



**A Survey of the Priority Problems of the Forest and
Tree-Dependent Poor People in Nepal**



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Acronyms

ADB	Asian Development Bank
AFO	Assistant Forest Officer
ANSAB	Asia Network for Sustainable Bio-resources
AusAid	Australian Agencies for Development
BCP	Biodiversity Conservation Programme
BISEP-ST	Biodiversity Sector Support Programme- Siwalik and Terai
BZMC	Buffer zone Management council
CAED	Centre for Agriculture and Ecology Development
CARE	CARE International
CBOs	Community Based Organizations
CBS	Central Bureau of Statistics
CDO	Community Development Organization
CECI/CBED	Community Based Economic Development
CFUG	Community Forest User Group
ChFDP	Churia Hill Forest Development Programme
CRT	Centre for Rural Technology
CTEVT	Council of Technical Education and Vocational Training
CWIN	Child Workers In Nepal
DAAD	German Academic Exchange Service
DDC	District Development Committee
DFID	Department for International Development
DFO	District Forest Office(r)
DoF	Department of Forest
EFEA/CARE Nepal	Environment and Forest Enterprise Activity
EU	European Union
FAO	Food and Agriculture Organization
FECOFUN	Federation of Community Forest Users, Nepal
FHI	Family Health programmes
FINNIDA	Finnish International Development Agency
FRP	Forestry Research Programme.
FUGs	Community Forest User Groups
FWP	Food for Work Programme
GEF/SGP	Global Environment Facility Small Grants Programme
GNP	Gross National Product
GTZ	German Technical Cooperation
HARP	Hill Agriculture Research Programme
HIMAVANTI	Himalayan Women's associations Network International
HLFFDP	Hills Leaseholds Forestry and Forage Development Project
LIBIRD	Local Initiatives for Biodiversity, Research and Development
HMG/N	His Majesty's Government/Nepal
I/NGO	International/ Non Governmental Organization
IBRD	International Bank for Reconstruction and Development
ICIMOD	International Centre for Integrated Mountain Development
IDA	International Development Association
IDRC	International Development and Research Centre
IEDI	Industrial Enterprise Development Institute
IFAD	International Fund for Agricultural Development

IGAs	Income Generating Activities
ILO	International Labour Organization
INF	International Nepal Fellowship
I-PRSP	Interim Poverty Reduction Strategy Paper
JICA	Japan International Cooperation Agency
JTRC	Joint Technical review of community based forest Resource Management
LFP	Livelihoods & Forestry Programme
LGP	Local Governance Programme
MEDEP	Micro Enterprise Development Project
MoFSC	Ministry of Forests & Soil Conservation
MPFS	Master Plan for the Forestry Sector
NACRLMP	Nepal Australian Community Resources and Livelihood Project
NAF	Nepal Agro-forestry Foundation
NARC	Nepal Agriculture Research Council
NARMSAP	Natural Resource Management Support & Assistance Programme
NEFUG	Nepal Federation of Users Groups
NFIWUAN	National Federation of Irrigation Water Users Association Nepal
NFP	Netherlands Fellowship Programme
NORAD	Norwegian Agency for International Development
NPC	National Planning commission
NR International	Natural Resources International Limited
NRSP	Natural Resource Support Programme
NSCFP	Nepal Swiss Community Forestry Project
NTFPs	Non-Timber Forest Products
PCDP	Parja Community Development Project
REFLECT	Regenerated Freirean Literacy through Empowering Community Techniques
SALGA	Strengthening advocacy and Local Governance Accountability
SDC	Swiss Development Cooperation
SEACOW	School of Education, Agriculture and Community Works
SNV Nepal	Netherlands Development Organization, Nepal
SSMP	Sustainable Soil Management Project
TOR	Terms of Reference
UK	United Kingdom
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations International Child Education Fund
USAID	United States Agency for International Development
USD	United States Dollar
VDC	Village Development Committee
WB	World Bank
WFP	World Food Programme
WHO	World Health Organization

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Executive summary

The survey was commissioned by the Forestry Research Programme (FRP) of the Department for International Development (DFID), managed by Natural Resources International Limited (NR International). The aim of the survey was to list the underlying causes for poverty, as perceived by the poor people who rely on forest and tree resources, as well as different categories of institutions representing government, I/NGOs, bilateral agencies, research institutions and private sector, which seek to reduce poverty.

The survey has documented existing problems and their underlying causes, which can be of support in the development of meaningful and targeted action both through research and development projects. It will also help FRP to define future research areas for the benefit of the following principal categories of poor people: (1) poor small-scale farmers, (2) poor landless families, (3) poor artisans, traders and small-scale entrepreneurs, and (4) the urban and peri-urban poor. The survey conclusions could be of interest to other parties in the region involved in analyzing and addressing poverty and forestry issues.

The survey builds its methodology from earlier surveys conducted in Southern Africa (Macqueen, 1999), the Caribbean (Macqueen, 2000) and Central America (Barrance, 2000). The survey was conducted in seven districts in Nepal between April and October 2002, incorporating the views of 79 poor people themselves. Interviews with Kathmandu based heads and officers of government, non-government and donor projects were also taken. An extensive review of literature, particularly the national policy strategy and action plans, was also done. Three key limitations of the study were: a) within the limited time allocated, it was not possible to explore every poverty issue/problem in detail, b) limited availability of relevant documents for review, and c) frequent disturbances in field movement due to security related reasons.

The survey has identified prioritized problems and their underlying causes for the four FRP focus groups who have varying degrees of dependencies on forest and tree resources. The findings are cross-referenced to published national strategies, action plans or priority setting documents and participatory poverty analyses. In addition to a short description of the 16 prioritized constraints, the problems and their underlying causes are displayed in the form of poverty maps.

Priority problems of the four focus groups are briefly discussed in four broad thematic clusters: global issues and strategic concerns (policies), land-use and forest decision making (technologies), institutional change and reform (social structures), and sustainable livelihoods (employment and income).

The findings indicate that all four focus groups suffer from a lack of favorable policies and support services relevant to their livelihoods. They also suffer from lack of food security and low wages, in addition to problems of exploitation, food security, and large family sizes.

Resource poor farmers suffer mainly from limited access to land resources, deteriorated productivity and limited ability to purchase agricultural inputs, often caused by underemployment.

Poor small-scale artisans suffer from limited access to raw materials, from shrinking marketing opportunities, lack of financial capitals and alternative employment opportunities.

Landless and *urban poor* generally share the same problems, including no or limited land and knowledge/awareness on livelihood options and strategies. The *landless poor* also suffer from

forced child labor, unemployment and lack of financial capital, and the *urban poor* from lack of employment and low wages.

As root problems were caused by a wide variety of underlying causes, we felt it was beneficial to discuss in chapter 3.5 some of these larger issues, giving indications for which specific underlying causes should be addressed to alleviate these problems.

A list of prioritized issues for each of the focus groups under the four thematic clusters (first column in the table) is given in the table below.

Table 1. Matrix of priority problems identified from the survey for the focus groups

Thematic clusters	FRP focus groups of ultimate beneficiaries among the very poor			
	Forest agriculture interface			Urban interface
	Resource poor farmers	Landless poor families	Poor small-scale artisans and entrepreneurs	Urban poor
Global issues and strategic concerns (policies)	F1: Lack of favorable policies (agricultural inputs and incentives) F2: Lack of support services (extension) F3: Limited market and marketing infrastructure	L1: Lack of favorable policies (land resource distribution) L2: Lack of support services (exclusion)	A1: Lack of favorable policies (entrepreneurship skills and incentives) A2: Lack of support services (marketing) A3: Limited market and marketing infrastructures	U1: Lack of favorable policies (labor/wages) U2: Lack of support services (skill development)
Land-use and forest decision making (technologies)	F4: Limited agricultural inputs including irrigation F5: Small land holding F6: Limited access to natural resources	L3: Lack of land holding	A4: Lack of skills and quality training services	U3: No or small land holding
Institutional change and reform (social structures)	F7: Limited education and awareness	L4: Limited education and awareness L5: Forced child labor L6: Exploitation and limited access to decision-making		U4: Limited education and awareness U5: Large family size
Sustainable livelihoods (employment and income)	F8: Lack of food security F9: Low income F10: Low agricultural production F11: Lack of employment opportunity	L7: Lack of food security L8: Lack of financial capital L9: Low income L10: Lack of employment opportunity	A5: Lack of access to adequate raw materials A6: Lack of financial capital A7: Lack of employment opportunities A8: Lack of food security	U6: Lack of food security U7: Low income U8: Lack of financial capital U9: Lack of employment opportunity

1. Introduction and Background

1.1 About the report

This report presents the findings of a survey commissioned by the Forestry Research Programme (FRP) of the Department for International Development (DFID), managed by Natural Resources International Limited (NR International). The aim of the survey was to list the underlying causes of poverty, as perceived by the people who rely on forest and tree resources, as well as different categories of institutions that seek to reduce poverty. The survey has documented existing problems and their underlying causes, thereby supporting the development of meaningful and targeted action both through research and development projects. It will also help FRP to define future research areas for the benefit of the following principal categories of poor people: (1) poor small-scale farmers, (2) poor landless families, (3) poor artisans, traders and small-scale entrepreneurs, and (4) the urban and peri-urban poor.

FRP operates through a matrix of structural and thematic clusters. This structure has been followed in this report and the priority problems of the forest and tree dependent poor are listed according to FRP's structural clusters in Table 1.

Structural cluster / Thematic cluster	Global issues and generic tools	Land use/forest decision making	Institutional change and reform	Sustainable livelihoods and income generation
Tropical timber trees				
Multi-purpose trees and shrubs				
Trees in land use systems				
Forest management				
Non-timber forest products				
Peri-urban issues				

Through this survey, DFID aims to contribute to the process of increasing understanding of the links between management policy and practices for forests and the opportunities and constraints facing the poor. This understanding will inform the design of poverty reduction intervention and help the future development and implementation of forest policies to be pro-poor. The survey conclusions could be of interest to other parties in the region involved in analyzing and addressing poverty and natural resources issues.

1.2 Objectives

Specific objectives of the survey were to:

- Identify and report on priority national / regional problems and their underlying causes in the management of forest and tree resources for the four FRP focus groups, cross referenced to published national strategies, action plans or priority setting documents and participatory poverty analyses;
- Identify and display the logical chain between key issues and their underlying problems in the form of poverty map;
- Identify and report on the national capabilities, and political will to solve these problems effectively;
- For those priority problems for which the national capability is inadequate, to check which donors or international agencies if they are helping to cover which gaps;
- Catalogue information on internal and external sources of funds (doctoral scholarships, donor project grant funding, etc.) for research on the national priority problems;
- Rationalize priorities according to transparent criteria for the remaining problems for which the national capability is inadequate and which are not addressed with support of donors or international agencies;
- Finally, to share the survey findings with key stakeholders in a workshop setting.

1.3 General background of poverty in Nepal

Situated between China and India, the Himalayan Kingdom of Nepal is characterized by rugged topography, ethnic diversity, a predominantly subsistence agricultural economy, monarchical rule and a society marked by inequalities in terms of class, caste, gender and access to land. The country covers an area of 147 181 square kilometers (mean length 885 km east to west and width 193 km north to south), which is equal to 0.3 percent of Asia and 0.03% of the world. According to CBS (2001), over 85% of Nepal's 23 million people live in the rural areas. The estimated per capita GNP for the year 1999/2000 was USD 244. The population is growing at a rate of 2.3% per annum. The literacy rate is still only 50%. About a third of Nepal's population lives in the hills and mountains, which are inaccessible by road, and consequently have very limited infrastructure.

The economic condition of the country remains very serious. Agricultural production, which contributes 59 percent of GNP and employs 90 per cent of the economically active population, is virtually stagnant, leading to critical food shortages (Khadka, 1991) and underemployment. Land holdings are so unequally distributed that nine per cent of the richest land owners own 47 per cent of the farm land, in contrast to 67 per cent of the poor households who own only 17 per cent of the farm land (Ghimire, 1992). The country consequently faces numerous problems associated with impoverishment, unemployment and food shortages. See Table 1 for key trends, shocks and poverty reinforcing factors in the vulnerability contexts of livelihoods in Nepal, using Sustainable Livelihood Framework of DFID, UK.

Table 2. Vulnerability contexts of poverty in Nepal (information from: CBS 2001, Department of Forest Research and Survey 1999, HMG/N 1998)

1. Trends	
Population growth	Increasing at 2.3 %
Resource stocks	In the Terai plains, forest area has decreased at an annual rate of 1.3% from 1978/79 to 1990/91. In the hilly area, forest area has decreased at an annual rate of 2.3% from 1978/79 to 1990/94. This trend is considered reversing in the subsequent years.
Productivity of land	Continued soil erosion, unmanaged use of chemical fertilizers, and inadequate nutrient replenishment all leading to decreasing productivity of agricultural land
Political	Erosion of credibility of political institutions and deteriorating faith in democracy, intensifying conflict between dissident Maoists and the mainstream political forces
Technology	Slight improvement in agricultural technologies - improved varieties etc. but there is still limited transportation and communication infrastructure in the rural areas largely inhabited by the poor
Economy	Tourism sector - markedly decreasing Real estate in urban areas- expanding Agricultural sector - stagnant Banking sector in urban areas - increasing
2. Shocks	
Climate	Most agricultural areas are rain-fed. Climatic extremes (drought in summer, excessive rains in monsoon season, and excessive cold in winter) are increasingly serious.
Floods and Landslides	The fragile hills and the low-lying plains are prone to these natural catastrophes. The poor are the ones who are most affected as they are forced to live in the marginal areas prone to landslides and floods.
Political/civil conflicts	Maoist movement has given rise to violent conflicts in the country for the last 7 years. The violence, suspension of human rights through the state of emergency
3. Poverty-reinforcing social structure and culture	
Heterogeneity in terms of class, caste and gender, including untouchability	Poor people have limited access to decision-making, have limited avenues to assert rights, and are deprived of livelihood opportunities due to class, caste and gender related disparities.
Culture of silence, fatalism	Poor people consider their poverty as a god-given fate and consider this to be beyond their capacity to change
Beliefs leading to unproductive economic behavior	Extravagant rituals from birth to death, festivities, particularly among the poor groups

Forty percent of all the population (close to 9 million people) live in absolute poverty (IBRD, 1991), and own less than 0.5 ha land. As per the definition of National Planning commission (NPC) a person having per capita income of less than USD 55 (Rs 4400) is considered to be living below the poverty line (MEDEP, 2001). Population living below poverty line seems to be increasing (Shrestha, 1992). Though the poverty has spread all over the country it is severe mostly in rural areas of the far and mid-western region particularly the high mountains and Terai (UNDP, 2002). 'Lower' castes are more prone to poverty due to exclusionary institutions and social structures.

Nepal has been described by the World Bank as one of the least developed nations in the world (IBRD, 1991). UNDP (2002) contends that while per capita annual income grew by an average rate of 2.7% during the 1990s, the incidence of poverty has remained high, largely because of disparities in the ownership of productive resources. Many evidences show that there is a problem in equitable sharing of benefits. Insecure tenure rights, elite domination in decision making and lack of regular as well as critical information regarding governance of resources are the crucial issues (Ojha et al., 2002). These inequalities correlate closely with lack of broad policy ownership and citizen participation in public decisions (ibid). Empirical evidence reveals a strong causal relationship between good governance and desirable development outcomes (UNDP, 2002).

The feudal state's historical exploitation and discrimination, the unequal distribution of wealth and the hierarchical structure of the society have made Nepal's economic prospects poor (Blaikie et al., 1980). Social differentiations, gender inequality and different form of deprivation are the key elements that contribute to the growing gaps among 'haves' and 'have-nots'. The social structure and power relation is a barrier to this end. Despite billions of dollars provided by donors, the planned development efforts of the last 40 years or so have failed (Pandey, 1999).

The increasing population of rural poor is leading to fragmentation of land, unemployment, and lack of food security. Decreasing land productivity is affecting the land resource based economy. Increased unemployment and failure of planned interventions are critical issues. Continued loss of faith in political leaders has created frustration and loss of hope. As a result, the economy has remained almost stagnant for the past several years (HMG/N, 2002a). The mountainous terrain, landlocked situation, limited resources and a relatively very small skilled labor force have all made economic development particularly difficult. This is further aggravated by periodic shocks resulting from climatic, epidemic and economic fluctuations. In the summer of 2002 alone, 300 people were killed by floods and landslides in different parts of the country, let alone the damage of property worth millions of dollars (Nepal, August 2002).

In Nepal, the attempt to formulate a distinct poverty alleviation programme as a long-term perspective plan was initiated with the seventh five-year plan (1985-90). Since then, poverty alleviation has become a major objective in each of the subsequent five-year-plans. Once again, in the current tenth five-year plan (2003-2008) poverty alleviation is in focus. In the ninth five-year plan, the government developed three strategies to tackle the poverty: a) broad-based economic growth b) social sector development c) a set of targeted programmes. Recently, the government has, through the Interim Poverty Reduction Strategy Paper (I-PRSP), shown its commitment to implement a poverty alleviation programme based on these strategies (UNDP, 2002). Last year (2002) HMG/N aimed at a 6 % economic growth rate (HMG/N, 2002a). The recently set millennium development goals focus on reducing the 50% of the population in extreme poverty, whose income is less than a dollar per day (<http://www.developmentgoals.org>).

Sectoral master plans are also being developed. The first of these was the Master Plan for the Forestry Sector (MPFS), which was approved in 1989, and similar plans were prepared for the irrigation and agricultural sectors.

The initiative undertaken for poverty reduction incorporates the following broad areas; (1) broad-based economic growth, (2) rural infrastructure initiatives and social priority sectors, (3) targeted interventions including poverty alleviation funds and (4) decentralization and social mobilization initiatives (UNDP, 2002). The I-PRSP also recognizes the inter-linkages between poverty reduction and good governance stating the government's commitment to improve governance by focusing on such components as civil service reform, decentralization and increased role of NGOs in service delivery and involvement of private sector in service provisioning (UNDP, 2002). To date, a number of programmes with explicit goals of poverty reduction have been implemented with support from donors such as: Community Forestry, Leasehold Forestry, Local Governance Programme, Community Health, Micro-Enterprise Development, Small and Cottage Industries Promotion Programme, Rural Banking, Savings and Credits, Cooperatives, and Agriculture and Livestock Development. But on-the-ground poverty reduction impact is minimal (Pandey, 1999)

Forests are an important component of rural livelihood system in Nepal, especially in the hills. There is a complex and symbiotic relationship among hill farmers, the forests, livestock and agriculture (Gilmour and Fisher, 1991). Many of the poor farmers maintain their lives raising livestock and ever depleting forest forced them to reduce the number of animals or migrate. In this sense, forest depletion and environmental degradation contribute to poverty and vice versa (IFAD, 1990 cited in Ohler, 2000).

The potential of the forestry sector in poverty reduction is not fully recognized and this is one of the reasons why this sector received on an average only 4.6 per cent of total government expenditure (FAO, 1997). The forestry sector is an important employer and income generator especially in the rural areas (Dahal et al., 1999). Comparing with the other sectors of natural resources management, forestry is more decentralized with spread out authorities to local users. For an example, the Community Forestry Programme not only shifted the decision-making authorities, it also addressed the equity concern at community level introducing the concept of forest user groups for local forest management. The provision of democratic processes for decision-making, negotiated decisions in benefit sharing and forest management contribution is helping to reduce the inequalities within the groups. Increasingly, the voices of poor and marginalized are being heard and the issue of benefit sharing is in the discourse (Kanel, 2002). Deforestation and encroachment continue to be a big problem in the forestry sector. 70 256 ha of forest-land has been encroached in recent years (Adhikari, 2002). In Nepal, forests are not well distributed in relation to the population; the mid-hill mountains and the Terai have only 0.26 and 0.11 ha of forest per capita while other zones have at least 1ha per capita (HMG/N, 1988).

Considering the poverty reduction programme, the leasehold forestry is the only program within the Ministry of Forest and Soil Conservation (MoFSC) that deals specifically with the problems of the poor groups of people (Kanel, 2002) but the actual impact is still debated (Thoms et al., 2003).

In the past, poverty was often treated as a function of low income, and the analysis of poverty focused more on symptoms than attempting to dig out root causes and avenues of change. A broader view of poverty however includes lack of opportunities and abilities to maintain a dignified life in society due to low capital endowment and external vulnerabilities. By analyzing the views of 20 thousand men and woman of 23 countries, Narayan et al. (2000) identified ten interlocking dimensions of poverty including: dis-empowering and excluding institutions,

discriminating and isolating social relations, abusing behavior of more powerful groups, troubled and weak gender relations, and weak and disconnected organization of the poor.

1.4 The livelihood approach as a basis of understanding poverty

DFID intends to strengthen the livelihoods of poor people through a sustainable livelihoods approach (Scoones, 1998; Carney, 1998). This approach is people-centered in that it analyses the different needs people have in order to live in a sustainable and productive manner. Five capital assets have been identified as the basic needs, all of which need to be in balance for a sustainable livelihood (Table 3). Forestry issues are predominantly related to natural assets, and yet we have tried to give all five assets similar weight in the present survey and the data analysis, using the FRP categories of four focus groups of the forest-dependent poor who are directly as well as indirectly dependent on forest resources for their income, employment, raw materials, foods, medicine, and so on (see section 2.2 below for details).

Table 3. Livelihood capital assets (adapted from Scoones, 1998)

Capital assets	Summary situation
Physical	The basic infrastructure (transport, shelter, water, energy and communications) and the production equipment and means which enable people to pursue their livelihoods
Financial	The financial resources which are available to people (whether savings, supplies for credit or regular remittances or pensions) and which provide them with different livelihood options.
Social	The social resources (networks, membership of groups, relationships of trust, access to wider institutions of society) upon which people draw in pursuit of livelihoods
Natural	The natural resource stocks from which resource flows useful for livelihoods are derived (e.g., land, water, wildlife, biodiversity, environmental resources)
Human	The skills, knowledge, ability to labor and food health important to the ability to pursue different livelihood strategies

2. Methodology

2.1 Approach

The study is based on a participatory survey methodology, capturing a broad cross section of informants' perceptions and views through direct personal interviews. The methodology builds on earlier surveys conducted in Southern Africa (Macqueen, 1999), the Caribbean (Macqueen, 2000) and Central America (Barrance, 2000). Under this method, an attempt was made to allow the interviewees to have a reflection of their realities through the interactive interviews (See questionnaire attached in Annex III). Interviews were semi-structured to facilitate analysis of frequencies of problem variables identified through the survey (The number of times an issue was raised independently allowed prioritization of identified problems, based on the respondents' perspectives). The second step of the survey consisted in cross-referencing interview findings with the relevant literature.

2.2 Respondent categories

Two main categories of respondents interviewed include the poor people themselves and their support institutions (for the number of interviewees by focus groups and different types of support institutions, see Table 4). **Among the poor themselves**, responses of four groups of poor people as categorized by FRP were solicited:

- i) Resource poor farmers
- ii) Landless
- iii) Small-scale trader, artisans and entrepreneurs; such as blacksmith, potter, craft-man, wood carver etc.
- iv) Urban and peri-urban poor.

Similarly the respondents from **support institutions** were identified and categorized as:

- a) State-level natural resource and forestry government departments;
- b) Research institutions, university- forest/environmental/social development department and regional organizations;
- c) Development organizations and relevant donor projects;
- d) Private sector forest based enterprises-producers, processors and traders
- e) Non Governmental Organizations (NGOs) and Community Based Organizations (CBOs)

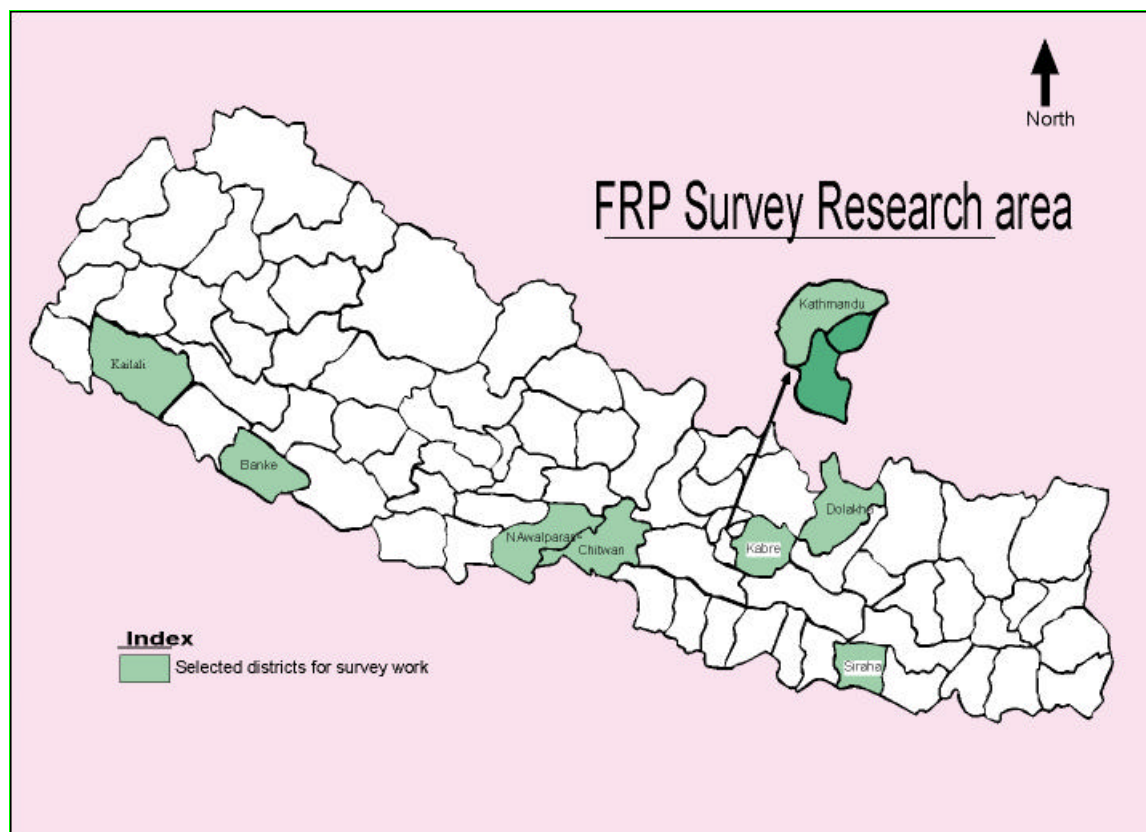
The above list indicates that the support institutions consulted include government, non-government and private sector. Both local as well as central government staff were consulted. Representatives of community based organizations such as forest user groups, and their federations are also included apart from national level service providing NGOs. Views of heads and advisors of bilateral forestry projects are also captured. Individual traders from a few select areas are also consulted. For details about the respondents, please refer to Annex I.

