and revised over a passage of more than forty years. The most important national policy and legislation currently guiding forestry in the country comprises the Forest Act 1993, the Forest Rules and Regulations 1995, and the Community Forestry Guidelines, 2009. The Act sets out Nepal's legislation on all aspects of forestry, including community forestry, whilst the Rules and Regulations provide more detail on the manner in which the legislation should be implemented. The Guidelines updated, and go beyond, the Forest Rules and Regulations in the level of detail prescribed. An important policy document that formed a basis for elaborating all these documents was the 25 year Master Plan for the Forestry Sector, which was approved in 1989 and has now come to an end of its period of coverage.

A new Forest Sector Strategy for a further 15 years is under development. This is to be aligned with the spirit of new constitution which is proposed to be a federal republic of up to 15 states. National and state governments will have to share power on resource governance. The role of the districts will possibly be limited to planning and coordination functions, and village municipalities, around 1,400—one third of the current number—are expected to be more empowered in terms of governing natural resources, tax revenue and administrative structures. They will have to work closely with local communities in matters related to natural resources including forests, water, sand, and land.



*FECOFUN advocates for the safeguard of the rights of forest users*

Discussions and debate are on-going in the constitutional assembly on the roles, responsibilities and rights of local and indigenous communities (including property rights over forest land). The current arrangement of only two types of property rights (state property and private property) being applicable to natural resources is being questioned. The demand of civil society organisations such as FECOFUN for the recognition of community property rights is gaining increasing public support.

At the time the original Master Plan was drawn up, an institutional reform took place that greatly facilitated the implementation of community forestry: each division in the Forest Department was made responsible for its own programme. This meant that community forestry had a clear status, and responsibility for its implementation was placed in the hands of the District Forest Officers (DFOs). Thus official decision-making (notably the approval of CFUG establishment and their operational plans) was devolved to a local, relatively accountable, and practical level. This coincided with a time of major political development in Nepal – the demise of the one-party panchayat system in 1990, a strong demand for democracy, and expectation of change. The concept of CFUGs (see section on governance) was in keeping with this demand.

In theory, the development and implementation of policies follows a “policy cycle”, along which clear points of possible contribution to the process can be identified (see box 10).

**Box 10: The theoretical “policy cycle”**

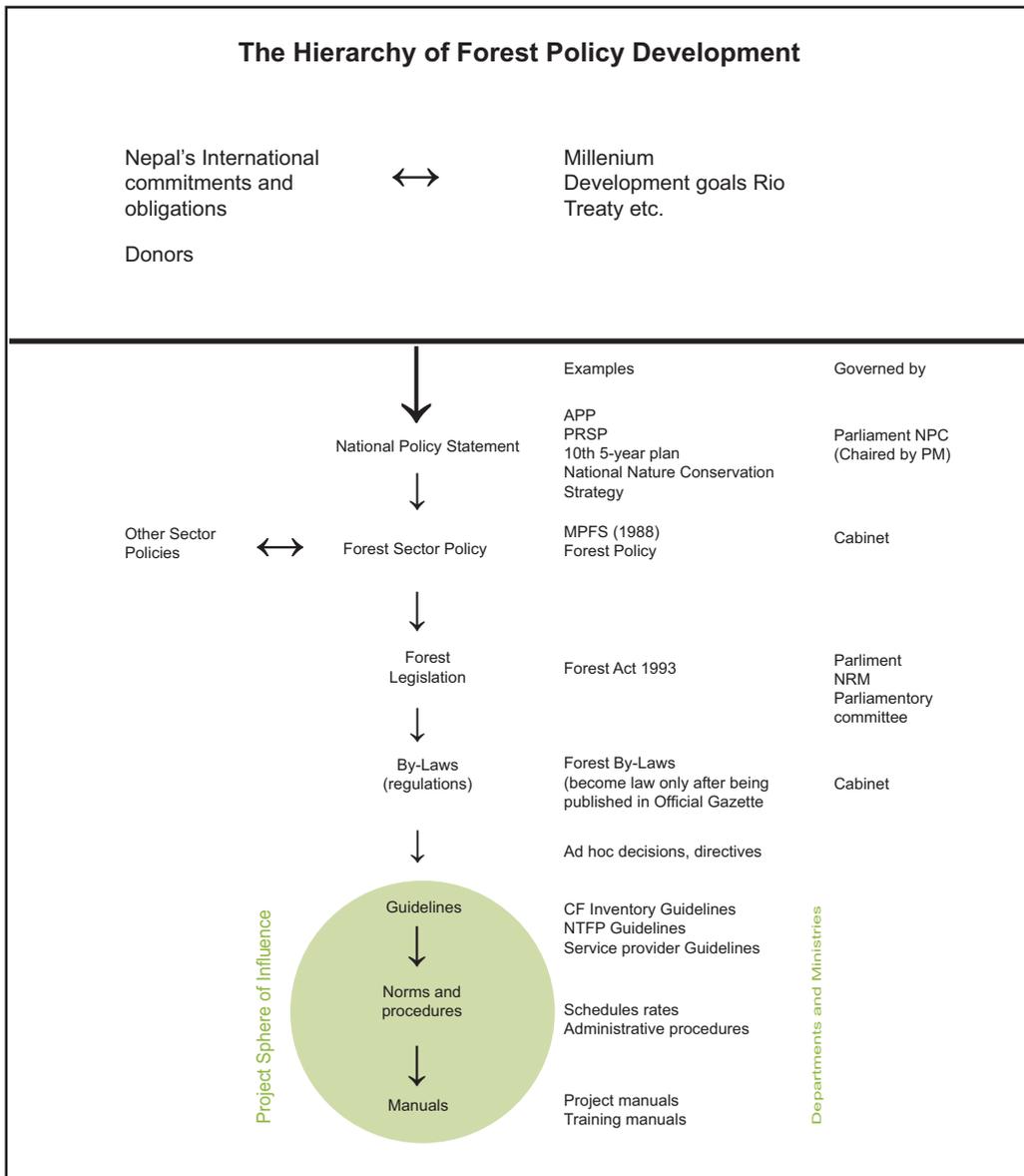
The development of policies may be seen to follow a circular pattern, made up of the following stages.

