

How Can Forests Serve the Poor Better?

Some Policy Recommendations on Leasehold Forestry and Community Forestry in Nepal

Basundhara Bhattarai, Sindhu Prasad Dhungana, and Hemant Ojha

Introduction

“How can forests serve the poor better?” This has been a recurrent challenge to policymakers and civil society in the forestry sector alike. There are mixed lessons from Nepal, where several community-based forest management approaches, including the widely-hailed Community Forestry and “poor-focused” Leasehold Forestry, have been applied. Each of these two programs follows a distinct approach: creating heterogeneous groups by Community Forestry and targeting homogeneous groups of the poorest by Leasehold Forestry. Whereas Community Forestry encompasses all households in a community willing to participate irrespective of their wealth status, Leasehold Forestry specifically seeks to engage the poor and marginalized households in the community. Community Forestry gives 100 percent use right over forest products to local forest user groups for infinite period of time. Leasehold Forestry tries to transfer tenure right to groups of the poorest for a definite period of time, i.e. 40 years, through the lease contract. The two programs have already formed and supported a large number of forest user groups in Nepal: over 15,000 in the case of Community Forestry and around 3,000 in the case of Leasehold Forestry.

A review of documented literature of these two programs shows that a number of innovative pro-poor activities have been undertaken under them. A growing body of evidence suggests that, although some of these activities have generated equitable livelihood impact, the poor have not benefited as much as expected. In order to understand how, and under what policy regime, forests can serve the poor better, a study was carried out by ForestAction Nepal and the Center for International Forestry Research (CIFOR), focusing on the practices and approaches of these

two programs.¹ This policy brief summarizes the main policy conclusions and recommendations generated by the study.

Key Conclusions

We explored and identified a broad range of factors relating to policies, institutional arrangements, and program processes that favored equitable livelihood outcomes. The key findings are summarized below.

Pro-poor policies do not work unless appropriate implementation mechanisms are instituted and local institutions adequately internalize them. The links between policy and livelihood outcomes were found to be more complex than is generally assumed by policymakers and program planners. While both Community Forestry (LHF) and Leasehold Forestry (LHF) provide a strong policy benchmark for community control and livelihood-oriented management of forest resources, evidences suggest that a policy does not automatically result in equitable livelihood outcomes. What determines the impact is the extents to which local actors are sensitive to the poverty reduction goals and how effective are the services provided in relation to this goal. In both Leasehold Forestry and Community Forestry, livelihood outcomes have been more equitable when the policy is effectively practiced, such as through the involvement of competent civil society service providers, bottom-up program planning, and quality deliberation over equity issues at community level. A policy direction emerging from this conclusion is that, when the basic policy framework should put emphasis on delivery of effective services that help empower, organize, and build up the capacity of the poor, women, and marginalized groups, as well as institutionalizing equitable forestry practices.

Who benefits from forest management is significantly shaped and determined by the ways in which community-level deliberations take place with regard to forestry practices, rules, and institutions. Irrespective of the differences in policy focus, both Community Forestry and Leasehold Forestry experiences suggest that if local-level negotiations and deliberations are organized properly, there is an increased likelihood of equity. In some innovative cases of

¹ For the full study report and an article based on the study, please contact Basundhara Bhattarai at bb@forestaction.wlink.com.np

Community Forestry, where intense negotiations and deliberations have taken place between the less poor and the poor, often with support from critical civil society activists, more equitable rules on benefit sharing have evolved. The capture of forest benefits by local elite is in part an outcome of the lack of effective and empowered deliberations and negotiations during the formulation of rules and norms. Similarly, in the context of Leasehold Forestry, when negotiations were short and the poor were not given ample opportunity to voice their concerns, less poor households captured the benefits from the Leasehold Forests. Often the target-driven and technocratic approach to program management leads to minimization of deliberative processes at community level. What is critical in this regard is the promotion of equity as a human right agenda and delivering of services that empower the poor instead of offering quick-fix solutions. In cases where government programs and civil society groups have recognized the importance of this approach, they have been able to create deliberative spaces for community-level interest groups to formulate collective rules and practices of resource governance that favor the poor.

Since Leasehold Forestry and Community Forestry compete for the same resources and space, there is good potential for equitable livelihood outcomes if effective coordination and synergy are maintained at program level and if arrangements for pro-poor Leasehold Forestry are instituted within the Community Forestry system.

