

# **CHANGING FOREST POLICIES AND INSTITUTIONAL INNOVATIONS: USER GROUP APPROACH IN COMMUNITY FORESTRY OF NEPAL**

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## **COUNTRY INFORMATION**

Located between India and China, and occupying an area of 141,000 sq km, Nepal extends from 80°15' - 88°10' south-east longitudes to 26°20' - 30°10' north-west latitudes for 800 km, mainly along the south slope of the central Himalayas. While the northern part includes major ecological zones of High Himal, High Mountains, Middle Hills and Siwaliks, the southern part is the Tarai ecological zone, an extension of the gangetic plain. The altitude ranges from less than 100 m in the southern plain to more than 8000 m in the northern Himalayas. Due to sharp latitudinal differences and climatic conditions (sub-tropical to alpine), distribution of forests, farming systems and living style of the people vary greatly.

Agriculture is the mainstay of over 92 percent of the population and contribute over 65 percent of Gross Domestic Product (GDP). Less than 8 percent of the population live in urban areas, and the rest live in rural areas. Nepal remains one of the poorest countries in the world despite efforts towards development in the last four decades. The per capita income of US \$ 210 reflects the extent of poverty in the country (World Bank 1996). Life expectancy at birth for men is 56 years, while for women it is about 53 years (CBS 1991). The population density is 1349 persons per sq km and 447 per sq km of arable land. Only 31 percent of Nepal's land is arable. More than 41 percent of the population consist of children below 15 years of age, reducing the size of the economically productive population and increasing the dependency ratio (HMG/N 1995). Nepal's average literacy rate is 24 percent and is even lower for females. The disparity in urban and rural female literacy rates is even more pronounced (CBS 1991).

The country is divided into 5 development regions, 14 zones, and 75 districts development committees (DDCs), and are further divided into over 3900 village development committees (VDCs) on the basis of population. A VDC is the lowest political and administrative unit. The country is governed by a multiparty system re-established in 1990.

## **IDENTIFICATION OF THE CASE**

The case study intends to assess and analyze user group managed community forestry management in the hills and mountains of Nepal, with an emphasis on institutional innovations in recent years. The need for a user group approach in community-based forest management, in the present context, has been widely accepted due to increased level of deteriorating environmental condition, and thereby negative implication for rural poverty. Therefore, the case primarily relates to the economic and social factors that aim at reducing rural poverty.

It is important to note that Nepal's forestry sector, among others, is one of the major components of natural resources, contributing 15 percent to GDP, and enhance the entire agricultural system in view of forestry-agriculture linkages for farming households of over 90 percent. Furthermore, it contributes to the

economic and social life of 99 percent of rural population by providing employment to over 1.36 million full-time jobs (MPFS 1988) and supply over 75 percent country's total energy requirements in the form of firewood. Above all, subsistence agriculture demands a continuous supply of forest products for varying uses such as leaf materials for fodder, compost and animal bedding, firewood for energy (e.g., heating and cooking) and timber for housing and agricultural implements in day to day life.

## THE INITIAL SITUATION

### Review of Traditional Forest Management

Both traditional and indigenous forest management practices were prevalent in the hills and mountains for generations under the responsibility of local headmen called *talukdars* and *mukhiyas*, but their documentation and analysis are limited. A few examples of the many practices that existed in the hills and mountains, taken from various research studies, are given in the Box 1.

#### Box 1. Traditional Forest Management

Among the earliest accounts of indigenous systems of forest management is the accounts of von Fuerer-Haimendorf (1964) of the Sherpas of the Khumbu region in the eastern mountains. The Sherpas appointed forest guards (*Shingo naua*) who were responsible for protecting forest and allocating forest products. The position was held for 1 or 2 years and then handed on to someone else. Such traditional systems have been documented of several tribal communities studied by many writers.