- Issue identification – where access to reliable, evidence-based information is crucial
- Assessment of policy options – where a range of possible policy responses are considered, and where their implications should be thoroughly reviewed
- Policy formulation – the stage of drafting legislation and passing it through the necessary discussion and consultation procedures to become law
- Policy implementation – the process in which a new policy is put into action, often requiring in turn the drafting of supporting rules and regulations; here of course there may be a risk of unintended consequences
- Policy evaluation – the stage at which the effects of a policy are assessed on the ground; the results, showing issues that need to be addressed, are fed back into further policy development .

Source: Adapted from Bird, 2009:4

In practice in Nepal, the process of policy development is rarely so clearly defined or streamlined, and opportunities for contribution are often ad hoc, dependent on being “at the right place at the right time”, and not always possible to plan in advance. Furthermore, the space for project intervention is generally quite limited,

and lies mainly at the level of ministerial guidelines and departmental manuals, and not so much at legislative level. Yet this is crucial because legislation provides the framework for such guidelines, as indicated in the diagram below.



Clearly national governments make the policy of their country, but in doing so they are influenced to varying degrees by external agencies, regional agreements and international conventions. Although community forestry in Nepal has been

*Two decades of community forestry in Nepal: What have we learned?*

promoted by donor agencies, it began with, and could not have succeeded without, national supporters within and outside the government structure. Amongst forestry officials, support for community forestry has grown considerably, but there nevertheless remain a significant number of forestry officials who are in favour of centralised control over forests, and limiting the rights of local people to any benefits from forest products (particularly any with commercial value). Through the training opportunities that it provided, NSCFP has – like other donors - contributed to counteracting such attitudes by building the capacities of community forestry “champions”. At the same time, field experience gained through bilateral projects has been and remains crucial in informing new policy and legislation, especially when involving the testing of innovative approaches, monitoring and evaluating the results, and disseminating them in documented form. NSCFP was amongst the more innovative of these projects.

*“Between the donors, it was generally accepted that the Australians, the British and the Swiss were at the forefront of promoting innovation in the implementation of the Community Forestry Programme, whilst DANIDA supported up-scaling in a less “hands on” manner. On what I have seen in my professional career...it is a rare lucky chance to have such a common strategy under which the government and the donors work together.”*

Karl Schuler, NSCFP Team Leader (for SDC) Sept 1995 – April 1999; Assistant (later Deputy) Country Director of SDC in Nepal to Feb 2004

In policy discussions leading up to the formulation of the Forest Act 1993, there was always a very active participation of donor representatives in meetings hosted by the Ministry of Forests and Soil Conservation, MoFSC. SDC’s presence brought in the field experience of NSCFP and – according to those present at the time, contributed to a consistent donor stance in support of the rights of forest users.

