

How Can Forests Better Serve the Poor?

A Review of Documented Knowledge on Leasehold and Community Forestry in Nepal

By

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Acronyms

ADB/N	Agricultural Development Bank of Nepal
CF	Community Forestry
CFD	Community Forestry Division
DLS	Department of Livestock Services
DoF	Department of Forest
FAO	Food and Agricultural Organization of the United Nations
FECOFUN	Federation of Community Forestry Users, Nepal
FTPP	Forests, Trees and People Program
CFUG(s)	Community Forest User Group(s)
HLHFFDP	Hills Leasehold Forestry and Forage Development Project
HMG/N	His Majesty's Government of Nepal
I/NGO	International/Non-Governmental Organizations
IFAD	International Fund for Agricultural Development
IFRI	International Forestry Resources and Institutions
JTRC	Joint Technical Review Committee of the MFSC
LHF	Leasehold Forestry
LHFLP	Leasehold Forestry and Livestock Program
LFP	Livelihoods and Forestry Program of DFID
LFUG(s)	Leasehold Forest User Group(s)
MEDEP	Micro-enterprise Development Program of UNDP
MFSC	Ministry of Forest and Soil Conservation
MSL	Mean Sea Level
NACRLMP	Nepal-Australia Community Resource and Livelihood Management Project
NARC	Nepal Agricultural Research Council
NSCFP	Nepal-Swiss Community Forestry Project
NTFP	Non-Timber Forest Products
OP	Operational Plan of Forest User Groups
PAL	Participatory Action and Learning Methodology
PRSP	Poverty Reduction Strategy Paper
RD	Regional Director (Forest Department)
VDC	Village Development Committee

1. INTRODUCTION

1.1 Background and Rationale

In Nepal, Leasehold Forestry (LHF)¹ and Community Forestry (CF) are the two participatory forestry development programs within the forestry sector. While CF's implementation began in the early 1980s, LHF was designed in the mid-nineties to directly target the poorest households. The emergence of CF was a response to growing concerns of the environmental degradation in the hill regions of Nepal. The program sought to bring patches of forest lands under the control of local communities, with the twin goals of meeting local forest product needs and combating deforestation. In practice, CF had a general focus on restoring the quality of the forestlands during the initial stages of the program's implementation. However, recent policy debates and practices have begun to address the diverse livelihoods issues² of local forest users. The emergence of LHF, subsequent to CF, was the result of two key factors: a) growing policy emphasis on poverty reduction, and b) a realization among key forestry actors that equity issues had not been adequately addressed by other forest management approaches, including CF.

Although there is growing consensus that both programs have had positive ecological impact, there are diverse and contradictory claims over their respective impact on livelihoods. While there are claims that CF has enhanced the flow of both forest product benefits as well as diverse forms of livelihoods assets through the mobilization of financial and other resources at the local level, there are also evidences that the poor are not gaining equitable access to such assets. Similarly, while LHF project studies claim that there are significant improvements with regards to the livelihoods of the targeted poor, there are several independent studies which suggest that the program has either been unable to directly reach the poorest households or, when reached, has resulted in an impact lesser than what had been expected.

These contradictions indicate that there is a need to critically examine the approaches and strategies of these two programs with respect to their differing contexts of implementation in order to identify ways through which the best elements of the two could be replicated to bring about greater impacts on the livelihoods of the poorest. Recent forestry policies of the government of Nepal have emphasized that both Leasehold and Community Forestry are to be designed and implemented so as to enhance the livelihoods of the forest-dependent poor living below the national poverty line. The need for exploring the synergy between the two programs is even more crucial in that a) the two programs are primarily led by the same government institution (Department of Forest), b) there is some degree of competition between the two programs for the same areas of land and forest resources, and c) there is some commonality of objectives in, but difference in approaches to, addressing the livelihoods of the poor. These areas of overlap and contradiction are also related to the larger issues of effectiveness and efficiency in allocating public funds for differing program structures with the intent of attaining comparable goals. In this regard, this study³ intends to

¹ In this report, Leasehold Forestry refers to the poor focused Leasehold Forestry program, as there are also other types of leasehold forestry.

² Such issues are often regarded as “second-generation” issues in Community Forestry (Kanel, 2004).

³ The study is supported by a grant to ForestAction by CIFOR from the Technical Assistant Grant (TAG) from IFAD to carry out research to support more resilient livelihoods for poor and socially disadvantaged women and ethnic minorities dependent on forest resources in Asia. The goal will be achieved by developing lessons and specific recommendations for development practitioners, including IFAD and its partners, about

critically review key elements of both the CF and LHF⁴ programs in relation to their potential impact upon the livelihoods of the forest-dependent poor.

1.2 Objectives

The overall objectives of the proposed review is to compile and analyze the key literatures on LHF and CF so as to distill the evidence and insights on how the two programs have facilitated the creation of pro-poor livelihood impacts and to recommend measures to scale-up those elements. While analyzing the literatures, the following questions and variables have been specifically reviewed:

1. How do LHF and CF contribute to enhancing poor people's access to forest resources?

- Legal Dimensions
 - Bundles of rights and tenure security
 - Length of tenure
- Institutional Dimensions
 - Enforceability of rules
 - Possibility of exercise of the rights in practice by the poor
 - Conflict in resource use
- Resource quality and productive potential
- Policy-Practice Variances
 - Comparing the policy provisions (Forest Act⁵, Forest Regulation and other related legal documents) with the actual practice of implementation, focusing specifically on the transfer of resource tenure and credit services

2. How do LHF and CF contribute to enhancing poor people's access to empowerment services?

- Program approaches
 - Involvement of civil society and private service providers
 - Effectiveness of program implementation guidelines, tools and techniques
- Implementation agencies
 - Capabilities
 - Attitude and motivating factors of extension workers

investments and other interventions in alternative strategies for income-generation and empowerment of the forest-dependent poor.

⁴ There are two different phases of leasehold projects. The first phase (1993-2003) was led by the Department of Forests and was implemented in collaboration with the Department of Livestock Services (DLS), Agricultural Development Bank of Nepal (ADB/N) and Nepal Agricultural Research Council (NARC). The second phase (2005 onwards) has only DoF and DLS as the line agencies and therefore the new name of the project has been coined as Leasehold Forestry and Livestock Program (LFLP). The first project covered only ten districts while the second has covered twenty two districts. This review has analyzed only the experiences of first phase of the project.

⁵ Act : A statutory document which is passed by the Parliament and becomes Law
Regulation: A document of rules with a force of Law and passed by the Council of Ministers under a specific Act.
Directive: Statutes passed by a line Ministry under a specific Act or Regulation
Guidelines: Document passed by a line Ministry or a Department in order to elaborate the implementation parts of Act, Regulation or Directive but not as legally mandatory as Acts, Regulations or Directives.

- Nature and range of empowerment-related activities
 - Opportunity cost of accessing empowerment services (for the poor)
3. How do LHF and CF contribute to enhancing poor people's access to entrepreneurship development opportunities?
- Credit policies and opportunities available within CF and LHF to promote business-oriented entrepreneurship development
 - Learning opportunities
 - Access to technology to initiate and advance the entrepreneurships
 - Marketing linkages and services to promote the business
4. How do different contexts and conditions affect the ability of the programs to reach the poor?
- Livelihood contexts
 - Degree of heterogeneity/homogeneity within communities
 - Group size
5. What possible pro-poor arrangements exist and what opportunities and constraints are there for scaling-up?

1.3 Methodology: Outline of the Report and Limitations

This study is primarily based on a review of various types of literatures, including legal documents, project reports, published journal articles, discussion papers, policy briefs and internal records of relevant projects and organizations.

As the amount of literature on LHF is significantly less than that of CF, in the case of Leasehold Forestry, most of the available documents were taken into consideration. In contrast, this study targeted only the key literatures on CF which were selected on the basis of their relevance to equity, livelihoods and poverty. The Leasehold Forestry program was initiated by the Hills Leasehold Forestry and Forage Development Project (HLFFDP) in 1993 and continued until 2003. In this study, this phase has been referred to as the first phase of the project. To carry out the pro-poor forestry, a second phase of the project was initiated in 2005. There are several differences between the phases, as described in footnote four.

In an effort to capture the impressions of and insights into the programs, the literature review is complemented by information from key informants' interviews, which can provide information often not available in documented forms. The interviews were conducted with individuals representing numerous organizations, having differing levels of experience: field-level implementing staff, independent researchers, central-level support staff, and higher-level policy makers.

This report is organized into six chapters. In the second chapter, we present a general overview of the program structures, approaches and strategies of the Leasehold Forestry and Community Forestry programs along with their legal, social and environmental contexts. Chapters 3-5 analyze experiences, evidences, and lessons in relation to poor people's access to forest resources (Chapter 3), engagement in the empowerment processes (Chapter 4), and access to entrepreneurship development resources (Chapter 5). These three chapters provide a nuanced analysis of how principles and strategies of the two programs are actually put into

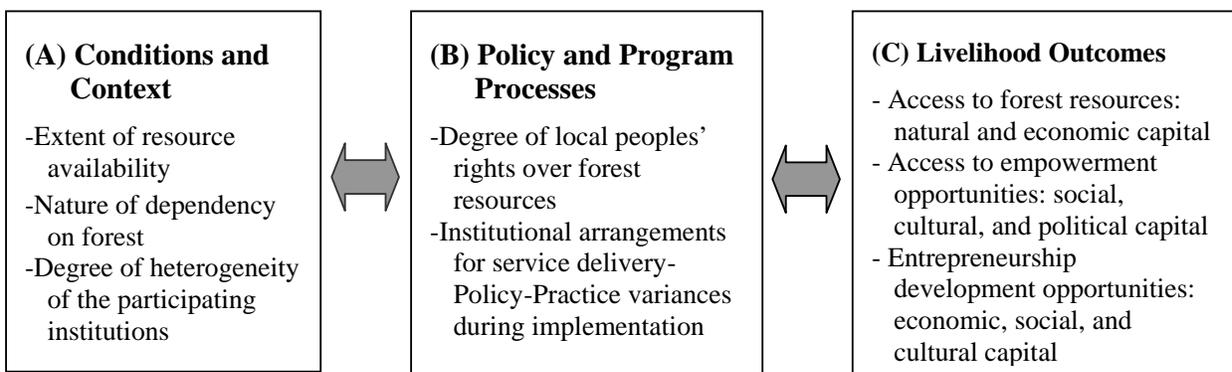
practice and address the livelihoods concerns of the poor. This analysis directly leads to lessons on strategies that benefit the poorest in gaining access to these three sets of resources that are critical to livelihood enhancement. The last chapter presents recommendations for policy and program strategies to capitalize on the lessons learned from both LHF and CF.