Table 4. Number of respondents and their institutions

Name of the institutions/respondent category	No of respondents
A) Four focus group	79
i) Resource poor farmers	18
ii) Landless	20
iii) Artisans	19
iv) Urban and Peri-urban poor	22
B) Support institutions	65
a) State-level natural resource and forestry government departments	24
b) Research institutions, university- forest/environmental/social development department, regional organizations	3
c) Development organizations and relevant donor projects	14
d) Private sector forest based enterprises – producers, processors and traders	3
e) Non Governmental Organizations (NGOs) and Community Based Organizations (CBOs)	21
Total	144

2.3 Selection of sites, respondents and collection of data

2.3.1 SITES



Sites were selected to capture major ecological as well as regional/social variations. Within the given resource limit, seven districts were selected jointly with FRP. Within the district, the survey team located focus groups and locally-based support institutions in consultation with local government officials, NGOs, projects and forestry officials.

Table 5. Survey sites by development regions and ecological zones

Survey Sites (Districts)	Development region	Altitudinal zone	Summary description (with focus on factors related to the nature of forest dependency of local people)
Siraha	Eastern	Terai	Majority of indigenous Terai communities, including so-called untouchables Conflict of access to forest between indigenous and migrated people
Dolakha	Central	High hill	Communities in high hill, with dependency on off farm income like NTFPs, and occupational people
Kabhre	Central	Mid-hill	Close to urban center (Kathmandu) with diversified livelihood strategies (including off-farm employment) Pioneer district for community forestry
Chitwan	Central	Terai	Area with diverse groups of people Conflicts between National Park and local people on access to resources, wildlife damage to life and property, and sharing of tourism benefits
Nawalparasi	Western	Terai	Indigenous people and their conflicts with National Park
Banke	Mid-western	Terai	Major trade center of NTFPs supplied by poor farmers of hilly areas (including high hills)
Kailali	Far western	Terai/Mid hills	Bonded labor, Unique far western culture of both Terai and Mid-hills

2.3.2 QUESTIONNAIRE

A sample questionnaire was developed and field-tested at a pilot site in Kabhre district, and was further refined during the survey through regular reflections. A reflection on the field test is given in Annex V. A key aspect of questionnaire refinement was techniques and sequence of questioning as well as documenting interview outputs. The guide questionnaire is found in Annex III.

2.3.3 TIME AND DURATION OF THE SURVEY

This survey was conducted in seven districts in Nepal between April and October 2002. Out of 144 individual interviews, 79 were with poor people themselves and 65 with individuals from support institutions.

2.3.4 INTERVIEW

Two individuals were involved in most of the interviews for asking questions and documenting responses. Each interactive and lively interview took 1.5 - 2 hours. In some cases multiple

interviews were conducted as a focus group discussion, and later individual responses were segregated. Interview notes were reviewed daily to ensure accurate data recording.

2.3.5 Data analysis

The following steps were taken to analyze the data.

1. **Preparation of individual problem tree for each respondent.** This was done either as part of interview data recording or as a way of organizing data immediately after an interview.
2. **Preparation of master list of problems and coding.** A comprehensive list of problems related to the five livelihood assets was prepared (and coded) by compiling, and in some cases classifying, the problems captured in the individual problem trees.
3. **Preparation of coded individual problem tree.** The problems in the problem tree prepared for each respondent in step 1 were converted into numerical codes and entered in Microsoft Excel format. This facilitated counting of frequencies of each of the problems.
4. **Frequency counting.** Frequencies of each of the listed problems in the master list were then counted from the problem trees in Excel. This was done separately for each of the four poor groups. In addition, frequencies of problems from the perspective of the poor themselves and support institutions were counted separately.
5. **Screening of problems.** 15 priority problems were selected from the perspective of both support institutions and the four focus groups on the basis of frequency count made in the step 4 (for the list of these 15 priority problems, see Annex V).
6. **Selection of 16 priority constraints.** The 15 problems of each category were then pooled together (see Annex V) along with their total frequency (i.e. sums of ranking by concerned poor groups as well as support institutions as per the step 4). From this problem pool, 16 prioritized problems were selected primarily using the frequency as a basis (highest frequency problems selected). While selecting, attention was also paid to researchers' impression on the importance of the problem during interviews (1 problem). In the process, the distribution of problems across the four FRP strategic clusters was also considered (but no adjustment made exclusively based on this criterion as the selected problems were naturally found to occur on all categories, though with different frequencies). Some of the selected problems were related with several others not selected; they (6 selected problems) were merged during the description in section 3.4.
7. **Preparation of standardized problem tree for each focus group.** For each of the four focus groups, a problem tree has been prepared using the logical sequence developed in the individual problem trees as well as the frequencies using Mind Jet ® software. While preparing the problem trees, all problems were, as far as possible, categorized according to the five livelihood capital assets.
8. **Organization and description of constraints.** The 16 selected problems/constraints have been briefly described based on the findings of interviews, cross-referenced with national strategy documents, where available.

2.3.6 Literature review

Relevant documents were collected in an on-going basis through the survey period and reviewed in the light of findings that came from the interviews. Of particular importance were the national strategy documents of both government and donor institutions, and the review and assessment reports of projects related to poverty alleviation in Nepal.

2.3.7 Limitations, issues and lessons

The four categories of focus group were found to be not as mutually exclusive as anticipated in the Nepali context. For example, there was a considerable overlap between the landless poor and the resource poor farmers. This is because these groups share the agricultural livelihood context, and both descend originally from rural subsistence farming communities. Similarly, the landless category overlaps with the artisans and urban poor. Nevertheless, it was felt that there was merit in discussing the results for each of the FRP focus groups separately as far as possible.

Controlling the structure of interview was a bit difficult while interviewing policy level government staff, head of bilateral organizations and district forest officials. Responses were more strategic and not specific to questions. The general perceptions, however, are captured.

Due to the rainy and hot season during the field interview period, it was difficult to manage the time for field visit. In addition, the local respondents somewhat resisted to interact due to the social unrest situation in the country. Because of the security situation, one of the previously planned districts (Baitadi) was not included in the survey. Instead, Kailali District in the same development region was included.

The existing literatures are more general in terms of poverty analysis with limited specific references to the four focus groups. A related issues was that since the very nature of survey was multi-disciplinary, the survey team had to face the challenge of collecting and reviewing very diverse sets of topics and issues arising from the survey.

3. Problem Analysis and Prioritization

3.1 Introduction

This section presents the overall analysis of livelihood problems of four focus groups and a brief description of prioritized problems. It starts with a brief introduction to each of the four focus groups (i.e. resource poor farmers, landless poor, artisans and small-scale traders, and urban and peri-urban poor), followed by the presentation of the problem tree, which displays causal connections between problems identified through the survey. Finally a short description of the 16 prioritized problems is made building on the findings of the interviews, quantitative ranking of problems occurring in the problem tree, and using information obtained from literature review.

3.2 Introduction to four focus groups

Resource poor farmers (F)

Key characteristics of resource poor farmers in Nepal are:

- Agriculture based livelihood (Small land holding, subsistence-oriented integrated farming)
- Found across all castes
- Low cash income
- Constitutes majority of farmers/poor groups in Nepal

The group represents the majority of Nepalese farmers whose livelihood is largely based on agricultural activities. This group holds very small pieces of marginal land. They lack food security from their own farm-land, and therefore they seek agricultural and other labor work. The resource poor families are highly dependent on the forest and forest products for agriculture farming and livestock for grazing, grasses, fire/fuel wood, agriculture implements and inputs (irrigation water and manures).

In this survey, most of the interviewees of this category were from rural areas, residing near the forest areas. They represent most of the caste categories and ethnic groups.

Poor Landless families (L)

Key characteristics of landless include:

- Traditional occupational castes
- Transitional - migrants to Terai and urban areas
- People displaced as a result of natural calamities such as floods, land slides
- Livelihood is based primarily on agricultural wage labor (paid in cash or kind)

Most of the landless people belong to traditional occupational castes such as blacksmith, tailors, fishing communities and forest dependent tribes such as Mushahar, Bote, and Tharus. In other cases, (poor) people become landless when they move from the hills to the Terai in search of opportunities, often as a result of floods and landslides. These people are also related to other focus groups such as artisans and small scale entrepreneurs, urban and peri-urban poor.

Rural landless poor are highly dependent on forests. They collect Non-Timber Forest Products (NTFPs) for foods, medicines and for sale at the markets. Peri-urban landless families collect fuel/fire wood from the nearest forest areas and sell to the near-by markets, including areas

newly connected by roads. Many of the landless poor families take shelter in forestlands illegally.

Representatives of the landless from different villages have been interviewed during the survey work.

Poor artisans, traders and small-scale entrepreneurs (A)

Characteristics include:

- Traditional occupational castes (as mentioned above in the landless category),
- Small traders and small-scale entrepreneurs (such as traditional healers, small teashop operators, fruit and vegetable sellers, poor carpenters, potters, and wooden pot makers)
- Livelihood is primarily based on cash income

In the survey, the representation of blacksmiths, local healers and carpenters is high. These groups are highly dependent on NTFPs and forest products for raw materials for their occupational works.

Urban and Peri-urban poor (U)

The characteristics of this group include:

- Poor families residing in the urban and peri-urban area
- Small or no land holding
- Livelihood is based primarily on cash income earned through daily wages
- Exposed to pollution-related health hazards

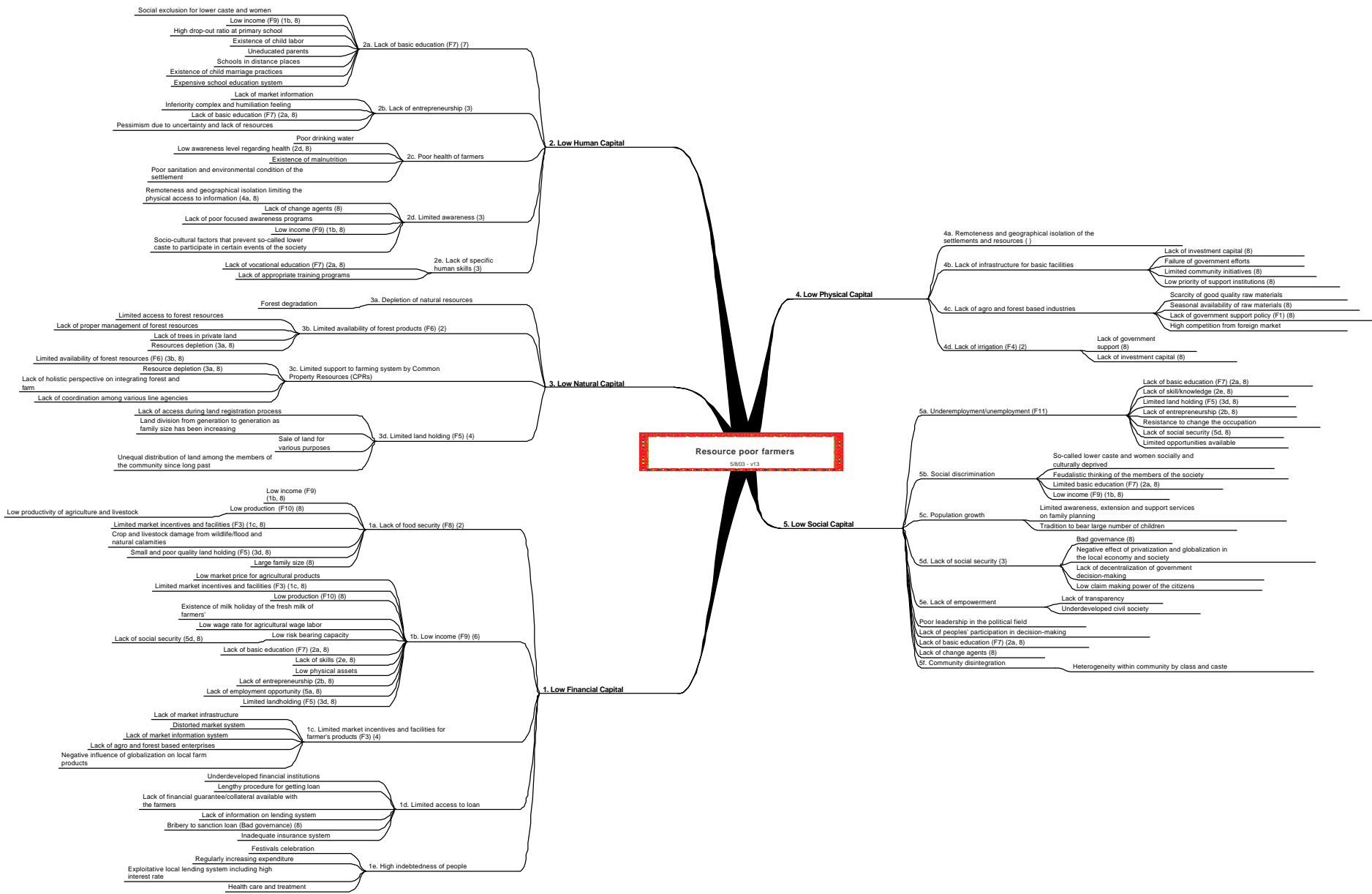
These families generally come to the urban areas in search of employment and labor opportunities. There is also a group of urban poor, who have been traditionally in the urban areas for generations. There is often a distinct area of slums and shanties in the city areas. These groups of people are dependent on the forest in terms of collection and selling of fuel-wood and NTFPs. Their dependency on the forest is generally lower than that of the other focus groups.

3.3 Problem trees

By problem tree we mean the logical connections of various types of problems relating to the livelihood. In the tree, first order problems are organized by the five capital assets of the sustainable livelihoods framework and their causes are explored up to a maximum of five consecutive orders. However, it is to be noted that it was not possible to explore causes of all problems in the same depth.

Some keys are used in the tree to denote various additional meanings:

- = 'Poverty trap loop', issues that refer back to a constraint of higher order, thereby indicating an interlinked relationship;
- A1, F1, L1 or U1 = Specific priority constraints, which are discussed in more detail in section 3.5.
- {1...n} = number of occurrence or cross-reference of the problem in the problem tree



3.3.1 Resource poor farmers

1. Low Financial Capital

1a. Lack of food security (F8) {2}

Low income (F9) (1b,)

Low production (F10) ()

Low productivity of agriculture and livestock

Marginal and less productive land

Lack of proper land use planning and practice

Limited agricultural inputs including irrigation (F4) ()

Primitive technology of agriculture and livestock management

Soil erosion and loss of soil fertility

Share cropping between landlord and resource poor farmers

Limited market incentives and facilities (F3) (1c,)

Crop and livestock damage from wildlife/flood and natural calamities

Small and poor quality land holding (F5) (3d,)

Large family size ()

1b. Low income (F9) {6}

Low production (F10) ()

Low market price for agricultural products

Limited market incentives and facilities (F3) (1c,)

Availability of cheap substitute

Competitive market for farm product sale

Perishable goods

Existence of milk holiday of the fresh milk of farmers'

Limited market incentives and facilities (F3) (1c,)

Market monopoly by informal cartel of milk traders

Low wage rate for agricultural wage labor

Low quality skills (2e,)

Discriminatory wage rate

Lack of information on wage rate

Lack of government support (F2) ()

Limited communities' initiatives ()

Lack of protective government policies (F1) ()

Limited bargaining power of generally unorganized wage laborers due to need of wage in advance and in kind

High competition in labor market

Client-patron relationship of employer and employee

Low risk bearing capacity

Lack of social security (5d,)

Lack of basic education (F7) (2a,)

Lack of skills (2e,)

Low physical assets

Lack of entrepreneurship (2b,)

Lack of employment opportunity (5a,)

Seasonal labor demand

Limited landholding (F5) (3d,)

1c. Limited market incentives and facilities for farmer's products (F3) {4}

Lack of market infrastructure

Distorted market system

Distortion by cartel

Lack of policy support by government

- Lack of market information system
- Lack of agro and forest based enterprises
- Negative influence of globalization on local farm products
- 1d. Limited access to loan
 - Underdeveloped financial institutions
 - Lengthy procedure for getting loan
 - Lack of financial guarantee/collateral available with the farmers
 - Lack of information on lending system
 - Bribery to sanction loan (Bad governance) ()
 - Inadequate insurance system
- 1e. High indebtedness of people
 - Health care and treatment
 - Festivals celebration
 - Regularly increasing expenditure
 - High inflation rate of money
 - Large family size ()
 - Exploitative local lending system including high interest rate
- 2. Low Human Capital
 - 2a. Lack of basic education (F7) {7}
 - Social exclusion for lower caste and women
 - Low income (F9) (1b,)
 - High drop-out ratio at primary school
 - Existence of child labor
 - Uneducated parents
 - Schools in distance places
 - Existence of child marriage practices
 - Expensive school education system
 - 2b. Lack of entrepreneurship {3}
 - Pessimism due to uncertainty and lack of resources
 - Lack of market information
 - Lack of basic education (F7) (2a,)
 - Inferiority complex and humiliation feeling
 - 2c. Poor health of farmers
 - Poor drinking water
 - Low awareness level regarding health (2d,)
 - Existence of malnutrition
 - Lack of food security (F8) (1a,)
 - Low level of awareness (2d,)
 - Poor sanitation and environmental condition of the settlement
 - 2d. Limited awareness {3}
 - Remoteness and geographical isolation limiting the physical access to information (4a,)
 - Lack of change agents ()
 - Lack of poor focused awareness programs
 - Low income (F9) (1b,)
 - Socio-cultural factors that prevent so-called lower caste to participate in certain events of the society
 - 2e. Lack of specific human skills {3}
 - Lack of vocational education (F7) (2a,)
 - Lack of appropriate training programs

Lack of adequate training institutions
Lack of appropriate trainer

3. Low Natural Capital

3a. Depletion of natural resources

Forest degradation

Over-grazing on forest land

Existences of slash and burn practices

So-called 'Illegal' use of forest products in rural areas

To generate livelihoods

Lack of ownership feeling of the forest ()

Unsustainable harvest of forest products

Lack of ownership feeling of the forest ()

Natural calamities in forest areas as landslides, fire etc.

Settlements and cultivation in vulnerable areas

3b. Limited availability of forest products (F6) {2}

Limited access to forest resources

Inadequate government support policy regarding forest management (F1)
()

Committees' restriction in community forest

Elite domination in decision-making

Low income (F9) (1b,)

Remoteness and geographical isolation of forest areas (4a,)

Lack of proper management of forest resources

Lack of active forest management practices

Lack of ownership feeling of the forest ()

Lack of trust among stakeholders of forest management

Inadequate government support on technical, managerial and financial aspects ()

Policy confusions ()

Overemphasis on timber production and negligence on Non-Timber Forest Products (NTFPs) management

Lack of trees in private land

Resources depletion (3a,)

3c. Limited support to farming system by Common Property Resources (CPRs)

Limited availability of forest resources (F6) (3b,)

Resource depletion (3a,)

Lack of holistic perspective on integrating forest and farm

Lack of coordination among various line agencies

3d. Limited land holding (F5) {4}

Lack of access during land registration process

Land division from generation to generation as family size has been increasing

Sale of land for various purposes

Unequal distribution of land among the members of the community since long past

4. Low Physical Capital

4a. Remoteness and geographical isolation of the settlements and resources { }

4b. Lack of infrastructure for basic facilities

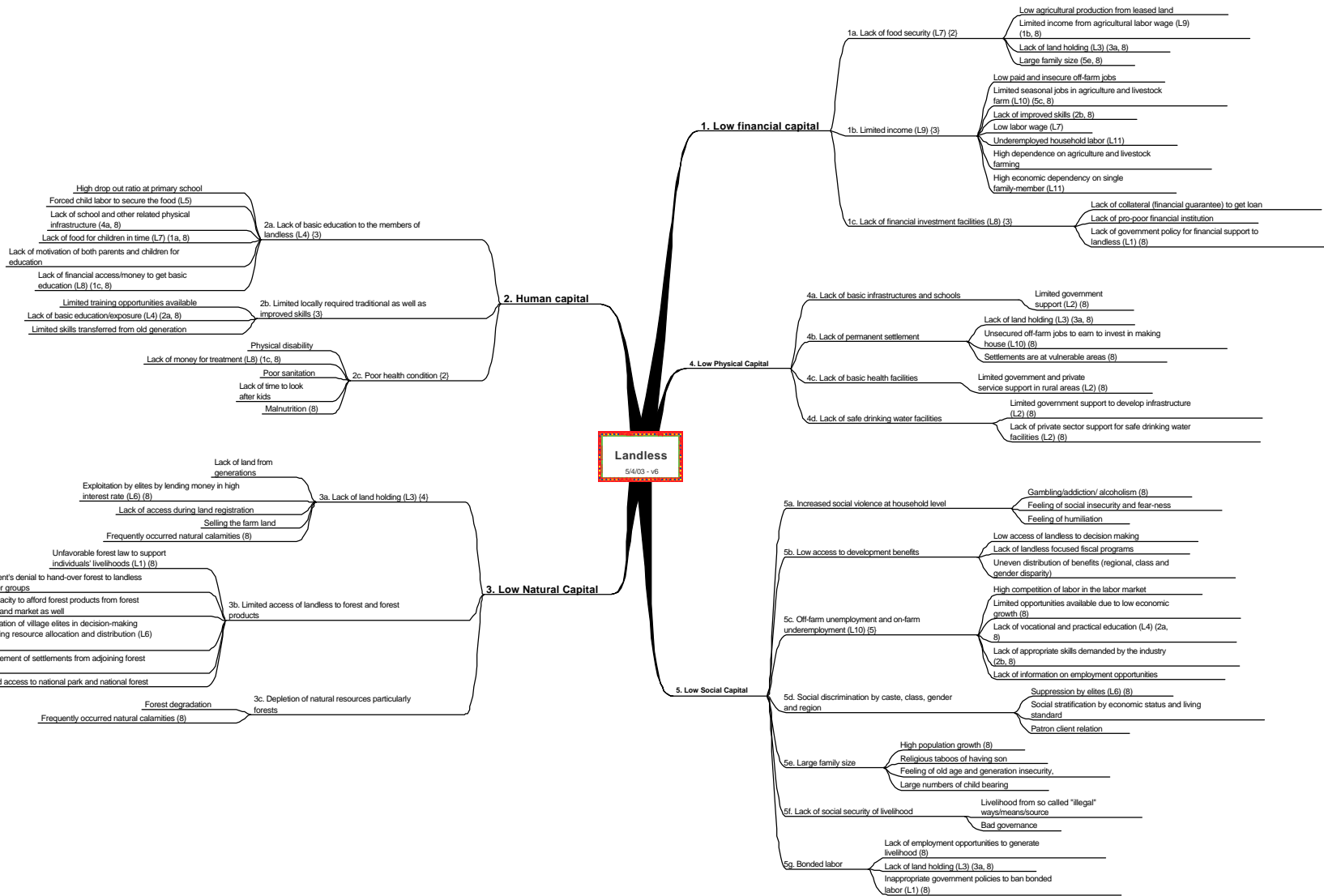
Lack of investment capital ()

Failure of government efforts

- Limited community initiatives ()
- Low priority of support institutions ()
- 4c. Lack of agro and forest based industries
 - Scarcity of good quality raw materials
 - Seasonal availability of raw materials ()
 - Lack of government support policy (F1) ()
 - High competition from foreign market
- 4d. Lack of irrigation (F4) {2}
 - Lack of government support ()
 - Lack of investment capital ()

5. Low Social Capital

- 5a. Underemployment/unemployment (F11)
 - Limited land holding (F5) (3d,)
 - Lack of entrepreneurship (2b,)
 - Resistance to change the occupation
 - Low confidence in new occupation
 - Lack of social security (5d,)
 - Limited opportunities available
 - Lack of industries
 - Existence of unhealthy competition to get job
 - Partiality in selection such as nepotism
 - Lack of basic education (F7) (2a,)
 - Lack of skill/knowledge (2e,)
- 5b. Social discrimination
 - So-called lower caste and women socially and culturally deprived
 - Feudalistic thinking of the members of the society
 - Limited basic education (F7) (2a,)
 - Low income (F9) (1b,)
- 5c. Population growth
 - Limited awareness, extension and support services on family planning
 - Tradition to bear large number of children
 - High infant mortality
 - Labor security for household livelihoods
- 5d. Lack of social security {3}
 - Bad governance ()
 - Negative effect of privatization and globalization in the local economy and society
 - Lack of decentralization of government decision-making
 - Low claim making power of the citizens
- 5e. Lack of empowerment
 - Poor leadership in the political field
 - Lack of peoples' participation in decision-making
 - Lack of basic education (F7) (2a,)
 - Lack of change agents ()
 - Lack of transparency
 - Underdeveloped civil society
- 5f. Community disintegration
 - Heterogeneity within community by class and caste