*“At that time I was the DFO of Bhaktapur, and I was picked to serve as a representative DFO in the departmental task force to draft the new legislation. It was exceptionally unique time, an enabling environment for all the stakeholders, including donors and donor funded projects, to contribute to craft a mechanism to implement the recently prepared Forest Sector Master Plan. There was a democratic parliament recently constituted following the pro-democratic movement. Many parliamentarians were quite young and energetic, and had an impression that the old Forest Act was “anti-people”. They therefore wanted to bring in new forest legislation that was “pro-people”. The donor agencies active in the forestry sector – particularly the Swiss, the British and the Australians – really supported this.”*

Bharat Pokharel, NSCFP Director

*“The combined forces of NSCFP, NAFP, NUKCFP<sup>18</sup> and the World Bank provided enough unity and persuasion to convince the government to reform the forestry law – resulting in the Forest Act 1993. We all shared the same opinions, founded on effective development practice, a powerful donor to back up the ideas and a listening bureaucracy.”*

Mike Nurse, NSCFP Chief Technical Adviser mid 2002 – mid 2004 (and working for NAFP 1990 – mid 1993)

<sup>18</sup>NAFP was the Nepal Australia Forestry Project; NUKCFP the Nepal United Kingdom Community Forestry Project.

Another observer – and active participant at the time – makes the point that it was very important in policy discussions in Nepal to have strong backing from Switzerland, and that this was indeed forthcoming. At this time, of course, NSCFP was directly implemented by SDC; thus the donor representative in discussions, Patrick Robinson, was an individual who had in-depth knowledge of project experiences.

*“From the outset....and for the first years of project implementation, [SDC was] consistent in their priority and commitment for a radical change in donor support towards equitable rural household demand based and managed sustainable forest development, ... As there was strong resistance from many quarters in Nepal against these strategies, the unflinching support provided in the early years by key SDC COOF and Head Office staff was crucial.”*  
Patrick Robinson, Forestry adviser to SDC Nepal 1989-1995 including CTA NSCFP 1990-1995

In the latter part of the 1990s and early 2000s, there was generally less substantial forestry-specific policy dialogue, due to the preoccupation of government, civil society and donors alike with the deteriorating security situation. It was, however, a time that leasehold forestry gained considerable credibility within the Department, and was strongly supported by one donor (DANNIDA). NSCFP reflected and learned from the work of others, undertook its own analysis, and concluded that whilst leasehold forestry has potential to be “pro-poor”, it was often not so in practice (see Baral, 2003; Bhattarai et.al., 2007). Thus the consistent line taken in donor meetings with the Ministry (also supported by DFID) was that leasehold forestry was more appropriately seen as a sub-component of community forestry, rather than a separate programme.

*“NSCFP has been engaged more in pro-poor community forestry policies and less on leasehold forestry that is intended only for the poor.”*  
Ramesh Sunam, Forest Action

Perhaps the most obvious direct role played by NSCFP in shaping community forestry policy in Nepal today is through the **National Community Forestry Guidelines**. Those drafting the guidelines drew heavily upon the project’s practical field experience, especially with regard to community forest inventories; the use of well-being ranking to identify the poorest and most disadvantaged members of the CFUG; and the legal requirement that CFUGs allocate 35% of their income to these persons.

*“NSCFP has been able to influence national policy through the inventory guidelines. The experiences of Dolakha and Ramechhap were capitalised to formulate the 32 indicators for community forestry.”*  
Khil Bahadur Tamang, Forest Ranger, Ramechhap

*“NSCFP has actively participated and provided technical support during the forest policy making process..... NSCFP contributed to making the CF guidelines pro-poor by incorporating the provision of 35% fund investment for the poor. The contribution of NSCFP was vital in the preparation of CF guidelines”.*  
Balam Kandel, Forest Officer, Department of Forests

*Two decades of community forestry in Nepal: What have we learned?*

An important forest policy actor that came into being in 1995 and whose voice was growing throughout the period of the civil conflict was FECOFUN (see section on human and institutional development). Whilst NSCFP retained its presence in donor – government meetings on forestry, it also encouraged forest policy debate and advocacy through civil society. Its role was always to encourage the main national actors to come together for dialogue. In many cases the project has taken on the role of impartial facilitator and resource provider in policy interactions between civil society and government. Thus for example in the latter years of the project, the Project Director regularly participated in the Natural Resource Management People's Parliamentary Committee, **Alliance for Natural Resource Management (ANAR)** and in activities related to the **Rights and Resources Initiative (RRI)**.