The pine forest at Ghasa of Mustang district in western mountain region has been managed by a Thakali (an ethnic group) community. Grazing of sheep and goats is prohibited. The cutting of firewood or timber for construction is forbidden except with the permission of the committee, for public use. Pine needles and litter are collected during a 9-10 days period each year. This has a double function: it reduces fire risk and make bedding materials available for animal stalls (Messerschmidt 1987).

There were many other traditional management systems in the middle hills where forests were managed and protected either through user groups or by appointing the forest watchers named locally as *chitdar*, *chaurasi* on a *mana-pathi* system. This is a system of paying fixed amount of paddy or other foodgrains, usually of 4 *mana* or a *pathi* equivalent to 2.25-5 kg by each of the households per year, to cover the remuneration.

Although traditional land and forest-holding systems were officially abolished after the Rana regime's fall in 1950, they appear to have survived in hidden forms. These types of traditionally managed land resources prove that the user group concept is not at all a recent phenomenon. These systems are small in size and fall under the users' or community's domain. Those practices worked till the nationalization of forests in 1957.

### Critical Review of Changing Forest Policies

The 1957 Nationalization Act brought all forestland as well as tree planted on private lands under the government ownership. This Act created insecurity particularly with regard to use rights of trees to the people. Later the 1961 Forest Act, which emphasised the regulation of the use of forest products and demarcation of forest land, and the 1967 Forest Protection (Special Arrangements) Act, which promoted better management of the forests by the government and aimed at preventing deforestation, were enacted. The 1970 Forest Product (Sale and Distribution) Rules further placed government's control on use rights.

However, due to the governments' inability to replace the traditional control with effective forest protection and management, these policies succeeded in undermining existing indigenous systems of managing forest resources, and increased the process of forest depletion, especially in the hills and mountains. Poor people started cutting down trees by the thousands, thinking that the forest was the governments' property and not theirs. Nationalization resulted in deforestation through exploitation by the same people who previously had maintained the forests.

The adverse impact of the nationalization of forest and its subsequent rules was realized of late, and the government introduced the Panchayat Forest (PF) and Panchayat Protected Forest (PPF) Rules in 1978 to involve the communities in forest management practices. The primary objective of the PF and PPF rules was to provide certain areas of degraded forest or deforested land to local *panchayat* under an official management plan for protection and utilization of forest products. Following these rules, the legislation was amended in 1980 with the notion of a community forestry program. However, a narrow approach was taken with regard to conservation, where the emphasis was on maintaining and planting trees. Forest management thus had a very restricted purpose: To prevent access to forests by local people and to maintain and increase the stock of trees. Participation were only asked for in land development and plantation, and none of the initiation from the side of local people was experienced, mainly due to deep-rooted suspicion amongst most social groups concerning eventual benefits for themselves. It apparently raised the issue of equity, accountability and sustainability of such institutional arrangement. Little or no attention was given to the forest needs of local inhabitants in areas around national parks and wildlife reserves. Hence, people living in and around these areas were often forced to over exploit reduced area of forest that remain relatively 'open'.

This situation remained for about two decades. During this time the country experienced probably the highest rate of deforestation. Available statistics showed a loss of forest during 1965-1979 at a rate of 0.4 percent per year, equivalent to 38,000 ha (WECS 1992). The rural life of 99 percent of the hills and mountain people was severely affected in terms of inadequate supply of firewood for energy, fodder for livestock, bedding materials for cropland for which they used to spend over 6-8 hours/day for collection from distant places. Eventual effects were also on low crop yield. The country experienced a decrease in GDP and land encroachment by land-hungry people. Based on heavy land use change, many research studies during early 1980s forecast the likely possibility of a total disappearance of hill forest within the next 15 years if the prevalent issues remain unchecked.