3.3.2 LANDLE1. LOW FINANCIAL CAPITAL

- 1a. Lack of food security (L7) {2}
 - Low agricultural production from leased land
 - Lack of incentive for intensive agriculture (share-cropping)
 - Low productivity of agriculture land and livestock
 - Limited income from agricultural labor wage (L9) (1b,)
 - Lack of land holding (L3) (3a,)
 - Large family size (5e,)
- 1b. Limited income (L9) {3}
 - Low paid and insecure off-farm jobs
 - Lack of rules and regulation to generate even low paid manual job opportunities in informal sector (L1)
 - Limited seasonal jobs in agriculture and livestock farm (L10) (5c,)
 - Lack of improved skills (2b,)
 - Low labor wage (L7)
 - Wage in advance and in kind limiting bargaining power
 - Immediate need of money for daily consumption
 - High competition of laborer to get work
 - Inadequate information on work and wage system
 - Underemployed household labor (L11)
 - High dependence on agriculture and livestock farming
 - Lack of alternative livelihood means
 - High economic dependency on single family-member (L11)
 - Cultural taboos - do not allow women to work outside household
 - Un/under-employment (L10) (5c,)
- 1c. Lack of financial investment facilities (L8) {3}
 - Lack of collateral (financial guarantee) to get loan
 - Lack of pro-poor financial institution
 - Lack of financial security (insurance scheme)
 - Lack of adequate government support (L2)
 - Lack of government policy for financial support to landless (L1) ()

2. Human capital

- 2a. Lack of basic education to the members of landless (L4) {3}
 - High drop out ratio at primary school
 - Forced child labor to secure the food (L5)
 - Lack of school and other related physical infrastructure (4a,)
 - Lack of food for children in time (L7) (1a,)
 - Lack of motivation of both parents and children for education
 - Lack of financial access/money to get basic education (L8) (1c,)
- 2b. Limited locally required traditional as well as improved skills {3}
 - Limited training opportunities available
 - Limited support institution
 - Limited financial resources to grab training opportunities
 - Lack of basic education/exposure (L4) (2a,)
 - Limited skills transferred from old generation
 - Limited opportunity to get job (L10) (5c,)
- 2c. Poor health condition {2}
 - Lack of money for treatment (L8) (1c,)
 - Poor sanitation

- Lack of time to look after kids
- Malnutrition ()
 - Alcoholism / addiction ()
 - Limited awareness on dietary system
 - Low food stuff purchasing capacity
- Physical disability
 - Loss of body organs by accidents
 - By birth
 - Hard labor from early age

3. Low Natural Capital

3a. Lack of land holding (L3) {4}

- Lack of land from generations
- Exploitation by elites by lending money in high interest rate (L6) ()
- Lack of access during land registration
 - Lack of proper documents
 - Unfavorable government policies (L1) ()
 - Complex and lengthy land registration process
- Selling the farm land
 - Health care / treatment
 - Expenses for celebrating festivals
 - Gambling/addiction / alcoholism ()
- Frequently occurred natural calamities ()
 - Vulnerable farm land and settlement ()

3b. Limited access of landless to forest and forest products

- Unfavorable forest law to support individuals' livelihoods (L1) ()
- Government's denial to hand-over forest to landless forest user groups
- Limited capacity to afford forest products from forest user group and market as well
 - Low income (L9) (1b,)
- Domination of village elites in decision-making regarding resource allocation and distribution (L6) ()
 - Landless regarded as weak segment of the society
 - Control by forest user committees and elites
 - Sharing of benefits based on equality rather need
- Displacement of settlements from adjoining forest areas
- Limited access to national park and national forest

3c. Depletion of natural resources particularly forests

- Forest degradation
 - Over harvesting of forest products and over-grazing
- Frequently occurred natural calamities ()

4. Low Physical Capital

4a. Lack of basic infrastructures and schools

- Limited government support (L2) ()

4b. Lack of permanent settlement

- Lack of land holding (L3) (3a,)
- Unsecured off-farm jobs to earn to invest in making house (L10) ()
- Settlements are at vulnerable areas ()

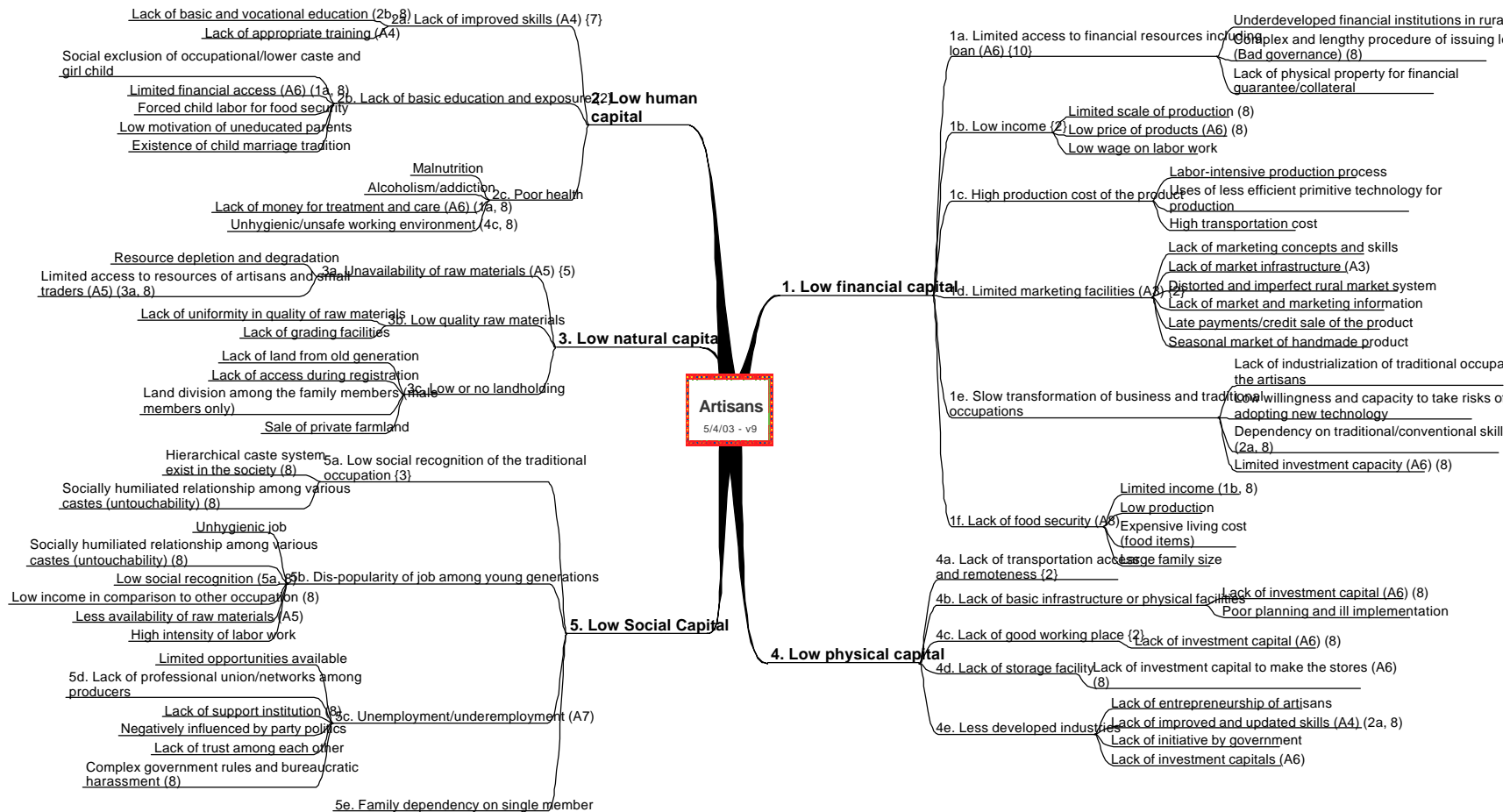
4c. Lack of basic health facilities

- Limited government and private service support in rural areas (L2) ()

- 4d. Lack of safe drinking water facilities
 - Limited government support to develop infrastructure (L2) ()
 - Lack of private sector support for safe drinking water facilities (L2) ()

5. Low Social Capital

- 5a. Increased social violence at household level
 - Gambling/addiction/ alcoholism ()
 - Feeling of social insecurity and fear-ness
 - Feeling of humiliation
 - 5b. Low access to development benefits
 - Low access of landless to decision making
 - Domination by elites (L6) ()
 - Culture of silence particularly of low caste and women
 - Lack of landless focused fiscal programs
 - Uneven distribution of benefits (regional, class and gender disparity)
 - 5c. Off-farm unemployment and on-farm underemployment (L10) {5}
 - Limited opportunities available due to low economic growth ()
 - High competition of labor in the labor market
 - Immigration of labor force from North India
 - High population growth ()
 - Lack of vocational and practical education (L4) (2a,)
 - Lack of appropriate skills demanded by the industry (2b,)
 - Lack of information on employment opportunities
 - 5d. Social discrimination by caste, class, gender and region
 - Social stratification by economic status and living standard
 - Suppression by elites (L6) ()
 - Patron client relation
 - Feudal mentality of the member of society in general
 - 5e. Large family size
 - High population growth ()
 - Religious taboos of having son
 - Feeling of old age and generation insecurity,
 - Large numbers of child bearing
 - High infant mortality rate
 - Malnutrition ()
 - Poor health of mother as well as children (2c,)
 - 5f. Lack of social security of livelihood
 - Bad governance
 - Livelihood from so called "illegal" ways/means/source
 - 5g. Bonded labor
 - Lack of land holding (L3) (3a,)
 - Lack of employment opportunities to generate livelihood ()
 - Scarcity of resources
- Inappropriate government policies to ban bonded labor (L1) ()



3.3.3 ARTISANS, TRADERS AND SMALL-SCALE ENTREPRENEURS

1. Low financial capital

1a. Limited access to financial resources including loan (A6) {10}

Underdeveloped financial institutions in rural area

Limited government and private support services (A2) ()

Lack of favorable government policy (A1) ()

Complex and lengthy procedure of issuing loans (Bad governance) ()

Lack of physical property for financial guarantee/collateral

1b. Low income {2}

Limited scale of production ()

Limited availability of raw material (A5)

Limited knowledge and skills of entrepreneurs (A4) (2a,)

Low price of products (A6) ()

Low quality products of artisans (A6) ()

Availability of cheap substitutes

Globalization of markets and open boarder with India Limited bargaining power to sell the products ()

High competition among suppliers/artisans

Traditional patron-client relationship with consumers

Unorganized rural artisans and small traders

Local cartel formation of buyers of artisans' products

Low wage on labor work

Low level of skills of artisans (A4) ()

Low quality of products (A6) ()

Payment in kind and in advance

1c. High production cost of the product

Labor-intensive production process

Uses of less efficient primitive technology for production

Limited financial resources for new technologies (A6) (2a,)

Lack of skills to adopt new technology (A4) (2c,)

High transportation cost

Remoteness and geographical isolation (4a,)

Dependency on expensive land of transportation

1d. Limited marketing facilities (A3) {2}

Lack of marketing concepts and skills

Lack of market infrastructure (A3)

Distorted and imperfect rural market system

Distortion by cartel of brokers

Lack of policy support to regulate the market system ()

Lack of market and marketing information

Late payments/credit sale of the product

Seasonal market of handmade product

1e. Slow transformation of business and traditional occupations

Lack of industrialization of traditional occupation of the artisans

Low willingness and capacity to take risks of adopting new technology

Dependency on traditional/conventional skills (A4) (2a,)

Limited investment capacity (A6) ()

1f. Lack of food security (A8)

Limited income (1b,)

Low production

Expensive living cost (food items)
Large family size

2. Low human capital

2a. Lack of improved skills (A4) {7}

Lack of basic and vocational education (2b,)

Lack of appropriate training (A4)

Lack of support institution and trainer

2b. Lack of basic education and exposure {2}

Social exclusion of occupational/lower caste and girl child

Limited financial access (A6) (1a,)

Forced child labor for food security

Low motivation of uneducated parents

Existence of child marriage tradition

2c. Poor health

Malnutrition

Alcoholism/addiction

Lack of money for treatment and care (A6) (1a,)

Unhygienic/unsafe working environment (4c,)

3. Low natural capital

3a. Unavailability of raw materials (A5) {5}

Resource depletion and degradation

Unsustainable use of resources

Over exploitation of resources

Natural calamities (flood, fire etc.)

Improper management of natural resources

Limited access to resources of artisans and small traders (A5) (3a,)

Resources selling through contract by District Forest Office (DFO and

Forest User Group (FUG) limit the access of artisans

Protection oriented resource management system

Elite domination in decision-making

Seasonal availability of raw materials (legal provision) (A5)

Lack of access to financial capital to buy raw materials (A6) ()

3b. Low quality raw materials

Lack of uniformity in quality of raw materials

Lack of grading facilities

3c. Low or no landholding

Lack of land from old generation

Traditional occupational caste did not need land for livelihood

Lack of access during registration

Lack of proper and adequate documents to register the land

Land division among the family members (male members only)

Sale of private farmland

High cost of health care / treatment

Loan repayment with high interest

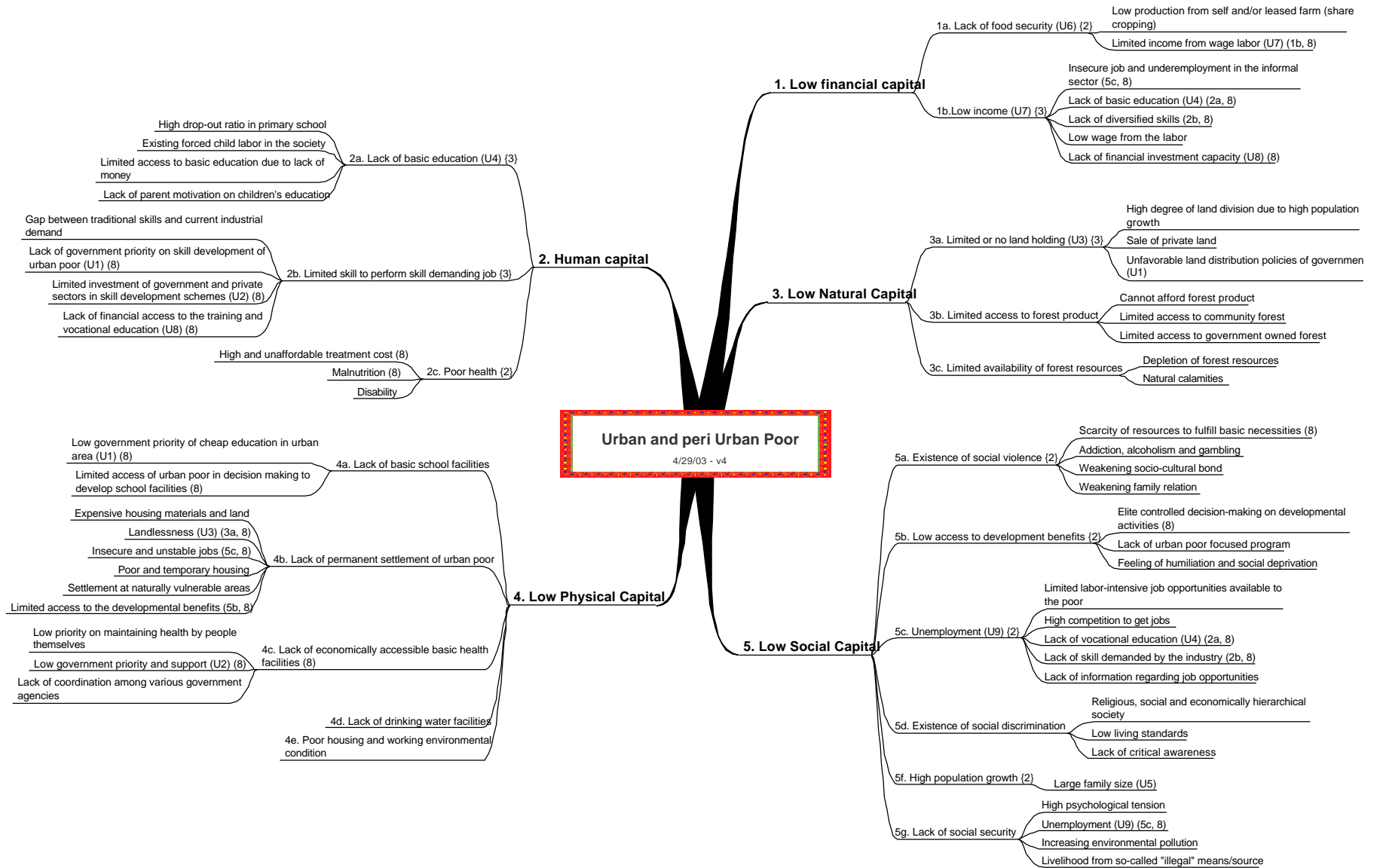
Unnecessary expenses in festivals and other cultural ceremonies

Less supportive government policy on land use (A1) ()

4. Low physical capital

4a. Lack of transportation access and remoteness {2}

- 4b. Lack of basic infrastructure or physical facilities
 - Lack of investment capital (A6) ()
 - Poor planning and ill implementation
 - Bad governance ()
- 4c. Lack of good working place {2}
 - Lack of investment capital (A6) ()
- 4d. Lack of storage facility
 - Lack of investment capital to make the stores (A6) ()
 - Low priority of support institution
- 4e. Less developed industries
 - Lack of entrepreneurship of artisans
 - Lack of improved and updated skills (A4) (2a,)
 - Lack of initiative by government
 - Lack of investment capitals (A6)
- 5. Low Social Capital
 - 5a. Low social recognition of the traditional occupation {3}
 - Hierarchical caste system exist in the society ()
 - Socially humiliated relationship among various castes (untouchability) ()
 - 5b. Dis-popularity of job among young generations
 - Unhygienic job
 - Socially humiliated relationship among various castes (untouchability) ()
 - Low social recognition (5a,)
 - Low income in comparison to other occupation ()
 - Less availability of raw materials (A5)
 - High intensity of labor work
 - 5c. Unemployment/underemployment (A7)
 - Limited opportunities available
 - 5d. Lack of professional union/networks among producers
 - Lack of support institution ()
 - Negatively influenced by party politics
 - Lack of trust among each other
 - Complex government rules and bureaucratic harassment ()
 - 5e. Family dependency on single member



3.3.4 URBAN AND PERI-URBAN POOR

1. Low financial capital

1a. Lack of food security (U6) {2}

Limited income from wage labor (U7) (1b,)

Low production from self and/or leased farm (share cropping)

Limited landholding (U3) (3a,)

1b. Low income (U7) {3}

Insecure job and underemployment in the informal sector (5c,)

Lack of rules and regulation in informal sector (U1) ()

Lack of basic education (U4) (2a,)

Lack of diversified skills (2b,)

Low wage from the labor

Low bargaining power

Immediate need of money

Highly competitive labor supply

Lack of organization / union or network

Inadequate information on labor demand and supply

Exploitation by employer in fixing wage rates

Lack of financial investment capacity (U8) ()

Limited access to the financial resources

Lack of financial guarantee/collateral

Unfavorable government policy on financial investment (U1) ()

Underdeveloped financial institution

2. Human capital

2a. Lack of basic education (U4) {3}

High drop-out ratio in primary school

Existing forced child labor in the society

Limited access to basic education due to lack of money

Lack of parent motivation on children's education

2b. Limited skill to perform skill demanding job {3}

Gap between traditional skills and current industrial demand

Lack of government priority on skill development of urban poor (U1) ()

Limited investment of government and private sectors in skill development schemes (U2) ()

Lack of financial access to the training and vocational education (U8) ()

2c. Poor health {2}

High and unaffordable treatment cost ()

Malnutrition ()

Lack of food security (U6) (1a,)

Low purchasing capacity of food items

Poor environmental condition of settlements and work places ()

Lack of time to look after kids

Disability

Accidents

Hard labor from early age

Malnutrition ()

3. Low Natural Capital

- 3a. Limited or no land holding (U3) {3}
 - High degree of land division due to high population growth
 - Sale of private land
 - High expenses of treatment / health care ()
 - Meeting family livelihood expenses
 - Unnecessary causal expenses on socio-cultural events
 - Unfavorable land distribution policies of government (U1)
 - Complex and lengthy land registration process
 - 3b. Limited access to forest product
 - Cannot afford forest product
 - Low income (U7) (1b,)
 - Limited access to community forest
 - Decision making by committee and elites ()
 - Limited access to government owned forest
 - 3c. Limited availability of forest resources
 - Depletion of forest resources
 - Over extraction/harvesting of forest products for industrial purpose
 - Unsustainable management of the forest resources
 - Natural calamities
 - Vulnerable areas of forest as in riverbank
4. Low Physical Capital
- 4a. Lack of basic school facilities
 - Low government priority of cheap education in urban area (U1) ()
 - Limited access of urban poor in decision making to develop school facilities ()
 - 4b. Lack of permanent settlement of urban poor
 - Expensive housing materials and land
 - Landlessness (U3) (3a,)
 - Insecure and unstable jobs (5c,)
 - Poor and temporary housing
 - Settlement at naturally vulnerable areas
 - Limited access to the developmental benefits (5b,)
 - 4c. Lack of economically accessible basic health facilities ()
 - Low government priority and support (U2) ()
 - Lack of coordination among various government agencies
 - Sectoral policy confusion (U1)
 - Low priority on maintaining health by people themselves
 - 4d. Lack of drinking water facilities
 - 4e. Poor housing and working environmental condition
5. Low Social Capital
- 5a. Existence of social violence {2}
 - Scarcity of resources to fulfill basic necessities ()
 - Addiction, alcoholism and gambling
 - Weakening socio-cultural bond
 - Heterogeneous community in term of caste, class and geography
 - People from diverse geographical and cultural origin
 - Weakening family relation
 - Developed individualistic culture
 - Scarcity of resources to fulfill basic necessities ()
 - 5b. Low access to development benefits {2}

- Elite controlled decision-making on developmental activities ()
- Lack of urban poor focused program
- Feeling of humiliation and social deprivation
- 5c. Unemployment (U9) {2}
 - Limited labor-intensive job opportunities available to the poor
 - High competition to get jobs
 - Immigration of people in urban and peri-urban areas
 - Population growth (5f,)
 - Lack of vocational education (U4) (2a,)
 - Lack of skill demanded by the industry (2b,)
 - Lack of information regarding job opportunities
- 5d. Existence of social discrimination
 - Religious, social and economically hierarchical society
 - Suppression/Domination by so called rich
 - Low living standards
 - Low income (U7) (1b,)
 - Lack of critical awareness
- 5f. High population growth {2}
 - Large family size (U5)
 - Religious taboos to have son
 - High infant mortality rate
 - Malnutrition ()
 - Poor health care (2c,)
- 5g. Lack of social security
 - High psychological tension
 - Existence of social violence in the rural part of the country (5a,)
 - Unemployment (U9) (5c,)
 - High population density
 - Increasing environmental pollution
 - Livelihood from so-called "illegal" means/source

3.4 Brief description of priority problems

In this section we describe 16 prioritized problems (Box 1) of the four categories of the poor (which are not necessarily in order of priority). The description is basically an expansion of the interview results and the problem trees, cross-referenced with published documents where appropriate. Authors' interpretations are also added to clarify the context and meanings of the data and responses collected.

Box 1. List of 16 Prioritised Constraints

1. Lack of favorable policies (F1: agricultural inputs and incentives, L1: land resource distribution, A1: Lack entrepreneurship skills and incentives, labor/wages)
2. Lack of support services (F2: extension, L2: exclusion, A2: marketing, U2: skill development)
3. Limited market and marketing infrastructure (F3, A3, U3)
4. Limited agricultural inputs including irrigation (F4)
5. No or limited land holding (F5, L3, U3)
6. Limited access to natural resources (F6)
7. Limited education and awareness (F7, L4, U4)
8. Lack of food security (F8, L7, A8, U8)
9. Low income (F9, L9, U7)
10. Low agricultural production (F10)
11. Lack of employment opportunities (F11, L10, A7, U9)
12. Forced child labor (L5)
13. Exploitation and limited access to decision making L6)
14. Lack of financial capital (L8, A6, U8)
15. Lack of skills and quality training services (A4)
16. Large family size (U5)

The problems are described separately for the four focus groups as far as possible, but where there was significant overlap, the discussion for several focus groups is combined. Wherever possible, reference of the responses made by particular categories of institutions and/or interviewees are made with reference to the specific problems.

At the end of the descriptions, two quantitative scores are given to each of the problems (based on the method suggested by Macqueen, 2000). The first is the number of interviewees mentioning the particular problem (irrespective of times a problem is referred to by an interviewee). In some cases, the prioritized problem consist of two or more specific problems for which separate ranking is done; in such cases, the frequencies of component problems are added to get the number for the main problem. The second is a three-variable score in X:Y:Z sequence derived from problem trees of each focus group (outlined in section 3.3):

- X - sum of the frequencies of the branch bases under which the particular problem has occurred,
- Y - the number of branch bases in which the problem has occurred,
- Z - total number of occurrences of the particular problem in the problem tree.

1. LACK OF FAVORABLE POLICIES

Policies here are broadly taken as all forms of government and parliament decisions, including master plan, five year plans, acts, rules, orders, directives, circulars of various sectors including forest, agriculture and industry, which together influence the livelihoods of the poor through

access to resources, decisions and services. In the case of forestry, the policy dimensions that affect the livelihoods of the poor spans beyond resource use and management, and includes those related to the downstream processing, trade and marketing of forest products, all of which determine the extent of benefits the poor (who are engaged as NTFPs collectors and labors in the rural as well as urban sector) receive from the forest sector.

