

Community Forestry: A Challenge to the Millennium

Anuja Raj Sharma
Keshav R. Kanel, Ph. D.

Introduction

This paper gives a glimpse of forest policies that relates to the implementation of the community forestry program in Nepal. The second section of the paper analyses the nationalization of forest resources, national forest plan and about the prediction made by the World Bank regarding forest situation in Nepal. Current policies regarding community forestry is discussed in the third section of this paper. Here, the readers are introduced to the Master Plan for Forestry sector Nepal, The Forest Act 1993 (and associated Forest Rules 1995); and Interim Poverty Reduction Strategy Paper. The fourth section of this paper deals with the key characteristics of community forestry, along with the ingredients of success. It also deals with the resource matrix and dimensions of property mainly in the context of community forestry. The fifth section of this paper deals with legislation of community forestry in the context of a recent decision of the Government which makes it mandatory to deposit forty percent of the selling price of surplus timber if sold for commercial purpose outside the user group. FECOFUN, a national federation of the Community Forest Users' Groups (CFUGs) is dead against this provision. While the sixth section deals with some important issues related to the implementation of community forestry program. In the seventh section of this paper, we attempt to shed light on new challenges faced by the community forestry program in Nepal particularly on delivery of services, monitoring and evaluation, and co-ordination. The final section presents the conclusion of this paper.

Forest Policies in the past

The Forest Nationalisation Act 1957 was promulgated to protect and manage the forests resources of Nepal as a national property. Nonetheless, it turned out to be a major facilitator for accelerated deforestation and resource degradation. The Government implemented the Forest Act (1961) and Forest Protection Special Act (1967) for strict protection of the forest resources through out the country. However, in spite of these Acts, the destruction of forest resources continued. The National Forest Plan formulated in 1976 paved the way for the emergence of Community Forestry in the country. The initial efforts in Community Forestry, while overly emphasising protection of forest resources, concentrated mainly on establishing nurseries and plantations. The main Policy of the Government then was to restore the degraded forest areas in the Hills.

In late '70s, The World Bank made prediction regarding forest situation of Nepal. On the basis of estimated deforestation trends, the Bank predicted that there would be no trees left in the Hills of Nepal by 1993 (Bartlett and Malla, 1992: The World Bank, 1978 as cited by Griffin, 1988). It was a classical Malthusian forecast of a country where the forests are still under indigenous management and are not subjected to the 'Tragedy of Commons' (Gilmour, 1990). Nevertheless, The Bank's report created a wide interest, among the donors and multilateral agencies, to assist in Forestry Programs in Nepal.

Community Forestry formally commenced in 1978, with the enactment of progressive legislation (Panchayat forest rules, 1978 and Panchayat protected forest rules, 1978), enabling Government forests to be handed over to the village Panchayats^[1] for their protection and management. The objective of this legislation was to return the management rights of forest resources to the people.

Panchayat forest and Panchayat protected forest rules, however, failed to produce desired results because the managerial responsibility rested on local political entity. Moreover, hand over of the forest was based on political boundary without proper identification of traditional use rights. These changes neither created environment for villager's participation nor entrusted them with an authority to protect, manage, and utilise the forests. Hence, the status of "custodial element" remained unabated (Anonymous, 1991).

Master Plan for the Forestry Sector Nepal 1988 (MPFS, 1988) provided broad guidelines for the refinement of Community Forests in Nepal. The objectives of MPFS were restoration of nature-balance, economic mobilisation, scientific management, and promotion of public co-operation. It designated Community and Private Forestry Programme the priority program of forestry sector in Nepal. Getting a thrust from the Plan, Community Forestry became 'people centred forestry' in Nepal. It was geared to rural institutional building, greater self-reliance, management flexibility and empowerment of deprived and poor section of the society. The Plan provides a 25-year policy and planning framework for the forestry sector of Nepal. The Plan envisaged handing over of forests to the traditional users for fulfilling forest related basic needs in the hilly areas of Nepal.