In some cases, the homogeneous basis of Leasehold Forestry User Groups (LFUG) has helped create better livelihood opportunities, while in other cases it has acted as a hindrance. On the other hand, several heterogeneous Community Forest Users Groups (CFUGs) have created equitable impact. Even when the Community Forestry policy is not explicit, poor-focused institutional arrangements have been developed. Allocation of degraded forest land to the poor in Leasehold Forestry, legal preference for Community Forestry to Leasehold Forestry, and policy vacuum for pro-poor innovations in Community Forestry have limited the capacity of both Community Forestry and Leasehold Forestry to maximize pro-poor benefits from common pool resources. Where leasehold arrangements have been instituted within the Community Forestry system, poor people's access to forest resources has been enhanced. But because of the egoistic attachment and personal interests, the key players of both the programs have failed to sufficiently appreciate the strengths and weaknesses of the two programs and explore synergistic relations.

Because of forestry-focused approach to livelihoods, both the programs are yet to consider a full-fledged livelihood approach that addresses a broad range of the concerns of the poor.

While it is certainly a step forward that both the programs have appreciated the need to link forest management with local livelihoods, there is a long way to go toward practicing a livelihood approach to forest management. This requires a shift from the ‘forest first’ to the ‘livelihood first’ approach. Compared to Leasehold Forestry groups, Community Forestry groups have demonstrated better organizational capability to mobilize diverse resources for enhancing people’s livelihoods. CFUGs have undertaken diverse development functions. Leasehold Forestry puts emphasis on coordinating services at program level, often resulting in service delivery incompatible with local livelihood situations. In both the programs, there is some appreciation of the need to shift to enterprise-oriented management of forests, but this is limited to a few innovative cases.

Policy Recommendations

Based on the above findings, some policy recommendations are made to optimize the pro-poor benefits from both Community Forestry and Leasehold Forestry. These include three key aspects of change: i) seeking improvements within Community Forestry, ii) seeking improvements within Leasehold Forestry, and iii) seeking synergy from both Community Forestry and Leasehold Forestry programs.

I) Improvement within Community Forestry

a. Manage with a broad-based livelihood approach: The management approach of Community Forestry should be transformed from subsistence forestry to incorporate a CFUG-level livelihood framework. The sale of surplus forest products and development of forest-based enterprises should be emphasized, along with the ecological sustainability of the forest area.

b. Provide pro-poor orientation to communities: Local community groups need to be sensitized and oriented toward pro-poor program development. The existing heterogeneous and hierarchical social structure of communities in terms of power, culture, class, gender, and geographical variations remains a constraining factor for pro-poor programs. Interventions are needed to transform both the empowered and the less empowered people to challenge the *status quo*.

c. Create legal mandate to target the poor: Revise the legal frameworks to guarantee equitable access of the poor to benefit sharing from Community Forests. For instance, at least one-third of the community forest's revenue should be earmarked for the well-being of the poor, and if a subgroup of poor households wishes to manage part of the community forest area for agroforestry or cash crop cultivation, it should be given priority.

d. Promote active management: Revise the operational plans to increase the harvest level from community forests, as the current forest management and harvesting practices are protection-oriented. Furthermore, community forests should be managed in such a way that multiple products are promoted, considering the demands and priorities of the poor.

II) Improvement within Leasehold Forestry

a. Transfer well-stocked forests, not just degraded forests, to leasehold groups to provide better livelihood options to the poor: The provision of handing over only degraded land to poor households should be revised in the policy and program documents. The emphasis should be on handing over good condition forests. Similarly, to ensure immediate benefits and incentives for the poor, the use right of the trees already existing in the Leasehold Forest has to be granted to leasehold groups.

b. Simplify the bureaucratic process for handing over Leasehold Forests: Like in Community Forestry, the authority to hand over leasehold forests should be legally devolved to the district forest offices (DFOs). Similarly, the paperwork for the preparation of application packages for pro-poor LHF should be reduced to the extent where group members themselves can initiate the take-over process with minimum external support.

c. Allow ample level of deliberations during group formation and identify the poor with the participation of local community. The selection of the poor through the use of centrally designed criteria and tools may not capture the poorest of the community and therefore such approaches should be avoided. The poor are more likely to be excluded if groups are formed in haste without sufficient discussions and deliberations within the community. Sufficient time should be allowed for a more process-oriented approach rather than project-based, time-bound, and target-driven approach. The community should be allowed to develop appropriate criteria for the selection of its poor with appropriate facilitation support of staff. This would allow the community to identify the poor better. As poverty is a relative term, it may vary from community to community. Local people know more about the poverty profile of their community member than the project staff. Similarly, the poorest need to be identified using the various dimensions of poverty, rather than focusing exclusively on the economic criteria.

