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## Nepal's Community Forestry: Need of Better Governance

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### 1. Introduction

Community forestry promotes the management of forests as Common Pool Resources (CPRs) (Ostrom, 1992; Acharya, 2002). A common pool resource refers to a natural or man-made resource system that is sufficiently large as to make it costly to exclude potential beneficiaries from obtaining benefits from its use (Ostrom, 1990). All CPRs share two attributes: it is costly to exclude individuals from using the goods either through physical barriers or legal instruments, and the benefits consumed by one individual subtract from the benefits available to others (Ostrom and Ostrom, 1977; Ostrom et al., 1994). There are some problems in managing CPRs. The problem of CPR is overuse which is described by Hardin (1968) as "Tragedy of the Commons". Hardin uses meaning of commons as open access i.e., everybody's property and everybody's property is nobody's property (Gordon, 1954). Resources managed as common property are not necessarily open access. They are managed by a community or social group with exclusive rights to use resources. The rights to use resources are limited to the group; not to everybody. One feature of common property is a right to use something in common with others (MacPherson, 1978). As property is in common, the property rights are assigned to a community or social group where the rules of appropriation of resources are assumed to safeguard the community or social group. Members of the group agree to limit their individuals claim on resource by subscribing to rules governing the use of resources. Hardin's notion of the commons was scrutinized under the conceptual differences between resource types and property rights governing their use (Ciriacy-Wantrup and Bishop, 1975). The property rights and governance are closely intertwined and it is one reason that several studies have examined common property institutions to produce different attributes that are conducive for collective action and also for successful governance of resources (Ostrom, 1990; Baland and Platteau, 1996; Hobley and Shah, 1996; Ostrom, 1999; Agrawal, 2001).

Nepal is considered as one of the leading countries in community based forest management as the country has introduced a progressive forest act in favor of community based forest management and also has made progress in rejuvenating forests in denuded hills and naked areas. Forests in Nepal were nationalized and transferred to the control of Department of Forests (DoF) in 1957. However, such transformation created an open access situation due to lack of capacity of DoF to manage the forests (Soussan et al., 1995). During the 1970s, there was a growing recognition that the government could not manage the forests alone and

community participation is essential to manage the country forests. The government initiated community based forest management approach in 1978 by enacting legislation that allow transfer of forest management responsibility from the government to local panchayat<sup>1</sup> as Panchayat Forest (PF) and Panchayat Protected Forest (PPF). The regulations specified the provision of transferring a limited area of government - owned, degraded forestland (up to 125 ha) and existing natural forests (up to 500 ha) to the local political unit as PF and PPF, respectively for development and management purposes. His majesty's Government (HMG/N) enacted the rules and regulations by implementing the first national level community forestry project in 1980, covering 29 hill districts with the aim of reducing ecological degradation and increasing the supply of basic forest products for subsistence needs through people's participation (Manandhar, 1981). Since then the community forestry in Nepal has evolved continuously under the supportive forest policies and legislations. The basic institution that implements community forestry is a Community Forest User Group (CFUG<sup>2</sup>). CFUGs are legal entities with autonomy in decision making such as access rules, forest products prices, mechanism for allocation of forest products, user fees, and other important policies are agreed by user members (NORMS 2003, cited by Kanel and Niraula, 2004). This chapter attempts to explore the existing policies and practices of Nepal's community forestry as community forestry in Nepal is now; a well established management form (Pokharel, 2009), successful community based forest governance model (Timsina, 2003; Thoms, 2008) and also plays a dominant role in natural resource management programs.

## 2. Policy and governance in community forestry

For conservation and management purposes, forests in Nepal are classified into five categories:

- Government managed forests,
- Community forests,
- Leasehold forests,
- Religious forests, and
- Private forests

Community forests are part of national forests transferred to local community, known as CFUGs to conserve, manage and utilize for the basic needs of the community. Community forestry, in most cases, is functioning well in the hills and communities are deriving various benefits.

