



Community Forestry in Nepal – Current Issues and Way Forward ¹

A Discussion Note

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Community forestry in Nepal is considered an innovative policy that allows mountain communities to have access to natural resources, mainly forests. The evolution of this policy and the expansion of community forestry institutions over the past three decades, are rooted in Nepal's unique political, economic and ecological contexts. This discussion note describes its evolutionary contexts to arrive at issues facing the present day community forestry, and identifies way forward for creating better livelihood impact.

Forest as a means of statutory control

Before 1951, the small land-locked country was ruled by a special group of elite called 'Rana', who alienated state power from the ruling monarchy for about 100 years. They distributed forest patches as *Birta*² to people loyal to their regime as a means of extending the political-economic control throughout the country. The struggle of people for political rights and democracy calling for an end to the autocratic Rana regime gave rise to a multiparty political system, along with constitutional monarchy, in 1951, which was also a starting time for the concept of planned development in the global development thinking and the emergence of the notion of foreign aid in development.

Stringent regulation

A new government was then popularly elected under the new political regime. As part of mobilizing the natural resources for national development, the elected government decided to nationalize (through Private Forest Nationalization Act 1957) all private forests distributed by earlier Rana regime, with the anticipation that this will allow more sustainable as well as equitable use of the resources. But as the government had very poor organizational mechanisms to implement the policy decisions (by this time the Department of Forest was just one year old with only a few offices), the local elites who had enjoyed the exclusive control of forests as *Birta*, revenged by destroying forests. They cleared forest for agricultural land (as this form of land use has more ownership security), and allowed trees to other people in exchange for economic gains. The nationalization in effect lifted the forest access restrictions on ordinary people too (as the *Birta* holders' incentive to guard forest was removed), leading to unregulated use of forest resources. Initiation of cadastral survey by the government in 1961 further exacerbated the rate of forest destruction, as the field survey team tended to decline to register land with trees as private forests (this means that to retain legal control over the forest land, people cleared forests). All this led to rapid deforestation, and government responded to this by enacting more stringent legislations (Forest Act 1961 and Forest Protection Special Act 1967), which emphasized strict punitive measures against forest "offenders".

² Regmi (1977) writes: "Birta means an assignment of land from the state in favor of individuals in order to provide them with a livelihood. Assignment of ownership rights in the land through Birta in favor of priests, religious teachers, soldiers, and members of the nobility and the royal family was a pivot on which rested the social and political framework of the state. Birta ownership not only insured a stable and secure income to the beneficiary, but also symbolized high social and economic status. Birta was in fact regarded as a form of private property with a clearly defined right vis-a-vis the state.

Himalayan degradation and donors' response

These trends continued through the decades of 80's, during when the issue of deforestation in the Himalaya got reflected in the global ecological discourse as "Himalayan Crisis" (Eckholm 1976, Ives and Messerli 1989). This attracted the attention of international donor community, initially WorldBank and FAO, and then a number of bilateral development agencies - gtz of Germany, DFID of UK, AusAid of Australia, DANIDA of Denmark, and USAID of United States. These donors developed field based projects to assist governments to promote plantation in the Nepal hills initially and then to promote community forestry.

Initiation of community forestry

Meanwhile, there was a strong realization among the government officials that to protect forest against people who depend on it for livelihood without their active involvement was an impossible task, and this led to development of the Forestry Development Plan in 1976, which for the first time in the history of forest governance in Nepal, paved way for involving local people in the management of forest resources. Using the provision of Forest Act 1961, the government enacted Panchayat Forest and Panchayat Protected Forest Rules 1978, to allow local elected bodies called "Panchayats" to take partial control of forest management rights and responsibility, depending on the quality of forest at the time of hand over. If the forest is of good quality, then the forest was handed over as Panchayat Protected Forest with an entitlement of 75% of the benefits, and in case of Panchayat Forest, which was mainly a plantation to be established by the communities, the Panchayat's share was 100%. While this was an important first step towards transferring forest rights from government to local communities, the authority actually did not reach the real users who depend on forest, but was vested on local political leaders, elected as officials of the Panchayat. While the few hundreds Panchayat Forest established in various districts provided a crucial opportunity to work out new institutional arrangement for forest management, this model per se could not be demonstrated as a convincing means to cope with forest degradation and promoting participation of real custodians of forests.