*Nepal has demonstrated in practice the positive impact of community forestry policy*

To ensure that accurate information on community forestry is readily available, NSCFP has documented key aspects in a number of short policy papers, longer discussion papers, study reports, and photo compilations over the years. All these reports are now available in project's website <http://communityforestry-nscfp.org>. In addition, NSCFP has been an active contributor to national and international community forestry workshops. It has also sought to respond to

the increasing demand for documentation in Nepali, and not just in English as the language of donors and the highly educated.

**Box 11: Contribution of NSCFP in community forestry policy development processes**

NSCFP has been a very active partner of both the government of Nepal and civil society organisations representing forest users, participating in various task forces, working groups, public meetings and workshops. Bringing in knowledge from field experience, it has played an important role in the national level policy development process. Some of the key points are highlighted below.

- As an acknowledged efficient and trustworthy partner of both the government and civil society organizations, organisation of national gatherings, meetings and workshops for public debate and policy discussion forums – including at an international level

*Two decades of community forestry in Nepal: What have we learned?*

- Demonstration of the multi-partnership approach through involving NGOs in community forestry; various important elements of this have been adapted by the Ministry of Forests and Soil Conservation
- Development and practical demonstration of community forest inventory procedures, subsequently adopted in government guidelines
- Design and implementation of micro-projects outsourced to NGO service providers
- Promotion of the concept of supporting disadvantaged girls to become active women development agents through scholarships for school education, vocational training, forestry education and short term training as Local Resource Persons
- Collaboration with the Department of Forests and Community Forestry Supporter Network (COFSUN) for the accreditation of Local Resource Persons by the Vocational Training Institute
- Advocacy for sustainable forest management and generation of evidence of forest underutilisation through the analysis of forest inventory data vis-a-vis timber harvesting levels
- Promotion of pro-poor approaches to forest-based enterprise development
- Development of appropriate, “user-friendly” methodologies for well-being ranking, governance coaching, equity and poverty sensitive Livelihood Improvement Programme (LIP) - targeting households by integrating livelihoods needs and rights
- Development and implementation of various methodologies supporting good forest governance, including leasehold and community forestry interface; Village Level Development Planning (VLDP)
- Initiation and systematic continuation of photo-monitoring to document visual landscape change
- Longitudinal analysis of governance at CFUG level
- Support to users’ federations through evidence-based conceptual input, such as an analysis of the possible consequences of a government proposal on benefit sharing from community forests
- Assessment of development space in conflict and demonstration of the role of community forestry in promoting local democracy and community based peace-building
- Contribution to a comprehensive livelihood study, initiatives supporting the democratisation of the forestry sector, and the forest sector strategy development process
- Contribution to the curriculum development process for a Masters’ degree in Forestry and collaboration with Nepal’s Institute of Forestry in Human Resource Development in forestry
- Collaboration with international research and academic institutions, such as Edinburgh University, NCCR, CIFOR, RRI, and RECOFTC.

*“Current leadership at NSCFP has been very vocal when it comes to challenging policy, articulating ground reality based on own experiences, and establishing linkages with policy makers both at the donor and the government level.”*

Peter Branney, LFP

Overall, the opportunities for influencing community forestry policy makers are no longer the same as they were twenty years ago. There is a far greater expectation on the part of most stakeholders, including donors, for a Nepali-driven, multi-stakeholder process. This does not mean that the importance of donor-funded projects and programmes has diminished. To the contrary, there is still a huge need to

generate, document and support the scaling up of community forestry experience. There are many people in Nepal who are highly experienced in the ground realities of community forestry, but few of them are seriously engaged in analysing, reflecting and disseminating evidence and knowledge related to community forestry policy and practice. This is a real challenge.