Current Policies

Community Forestry heralds a successful participatory program in Nepal. The key characteristics of Community Forestry are as follows:

- a) Identification of the users of a forest;
- b) Registration of a Constitution at the District Forest Office (DFO), which recognises user group as a legal authority, defines group size and sets management rules and incentives. It helps users to exclude outsiders in the appropriation of forest products;
- c) Preparation of an operational plan as a management contract between the Forest Office and user groups. The plan regulates the extraction of the forest products and ensures ecological sustainability of the resource;
- d) Hand over of the forest for securing management authority to the users; and
- e) Provision of Users' group fund to undertake community development activities.

The objective of Community Forestry has gradually evolved from producing forest products to a process of social mobilisation for community development. Master Plan for Forestry Sector defined its objective as "conserving forests and meeting the basic needs for forest products of the users in the hilly areas". A new forestry legislation was

^[1] Village Panchayats were the local level political bodies. They are now called as Village Development Committees. Presently, there are about 4,000 VDCs through out the country.

promulgated to implement the Master Plan. The Forest Act, 1993 removed "spatial and basic needs" limitations while the Ninth and Tenth Five Year National Plans opened avenues for Community Forestry to play a dynamic role in broader economic growth and substantial contribution to poverty reduction.

His Majesty's Government has reiterated its commitment towards poverty reduction. This commitment is also reinforced in the Interim Poverty Reduction Strategy Paper (I-PRSP), a transition to the Tenth Five Year National Plan (2002-2006) which is basically a Poverty Reduction Strategy Paper (PRSP). Community Forestry contributes to poverty reduction by not only meeting basic needs of forest products, but also by generating income and employment, and meeting the demand of forest-based industries. This also means that certain percent of proceeds from the sale of a surplus forest products should be channelled towards poverty reduction and improving livelihood of the local people. One big step towards implementing I-PRSP would be the explicit role of Community Forestry in reducing poverty but for that the question 'How to strengthen the linkages of Community Forestry' with the poorest of the poor?' should be invariably answered. Community Forestry can contribute to poverty reduction even by moving beyond the basic-needs fulfilment.

This change in the role of Community Forestry demands redefinition of the concept in the coming days. The future development of Community Forestry necessitates new definitions. One such definition could be: "In Community Forestry, the Government transfers communities the responsibility of managing Government forests and the rights of using the forest products in a sustainable way and with the ultimate policy objective of improving livelihoods of rural communities" (JTRC, 2001).

Ingredients of Success

Developmental thinking

Development planners regard absenteeism of management (property right) regime as "common property" or "no body's property" situation. This assertion is associated with Hardin's version of the "Tragedy of Commons". Hardin's metaphor defies common efforts in part of the resource users for instituting check and balance rules and sanctions within a given social and environmental sphere. Thus, Hardin's metaphor advocates privatisation or nationalisation of resources to avert degradation. Nepal's failure to conserve forest resources through nationalisation defies one component of Hardin's metaphor. An Indian experience regarding privatisation of land and subsequent deprivation of the poorest segments from their access to the means of livelihood as the lands thus privatised ended up under the control of the better-off segments of society. Indeed, privatisation often provided an impetus to, and was accompanied by, a faster rate of destruction of native vegetation (Jodha, 1986).

As Gilmour (1990) has correctly pointed out, Hardin's notion confuses an open access regime (*res nullius*) with common property regime (*res communis*). In the context of

Community Forestry in Nepal, the size of the user group and behaviour rules are defined and enforced and also includes use-rights, exchange rights, distribution entitlements, a management sub-system and collective authority as means of enforcement.

While using the term property, it refers not to an object (e.g., land) but rather a right to the benefit stream enforced by customary or authoritative rules. Using the attributes of Cernea and Bromley (1989) Community Forestry is regarded as common property management. The major ingredients for its success being:

- Structured and defined ownership with usufruct rights handed over to the group;
- Management rule exists, often strengthened and developed by state intervention;
- Group size is defined and enforced often by social and geographic barriers;
- Institutional arrangements are in place and there are incentives to follow the rules;
- Sanctions and group norms help to ensure compliance; and
- Limited exclusion of non users of a forest

Resource Matrix

Most of the forests, handed over to the user groups as Community Forests, are village frontiers under extreme human and livestock pressure. When handed over as Community Forest to a group of defined size, it represented a corporate property of the group though the ownership of the forest land is still vested with the Government. The handing over excludes all others from the use and decision making while the members of the group have rights (and duties) defined by the management. The group varies in nature, size, and internal structure across a broad spectrum through out the country.