Master plan for the forestry sector

Donors' response to the crisis continued, and in late 1980, a consortium of donors including Finish Government and Asian Development Bank provided technical and financial inputs to develop comprehensive twenty year forest sector master plan, which was first of its kind in the development history of Nepal. During the plan development process, international consultants and local officials made critical assessments of forestry situation, including the socio-political factors underlying deforestation. The assessment gave a projection of huge deficit of forest product supply against the escalating demand, under existing scenario, and presented four crucial elements as the key development imperatives for forest sector management in Nepal - a) fulfilment of basic needs of the people, b) sustainable use of forest resources, c) devolution and participation of local people in benefit sharing and decision making, c) and mobilization of forestry sector for socio-economic development. The last forest minister of Panchayat regime finalized the plan in 1989, which was taken up by the elected government after the reinstatement of multi-party democracy in 1990.

Decisions during political transitions

The interim forest minister of the 1990 political transition (from monarchy led Panchayat regime to multi-party democracy with constitutional monarchy) made several crucial decisions to accelerate the evolution of community forestry in the changing political context, based on donor projects' feedbacks from continuing small scale innovative experimentation of community based forest management within the Panchayat model. Since the Panchayat system was terminated in the entire nation, some of the provisions with regard to local institutional arrangement for Panchayat Forests were reformulated through the interim government order, towards giving more room for local people to craft institutions of their choice, and exercise their rights in forest management. Two important decisions, for example, were adoption of user group concept in demarcating community institutions going beyond the Panchayat political boundary, and allowing local users to elect their chairperson, dismissing the provision of elected political leaders as the ex-officio chair persons of forest user groups (MFSC 1991).

The role of experimentation and sharing

The 12-year period between 1978-1990 in Nepal is characterized by experimentation in the field as well as analysis of policy opportunity. Lessons from the field were shared at national level through frequent formal and informal inter-project and project-government interactions. Notable events in this connection were five yearly national community forestry workshops starting in 1988, which were open to participation of actors from community to national levels. In the second national workshop in 1993, representatives of forest users were also able to present their perspective, which was developed through national level consultation with community forest users. The second national workshop provided an important basis for the development of 1993 forest act and 1995 regulations that are the most remarkable milestones in the history of community forestry in Nepal.

Donors' involvement

Despite initial significant contributions of donors in the promotion of community forestry in Nepal, donors involvement appears to create limited positive impact after 1995 (when they contributed to develop new forest regulations). They still have a strong presence through field projects, which claim to deliver services to communities in forest management, facilitate policy development, and enhance livelihoods. The project structure of creating a huge technical team under direct donor control has been consistently a mechanism of donor support in Nepal, and this has left limited opportunity for local government and non-governmental organizations to develop their institutional capacity.

They have used significant portion of their money in reforming government's forestry sector, including the strengthening the institutional and human capacity right from the beginning of their nearly 30 year history. At best they have worked with government organizations, with the presumption that the latter are the one and only one agency for service delivery. This strategy has often reinforced the existing patron-client relationship between government and citizens, making governmental decision making systems more inaccessible to the citizen particularly the poor (for more elaborative treatment, see Malla 2001). These project modalities have failed to promote civil society and people's institutions (who usually have to make forceful claims of their roles and rights) as partners in development, which could have created change

pressures in government organizations. As a close observer of donor forestry projects in Nepal, I argue that they have in fact patronized Nepali civil force in the name of employment - most young youth aspire to get "project job" these days, rather than striving for self-entrepreneurship or civic political action. We have strong doubts in believing the enhanced institutional capacity of forest department as a result of donor inputs, and some of the donor induced recent policy initiatives (such as forest inventory guideline 2000; for more information see Ojha 2002) have actually gone contrary to what they hoped to achieve - strengthen community institutions for forest management.