The main criticism levied at NSCFP's contribution to forest policy in Nepal concerns its scope. As a project covering only a few hill districts in one particular area, it cannot claim to speak from wide country experience – and especially not from the Terai.

*“NSCFP lags in policy advocacy support. It needs to support the institutionalisation of a pro-poor human rights campaign.”*

Ganesh Karki, FECOFUN

*“NSCFP was involved in Village Level Development Plan preparation. However it could not influence the same at the policy making level. NSCFP has also not yet contributed to advocacy against forest sector corruption.”*

Bhola Khatiwada, COFSUN

*“Although NSCFP has done a commendable job in the community forestry sector, its outreach has only been to four districts. It has not yet been able to cover more widely.”*

Kumbha Raj Lama, DFO, Okhaldunga

*“Why has NSCFP been working in the hills since decades? The problem of forest management lies in the Terai!”*

Arun Sharma Paudyal, Department of Forests

In summary, contributing to community forest policy dialogue is not a matter that can be readily quantified, but there is widespread view that NSCFP did participate, and did make a difference in supporting the rights of forest users and especially the poor and disadvantaged. However, forestry in Nepal is evolving and there are many important and challenging policy aspects for the future.

### **Key issues for the future**

- Since the commercially valuable forests of the Terai are the increasing focus of contested rights between the State, private sector and forest users, practical work in Terai areas will be a crucial part of taking forward pro-poor forest policy dialogue in Nepal.
- Much more work needs to be done in documenting regulatory practices that inhibit CFUGs from establishing and running viable forest-based enterprises, and suggesting viable alternative rules and regulations.
- There is a need to work more closely with the media in ensuring that information disseminated in popular newspapers and other channels is accurate and unbiased.

# 11. CONCLUSION

In reviewing the 20 years of support for community forestry provided through NSCFP, this document has highlighted particular successes as well as areas in which achievements have been more muted. The project is particularly proud of its record in building the capacities of the poor and socially excluded (especially women and Dalits) and promoting socially inclusive practices amongst its various stakeholders; of supporting – literally – the greening of the project area through well managed community forests; and of the way it continued field-level engagement during the conflict period. Matters on which NSCFP was not able to make as much progress as hoped include the wide scale promotion of forest-based enterprises, the productive management of high altitude forests, and the integration of experiences of good governance at CFUG level into village level democratic planning processes and their implementation.

A detailed study of the achievements of NSCFP in comparison with other donor-supported community forestry programmes in Nepal was beyond the scope of this “capitalisation” exercise. However, a review and synthesis of lessons learned from NSCFP and the DFID-supported Livelihoods Forestry Programme (LFP) was undertaken recently (Campbell, 2011), in order to carry forward this experience in the up-coming Multi-stakeholder Forestry Project (MSFP). The review found many similarities between the two projects, particularly with regard to the significant improvements in forest condition, and the major contributions made in reducing rural poverty. In addressing discrimination, the long-term thinking of NSCFP in building the capacities of stakeholders at all levels – most notably of village girls and children of disadvantaged backgrounds as future development actors – was particularly highlighted. The review also fully confirmed the validity of multi-stakeholder support to community forestry (in which NSCFP was an early pioneer), and of the use of multiple funding mechanisms (that is, channelling funds as appropriate through government, NGOs, CFUGs – and in the case of LFP, district level committees).

Significantly but not surprisingly, the review found that both NSCFP and LFP have met with greatest difficulties in the same areas. Promoting viable community forest-based enterprises was recognised as a major challenge due to “major chronic constraints in the regulatory environment, harvesting regimes, processing and market access constraints, and the business investment environment” (Campbell, *opp. cit.*). Support for multi-stakeholder VDC and district level planning has been piloted by both projects with mixed success, mainly due to the current lack of democratically elected local level structures. Once local elections finally take place, however, opportunities in this regard will be greatly increased. Although neither project – especially not NSCFP – labelled its activities in terms of adaptation or

*Two decades of community forestry in Nepal: What have we learned?*

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mitigation measures in response to climate change, good potential was identified for making such an explicit link in the future. Whilst both NSCFP and LFP were found to have made significant contributions to forestry policy, the strong and continued resistance on the part of government to certain pro-poor reform measures (especially the commercialisation of forest products) was highlighted. Simply put: there are still many challenges ahead.