The types of resources can be differentiated based on two attributes. They are; (a) the difficulty of excluding people from their use; and (b) the subtractability of resource units (benefits) with or without adversely affecting the resource. Based on these two criteria, four types of resources can be visualised. These four types are shown in figure 1. A phenomenon associated with handing over, often referred as 'Vicious Dilemma' is widely reported from Nepal. The dilemma deals with the shifting of pressure from community forests to the adjoining state owned forests (Sharma and Sharma, 1995) can also be explained with the resource matrix. The state owned forests adjoining the Community Forests generally deteriorate because the latter are under utilised while the protection of state forests requires vast administrative and security apparatus. Apparently, such an apparatus is beyond the capacity of the Department of Forests. The matrix to some extent explains why the conditions of Community Forests are better than adjoining state forests in ecological terms? As a remedy, Sharma and Sharma (1995) advocates for active management of Community Forests.

		Exclusion	
		Easy	Difficult
Subtraction	Low	Toll goods	Recreational facility
	High	Private land, drinking water	Community forests

Figure-1 showing different types of resources from subtraction and exclusion perspectives

With finite supply (e.g., firewood/timber of commons) and subtractability, competition without communication and co-ordination heightens and results into 'free ride' problem. Proper rationing mechanism with monitoring system and vast administrative apparatus can regulate the situation. But that too is obviously not suitable in case of Nepal. Thus, market failure coupled with impracticability of controls (government failure) necessitates management through co-ordination and co-operation. Any management intervention or technical innovation is destined to 'tragedy of commons' if the participatory institutions are not in place. Community forestry flourishes in Nepal, as it fulfils the institutional vacuum created by the Nationalisation Act.

Property Dimensions

The transfer of forests to the user group includes the rights of exclusion, withdrawal, management and exclusion. The user groups also have rights of appropriation, although the state still owns the land over which the biomass stands. Hence, it is obvious that the user group does not have alienation right as it is retained by the state (Agrawal and Ostrom, 2000 as cited in Kanel, 2001). Thus, Community Forestry has all five dimensions of property except alienation rights. Government, being the owner of the Community Forest, obviously has the right to capture parts of the returns arising from its management. As monitoring is a problem in Community Forestry and more over with a limited administrative capacity, Government has logically designed a revenue sharing on timber sales as it is easier to monitor and administer. However, the decision has created

uproar and has drawn fierce criticism from many corners. Needless to say, better management of Community Forests in Hills has positive downstream externalities and this fact deserves due consideration before Government takes steps towards accommodating its recent decisions in Community Forestry legislation. In the long run, it may be more efficient and easy to collect lump sum annual land tax on community forests based on productivity and market access rather than sharing timber revenues (Kanel, 2001).

Many development agencies regard Community Forestry as a successful initiative in Nepal, citing its role in resource conservation, poverty reduction and good governance. There is at least one study to support that Community Forestry has reduced rich-poor gap (Sharma, 2000). Community Forestry has opened up avenue for increased participation of women and disadvantaged group in resource management. However, on the other side of coin, it is also blamed that the poor and lower caste people are excluded from the group formation process (Graner, 1997).

Community Forestry Legislation

There is a provision of taking 40 percent of the market price of the timber sold to outside the group from the Community Forest by the government, if sold for commercial purposes in Terai, Inner Terai and Churia regions. A legal amendment is under process to accommodate this provision in legislation. However, it has created a furore across the country. The Forest Act (1993), section 26 gives unlimited power to user groups to amend Operational Plans. The District Forest Officer (DFO) has to review the plan within 30 days of this revision and s/he can reject the proposed amendment within that period. It is being felt that there should be a mandatory obligation to review, decide and respond on the proposed amendment within 90 days.