Nepal's forest policy is considered to be dynamic as there has been a drastic changed in forest management practices transferring management responsibility from state control to local community. The introduction of community forestry in Nepal represents an attempt to decentralize forest resources by allowing local people to control forest resources. The Nepal National Forestry Plan of 1976, developed by Ministry of Forest and Soil Conservation, was the first document indicating the government intentions concerning use and management of forest resources. The First Amendment of the Forest Act of 1961 in 1977 made provision for

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<sup>1</sup> Lowest level political and administrative unit

<sup>2</sup> A group of people who regularly uses a particular forest for various purposes and organize themselves to protect, manage, and utilize the forest by forming a group

transferring government owned forestland to local communities for protection, development, and utilization purposes (Mahat, 1997). The Master Plan for the Forestry Sector (MPFS) in Nepal was prepared during 1986 – 88 and was approved by the government in 1989. The MPFS, approved by Ministry of Forest and Soil Conservation, was the first long term plan in Nepal's forestry sector which provided a 25-year policy and planning framework. The plan included the following as the long-term objectives of the forestry sector:

- To meet the people's basic needs for forest products on a sustained basis
- To conserve ecosystems and genetic resources
- To protect land against degradation and other effects of ecological imbalance
- To contribute to local and national economic growth

The MPFS guided forestry development within the comprehensive framework of six primary and six supportive programs to achieve its objectives. The main features of the plan lied in an integrated and program oriented approach to forest and watershed management. This program approach was a turning point in the history of Nepal's forestry sector policy (Amatya, 2002). The plan clearly mentioned the following points related to community forestry:

- No ceiling on the area of forests to be handed over
- Handing over of forests to the local users and not to the *panchayats*
- Involvement of women and the poor in the management of community forests
- All accessible forests in the country to be handed over to the user groups to the extent that they are willing and capable to manage them
- A changed role for the forestry staff for advice and extension
- Community forestry to be regarded as the priority program of the forestry sector

The national community forestry workshop series, usually held in every five year interval, has also been key contributing factors in development of Nepal's community forestry. The workshops have helped to define the legal and regulatory framework of community forestry in Nepal and develop consensus on key issues among key players (Ojha and Kanel, 2005). The first national community forestry workshop was organized in 1987 to share the field experiences. Identification of forest users under the political boundary was identified as a major problem to implement the community forestry program since the political boundary did not usually coincide. The workshop recommended a use practice concept to identify the users by traditional use rather than by political boundary. The MPFS also emphasized the CFUGs as the appropriate local institution responsible for the protection, development and sustainable utilization of local forests. The plan facilitated layout of the foundation of the new Forest Act that was introduced in 1993. The act identified a CFUG as a self-governed autonomous entity with authority to independently manage and use the forest according to agreed management plan. The Act also allows the CFUG to fix the price independently, transport and market the forest products from community own forests. The CFUGs can sale forest products to generate income if there is a surplus product. The generated income is not shared with the government rather it adds to CFUGs income. Table 1 shows the timeline of forest policy shift in Nepal focusing on forest governance, particularly in community forestry.

Governance in community forestry addresses the relationships, rights, responsibility and incentives among stakeholders including forest communities, industries and government

| Year (AD)   | Policy, approach and practices  |
|-------------|---|
| Before 1950 | Administered forests as private property (elite class control; authority given by autocratic <i>Rana</i> regime)  |
| 1950-1956   | Period of transition to convert forests as private property to state property   |
| 1957-1960   | Introduced Private Forest Nationalization Act; declared private forests as state property   |
| 1961-1975   | Promulgated Forest Act (1961); government took control on forests resources   |
| 1976-1986   | Emergence of community forestry concept; recognized for the first time the need for community involvement in forest management through national forestry plan; introduced <i>Panchayat</i> Forest and <i>Panchayat</i> Protected Forest Rules (1978), Decentralization Act (1982), and Decentralization Regulations (1984)  |
| 1987-1990   | Prepared a 25 years Master Plan for the Forestry Sector and endorsed it by the government in 1989 as a major policy document; recognized community and private forestry as largest program; held 1 <sup>st</sup> community forestry national workshop   |
| 1991-1995   | Introduced user group concept; introduced Forest Act (1993) and Forest Regulations (1995); held 2 <sup>nd</sup> community forestry national workshop; emergence of <b>Federation of Community Forestry users in Nepal (FECOFUN)</b>   |
| 1996-2001   | Held 3 <sup>rd</sup> community forestry national workshop; set vision for community forestry to contribute to poverty reduction; the ninth five year plan (1997-2002) included poverty alleviation as a primary objective in the forestry sector; prepared community forestry directives (1996); revised forestry sector policy (2000); introduced forest inventory guidelines (2001); made mandatory to invest 25% of generated income from community forestry to forest development and maintenance |
| 2002-2006   | Held 4 <sup>th</sup> community forestry national workshop; focused poverty reduction and community empowerment through community forestry; recognized CFUGs as an effective local institution as they survived even in the war and conflict time of the country between the Maoist and Government   |
| 2007-onward | Held 1 <sup>st</sup> international community forestry workshop and 5 <sup>th</sup> community forestry national workshop; focused community forestry on governance, poverty reduction and sustainable forest management; linked community forestry with PES, climate change, carbon market mechanism and REDD; made mandatory to invest 35% of generated income from community forest to pro-poor programs; made mandatory to include women in the key posts of the executive committee of CFUGs       |