## **THE CHANGE PROCESS**

### **Plan Formulation**

The year 1987 was a watershed in community forestry. Policy makers, field staff of the forest department and project staff came together in the first National Community Forestry workshop. Major conclusion of the workshop was the development of the user group concept in forest management. In 1988, the Master Plan for the Forestry Sector (MPFS) was completed. The new forestry legislation has entirely revised the Forestry Acts consisting of Forestry Bill 1990, Forestry Development Rules 1990, Leasehold Forestry Rules 1990 and Private and Religious Forestry Rules 1990 to update existing forestry legislation in line with the Forestry Sector Master Plan. The user group concept was incorporated and emphasized in the plan. Current community forestry program tends to emphasize the formation of user groups as new community social organizations. This was further developed by the new Decentralization Act (1992) which strengthened the role of user groups as local-level development organizations.

It provided a policy and planning strategy; the first priority of which was to meet the basic forest product-related needs of local people through community forestry and private planting. The following were the

basic implementation strategies:

- Phased handing-over of all accessible hills forests to the communities, to the extent that they are willing and able to manage them;
- The need for an extension approach, aimed at gaining the confidence of the woodcutters and others who actually make the daily decisions; and,
- Retraining the entire staff of the Ministry, for their new roles as advisors and extensionists.

Community forestry became the primary program of the forestry sector emphasizing two major components:

- Management of natural forests and enrichment planting of degraded forests as community forests (previously known as *Panchayat* Protected forests); and,
- Establishment and management of community plantations (previously known as *Panchayat* forest) in open and degraded areas.

Based on the forest policy of 1988 and building of the master plan, the Forest Act of 1993 enshrined the concept of user group or community forestry in Nepal. In the provisions related to community forestry, the Act states that the “District Forest Officer (DFO) may hand over any part of a national forest to a user group in the form of a community forest in the prescribed number entitling it to develop, conserve, use and manage such forests and, sell and distribute the forest products by independently fixing their prices, according to an operational plan”.

### **Emergence of User Group Approach**

The procedure for handing over a forest to a community consists of the following:

- Formation of a user group following an identification process;
- Demarcation of forest as a community forest;
- Preparation and approval of an operational plan; and,
- Handing over the forest to the user group and implementation of the operational plan.

A formal hand-over is required of each forest before the users can officially begin their management. An operational plan, acceptable both to the users and to the Forest Department, has to be prepared before hand-over can take place. In 1990, the government prepared operational plan guidelines for the preparation of the plan and hand-over process.

At present the focus of the community forestry program is on natural forests because the villagers prefer those rather than establishments of plantations due to quick benefits associated with them. Non-governmental organizations are also currently active in convincing local people to take over forests. User groups are provided with opportunities to discuss ways and means of managing community forests through networking in districts and at the national level. The district-level forestry staff are encouraged to plan community forestry work through range-level planning, using the methods of Participatory Rural Appraisal (PRA). There is now momentum for formation of user groups and handing over of forests especially in the hills and mountains.

The user groups receive a cash subsidy as an incentive for plantation, development and protection. The subsidy is being reduced and gradually withdrawn to make the program sustainable. Currently, they are managing nurseries which were previously run by community forests as a result of training they have completed. So not only forests but also technology is being smoothly transferred to user groups. It must,

however, be noted that actual ownership of forest land is not transferred to user groups but remain with the government as it should be under state control.

## **THE OUTCOME**

### **Given Authority**

Process of rapid change in institutional innovations was accelerated after 1990 or after the restoration of democracy. The New Forest Bill acknowledged the rights of user groups to manage and protect forest areas and clear legislation were made. The new Bill allowed the following activities to the community-based institutions as major changes:

- Authority of handing over forests user has been developed from regional directors to DFOs so that the process of handing over has been shortened;
- Surplus income from user group forests can be used for development other than forestry development;
- The users have the responsibility for drawing up operational plans;
- Users can fix rates at which forest products are sold, irrespective of government royalty, rates and charges;
- Forest user groups can register themselves as independent bodies;
- The concerned user of a forest, desiring to develop and conserve it, and using the forest products for collective benefit, may form a user group in the prescribed manner as stated in the rules; and,
- Empowerment of user groups and local communities were strengthened, and women were involved in the management of the user groups.