As a final point of reflection, it has been estimated that, if all activities are taken into account and calculated at their real value (rather than voluntary unpaid contribution), the annual cost of community forestry per CFUG is approximately NRs 119,100. Of this, the government bears about 13%, donors have so far provided about 16%, and the rest, an overwhelming 71%, is borne by local communities themselves (Pokharel et al, 2008; Bhattarai, 2011). Over the last 20 years, SDC has provided some CHF 22 million in support of community forestry in Nepal. Whilst it would be disingenuous to calculate the contribution of local communities in the NSCFP area against this figure, it is nevertheless worth considering their huge investment and commitment - especially as some 39% of CFUG members are, by any definition, living in poverty. The value of community forestry to them lies in securing their long term access to and rights over forest resources, and in affording membership of a local decision-making body that is expected to function democratically, and to treat its members with dignity.

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## **Annex 1 List of organisations and persons whom we would like to acknowledge**

Ministry of Forests and Soil conservation (MoFSC)

[www.mfsc.gov.np](http://www.mfsc.gov.np)

Department of Forests and its District Offices and Range Posts

[www.dof.gov.np](http://www.dof.gov.np)

FECOFUN and its district Networks

[www.fecofun.org](http://www.fecofun.org)

Himalayan Grassroots Women's Natural Resources Management Association (HIMAWANTI), Jwagal-10, Lalitpur and its district networks

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Dalit Alliances for Natural Resource (DANAR) , Nepal and its district networks

[danarnepal.org.np](http://danarnepal.org.np)

Community-based Forestry Supporters' Network (COFSUN), Nepal and its district networks

[cofsun.org.np](http://cofsun.org.np)

Human Rights Awareness and Development Centre (HURADEC) Charikot, Dolakha

[huradec.org.np](http://huradec.org.np)

Rural Development Tuki Association (RDTA), Dolakha

[rdtatuki@wlink.com.np](mailto:rdtatuki@wlink.com.np)

Community Development Centre (CDC), Charikot, Dolakha

CEEPARD, Dolakha

Ecology, Agriculture and Rural Development Society (ECARDS), Dolakha

Community Human Resource Development Programme (CHURDEP), Golmatar,

Ramechhap

Nepal Social Service Association (NSSA),Banti, Ramechhap

Pahadi Samaj Kalyan Kendra, Doramba, Ramechhap

Srijansil Youth Society (SYS), Chisapani, Ramechhap

Tamakoshi Forest Product Processing Pvt. Ltd, Manthali, Ramechhap

Forum for Rural Development (FORD), Katunje, Okhaldhunga

Tinkanya Kalikadevi Bikas Samaj (TKBS), Andheri, Okhaldhunga

Gramin Mahila Jagaran Samuha (GMJS), Okhaldhunga-6

and others too many to name here.....

**Donor agencies**

Bimala Paudyal-Rai Senior Programme Officer, SDC Nepal  
Elisabeth von Capeller Head of Cooperation, SDC Nepal

**NSCFP**

Anita Shrestha Acting District Project Coordinator,  
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Anupa Ghimire Forest Development Officer,  
NSCFP, Ramechhap

Anupama Mahat Knowledge Management Officer,  
NSCFP, Kathmandu

Bharat Pokharel Project Director, NSCFP, Kathmandu

Brahma Dhoj Gurung Area Manager, NSCFP, Kathmandu

Dajangmu Sherpa Administration Cum Account Officer, NSCFP,  
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Ganga B. Bishwakarma Forest Development Officer, Okhaldhunga