Most of the Operational Plans are prepared hastily without giving due consideration to the need of a good plan and equity is overlooked. The recently revised "Operational Guideline for Community Forestry (2001)" may help to develop good forest management plan and ensure equity within the user group. The Guideline proposes the formation of sub-groups of poor and disadvantaged group and subsequent delineation of a part of Community Forest for income generating activities. Sub-section 45(4) of the Forest Act 1993 states "The user's group may spend for activities of other public interest from the balance left in the Fund after making disbursement for the development of Community Forests". The first amendment of the Forest Act obliges the group to use 25% of their income on forest development activities. It has posed problem for utilising the rest of the funds on community development activities. There are options that may pacify the outcry related with commercialisation. It also paves way for removing this barrier for expenditure on community development. One such option could be the creation of Trust Fund at the central level where user groups can voluntarily deposit part of their income for forest development. For accelerating the role in poverty reduction, provisions of Non Timber Forest Products (NTFP) should be explicitly mentioned in the Operational Plan and user group's decision to spend part of their fund on income generation activities (poverty targeted) should be encouraged. Another option can be a revision of sub-section

45(4) of the Forest Act, 1993 which states, "The CFUG may spend on activities benefiting households below the poverty line and community development from the balance left in the Fund after making disbursements for management and development of community forest. Such expenditure must be according to a plan approved by the General Assembly of the user group" (JTRC, 2001). Such an amendment has obviously become a necessity because most of the user groups lack areas to undertake forestry development expenditure, a legal mandate that precedes community development expenditure.

Implementation related issues

Forest resource inventory and assessment of annual increment is recently introduced as an obligatory part of the Operational Plan and implementation of silvicultural operations in Community Forests. Though an inventory Guideline of Community Forests is already in place, there is growing scepticism regarding this inventory approach. Some have concluded that inventory is not politically neutral, and therefore, the policy relating to it should be viewed in broader political and institutional context (Ojha, 2002). Several NGOs and Federation of Community Forestry Users, Nepal (FECOFUN) activists consider the Guideline as an excuse to extend forest bureaucracy to communities in another form. The inventory is now under revision in an attempt to make it a simple and feasible method of assessing sustainable levels of forest product extraction.

Implementation of Community Forestry has a positive impact on forest resource. However, the question regarding its impact on the poor and the marginalised section still remains controversial. An analysis of poverty, equity and livelihood is required for mitigating the negative effects of Community Forestry on poor and alleviating poverty. There is an urgent need to carry out studies for assessing the impact of Community Forest on the poorest of the poor - based on livelihood analysis.

Passive forest management hinders its contribution to poverty alleviation. There should be amendment in the current rules (basic needs oriented) as it is inconsistent with the government's policy directives set out in the Tenth Five Year National Plan. However, any attempt towards active forest management needs to be accompanied with equity and taxation issues in Community Forestry. As already mentioned, Community Forestry is often subjected to the criticism due to the dominance of elite and high caste people in the user groups, threatening its potential as a viable development strategy for securing the basic needs (Graner, 1997) because of the following reasons:

- Dominance of economically advantaged groups in CFUG membership;
- Exclusion (often) of disadvantaged groups from membership; and
- Disadvantaged group may lose access to VITAL resources.

The interests of women, marginalized and below poverty-line people needs to be emphasised and safeguarded both in the constitution and operational plan of the community forests. For each household a female and a male member should be registered as members of the group and have equal rights and obligations. Moreover, the issue of exclusion and discrimination is to be properly addressed. The Operational Guideline of Community Forestry requires forest staff to make household visits to ensure that no one

is excluded from sharing benefit from the Community Forests. The group should be allowed to establish smaller sub-groups (<30% members) exclusively of households below the poverty-line and lease part of the forest (<30% CF area) for the use of such groups under an agreement subjected to the approval of plan. However, any such delineation should not restrict their access in the Community Forest. Any taxes and legal provisions, which apply to the groups, do equally apply to the sub-groups. Any move towards taxation for the commercialisation of Community Forests should be considered in consultation with the relevant stakeholders.