This report is based on the availability of the published and unpublished literatures on CF and LHF in Nepal. Literatures shedding light on community-based forest management at regional and global level were considered beyond the scope of this report in order to strictly focus on the insights of the two programs in Nepal. Due to the lack of fresh data from the field, we occasionally had difficulty in drawing lessons relating to practical and policy aspects.

1.4 Conceptual Framework

Since the goal of the review is to explore and analyze lessons on policies and program to create equitable livelihood outcomes, we have incorporated three key aspects of analysis among which we could establish plausible connections: specific policy and program processes (B), leading to specific livelihood outcomes (C) within various socio-economic and ecological conditions (A) (see Figure We elaborate these dimensions of analysis below.

Figure 1. Conceptual Framework of the Review Study



a) Contexts

The two programs that were reviewed encompass a range of socio-economic and ecological conditions in which they operate. Current debate on poverty and livelihoods suggest that three key contextual factors are of crucial importance: a) the extent of resource availability, b) the nature of peoples' dependency on the forest and its resources, and c) the degree of heterogeneity of the participating communities. While the policies and programs do not specifically encompass different types and conditions of resources, the two program approaches do address different ecological and resource situations. This would thereby allow for an analysis of how the different program strategies and policy instruments mediate the poor people's access to forest resources in varying conditions and contexts.

Sunderlin et al. (2005) determined that the nature of dependency of the poor who reside in forested areas includes the secure of emergency food supplies, collection and trading of non-timber forest products (NTFPs) as a major source of household income for the family, and gaining employment in forest-based industries, though the traditional role of the forest in Nepali cultures is in support of subsistence livelihoods. Recent reflections take note of rapidly changing livelihood contexts in Nepal and have identified market-based contributions

of the forest as being critical to the livelihoods of these communities. Both CF and LHF programs present a variety of contexts, from subsistence to commercially-oriented management regimes, though there is a trend toward the commercial orientation. There is still limited knowledge regarding the implications of equity as the management approaches change from subsistence to this commercial orientation.

Likewise, heterogeneity within communities that manage forests is important in the context of Nepal, wherein communities are divided along the lines of gender, caste, ethnicity, and class. Studies vary in suggesting relations between heterogeneity and livelihood outcomes from the collective management of forest resources. The two main lines of argument are: a) an equitable outcome is feasible (Ostrom 1990) but challenging and b) evidences suggest that inequitable outcomes have been a rule rather than the exception. The experience of CF and LHF in Nepal can potentially shed some light on how heterogeneity can be addressed as part of equitable resource management.

b) Policy

There are at least three key aspects of policy development debate with respect to the livelihoods of the forest dependent people. First, the nature and extent of people's rights over forest resources are crucial. Agrawal and Ostrom (1991) have distinguished five different kinds of rights. These are: the right to access, the right to exclude, the right to withdraw, the right to alienate and the right to manage. A key assumption behind such development movements is that providing increasing level of rights to the community is more conducive to equitable management of resources. The two programs, LHF and CF, offer four of these rights, excluding the right to alienate. However, these rights are provided through different program strategies.

Second, institutional arrangements are also important dimensions in promoting the livelihoods of the poor. Together, CF and LHF point to a very interesting theoretical debate on whether exclusive groups of poor and mixed groups of poor and relatively affluent bring forth similar outcomes with regards to both productivity and equity. Still another aspect of policy concern is in the identification of a focus for an intervention within and between local and non-local (or multi-scale) levels. Some analysts argue that livelihood outcomes are mediated by multiple layers of institutions and processes. Fitting institutions with a diverse group of actors at multiple scales has been a challenging issue (Brown 2004). We focus on cross-scale interactions, including an examination as to how projects and supporting organizations interact, construct or facilitate local-level institutional processes and service delivery.

Third, given these complexities, often the processes of implementing the policies are not always straightforward in practice. Recent policy analysis suggests that policy provisions and regulatory instruments do not necessarily determine the practices and outcomes of community-based forest management and claim that the equity provisions of the forest policy have not been able to generate equitable outcomes, as anticipated (Malla 2000). A policy provision is part of a larger field of practice, having its own logic of operation and interrelations among actors who share a common field (see Ojha 2006) an example of how CF operates as a complex field of practice and not simply as an implementation of a policy provision). In this review, we have analyzed the ways in which a specific policy is defined, interpreted, modified, distorted and translated in practice. Over the two decades of CF and one decade of LHF, experience offers a complex range of policy-practice dynamics.

c) Outcomes

Our conception is that livelihood outcomes are shaped to some extent by interaction between context and policy processes.

In recent years, there has been a proliferation of literature on how we understand, monitor and influence livelihoods, largely under the label of ‘sustainable rural livelihoods’. Since these frameworks are generally too comprehensive to discuss in depth within a review study like this, we have adopted three main livelihood assets as potential outcomes. These outcomes reflect some of the assets of the sustainable livelihood framework and we have drawn three aspects of livelihood outcomes corresponding to assets or capitals, as defined by this framework (Carney 1998). These three livelihood outcome assets are a) access to forest resources, b) access to empowerment opportunities, and c) access to entrepreneurship development. Access to forest resources has been assumed to impact positively on other forms of assets, such as financial, physical and social, at both community and household levels. The wealth the households or communities accrue from their increased access to forest resources due to CF or LHF has been perceived in a way that the increment is above the average found in different contexts in a similar condition. The debate related to the access of the poor to forest resources are actually determined by the ways in which governance practices are enacted through the complex web relations of power, knowledge and services. The two programs offer a complex network of relations between the local poor and the actors of market and civil society and such cross-scale relations are being increasingly emphasized in the rural livelihood debate (Bebbington 1999).

In the field of participatory development, there are continuing concerns for genuine participation of the subjects of development. One key reason for the lack of genuine participation is the prevalence of technocratic preoccupations in the process of participatory resource management and livelihoods, emphasizing the paternalistic delivery of material services rather than the provision of genuine spaces for one’s voice in deliberation. As a result, despite policy changes in support of participatory management of forest areas in Nepal, there is actually a strong concern that the traditional relation of patron and client (being bureaucrats and politicians and peasants, respectively) has largely remained unchanged (Malla 2001; Nightingale 2005). In this context, our interest lies in understanding the nature and extent of genuine opportunities for political empowerment in the process of the forest governance.

In recent years, market-based incentives from the conservation areas are being increasingly appreciated but there are fundamental concerns regarding the potential of the market in creating equitable opportunities. The two forest management programs offer interesting insights of these aspects.

2. Overview of Leasehold and Community Forestry

2.1 Evolution of Leasehold and Community Forestry

Nepal's forestry policy has changed over time. The private forestry practices, based on a feudal system were collapsed by the nationalization of forests in 1957. All of the national forests were brought under state-controlled management with stringent legislation against the private use of forest products. However, it created a *de facto* open access to forests, resulting in resource depletion and environmental degradation. A need for people's participation in forest conservation and management was perceived among national policy makers and international scholars in the mid-1970s and a seminal form of community forestry was tried under the name of Panchayat Forestry, after the name of the then party-less political system led by the active monarchy. The major thrust of Panchayat Forestry was to stop further environmental degradation, while some scholars also observe that it had an underlying political objective to strengthen the active monarchy.

The concept of Community Forestry only came into a shape in Master Plan for the Forestry Sector (MPFS) in 1988. At that point, there was consensus among policy actors that Panchayat Forestry, as a unit, was too large to mobilize local people in participatory forestry. Therefore, the Plan suggested that the forests should be managed by traditional, local communities of users, irrespective of political boundaries. Although Community Forestry was recognized as the first participatory program of the forestry sector, the Plan envisaged the program as only fulfilling the basic needs of local people for forest products such as fuel-wood, fodder and timber through the improvement of the ecological conditions of handed-over forests. To enforce the Master Plan's major contents, including community-based forestry in the changing contexts, a new Forest Act was enacted in 1993 and came into force with the promulgation of Forest Regulation in 1995. In the meantime, a new school of thought believed that forestry should also support the poverty reduction goal of the country. As Community Forestry had primarily aimed at improving forest conditions and meeting forest-based needs, an alternative was sought to focus on poor people's livelihoods through forestry. In this line, a community-based Leasehold Forestry was specially provisioned for the poor in the Forest Regulation of 1995 to address poverty issues from a forestry perspective. Such a special provision was made through the Second Amendment in the Forest Regulation of 1995 in August 2000.

Leasehold Forestry and Community Forestry are the two major community-based forest management programs in Nepal. Leasehold Forestry is a program intended to ameliorate the ecological conditions of the degraded forests in the mid-hills and to improve the livelihoods of forest-dependent poor through their active involvement in the program. Community Forestry, on the other hand, is a common-property forest management model, primarily initiated to conserve the forest and meet the basic needs of forest products through local people's participation. This chapter provides an overview of both programs in terms of their programmatic definitions, current issues, relevance and the current status of program implementation and their achievements. Some examples of local initiatives to address livelihood issues of the poor in community-based forestry are given in brief.