Civil society

Although, after the emergence of multi-party democracy in 1990, Nepali society and government entered an era of pluralism and openness, with a potential for creating an enabling environment for civil society, there is still a lack of consensus in the legitimacy and role of it in development. The role of civil society is particularly contested in the forestry sector, in which the state organization (Ministry of Forest and its various departments) has been the policy maker, owner, manager, and facilitator of forest management. A key question in relation to NGO involvement is related to accountability, especially when they ally directly with donor for resources. Organized civil society in Nepal has a history of less than a decade. Despite rapid proliferation of NGOs in various aspects of development since 1990, there are very few that work exclusively in forestry sector, or in particular, community forestry. However, as the scope of community forestry expanded gradually from conservation to livelihoods, with consequent shift of FUG priorities to overall community development, there has been an increase in the interests and involvement of NGOs in this sector.

From 1995 onwards, with emergence of Federation of Community Forest Users of Nepal (FECOFUN) and other forestry NGOs, there has been a strong civil force in forestry sector, which have influenced the policies and practices of community forestry. Although these institutions have basic legal spaces to exist and operate, civil society has very poor formal spaces offered by the state policy framework in forestry sector. For instance, there is very poor representation of civil society in the Forestry Sector Coordination Committee, an apex level semi-formal forum of government and donors that steers forestry sector development in Nepal. Another instance of NGO ignorance is vivid in the fact government forestry staff alone are not able to meet the FUG demands for forest inventory services (currently over 12 thousands FUGs are in need of technical support in forest inventory), and the service potential of competent NGOs are largely untapped.

Diverse orientations of international organizations

International non-governmental organizations (INGOs), which have a mix of donor and civil society attributes, are also an important actor in Nepal's forestry sector. At least three streams of INGOs are discernible when viewed through their approach and political positioning. A stream of INGOs ally with civil society (including FECOFUN), to advocate for the rights of local forest users in forest use and management. These alliances, over the past few years, have mobilized dozens of local groups and people, particularly in the Tarai, to resist some of the policy moves of government, that were decided with limited consultation of the local institutions and

non-government stakeholders and not much favorable to the civil in general. The second stream could be identified as close allies of government, focusing mainly on technical aspects of forestry development (such as inventory, forest management etc). They take resource management largely as a technical and apolitical process, and deny the need to promote critical discourse in forest resource governance. They represent large international organizations such as World Wide Fund for Nature Conservation, IUCN or small grassroots NGOs funded by government or bilateral projects. The third stream represents somewhat a mid way between the two, and is often concerned with their own existence rather than a political world view to guide their actions, often limiting themselves as a service provider in areas wherever market prevails.

Community heterogeneity and stake of the poor

The stake of "community" was strengthened since the first elected parliament, following the 1990 movement, passed new forest legislation in 1993, fully recognize FUGs as the independent self-governed autonomous community institution, and provides rights to use cent percent of the benefits from community forestry. The act was implemented only in 1995, after the formulation and enactment of forest rules. Despite this strong community oriented legal base within which community forestry is being implemented, the impact on livelihood has been limited. The elite members of the community form alliances with bureaucratic staff and capture the decision-making forums as well as benefits from the forests. This important second-generation issue - the access of the poor in community forest management - is now in debate but there are no policy initiatives in this regard.

In some innovative local practices, forest user groups, often with support from civil society organizations and projects, have devised various ways to allow equitable access to the poorer households. Such provisions include - providing patch of forestland for cash crop cultivation, providing loans on subsidized interests, funding awareness raising and capacity building activities, charging lower rates for forest products, and lower investment in forest development activities. These initiatives (although there is no long term monitoring and analysis of the dynamics), though small and scattered, indicate a possibility for creating equitable management of forest.