Source: Pokahrel et al., 2006; Ojha et al., 2006; MFSC, 2007; Gautam et al., 2004; DoF, 2001

Table 1. Paradigm shift in forest development policy, approach and practice in Nepal

(MFSC, 2007). Similarly, it focuses on pro-poor governance with the aim of benefiting poor and vulnerable people by securing their representation in the executive committee. An

executive committee is one forum of CFUGs where management decisions related to community forestry are made through their representatives. CFUGs are required to include 50 per cent of women in the executive committee and are also required to offer the post of either chairperson or secretary to a woman (MFSC, 2009). Similarly, they are required to invest 25 per cent and 35 per cent of their income to forest development and maintenance, and pro-poor programs, respectively (ibid). The remaining income can be used as per the need and interest of the community.

### 3. Status and achievements of community forestry

Nepal is now considered as a leader in community forestry as the country has had long experience in implementing community forestry programs and also has a new forest act in favor of community forestry. The new act is recognized as innovative and progressive approach in the field of forestry (Pokharel, 1998; Belbase and Regmi, 2002) which recognizes local people as a key partner for managing forest resources. It **has been** observed in the country that the community forestry program has made a remarkable progress in rejuvenating forests in the denuded hills. Several studies indicate that the condition of community forests has been improved substantially (Branney and Yadav, 1998; Gautam et al., 2004; Webb and Gautam, 2001).

The MFSC emphasized community and private forestry as a major program and expected to absorb almost a half (47%) of the total budget allocated to forestry sector in 2010 (MPFS, 1988). The community forest formation process involves identification of users and the creation of a formal forest association i.e., CFUG. According to government policy, all actual users of a given forest should be included in the user group. After formation, a CFUG becomes fully responsible for protecting, managing and utilizing the forest. Community forestry program is based on the policy that emphasizes people's participation in the development and management of forest resources by transferring responsibility from the Department of Forest to the CFUGs, who are willing and able to practice forest management. An area of national forest is transferred as community forest to a particular community for management and utilization purposes. As of December 2010, Nepal had already transferred 1.23 million hectares (almost one-quarter) of national forests to nearly 15,000 CFUGs involving about two-fifth of the country's population (Table 2). This implies that over one-third of potential forest area has already been transferred to community as community forests. Although community forestry program has been implemented throughout the country, there is a great variation in the distribution of community forestry practices between physiographic regions (Chakraborty, 2001). A large portion of community forest areas (about 67%) are located in mid-hills, followed by high mountains (20%) and Tarai (13%) (Sharma, 2009). The forest handing over accelerated fast during mid-1990s, but it is declining now (Kanel, 2004; Sharma, 2009). Annual CFUGs formation rate during mid-1990s was 1,500 (Sharma, 2009) but the trend is declining gradually. The possible reasons for declining CFUGs formation trend are: most of accessible forests of hills and mountains have already been handed over, the government decisions to restrict forest hand over in the Tarai and inner Tarai forests, and also partly donors pulled out from community forestry programs due to Royal take over in 2005.