2.2 Overview of Leasehold Forestry in Nepal

Forest Regulation 1995, Rule 40, provided a special provision for handing over forest areas to the communities living below poverty line through a project prepared by the government, under the name of Leasehold Forestry. The Regulation also endorsed the Leasehold Forestry

programs implemented by the Hills Leasehold Forestry and Forage Development Project (HLFFDP), which had officially been established in 1993 with financial (loan) assistance of the International Fund for Agricultural Development (IFAD) and the Dutch-funded Technical Assistance Component implemented by the Food and Agriculture Organization of the United Nations (FAO). The project was located in ten districts during the first phase. The prime objectives of the HLFFDP were to alleviate the poverty of rural households and to restore the ecological balance of degraded hills through the implementation of Leasehold Forestry for the poor communities. The project executed its tasks by forming small leasehold groups, comprising of five to ten household members below the national poverty line. It leased out degraded forest sites of five to ten hectares to each member of the leasehold group, averaging one hectare of forest area per household. While defining the poor in the design document, the project defined the poverty line criteria as a household owning less than 0.5 hectare of private land or having an annual income of less than NRs 2500. However, the annual income threshold was increased to NRs 3,035 in later years of the project to match the poverty threshold criteria adopted by the National Planning Commission. The first phase of the project was initially designed to run until 2001, but was later extended to 2003.

By February 2003, the project had formed 1,729 leasehold groups (85% of initial target) comprising 11,756 poor households with control over 7,377 hectares of degraded forests across the ten project districts in the hills. As of July 2005, the number of groups had increased to 2,371; the area and number of beneficiaries increased to 9,365 hectares and 16,810 households respectively (LFLP 2005).

There is growing consensus that the Leasehold Forestry program has significantly improved forest conditions. However, various studies note that there were mixed results regarding the impacts of Leasehold Forestry on the livelihoods of the poor. Analyzing the data of 147 households of Makawanpur and Kavre districts, Ohler (2000) reported that the ground cover of the degraded land increased from 32 percent to 78 percent within the project period of 6 to 7 years. The program was found to contribute to reducing fodder shortage by 21 percent, thereby improving the opportunities for goat and buffalo rearing. From such improvements in fodder availability, women were able to save 2.5 hours' time per day in collecting forest products (ibid.). Singh (2000), from the status studies of leasehold groups and sites in ten project districts and in consideration of the group dynamics, land development, conflict situation and financial status, concluded that in most of the districts, the overall picture of the leasehold groups and sites were satisfactory. Niraula (2001) has also reported the positive livelihood impacts on the poor.

Notwithstanding these claims of success, there are also some evidences, which refute the claims of positive impacts on the livelihood of the poor people. Joshi et al. (2000) from a study of two project districts reported that the livelihood impact of the program was weak, as it was unable to reach the poorest section of the community. Despite the policy focus on the livelihoods of the poor, the evidences show that in many instances the program has not been able to secure exclusive use rights for the poor, nor have the services of the project been delivered in ways such that the poorest receive the highest benefits.

2.3 Overview of Community Forestry in Nepal

The Community Forestry program was formally conceived within the Master Plan for the Forestry Sector. The concept came into force with the legislation of Forest Act 1993 and Forest Regulation 1995. Community Forestry broadly refers to the transfer of the state-owned national forests to local communities organized into Community Forest User Groups

(CFUGs) for the protection, management and utilization of the respective patches of forest. By law, CFUGs are regarded as independent, autonomous and self-governing institutions. Management of the forest area is guided by their operational plans (OP), while the members are mobilized by the constitutions of the CFUGs. These two documents are considered effective only after they have been approved by the District Forest Officer (DFO). The willingness and capacity of users to manage Community Forests are the two basic criteria that are considered during CFUG formation. Whether the people are traditional users of a given forest area and whether the forest is located near to the settlements are the indicators that are taken into consideration to measure the willingness and capacity of the CFUG members. There is no limit placed on the area, group size, political or geographical boundary and socio-economic strata of the users, as long as the groups have both the capacity and willingness to manage the proposed Community Forest. The CFUGs are entitled to receive unlimited tenure of the forests, subject to the periodic renewal of their Operational Plans (OP).

According to the national database of the Community Forestry Division, in August 2005, there were about 14,000 forest user groups spread throughout the country. As analyzed by Kanel and Kandel (2004), out of the total forest handed over in the form of community forestry, 74 percent were in good condition, 19 percent were degraded, and the remaining seven percent fell under an unspecified category. As identified by MPFS, out of the total forestland of the country, 61 percent of forested land has the potential for Community Forestry. Although CF is spread throughout the country, the major focus is on the mid-hills, where 68.5 percent of the total Community Forest area is located (ibid).

Community Forests are managed for multiple products and services, including timber, fuelwood, fodder, NTFPs and rangeland. Some of the FUGs have generated a large amount of income from the sale of forest products. Such income has been utilized in the development of community infrastructures and income-generating activities. By 2004, the savings balances of 13,000 CFUGs throughout the country totaled over NRs 913 million.

A number of reports and field observations have shown that there are remarkable improvements in the condition of forest areas since their handover to the local communities. Despite this ecological success, several studies have noted that poorer households have received limited benefits from Community Forest management. The factors behind the limited livelihoods outcomes include elite domination in CFUG-level decision-making processes, protection-oriented management, conservation-focused technical services of government forestry staff and inadequate promotion of civil society service providers.

3. Access to Forest Resources

In this chapter, access of poor to the forest resources is discussed and analyzed. The discussions and arguments are organized into three sub-headings: access within leasehold forestry, access within community forestry and opportunities, and challenges in both of the management models. The following six interrelated dimensions are discussed to demonstrate the degree to which the access of the poor to forest products has increased: a) Legal provision to become a resource user or a provision for re-inclusion, b) Processes of resource transfer to the users, c) Benefit sharing mechanisms among members d) Resource condition allowing or preventing the desired amount of products generation e) Access of poor to the group fund f) Power devolution to transfer the resources to the poor.

3.1 Leasehold Forestry

In accordance with Forest Rule 1995 and Leasehold Forest Policy 2002, a patch of degraded forest is handed over to groups of poor people in the form of a Leasehold Forest. The average size of the group is ten households; each allocated an average of one hectare of forestland. The hand-over process is initiated by project support staff and consists of three consecutive steps: filing an application, preparing management plans, and getting approval from the Ministry or from the regional directorate⁶. Such management plans are based on a financial analysis carried out by project staff on the part of the lessee and only those plans with positive net benefits are forwarded.

Given conflicting claims of Leasehold Forestry's impacts on the access of the poor to forest resources, our review has sought to analyze the processes and outcomes of the practice of leasehold forestry principles. We have identified the following key aspects as being crucial in determining the access of the poor to forest resources.

Firstly, the context-specific and locally-negotiated criteria for the identification of the poor are seen to be fundamental. All people who fall within the criteria of private landholdings of 0.5 hectare and average annual income of NRs 3,035 are eligible to be included as a leaseholder. These households, however, are not necessarily the poorest of the community.. The story presented in the following box better illustrates the situation.

“Although our income was above the poverty line, our net savings were considered lower and this qualified us for membership, although my husband works for the government and we own a cement house,” said a user in Darre Pakha (quoted in Baral and Thapa 2004).

In one of the sites in Kavrepalanchok district, the leaseholders were identified on the basis of VDC boundaries, wherein all of the households from one VDC were included as leasehold members and the households lying outside of the political boundary of the VDC were excluded from membership, even though the excluded households were poorer and live nearer to the forest than those who had been included. Additionally, the excluded households were also the *de facto* users for years and they had put forth considerable effort to make the land public from illegal private registration (Bhattarai et al. 2003). In connection with this, a man from an excluded settlement fought for more than 40 years at different levels of the judiciary system until a final decision came from the Court in 1987/1988 to declare the land public. However, the household, which struggled for the court decision, was denied entry to the leasehold group for that land, simply because he came from another Village Development Committee (VDC) under political division in the district. Keeping common property forests under an open access regime would not be an alternative to enhance the poor people's access to forest resources as it reduces the sustainability of resource utilization in the long run. Although LHF policy opened the avenues for the exclusive use rights of the poor to forest resources with the establishment of community regimes, a substantial deviation occurred during the group formation in which the non-poor were included and the poor were excluded. Although this may not be true for all the situations, it indicates a need to reflect upon the existing group formation processes and subsequent improvement on it.

Nonetheless, the Leasehold Forestry policies do not have membership restrictions based upon VDC political boundaries. Joshi et al (2000) analyzed the distance of the households to the

⁶ Recently, Ministry has delegated the authority to approve leasehold forest management applications (for the poor) to the regional directorate under the Ministry of Forest. .

forest at the same site and found that the average distance between leaseholder households and the forest is twice as much as that between non-leaseholders and the forests. Consequently, poorer households located closer to the forests were excluded from membership to the program because of the political boundary. Policy and operational guidelines of LHF have not explicitly addressed the issues of political boundaries and the re-inclusion of excluded poorer households. Grinten and Dhakal (1997), on the basis of the studies sampled in Ramechhap, Sindhupalchok, Makawanpur and Kavrepalanchok districts, reported that only 52 percent of the leaseholder households fulfill the landholding eligibility of the project criteria implying that 48 percent of the leaseholder households are large farmers. Similarly, based on an analysis of the leasehold groups of Ramechhap district, Schuler (1997) noted that 33 percent of the households are large farmers. One of the reasons behind the inclusion of the non-poor local elite in these groups arises from the fact that the project staff had invited some of the elite households to lead the leasehold groups⁷. This was based on the assumption of the project staff that the poor are reluctant to take on leadership roles because of their socio-political relations and status. As a result, key positions of Leasehold Forest User Groups (LFUGs) formed in the earlier stage of the project were actually held by better off households in most of the cases (personal communication with a senior government officer and with a consultant, October 2005). The deliberate inclusion of non-poor households into the leasehold groups is contrary to the policy claim that Leasehold Forestry is exclusively for the poor.

Secondly, the project support facilitating the process of hand over of leased lands to the poor is the key to be taken into account. The lengthy and complex process of forest handover is not affordable for the targeted poor households without external support. Irrespective of who benefits from Leasehold Forestry, the processes which have to be completed for forest leasing is complex and generally beyond the reach of the poor. It is reported that key difficulties are found in the compulsory requirements for the financial feasibility report, the environmental impact assessment or initial environmental examination report, and the operational plan with application form. Dhakal (1997) argued that such complexities in paperwork should be exempted in the case of Leasehold Forestry for the poor, although he suggested that it could be retained in other forms of Leasehold Forestry.