The problem of lack of favorable policy has been found relevant to all the four focus groups, although the specific aspects affecting their livelihoods vary across the category. It is considered important by a large number of respondents as the main reason for poverty in Nepal (for example 24 respondents identify this as a constraint in the case of resource poor farmers). Yet, few offered concrete ideas for improvement of this constraint partly because of time constraint during interview and partly because of limited knowledge on policy scenario on the part of respondents, particularly the poor people. One of the effects of lack of favorable policies has been the lack of support services, which is discussed as a separate problem below (problem no 2).

Resource poor farmers (F1)

The policies for resource access and services delivery to the resource poor farmers are very poor and inadequate. While preparing policies, a generalist approach is followed without regard to the diverse peculiarities of different agro-ecological regions and farmer categories (Blaikie and Sadeque, 2000).

The livelihoods of resource poor farmers in the rural areas are directly dependent on forest, water and agriculture but the policies regarding the access to these resources are not adequately defined. This issue has been mainly raised by NGO/CBO and private sector such as NTFP traders. Local government representatives (DDCs and VDCs) and forest officials (DFOs and Rangers) have also mentioned that there is confusion among different sectoral policies, which hinder the delivery of services to the poor.

In the forest sector, whilst the community forestry policy has allowed national forests to be brought under community control, to date only 16% of national forests have been handed over as community forests (HMG/N, 2002b), and communities are still waiting many forests to be handed over to them, especially in the high hills and the Terai. Even under the community-managed forests, the access of the poor to forest products and decision-making is highly contested (Malla, 2001; Bhattarai and Ojha, 2001; Neupane, 2000). Satisfactory policies regarding the access of the poor to common property resources are still lacking.

Another policy issue is the persisting resource management conflicts among local governments, resource user groups and the National Government (for reference to policy confusion between the local self government act and community forestry management rules, see Chapagain et al., 1999). This confusion has hit the poor hardest in terms of penalties when violating the resource access regime.

Some of the good policies suffer from severe distortions in implementation. For example, local forest authorities do not allow the collection of certain NTFPs (pers. comm. Parbat Gurung, Dholakha) and impose very restrictive permission procedures to sell private forest products. Local forest entrepreneurs say that these distortions have affected not only their profit but also the employment opportunities that they create to the poor in the areas.

The agricultural land-use practice and agricultural productivity in Nepal is very much affected by the existing 'dual land tenure system' - in which two or more individuals or groups are

jointly entitled to claim ownership of a particular piece of land. This forcefully leads to share cropping arrangements even when the claimants are not interested in this. This constrains incentives to the poor tenant farmers to maximize the productivity of land. In recent years, government has made some decisions to improve this (Badal, 1998) but they have limited practical impact. Also, there seems to be no consensus among the political parties with regard to this, and this is why the issue was highly debated when a recent prime minister announced his land reform policies in 2001.

Government has in some aspects made provision subsidies to farmers in energy (such as biogas installation), agricultural inputs (such as chemical fertilizers and agricultural equipment) and others (such as kerosene oil). But these are still rarely within the reach of resource poor farmers due to high prices and sometime limited supply. Likewise, several mega irrigation schemes and mega hydro projects have not been a boon to the poor farmers in the rural areas. Some of the interviewees mentioned a desperate lack of policy provision for small-scale irrigation schemes. At the same time, there are limited fiscal and regulatory incentives for innovative and pro-poor services, such as rainwater harvesting.

Livestock is often a component of small farmers' livelihoods, both as a source of cash through selling milk and draught. However, milk producers often have to bear the cost of forced milk holiday - a situation in which milk-processing factories do not buy milk for 2-3 days in a week, and are forced to comply with centrally dictated milk prices. In recent years, imported powdered milk and butter have captured a significant market share, thus affecting the ultimate market of many small-scale milk producers.

Another major problem related to policies of the resource poor farmers that was mentioned during the interviews is the open border to India and unequal trade policies with India. Unless subsidized, Nepali farmers are unable to compete with the much stronger Indian market. This problem is particularly expressed by livestock, poultry and off-season vegetable growing farmers of the peri urban area.

{Number of interviewees mentioning the problem: 27; Ranking based on poverty map = 9: 3: 3}

Landless (L1)

The support groups, particularly NGOs and donor field projects mentioned this problem.

The land policy in Nepal is conflicting (creating conflicting claims over land), confusing and complex (mainly in terms of land registration and ownership transfer). Neither there is consistent land use planning; it changes from government to government, and for the same government, from statements to actions.

A complex land registration process is often a barrier to the poor in establishing land ownership. Many poor and illiterate families were unaware of the procedures and outputs of the land registration; as a result, many have less land than they used to own traditionally. They were actually misguided by the notion that registering a smaller area than the actual would lead to reduction in revenue tax to government, without knowing the fact that this would reduce the actual area of land owned (field interview).

The landless poor often undertake share cropping as tenant farmers, and their shares range from 33% to 50% of the production. Given their low bargaining capacity, there is a need to protect their interests through national legislation.

In the forestry sector, landlessness is associated with forest degradation, as the landless tend to settle in the forest areas, often under the patronage of political leaders. Recent data shows that more than 70,256 ha of forestland have been encroached (Adikari, 2002).

A Government commission identified about 17000 *Kamaiya* families living in five western Terai districts (Robertson and Mishra, 1997), who are forced to live as bonded labor serving the landlord for generations. In the past 2-3 years, NGOs working with these people made some attempts to free them and the HMG/N abolished all former laws and by-laws related to it, many released families have got limited access to land and resources to improve their livelihoods. In the winter of 2002, the media reported that these people suffered from cold waves due to lack of housing services (Lamichhane, 2003)

The problem of landless families is seen only from the dimension of landlessness, and the Government has tried to provide pieces of lands, which are usually the national forest areas, to the landless. To this end, district and national level land Sukumbasi commissions are formed, headed by political party leaders. However, according to the landless of Shiraha, Chitwan and Nawal Parasi, the real landless have hardly been able to get land titles, which are given instead to the relatives of the political leaders, high level bureaucrats and businessmen. They expressed frustrations saying that most of the political leaders' election time commitment to provide the entitlement of the land is not materialized. This is particularly true in the context of the landless poor having limited capacity to demand accountability from elected leaders. This is partly because of weak organization of the poor and discriminatory social relations (as reported by Narayan et al., 2000).

Since the landless are engaged in agricultural and industrial labor, Governments wage policy is a key factor in determining the extent of benefits they get. There is limited pro-poor consideration in formulation of wage policies, and even when there are some elements (such as district wage rates fixed by government-led committees), the poor are not generally aware of these provisions so that they could use them as a basis to negotiate fairer rates. One of the persistent failures of the wage policy is that it has not been able to address the issue of discrimination between men and women in wage rates in both agriculture and industrial works. Wage laborers are not usually aware about the standard rate of wages fixed by government. This is partly due to the limited mechanism for communicating the policy arrangements.

Although the introduction of community forestry has increased the availability of forest resources, it has also increased the insecurity and frustration of the poor, particularly the landless. It is not empowering the most disadvantaged groups, but is further disempowering those who depend most on the forest (Lama, 1999). There is evidence that community forestry significantly disadvantages the poor (Bhattarai, 1999).

{Number of interviewees mentioning the problem: 24; Ranking based on poverty map = 12: 5: 5}

Artisans and small-scale entrepreneurs (A1)

Policy problems for this focus group were mentioned primarily by NGO/CBO representatives and by the private sector, particularly NTFP traders.

Since the small-scale artisans are usually the members of the caste groups that are considered low or untouchables in the existing social system. As such, they are usually denied access to existing decision-making forum, which apparently leads to their limited access to resources that are in control of local institutions, such as community forests, primary education etc.

ICIMOD (2002) has prepared an annotated bibliography documenting status and process of benefit sharing in common property natural resources. Several studies have indicated that community forests are being used inequitably often leading to extra costs to poor and marginalized such blacksmiths and crafts-men. The government policy or community rules make no allowance to the special needs of these groups, and their customary use rights often go unprotected (Ruis, 2001).

Instead, trade policies favor the development of modern household and agricultural implements, thus losing the traditional knowledge of the occupational castes. For example, the flooding of plastic ropes has severely affected the traditional fiber enterprises that extract fibers and prepare ropes from a number of fiber-yielding species - such as *Agave* sp. (in the hills), and *Bauhinia vahlii* (in the Terai and low-lying areas).

There is a difference in the way in which NTFPs are valued by local people and by government, and some of the policies that are framed under these circumstances are the very reason for forest degradation, including over-harvesting of NTFPs (Gautam and Devoe, 2002). Also, there is a lack of policies as well as simple and transparent procedures to promote and enable cottage industries in the rural part of the country. Financial guarantee based lending policies of financial institution inhibit the access of artisans to the financial capital. The royalty system of NTFPs in Nepal is not systematic and is largely based on arbitrary criteria developed with limited consultations at local level limiting the business opportunities of small-scale producers, collectors and processors (Ojha, 2000).

In the process of developing community forestry groups, artisans and small scale entrepreneurs, who often are from 'low' castes (such as blacksmith and shoe-makers), are not able to participate in community level meetings and assemblies that decide who can access local natural resources, and how. As a consequence, they have to follow rules imposed by others (Lamsal, 1997). Decisions in community forest user groups are not always fair and certain users are discriminated against because of their low caste status (Chhetri and Nurse, 1992). The current approach of community forestry and the current arrangements for the distribution of products do not take into account users' differences in need. In one instance, poorer households received only one-third of their annual fuel wood requirements from the forests; the average rich household received far more than their need (Timala, 1999). User group members are predominantly from economically advantaged groups, and disadvantaged groups are often excluded from membership and may lose access to vital resources (Graner, 1996, 1997). Heavy restrictions imposed by government as well as by communities on the cutting of firewood have severely limited the traditional occupation of blacksmith. There is no policy provision to provide support to forest based artisans and small-scale entrepreneurs in any five-year plan of the country.

{Number of interviewees mentioning the problem: 16; Ranking based on poverty map = 11 : 2 : 2}

Urban and peri-urban poor (U1)

The policy issue related to the livelihoods of urban and peri-urban poor was mainly mentioned by representatives of the urban poor themselves.

Generally, the urban and peri-urban poor settle in slum areas in or around the cities, usually on land classified as forest or public land. They share similar problems with landless and artisans,

except that they are more exposed to urban pollution, wage is an even more critical source of livelihood, and there is a perception of higher insecurity.

Though there are some authorized settlement companies established by the government, there are few policies that support poor communities. Similarly, the wage policy has not been developed in favor of the poor in urban areas. There is also a lack of employment security.

Although they often live in physical proximity to political leaders, decision-makers and offices relating to security, development and civil administration, the urban poor hardly have any direct connections and access to them, leading to a feeling of alienation from the mainstream social system.

{Number of interviewees mentioning the problem: 9; Ranking based on poverty map = 11 : 5 : 6}

2. LACK OF SUPPORT SERVICES

Support services such as information, finances (credit facilities), health and education were considered key to the enhancement of the poor by many respondents. The current lack of support services in most regions is one of the major causes of poverty in Nepal, affecting all four focus groups.

Resource poor farmers (F2)

The problems related to support services were mentioned by the resource poor farmers themselves, as well as by representatives of NGOs, local government organizations, donors and the private sector.

Many resource poor farmers mentioned that they lack agriculture inputs such as seeds, fertilizers, pesticides, and technical services. According to them, these can be available in distant markets and at higher prices than they can afford. Even the technical services delivered directly by government extension agencies are not affordable for many. Factors that were considered (by the poor as well the supporting institutions) as critical to the supply of such services are: small scale of the demand per unit of the geographic area, shortage of supplies of the services and materials, inefficient government service delivery mechanism (in terms of cost, timeliness, responsiveness and transparency), inadequate private service providers, and geographical isolation or remoteness.

In the context of community forestry, DoF acts both as policy shaper and service providers at the field. The field staff, rangers and forest guards, fail to provide relevant and adequate technical services to farmers (Springate-Baginski et al., 2000), partly because of the inherent limitations of bureaucracy to reach people (because of the persistence of patron-client relationship between the civil servant and the citizens), and partly because of the limited skills and competencies to deal with the emerging complexities of community forestry. An evidence of this is found in Dhital et al. (2002), in which it is reported that 78% of the community forest operational plans are waiting for a resource inventory and renewal, which is being constrained by the lack of technical services. In this case, whereas the DoF field staff were found to be constrained by needed technical capacities to undertake resource assessment as prescribed by the DoF itself, there were limited provisions and incentives to facilitate service delivery through NGOs and locally based private consultants.

A similar situation is found in the agriculture sector where technicians and technical assistants have limited experience and skills because they are not exposed to the reality of field situations. Technical services and input delivery mechanisms are weak (Blaikie and Sadeque, 2000).

While for the resource poor farmers generally subsistence farming is the key livelihood, increasingly they are in need of cash to buy improved varieties of seeds and livestock, cover the cost of children's education, and to survive in times of famines and health problems. But the financial services are very limited, and many of the financial institutions are based in towns far away from the rural farmers. They are often forced to rely on excessively costly loans (as high as 60%) from local traditional lenders. Even when formal lending institutions have their branches in the rural areas, poor farmers have problems to satisfy the demand for financial guarantees to receive loans, as the lending process is too complex and lengthy for them.

Some government service providers, for example veterinary services, are not as responsive as they should be because they have their own private clinics and prefer to provide services privately.

Generally, market information channels, infrastructure including the cross-border trading of off-season vegetables, poultry, milk and fruits are inadequately developed, which could otherwise provide a good source of supplementary income.

The human development report for 2001 indicates that there is limited public expenditure per primary school child which is approx. USD 21 compared to about USD 40 in India. Nearly 30% of Nepali children, mostly those from poor household or disadvantaged groups and regions, lack access to basic primary education (UNDP, 2002).

{Number of interviewees mentioning the problem: 37; Ranking based on poverty map = 6 : 1 : 1}

Landless (L2)

The issue of lack of support services to the landless was mentioned by representatives of this focus group themselves.

The overall situation of service delivery with respect to landless is similar to the resource poor farmers. The situation is even more serious when landlessness is the added attribute of the poor. No land means no collateral to get loans. Land can sometimes provide a safety net in the case of famine and health crisis, which the landless cannot use. No land means difficulty in getting registered in the voter list, further minimizing links with politicians and mainstream decision making systems.

Most of the programs of government and NGOs are focused and/or based on land. There is no special program to provide support services to the landless either by government or by NGOs. The landless respondents indicated that bureaucratic hassle, bribe and nepotism are common in distributing the land through land commission and the real landless have little access.

Each time a new government is formed; it appoints a land reform commission at national level, with numerous branches through many districts. But as stated earlier (L1 description), there is no real change.

Government organizations generally do not promote federations and networks as they feel pressure from the already formed few and sectoral federations such as FECOFUN. Non-

governmental organizations are mostly localized and work on a small scale and thus have limited capacity to provide support in establishing and strengthening the network and federations at district and national levels. Thus the articulation of the interest of the landless, defending their rights and providing goods and services to them is limited. There are some attempts by some NGOs such as The Asia Foundation, which is moving beyond group formation to strengthening federations in some parts of the Terai (The Asia Foundation, 2001).

The issue of social mobilization is not straightforward. Adhikari (2002) for example, laments the negative role played by NGOs in providing development support to landless people who subsequently encroach the forestland.

{Number of interviewees mentioning the problem: 17; Ranking based on poverty map = 7 : 5 : 5}

Artisans and small-scale entrepreneurs (A2)

The lack of support services to this focus group was highlighted by artisans themselves.

Artisans have little awareness about the changing market conditions, which limit their scope of business expansion. They are usually in need of critical financial capital to sustain and expand their business, which they can only access with difficulty through financial institutions that are usually located some distance from their places.

Support organizations are often not capable to provide specific marketing and other technical skills required by the various groups of artisans and small-scale entrepreneurs. This is one of the reasons why artisans have limited capacity to develop products with high market demand. For instance, the *Sati Karnali* community forest user group of *Kailali* district do not get the training and other technical support they requested to manage the Rattan forest, as well as processing and marketing the products.

There are some initiatives to promote community-based enterprises in forestry and other sectors such as by ANSAB, MEDEP, SEACOW, CRT, BCP, Shambala Herbs (P) Ltd. However, these efforts are isolated and not linked with policy processes so that they can be widely adapted and replicated.

Several of the interviewees mentioned the need of improved physical facilities to continue and promote their business, such as better working environment (such as ventilation in the work place, improved equipment), storage, electricity etc., which are not adequate to the artisans due to limited support institutions, their low commitment and limited competence.

{Number of interviewees mentioning the problem: 27; Ranking based on poverty map = 1 : 1 : 1}

Urban and peri-urban poor (U2)

NGOs, researchers and donors mentioned the lack of support services to urban and peri-urban poor.

There are comparatively few programs to provide the services both by government and NGOs to the urban and peri-urban poor. Recently, with increasing urban population of which majority is the poor, attention of aid and development agencies has increased.

While public services are plenty in urban areas (such as electricity, water, telecommunication), there are obviously beyond the reach of the poor, even when the small scale consumption are subsidized by the government (as in the case of kerosene).

Many urban and peri-urban poor respondents indicated a need for skills training in masonry, carpentry, plumbing and sewing so that they can get better returns.

Collective institutions of the urban poor are weaker than those of the rural. One reason for this is that the community is relatively new, consists of families coming from different cultural and geographic origins. Also, government organizations and many of the NGOs do not generally promote to organize the people into groups and networks in urban areas.

Since some of the vital services such as education and health are getting commercialized, retention of some of the service provisioning roles by government for the benefits of the poor (such as the government-managed schools and health posts) are being questioned. For example, sending children to government schools in urban areas is not considered a worthy choice but a compulsion of the poor who cannot afford costly but quality privately managed education.

{Number of interviewees mentioning the problem: 15; Ranking based on poverty map = 4 : 2 : 2}

3. SHRINKING MARKET AND LACK OF MARKETING INFRASTRUCTURE

This problem is a merger of two problems mentioned in the master list - limited market facilities and limited market information system. It is also linked to lack of employment opportunities (priority problem 11). This problem has been found relevant mainly to two of the four categories of the poor groups: resource poor farmers, and artisans and small-scale entrepreneurs

Resource poor farmers (F3)

Mainly NGOs, central and local government staff have highlighted shrinking market and lack of market infrastructure as the problems facing the poor.

Resource poor farmers in particular utilize their piece of land to maximize the production per unit. Usually small farmers prefer to grow cash crops, as well as off-season and high yielding varieties. Lack of markets and marketing infrastructure or a lack of information about markets is one of the major problems of this group. Specifically, product quality maintenance, proper storage facilities, grading, processing tools and techniques were mentioned. Markets for NTFPs are unpredictable, and local farmers are constrained by a lack of relevant information flow. Many small-scale traders of NTFPs have been reported to face bureaucratic hassle, lack of marketing infrastructure, high transportation and transaction costs (Subedi and Ojha 2001). Often, small-scale producers are forced to sell at low prices because they cannot provide the bulk quantities requested by some buyers.

{Number of interviewees mentioning the problem: 33; Ranking based on poverty map = 12 : 3 : 4}

Artisans and small-scale entrepreneurs (A3)

The problem was mainly mentioned by NGOs, local government organization and representatives of the private sector.

The products of rural artisans are often perceived as being of low quality and the production process is often less efficient compared to the products supplied by the national and multinational companies. This is found to be particularly true in natural products, agricultural and household implements.

Traders (who buy from small-scale producers) complain that most of the forest products supplied by rural entrepreneurs (such as NTFPs) are not processed, graded, packed and handled systematically due to lack of proper knowledge and skills as well as to some extent negligence. Because of poor product quality and limited collective marketing initiative, the small producers are not able to get fair prices, particularly in the context of few big buyers often forming cartels. Most forest-based products are seasonal in availability, and perishable products (such as wild and domestic fruits) are extremely difficult to manage due to lack of storage facilities.

Lack of market information and limited infrastructure for information and transport is another important dimension, which negatively affects entrepreneurs' access to the market. Since most poor artisans are generally illiterate and live in the rural and remote areas, they lack the information and skills to develop new marketing concepts and approaches. Even the NGOs working to support them lack the necessary experience and program to run a profit-making venture.

Generally, artisans and entrepreneurs are scattered in large geographical areas, and as such are not organized into associations; they work individually to run their businesses - including finding out how to purchase raw materials, undertake processing and generate products, how to find out about potential markets, marketing of the products etc. In modern business, these activities are highly specialized, and require more in-depth knowledge to create and sustain an enterprise. Limited opportunities to the poor entrepreneurs in such aspects is one of the reasons for their limited capacity to create and expand markets for their products.

The society does not normally allow bargaining by lower caste artisans. In the rural and village areas, the pricing is set in terms of crops of the particular season. Blacksmiths generally take a constant amount of crop for each year from a household, although their workload greatly varies according to the season or extent of land. The poor do not have power to bargain. Poor NTFP collectors for example, complained about serious problems in getting instant cash payments for their products, and as they are often compelled to ask for advances, their position for negotiating prices becomes weaker (Ojha 2001, Luintel 2002).

{Number of interviewees mentioning the problem: 40; Ranking based on poverty map = 2 : 1 : 2}

4. LIMITED AGRICULTURAL INPUTS INCLUDING IRRIGATION Resource poor farmers (F4)

This problem is a merger of two problems mentioned in the master list - limited agricultural inputs and limited irrigation. This problem has been found most relevant to resource poor farmers and was identified by members of the focus group themselves, particularly those from the Terai districts. While the limited supply of a variety of support services are outlined in priority problem 2, lack of agricultural inputs including irrigation has been referred by many resource poor farmers as the a key problem. It is closely linked to the lack of food security (priority problem 8) and low production (priority problem 10).

{Number of interviewees mentioning the problem: 41; Ranking based on poverty map = 4 : 2 : 2}

5. LIMITED AND/OR NO LAND HOLDING

This problem is a merger of two problems mentioned in the master list - lack of land holding and limited land holding. This problem is relevant to **resource poor farmers (F5)**, the **landless poor (L3)** and the **urban and peri-urban poor (U3)**. The issue is closely linked to lack of access to natural resources and raw materials (priority problem 6). We discuss it here for the three focus groups jointly.

The issue was highlighted by members of the focus groups themselves, as well as interviewees from NGOs, local government and the private sector.

In Nepal, access to and ownership of productive agricultural land is a symbol of prosperity and economic security. Land is the single source of livelihoods for approximately 80 % of the population. Sometimes, a land holding certificate is required to receive the citizenship certificate. Not holding land is a stigma of poverty. Most occupations in the rural areas such as livestock farming or forestry are highly interdependent with farming and land holding.

21% of the total area, which is around 3 million ha, is under cultivation in Nepal (HMG/N, 2000) and there is per capita 0.12 ha of land in an average (FAO, 1997). Contrary to this average, a few landowners own more than 200 hectares of productive land, crossing the legal limit of 18 hectares (Robertson and Mishra, 1997). This indicates a situation of highly unequal land distribution in Nepal.

One of the ways through which this inequality was created is that the forestland of the Terai was distributed by the Rana regime as the Birta: land provided to politicians, relatives and village heads, and Jagir: land provided to ex-military and service men as the payment of their services

The lack of land ownership by the poor is caused by a variety of causes, most notably exploitation by the elites, land sale during hardship, natural calamities, and limited awareness and access to complex land registration process.

Land tenure passes from generation to generation, and landholders do not normally sell the land, unless they want to move to other places or start new professions. This could also mean that once landless, the poor have limited ability to regain access to land. People become landless in various ways, in many cases poor households sell their land for medicine, to pay the landlord, to repay a loan and even to finance the marriage of their son or daughter. The problem of landlessness is exacerbated due to rising trends of migration from hills to Terai, and from rural to urban areas, resulting in more intense competition for land resources in the latter areas.

In the traditional subsistence agriculture system, some castes and ethnic groups provide labor to farmers. These in particular have no land rights. Because of changing socio-economic contexts, this is now turning out as a major problem in terms of access to livelihood assets (Paudel and Paudel, 1997).

Resource poor farmers {Number of interviewees mentioning the problem: 33; Ranking based on poverty map = 13 : 4 : 4}

Landless {Number of interviewees mentioning the problem: 42; Ranking based on poverty map = 8 : 4 : 4}

Peri-urban poor {Number of interviewees mentioning the problem: 37; Ranking based on poverty map = 6 : 3 : 3}

6. LACK OF ACCESS TO NATURAL RESOURCES AND RAW MATERIALS

This problem is a merger of two problems mentioned in the master list - lack of access to natural resources and unavailability of raw materials. This problem has been found relevant mainly to resource poor farmers and artisans and small-scale entrepreneurs of all districts interviewed. It is also closely related to limited land holding (priority problem 5), low income (priority problem 9) and domination by elites (priority problem 13).

Resource poor farmers (F6)

The resource poor farmers have small land holdings, therefore they have only limited access to private tree plantations. For existing forest stands, there are also government restrictions and forest user committee restrictions, which often do not allow access by the poor and marginalized groups to natural resources. A study by Springate-Baginski et al. (2000) revealed that two-thirds of 11 FUGs studied were restrictively ruled by their committee or even unilaterally by their chairmen. In addition, the supply of forest products is also lower than demand, which is partly due to passive management of the community forests resources (JTRC, 2000). A study in the middle hills indicated that as a result of a protectionist approach to the management of community forests, with minimal or no thinning, the growth of the pine forest was delayed significantly, leading to a loss of over USD 200 per hectare per annum (Hunt and Dangal, 2001). In another study, it was found out that the prescribed harvesting levels in the FUG operational plans were far below the potential (Aus der Beek et al., 2001) giving rise to doubt about the benefits of community forest management.