Table 2 shows the present scenario of Nepal's community forestry in terms of coverage of forest areas, number of group managing forests, number of household involved, and

number of women members in the executive committee. Community forestry is one of Nepal's "most successful community based development programs" (Kattel, 2000). The concept and process of community forestry is well appreciated both nationally and internationally (Pokharel, 2008). A Swiss expert on Nepal, Toney Hagen also expressed his view through an interview in Nepal that if the community forestry concept and process were followed in other development sectors, Nepal would soon become a Switzerland in Asia. Although the policy and process of community forestry are good, there are still some challenges in Nepal's community forestry. The success of Nepal's community forestry encouraged the government to initiate some development works as they realized the potential of community forestry to contribute to national development. Such realization made the government to choose community forestry as a tool for poverty reduction rather than limiting to fulfillment of basic forestry needs only. At present, hundred per cent of benefits that come from community forestry goes to CFUGs and contributes to many aspects of local development such as school buildings, temples, road/trail construction, water reservoirs, biogas systems, and children development centers. Similarly, CFUGs are functioning as a small nation delivering services similar to 16 ministries of Nepal Government (Pokharel, 2005).

|   |  |         |
|---|--|---------|
| 1 | Total land area of Nepal (million hectare)             | 14.7*   |
| 2 | Total forest area of Nepal (million hectare)           | 5.5*    |
| 3 | Potential community forest area (million hectare)      | 3.5*    |
| 4 | Forest area under community forest (million hectare)   | 1.23    |
| 5 | Total number of CFUGs                                  | 14,572  |
| 6 | Total number of women CFUGs                            | 778     |
| 7 | Total number of households involved (million)          | 1.66    |
| 8 | Total number of members in the executive committee     | 163,567 |
| 9 | Percentage of women members in the executive committee | 26      |

Source: \*CFDP, 1991; DoF, 2010

Table 2. Present scenario of Nepal's community forestry

## 4. Outcomes of community forestry

### 4.1 Community forest user group income and expenditure

CFUGs in Nepal are not managing forests only but generating products and income for the users as well. Once the forest is handed over as community forest, the CFUG can fix the price of forest products and also sale them to the market if there is surplus. The annual income of the CFUGs is estimated to be over US\$10 million (Kanel and Niraula, 2004). Two separate studies conducted by Pokharel (2008a) and Sharma (2009) show that an average annual income of a CFUG is Nrs 63,202 and Nrs17,887, respectively. **Moreover, Pokharel's study has stated that the income can be increased by nearly five times by removing timber subsidy.** Timber subsidy in the CFUGs is considered as an incentive and offer to their members. Timber is generally first sold within the CFUGs and if there is surplus then it is offered for sale to non-CFUG members.

Pokharel conducted a study in 100 CFUGs in three mid-hill districts (Kaski, Tanahu, and Lamjung) to determine income from different sources whereas Sharma carried out a study

at macro level using national CFUG data base of year 2004 to determine CFUGs income. The CFUG income of two studies greatly varies by more than three times. One possible reason for variation could be that Pokharel excluded the CFUGs in the samples whose CFUG fund size was below Nrs. 20,000. The other possible reasons for stating low income in Sharma's study could be due to the CFUGs reporting lower income to the government for fear of higher incomes being claimed by the government as tax and may also reflect the peak Maoists insurgency period when extracting forest products through silvicultural operations was limited. Forestry and non-forestry are major source of CFUG income (Table 3). The forestry source includes the sale of timber, fuelwood, poles, NTFPs and fodder/grasses whereas non-forestry are penalty, membership fee, assistance from GOs/NGOs and renting halls and utensils. The forestry sources are further divided into timber and non-timber where non-timber includes fuelwood, small poles, fodder/grasses, and herbs.

| SN               | Income source    |                            | Amount (NRs)  | Percentage   |
|------------------|------------------|----------------------------|---------------|--------------|
| 1                | Forest based     | Timber                     | 30,437        | 68.16        |
| 2                |                  | Non-timber                 | 3,216         | 7.20         |
| <b>Sub-total</b> |                  |                            | <b>33,653</b> | <b>75.36</b> |
| 3                | Non-forest based | Membership fee             | 6,141         | 13.75        |
| 4                |                  | Penalty                    | 1,012         | 2.27         |
| 5                |                  | Assistance from NGOs/DoF   | 2,687         | 6.01         |
| 6                |                  | Renting halls and utensils | 1,165         | 2.61         |
| <b>Sub-total</b> |                  |                            | <b>11,005</b> | <b>24.64</b> |
| <b>Total</b>     |                  |                            | <b>44,658</b> | <b>100</b>   |