Despite such complexities, leaseholders have not faced problems due to this long process of taking control over the Leasehold Forest. This is because the HLFFDP, in collaboration with other line agencies, undertook nearly all of the responsibilities of the necessary paperwork and legal processes on behalf of the poor communities. In the absence of project support, the poor may not be able to follow the process independently. In case the communities were able to formalize all the necessary documents, the application package has to reach to the Ministry of Forest and Soil Conservation (MFSC) for approval via DFO, RD and DoF. The DFO from Tanahun, one of the project districts, estimated that it takes one year to complete the forest lease process. (Personal communication, November 2005)

MFSC has to approve or reject the proposal within thirty days from its receipt from Forestry Regional Directorate (RD). Nonetheless, the RD can hold the application for an unlimited period of time to undertake an investigation of the application file before forwarding it to the MFSC. Such discretionary power has been identified as a critical lacuna of the process, leaving no space for applying households to exercise influence over the approval process. For

⁷ One of the interviewees said that large farmers were included in leaseholds groups deliberately to lead the poor members

instance, Dhungel (1997) reports that there is lack of clear procedures for applying leasehold groups to instigate action within the government if it does not pass decision on the proposal in a sufficient timeframe.

Leasehold Forestry Policy of 2002 has envisaged differentiation between Leasehold Forestry for the poor and other forms of Leasehold Forestry. The policy recommended that the Ministry's authority regarding Leasehold Forestry for the poor be completely devolved to the DFO, so as to minimize the opportunity cost of application procedures. However, this recommendation was ignored while translating the policy into an amendment to the Forest Regulation in 2002. The amendment not only screened the policy, highlighting the program of Leasehold Forestry for corporate bodies and industries, but left the Leasehold Forestry for the poor in *status quo*.

Third, there are some instances in which the lack of clear provisions with regard to the transfer of resource tenure has created a sense of insecurity in the poor. The existing Leasehold Forest legislations and policies do not deal with the transfer of lease rights in the event of the death of a member; desire to withdraw from membership in the group, the split of the original family, or outward migration of the members. However, there are some exceptions in practice. For example, one of the student researchers (personal communication, October 2005) said that some members of leasehold groups from inner Terai districts (Chitwan and Makwanpur) have transferred possession of their leased land to non-members. In this line, the poor have started selling their land to large farmers at nominal prices in order to repay their loans without any basis of policies and legal frameworks to transfer the possession. If such practices persist, the number of *de facto* poor households participating in leasehold program will be decreasing, ultimately challenging the pro-poor objectives and the legal provisions of the program.

Fourth, the need of the program to support and augment the livelihoods of the poor has been recognized through pro-poor LHF. However, the program strategies of Leasehold Forestry are often incompatible with the actual livelihood strategies of the poor. Due to regulatory constraint, cultivation of agricultural crops is not allowed in leasehold forestland, although the silvo-pasture model is allowed. In response to this, Thoms et al. (2003) suggested that crop production should be allowed in leasehold forests for poor people's food security. For the poor, it might be difficult to shift from their existing status to large livestock farming (e.g. buffalo) because of the high investment cost, long waiting time and the associated risk on such investment. As the major target households of the project are ultra-poor, such households may need to adopt the strategies to ensure a daily return for their daily livelihood. Likewise, selling milk might be a social barrier to *Dalit* (so called untouchable) households. Hence, the poor may put their priorities on crop production rather than livestock rearing, especially in the case of buffalo. IFAD (2003) also noticed that the number of buffalo in the leasehold groups remained nearly constant but the number of goats has increased over the project period. Below is an example of a priority of the leasehold farmer in which he wants to grow crops but found that it was not possible due to the regulatory constraints of the Leasehold Forestry program, resulting in his leaving the group membership.

“People from project handed over the land as Leasehold Forest where I used to grow staples as my fellow villagers do. I personally bought the same land for NRs 25,000, although it was an unofficial transaction, but recognized at local level. I also joined the leasehold group in the beginning, but later I knew that I cannot grow staples anymore in that land and I left the group” said one of the ex-leasehold members from upper Gyanjha village of Gorkha district.

Fifth, a focus on handing over degraded land means that there is limited potential of land resources to alleviate poverty. Only degraded forest sites have been legally identified as potential leasehold areas and handed over accordingly in the form of Leasehold Forests. Forests with less than 20 percent crown cover are the maximum limitation of the sites defined in the policy documents. If there are some large trees left during the hand over, the leasehold groups do not have right to use them, but have to protect these trees until the government removes them without compensation to the groups.

Sixth, there are mixed results in the link between the forest condition and actual supply of forest products to the poorest despite improved forest conditions. Studies undertaken in Ramechhap and Kavrepalanchok districts revealed that a few years after their hand over, the condition of Leasehold Forests had significantly improved in terms of species diversity, growing stock (number of trees and saplings), ground cover, fodder supply, fuelwood and other forest products. Alongside these evidences, there are also cases in which the amounts of take-home products, especially for the poor, have decreased. Bhattarai et al. (2005), from a study of a cluster of eight groups in Kavrepalanchok reported that the amount of forest products accessed by the poor had been reduced, whereas the access of the non-poor households had increased. The reason behind such results could be attributed to the fact that the poorer households have been confined to smaller areas than were available to them before the hand-over of the Leasehold Forests. The remainder of the common property forest was allocated for other leasehold groups and the poor. Thus, the poorest were excluded from the larger forest area that they had been using before the handover. The relatively better-off families, who rarely visited the forests before hand over, now received the same amount of benefits as the poor had received from the Leasehold Forests. This is because the group had adopted equal distribution mechanisms to share the benefits among leaseholders. We do not mean to imply that the previous resource management approach was sustainable and appropriate. Rather, in this particular situation the poor are even more marginalized and benefits are not equitably distributed, as they have to be confined to a smaller and lower quality forest area. This situation might be more prevalent in areas where the households have no other alternatives, such as membership of a Community Forest).

The discussions above reveal that inconsistency exists in both policy guidelines and implementation of Leasehold Forestry for the poor. The inconsistency is pronounced when the program has a major objective to enhance poor people's livelihood through the establishment of their exclusive access to forest resources. Supporting operational instruments to achieve the livelihood objectives for the poor is important. In this connection, the need for improvement within the existing framework of the program or seeking some other alternatives to achieve the livelihood goals of forestry has been noteworthy.

3.2 Community Forestry

Community Forestry, as discussed earlier, has come a long way from its preliminary objectives to improve forest conditions through people's participation. The belief that CF should provide inputs to uplift the livelihoods of the forest-dependent poor has been felt over the past several years. The Fourth National Workshop on Community Forestry in 2004 highlighted the multiple facets of Community Forestry that contribute to the achievement of national and international development goals. One of the major findings of the workshop was that CF has substantial potential to attain poverty reduction goals within its framework through the enhancement of various natural, social and financial capitals of user households. The implementation of Community Forestry is focused in the mid-hills and debates are still on-going as to whether it is an appropriate mechanism for the Terai and high hills regions of the country. Regarding the beneficiaries, any households of any economic strata are eligible to be members of Community Forestry User Groups (CFUGs). The tenure period in CF is not limited, though it is subject to the renewal of the Operational Plans (OPs) of the respective groups. Generally, the Operational Plans are developed to guide the CFUGs actions over the course of five to ten years. There is a policy provision in Community Forestry that if some groups violate the agreement made between the Forest User Group and the DFO, the control of the community forest can be rescinded to the government, though under another provision the DFO has to re-allot the forest area to form a new group.

In this section, we have analyzed how principles and policy provisions and their implementation have influenced the access of poor people to the forest resources in CF.

First, Community Forestry has been able to create positive conservation impacts, but has yet to achieve adequate livelihood impacts. Conservation goals of CF have been achieved and resource management responsibilities have been devolved down to the community level (Kanel 2004; Malla et al. 2003, Malla 2000) In the beginning, commonly referred to as the first phase of the development of CF, the focus was primarily on environmental issues, such as protection and conservation of forestland, establishment of the structure of the implementation, building of the capacity of the DoF staff, and institutional transformation of the management responsibility of the forest from DoF to the FUG, according to the CF guidelines. In this phase, a large number of CFUGs were established and achieved good results in forest protection and conservation.

In some cases, the access of the poor and marginalized people to the forest resources has been reduced in CF. Exclusion of poor and marginalized households during user group formation due to inappropriate identification processes has been found to be an important obstacle, barring poor people from accessing forest resources. Even if the poorest people are incorporated, their access to resources has been constrained as a result of protection-oriented management strategies imposed by local elites, often in collusion with technical forestry staff. The focus of this approach has been to allow regeneration without leaving any alternative livelihood strategies for the poor, who heavily depend on forest resources. Another reason for limited livelihood impacts is that only a small fraction of Community Forest areas is being harvested, limiting the amount of products available to user households.

Similarly the cost of volunteer works, such as attending meetings and patrolling the forest lands, has become costly to the poor. In some scenarios, the poor members have even given up the CFUG membership to maintain their livelihoods. FUGs have put high entry fees on new memberships for those who were excluded during initial formation and are normally not affordable for poor households.

The reasons behind such results have been many: a) inadequate support services on the part of forest offices provided to the FUGs to intensively manage the forest so as to create opportunities for poor people to access forest resources, b) inadequate awareness of and exposure to, on the part of the CFUG members, government policies and rights of the users, including the marginalized sections of the groups, c) domination of elites in decision-making processes, often resulting in the promotion of timber production, whereas the priorities of the poor are other than timber, and d) large number of OPs needing revision. Recent government guidelines require that before the renewal of OPs, CFs be technically inventoried, which is beyond the capacity of local users. It has hindered the active management of the community forests.

Secondly, the amount of take-home products by the poor has decreased. Poor users can afford only a limited amount of products, as compared to their requirements, because of the prices imposed by the CFUGs for different forest products. Some CFUGs claim that the prices are heavily subsidized and below market price but they have been still found to be beyond the paying capacity of the poor. Chhetry et al. (2005) has named such phenomena 'hidden subsidies,' in which pricing mechanisms have increased the access of the non-poor to capture forest products, but has not increased the access of the poor. Another limiting factor to increase the access of the poor is that the majority of the CFUGs have applied equal benefit distribution mechanisms to each of the households of a group, irrespective of their varied dependency level and paying capacity.