New Challenges

Delivery of Service

The number of forest user groups and area under Community Forestry is rapidly increasing in Nepal. The latest statistics released by the Department of Forests shows that about 900,000 hectares of community forests are being managed by about 11,400 user groups directly benefiting about 1.3 million households (released on 8/5/2002). The user groups still need support from the Department for proper institutionalisation and technical backstopping. It has created a lot of work pressure for forestry staffs, already pre-occupied with protection and handing over related activities. Hence, a new challenge in Community Forestry is to develop a mechanism for sustainable service provision to CFUGs for community based resource management systems. A delivery system should be designed for reducing Forestry staff's task and increasing role of private sector and civil society.

Moreover, there is a growing realisation to review the support services, in the context of Local Self-Governance Act (LSGA) and government's decentralisation policy, mainly in sharing of responsibilities. An analysis of the decentralisation necessitates a process for transferring some of the functions and responsibilities of supporting Community Forests to the District Development Committees and Village Development Committees (DDCs/VDCs).

Planning, monitoring and evaluation system

Monitoring and evaluation in Community Forestry is being carried out merely to fulfil the requirement of funding organisation/Projects and has so far failed to support the Ministry/Department in policy formulation and effective implementation. Moreover, various Community Forestry projects have developed their own monitoring and evaluation systems while the user group is responsible for implementing the operational plan. Hence, there is a lack of clarity regarding the fields, levels and sectors for monitoring and evaluation among different stakeholders^{2[2]}. Monitoring and evaluation was regarded as the weakest part of Hill Community Forestry Project (The World Bank, 1999).

^{2[2]} Several CFs were revoked for failing to pay attention to negative environmental consequences. However, there is no clear monitoring and evaluation system in place to ascertain "who's responsible to monitor the environmental services and the criteria and indicators of sustainable forest management?"

Community Forestry Division, under the Department of Forests, has taken initiatives towards devising Monitoring and Evaluation system for Community Forests, with contributions from all stakeholders. The system is being linked with policy formulation and planning and for human resource management. Monitoring is also being linked with socio-economic improvement, forest condition and good governance. The system allows two-way information flow and has received due priority in budget allocation and included in the annual programme at the district level.

The following are regular processes, procedures and documentation being used as monitoring and evaluation tools:

- Regional planning and review meetings;
- Quarterly and annual progress reports;
- Supervision and monitoring visits by the regional forestry directorate;
- Award to the best CFUG at national and district level;
- National CFUG database;
- Field visits for monitoring purposes and publications; and
- Range Post, Ilaka (sub-district) and District level monitoring formats and District publication.

Co-ordination

The current issues in Community Forestry demands a mechanism for functional co-ordination with the local entities, as required by the LSGA. The Forest Act has so far not recognised the role of DDCs and VDCs in land use and development plan. There should be a mandatory provision of consulting the local entities (VDCs/DDCs) before handing over the government forests to the user groups as Community Forests and finalising the district level forest management plan. Community Forestry still suffers from lack of co-ordination in the programme activities, information sharing and mobilisation of internal and external resources between the government agencies and donor communities. Forestry Sector Co-ordination Committee, chaired by the secretary of the Ministry of Forests and Soil Conservation, needs to be strengthened to better co-ordinate the activities of Community Forestry programmes; to provide a mechanism for sharing information about Community Forestry development issues, and to identify and recommend ways to harness potential internal and external resources for Community Forestry development programmes (modified MFSC, 2000).

Conclusion

Community Forestry policy heralds a most successful development initiative in Nepal. National Development Plan requires it to explicitly contribute to poverty reduction. However, there should be some changes in the present legislation besides devising a monitoring and evaluation system for undertaking this challenge. A mechanism of service delivery for ever increasing number of CFUGs and co-ordination among the different stakeholders of Community Forestry is essential for the success of the program. There

should be a broader consultation among all the stakeholders before initiating any policy and legal changes pertaining to the Community Forestry development in Nepal.