Source: Pokharel (2008a)

Table 3. Average income of CFUG from different sources

Table 3 clearly shows that three quarters of CFUG income comes from forestry sources. Of the total income, timber and non-timber contribute 68 per cent and seven per cent, respectively. Timber is used for building houses and making furniture. Many CFUGs have a quota system and distribute timber to the members based on needs and availability. The CFUGs charge a price for timber and require advance payment. The price for timber is highly subsidized (Pokharel, 2008a). Fuelwood, grass and leaf-litter are important subsistence products obtained from community forests. Many CFUGs distribute these products freely from the community forests. Some CFUGs do charge the price for them, particularly fuelwood at a subsidized rate. Pokharel (2008a) found in his study areas that some 60 per cent of the CFUGs distribute fuelwood to members freely while the remaining charge for it. They work collectively to gather fuelwood by removing dead, dying, decay and diseased trees and usually distribute it equally to all members. Like timber, fuelwood is also given first to CFUG members and then to non-CFUG members with relatively higher price if there is a surplus. CFUGs obtain income from other sources as well. These sources include membership fees, penalties, assistance from GOs/NGOs and renting halls and utensils (Table 3). All together these sources

contribute 25 per cent to the income. Membership fees constitutes a large source of non-forest based income, CFUGs charge relatively high first membership fee to new members. Similarly, they asked high membership fee from someone who builds a new house compared with one who buys existing house in the village. There is a correlation between paying membership fees and timber sale. The CFUGs without timber sales tend to pay higher membership fees than those households of the CFUGs with timber sales (Pokharel, 2010).

CFUGs are legally authorized to sale the forest products and spend the generated income on forest development and various community related development works. There was also a government decision to impose 40 per cent tax on the sale of forest products outside the CFUGs. However, this provision was reviewed and scaled down to 15 per cent only for the sale of two species i.e., *Sal* (*Shorea robusta*) and *Khair* (*Acacia catechu*) after this provision was severely criticize by Federation of Community Forestry Users in Nepal (FECOFUN) and others in the country. The generated funds are being used in different activities including forest development, public infrastructure development, pro-poor activities, and forest administration; indicating that CFUGs are not limited to forest management but are also involved in different aspects of rural development. The average annual investment of Nepal's CFUGs is estimated to be over US\$5 million (Kanel and Niraula, 2004; Kanel, 2004). Similarly, the average annual investment of a CFUG was estimated to be NRs 51,574 (Pokahrel, 2008a, 2009). Number of studies (e.g. Dongol et al., 2002; Acharya, 2002, 2003; Kanel and Niraula, 2004; Pokharel, 2008a, 2009) observed the public infrastructure development constituted a major expenditure of the CFUG funds. It is a matter of debate whether investment made by CFUGs in development activities benefits the poor as more funds are being invested in infrastructure.

Managing CFUG funds in community forestry is becoming a challenging task as the funds have grown in size and become popular with communities. CFUG fund is popular because it has facilitated members to initiate financial transactions in the village by offering loans and investing in other development activities. Borrowing money with an individual who holds cash is a common practice in the village and finding such individuals in the village is difficult now-a-days. There is a tendency of village people moving to urban or sub-urban areas if they can afford it. There is also an increasing trend of moving families to urban or sub-urban areas if household member is **employed in the abroad. As a result, there is less financial transaction in the village**; making CFUG funds more popular as members of CFUGs have an access to loans and also it is simpler in terms of official procedures (no collateral is required and physically nearby).