Though there are some collective community initiatives to natural resource management, the active participation in these initiatives by the poor people is limited because of the domination by elites, leading to the non-recognition of voices of members of the occupational castes and the poor (Malla et al., 2002). Sometimes, the high opportunity cost of time input to attend meetings and to interact with group members is also a barrier to their participation. Recently, the issue of access of poor people to decision making is being recognized, and the new community forestry guidelines provide for facilitating processes to allow the poor, women and disadvantaged groups to have more say in making decisions in community forest management and use (HMG/N, 2002c).

Another important point mentioned is the continuing degradation of forest, in high hills and the Terai, that forces farmers to travel long distances for collection of forest products.

{Number of interviewees mentioning the problem: 33; Ranking based on poverty map = 3 : 2 : 2}

Artisans and small-scale entrepreneurs (A5)

This problem was mentioned mainly by artisans themselves, NGOs and government officials.

Getting adequate and good quality raw materials such as charcoal, fuel-wood, bamboo, rattan, NTFPs, and soil etc. is the main problem of artisans. The rapid depletion of *de jure* national forest resources is causing scarcity of raw materials. Poor planning and bad implementation of forest policies are considered to be the ultimate cause of the depletion of resources.

Though local community and users are given authority and responsibility to manage and use forest resources through the Community Forestry Program, artisans are often reluctant to feel ownership. Confusing policies have made them suspicious of local elites and government officials.

{Number of interviewees mentioning the problem: 34; Ranking based on poverty map = 7 : 2 : 4}

7. LIMITED EDUCATION, AWARENESS AND EXPOSURE

This problem is a merger of limited education, lack of awareness and lack of exposure mentioned in the master list. This problem has been found relevant primarily to the **resource poor farmers (F7)**, the **landless poor (L4)**, and to the **urban peri-urban poor (U4)**. The issue is related to lack of employment opportunities (priority problem 11) and child labor (priority problem 12). It is discussed jointly for these three focus groups, as the problems highlighted are the same.

The issue was highlighted mainly by members of the focus groups themselves of all districts but in the case of the landless, also by representatives of the donors, local government and NGOs.

Child labor, caste and gender based discrimination, financial constraints, and child marriage are among the limiting factors of education opportunities for the poor. Poor parents are forced to send their children to work due to poor economic condition.

The children of poor families are also sometimes not motivated to study, partly caused by insufficient nutrition (school times prevent many children from taking lunch) and also by the poor teaching and learning methods employed in schools. Although in theory free education in public schools exists, they actually charge fees to cover basic expenses. Nowadays, the private boarding school education is becoming popular and there are a lot of private schools. These schools are very costly for the poor communities.

Particularly in hills and mountains, schools are located at distant places where small children cannot walk to daily. Uneducated parents and relatives do not see the value of higher education specifically to girls, which is also a reason of the high drop out ratio among this group in particular. In the urban areas, education is particularly expensive and often unaffordable for the poor.

Lack of primary education is a key factor in the perpetuation of poverty as it prevents young people from further education and training in vocational skills that could help them to lift themselves out of poverty. However, there is also a lack of trainers and training institutions for vocational training. Recently, the Council of Technical and Vocational Training (CTEVT) of the government have started to facilitate, recognize and monitor the vocational education and skills development.

Resource poor farmers {Number of interviewees mentioning the problem: 33; Ranking based on poverty map = 22 : 7 : 7}

Landless poor {Number of interviewees mentioning the problem: 44; Ranking based on poverty map = 11 : 3 : 3}

Peri-urban poor {Number of interviewees mentioning the problem: 38; Ranking based on poverty map = 8 : 3 : 3}

8. LACK OF FOOD SECURITY

This problem has been found relevant to all four focus groups. It is closely related to the problems of lack of natural resources (priority problem 6) and financial resources (priority problem 9). Whereas the problem is slightly different for landholding farmers and artisans, both

the landless and the urban poor also highlighted the same issues. Their sections are therefore combined in the discussion below.

Resource poor farmers (F8)

Mainly representatives of the resource poor farmers themselves and NGOs mentioned the problem.

Lack of food security is caused by a variety of interlinked causes. These relate to low income and purchasing power and to problems related to land productivity. Apart from general issues such as eroded lands and location of the poor on marginal lands (Bari), specific issues such as the share cropping tradition (the farmers have to provide half or even more of the grain yields to their landlords) lead to food security problems. Interviews also identified links to outdated farming technology and lacking knowledge of modern alternatives, such as cultivation of slopes without terracing, limited access to seeds of improved varieties etc.

{Number of interviewees mentioning the problem: 39; Ranking based on poverty map = 3 : 2 : 2}

Landless (L7) and Urban and peri-urban poor (U6)

Almost all categories of respondents mentioned this problem.

Some of the landless groups who are indigenous peoples (such as *Chepang* or *Praja*) rely on naturally occurring foodstuff, mainly NTFPs like fruits, leaves, flowers, tubers etc. in the forests for few months in the year. Institutional arrangements in such areas is still weak, as community forestry has to be implemented in such areas, and even when it has been implemented, resource assessment and management plans for NTFPs are lacking.

Almost all landless depend on the physical labor for daily food. There is no security of food for even a single month. Their daily earning is for food. They sometimes do not even have resources to cultivate crops under the share cropping tradition. High competition on the labor market additionally reduces the opportunity to get work. Increasing family size and dependency on one or two family members (generally parents) also increases the risk of food insecurity. The main reasons of large family size are cultural taboos to have a son and security for labor and old age. Food security issues have only recently started to feature in the poverty reduction discourse. At national level, there are some attempts to address the issues of food security; ActionAid Nepal and other NGOs created awareness through a campaign which has brought the issue onto the surface. Yet, there is no significant attempt made in policy and practice to ensure the food security of the landless.

Landless poor: {Number of interviewees mentioning the problem: 44; Ranking based on poverty map = 8 : 3 : 3}

Urban and peri-urban poor: {Number of interviewees mentioning the problem: 38; Ranking based on poverty map = 4 : 2 : 2}

Artisans and small-scale entrepreneurs (A8)

The issue was mentioned by local government officials and NGOs.

According to a self evaluation by residents in sixty-five communities surveyed by the World Food Programme (WFO, 2000), the most food insecure belong to the lower and occupational castes such as Kami, Damai Sarki in the hills, and Chamar, Bhand, Satar Tatmas, Dusad,

Mushahar, Dhankar and Badi. These groups closely relate to our definition of artisans and small-scale entrepreneurs.

Most of the artisans have sufficient food only for six to nine months each year (Hari Shreepali - Dalit activist, pers. comm.). Small-scale artisans are sometimes fully occupied in their on-going products and commitments, and have little time to explore other opportunities. Sometimes their social obligation requires them to continue with the traditional profession - such as in the case of blacksmiths and tailors in the rural areas. As a result, they are less likely to make significant improvements to their food security.

Small-scale artisans and entrepreneurs generally do not have access to productive land resources and even if they have any land under their control, they have little information about appropriate technologies. Nowadays, the business of artisans is shrinking due to heavy competition from the larger and more influential industrial sector. Another reason for loosing business is that they are loosing access to the common pool resource as a source of raw materials due to restricting government and community rules. In addition, large family size (which is partly a result of cultural taboo) along with the tendency to depend on the family head has created severe shortage of food supply at the household level.

{Number of interviewees mentioning the problem: 24; Ranking based on poverty map = 3 : 2 : 2}

9. LOW INCOME

This problem is closely related to lack of employment opportunities (priority problem 11), lack of financial capital (priority problem 14) and lack of skills (priority problem 15). It is mainly relevant to **resource poor farmers (F9)**, the **landless poor (L9)**, and the **urban and peri-urban poor (U7)**, though the situation of small-scale artisans is also discussed in the later sections.

This problem has been mentioned mainly by representatives of the focus groups themselves, NGOs and local government officials.

For resource poor farmers, their small land holdings do not provide sufficient income so that they have to rely on other sources of income. Similarly, the other focus groups rely heavily on market-based employment opportunities. Often, people lack the necessary skills to sell in the market. Men and women are paid differential wage rates. They are paid only the minimum wage rates and are unable to claim higher rates because they lack the necessary market and regulatory information.

Because of the seasonal need for food grains, people take their pay in advance and in kind, often resulting in lower effective pay rates. Poor people are unorganized and have a low bargaining power because there is a competitive labor market. In the towns, costs of living are particularly high, and the low wages paid are not sufficient to cover necessary expenses.

Resource poor farmers: {Number of interviewees mentioning the problem: 33; Ranking based on poverty map = 21 : 6 : 6}

Landless poor: {Number of interviewees mentioning the problem: 43; Ranking based on poverty map = 6 : 3 : 3}

Urban and peri-urban poor: {Number of interviewees mentioning the problem: 37; Ranking based on poverty map = 7 : 4 : 4}

10. LOW AGRICULTURAL PRODUCTION

Resource poor farmers (F10)

This problem is closely related to limited agricultural inputs (priority problem 4) and lack of food security (priority problem 8).

Resource poor farmers themselves mentioned this problem.

Poor farmers have been pushed to marginal lands and mostly have lands without irrigation, therefore they have to depend on rain-fed agriculture which limits productivity at marginal levels. Inadequate inputs such as fertilizer and quality feed contribute to low productivity.

The risk of natural calamities such as flood and landslide is higher in low-lying and steep slopes where the poor farmers are forced to live. In addition, hailstone, storms and droughts are often a nuisance to farmers, further reducing the land productivity (Nepal, 2002).

Frequent livestock and crop diseases are also the reasons for low agricultural productivity.

{Number of interviewees mentioning the problem: 39; Ranking based on poverty map = 8 : 2 : 2}

11. LACK OF EMPLOYMENT OPPORTUNITIES

This problem has been found relevant to all four focus groups. It is also linked to shrinking market and lack of marketing infrastructure (priority problem 3), low income (priority problem 9), lack of financial capital (priority problem 14) and lack of skills (priority problem 15). A general problem for all groups is that the available jobs are hard, unhygienic, paid lowly and often considered as low profile in the society. Thus new generations are not interested to continue and explore the available opportunities.

Resource poor farmers (F11)

Mainly NGOs, researchers and representatives of the resource poor farmers themselves have mentioned the problem.

The poorer households with little agricultural land and livestock are highly dependent on off-farm employment (Richards et al., 1999 ; Ohler, 2000), at least for part of the year. However, there are few opportunities in the rural areas and many are forced to move to the towns for employment (Ohler, 2000). Underemployment is a major problem of farming communities with 40-60% of the adult labor force being underutilized (MEDEP, 2001).

{Number of interviewees mentioning the problem: 30; Ranking based on poverty map = 1 : 1 : 1}

Landless (L10)

The problem has been mentioned by both the support and focus groups.

Generally, there are limited employment opportunities for the landless. Since most of the landless are agricultural laborers and agriculture in these areas is focused on subsistence livelihoods, there is low demand for agricultural paid labor.

The globalization of economics and liberalization policies in industrialization and trade, as well as mechanization in many sectors have reduced the opportunities for labor-intensive employment for the local unskilled people. Their limited and traditional skills prevent them to

get employment in modern productions. In addition, they are lacking access to information on new job opportunities.

They feel that nepotism and social discrimination also negatively affect the possibilities for employment for those living in rural areas.

{Number of interviewees mentioning the problem: 21; Ranking based on poverty map = 12 : 4 : 6}

Artisans and small-scale entrepreneurs (A7)

Mainly artisans themselves have mentioned the problem.

In general artisans are the self-employed people. The employment opportunity for this group depends on the demand for their products. The comparative cost of their handmade products is always high in comparison to industrial mass produced items. There is no policy provision to safeguard or subsidize their production cost.

As the market becomes more competitive, small-scale artisans are left behind and cannot keep up with the need for change in business management and new skills. Often, lack of access to information was mentioned as a severe hindrance. Some interviewees mentioned that the cross-border migration of Indian workers further reduces the market opportunities for local artisans (for example, traditional barbers have been replaced by Indian barbers).

{Number of interviewees mentioning the problem: 21; Ranking based on poverty map = 1 : 1 : 1}

Urban and peri-urban poor (U9)

This problem has been mentioned mainly by NGOs, local government organizations and the researchers.

There are processing factories, educational institutions, transportation industries and commercial markets which provide job opportunities in urban and peri-urban areas. In many cases these firms demand highly skilled workers. As the rate of new job-seekers entering the labor market is higher than the rate of new job creation, employment opportunity for unskilled laborers is getting being scarcer. There are brokers and small-scale contractors in the labor market in urban areas who generally create an artificial shortage of jobs for the job seekers as well as labor for employers through a monopoly on information on job availability and application procedures. A large number of unemployed poor have found their way into India, the Gulf countries, East Asia and Japan, and for this a number of private employment promoting companies are in place.

{Number of interviewees mentioning the problem: 26; Ranking based on poverty map = 3 : 2 : 2}

12. FORCED CHILD LABOR

Landless (L5)

The issue is closely related to low level of education (priority problem 7) and lack of employment opportunities (priority problem 11).

Mainly local government officials and NGOs mentioned the problem.

Children in many landless communities are considered an additional labor force. This is necessary due to lack of food security. Within the household, older children are responsible to take care of their younger brothers and sisters while their parents go for work. Some are sent to work as household helpers into the towns. Some take care of the livestock of the village elites. However, in most cases, children do household and domestic work to support their parents and only very few are sent to work in other places.

Although there is a ban on forced child labor in place, the government has no concrete plan to provide social security, basic education and primary health facility to this group of people who rely on their children for necessary household income. As these children do not attend school, the vicious circle of poverty is continued into the next generation.

{Number of interviewees mentioning the problem: 17; Ranking based on poverty map = 3 : 1 : 1}

13. EXPLOITATION AND LIMITED ACCESS TO DECISION MAKING

Landless (L6)

In general terms the issue has been mentioned as cause of limited land holding (priority problem 5) lack of access to raw materials (priority problem 6) and low income (priority problem 9).

Since land property is regarded as symbol of prosperity, the landless are regarded as a low profile group. Lack of land makes the landless vulnerable to bullying by powerful groups, for example, they may be prevented from receiving citizenship documents and being listed on voters' lists. Similarly, the community elites force landless people to work for them for very low wage rates. They do not even pay the minimum wage rate fixed by the government. Many of the land less are forced to remain in bonded labor such as *Kamaya* in the western Terai and *Haliya* in the hills of Nepal.

Landless poor families with low capital assets do not get proper respect and recognition in general. They often lack the access on credit and loans because of lack of appropriate property for financial guarantee/collateral. Many of the landless poor families along with other traditional users and poor families are deprived of access to resources and communal benefits due to insufficient monitoring systems (Paudel and Ojha, 2002). As the poor in general are not organized in cooperatives or other groups that could lend them an audible voice, the social discrimination tends to continue unhindered.

{Number of interviewees mentioning the problem: 29; Ranking based on poverty map = 7 : 4 : 4}

14. LACK OF FINANCIAL CAPITAL

This problem has been found most relevant to the **landless poor (L8)**, **artisans and small-scale entrepreneurs (A6)**, and the **urban and peri-urban poor (U8)**. In the discussion below the three groups are combined.

The problem was mentioned by local government and NGOs as well as by representatives of the landless poor.

The poor are always struggling to provide for the bare necessities for survival of their families. There is usually no spare money for unforeseen expenses. If necessary, access to loans through the official sector is near impossible, and through the informal sector expensive. Many of the

financial institutions are located in the urban areas and therefore not easily accessible to the rural poor.

However, there are some financial institutions supported by national government such as the Grameen (Village) Bank for the Poor, which focuses on providing loans to groups of poor families with group commitments. But such loans are provided to specific income generating activities (IGAs) under strict rules and regulations only. According to the interviewees, this scheme is not much useful to them because many of them are daily wage laborers and do not have leisure time to participate in group work and running IGAs. At the same time, these loans do not provide support for desperate needs such as schooling of child, health care, etc.

There are some initiatives by NGOs and projects to provide loan to landless or smallholders on group basis. For example HLFDP provides loans for livestock purchases and land improvement. Ohler (2000) reported that a substantial proportion of the loan taken from ADBN was not used for productive, but rather for consumptive purposes, thereby increasing indebtedness of some targeted households. In most cases the credit has not been used effectively as other related services (such as marketing) are not made available.

Landless poor: {Number of interviewees mentioning the problem: 23; Ranking based on poverty map = 8 : 3 : 3}

Artisans and small-scale entrepreneurs: {Number of interviewees mentioning the problem: 28; Ranking based on poverty map = 25 : 10 : 10}

Urban and peri-urban poor: {Number of interviewees mentioning the problem: 25; Ranking based on poverty map = 6 : 2 : 2}

15. LACK OF SKILLS AND QUALITY TRAINING SERVICES

This problem is a merger of two problems mentioned in the master list - Lack of skills and Lack of quality training services.

Artisans and small-scale entrepreneurs (A4)

Mainly government officials, NGOs and members of the private sector, particularly NTFP traders, mentioned the problem.

Most of the artisans mentioned that they lack improved skills in handling their businesses in more innovative ways. There are no formal institutions to support training in the traditional skills and transfer those skills to the next generation. Although there are a few vocational training centers and a few government and non-government organizations that deliver relevant training in various parts of the country, they are expensive and concentrated to the town areas. Thus they are inaccessible for the poorer artisans. These training centers often lack trained and motivated resource persons. The training curricula are frequently designed by consulting only with the national and international consultants but they ignore the needs of the clients. Training programs are often designed to make the job easy for the trainers, and greatly ignore the recipients' needs. Thus the adoption rate of the training is very low. A recently conducted baseline survey of USAID [personal communication with Development Vision staff, Nepal] showed that the overall training adoption rate regarding forest management and skill development is 3% in Banke district. The rate falls down to nil in Dhading and Bardiya districts for disadvantaged group and women.

There are cases of training organizations that conduct trainings just for the sake of training, and even admit that their training is not effective (personal communication with the chief of a training center located in Bhainsepati under Ministry of Labor). The government training

institutions lack necessary motivation and flexibility to design and deliver training in a realistic way. They even pay allowances to the trainees to meet the targets.

{Number of interviewees mentioning the problem: 45; Ranking based on poverty map = 12 : 5 :

16. LARGE FAMILY SIZE

Urban and peri-urban poor (U5)

Mainly the urban and peri-urban poor themselves and NGOs mentioned this problem.

These poor groups tend to create large family size for fear of child mortality, the need for extra income through engaging family members even in the young age, and the traditional wish to have a male heir. Interestingly, a few respondents mentioned that one of the reasons for having larger number of children is due to lack of alternatives to evening entertainment, coupled with non-adoption of family planning measures. There is little awareness on family planning among the poor communities, and even if they are aware, they lack access to family planning services.

Two notable effects of large family size are as follows. In the rural setting, there is a tradition of property sharing among brothers, which results in a reduced per capita land holding and other capital assets in families with many sons. This is a major cause of land fragmentation and intra household inequity. In the urban setting, large families also mean high expenses for room rent, education and daily food.

{Number of interviewees mentioning the problem: 26; Ranking based on poverty map = 2 : 1 : 1}

4. Analysis of national capacities, existing initiatives and gaps to address the prioritized problems

Section 3 provided an analysis of problems for the four focus groups, along with logical chains that link these problems in the form of the poverty map. A short description of 16 priority problems was also given expanding on the interview findings and review of relevant documents. This section now looks at national capabilities and political will to address these prioritized problems, including the already existing initiatives on research and development in Nepal.

Table 6 Development sector and contributing donors

S.N.	Sector	Donor expressing interest to contribute
1	Women health (family planning/reproductive)	UNFPA, SDC/N, USAID, FINNIDA, IDA, WHO
2	Micro enterprises	UNFPA, UNICEF, UNDP, USAID, Denmark, UK, ILO, AsDB
3	Agriculture research	SDC/N, WB, USAID, AsDB, DFID, JICA, FAO
4	Democracy/Policy reform	Denmark, UNDP, UK, SDC/N, Germany, USAID, WB, AsDB, EC, SNV, Finland, Canada, US Embassy, UNICEF, Norway
5	Education Non-formal/adult Vocational training	Denmark, AsDB, WB USAID, UNDP, DFID, INF, I/NGOs SDC/N, UNDP, ILO
6	Small business promotion	SDC/N, GTZ, UNDP, ILO
7	Forestry	WB, Australia, UK, SDC/N, Japan/JICA, Germany, Canada, SNV, UNDP, AsDB, USAID, Denmark, EC FAO, Finland, IUCN, Sweden, WWF, UNIDO, US Embassy

Source: www.undp.org.np/publications/dcr96/existing.htm

4.1 Prioritized constraints with respective National capabilities

In relation to addressing the 16 constraints, Table 7 highlights the key existing initiatives to address the, as well as the gaps in terms of quality as well as scale. This indicates that despite huge levels of efforts put in addressing poverty, the real impact on livelihood is still limited. This necessitates conceptual reorientation, capacity strengthening and resources for which national capacity seems inadequate (this table is not complete but only indicative, and may be expanded based on feedbacks/inputs from stakeholders through workshop or document review).

Table 7. Analysis of national capabilities and gaps in relation to addressing the prioritised constraints

S.N	Prioritized constraints	National capabilities and political will to address the problems
1	Lack of favorable policies (F1: agricultural inputs and incentives, L1: land resource distribution, A1: Lack of entrepreneurship skills and incentives, labor/wages)	<p>Existing initiatives/national capacities</p> <ul style="list-style-type: none"> ❑ Advocacy by NGOs on the problems of the poor (such as ActionAid Nepal etc), USAid funded SALGA project ❑ Emergence of networks and federations of grassroots men and women, resource user groups (In some cases, the voices of the local communities are being raised in the policy process through the networks/federations of the communities themselves (such as FECOFUN, NEFUG, HIMAVANTI, NFIWUAN). ❑ Several policy issues have already started to crop up at district and national levels, especially relating to decentralization, devolution of resource use rights (such as in the case of community forestry), land reform/distribution, irrigation management, women empowerment, and others. <p>Gaps</p> <ul style="list-style-type: none"> ❑ Limited consultation of the poor in policy making ❑ Limited accountability of elected leader to people ❑ Limited on-going interface of the government bureaucracy and parliamentary processes with representatives and advocates of the poor ❑ Limited spaces for civil society (the current legislation and the general perceptions among the politicians and bureaucrats are still a challenge for the adequate functioning of civil society in this regard). ❑ Domination of elite in the federations and networks of community groups (For example, recent analysis indicate that even FECOFUN initiatives are led and controlled by elites without any benefit to the poor constituencies). ❑ Absence of poor-focused research institutions and research activities ❑ Sectoral approach (not recognizing the livelihood approach) <p>To address these gaps, there is need for conceptual reorientation, capacity strengthening and resources, for which the national capability seems inadequate.</p>
2	Lack of support services (F2: extension, L2: exclusion, A2: marketing,	<p>Existing initiatives/national capacities</p> <ul style="list-style-type: none"> ❑ Government-led: various government initiated programmes to reach the poorest of the poor are being implemented - Bisheswor with the Poor, Leasehold Forestry for the Poor, Women

	U2: skill development)	<p>Awareness and Income Generation Programmes.</p> <ul style="list-style-type: none"> ❑ Bilateral projects: UNDP's Local Governance Programme, Micro-Enterprise Development Programme, Rural Energy Development Programme, Rural Access Programme, Bilateral Forestry and Livelihood Projects (NSCFP, LFP, NACRLMP, NARMSAP, ChFDP) ❑ I/NGOs - OXFAM (Women and dalit), ActionAid (livelihood rights of poor and marginalized), CARE (Remote Area Basic Needs Programmes), CECI (Community Based Economic Development), Plan International (focus on child development and income generation), SNV Nepal (NTFP based enterprises, disadvantaged focus programmes such as Praja Community Development Programme), SEACOW (herbal tea promotion), MS Nepal (advocacy, community based development activities), The Asia Foundation (women empowerment, federation strengthening, prevention of girls trafficking). These and similar other institutions work directly as well as through local NGOs/CBOs. <p>Gaps</p> <p>The poor need both technical (such as skills, inputs to business) and political services (such as awareness, empowerment, peaceful movements to influence unfavorable power relations at different levels). For all such services, they are not in a position to pay the entire cost, neither can the market solely provide these. Public subsidies through government or non-profit sector is a must, while at the same time technical services for which poor could pay may also be promoted . Political services often include reorienting power relations with government machineries, and such services are not possible from within the bureaucracy. Also, in the context of the increasing recognition for the need of minimizing government's role in service delivery, the need for strengthening civil society and private sector becomes more prominent. All this indicates a need for redefining the roles of state, civil society and markets, which is in essence a basic question of governance reform. There are some very recent initiatives to bring such issues high in the discourse, but they are still not enriched through adequate analysis of experiences, realities and evidences, for which the existing capacity seems inadequate.</p>
3	Limited market and marketing infrastructure (F3, A3, U3)	<p>Existing initiatives/national capacities</p> <ul style="list-style-type: none"> ❑ Government-led: rural communication, rural roads/agriculture roads, agricultural marketing information through radio, off-season vegetables through NARC, IEDI, New ERA/ EFFA, CECI/ CBED, Department of Agriculture, Department of Roads etc. ❑ Bilateral projects: Rural Access Programme DIFD, Rural Energy Development Programme and MEDEP of UNDP, food for work program of GTZ and WFP, Livestock development