Thirdly, the poorer sections of the CFUGs have limited access to the group income. CFUGs have generated a large amount of money from the sale of forest products and from other sources. Kanel (2004) reports that, based on the user price, the annual income of FUGs in Nepal is NRs 914 million, wherein 83 percent of the total income is generated from the sale of forest products. While looking at the expenditure side, more than one-third of the total expenditures are spent for community infrastructure development and only about three percent of it is spent on pro-poor programs (ibid.). Focusing the expenditures of common funds on infrastructures, such as roads, means that the benefits are greater to the wealthier households, as compared to the poorer, who give priority to subsistence.

Fourth, despite the common phenomenon of inequitable resource use in Community Forestry, some examples of poor-focused initiatives have indicated a potential for impacting the livelihoods of the poor. Although Forest Act 1993 and Forest Rules 1995 are silent in provisioning specific arrangements for pro-poor Community Forest management, other recent national level policies of the government, such as the Tenth Periodic Plan (2002-2007) and the Poverty Reduction Strategy Papers have paved the way for initiating pro-poor activities in CF. For instance, the Tenth Plan has clearly spelled out that the Leasehold Forestry concept will also be applied within Community Forestry groups to increase the livelihood opportunities of the poor in terms of increasing economic, social and human capabilities of the poor below poverty line (HMG/N, 2002). There have been recent innovations in which pro-poor Community Forestry has already been initiated in Udayapur, Dolakha, Ramechhap and Parbat districts. Allison et al. (2004) argued that one of the driving forces behind the policy shift from a protection orientation to a livelihoods approach in CF could be attributed to the fact that poor households in some user groups were more active in forest management once their infrastructure and livelihoods issues were addressed. Livelihood oriented programs of LHF might have also raised the argument that any forestry program, including CF, should adopt livelihood approaches for sustainable resource management (Personal Communication

with an official of the bilateral project). For such innovations, well-being ranking is considered to be a first step in identifying the different economic strata so that the benefits and services can be directed to the poorest households. Within DFID-funded project districts, some portion of community forestland has been allocated to the poor for their exclusive use, followed by further distribution according to the well-being rankings within the user groups. Another example from Navalparasi district shows that the entry fees for the poor who wish to enter the CFUG have been waived and group funds are allocated to poor households for enterprise development and home construction (Bhattarai 2005). In some cases, FUGs have started distributing forest products free of cost to the poorest households, such as in Dolakha, Ramechhap and Okhaldhunga districts (Pokharel et al 2004). Accordingly, some CFUGs have started to build alliances with other institutions in search of direct supports to different dimensions of poverty reduction at the local level (ibid). Sharma (2004) has reported that following a pro-poor program orientation, 111 poor households were selected out of the 34 FUGs within Rapti zone of the country to receive support for bee-keeping, goat-rearing, vegetable farming, pork raising, bamboo handicraft making, briquette production and *Chiuri ghee* (butter of *Aesandra butyracea*) production.

3.3 Opportunities and Challenges

The evidences presented above and the resource access variables in LHF and CF discussed in Table 1, show that both opportunities and challenges are present in both Leasehold and Community Forestry, in relation to providing increased access of the poor to forest resources. The following discussions outline some of these opportunities and challenges.

First, Community Forestry gets priority during the hand-over process, irrespective of pro-poor or other forms of Leasehold Forestry. The Leasehold Forestry Policy of 2002 has recommended the priority be given to pro-poor Leasehold Forestry over other forms of forest management models, but this has yet to be included in legally recognized and enforceable documents. The chances of such improvement have diminished as the Amendment of Forest Regulation in 2002, after the approval of the policy, deliberately omitted the pro-poor Leasehold Forestry section. Similarly, user groups in Community Forestry have gained the legal status of autonomous and self-governed institutions, while there is no such provision in the laws for Leasehold Forestry User Groups. Lengthy and complex processes in getting approval of Leasehold Forests also means that the opportunity cost of beneficiaries in such process is substantially high.

Secondly, the tenure-related rights are important to enhance the poor people's access to resources in order to create livelihood impacts from CF and LHF. The tenure-related rights are stronger in Community Forestry, as it supports an unlimited term of years for the communities to exercise their management and use of the forests. Although the continuation of the CFUG management is subject to the periodic renewal of the operational plan, there is less likelihood that the government can take over these forests. However, tenure security exclusively for the poorer households in CF has yet to be addressed. The Leasehold Forest has limited term of 40 years and, at most, it can be extended to another 40 years. Although the term is sufficient for short rotation crops, it has substantially reduced the incentives for the poor to invest inputs that have relatively long gestation periods, such as planting trees.

Table 1. Resource Access Variables in CF and LHF

Criteria	CF	LHF
Tenure security	Unlimited but the operational plans are made generally for five years. Communities feel secured over continual ownership of forest ⁸	40 years and possibility of renewal for another 40 years
Legal priority	First priority	Second priority
Extent of rights	All forest products (except wildlife and minerals) subject to approved operational plan	Only the forest products grown after forest hand over
Targeted resource users	All community members irrespective of wellbeing status	Focus on poorest
Quality and Productive potential of forest resources	All types of forest land (the condition of the majority of CF is good)	Only degraded land which includes shrub land, land covered from the encroachers, land below 20% crown cover.
Area of available land	61% of the total forest land is identified as potential CF ⁹	Only 10% of the total forest land (degraded land) is potential for LHF. ¹⁰
Institutional arrangement	Community Forest User Groups (CFUGs) are legally recognized as autonomous organizations.	Not clear whether they are autonomous and self-governed
Transaction costs (to resource users) involved in gaining resource access	Since District Forest Officer (DFO) is authorized to hand over, transactions costs related to application processing and formal transfer of resource tenure are relatively low.	Transaction costs is higher as the decision has to be made at Ministry level after the application submitted to DFO is forwarded to the ministry through Regional Director and DoF.
Allowable forest area per household	No legal or program-defined limit.	One hectare per household on an average.

Thirdly, the extent of rights over the resources is substantially different in the two programs. In Community Forestry, user groups can harvest all the products technically available from the forests as prescribed in operational plans. Even the trees grown before the handover of CF can be harvested, providing that an average annual increment is accounted for. Once the DFO approves operational plans incorporating inventory data on growing stock, mean annual increment and annual allowable cut of the forests, the CFUGs are allowed to harvest the forests, on the basis of the plan. However, this does not necessarily mean that the poorer users are involved in decision-making processes or that the harvest gets distributed with a livelihood emphasis. In Leasehold Forestry, on the other hand, the users can harvest only those products that have been grown after the hand-over. It is contradictory that Leasehold Forestry, which exclusively targets the poor, has provided substantially less opportunity for the poor to utilize the optimum quantity of resources available in the Leasehold Forest.

Fourth, in addition to Leasehold Forestry's pro-poor programs, issues of the poor have also emerged in Community Forestry. The Community Forest is handed over to the comprehensive community as a user group, while the Leasehold Forest is handed over to the poor households within a community. Over recent years, innovative approaches in CF have

⁸ Forest Act 1993 (article 28) has a provision that even if a CF is taken back upon violation of legal arrangements, the DFO is required to hand over the forest again to the local communities.

⁹ HMG/N (1988). Master Plan for the Forestry Sector Nepal, Main Report. Kathmandu, His Majesty's Government of Nepal, Ministry of Forests and Soil Conservation.

¹⁰ Singh (2004)

been initiated so as to address the livelihood issues of the poor. Leasehold Forestry, on the other hand, has exclusively targeted the poor since its inception. Yet, some evidences show that relatively better-off people have been involved in Leasehold Forestry, revealing noticeable variances between policies and practices. Likewise, in Community Forestry, the elite domination has been found to bypass the livelihood interests of the poor, despite the pro-poor initiatives.

Fifth, the quality and productive potential of Community and Leasehold Forestry are not similar. There are no legal restrictions in Community Forestry with regard to resource stock and potential, although the Forestry Sector Policy of 2000 restricts the hand-over of contiguous large blocks in the Terai without concrete support from legal documents. The provision of disbursement of degraded forest sites as Leasehold Forests, on the other hand, connotes that the growing stock, stumpage values and productive potential are on average considerably lower in LHF than in CF.

Sixth, the available area of land for LHF and CF is another outstanding issue that needs to be reviewed. The potential Community Forest area was estimated to be more than sixty percent of the total forest area in the country; while only ten percent of the degraded forest land of the total forest area has been identified for Leasehold Forestry. In LHF, there are limitations of land allocation. In CF, if the groups decide to allocate land for the poor and the poor are able to negotiate, they can perhaps gain access to larger areas of land. In addition to this, if Community Forestry groups grant lands to their member households, they can also allocate forest areas in good condition that have high productivity. Hence complementarities between these programs are the key for maximizing the benefits to the poor.

Seventh, the allowable forest area per household in the two programs is different. In Community Forestry there is no limitation on defining the area of the forests to be handed over. But in Leasehold Forestry, the land is equated in such a way that, on average, one hectare of degraded forest is allocated to each household in a group. In CF, there is potential of handing over a larger area of forest to the poor. If CF groups want to allocate some patch of land to the poorest households, a practice already in place, the poor within CF will get greater area of land. Yet the potential is contingent upon how democratically the decision-making in CF is in addressing the needs of poor households.

Finally, there is often a conflict in the implementation of these two programs in the field. Prior to 2002, CF benefited from its priority over LHF, means only the land not claimed by the local people to form Community Forests was eligible for Leasehold Forestry. From 2002 onwards, both of the programs receive equal priority. During implementation, high levels of confrontation are observed, whether to manage a patch of forest in the form of a Community Forest or Leasehold Forest. One of the leasehold farmers from Kavrepalanchok district said, "If we were aware about the policies and programs of both Leasehold and Community Forestry in the beginning, we would have been formed a Community Forest instead of a Leasehold Forest" for that particular area. The Leasehold Forestry groups of this site were formed for a patch of land that was previously held under common use. However, some of the families were not included in the leasehold group. Consequently, the excluded families heavily resisted the leasehold groups. The conflict escalated to the ministerial level, resulting in the addition of a few households as leasehold members (Bhattarai et al 2003). The remainders are still not included formally, but are using the same patch of Leasehold Forest. In some cases, the reverse examples have been found in which users in Community Forestry stated that they would have formed a Leasehold Forest had they been aware of the program

during the handover (Personal communication with one of the senior government officials at DoF). Such conflicts could be minimized if sufficient dialogue and discussion could be made at local level among the community members and the support institutions. Hence, the issue of priority-setting, with regards to who will have access to what forest areas, should be given to the local communities. Since the DFO staff are those responsible for the implementation of both of the programs, it is they who would be in a good position to facilitate community discussion to allocate appropriate land areas to the respective users, assuming that they have gone through a proper orientation, have a high level of motivation to work in favor of the poor, and are in good harmony with the rest of the community.