#### 4.2 Income at household level from community forests

Vedeld et al. (2004) showed that a forest serves as a safety net against crises, prevents someone from falling into deeper poverty, and provides a pathway out of poverty – demonstrating an important income at household level. The first in-depth study of rural livelihood from Nepal Himalaya conducted by Rayamajhi et al. (2010) shows that poorer households are relatively most dependent on forest income. They specify that the forest contributes 22 per cent of the total income account of an average household. More explicitly, households derived as much as 22 per cent of their total income from forest and four per cent from non-forest environmental common goods. When combined, this is higher than income obtained from either crop or livestock.

In Nepal, income inequality increased from 1995/96-2003/04 with the Gini coefficient<sup>3</sup> changing from 34.2 to 41.1% with a net decline in headcount poverty rate from 42% to 31% (World Bank, 2006). Rayamajhi et al. (2010) indicated a five per cent improvement in income equality with the inclusion of forest environmental income, indicating that forests play small role in income equalisation. A possible explanation is that all households participate in the extraction of essential forest products. The poor households inclusive of *dalit* (occupational caste) have few assets and thus may not immediately be able to use more forest products for improvement of livelihoods and income generation.

#### 4.3 Decision-making in the CFUGs

There are two levels of decision making body in a CFUGs: General Assembly (GA) and Executive Committee (EC), also known as Community Forest User Group Committee (CFUGC). The GA represents all members of the CFUGs while the EC is composed of 9 - 15 persons, depending on the size of CFUGs. The EC members are representatives who are either elected or unanimously selected by forest users. Generally, GA meets once a year during mid January to February and EC meets about once a month. GA has a mandate to make any decision related to forest management, such as framing rules on forest use, decision on penalties for rule violators, fixing schedule for silvicultural operations, and managing generated funds with a simple majority. However, there has been an increasing practice of EC decision making, particularly over the use of CFUG funds. The EC makes the decisions on behalf of entire CFUGs and puts forward to GA for endorsement. Generally, GA makes endorsement in the decisions of EC as they believe it might have discussed thoroughly to the best use of resources. In practice, the chairperson and secretary discuss the possible agenda informally before the executive meetings and finalize them accordingly. There is an increasing demand for the funds from various groups such as school management committee, mothers group (*ama samuha*) and water group in the village to invest in their respective areas. Although there is an increasing demand for CFUG funds, the EC makes the decisions according to the interest of the chairperson and secretary.

| Year | Representation in the committee |        | Occupying key positions in the committee |        |
|------|---------------------------------|--------|--|--------|
|      | Male                            | Female | Male                                     | Female |
| 2004 | 76                              | 24     |  | -      |
| 2008 | 73                              | 27     | 93                                       | 7      |
| 2010 | 64                              | 36     | 76                                       | 24     |

Source: Kanel, 2004; Pokharel, 2008a; Pokharel et al., 2010

Table 4. Representation and occupying key positions in the executive committee by gender

Table 4 shows that women representation in the executive committee and also occupying the key positions has increased significantly. Adhikari et al. (2004) conducted a study in two mid-hill districts of CFUGs and found 15.7 per cent women in the EC. Similarly, Kanel (2004) stated that women representation the EC is 24 per cent. Two different studies conducted by Pokharel (2008a) and Pokharel et al. (2010) in three mid-hill districts

<sup>3</sup> Gini coefficient is good measure of income equality and has been applied in analyzing the role of forest income in rural income equalization

and five different districts of CFUGs, respectively and found 27 per cent and 36 per cent, respectively women in the EC. These studies also reported that women occupying the key positions in the executive committee were seven per cent and 24 per cent, respectively. This shows that there is an increasing trend of women's representation in the EC including occupying the key positions. Finding women in the village to serve in the EC is difficult due to gender disparity. Gender disparity in Nepali society begins right after the birth (Lamichhane, 2006; Pokharel, 2008). As a male dominated society, women are encouraged not to play a role in the EC since it is considered as public sphere and it is the role of men rather than women. Such trend in the EC shows that these perceptions are changing gradually. Similarly, the recent **community forest** policy also facilitated to bringing about the change in women representation in the EC. About 778 women run CFUGs, indicating that women are coming forward and taking the leadership. There is a representation not only from women but also from poor and marginalized groups in the EC. Pokharel et al. (2010) reported that the EC is more or less inclusive in terms of gender, poor and marginalized groups. The recent community forestry policy encourages CFUGs to form an inclusive EC by representing different classes including poor, women and marginalized groups.