		<p>project of EU</p> <ul style="list-style-type: none"> ❑ I/NGOs - Building Bridges at Local Level program of Helvetas, NTFP market information system and community based forestry enterprises of ANSAB/SNV Nepal, NTFP enterprise support by SEACOW ❑ VDC/DDC initiatives: earthen and gravel roads in several districts, etc. <p>Gaps</p> <ul style="list-style-type: none"> ❑ Communication - Communication services have been mainly held by government owned Telecommunication Corporation, and there are a number of monopoly related constraints - high prices for services, delay in service delivery, limited responsiveness to demands. Still in some locations, rural poor have to walk even days to get to the nearest telephone services and sometime it does not in proper function. ❑ Rural roads - there is still an inadequacy of rural roads to facilitate marketing of rural products caused high production costs. ❑ Limited opportunities for processing of agricultural products and NTFPs at local level <p>While technical capacity seems to be substantial, funding is the key constraint with government and other institutions in relation to promoting market and marketing infrastructure in Nepal. Also, understanding of how and why VDCs/DDCs/municipalities in some cases have been able to mobilize financial and human resources in some locations (such as Bhaktapur and Hetauda municipalities are said to have done remarkable progress) better than others can inform policy and institutional strategies. Such issues have not been on the research agendas of Nepali research institutions.</p>
4	Limited agricultural inputs including irrigation (F4)	<p><i>Existing initiatives/national capacities</i></p> <ul style="list-style-type: none"> ❑ Government led: irrigation, fertilizer, technical advice/extension services, banking/credit ❑ Market: seeds, pesticides, poultry, dairy, credit ❑ I/NGOs: extension, research etc. by LIBIRD, HARP etc, credit, SSMP of Helvetas/SDC ❑ Bilateral Projects: ADB, JICA, World Bank in irrigation, Seed sector support programme of DFID <p>Gaps</p> <ul style="list-style-type: none"> ❑ Irrigation services not accessible to poor ❑ Only 8% of the potential irrigation water sources have been utilized so far. ❑ Inadequate and untimely supply of fertilizers with high price which poor can't afford it

5	No or limited land holding (F5, L3, U3)	<p>Existing initiatives/capacity</p> <ul style="list-style-type: none"> ❑ Government: currently no specific programme, previous land reform commissions recommendations and decisions not implemented ❑ I/NGOs: advocacy of land rights on-going (such as for bonded labor in west Nepal) ❑ Bilateral projects - not known/nil ❑ VDCs/DDCs – none <p>Gaps</p> <ul style="list-style-type: none"> ❑ In some cases, landless people find discomfort to resettle in the areas where the land distributed for them (such as Raute, Chepang communities) ❑ There is a significant gap of research and policy development.
6	Limited access to natural resources (F6)	<p>Existing initiatives/capacity</p> <ul style="list-style-type: none"> ❑ Government: policies and programmes for Community forestry, leasehold forestry, collaborative forest management in buffer zone areas. Some of the major programmes are as follows: <ul style="list-style-type: none"> <u>Community forestry</u>: Community Forestry Division, District Forest Office, Range Post <u>Leasehold forestry</u>: Leasehold Forestry Division, District Forest Office, Range Post <u>Bufferzone</u>: Department of National Parks and Wildlife Reserve, Buffer zone management programme ❑ Bilateral projects supporting the above programme <ul style="list-style-type: none"> Nepal Swiss Community Forestry Project (NSCFP), Livelihoods and Forestry Programme (LFP), Nepal Australia Community Resource Management and Livelihood Project (NACRMLP), Natural Resource Management Sector Assistance Programme (NARMSAP) Churia Forest Development Project (ChFDP), Biodiversity Sector Program-Siwalik Terai (BISEP-ST) <p>Gaps</p> <ul style="list-style-type: none"> ❑ Limited involvement of local government ❑ Lack of poor focus in government and bilateral projects ❑ Limited involvement of non-governmental service providers ❑ No equitable benefit sharing mechanism developed

		<ul style="list-style-type: none"> ❑ Functional inefficiency of authority caused lack in access such as TCN could not manage to distribute timber and fire wood properly
7	Limited education and awareness (F7, L4, U4)	<p>Existing initiatives/capacity</p> <ul style="list-style-type: none"> ❑ Government led: primary and non-formal education programme. ❑ Bilateral projects: such as Community Literacy Programme (DFID), Community Managed Primary School Programme (UNDP) ❑ I/NGOs: REFLECT and human rights <p>Gaps</p> <ul style="list-style-type: none"> ❑ Informal education not adequately tied with day to day life (gap in approach) ❑ Limited involvement of local government ❑ Educational activities not adequately incorporating human rights and citizen/poor participation in governance ❑ Costly formal (particularly private) education ❑ Nonformal education programme such as REFLECT are in limited area
8	Lack of food security (F8, L7, A8, U8)	<p>Existing initiatives/capacity</p> <ul style="list-style-type: none"> ❑ Government led: regional distribution scheme through Nepal food corporation ❑ Bilateral: Food for work (GTZ and FWP), research on agricultural productivity by HARP ❑ I/NGOs: food right campaigns (Action Aid), SEACOW ❑ Market: technology such as seeds, fertilizers <p>Gaps:</p> <ul style="list-style-type: none"> ❑ Limited appreciation of food security as an overarching issue across all development sectors ❑ Distribution hampered by lack of transport infrastructure ❑ Restriction on raising food crops on forest lands (community forestry as well as leasehold) ❑ Decreasing food production per unit of area in the hills ❑ Lack of appropriate land use planning ❑ Increased uncultivated area specially in hills and mountains due to labor shortage and migration
9	Low income (F9, L9, U7)	<p>Existing initiatives/capacity</p> <ul style="list-style-type: none"> ❑ MEDEP, Saving and credit schemes of PDDP, Grameen Banking, LGP, Poverty alleviation programme of Government and leasehold forestry programme <p>Gaps:</p> <ul style="list-style-type: none"> ❑ Unable to reach to the poorest of the poor

10	Low agricultural production (F10)	<p>Existing initiatives/capacity</p> <ul style="list-style-type: none"> ❑ Government: Livestock development programme, various research activities of NARC on producing high yielding varieties, disease and pest management, cultivation techniques, veterinary services ❑ Local government: limited involvement ❑ I/NGOs: fodder trees (such as by NAF, private nurseries) ❑ Bilateral project: HARP research activities <p>Gaps</p> <ul style="list-style-type: none"> ❑ Lack of land reform policy to provide incentives to productivity ❑ Limited knowledge on highland (non-irrigated) production options
11	Lack of employment opportunities (F11, L10, A7, U9)	<p>Existing initiatives/capacity</p> <ul style="list-style-type: none"> ❑ Government: skills training such as CTEVT, small and cottage industries development programme ❑ Bilateral project: micro-enterprises of MEDEP (UNDP), ILO ❑ Market: Overseas employment services (to Gulf, South East Asia, India and other parts of the world) <p>Gaps:</p> <ul style="list-style-type: none"> ❑ Limited knowledge/skills on appropriate approaches/strategies to facilitate employment opportunities to the poor
12	Forced child labor (L5)	<p>Existing initiatives/capacity</p> <ul style="list-style-type: none"> ❑ Government: development of policies and regulations ❑ I/NGOs: campaign on child rights by CWIN, Plan International, Save The Children (UK, USA, Japan) ❑ Local government: no involvement <p>Gaps:</p> <ul style="list-style-type: none"> ❑ Failure of project/outside interventions to address the poor's incapacity to afford child education (focus only on awareness raising on child education) ❑ Existing approaches fail to create opportunities for income, food security etc, due to which children are forced to work

13	Exploitation and limited access to decision making (L6)	<p>Existing initiatives/capacity</p> <ul style="list-style-type: none"> ❑ Government: constitutional and legal ban on caste, class, gender based differences in public decision-making; reservation of seats for women and Dalits in local government and the Parliament ❑ Bilateral projects: social mobilization, empowerment programmes ❑ I/NGOs: grassroots advocacy and institutional strengthening ❑ Local government: no involvement <p>Gaps:</p> <ul style="list-style-type: none"> ❑ Limited appreciation of more politically-oriented services (such as advocacy, campaigns, peaceful demonstrations/movements) to change exploitative power relations
14	Lack of financial capital (L8, A6, U8)	<p>Existing initiatives/capacity</p> <ul style="list-style-type: none"> ❑ Government: Grameen (rural) banking, low interest lending, cooperatives ❑ Bilateral projects: saving and credit programmes, seed money ❑ I/NGOs: saving and credit programmes, seed money, group based loans ❑ Local government: saving and credit, special financial support to the poorest families <p>Gaps</p> <ul style="list-style-type: none"> ❑ Lengthy processes to procure loans ❑ Credit schemes not linked to overall micro-enterprise development and market
15	Lack of skills and quality training services (A4)	<p>Existing initiatives/capacity</p> <ul style="list-style-type: none"> ❑ Government: CTEVT affiliated training institutions on various topics, special trainings to poor by NPC, trainings by various government departments such as Department of Agriculture and Forest Department ❑ Bilateral Projects: social mobilization skills ❑ I/NGOs: income generation, empowerment, enterprises/entrepreneurship development ❑ Local Government: skill development such as sewing <p>Gaps:</p> <ul style="list-style-type: none"> ❑ Trainings and skill development interventions not related to enterprises

		<ul style="list-style-type: none"> ❑ Limited follow up and monitoring of training ❑ Limited subsidies on other capitals along with trainings ❑ Limited quality training institutions and trainers for skill development
16	Large family size (U5)	<p><i>Existing initiatives/capacity</i></p> <ul style="list-style-type: none"> ❑ Government: subsidized family planning services, extension ❑ Bilateral project: UNICEF ❑ I/NGOs: Family health programmes (FHI) ❑ Local government: <p><i>Gaps:</i></p> <ul style="list-style-type: none"> ❑ Inadequate services, including awareness ❑ Cultural/religious taboos not adequately addressed

4.2 Catalogue of Funding on Poverty on Forest related Research (scale and focus of funding to be elaborated)

1. Royal Nepal Academy of Science and Technology
2. Global Environment Facility Small Grants Programme (GEF/SGP)
3. Winrock International
4. South Asian Association for Development and Environmental Economics
5. Worldwide Fund for Nature - Fellowship programme
6. International Tropical Timber Organization
7. Ministry of Forest - occasional funding (with support from donors)
8. Action research components of Bilateral projects
9. Graduate dissertation support (from various organizations) mainly from Tribhuvan University, Kathmandu University, Institute of Forestry
10. International research grants
 - a. Darwin Initiative
 - b. Whitely Awards Foundation
 - c. FRP and NRSP of DFID
 - d. Ford Foundation
 - e. IDRC including Medicinal and Aromatic Plant Programme in Asia
 - f. Centre for International Forestry Research (CIFOR)
 - g. International Forestry Resources and Institutions Programme of Indiana University, USA
11. International scholarships
 - a. World Bank Graduate Scholarship
 - b. Asian Development Bank Graduate Scholarship
 - c. AusAID
 - d. Fulbright Fellowships
 - e. NORAD
 - f. DAAD
 - g. NFP
 - h. British Council for graduate/undergraduate studies

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6. Annexes

Annex I. Names and Addresses of Interviewees

Resource poor farmers

S.N	Name	Address
1	Sanjib Kumar Lama	Bhimeswor -1, Dolakha
2	Devi Bahadur Thapa	Bhimeswor -1, Dolakha
3	Tek Bahadur Thami	Chhyamawati-5, Dolakha
4	Ram Nath Chaudhary	Geta-6, Shree Lanka, Kailali
5	Chakra Bahadur B.K.	Godavari-6, Balani, Kailali
6	Nar Bahadur B.K	Godavari-6, Balani, Kailali
7	Lalit Kumar Lama	Badaharamal-6, Siraha
8	Dhan Raj Yadav	Lalpur-5, Siraha
9	Bhup Narayan Thapalia	Lalpur-5, Siraha
10	Gopal Prasad Paudel	Dibyapuri-5, Nawalparasi
11	Dil Kumar Mahato	Rajahar-5, Chhipeni, Nawalparasi
12	Jeewan Ram Khojbar	Rajahar-2, Kujauli, Nawalparasi
13	Chhabilal Lamichhane	Bharatpur-1, Chitwan
14	Ganesh Adhikari	Chainpur-8, Chitwan
15	Gangaram Gurro	Meghauri-3, Chitwan
16	Kancha Khadka	Ugratara, Kabhre
17	Tek Bahadur Kayastha	Panchkhal-9, Thanti, Kabhre
18	Manorath Sapkota	Panchkhal-1, Kot, Kabhre

Landless

S.N	Name	Address
1	Krishna Bahadur B.K	Bhimeswor -1, Dolakha
2	Krishna Bahadur Sarki	Bhimeswor -12, Dolakha
3	Purna Bahadur B.K	Bhimeswor -1, Dolakha
4	Lal Bahadur Chaudhary	Geta-6, Shree Lanka, Kailali
5	Bandhu Ram Chaudhari	Geta-6, Shree Lanka, Kailali
6	Karam Bahadur Chaudhary	Geta-6, Shree Lanka, Kailali
7	Sharada Chidimar	Nepalgunj-16, Banke
8	Sonapati Chidimar	Nepalgunj-16, Banke
9	Rama Chidimar	Nepalgunj-16, Banke
10	Bishwo Niya Sada	Jamdaha-1, Siraha
11	Julpa Sada	Jamdaha-1, Siraha
12	Mehta Sada	Jamdaha-1, Siraha
13	Amar Bahadur Majhi	Rajahar-3, Nawalparasi
14	Chitra Bahadur Thapa	Dibyapuri-6, Nawalparasi
15	Daneshwor Majhi	Agyauri-5, Nawalparasi
16	Bishnumaya Bote	Dibyanagar-9, Chitwan
17	Sanchuria Sunuwar	Shukranagar-6, Chitwan
18	Dipak Khatri	Ugratara-6, Kabhre
19	Ram Prasad Chaulagain	Kabhre-6, Badal gaon, Kabhre
20	Narayan Baniya	Banepa, Karki gaon, Kabhre

Artisans and small-scale entrepreneurs

S.N	Name	Address
1	Chhiri Namgel Sherpa	Thyanku-9, Dolakha
2	Pahalman B. K.	Bhimeswor -10, Dolakha
3	Goma B.K	Bhimeswor -10, Dolakha
4	Chandra Man B. K	Dhangadhi-1, Shantinagar, Kailali
5	Sher Bahadur B.K	Dhangadhi -1, Shantinagar, Kailali
6	Bhajani B.K.	Godavari-6, Balani, Kailali
7	Munni Davi Kevat	Nepalgunj -11, Bhairabgunj, Banke
8	Kushma Tamoli	Nepalgunj-11, Bhairabgunj, Banke
9	Indaria Kebat	Nepalgunj-11, Bhairabgunj, Banke
10	Bhan Kumari Mijar	Asanpur-3, Nipane, Siraha
11	Chandre Mijar	Asanpur-3, Nipane, Siraha
12	Dipak Mijar	Asanpur-3, Nipane, Siraha
13	Dhane B.K.	Amarapuri-5, Nawalparasi
14	Santa Bahadur B.K.	Rajahar-7, Nawalparasi
15	Shanti B.K.	Rajahar-7, Nawalparasi
16	Sukumaya B.K.	RatnaNagar-10, Chitwan
17	Dhan Bahadur B.K.	RatnaNagar-10, Chitwan
18	Jetha B.K.	Ugratara, Kabhre
19	Harka Bahadur B.K.	Dhulikhel-6, Nayagaon, Kabhre

Urban and peri-urban poor

S.N	Name	Address
1	Krishna Bahadur Lama	Bhimeswor -1, Dolakha
2	Ganesh Bahadur Nepali	Bhimeswor -8, Dolakha
3	Suresh Thapalia	Bhimeswor -1, Dolakha
4	Sher Bahadur Damai	Dhandadhi-1, Laxmi Narayan Chok, Kailali
5	Sarswoti Damai	Dhangadhi-1, Laxmi Narayan Chok, Kailali
6	Yog Bahadur Thakuri	Dhangadhi-1, Laxmi Narayan Chok, Kailali
7	Durgi Chidimar	Nepalgunj 16, Banke
8	Durpati Chidimar	Nepalgunj-16, Banke
9	Jaya Kumari Chidimar	Nepalgunj-16, Banke
10	Ram Prasad Mochi	Asanpur-5, Gol bazaar, Siraha
11	Ramesh Mochi	Asanpur-5, Gol bazaar, Siraha
12	Basanta Kumar Mahara	Asanpur-5, Gol bazaar, Siraha
16	Chowk Nath Kafle	Kawasoti-5, Nawalparasi
17	Yam Bahadur Gurung	Gaindakot-3, Nawalparasi
18	Om Bahadur Malla	Bharatpur-3, Anptari, Chitwan
19	Narayan Thapa	Bharatpur-2, Chitwan
20	Netra Bahadur Raut	Ugratara VDC, Kabhre
21	Krishna Lal Napit	Dhulikhel, Narayansthan, Kabhre
22	Ram Lal Khadgi	Dhulikhel, Narayansthan, Kabhre

State-level Natural Resource and Forestry Government Departments

S.N	Name of the respondent	Designation and Organization	Address
1	Narayan Shrestha	AFO, District Forest Office	Dolakha
2	Nawaraj Baral	DFO, District Forest Office	Kailali
3	Diwakar Pathak	DFO, District Forest Office	Banke
4	Khusi Lal Chaudhari	DFO, District Forest Office	Siraha
5	Prem Sapkota	Ranger, District Forest Office	Kabhre
6	Madhu Neupane	Ranger, District Forest Office	Kabhre
7	Bajra Kishor Yadav	DFO, District Forest Office	Chitwan
8	Shyam Bahadur Rimal	Ilaka Forest Office	Nawalparasi, Kawasoti
9	Ganga Acharya	Agriculture Extension Officer	Kathmandu
10	Dr. Damodar Parajuli	Foreign Aid Chief, MOFSC,	Kathmandu
11	Madhusudan Bista	Monitoring Chief, MOFSC,	Kathmandu
12	Dr. Keshav Raj Kanel	DDG, Community and Private Forest Division, DoF,	Kathmandu
13	Bharat Kumar Pokharel	Training Officer, MOFSC	Kathmandu
14	Lal Kumar K.C.	Chairman, DDC	Dolakha
15	Narayan Thapa	Acting Mayor, Bhimeswor	Dolakha
16	Gajendra Bahadur Singh	Member, DDC	Kailali
17	Puskar Dutta Bhatta	Chairman, VDC	Urma, Kailali
18	Kapil Dev Shah	Chirman, VDC	Lalpur, Siraha
19	Dharma Nath Mahato	Member, DDC	Siraha
20	Krishna Prasad Sapkota	Chairman, DDC	Kabhre
21	Jagannath Thapalia	Vice-chairman, DDC	Chitwan
22	Naradmani Paudel	President, VDC	Ayodhyapuri, Chitwan
23	Til Prasad Pathak	Chairman, VDC	Dibyapuri, Nawalparasi
24	Om Bahadur Kunwar	Member, DDC	Nawalparasi

Research Institutions, University and Regional Organizations

S.N	Name of the respondent	Designation and Organization	Address
1	Suman Rai	ICIMOD	Kathmandu
2	Chandra Kala Sharma	Faculty, Kathmandu University	Kabhre
3	Krishna Prasad Acharya	Research Officer, Department of Forest Research and Survey	Kathmandu

Development Organizations and Relevant Donor Projects

S.N	Name of the respondent	Organization	Address
1	Ishwor Upadhaya	NSCFP	Dolakha
2	Khagendra Sigdel	NSCFP	Kathmandu
3	Vijaya Raj Subedi	NARMSAP	Kailali
4	Shekhar Adhikari	EFEA/CARE Nepal,	Kailali
5	Bhimsen Chaudhari	EFEA/ CARE Nepal	Kailali
6	Krishna Bahadur Bhujel	CARE Nepal	Banke
7	Dambar Tembe	ChFDP	Lahan, Siraha
8	Hari Gurung	PCDP	Chitwan

9	Suchana Pokharel	PCDP	Chitwan
10	Sanjaya Rana	PCDP	Chitwan
11	Hukum Bahadur Singh	NACRMP	Kathmandu
12	Bo Sultze	NARMSAP	Kathmandu
13	Dr. Frank	BISEP-ST	Kathmandu
14	Peter Neil	LFP/DFID	Kathmandu

Private Sector Forest base Enterprises-producer, Processor and Traders

S.N	Name of the respondent	Organization	Address
1	Nahakul Acharya	Chief Manager, Resin and Turpentine Industry	Kailali
2	Rajendra Bhatta	NTFP Trader	Dhangadi-5, Kailali
3	Rajesh Jain	NTFP trader (JABAN)	Nepalgunj, Banke

Non Governmental Organizations (NGOs) and Community Based Organizations (CBOs)

S.N	Name of the respondent	Organization	Address
1	Mohan Bahadur Rawal	Chairman, Sati Karnali FUG	Narayanpur, Kailali
2	Harihar Neupane	FECOFUN District Chairman	Dolakha
3	Narendra Rasaili	BU/New ERA	Nepalgunj, Banke
4	Narayan Dhital	BU/New ERA	Nepalgunj, Banke
5	Sharada Gautam	SATHI	Nepalgunj, Banke
6	Narayan Bevkota	SATHI	Nepalgunj, Banke
7	Prava Shrestha	SATHI	Nepalgunj, Banke
8	Pramod Dahal	CAED	Lahan, Siraha
9	Nava Raj Lama	Indreni Seva Samaj	Gol bazaar, Siraha
10	Ram Sworup Mahato	FECOFUN Chairman	Gol Bazaar, Siraha
11	Yadav Humagain	Secretary, FECOFUN	Kabhre
12	Keshav Devkota	President, BZMC	(Bharatpur-8)
13	Devraj Kanel	Secretary CFUG,	Chainpur-1, Chitwan
14	Punya Prabha Adhikari	President, HIMWANTI,	Chitwan
15	Lok Nath Aryal	President, FECOFUN	Nawalparasi
16	Somat Ghimire	CDO	Narayangadh, Chitwan
17	Radhika Acharya	Treasurer, HIMWANTI	Chitwan
18	Mahendra Mahato	HICODEP, Kawasoti	Nawalparasi
19	Apsara Chapagain	Vice- Chairperson, FECOFUN Central Committee	Kathmandu
20	Shiva Aryal	NGOCBO	Kathmandu
21	Kamal Bhandari	Coordinator, Bikalpa	Chitwan

Annex II. Key Contacts for Forestry and Livelihood Related Activities in Nepal

S. N.	Organisation	Contact Details (Mailing address/ Phone No./ Email/ Fax No.)	Name of the Contact Person
1	MoFSC, DoF	Department of Forests, Babarmahal, Kathmandu, Nepal / 220303 / / /	Ambika Pd. Regmi
2	NARMSAP	G.P.O. Box: 8713, Kathmandu, Nepal/ 228954/ aljoshi@cpfc.wlink.com.np/ 233013	Amrit Lal Joshi
3	NEFEJ	G.P.O. Box No.: 5143, Kathmandu, Nepal/ 261991, 260248/ nefej@mos.com.np / 261191	Ananda Kumar Shrestha
4	SPACE	G.P.O.Box No.: 9636, Kathmandu, Nepal/ 530667/ space@space.org.np/ 542894	Anita Rai
5	MoFSC, DNPWC	Ministry of Forest & Soil Conservation, National Parks Department, 220912, 220850 / / 227675	Babu Ram Yadav
6	UMN/ RDC	RDC, G.P.O. Box No.: 126, Kathmandu, Nepal/ (061) 28036, 20492 / Bharat.devkota@rdc.umn.org.np / (061) 21965	Bandana Khand
7	Pro-Public	G.P.O. Box No.: 14307, Kathmandu, Nepal/ 268681, 265023/ salga@propublic.wlink.com.np / 268022	Bharat Mani Sharma
8	SION	P.O.Box 8975,[E.P.C. 1921] / Kathmandu, Nepal / 530354 / sion@wlink.com.np / 536941 (Attn: 536941)	Bhaweshwar Das
9	FECOFUN	G.P.O. Box: 5723, Kathmandu, Nepal/ 485263/ bram@fecofun.wlink.com.np / 485262	Bhim Pd. Shrestha
10	ANSAB	G.P.O. Box: 11035, Kathmandu, Nepal / 497547/ ansab@mos.com.np / 476586	Bhishma P. Subedi
11	USAID	G.P.O. Box: 5653, Kathmandu, Nepal / 270144/ bacharya@usaid.gov / 272357	Bigyan Acharya
12	National Planning Commission	Singha Durbar GPO Box: 1248 Kathmandu, Nepal / 227998 / bkshrestha@npcnepal.gov.np / 226500	Biju Kumar Shrestha
13	Winrock International	G.P.O. Box No.: 1312, Kathmandu, Nepal / 476101, 467087 / bbhatta@winrock.org.np / 476109	Binod Bhatta
14	MoFSC, DOF	Chief National Forest, Department of Forest, Babarmahal , Kathmandu / 256227	D.R. Bhattarai
15	GTZ – Churia Forest Development Project	ChFDP-GOPA-AGEG C/O GTZ, GPO Box: 1457, Kathmandu, Nepal/ (033) 60411/12/chfdp.gopa_ageg@gtz.org.np / 60418	Damber Tembe
16	District Forest Office, Sankhuwasabha	District Forest Office, Sankhuwasabha, Nepal / 029-60135(O)	Dhirendra Pd. Singh
17	MoFSC, Department of Forest	DG, Department of Forest (DoF), Babarmahal, Kathmandu, Nepal /227574 / dof@col.com.np / 227374	Dibya Dev Bhatta