Gopal Prasad Ghimire District Project Coordinator, NSCFP, Khotang

Ishwar Prasad Upadhayay Forest Development Officer, NSCFP, Dolakha

Jaya Bahadur Bhujel Forest Development Officer, NSCFP, Khotang

Kaji Thapa Magar Office Supervisor, NSCFP, Ramechhap

Keshav Raj Paudel Finance Manager, NSCFP, Kathmandu

Man Bahadur Tamang Gardener Cum Cleaner, NSCFP, Kathmandu

Manamaya Moktan Senior Forest Development Officer,  
NSCFP, Okhaldhunga

Manoj Rai Administration Cum Account Assistant,  
NSCFP, Khotang

Mitha Lamichhane Hospitality Assistant Cum Driver,  
NSCFP, Kathmandu

Mana Thapa Magar Office Care Taker, NSCFP, Kathmandu

Om Bahadur Karki Senior Driver, NSCFP, Okhaldhunga

Usha Dahal Gender and Social Inclusion Advisor,  
NSCFP, Okhaldhunga

Prakash Katwal Area Value Chain Officer, NSCFP, Ramechhap

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NSCFP, Kathmandu

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NSCFP, Khotang

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Rup Man Biswakarma	Office Helper, NSCFP, Kathmandu
Sangita Pariyar	Information and Documentation Assistant, NSCFP, Kathmandu
Saroj Rai	Forest Development Officer, NSCFP, Khotang
Shyam Bahadur Khadka	Office Supervisor, NSCFP, Dolakha
Thir Bahadur Thapamagar	Forest Development Assistant, NSCFP, Ramechhap
Tshering Sherpa	Forest Development Assistant, NSCFP, Khotang

#### **Department of Forests**

Arun Sharma Paudel	Department of Forests
Balaram Adhikari	Department of Forests
Balaram Kandel	District Forest Officer, Department of Forests
Bishnu Lal Ghimire	DFO, Okhaldhunga
Gopal K Shrestha	DG, DoF
Khil Bahadur Tamang	Forest Ranger. Ramechhap
Kumbha Raj Lama	Department of Forests
Laxman Gautam	Department of Forests

#### **Civil Society**

Apsara Chapagain	Chairperson, FECOFUN
Bhola Khatiwada	COFSUN
Damber Tembe	NORMS
Dil Bahadur Khatri	Forest Action
Ganesh Karki	FECOFUN
Gita Bohara	HIMAWANTI
Govinda Man Shrestha	FECOFUN
Govinda Paudel	Forest Action
Hitraj Karki	Gramin Bikas Manch (FORD) Nepal, Okhaldhunga
Jagannath Basnet	FECOFUN (formerly ECARDS), Dolakha
Kamala Basnet	FECOFUN, Dolakha
Nawaraj Neupane	NGO activist, Dolakha
Rama Ale Magar	Chairperson, HIMAWANTI
Ramesh Sunam	Forest Action
Ratna Kandel	Secretary, Pahadi Samaj Kalyan Kendra, Dorambha, Ramechhap
Rukmaya Sarki	DANAR
Shankar Katuwal	FECOFUN Okhaldunga

### **CFUGs**

Bhuvan Pulami Magar	Ramechhap
Dikidabre Setobhir CFUG	Chairperson, Bhitteer CFUG, Dolakha
Gorakh Bahadur Basnet	Mayur Gura CFUG
Jhamkimaya Tamang	Chairperson Thangsa Deurali CFUG, Dolakha
Krishna Bahadur Karki	Dikidabare CFUGs
Mira Devi Sunuwar	Sallaghari CFUG, Kathajor, Ramechhap
Nir Bahadur B.K.	Ramechhap
Panchakali CFUG	Chairperson, RamBazar CFUG, Okhaldhunga
Prakash Raj Bhandari	Sobrudanda CFUG, Okhaldhunga
Surya Kumari Rai	

### **Schools**

Chattra Bahadur Sunuwar	Principal of local school-Gokulganga Secondary School
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### **Consultant/Expert**

Dinesh Paudel	NSCFP former Programme Officer; consultant
Firz Berger	Photo Consultant
Ganga Ram Dahal	Regional facilitator, RRI
Hem Tembe	CECI
Karl Schuler	NSCFP Team Leader (for SDC) Sept 1995 – April 1999; Assistant (later Deputy) Country Director of SDC in Nepal to Feb 2004
Mary Hobley	NSCFP External Reviewer 2007
Mike Nurse	NSCFP CTA mid 2002 – mid 2004 (and working for NAFFP 1990 – mid 1993)
Patrick Robinson	Forestry Adviser to SDC Nepal 1989-1995 including CTA NSCFP 1990-1995
Rabin Raj Niraula	GIS Consultant for NSCFP
Sarah Byrne	Junior Adviser, Governance for NSCFP 2008 - 2009
Suraj Thapa	Junior Consultant For NSCFP
Surya Kumar Maharjan	Forestry Consultant for NSCFP

### **Media**

Bal Krishna Sharma	Journalist
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### **Enterprenuer**

Parbat Gurung	Forest-based entrepreneur and social activist, Dolakha
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### **VDC**

VLDP Coordination Committee, Sushpa	
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