III) Seeking synergy between both leasehold and Community Forestry

a. Manage forest actively with focus on pro-poor enterprise development: There is a need to develop enterprise-oriented forest management plans to increase the amount and diversity of products. Currently, the production potentials of most of the community forests are not being realized. Necessary technical and institutional development services are needed so that the poor can receive more benefits from the management of forests. Networks of a cluster of community forest and leasehold forest groups in the same geographical vicinity or on product basis can be created to meet the necessary economies of scale attractive to the market.

b. Establish strong linkages between Leasehold Forestry and Community Forestry: Linkages should be established among the existing LFUGs and nearby CFUGs so that opportunities can be increased for entrepreneurship-oriented development of resources, as well as sharing of benefits on a wider scale. Strong linkages can help newly formed LFUGs or CFUGs to benefit from the experiences of previously formed groups. Hand-over of leasehold forests can be comfortably achieved if the two programs are linked in such a way that people belonging to the same community are helped to capture the benefits from both the programs, depending on the informed choices that the poor make.

c. Build Leasehold Forestry concept into Community Forestry: The existing Leasehold Forestry concept can also be practiced within Community Forestry by allocating a portion of Community Forestry land to poor households. This recommendation is based on the premise of combining the strengths of both the programs, while leaving aside the weaknesses of the two. The strengths of Community Forestry include the potential for the poor to access well-stocked forests, opportunity for the poor and better off members to enter into direct negotiations, securing tenure over the resources of community forests after their hand-over, possibility of user group-based service delivery, presence of a wider network of civil society, including CFUG Federations, and more potential areas of forests to meet the needs of more poor households. In the same way, the strong elements of Leasehold Forestry that could be incorporated into Community Forestry include the concept of forming separate groups of poorest households and formulating land resource management strategies to augment the production of grasses and fodder for livestock farming. The Leasehold Forestry concept that could be incorporated into Community Forestry includes well-being ranking of CFUG members, identification and verification of the poorest households in the group, allocation of land within the community forest to the poorest to ensure their exclusive use right, and allocation of CFUG funds to the group through the provision of subsidies on livestock farming and enterprise development.

d. Diversify and strengthen the service providers: As forestry-focused interventions may not be adequate to address all the important livelihood issues of the poor, good coordination is needed to mobilize the diverse skills and resources. There is a need to go beyond the integrated development project model, which emphasizes coordination only at program or project level. The program and projects should facilitate a service delivery system that is responsive to the needs, concerns, and priorities of the poor, apart from raising their voices. In addition to the diversification of services, capacity enhancement of service providers is equally important. Orienting the program staff could augment benefits for the poor. Involvement of local facilitators, especially women, could promote pro-poor programs at local level in both Leasehold Forestry and Community Forestry. Similarly, capacities of government service providers in terms of their technical and institutional service delivery need to be developed.

e. Build strategic alliances with partners to develop and institutionalize pro-poor program development: As forestry institutions may not be able to address all the livelihood issues of the poor, greater coordination with other development partners is needed to direct the resources that they may have for poverty reduction. For instance, the Poverty Reduction Fund (PRF) of District Development Committees could be one of the major funds available at district level for poverty alleviation. To tap such resources, groups of poor need to come forward with proposals seeking support. Such alliances help to promote the already identified poor persons of their groups.

f. Institute learning-oriented (instead of target-oriented) planning and monitoring mechanisms: Since all assumptions of a project may not match perfectly in reality, an explicitly learning-oriented approach to planning and monitoring should be followed. Projects often seek to stick to key indicators of inputs and output, and miss process dimensions as well as the influence of contexts in the actual implementation of development activities. For instance, formation of a large number of groups has little meaning if poor people cannot benefit from the project. All project actors and stakeholders should reflect upon the practices and revise their operations during the project period.

Acknowledgement

This policy brief is based on the review study, "How Can Forests Serve the Poor Better?: A Review of Documented Knowledge of Leasehold and Community Forestry in Nepal," carried out with support from CIFOR, Indonesia. We thank Brian Belcher, Chetan Kumar, Mani R. Banjade, Kati Manner, Bishnu Hari Pandit, D. Chaudhary for their comments and Anil Shrestha for copy editing. The views expressed herein are not necessarily those of CIFOR and ForestAction, but are exclusively of the authors.