References

- Anonymous, 1991. Community forestry in Nepal. Booklet. Community and Private Forestry Division, Department of Forests. Nepal.
- Barlett, A.G. and Malla, Y.B. 1992. Local forest management and forest policy in Nepal. *Journal of World Forest Resource Management* 6:99-116.
- Cernea, Michael M. and Daniel W. Bromley. 1989. The management of Common property natural resources: some conceptual and operational fallacies. Discussion Papers #57. The World Bank. Washington DC. USA.
- DOF, 1999. Community Forestry for Everybody Forever. Department of Forests, Nepal.
- Gilmour, D. A. 1990. Resource availability and indigenous forest management systems in Nepal. *Society and Natural Resource*. 3 :145-158.
- Graner, E. 1997. The political ecology of CF in Nepal. Printshop, Frensdorf, Germany.
- Griffin, D. 1988. Innocents abroad in the forests of Nepal: an account of Australian aid to Nepalese forestry. ANUTECH Pty. Ltd. Canberra.
- Hardin, Garret. 1968. The tragedy of the commons. *Science*. 162: 1243-1248.
- Jodha, N. S. (1986) Common property resources and rural poor in the dry regions of India, *Economic and Political Weekly*. Vol. XX (No.2).
- JTRC, 2001. Joint Technical Review of Community Based Forest Resource Management. Ministry of Forestry & Soil Conservation, Nepal.
- Kanel, K.R. 2001. Forests, collective action, and Policy instruments in Nepal: Aligning decentralisation with fiscal responsibility.
- MPFS, 1988. Main Report: Forestry Sector Master Plan. HMGN/ADB/FINNIDA.
- MFSC, 2000. Revised Forestry Sector Policy. The Ministry of Forests & Soil Conservation. Nepal.
- NPC, 2001. Interim Poverty Reduction Strategy Paper (I-PRSP) National Planning Commission, Nepal.

Ojha, H. 2002. A critical assessment of scientific and political dimensions of the issue of community forests inventory in Nepal: A policy discussion note. Forest Action, Nepal.

Sharma, A. R. and Sunil Sharma. 1995. A Concept Paper for Partnership Management of Community Forests in Kabhrepalanchok District (unpublished paper). District Forest Office, Kabhrepalanchok.

Sharma, A.R. 2000. Glamour and Gripes of Community Forestry: Impact on Income Distribution. Banko Janakari, 10(2): 9-14. Department of Forest Research and Survey, Nepal.

The World Bank, 1978. Forestry Sector Policy Paper. Washington.

The World Bank, 1999. Implementation Completion Report (credit account 2028-NEP). The World Bank.

This expansion of forest area has been attributed to the growth of the community forestry system [82,84,88,90,91], and to the migration of populations from forested to urban areas, releasing forests from harvesting pressure and increasing land abandonment and subsequent invasion by tree and shrub species [92,93]. The Millennium Project recognized growth in slum populations as a key challenge to sustainable development in developing countries. As a result, the MDG 7 Indicator 32 focuses on improving the living conditions of slum populations through secure land tenure, which is assumed to improve management of the environment and human health. Community forestry is a branch of forestry that deals with the communal management of forests for generating income from timber and non-timber forest products as forms of goods while in other hand regulating ecosystem, downstream settlements benefits from watershed conservation, carbon sequestration and aesthetic values as in forms of services. Organizational capacity refers to the community's competence to organize a forest management program. Capital. A community will require start-up capital to invest in the required infrastructure, equipment, and to hire a forester to organise and oversee management plans. "Framing community forestry challenges with a broader lens: Case studies from the Brazilian Amazon". Journal of Environmental Management. Carbon sink Community forestry Forest products Rural poverty Sustainable forest management. This is a preview of subscription content, log in to check access. References. Tempel KJ, Beukeboom JJ (2006) Community forestry contributes to the national and millennium development goals without compromising the forestry policy: case studies on community-based forest and natural resources in Bhutan. Department of Forest, Thimphu. <http://www.moa.gov.bt/moa/downloads/downloadFiles/MoADownload4ng10456es.pdf>. Last accessed 15 Dec 2010.