In the EC, the position of chairperson, vice-chairperson, secretary and treasurer are considered to be important as these positions hold some kind of authority and their individual involvement in the respective field is necessary. For instance, the decisions are not considered as final unless the chairperson endorses them. Similarly, the secretary keeps the record by maintaining minutes, schedules executive meetings and general assembly with the consent of chairperson and determines the agenda for the meeting and general assembly as well. The treasurer looks after the financial activities and maintains its record accordingly. Among these posts, chairperson and secretary are considered more powerful as individuals occupying these positions have authority to invite meetings as well as make final decisions. Similarly, the secretary has the authority to invite meetings and also put forward the agenda for discussion in the meetings.

#### **4.4 Networking and institutions**

One of the major successes of the community forestry is institutionalization of CFUGs for the management of community forests. It has established a strong institution at local level. In fact, CFUGs are the only institution at the local level that survived during the period of Maoist insurgency in Nepal. They were effective in conducting development work, and holding meetings and elections regularly. There is no elected body at the local level for the last 10 years because the government has not been able to hold the election yet. But the CFUGs have been holding elections regularly to choose their representatives in the EC – proving them as an effective local institution. CFUGs have also served as a good model for development and attracted the planners and policy makers to follow the model in other sectors as well. There is an increasing tendency for different development providers to use CFUGs as entry point for the development work in the rural areas. A network to build national level federation of community forestry has also been established in the name of **Federation of Community Forestry Users in Nepal (FECOFUN)** which has emerged as a strong civil society. It raises the voices for users' rights over forests at policy levels and works in favor of forest users.

## 5. Issues and challenges in community forestry

Despite having the most innovative policies to promote community forestry and forest governance in place, CFUGs are unable to provide a significant contribution to livelihoods of poor and marginalized groups such as women and *dalit*. Traditionally, fuelwood collection is linked closely with livelihood. For instance, making local liquor is one of the livelihood strategies for some poor ethnic groups such as Gurung and Tamang. **Similarly, making charcoal is one livelihood strategy of blacksmith** (occupational caste). Making charcoal and local liquor requires large quantities of fuelwood which is collected from the forest. The trade of these groups is affected with the introduction of community forestry (Soussan, 1998). Although community forestry is a user focused program rather than absolute poverty focused, its aim is to contribute to achieving national goals of poverty reduction and this directed its activities accordingly. It is argued that domination of local elite in decision making process and also passive management are some of the reasons for not contributing significantly to livelihoods of poor and marginalized groups. So, one of the major challenges in community forestry is to ensure the poor's meaningful involvement in the decision making process. Several studies (e.g. Baral and Subedi, 2000; Adhikari, 2002; Malla et al., 2003) have noted that the poor and marginalized groups have not received the benefits from community forestry as expected. A study conducted by Pokharel (2008a) has clearly shown that the non-poor are getting more benefits from Nepal's community forestry.

Several studies describe that leadership of the CFUGs in Nepal is in the hand of local elites who often influence the decisions (Banjade et al., 2006; Baral and Subedi, 2000; Malla et al., 2003). A study conducted by Hills and Shields (1998) in India also made similar observations about Forest Protection Committees (FPC) of Joint Forest Management programs. They observed that leadership of the FPC tends to be in the hands of better educated local elites who tend to be less dependent on the forests. Leadership is one of the factors that made the community forestry program successful (Pokharel et al., 1999) and the succession of leadership is seen as a potential problem in Nepal's community forestry (Agrawal and Ostrom, 2001). Currently, there is a discussion in Nepal whether local elites are unwilling to include poor and marginalized groups in the EC including key positions or they themselves are not willing to serve in the EC as well as in the key positions. It is observed in some cases that the same individuals from the local elites have been serving as chairperson for many years and also have shown an interest to transform their role to younger generation or marginalized group but could not do it due to an increasing trend of youth migration from the village and the socio-economic condition of the marginalized groups. The work in community forestry such as attending meetings, and patrolling the forests is voluntary and this has become costly for the poor. Mr. Badri Prasad Jangam in *Gaukureshwor* community forest has been serving as chairperson for the last 19 years and he is now willing to pass on his duties to younger, more innovative hands (Shahi, 2011).