18	NACRMP	GPO Box: 208, Kathmandu, Nepal/524910,523653/info@nacfp.wlink.com.np, frans@nacmp.wlink.com.np/527224	Frans Arentz
19	LFP	Livelihoods and Forestry Programme, Baluwatar, Kathmandu C/O DFID – Nepal P O Box: 106, Kathmandu, Nepal/ 411022, 410010 / hfa@lfp.wlink.com.np/ 410469	Gaia Allison
20	District Forest Office, Parbat	District Forest Office, Kusma, Parbat, Nepal / 067-20135	Ganesh Jha
21	DFO, Kaski	District Forest officer, Pokhara, Kaski, Nepal / 061-20171/ dfokas@mos.com.np / 061-20305	GauriShankar Timila
22	District Forest Office, Lalitpur	District Forest Office, Sano Hattiban, Lalitpur / 525559 / dfilal@wlink.com.np	Govinda Pd. Kafle
23	Martin Chautari	P O Box: 13470, Kathmandu, Nepal / 256239 / chautari@mos.com.np / 240059	Jagannath Adhikari
24	MoFSC, Eastern Regional Forest Directorate, Biratnagar	Eastern Regional Forest Directorate, Biratnagar, Morang, Nepal / 021-25224 / / 021-30291	Kamal Bhakta Shrestha
25	Nepal Forester's Association (NFA)	P O Box: 3411, Kathmandu, Nepal / 275180 / nfa@unlimit.com	Keshar Man Bajracharya
26	MoFSC, DoF, Community Forestry Division	G P O Box: 2528, Kabar Mahal, Kathmandu, Nepal / 224903,247599(o), 432447@ / cpfd@wlink.com.np , krkanel@infoclub.com.np / 229013	Keshav Raj Kanel
27	NSCFP	Ekantakuna, Jawalakhel, P O Box: 113, Kathmandu, Nepal / 551702-4 / bk_pokharel@nscfp.org.np / 551701	Bharat Pokharel
28	ForestAction	P.O. Box: 12207, Kathmandu, Nepal/ 550631/ Forestaction@wlink.com.np / 528495 (attn. ForestAction)	Krishna Paudel/ Hemant Ojha
29	UNDP	P O Box: 107, Kathmandu, Nepal / 523200 / Kristina.mikkola@undp.org / 523991	Kristina Mikkola
30	WPLUS	P. O. Box 1312, Kathmandu, Nepal / 467087 / lbhatarai@hotmail.com /476109	Leela Bhattarai
31	MoFSC	Ministry of Forest & Soil Conservation, Monitoring & Evaluation Officer, Singhadarbar, Kathmandu, Nepal / 224864 / /224864	Madhav Pd. Acharya
32	District Forest Office, Bhaktapur	District Forest Office, Bhaktapur, Nepal / 630811	Madhuri Karki Thapa
33	MoFSC	Chief, Monitoring Division, Ministry of Forest & Soil Conservation, Singhadurbar, Kathmandu, Nepal / 224864 / / 224892	Madhusudan Bista
34	District Forest Office, Kathmandu	District Forest Office, Kathmandu, Nepal / 227574 / santosh@dof.col.np / 227374	Man Bd. Khadka
35	HIMAWANTI	P O Box: 12811, Kathmandu, Nepal /542717,548231/himawanti@wlink.com.np/ 542717,548231	Maya Devi Khanal

36	MoFSC, CPO	Chief Planning Officer, Ministry of Forest & Soil Conservation, Singhadurbar, Kathmandu / 220067 / mfsc@mail.com.np	Mohan Pd. Wagley
37	WATCH	P O Box: 5723, Kathmandu, Nepal / 492644/ watchftp@wlink.com.np	Narayan Kaji Shrestha
38	New ERA	G.P.O. Box No.: 722, Kathmandu, Nepal/ 423176/ 413603 / 430060/ info@newera.wlink.com.np / 419562	Narayan Pd. Sitaula
39	Community Development Organization, Chitwan	056-22307/ n.s.paudel@yahoo.co.uk	Naya Sharma Paudel
40	ACM Kaski Team, CIFOR	G.P.O. Box No.: 21676, Kathmandu, Nepal/ 485953 / cifor_norms@hons.com.np	Netra Tumbahamphe
41	BIWMP	G.P.O. Box: 11053, Kathmandu, Nepal / 248954/ 246763 (O) 632252 ® / biwmp@biwmp.mos.com.np , pbchand@biwmp.mos.com.np , pbchand@col.com.np / 267304	Padam Bd. Chand
42	CAED/FRP	P O Box: 4555, Kathmandu, Nepal / 473675 / seacow@healthnet.org.np / 485262 (attn: CAED/FRP)	Pramod Raj Dahal
43	NARMSAP	G.P.O. Box: 8713, Kathmandu, Nepal/ 231218/9/ cftp@wlink.com.np / 231227	Raj Bd. Shrestha
44	ACM Kaski Team, CIFOR	G.P.O. Box No.: 21676, Kathmandu, Nepal/ 485953/ cifor_norms@hons.com.np	Raj Kumar Pandey
45	GTZ – Churia Forest Development Project, Lahan	ChFDP-GOPA-AGEG C/O GTZ, GPO Box: 1457, Kathmandu, Nepal/ (033) 60411-12 / chfdp.gopa_ageg@gtz.org.np / 60418	Dambar Tembe
46	AFRODA	G.P.O. Box No.: 1155, Kathmandu, Nepal/ 372960/ rps@aforda.wlink.com.np / 373235	Rajendra Bd. Shrestha
47	Tribhuvan University	P O Box: 6735, Kathmandu, Nepal / 280564/ rchetri@info.com.np	Ram Bd. Chhetri, PhD.
48	MoFSC, Western Regional Directorate	Western Regional Directorate, Bagar , Pokhara, Kaski, Nepal / 061-20305	Ram Pd. Paudel
49	KMTNC	G.P.O. Box No.: 3712, Kathmandu, Nepal/ 526571/ 526573/ rbasnet@tmtnc.org.np / 526570	Rupa Basnet
50	IIDS	G.P.O.Box: 2254, Kathmandu, Nepal/ 494519/ sabita@iids.wlink.com.np / 470831	Sabita Shrestha
51	IUCN Nepal	Post Box: 3923, Kathmandu, Nepal/ 528761/ 528281/ 526391/ 527781/ stiwari@iucn.org.np / 536786	Sagendra Tiwari
52	CECI	G.P.O. Box: 2959, Kathmandu, Nepal/ 415391/ 414430/ sagunb@ceci.org.np / 413256	Sagun Bista
53	WWF-Nepal Programme	Post Box: 7660, Kathmandu, Nepal/ 410942, 434970/ skhaling@wwfnepal.org.np / 438458	Sarala Khaling

54	MoFSC, Department of Forest Research and Survey	P O Box: 3339, Babar Mahal, Kathmandu, Nepal / 220482, 220671, 256469 / foresc@wlink.com.np / 220159	Sesh Hari Bhattarai
55	CARE Nepal	G.P.O. Box: 1661, Kathmandu, Nepal Highway, Bardibas, Mahottari/ 522800/ 522143, (044) 29031 PCO Request Call 469706 ®/ churia@carenepal.org / 521202	Shalik R. Neupane
56	MoFSC	FACD, Ministry of forest & Soil Conservation, P O Box: 9200 / 223862,227167/mfsc@mail.com.np, skpdahal@yahoo.com / 262599	Shankar Pd. Dahal
57	ActionAid Nepal	G.P.O. Box: 6257, Kathmandu, Nepal/ 419115/ 410929/shyamsj@actionaid.org / 419718	Shyam Sundar Jnavaly
58	ICIMOD	G.P.O.Box: 3226, Kathmandu, Nepal/ 525313/ srai@icimoc.org.np / 524509	Suman Rai
59	MoFSC	Ministry of Forest & Soil Conservation, Environment Division, Singhaduabar, Kathmandu, Nepal /224892 (0), 610267® / tulsi190@hotmail.com / 230862	Tulshi Bhakta Prajapati
60	TU, Department of Geography	Central Department of Geography, TU Kirtipur, Nepal / 330329 (0), 534993® / cdg@wlink.com.np , vidya@unlimit.com / 331319	Vidya Bir Singh Kansakar
61	UNDP	Post Box: 107, Pulchowk, Kathmandu, Nepal/ 523991/ 523986 (ext: 1028) / kristiina.mikkola@undp.org / 523991	Kristiina Mikkola
62	New ERA	G.P.O. Box No.: 722, Kathmandu, Nepal/ 423176/ 413603/ 430060/ info@newera.wlink.com.np / 419562	Yogendra Prasai

Annex III. Interview checklists, additional guidelines and letters sent to key informants

Interview checklist

1. Introduce yourself

ForestAction is conducting a survey which is proposed by DFID Forestry Research Programme (FRP) to find out the underlying causes for poverty of Nepali forest or tree-product dependent poor people of four focus groups: the resource-poor farmers, the landless, poor artisans and traders, and the urban- and peri-urban poor. Your views will form an important element of analysis of livelihoods problems, which will then be translated into priority researchable constraints for the forestry sector. The scope is wider than just forestry, but of course FRP will focus on those problems that can be addressed through forestry research, and inform its partners in the other programmes within DFID.

Guidelines:

- Match the level of details with the interests, and level of understanding/exposure of the respondents
- Tell him/her that the discussion will take about 1-2 hours.

2. Ask a family of problem questions: various techniques have been adopted with different respondents:

For focus group respondent:

- a. In your opinion/experience, what are the major problems faced by you to achieve a livelihood?
- b. How is your livelihood being maintained? [This question has been found more relevant as this is close to the way people communicate their problems with each other]

For support institutions

- a. Which focus groups you know better?
- b. What are the major livelihoods problems of them?

These questions have been used to identify various components of livelihoods, using pentagon in the mental checklist. The next sets of questions are then put on each of the components/aspects, looking for second, third, fourth, and so on order of the causes. The why question needs to be asked repeatedly; the answers will allow to construct the problem trees.

Note taking is done in a plain white sheet notebook, using a free flow diagramme, as mentioned in the pilot test reflection note.

Check for future problems – already covered or not.

3. Ask a family of solution questions:

- Paraphrase/summarize the list and causes of the problems mentioned by the interviewee, and ask for solutions. Two options have found useful:
 - a. Generic – so what can be done to resolve all these? who/how?
 - b. Specific – so what can be done in this particular aspect of the problem? who? how?

Consider and note the different categories of problems (and also the four sieves), and ask the next sets of solutions questions:

- Who can address these problems?
 - At focus group level- identify as outsider or insider
 - At support organization level: National or international level or further specify

The answer to this question will subsequently allow using the four-fold sieve to identify where there are gaps in local or donor capacity.

General Guidelines

Keep the interview informal, and allow the natural flow. This is more complicated than a formal interview, as you will have to interpret and class the answers yourself.

Time. The interview lasts for 1-1and half hour, so you need to aware on the limits of time.

Assess the potential of respondent and determine the type and number of questions. For the outsider supporters, the interview will ideally be in four parts, each time the same questions the four groups but it was not practical to cover all the 4 groups in many cases, because a) of limited knowledge, b) time constraint, c) overlaps of the responses. Depending on the expertise, and interests of the interviewee start focusing on any one of the groups but consider different focus groups in the consecutive interview as far as possible.

Don't forget to thank your interview partner for his/her time. Assure him/her that a report will be published (a brief synthesis in Nepali as well) and circulated later this year. Take the full postal address for sending the report.

See pilot reflection notes for further specific considerations.

Letters

Sub: Survey on priority problems of forest dependent poor people in Nepal

Dear Dr/Mr/Ms

We are pleased to inform you that ForestAction is conducting a survey research to find out priority problems of forest dependent poor people in collaboration with Forestry Research Programme (FRP), DFID, UK. We have identified you/your organization as one of the respondent for the survey, and therefore would like to request you to provide some time for **an interview as well as relevant documents**. Members of the survey team will be contacting you sometime within April and May 2002. We hope your valuable insights and information will make a significant contribution in this regard.

The study will focus on four groups of poor people (resource-poor farmers, the landless, poor artisans and traders, and the urban- and peri-urban poor). The result of the survey is expected to help FRP to devise a poor-focused forestry research funding strategy for Nepal, while at the same time informing a broad range stakeholders on the gaps and potentials of poverty reduction efforts.

If you want to know more about the survey, please contact us.

I thank you in advance for your cooperation.

Regards,

Krishna Pd Paudel
Coordinator of the survey team

April 2, 2002

To

Sub: Survey on priority problems of forest dependent poor people in Nepal

Dear Dr/Mr/Ms,

We are pleased to inform you that ForestAction is conducting a survey research to find out priority problems of forest dependent poor people in collaboration with Forestry Research Programme (FRP), DFID, UK. As one of the concerned of the forestry sector development, we would like to request you to **provide relevant documents** such as country strategy paper. The members of the survey team will be contacting you sometime within April and May 2002.

The study will focus on four groups of poor people (resource-poor farmers, the landless, poor artisans and traders, and the urban- and peri-urban poor). The result of the survey is expected to help FRP to devise a poor-focused forestry research funding strategy for Nepal, while at the same time informing a broad range stakeholders on the gaps and potentials of poverty reduction efforts.

If you want to know more about the survey, please contact us.

I thank you in advance for your cooperation.

Regards,

Krishna Pd Paudel
Coordinator of the survey team

Annex IV. Terms of Reference

A SURVEY OF THE PRIORITY PROBLEMS PERCEIVED BY THE FOUR FRP FOCUS GROUPS OF FOREST-DEPENDENT POOR PEOPLE AND OTHER STAKEHOLDERS IN THE MANAGEMENT OF FOREST AND TREE RESOURCES IN NEPAL

Terms of Reference

1. Background

1.1 The Forestry Research Programme (FRP) is one of ten competitive grants programmes of the UK Department for International Development (DFID) Renewable Natural Resources Research Strategy (RNRRS). The programme helps country partners in the eradication of poverty by supporting research on priority developmental problems of the forest-dependent poor. These problems are identified and documented in DFID forestry partner countries through consultation with a wide range of institutions and stakeholders.

1.2 In order to address poverty from a sound basis, there is a need for accurate and specific knowledge of its major underlying causes. These will vary between particular categories of people, and the different assets to which they have access and which they use. In the case of FRP, we are interested in the local perceptions and the causes of major problems of people who rely on forest and tree resources. FRP's focus is on the needs of the following principal categories of poor people: small-scale farmers; landless families e.g. employees of forest industry; artisans, traders or small-scale entrepreneurs; and the urban and peri-urban poor.

1.3 FRP aims to increase understanding of the links between management policy and practice for forests and the opportunities and constraints facing the poor. This understanding will inform the design of poverty reduction interventions and help the future development and implementation of forest policy to be pro-poor. The work will help to inform stakeholders about where these interventions are already contributing to addressing the identified problems; and where activities could be adjusted or complemented to enhance such contribution. The survey conclusions should be of interest beyond these specific interventions to other parties in the region involved in analysing and addressing poverty and forestry issues.

1.4 In 1999 and 2000, FRP has carried out problem surveys for forest-dependent poor in 22 DFID forestry partner countries in Southern Africa, the Caribbean and Central America. The results of these surveys have been of interest to development policy makers and practitioners.

1.5 DFID and FRP are keen to continue the survey series with a study in Nepal (a DFID forestry partner country).

2. Objectives

2.1 To understand the constraints on improvement of livelihoods of the forest dependent poor in the four FRP focus groups in Nepal. The mechanism for obtaining the understanding is a survey of local perceptions of needs. The survey includes a priority setting exercise to differentiate local capability from needs for external assistance. These researchable constraints may be translated into FRP research projects.

3. Outputs

3.1 A report on priority national problems and their underlying causes in the management of forest and tree resources for the four FRP focus groups, cross-referenced to published national strategies, action plans or priority setting documents, participatory poverty analyses and the poverty reduction strategy paper.

3.2 A display of the cause-and-effect chains between key issues and their underlying problems (both researchable and non-researchable), in the form of tree diagrams or other poverty maps.

3.3 A catalogue of internal and external sources of funds (national budget lines, doctoral scholarships, donor project grant funding, etc.) for research on the national priority problems.

4. Activities

4.1 Assemble a balanced list of contacts from the following five categories (favouring if necessary category 4.1.5):

4.1.1 State level natural resources and forestry government departments;

4.1.2 Research Institutions (such as: Dept. of Forest Research), University Forest/ Environment/Social Development Departments, regional organizations (such as: ICIMOD);

4.1.3 Development organizations and relevant donor projects (such as GTZ, SDC, DFID, NARMSAP/Danida)

4.1.4 Private sector forest-based enterprises – producers, processors, traders;

4.1.5 Non-Government Organisations and Community Based Organisations (such as WATCH, FECOFUN, LI-BIRD).

4.2. In close collaboration with FRP, prepare a semi-structured interview protocol to identify poor people's priority problems relating to the management of forest and tree resources, disaggregated by FRP's four focus groups of poor people:

4.2.1 Poor small-scale farmers

4.2.2 Poor landless families, e.g. employees of forest industry

4.2.3 Poor artisans, traders and small-scale entrepreneurs

4.2.4 The urban and peri-urban poor

4.3 Conduct a problem survey visit to interview key informants in Nepal, covering the districts of Banke, Chitawan, Nawalparasi, Siraha, Kabre, Dolakha and Baitadi, in order to capture the wide ethnic, topographic and cultural difference within Nepal which is influencing access to forest and tree resources.

4.4 Identify and report on priority national problems and their underlying causes in the management of forest and tree resources for the four FRP focus groups, cross referenced to published national strategies, action plans or priority setting documents and participatory poverty analyses (latest versions of all such documents should be collected and submitted to FRP). Examples of the documents are national biodiversity action plans (NBAPs), the national conservation strategies (NCS), national environmental action plans (NEAPs), national strategies for sustainable development (NSSDs), and national forestry programmes or action plans (NFPs) and the national poverty reduction strategy paper (PRSP).

4.5 Identify and display the cause-and-effect chains between key issues and their underlying problems (both researchable and non-researchable) in the form of tree diagrams or other poverty maps. FRP can provide guidance on visualisation and display techniques

4.6 Identify and report on the national capabilities and political will to solve these problems effectively (including the compilation of full addresses for all key contacts). Explain where and why capability is inadequate.

4.7 For those priority problems for which the national capability is inadequate, check which donors or international agencies are helping to cover which gaps.

4.8 Catalogue information on internal and external sources of funds (national budget lines, doctoral scholarships, donor project grant funding, etc.) for research on the national priority problems.

4.9 Develop transparent priority setting criteria and rationalise priorities for the problems for which the national capability is inadequate and which are not addressed with support of donors or international agencies. This will take account of constraints of political will, and consider options to tackle these constraints. FRP management will subsequently aim to identify in relation to researchable constraints the relevant capability in UK-based institutions to work in partnership with Nepalese organisations.

4.10 Provide a draft report to FRP and DFID Nepal on the results of the problem survey visits and problem analysis. Suggest a list for distribution of the problem survey. FRP will then arrange further dissemination as appropriate.

4.11 Organise, together with FRP, an end-of-survey workshop with up to 20 key stakeholders in a balanced representation of the five categories mentioned under 4.1.

4.12 Revise the draft report, explicitly recording and taking account of stakeholder inputs at the workshop.

4.13 Arrange for the translation of summary results from the survey and workshop into Nepali and distribute the information to relevant recipients as agreed with FRP.

5. Starting and finishing dates

5.1 The contract covers 50 working days between 25 March 2002 and 31 August 2002. A project completion workshop will take place in July 2002.

NARRATIVE	INDICATORS OF ACHIEVEMENT	MEANS OF VERIFICATION	RISKS AND ASSUMPTION
<p>GOAL</p> <p>New knowledge applied to problems in forest and tree resource management, the resolution of which benefits small-scale poor farmers within the Forest/Agriculture Interface.</p>	<ul style="list-style-type: none"> • By 2005, increased financial capital for poor households through: expanded tree-based employment opportunities; increased biological and technological productivity; higher product prices through added value in processing and marketing; reduced production costs through greater efficiency and effectiveness in the application of labour resources; and improved availability of subsistence items in land-use systems involving the management of forests and trees • By 2005, increased sustainable natural capital for poor households through: reduced variability and risk in production; and the development of new tree-based production alternatives • By 2005, increased physical capital for poor households through: improved information pathways and the production equipment and means by which poor people earn their living. • By 2005, increased social capital for poor households through: adequate control of access to relevant forest resources; enhanced institutional capacity; and an enabling policy environment. • - By 2005, increased human capital for poor households through: enhanced forest management skills; less destructive tree-product harvesting and improved processing, packaging and marketing capability; and healthier nutritional use of indigenous tree products. 	<p>National and local adoption rate surveys.</p> <p>National and local socio-economic surveys</p>	<p>Poor people invest benefits to improve choices and options for livelihood strategies.</p>
<p>PURPOSE</p> <p>Knowledge relating to land-use and forest decision making promoted for the benefit of small-scale poor farmers.</p>	<ul style="list-style-type: none"> • By 2005, strategies to address priority issues relating to poverty amongst forest-dependent people developed and promoted. 	<p>Annual research and extension programme reports.</p>	<p>Resources managers, producers and processors are able to adopt new knowledge.</p> <p>Enabling cultural, economic, social and political environment exists for widespread application of new knowledge and is not contrary to measures that enhance sustainable livelihoods.</p> <p>Capabilities of target institutions radically enhanced.</p>
<p>OUTPUTS</p> <p>National priority problems and their underlying causes in the management of forest and tree resources identified and reported.</p>	<ul style="list-style-type: none"> • By 2002, knowledge of underlying causes for poverty of forest-dependent poor people in Nepal gathered , published and promoted. • By 2005, new research projects addressing Nepal's priorities commissioned. 	<p>The final report of the survey</p>	<p>Enabling cultural, economic, social and political environment exists.</p>
<p>ACTIVITIES</p>	<p>INDICATORS OF ACHIEVEMENT</p>	<p>RESOURCES AND BUDGET SUMMARY (in NRs)</p>	<p>RISKS AND ASSUMPTION</p>
<p>1. Assemble balanced list of contact from 5 stakeholder categories.</p> <p>2. Develop semi-structured interview</p>	<p>1. By beginning of April 2002, list of contacts prepared and agreed upon with FRP.</p>	<p>TOTAL = 432,000</p>	<p>1. Security situation in Nepal does not worsen and allows surveys to take place in selected</p>

<p>protocol.</p> <ol style="list-style-type: none"> 3. Conduct problem survey in 6 districts. 4. Identify and report on national problems and underlying causes. 5. Identify and display logical chain between key issues and underlying problems. 6. Identify and report on national capabilities and political will to solve these problems. 7. For those priority problems for which national capability is inadequate, check which donors or international agencies are helping to cover which gaps. 8. Catalogue information on internal and external sources of funds for research on the national priority problems. 9. Rationalise priorities according to transparent criteria. 10. Produce report and provide it to FRP, together with a distribution list. 11. Organise a workshop with a balanced mix of up to 20 key stakeholders. 12. Translate summary information from report and workshop into Nepali. 	<ol style="list-style-type: none"> 2. By 20th April 2002, interview protocol developed and field tested and agreed upon with FRP. 3. By mid-May 2002, successful surveys of at least 4 members of each FRP focus group in each of six districts plus a balanced mix of stakeholders of the other 4 categories. 4. By beginning of June 2002, list of national problems and their underlying causes prepared. 5. By mid-June 2002, Mindmap® or similar graphic display of key issues or underlying causes prepared. 6. By mid-June 2002, description of national capabilities and political will to solve priority problem prepared and gaps identified. 7. By mid-June 2002, identified which donors or international agencies are helping to cover which gaps. 8. By mid-June 2002 information on internal and external sources of funds catalogued. 9. By mid-June 2002, priorities rationalised according to transparent criteria. 10. By beginning of July 2002, report produced and copies handed to FRP, together with a distribution list. 11. By mid-July 2002, 1-day workshop with 20 key stakeholders organised. 12. By end of August 2002, summary information from report and workshop translated into Nepali and reproduced and distributed to relevant stakeholders. 		<p>districts</p> <p>2. Key stakeholders willing to provide information</p>
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Annex V. Comparative priority ranking of problems as perceived by the four focus groups and support institutions

Resource poor farmers

Priority	Focus group (18)	Support institution (38)
1	Inadequate government support (29)	Inadequate government support (48)
2	Low income (20)	Limited landholding (38)
3	Lack of food security (19)	Low income (36)
4	Low production (18)	Lack of food security (32)
5	Lack of irrigation (17)	Improper government policy (31)
6	Low productivity of the land and livestock (16)	Lack of education (27)
7	Improper government policy (13)	Lack of irrigation (26)
8	Low wage (13)	Low production (26)
9	Lack of education (13)	Low productivity of the land and livestock (25)
10	Natural calamities (13)	Limited market facilities (24)
11	Limited availability of the forest resources (11)	Limited agricultural inputs (24)
12	Limited landholding (10)	Unemployment/Underemployment (17)
13	Unemployment/Underemployment (10)	Adoption of primitive technology (17)
14	High population growth (10)	Low wage (17)
15	Limited access to the natural resources (9)	Limited access to the natural resources (15)

Landless

Priority	Focus group (20)	Support institution (35)
1	Landlessness (42)	Low income (42)
2	Lack of food security (38)	Lack of food security (41)
3	Low income (33)	Landlessness (38)
4	Low wage (26)	Lack of education (31)
5	Lack of education (24)	Low wage (25)
6	Low level of awareness (19)	Forced child labor (18)
7	Exploitation by elites (18)	Natural calamities (18)
8	Natural calamities (15)	Low level of awareness (16)
9	Improper government policy (13)	Improper government policy (15)
10	Lack of financial capital (13)	Unemployment/underemployment (15)
11	Low bargaining power (13)	Immediate need of money (14)
12	High dependency on single family member (12)	Lack of financial capital (14)
13	Forced child labor (11)	Malnutrition (13)
14	Unemployment/underemployment (11)	Limited access to natural resources (12)
15	Inadequate government support (11)	Elite domination in decision making (12)