Since enhancing equity is a political process - involving redistribution of power and benefits - any effort to promote it should be informed by a broad understanding of social and political processes, including who contributes positively and who contributes negatively, and why. The forestry administration still seems to make policy decisions without adequate analysis and consultation (such as the recent decision of 40% tax on surplus forest products from community forest), and advocates of community forestry regard such decisions as being oriented to retain formal and informal control over forest resources by forest bureaucrats, rather than facilitating access of the poor, moving beyond the current situation of elite domination. Much of the civil society efforts too, including federation building of forest users, has not been able to go beyond the state-community elite divide to address the forest access issue of the poor and marginalized (Timsina and Sharma, 2002).

Decentralization of development governance

The process of devolution of forest management rights through the program of community forestry parallels with the overall process of decentralization of development governance in Nepal, especially after the enforcement of Decentralization Act 1982. The political change in the 90's accelerated the rate of transfer of authority from the center to local government. Notably, following the enforcement of Local Self-Governance Act 1998, District Development Committees (DDCs) and Village Development Committees (VDCs), the two local government units, are increasingly influential local players in development. These local Government units are led by periodically elected local political leaders. In the current forest policy discourse, the issue of division of rights and responsibilities between local government units and the forest user groups has emerged as an important one. In practice, there are already evidence of the two institutions having conflicting relations with forest user groups (conflict over forest control rights).

Inconsistent government moves

In 1998, Ministry of Forest and Soil Conservation proposed an amendment of Forest Act 1993 to give district forest officers power to take action against the FUG leaders. Supporters of community forestry consider this and several other moves of government as going contrary to the spirit of decentralization (such as 40% tax, imposition of technical forest inventory guideline etc.) regressive policy moves. Such moves appeared at a time when the conflict between FECOFUN (and some NGOs) and the ministry of forest were heightened. This indicates that government, although a most prominent stakeholder to collaborate with FUGs in forest management has dilemma as regards its relationship with FUGs – whether to trust on the ability of communities or control their behaviours externally. This has corresponding confusing effects on the scope of management at both FUG and government levels.

Market and entrepreneurship

The increasing market demand for several Non-Timber Forest Products (NTFPs) has provided an opportunity for several groups of business stakeholders to emerge and operate at various positions in the production to consumption "value chain". NTFP business groups range from community based poor collectors and harvesters, local traders based at the community or road heads or small market centres, to urban based big traders, manufactures and exporters. Studies indicate that the share of benefits that community based harvesters get is significantly lower than those of other business participants operating downstream (Subedi and Ojha 2001, Edwards 1995), which is because of the interactive effect of imperfect market structure, restrictive policy and complex socio-economic structure (Ojha 2001). There is still a poor knowledge on how market based opportunities can be harnessed for the benefit of the poor who depend on forest resources.

Way forward

Despite progressive legislation allowing communities take control over forest resources, limited livelihood impact has been achieved to date. This necessitates a need for critical review of roles of various agencies, including the government, civil society and donors. One important consideration in this regard is that the role of service delivery should be taken up by the civil society and small scale private sector,

moving away from the situation of government organizations playing the role of both enforcing regulations and delivering services. To address the issue of inequity within communities, critical empowerment services to the members of poor and disadvantaged groups are needed, which is generally not possible from the government organizations and donor-funded project structures. Obviously, there is need for redefining the spaces of actors, and this is highly political process, involving conflicts and tensions.

A few specific ways through which change to this end may be initiated include:

- Include/strengthen civil society constituency in the forestry sector coordination committee
- Create legal provisions to allow part of community forest or benefits coming from to identified poorest members with the respective communities
- Institute a national independent body to assess, license and promote private forestry service providers in the country
- Promote civil society groups and federations of forest users at different levels