Community forestry is a major program in forestry sector in Nepal which is being implemented throughout the country as a blanket approach. Such approach has created imbalance in demand-supply situation of forest products within the CFUGs and has also led to ineffective forest management. For instance, some CFUGs with higher population have smaller forest areas - raising conflicts among users because of not fulfilling required forest product. Raising conflict among the users is likely to affect their participation in forest management and in turn lead to ineffective forest management practices. Similarly, CFUGs

with lower population have larger forest size whose demands are often met from the community forests. As a lower population, they may not have capacity to manage larger forest size effectively. Therefore, a blanket approach is not appropriate for community forestry programs.

Most of the CFUGs have adopted protection oriented management strategies to manage their forests by harvesting dead, diseases, dying and deform trees only. The focus of protection-oriented management approach has been to allow regeneration. So, the focus of CFUGs is to regenerate rather than management of the existing forest resources. As a result, CFUGs have not been **able to harvest the products from community forest with its potentiality**. Protection oriented management practice has made the limit of the amount of take home forest products from the community forest; forcing people to walk further to find forest products.

After the United Nation Framework on Climate Change Convention (UNFCCC) meeting in Bali in 2007, forests in developing countries were identified as an important source of carbon sink under the concept of Reducing emissions from deforestation and forest degradation (REDD). In this context, Nepal's community forestry can be a potential source for extra benefits. In recent years **there is considerable discussion on community forest** about payment for environmental services (PES) and climate change. These contributions **of community forests** have not been captured yet due to the lack of policy and methodological framework.

## 6. Way forward

The concept and process of community forestry is well appreciated both nationally and internationally. Although the policy and process of community forestry are well appreciated, there are still some challenges in involving all users, particularly women and the poor in forest management. Finding a way to reach all the households of forest users is important in increasing people's involvement in community forest management. One way of reaching a greater number of women and other marginalized members is by organizing meetings at the *tole* level. Organizing small meetings before GA would encourage women and marginalized groups to participate in forest management actively. Similarly, increasing the number of people in the EC, especially for women, poor and marginalized groups would also encourage them to voice their interests and concerns regarding resource management.

Focusing the activities on capacity building and technical training may enhance the participation of women and marginalized groups in the decision making process. There is also a need to improve the socio-economic condition of the marginalized groups and women to promote them in the community forestry leadership. Transferring forest management responsibility to CFUGs should not follow blanket approach. It should be location specific as forest management and forest use practice varies from one place to another. A judgment for handing over of forest resources to CFUGs should be made based on demand, household and forest ratio, and capability.

Forests are important source of timber, fuelwood and fodder and they also provide crucial ecosystem services. There is a great role of forests in addressing climate change. Promoting active forest management could be one way of addressing the needs and concern of local

people and also capturing the benefits from climate change mitigation. There is a need to develop the methodological framework for REDD which should focus on benefiting the poor as they are more depended on forests for their livelihoods.

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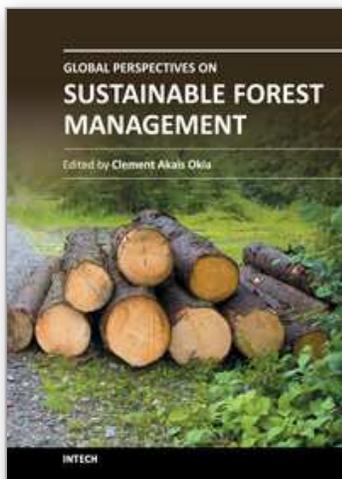
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## **Global Perspectives on Sustainable Forest Management**

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This book is dedicated to global perspectives on sustainable forest management. It focuses on a need to move away from purely protective management of forests to innovative approaches for multiple use and management of forest resources. The book is divided into two sections; the first section, with thirteen chapters deals with the forest management aspects while the second section, with five chapters is dedicated to forest utilization. This book will fill the existing gaps in the knowledge about emerging perspectives on sustainable forest management. It will be an interesting and helpful resource to managers, specialists and students in the field of forestry and natural resources management.

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