4. EMPOWERMENT

As defined by the World Bank, "empowerment is the process of enhancing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Central to this process is actions which both build individual and collective assets, and improves the efficiency and fairness of the organizational and institutional context which govern the use of these assets." Recognizing the historic processes of political exclusion as the barrier to democratization and empowerment of marginalized groups, the Nepal Human Development Report recommends empowerment to be made the centerpiece of development agendas. This resonates with growing critiques of technically-oriented and even marginally political approaches to development under the rubric of 'participation.' In this section, we present insights and evidences on how far CF and LHF have provided opportunities for empowerment of the marginalized groups beyond technical assistance in resource management.

4.1 Leasehold Forestry

The Leasehold Forestry program has offered a number of activities and schemes for the empowerment of leasehold groups who are supposed to be the poorest. Such activities include trainings in various topics for skill development; credit services to the poor, mainly for livestock purchase; encouragement for regular saving by the leasehold members; inter-group network formation; promotion of grass/fodder production for livestock; study tours and ongoing support for conducting meetings and group level activities.

We have identified the following key aspects as being crucial in determining the access of the poor to empowerment resources:

First, continuity and follow-up of the activities undertaken to empower the poorest is crucial. For empowerment purposes, trainings were given on a number of topics to Leasehold Forestry users. One of the officers of the Forest Department confirmed that the training was not properly utilized in the first phase for the benefit of the poor, because anybody could be eligible for training, irrespective of their well-being status. In some cases, where the trainings were organized exclusively for the poor, the opportunity of translating it to the pro-poor livelihood impact was minimal. In Kavre, Bhattarai et al. (2003) found that the trainings given were a "one-off" event, limited follow-up was made, and were thus unable to substantially empower the poorest. As the poor are deprived, in many aspects they need long-term support and follow-up. For instance, one leaseholder in Kavre district could not sell his products (which he produced after he received training from the Leasehold Forestry project) in the market due to lack of market information and support in reaching the market. He was unable to explore the market for his products outside his village by himself. In this situation,

if he could have received marketing support, he may have been able to earn income from the enterprise which he learned from the training.

Likewise, the project encouraged leaseholders to make regular savings but support for this aspect of the program ceased when the first phase of the project was terminated and the movement of the support staff was limited to the groups. Joshi et al. (2000) report that two groups out of eight leasehold groups in a cluster in Kavre had discontinued their savings and paid back the money to the respective households. The argument for such closure was that plans for utilizing the money could not be made and the saved money remained idle in the bank.¹¹

Second, actual livelihood outcomes are determined to a significant degree by the ways in which the poor and wealthier households who live in the same community engage in the process of negotiation of rights, responsibilities and livelihood opportunities. Conflict is observed between leaseholders and non-leaseholders in the utilization of the forest allocated for the leasehold group members. In some cases, non-leasehold members are also using the Leasehold Forest, though they are not legal users (Baral and Thapa 2004; Bhattarai et al. 2003). Such resistances of the non-leaseholders are due to the lack of alternative resources available for them to fulfill the demand of their forest products as they were doing from the same patch of forest before the hand-over of the area in the form of the Leasehold Forest to a limited number of households. Another reason could be the lack of adequate discussion and positive negotiation among villagers during group formation. Once an eligible household is excluded from the group during formation, there is no clear means of including them into the group. Even if the group formation problems were solved, there would be a lack of strong mechanisms to enforce property rights over the Leasehold Forest by the leaseholders to exclude non-leaseholders. Such use patterns of using the land by leaseholders and non-leaseholders have reduced the benefits accrued by the poor members. The chairperson of one of the leasehold groups from Tanahun district said that he could have doubled his income from the Leasehold Forest if he had received adequate levels of cooperation from his fellow villagers. He further said that his fruits had often been stolen and that cattle freely grazed upon his leased land, thereby reducing his income (cited in Baral and Thapa 2004). The forest before hand-over as a leasehold forest was a *de facto* free access property for all of the villagers. However, after the hand-over, only group members received exclusive user-rights over the leasehold forest, resulting in a reduction of cooperation that had previously been established among the villagers.

The approach taken by the project made it difficult to choose the right beneficiaries of the project: rich farmers were included while the real poor were excluded from the groups. Bhattarai et al. (2003) reported that only 27 percent of the households (out of 78 households) were poor according to the local criteria developed by the community themselves. Similarly, in Ramechhap, only 20 percent of the leasehold farmers are identified by the community as poor¹². Baral and Thapa (2004) report that DFO staff members are leasing land to a limited number of people, while ignoring the surrounding communities, resulting in mistrust and

¹¹ One of the chair persons of Charpipal leasehold groups of Kavrepalanchok said that “the project staff asked us to save the money in the beginning of the project but we had to discontinue immediately after the first phase of the project was over as there were no plans for the use of saved money. We even had to face the police case which ended when we gave back the money to the respective individuals (cited in Bhattarai et al. 2003).

¹² Informal survey conducted by Nepal Swiss Community Forestry Project in one of the leasehold groups of Ramechhap district- personal communication.

resistance from the other members of the community. A more participatory approach that allows the local community to decide who the real poor are could solve the problem.

Third, the extent to which the project actors push and control a program is related to the degree of participation on the part of beneficiary group. Leasehold Forestry is taken as a community-based resource management approach, targeted at achieving pro-poor livelihood impacts, but it requires a substantial degree of poor people's participation in it. Such participation is, in essence, a result of the interaction between the beneficiaries' interests and project intervention. However, independent researchers and project staff have different opinions regarding the degree of poor people's participation that has been realized in the program. Thoms et al. (2003) report that Leasehold Forest hand-over was driven more by the interest of the government staff than the interest of the community, often resulting in the low participation of the poor. In the same vein, Ojha et al. (2005) analyzed the 'deliberative deficits' in the practice of the Leasehold Forestry program in a site in Kavre district (Table 1), indicating the predominance of technocratic rationale. This focus reflects the preoccupations of program staff, policy makers and government officials, rather than the aspirations of the local forest users.

Table 2. Development Actions, Guiding Technocratic Assumptions and Deficits in Deliberation

Developmental Actions	Guiding Technocratic Rationale	Deficits in Deliberation
1. Identification of the poorest households	Use of objective criteria (e.g. land area and annual income) developed by experts. Project staff externally decided who would be eligible to be the members of the LFUG.	No accommodation of contextual variation in the criteria and external (expert) interpretation and decision on who is and who is not the poorest. Potential members and non-members of the LFUG did not have the opportunity to negotiate and define the membership. As a result even the traditional users of the forest were left out.
2. Formation of leasehold forest user groups	Formation of the LFUG committee is a more important aspect than whether the local people get adequate space to discuss group membership and goals	Community members did not get space and time to discuss why the group would be needed. Even the executive committee members were elected in their absence.
3. No communication of comparative provisions of CF while forming LFUG despite legal requirement	Leasehold project staffs were afraid of likely claims for CF on the land where they were keen to organise LFUGs. It is project staffs who are thought to be better able to identify better choices for the local communities.	Communities who have long fought for the establishment of community forestry did not know when LFUG was being established. Had they known the process of LFUG formation was being undertaken, they would have claimed for the more inclusive option of CF establishment.
4. LFUG meetings and savings schemes were undertaken under the influence of project staff	Project staff believed that by conducting monthly meetings and instituting a savings scheme, poor members would draw livelihoods benefits. Also, project staff needed to affect some visible, concrete developmental activities by the group in the project area.	People were influenced by the power and technical advice of the project staff. The former agreed to the advice of the staff, anticipating that the project would provide some concrete benefits if they abided by the requirements of the project. Because of this, they undertook savings schemes and held regular monthly meetings. However, as soon as the project was phased out, they discontinued the activities. People were thus not in a position to put forward their very internal views when meeting with the project staff.
5. Criteria of loan disbursement not accessible	The criteria of having collateral for loan disbursement was oriented to providing a security for the	Poorest members inquired as to how they could access the loans if they did not have sufficient land as collateral. They had to rely upon the local elites to submit the collateral on their behalf, for

to the poorest	loan rather than benefiting the poor. It is more important to reclaim the investment rather than genuinely help the poor.	which they had to pay high interests to the landlord. The poorest were not allowed to participate in the loan disbursement process as designed, and they were not able to persuade the project to change the lending criteria.
6. Training on entrepreneurship and economic skills	Providing training will enable the poor to enhance their incomes.	Apart from skills, other dimensions of entrepreneurship were not explored. No follow-up and/or monitoring mechanisms were implemented after the training. Participants of the training were neither able to challenge the project on its training limitations nor was the project itself prepared to deliberate openly on the conditions and possibilities of the poor.

Source: Ojha et al. (2005)

In contrast to the claim that limited participation of the poor occurred in the program, counter arguments are also found. Kafley (2005) noted that there was high participation of poor, ethnic groups and women. According to his study, significant positive changes have been observed in the decision-making power of women. For instance, before the introduction of the leasehold project, only 10 percent of women were capable of deciding for themselves, increasing to 25 percent four years after the initiation of the Leasehold Forestry program. Similarly, Ohler (2000) reported that the inclusion of ethnic castes was quite encouraging in leasehold groups. He revealed that the portion of mongoloid groups (consisting of the *Tamang, Magar, Gurung, Rai* and *Sherpa* ethnic groups) was highest in the leasehold groups, consisting of about 45 percent, whereas the share of high-caste Hindu groups (Chhetri and Brahmins) was only about 20 percent.