The responsibility for administering the new institutional arrangements lies with the DFO at district level and its satellite offices on the sub-district level. The DFO is to provide technical and other assistance to formulate an operational plan. An element of flexibility is built in to allow user groups to make timely amendments in operational plans related to management of community forests according to needs, and inform the DFO. While handing over a community forest, the DFO shall issue a legal certificate. The legislation has provided unlimited power to the DFO to control over user groups.

### **Group Formation and Changes Observed**

Till date, about 4,566 user groups or community-based institutions have been legally recognized by handing over about 293,000 ha of national forest. Studies show the potential of such community forest to be 3.5 million ha, 61 percent of Nepal's current total forest area.

Although the institutional innovations in this sector are a recent attempt, several research studies have shown considerable impacts of such management. Those impacts at the local level are seen particularly in the area of a high rate of plantation both in community and private lands, an increased level of ground coverage of vegetation, availability of forest products closer to the settlements, and reduced level of time use to 2.5-3 hours on an average in a day (as against 6- 8 hours earlier) for gathering a bundle of fodder or firewood, availability of litters and positive effect on crop yield of almost by 8-12 percent, a perennial source of irrigation water, economic benefits to rural women and children due to conservation and utilization of non-timber forest products, etc. More importantly, awareness among the rural people in forest conservation has been built up by placing demand for hand-over of accessible hills forest area.

At the national level, accelerated deforestation has been gradually reduced, the high rate of demand for

forest management by user groups signifies a likely reduction in the high administrative cost of the government for protection of forests. Rural eco-tourism is anticipated to be enhanced and the poverty level reduced. Combining all of these factors will, in fact, enable an increase in the contribution of the forestry sector from the existing level of 15 GDP.

## **THE LESSONS LEARNED**

### **Institutional Innovations and Awareness Building**

The principal lessons learned till date from the user group approach to community forestry are that:

- Time and energy in identifying genuine beneficiary groups of a forest is saved, and there is a likely chance of no or little conflicts in identification of real beneficiaries;
- Such groups are already exposed to the idea of protection and management;
- Such a system provide opportunities to learn how forest management can run on its own without any investment from the outside;
- Self-reliance among user groups on forest products and thereby gradual reduction in poverty;
- Improvement in bio-diversity conservation; and,
- Increasing level of women participation.

People seem to be moving towards formalizing their user groups and are approaching DFOs to grant them official requisition as user groups.

The currently adopted innovation in Nepal is highly replicable in the regions where common property resources are being scarce in either of the sector, whether it is drinking water, fisheries, forest or irrigation water management.

The universal fact of the case is that the awareness in the civil societies has grown up in ‘group approach’ for meeting common objectives and becoming self-reliant. Struggle for poverty reduction through group dynamism for several community development works within the society is felt to have been strengthened in a short period of time.

Non-governmental organizations (NGOs) and international non-governmental organizations (INGOs) have collaborated actively with such user groups on integrated natural resources management.

### **Innovation Issues**

Despite the governments’ genuine intentions regarding the conservation, utilization and development of the forest resources in Nepal through effective enactment of community forestry programs, there has been many experiences gained during implementation with regards to the pertinent issues for community-based forest management; most important of which are listed below:

#### *Lack of Trust on Policies*

Frequent restriction and sporadic relaxation for use and role of private trees and village forest in view of changing policies and strategies has greatly affected villager’s trust in government policy.

#### *Weak Participation*

Experience suggests that there are a couple of basic reasons for the lack of participation:

- Villagers are simply not aware of management responsibility and use rights due to insufficient extension work; and,
- The long time gap between investment and return in forestry enterprises identification of real users has been inappropriately accomplished.