Artisans

Priority	Focus group (19)	Support institution (40)
1	Low income (26)	Low income (58)
2	Elite domination in decision making (21)	Lack of skill (46)
3	Communities' restriction (21)	Lack of training (42)
4	Scarcity of raw materials (20)	Low product quality (36)
5	Low price of the products (19)	Low price of the products (35)
6	Forest degradation (18)	Limited training institution (33)
7	Improper management of natural resources (17)	Improper government policy (30)
8	Inadequate government support (17)	Limited market facilities (28)
9	Limited market facilities (16)	Lack of financial capital (26)
10	Lack of financial capital (15)	Bad governance (25)
11	Availability of cheap substitute (13)	Inadequate government support (24)
12	Unemployment/underemployment (13)	Lack of food security (23)
13	Humiliation/Social discrimination (13)	Scarcity of raw materials (21)
14	Poor planning and ill implementation (13)	Communities' restriction (21)
15	Lack of education (12)	Lack of unions/networks (20)

Urban poor

Priority	Focus group (19)	Support institution (32)
1	Lack of food security (31)	Low income (47)
2	Low income (24)	Low wage (31)
3	Cultural/religious factors (23)	Lack of education (30)
4	Lack of education (20)	Lack of food security (30)
5	Large family size (16)	Landlessness (25)
6	Low wage (15)	Unemployment/Underemployment (24)
7	Low productivity (14)	Lack of financial capital (22)
8	Landlessness (14)	Limited landholding (20)
9	Lack of irrigation (14)	High labor competition (20)
10	Improper government policy (13)	Exploitation by employer (15)
11	Low landholding (13)	Immediate need of money (13)
12	Low production (12)	Exploitation by elites (13)
13	Low agricultural inputs (12)	Large family size (12)
14	High drop-out ratio (11)	Elite domination in decision making (12)
15	Limited extension and family planning facilities (11)	Inadequate government support (11)

Annex VI. Key Learning Through Reflection

Content and pattern of problem tree (please find in the separate faxed sheets)

1. *Individual vs group interview:* Interview with individual alone is best. However, having small group discussion could be advantageous especially if they are from the same focus group.
2. *Time:* Time required depends upon the nature of the respondents. People in the focus group take more time to explain certain things while others take less time in their reply. On an average one and half to two hour is enough for a single interview.
3. *Sample.* As we found little variation among the respondents of a particular focus group, three respondents in each focus group in each site (district) is enough to get a representative response. However, as there is a great variation in the population of the four focus groups, their representation may also vary accordingly. For example there are only two to three artisan households were found in the pilot site.
4. *Type of question:* It is always better to start with questions like –"what are the major problems you are facing under your household activities?" rather than, to put like- "what is your biggest problem?" We found that in many cases it is very difficult to measure the biggest problem during the discussion. Also for some respondents, 'your top most problem' seems more abstract and hard to understand and reply. Also, it was found out that, the type of question should differ between the focus group (start with livelihoods) and supporting institutions (start with sectoral problems of the poverty).
5. *Future problem:* It was found that focus group respondents tend to answer future problems together with current problems, even when question is asked only on current problems; they do not separate present and future problems. But in the case of other respondents, we need to be more conscious on getting responses on future problems.
6. *Order of focus group.* Generally people speak in detail about the focus group, which we put in first. The amount of information decreases with the subsequent groups. Thus there is a need to adjust the order of asking about different focus groups during the interview with support groups. Similarly, it would be beneficial to identify interviewees who are closer to certain focus groups than the others.
7. *Cause confused with effects:* Usually people prefer to speak more on effects of the problems rather than their causes. We need to be cautious on differentiating the two elements.
8. *Interconnected responses.* Problems and causes, causes and solutions, solution and agents tend come together. Though we asked questions separately, most of the respondents replied in the interconnected way. Interviewer has to note down those answers simultaneously and should not repeat the question whose answer has already been told.
9. *Note taking.* Making notes in the form of problem branch is very helpful. It is much easier to note the answer in a proper position, even if the order of response is not as expected. It is reader-friendly.
10. *Post interview synthesis.* Interviewer should synthesize immediately after each interview so that the insights in the contents as well as reflections on methods or any observations should not get missed.

Annex VII: Proceedings of the Report Sharing workshop on: A Survey of the Priority Problems of the Forest and Tree-dependent Poor People in Nepal

June 20, 2003. Administrative Staff College, Jawalakhel –Lalitpur, Nepal

1. Introduction

Putting the perspective of the poor themselves and the contextual information on poverty issues at different spatial and occupational background of the poor, particularly those of forest and tree-dependent people in Nepal, a survey research was carried out during April to October 2002. The draft report was widely shared with the different institutions and individuals of various background and capacity and a one-day sharing workshop was held at Administrative Staff College, Jawalakhel on 20th June, 2003. The participants of this workshop ranged from policy makers, professionals, and researchers representing government and non-governmental organizations, bilateral projects, and donors as well as respondents of the survey. The list of participants is listed in Annex 3.5.

The objectives of the workshop were: a) to open up the dialogue between (forestry) researchers and policy makers, based on the main results of the surveys of priority problems of the forest and tree-dependent poor people in Nepal, b) to ask for the inputs from the participants in the definition of the priority issues for various sectors, and c) to get commitments from the participants for future joint action to address the prominent poverty issues of the country.

The first half of the workshop was designed for presentation and the second half was for group works and plenary discussion. Finally, commitments came from different stakeholders to use key aspects of poverty issues from their representative organizations, and in collaboration with other stakeholders as appropriate.

2. Flow of the Workshop

2.1. WELCOME REMARKS

Welcoming the participants of the workshop, Dr. Netra Timsina, Coordinator of Forest Resources Studies and Action Team (ForestAction), elucidated the objectives of the workshop and expectation of ForestAction from the participants. He urged participants for their critical comments on the study and report produced so far to add the value of the report from pragmatic standpoint. He pointed out that within a short timeframe the study and report derived the important insights of the rural poor and needed a fresh review from the participants so that specific findings came from the study could be adequately communicated to the concerned policy makers, intervening organizations, researchers and others to increase the applicability of the study report.

2.2.PRESENTATION SESSION

2.2.1 Dr. Keshav Kanel from Department of Forest delivered his keynote speech and appreciated the report as an excellent outcome to influence the Nepalese Policy. This study and report came in time, he added, and since government has put forward poverty reduction as its priority program we are also directed to increase and ensure the contribution of forestry sector to the poor people. The need to ensure the rights of the poor in control over and access to the resources that they are intrically linked with for their living. He praised the dynamic and energetic team of ForestAction and its quality achievement in this report and other performance as well. Detail of his speech is attached in Annex 3.1.

2.2.2 Hannah Jaenicke from DFID/ Forestry Research Programme (FRP), UK delivered her background presentation where she highlighted the rationale behind this study and its possible implication in DFID as a whole and to Nepal in particular. She mentioned that within the DFID's livelihood approach it is imperative to identify priority issues and address them through research and intervention. She further clarified that the survey was commissioned to explore the cause-and-effect-linkages of poverty and gave the hints that the results of the study have identified the priority problems centered around the issues of market and income, natural resources, policy and implementation, socio-cultural factors and training and skills development; many of the problems are beyond forestry issues. A detail of her background presentation is in Annex 3.2.

2.2.3 Krishna P. Paudel of ForestAction presented the findings of the study and report in brief and highlighted the key areas of interest, which might be worthwhile for policy implication. He described the selected sites for study, mentioned about the categories of respondents and framework used to analyze, the data collected so far through the questionnaire survey. He presented that the report is the result of interviews with 144 respondents including 79 respondents from four focus groups, namely resource poor farmers, landless poor families, poor small scale artisans and entrepreneurs and urban and peri-urban poor, and 65 respondents from support institutions including government institutions, research institutions and university, development organizations including donors, private sector forest based enterprises, non-governmental organizations (NGOs) and community based organizations (CBOs). He explained the four thematic clusters where all of the priority issue fall into and requested to give detailed feedback in the identified existing initiatives in addressing the prioritized issues and gaps.

2.3.GROUP WORKS

Four groups consisting of 3-4 members were formed to discuss the four thematic areas of the draft report. These four thematic areas were (1) global issues and strategic concerns (policies), (2) land use and forest decisions, (3) institutional change and reform and (4) sustainable livelihoods. The discussions were done on the basis of following questions:

- Review and discuss the priority problems relating to your group's theme, and add issues from your experience
- Review and discuss the gaps and issues related to your group's theme
- How can your organization contribute to address these issues

(outcomes of the group work are given in annex 3.3)

2.4.CLOSING REMARKS

Peter Neil from DFID delivered his closing remarks at the end of the session of the half-day workshop. On his remarks he appreciated the work done by ForestAction in collaboration with FRP-DFID, UK. He shared the similarities of the issues of poor and marginalized in Africa and in Nepal for which same type of process was followed. In his remarks he added that although the issues and priorities given in the report are not new, they reinforce how are they interrelated and linked to wider socio-political system. He further added that the report has highlighted the

gaps where our efforts need to be concentrated. Although the report is focusing on the four categories of forest and tree dependant poor people, the important thing here is that the forestry related issues are not in the most important issues, rather there are a lot of other issues that need immediate attention while dealing with the livelihoods issues of poor people.

He further stressed that the report captures voices of the poor, probably much more effectively than by any other documents. He has also put high value in getting the feedback from small groups today, which gave an opportunity to think to the participating institutions on what to do with this document. He mentioned that the report was timely as it could feed into the development of Country Assistance Plans. At last but not least on his remarks was that he found the document more comprehensive than tenth plan to address the poverty issues. (For details of his remarks see annex 3.4.)

3. Annexes of Followup Workshop

3.1 KEY NOTE SPEECH BY DR. KESHAV R. KANEL, DEPARTMENT OF FORESTS

Ladies and Gentlemen,

First of all, I would like to give my sincere thanks to ForestAction for providing me this opportunity of reviewing the report and deliver my comments on subject. When I went through the report I found it very relevant and timely study. This study and report came in time, he added, and since government has put forward poverty reduction as its priority program and we are also directed to increase and ensure the contribution of forestry sector to the poor people. This study on the perspective of poor on prioritizing their issues is a great endeavor and contribution, which contextualizes the earlier studies of Asian Development Bank and National planning commission. The study was carried out when poverty reduction is a priority sector of His Majesty's Government of Nepal (HMG/N), so this will help better understand the issue and address it more effectively.

Let me briefly talk about the report. The report as a whole turned out to be an excellent outcome that can indeed influence the Nepalese Policy. There is an immediate need to ensure the right of poor in control over and access to the resources that they are inexorably linked with for their living. As I mentioned earlier, this study is more about the poor who have some or other way of intricate linkages with the forest and trees and is a timely work since we as government agencies are also focusing our efforts to maximize the livelihoods impact of forest to the poorer households.

The study was conducted within a very short time frame and the resulting report is based on the interviews carried out among a large number of people. The time limit of four hours might not be sufficient to explore the whole perspective of the poor. However, the dynamic and energetic team has made it possible by providing us a very comprehensive study result. I would like to congratulate them for their great contribution and interesting outcome.

The results are promising but just exploring the issues is not enough. Much has been told about poverty reduction and this has become a repeated Jargon ('Jargon fatigue') in the sector of poverty reduction since last couple of decades. Now, we need to be aware that sympathy alone can not provide any remedy for the enrichment of the life of poor rather we need to show our commitment to contribute towards reducing the persistent poverty.

If we look at the Nepalese context, poverty is structurally embedded in the Nepali society. Poverty is the main cause of underlying tension of Nepal. So, we need to be ready to understand it and implement the program for the long-term solution. In this respect, this study provides us a perspective from where we can go ahead to address the issues. I hope you all will contribute today a lot to improve the presentation of the results.

Thank you.

3.2 INTRODUCTORY REMARKS BY HANNAH JAENICKE, DFID FORESTRY RESEARCH PROGRAMME

Ladies and gentlemen,

We have come together today to present for discussion the result of a survey amongst poor forest and tree dependent people in Nepal. The survey was commissioned by the United Kingdom Department for International Development's Forestry Research Programme (FRP) and carried out by Forest Action.

Before my colleagues from Forest Action will present to you the study in detail, I would like to do two things, firstly, to introduce you briefly to the Forestry Research Programme and its way of operating, and secondly, to put the survey into perspective within it.

The DFID Forestry Research Programme

FRP is one of ten competitive grants programmes of the UK Department for International Development's (DFID) Renewable Natural Resources Research Strategy. FRP helps country partners in the eradication of poverty by supporting research on priority developmental problems of the forest-dependent poor. These problems are identified and documented in DFID forestry partner countries through consultation with a wide range of stakeholders, including representatives of the poor. As FRP clearly cannot solve all the problems raised by DFID forestry partner countries we are concentrating our efforts by selecting a small number of major problems, and operating through a matrix of structural and thematic clusters.

The structural clusters are people-oriented and include: (1) global issues and generic tools, (2) land use/forest decision making, (3) institutional change and reform, and (4) sustainable livelihoods and income generation.

The thematic clusters are technology-oriented and include: (1) tropical timber trees, (2) multi-purpose trees and shrubs, (3) trees in land use systems, (4) forest management, (5) non-timber forest products, and (6) peri-urban issues.

Last year, FRP had funded a total of 23 projects in 22 countries – most projects in a minimum of two countries. In addition, there were four regional and ten global projects.

FRP has been operating since 1963 and has supported forest and tree research in hundreds of projects around the globe. In the early years, research was dominated by technology improvements. A large project cluster on tropical pine improvement for industrial use is an example for this period. Since about ten years ago, FRP's strategy, alongside shifted focus within DFID and other donors, is focussing on poverty reduction and improved livelihoods for the poor through forestry research. Attention was paid in particular to four focus groups: (1) poor small-scale farmers, (2) poor landless families, (3) poor small-scale entrepreneurs and artisans, and (4) the urban and peri-urban poor. Where this distinction is useful, we have preserved it, in other cases this distinction is not reflecting the intricacy of the livelihoods of the poor, and has been dissolved.

The FRP poverty surveys

In order for FRP to arrive at a manageable number of priority issues to address through research projects, surveys of cause-and-effect-linkages of poverty were initiated, and are being carried out. The report we came together for today is the output of one such survey, but the issue has grown since the initial conception of the FRP poverty surveys. The initial objective of the surveys was to map the causes of poverty, as perceived by the stakeholders, including the poor

themselves, researchers, government officials, NGO staff and so on. The results of these poverty maps were clear indications of which factors contributed to poverty, and highlighted areas for possible intervention. FRP could use the maps to identify hotspots for research that would address issues that otherwise would lead to future serious problems. Issues such as policy and forest law development, land use compensation mechanisms, market development for non-timber forest products (NTFPs) and alternative income generating opportunities are high on the list in various regions in which FRP has now carried out surveys. Research addressing the causes of these problems will contribute to the alleviation of poverty and increased security of livelihoods for a large number of people world-wide.

It became clear very quickly, that the survey results had a beneficial side effect. They highlighted problem areas outside the remit of forestry research. This, of course, is not surprising as the livelihoods of the poor are a mosaic of various enterprises, and non-forestry, even non-natural resource, issues play an important part in the ability of the poor to improve their livelihoods. However, pointing out the non-forest related causes for poverty is one thing, but having credibility amongst non-foresters coming from the 'Forestry Research Programme' is quite another! We are hoping to reverse this with the surveys just completed here in Nepal, whose findings agree substantially with our surveys in quite different cultural, political and social situations in other continents.

Highlights of Nepal poverty surveys

We have invited you in your various capacities, several outside the traditional forestry arena, because we want to highlight the importance of our findings to a broader audience. We believe that we can contribute to the wider policy debate on poverty reduction. We want to demonstrate that forestry is intricately linked to other aspects of peoples' livelihoods and cannot be considered in isolation.

It might be worth saying a word of caution at this point: the surveys inevitably are a snapshot of the situation at the time – as developments take place, politically and economically, the cause-and-effect linkages will change. It is important to keep that in mind.

The results from the surveys are not surprising. They centre around **market and income** – for example, limited market and marketing infrastructure or lack of employment opportunities for a variety of reasons; **natural resources** – for example limited land holding and limited access to natural resources caused by outdated land tenure arrangements; **policy and implementation** – for example, lack of support services and limited access to decision making linked to hierarchical government structures; **socio-cultural issues** – for example, forced child labour and traditionally large family sizes amongst the poor, and **training and skills development** – for example education and quality training services caused by a variety of factors. All these confirm the major areas where interventions need to be targeted at. In the next session you will see details about the issues raised and their relationships between causes and effects.

What is new, as far as we could establish, is that our surveys allow the poor themselves to voice their views and their suggestions for remedy. Our surveys provide **documented evidence** for causes of poverty, and they highlight areas where interventions are more likely to be successful, and those where interventions are probably going to be unsuccessful because the issues are so intricately linked with other issues that tackling one alone, by itself, will not help. A senior official of the International Fund for Agricultural Development (IFAD) in Rome has said recently: "The real experts on poverty and poverty reduction are the poor themselves". We have asked the experts for their contribution.

We believe that this report has valuable information to feed into Nepal's poverty reduction strategy process, but of course it also contributes to its original aim, the identification of priority issues for future natural resources research. The objectives of the meeting today are threefold: firstly, to open up a dialogue between (forestry) researchers and policy makers, based on the main results of the surveys of priority problems of the forest and tree-dependent poor people in Nepal; secondly, to ask for your input in the definition of priority issues for various sectors; thirdly, if possible, to achieve commitment from yourselves for future joint action.

The Forestry Research Programme is committed to supporting research aimed at the reduction of poverty amongst Nepal's forest and tree dependent poor. Our funds are fully commissioned until the beginning of 2005, but a lot can be achieved if the message is passed on to the relevant ears. There are funds available in Nepal, of which I only know few, that are available for research and development activities in poverty reduction. The poverty alleviation fund (PAF) is only one example for new funds coming to life. If the core issues highlighted in this and other reports feature in Nepal's poverty reduction strategy, more possibilities will be forthcoming through bilateral donor agreements.

If, after today's sessions, we all can go away with the clear commitment to put some of the issues raised onto our agenda, we will have achieved more than many meetings have in the past.

I wish to thank you all for joining us here today and for giving some of your valuable time to this project.

3.3 OUTCOMES OF THE GROUP PRESENTATION

Group A: Global Issues and strategic concerns (policies)

Participants: Pradeep Upadhyaya
Peter Neil
Hannah Jaenicke and
Krishna Paudel

- The country suffers from inadequate extension services
- "Train the trainer" programme could be introduced, for example with 1-2 key staff per district who are then training others in forest management issues
- Leasehold forestry programme is important but not mentioned adequately in the report
- Upper slopes not included in the survey, although lots of marginalized people live there
- Policies in general good but implementation problems – need major civil service reform
- DFOs interpret guidelines like laws – there needs to be training to give them the confidence that they can be flexible where necessary
- More support to dalits and marginalized people

Group B: Land Use and Forest Decisions

Participants: Ram Kaji Shrestha
Frans Arentz and
Basundhara Bhattarai

- On gaps of table no 8 under no 4,
- Lack of guidance on proper use of chemical fertilizer should be added
- On initiatives of no 5 of the same table,

There is provision of infrastructure but no program at present should be amended and on gaps of the same table, controlled by elites on land resources and land availability and inequitable distribution should be added

On existing initiatives/capacity of number six, Ilaka Forest office should be added and on gaps of the same number lack of coordination and collaboration between and within line agencies, lack of transparency, inadequate extension services should be added

On existing initiatives/capacity of number 15, academic development programme for HMG/N staff should be added and on the gaps of the same number following points should be added:

- Appropriate skill development of HMG/N staff
- Skill development at community level is not appropriate
- No startup capital for enterprise
- Lack of market opportunities

Group C: Institutional Change and Reform

Participants: Netra Timsina
Keshav Kanel and
Mani Ram Banjade

- 'Reform' maintains 'status quo'
- Transformation
- Government structures are too rigid to incorporate change

L5: Forced child labor

Gaps: Existing approaches do not adequately consider social and political structure

L6: Exploitation and limited access to decision making

Gaps: Policy gaps incorporating the perspective of poor and marginal groups

U5: Large family size

Existing initiatives: we do not see any initiatives taken by the local governments

Gaps: distribution of resources

Commitments

Policy advocacy

Networking, alliances, lobbying, campaign

Action research to bring the issues

Piloting to address the issues came from research – 'learning mode'

Organize discussion forums (create platforms)

Micro- macro linkage

Group D: Sustainable Livelihoods

Participants: Ramsworup Mahato
Shyam Sunder Gyawali
Devendra Adhikari and
Bharat Pokhrel

Specific comments on Review of the findings

F9: low income (page 54-55)

Cause- Inequitable distribution of resources (such as forest products, water for irrigation and distribution pattern)

F11: employment opportunities (page 56)

Cause- Only secondary materials is referred. Primary information also need to be mentioned

Review on the gaps and initiatives

Linkage of text and table

F8: Food security (page 65)

Initiatives: need to add non-governmental organizations working in agricultural sectors on food security issue and sustainable agriculture (such as NAF, SEACOW, INSAN)

Gaps- Bullet 3 (Page 65)

"Food crops forest land"need to need to rewrite the statement in view of ecological implication and sensitivity. Need specific example

And current intervention (such as GTZ, FWP focus on infrastructure rather than people should be added

General comments of the group

Need to reorganize report on thematic clusters basis otherwise difficult to read through
Thematic clusters such as land use, institutional reform and livelihoods are not mutually exclusive, neither group of beneficiaries such as (F and A) and (L and U)

Role of participating organizations (Commitments)

FECOFUN- Awareness on right based approach on equity issue and social injustice

SEACOW- Support and facilitate poor people to develop enterprise on underutilized resources.

ActionAid- Capacity building and policy advocacy for the benefit of poor and marginalized

NSCFP- Collaborate with Go and NGOs and private sector in favor of the poor

3.4 CLOSING REMARKS BY PETER NEIL, DFID FOREST AND LIVELIHOODS PROGRAMME

Colleagues,

I'm pleased to give the remarks at the end of the session on behalf of DFID. First of all, I would like to thank the ForestAction team for the work they have done. Since this has been done with DFID/FRP funding - that is central funding from DFID - the process that ForestAction followed is linked to research in other countries as well. I know that at the time I was working in South Africa, a similar study was conducted by FRP. People were saying: 'what is going to come out from a report like this? Surely we know the problems and the issues around forestry'. When I received the ForestAction document, the same thing went through my mind - that there was nothing new about the issues or areas that we are already aware of and thinking about.

That may seem a negative comment to start with but it isn't a criticism. Even though it does point out very clearly that we already know a lot of issues and are aware of them, this document gives a range of initiatives already in place, which are trying to address these questions. What this document does is reinforce the issues of importance and how they are being addressed. This highlights the gaps where our effort can be of high value. If we look at the table, there are many donors, governmental and non-governmental organizations, and many other institutions that are involved in the sixteen different priority areas that the report is highlighting. Also positively, there are four categories of forest and tree dependant poor people who have had an opportunity to contribute to the report. The important thing here is that the forestry related issues are not the most important issues, rather there are a lot of other issues that need immediate attention while dealing with the livelihoods issues of poor people. One strength of this document is that it gives a wider scope of priority issues of the forest and tree dependent poor and shows that using a livelihoods approach there is a more effective way of enriching the lives of the poor.

The important positive aspect of the report is that it captures voices of the poor, probably much more effectively than by any other forestry-related document on Nepal. The study helps to put the voices of the poor into perspective. The facts that the poor people themselves were identifying the issues that we want to work on but what we do, how effective we are remains with us. However, there is an opportunity to reflect on them now. It has been very useful getting feedback from the small groups today because they have highlighted a few points that were also important to think about. It has also given an opportunity to think about what to do with this document and how to use the findings to best effect.

We now have a Tenth Plan which has been approved by the Cabinet. I have been doing a lot of work recently with DFID around their Country Assistance Plan where we have been looking at the Tenth Plan to assess how we can assist the government to move forward with their plans - where DFID has a comparative advantage to help Nepal's development efforts. I found this document highlighting similar issues to those in the Tenth Plan, but more comprehensively when addressing poverty issues.

Recently, the equity issue is getting greater attention and in every feedback presentation we have heard about this issue. This remains a fundamental issue in community forestry in particular, but Nepal in general. In Nepal where the vast majority of people use forest resources, it is critical to incorporate programmes to tackle inequity. This report will help us in finding the way forward and help guide us towards equity and justice in the forest sector, particularly amongst the poor.

Thank you for your comments on this document. Thank you.

3.5 LIST OF PARTICIPANTS

SN	Name of the Participant	Representing Organization
1	Basundhara Bhattarai	ForestAction
2	Bharat Pokhrel	NSCFP
3	Devendra Adhikari	CAED/SEACOW
4	Frans Arentz	NACRMLP
5	Hannah Jaenicke	Forestry Research Programme, DFID, UK
6	Keshav Kanel	Department of Forest
7	Krishan Paudel	ForestAction
8	Lalit Thapa	ForestAction
9	Mani Ram Banjade	ForestAction
10	Netra Timsina	ForestAction
11	Peter Neil	LFP/DFID
12	Pradeep Upadhaya	NPC, Poverty Alleviation Fund
13	Ram Kaji Shrestha	AFO, Kavre
14	Ramsworup Mahato	FECOFUN, Siraha
15	Shyam Sunder Gyawali	ActionAid Nepal
16	Tara Bhattra	ForestAction