The degree of participation of the poor, however, could be increased to a higher level. The limiting factor for encouraging participation of the poor is partly due to the limited time and capacity of the service providers. The poor need more and specialized supports and services, but little can be expected, as the forest department staffs are still not becoming accustomed to providing livelihood-based services to the poor¹³. In this regard, the need for organizational strengthening of all the implementing partners of the Leasehold Forestry program has been observed.

Fourth, project services can have positive impact only when the conditions and process of service delivery are sensitive to the economic conditions of the poorest. The complexity of the services to be provided by the Leasehold Forestry project begins with the group formation process. The existing leasehold groups used to register with the Small Farmers Development Project (SFDP) under the Agricultural Development Bank of Nepal (ADB/N) but the forests' lease is approved by the Ministry of Forest and Soil Conservation.

Existing loan procedures are not favorable for the poorest households. The loans are granted only against collateral, which is beyond the capacity of the majority of the poor households. In the event that they find a means of providing collateral, the lessee has to face the long and cumbersome bureaucratic process of loan approval, proving to be even more difficult than in the non-project areas. In fact, the poor have had to bear a high cost of collaboration upon entering into the loan-processing scheme. They have to get approval from multiple government institutions. In such cases, only those households that have property to show for

¹³ One of the DFO of the project districts verifies that we learned biology not the anthropology which deals about the behavior of human beings. That is why we could only focused more on environmental concern instead of focusing on acute poverty of the poor which we are slowly progressing.

collateral and have access and contact to the relevant institutions can apply for the loans. One leasehold member from Charpipal of Kavrepalanchok district said that it took more than three months to get approval from all of the participating organizations and complete the loan process (Bhattarai et al. 2003). ADB/N's traditional working nature has hindered the establishment of a pro-poor credit program as envisaged by the project (IFAD 1996). In addition to the requirement of collateral, the bank would not allow the households to be involved in the leasehold group if it did not pay back the loan it had individually borrowed before the group formation. Dhakal (1997) argued that in such case, ADB/N could stop the approval of new loans to that household, but barring it from entering the group is neither legal nor justified.

Fifth, involvement of civil society in the process of empowerment is crucial. Singh (1997) identified various forms of conflict within Leasehold Forestry, such as boundary claims, community consensus, group formation and intra and inter-groups conflicts. He noted that there are fewer conflicts within Leasehold Forestry where the NGOs are involved and have good collaboration with Community Forestry groups at the local level. One former department official who now acts as a consultant said that where the DFOs are cooperative and have involved existing Community Forestry groups and local level organizations, minimal conflict is observed (personal communication, November 2005). In contrast, IFAD has limited the role of NGOs and has recommended the limitation of involvement of NGOs in training of trainers for a short period of time, expecting that government agencies could be more efficient and sustainable in activities than could the NGOs. Interestingly, the mid-term review of the HLFFDP acknowledged the necessity of NGO involvement to overcome the staffing constraints of the government in various activities of Leasehold Forestry for the poor. In a similar line, UNOPS (1999) suggested that the participation of NGOs should be extended to further activities, such as village infrastructure development, literacy classes, installation of cooking stoves and nursery development, in addition to customary services such as group formation, operational plan preparation, land identification and forwarding loan application on the part of leasehold groups. Sterk (1997) recommended the establishment of a formal linkage beyond the program's current partners of the Department of Soil Conservation, the Department of Agricultural Development and Women Development Division, so as to strengthen the pro-poor Leasehold Forestry program. Some informal coordination at the district level in initiating such partnerships was initiated. The DFO of Ramechhap district said that they have already started to collaborate with other institutions such as Women Development Division, Micro Enterprise Development Project (MEDEP) at the district level to direct available resources to the poor people¹⁴ (personal communication, November 2005). However, there were rarely such linkages effective enough to tackle the issues of program coordination.

4.2 Community Forestry

The empowerment of poor people in Community Forestry is noteworthy. This is true when there is a growing concern about the governance of CF, particularly within users' empowerment, which involves the inclusion of disadvantaged communities in decision-making and benefit sharing. Government policies, programs, legal frameworks, access to information, and the involvement of civil societies are some of the variables that determine the level of empowerment. The following sections highlight the aspects of empowerment of the poor in Community Forestry.

¹⁴ Personal communication with DFO of the project district

First, whether or not the poor are directly addressed by the program is crucial in determining the level of empowerment. The general approach of Community Forestry is that support institutions are not explicitly poor-focused in their actions. Target fulfillment is often the basis of the government's evaluation of the performance of their staff, possibly being one of the constraining factors for the provision of increasing pro-poor support. For these reasons, the motivations and orientations of government staff towards pro-poor program development are limited. While providing services to CFUGs, the Community Forestry program has had its focus on 'community' until the issue of equity began to surface. Often, the community members are regarded as a homogeneous entity, despite the prevalent differentiation in power and position of the members in terms of class, caste, gender, ethnicity, education and age.

The Master Plan for the Forestry Sector and Community Forestry Rules has emphasized that the management of Community Forests should fulfill the basic requirements of the poor and women. There is still lack of explicit policy provision to support the livelihoods of the poor people. Similarly, the management plans of the CFUGs do not tend to specify the allocation of forest and other resources for the poor. Although the guidelines for CF have specified in detail the processes of CFUG formation and preparation of the OP, it does not differentiate between the different well-being groups within the planning and decision-making processes. The inventory guideline introduced in 2000 has ignored the full participation of the poor in the inventory processes. Ojha (2002) argues that the guideline has created greater differences in power between the government staff and community people. He further argues that the possible alliance between government officials and local power elites may result in the use of scientific practices to reinforce their power by denying the poor access to resources that they (who have no private trees) need from Community Forests.

Often, the trainings and exposure visits, which are organized by government, non-government offices and CFUGs themselves, are regarded as important activities for CFUG empowerment. The evidences demonstrate that a very limited number of poor members participate in such programs. Bhattarai (2005), from the analysis of the exposure visits of five consecutive years within a single CFUG, found that the participation of wealthier male members is nearly 50 percent, whereas the participation of women and poor members is very low. It is important to note that these study tours were funded by the CFUG fund.

Second, awareness of the forest-dependent poor on their legal rights and access to relevant information affect their potential for empowerment. The evidences have shown that the participation of the poor is limited and that poor and uneducated farmers are marginalized from the process of Community Forest management. The poor are not aware of their rights and responsibilities, reducing their ability to bargain with other members and institutions and preventing them from participating in CFUG business. Malla et al. (2003) report that more than 50 percent of the CFUG members are unaware of the basic aspects of Community Forestry. As there are a number of unpaid tasks to be performed by the CFUG members, the poor members, because of the costs of their daily livelihood, cannot participate. The cost incurred by the poor households is high, in comparison with the benefits they receive. In some cases, the users have to pay both the cost of products and labor charge for cleaning and harvesting. Similarly, Adhikari (2002), from the analysis of transaction costs of 309 CFUG households, reports that the percentage of the total transaction costs are higher for poorer households than those for middle or rich households. In another case, Nightingale (2005) reports that criteria set by the service providers has also limited the participation of the poor.

She observes that the literate members are considered to be legitimate forest managers, serving to effectively exclude the poorest of the poor, who are generally illiterate.

Third, in heterogeneous groups like CFUGs, there is an opportunity for a constant process of negotiation on benefit-sharing between the poor and the rich. Equal distribution of benefits has become the predominant mechanism of the CFUGs of the country, irrespective of the diverse needs and dependency levels of the forest users. Equal price setting for every household, despite differing paying capacities of the users from different economic strata has prevented the poor from receiving equal amounts of benefits. Malla et al (2003), from the study of four CFUGs in the Western development region, reported that poorer households get 50% less in benefits from Community Forests than do the wealthy.

Poor households experience that the prices of forest products are often higher for them even if they are priced below market rate. There might be two reasons behind such arrangements, which include:

- The tendency for decision-making forums to be captured by less poor farmers, especially the management committees. The management outcomes are the result of the impacts of what it is decided in decision-making forums.
- Management decisions are often guided by what is written in operational plans of FUGs, which is generally full of prescriptions to be done in the forest, but often lack provisions to provide benefits to the poor people.

Fourth, when CFUGs are provided with an opportunity to critically reflect upon their practices, they are likely to develop more equitable provisions for benefit-sharing and decision-making. While CFUGs generally have limited practices of internal reflections over practices and conscious learning, there are innovative cases in which poor-focused resource mobilization strategies have been undertaken as a result of progressive internal deliberations in support of the poor. CFUG-level processes have started to focus on livelihoods rather than addressing environmental concerns alone. Paudel et al. (2001) reported that during the process of Participatory Action and Learning (PAL)¹⁵, a number of changes have been observed, including increased representation of women and poor people in CFUG committees and revision of operational plans for the provision of special benefits to the poorest households. PAL involves a series of steps where the present level of practices are reviewed, reflected and sensitized from equity perspectives. In another case, governance coaching, active management and pro-poor integrated development planning are taken as important methodological aspects for developing pro-poor forest management development (Pokharel et al 2004).

Likewise, Timsina et al. (2004) report that PAL methodology carried out in Gagan Khola CFUG of Siraha district has been effective in empowering the poor and marginalized, while at the same time facilitating the whole group to develop pro-poor governance and resource mobilization strategies. The key outcomes of the process were:

- inclusion of previously excluded poor households as forest users,

¹⁵ PAL is an interactive and reflective process in which the actions are reflected, lessons and learning are taken into account and future is envisioned with action oriented plan. During the entire process, people of different interests participate in series of discussions which allow them to voice their concerns particularly of the poor and disadvantaged. It involves a series of steps and processes to arrive at the final stage of agreement and plan

- creation of mechanisms for continuous monitoring and communication within user households,
- initiation of equitable forest products distribution system, and
- Establishment of poor focused income-generating activities.

From the analysis of outcome of the process, the authors emphasize that the key skills required for such action and learning processes are the commitment of community members to carry out a series of actions and communication skills, negotiation, lobbying and pro-activeness on the part of facilitators.