### *Weak Capacity Building*

The work of operational plan preparation in the changing context is crucial. Sometimes, the committee is formed first and its members prepare and implement the plan, and sometimes the plan is prepared with participation of all users and a committee is then selected to improve it. If a committee is formed first there is a danger that its members will influence the preparation process so that the resulting plan reflects personal interests rather than those of the general users. The plan's validity becomes questionable as the elite may try to mould it to their own benefits, ignoring the aspirations of the ordinary people, especially those from the weaker sections. The end result may consequently contradict the basic philosophy of the government's forest policy, which clearly states that priority will be given to poorer communities or to poorer people in a community. Despite such problems associated with the committee's first approach, several districts have been using this method because it is simpler, the process of plan writing is much quicker, and forest extensionists spend much less time in the field to increase awareness, orient and motivate the beneficiaries. The lack of this process has ultimately resulted in weak capacity building and has raised questions of sustainable institutional innovations.

### *Inadequate Finances*

Except in some cases (e.g., stationery, plantation, initial workshop/meeting), the user groups after their formation have the responsibility for raising funds through the sale of products, membership, donations, etc. Not all, but the majority, of the forests are under regeneration and no forest products can be obtained from them. Therefore, the group will always face financial difficulties. However, in some districts the NGOs work with local user groups through which they have somewhat strengthened their position in terms of fund raising.

### *Local Disputes*

Disputes raised within user groups are about the identification of actual users, level of participation, inequitable benefit sharing and leadership. More importantly, inter-group disputes have been with regard to forest boundaries and forest product use. Although these disputes are frequent, they have been solved within the group and by extension functionaries. However, disputes raised between different user groups regarding the use of forest products by communities other than the actual beneficiaries tend to last until the DFO play an intermediary role in defining the primary, secondary and tertiary users and their access to the resources.

## **PROPOSALS FOR FUTURE IMPROVEMENT**

Community forestry in Nepal till date is felt to be a successful and viable option for the conservation of hill forests. The 1993 forestry legislation further clarified the process of handing over community forests and allowing for their equitable management and utilization. In line with this view, the following prospective proposals are put forward for the improvement of community forestry programs in the future:

The new Act and Regulations need to be communicated to rural areas so that most of the people living in the villages know the provisions of the new legislation. The VDCs need to be involved in this process.

Nepal is a multi-ethnic society, and equity issues are very important in community forestry. Issues for equitable distribution of benefits thus need to be clearly spelled out in plans and practically applied by the committees. Moreover, gender issues are of particular importance in forest management as firewood and fodder collection are mainly done by women and children. Assistance from some advocacy groups could help in constituting equitable user groups. The role of NGOs in forming user groups and preparing operational plans is crucial.

Users and their forest boundaries should go together. If the problem of user group identification is solved, then identification of the forest is also solved. The forest has to be demarcated from cultivated or private land. People having adjoining forest areas have often encroached or claimed some part of it as their private land. In most cases such people are powerful. People do not speak against them in meetings, but will speak frankly when alone. This kind of problem is much more common in areas where the cadastral surveys on individual, public and state-own land records, to be undertaken by the department of surveys, have not been completed. Sometimes the dispute becomes critical and the DFO has to exercise his legal authority. This may take a long time, and the user group and field staff may lose interest. Thus, the process of cadastral survey has to be expedited to facilitate community forest development and to resolve the conflicts between and among community users.

Few relevant extension materials have been produced. Most of them are descriptive and not informative. Similarly, few field staff has been reoriented to their new roles as community foresters. Even if they have been reoriented, they still need further training on community forestry management. Due to lack of technical know-how, the quality of operational plans becomes very poor. As a result, many users have to come to the DFOs even for minor instructions.

Till date, some of the users are comparatively active and are becoming self-reliant, while the majority the users are silent. There are several reasons for this. It should be noted that handing over of forests, and subsequent institutional innovation at the local level alone, is not sufficient for conservation of forests. Group formation and, through this, the creation of local institutions, is not an objective in itself. Current experiences show the need for research on community forestry, with regard to the identification of prospective indicators for sustainability of institutional innovations, by which the long term conservation by local people could be assured.

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