In another site, Bhandari (2005) reports that PAL has become effective in raising awareness and empowering the poor, both during the process and afterwards. A number of positive changes have been observed towards pro-poor livelihood development which includes the inclusion of previously excluded poor members in FUGs free of entry fee, increased allocation of CFUG funds for poverty alleviation, increasing participation in the user assembly, and increasing the number of days of forest opening to gather the products upon which the poor mostly depend.

In a similar vein, (Sharma 2004), from a study of 11 FUGs of the Eastern region, have suggested the promotion of micro-level planning processes to strengthen the capacity of the CFUGs for finding need-based solutions instead of giving solutions from the central and district level. All of these have emphasized that the hamlet (*tole*) and household-level discussions are found to be crucial in identifying the poorest, encouraging their participation, promoting the representation of poor and marginalized peoples in leadership roles, and to increasing their voices within the discussion forums.

Fifth, service delivery mechanisms have addressed poverty issues poorly. The prevailing legal frameworks of CF do not necessarily require that the participation of the poor be mandatory to run Community Forestry operations. Forest Act and Regulation, two important legal documents to implement CF are silent with regards to specifically provisioning pro-poor programs and activities. However, the CF guideline (CFD, 1998) was prepared to ease the implementation of these documents and clearly stated that the involvement of poor and women is necessary in all stages of participation in CF, including decision-making.

Provided current policy and practices has not created a sufficiently conducive and encouraging environment for the poor to participate in CF activities, including decision-making. A blanket approach of service delivery to the heterogeneous user group as an entity does not address the interests of the poor within the group (Malla 2000; Graner 1997). Some NGOs and CBOs have adopted rights-based approaches to enhance the poor's access to empowerment processes. For instance, Federation of Community Forestry Users, Nepal (FECOFUN), an umbrella organization of Forest User Groups across the country, has started campaigning for the solidarity of the poor in the groups for their empowerment. However, often the poor are not organized to seek their rights from CF management. They seek support and favors from other members and granted what Malla (2001) has dubbed the 'patron-client relation' between the poor and other members of the community. This is confirmed by Bhandari (2005) from observations of one of the assembly meeting of the CFUG, wherein the poor members were scattered and some of them were even absent with the hope that their concerns will be raised and defended by better off members of the CFUG. Another widely observed reality is that the poor households are often scattered throughout the village, either

near to the forest or near to the riverbanks, causing difficulty in organizing them and promoting their solidarity.

Sixth, one of the reasons for limited equity and livelihood impact from Community Forestry is that civil society-based service providers are not given adequate space and encouragement. As Community Forestry processes involve multiple aspects of resource management and socio-economics of the CFUG members, it needs diversified supports and services. In this regard, the available human resources of the government are neither adequate nor qualified for this. Although the Forest Act (1993), Forest Rules (1995) and CF Guideline (2001) have provided the space for the services and support to Community Forestry development processes, in reality, there is limited recognition and encouragement in practice¹⁶. There is still a domination of technical experts in Community Forestry planning and decision-making.

By law, the CFUGs are independent to get services and support, according to their requirements. A survey conducted by Dhital et al. (2002) in thirteen districts reported that the existing technical capacity of the DFOs is limited to the provision of inventory-limited services, directly affecting the management of the Community Forest. In addition to this, they found that the services of the non-government sector are not recognized by the DFOs even though they are competent.

4.3 Looking into the Gaps

The evidences presented in earlier section and the aspects of empowerment briefed in Table 2 show that both opportunities and challenges are observed from both Leasehold and Community Forestry, in relation to providing increased empowerment services to the poor. The following discussions outline the gaps in LHF and CF in terms of enhancing poor people's empowerment for their better livelihoods.

Table 3. Aspects of Empowerment of the Poor in LHF and CF

Aspects of empowerment	LHF	CF
Continuity and follow up	The activities undertaken by LHF groups are short term (project-based), not continued for a long (UNOPS 1999)	The activities undertaken by CFUGs are supported by other support providers and the groups themselves
Opportunities for negotiation between the rich and the poor in the same community	Since the groups are relatively homogeneous poor with degraded resource base, the opportunities for negotiation to scale up livelihood impacts are limited.	Since the CFUGs are heterogeneous groups, there is high potential of negotiation to benefit the poor
Compatibility of the services with the needs, aspirations and conditions of the poor	Service mechanisms are not accordance with set objectives.	Scope of group specific and need-based activities is higher.
Extent of civil society involvement in empowering the poor	Limited by program design	Varies from limited to high level of involvement in different context.
Appreciation of learning during implementation	Limited because of centralized modality.	High opportunities because of multiple projects and an evolution of multiple stakeholders

¹⁶ One of the NGO activist disclosed that the local DFOs are not ready to recognize him as a service provider rather as a problem creator.

First, there appears to be limited scope for strong political empowerment at the community level in LHF. This is in part related to the fact that the services provided by the LHF project are less owned by the leaseholders, as they were designed and implemented with limited consultation with the beneficiaries. In Community Forestry, FUGs generally get some spaces to influence strategies of service delivery of the service-providing institutions through annual planning workshops of DFOs. Activities of FECOFUN have also highlighted the community perspectives at different levels. But there is still limited representation of the poorest and marginalized groups in such processes.

Second, the segregation of the poor from the community does not necessarily allow them to become empowered without mainstreaming poverty reduction agenda within the respective communities. Community Forestry User Groups are more resourceful in terms of material and cash mobilization and in the initiation of strategies and ideas to design poor-focused empowerment schemes. However, in the case of Leasehold Forestry, homogenous poor with degraded resource bases have limited potential to negotiate for designing poor-friendly empowerment schemes locally. The isolation of the poor from the community results in a limited scope for them to engage in decision-making processes concerning the whole community. There is lack of social mechanisms for the creation of environments conducive to the inclusion of the poor in power-sharing process with better off households in the community. Persistent alienation between the poor and the rich can result in the continuation of elite domination in LHF, as the bargaining strength of the poor is divided. If better negotiations can be facilitated between the rich and the poor, the latter can have better access to community resources.

Finally, technical service delivery from the project staff is not sufficient to empower the poor. As project technical staffs tend to promote their own technical ideology and knowledge (Nightingale 2005), they have limited capacity and commitment to engage in empowerment processes. Being smaller in size and having homogenous households, the identification of needs and priorities might be comparatively easier and feasible in leasehold forestry, if designed carefully. In Community Forestry, despite the involvement of multiple service providers, there is still a dominance of technical perspectives, rather than political empowerment of the marginalized groups. Even in the multi-stakeholder program of Community Forestry, there is limited practice of monitoring and learning at policy level which is reported to be one of the factors behind limited responsiveness of the policy to the practical needs.

5. Entrepreneurship Development

Community-based natural resource management programs, including LHF and CF, are heavily focused on the subsistence-oriented management of resources. Both CF and LHF were in large part driven by a conservation-oriented response to the crisis of land resource degradation, although the latter also had a pro-poor objective as well. As the two programs evolved over time, concerns over the potential of subsistence use in livelihoods enhancement were raised. At the same time, many forest products, including non-timber and medicinal products have been found commercially valuable in the rapidly globalizing markets. Liberalization policies of the government and the growing consumer awareness on green and equity-certified products have both encouraged the development initiatives to find solutions of poverty in the promotion of entrepreneurship and providing market linkages. This section examines the practices and innovations on entrepreneurship development in the contexts of CF and LHF.

5.1 Leasehold Forestry

Despite the wide range of income generation activities of LHF, only a few were successful in the first phase of the project. The activities carried out by the project have included livestock rearing, bamboo production, bee keeping, horticulture and the sale of fodder seeds and seedlings. IFAD (2003), from the evaluation of income-generation activities of Leasehold Forestry, has also reported that the livestock rearing, particularly of goats, and the sale of fodder seeds and seedlings are found to be viable. There are approximately 1,800 households that have earned income from the sale of fodder seeds and seedlings (ibid.) Ohler (2000) reported that within a period of 6-7 years, the groups have earned 16.4 percent of their income from fodder sales. Similarly, Kanel (1998) reports that the leaseholders have earned money from the sale of fodder and bamboo products.

The training programs were found to have been designed to establish enterprises based on the training given to the poor households, such as for the fabrication of handicrafts. However, such trainings have had limited impacts on the development of enterprises, as the skills developed during training could not be linked to enterprise (IFAD, 2003; Bhattarai et al. 2005). It is a common practice that, once the training is over, the program is viewed as complete, rather than determining that the program has fulfilled the needs of the target population. The reasons behind such results are that the trainings were not selected carefully in terms of the future production that the trainees are going to produce, the production scale and their competitiveness within the respective market niche.

Another important scenario to be noted is that leasehold groups are scattered in various geographic locations and limited efforts have been to make to establish linkages among those who produce similar products. Such linkages might help to jointly search the market and to achieve the critical mass needed to enter into the market¹⁷. One trainee from Charpipal Leasehold Group of Kavre district said, “I made bamboo wall clocks in the peak agriculture time. In return, I got nothing as I could not sell them in the market. I could have earned something if I would have worked in the agriculture fields as labor” (cited in Bhattarai et al. 2003).

Likewise, the project encouraged savings programs that could serve as a local bank if managed properly. Due to a lack of fund mobilization mechanisms, many of such savings schemes remained inactive and, in some scenarios, the respective households have taken back their money when the project support ended. However, there are also a number of good examples where the support provided by the leasehold project has really supported in the establishment of the entrepreneurs to support the livelihood of the poor. The case presented in the following box is an example.

In one group of Makawanpur district, leaseholders can get loan up to NRs. 15,000 without any collateral at the village which has minimized the transaction cost and cumbersome processes which the lessee had to follow to get loan from other banks. Here the cooperatives of the leasehold groups formed through the support of the leasehold project have served as a rural bank in the village (personal communication with a research student, October 2005)

¹⁷ One of the officials of the NSCFP said that certain amount of products is needed to approach the market. If the products are scattered and there are only little amount the products can hardly enter to the market (personnel communication)

Similarly, in Tanahun district, members of leasehold groups have run the cooperatives, mainly focused on the collection of milk from leasehold members, selling it in the marketplace. Secretary of a co-operative of the district said that if they had refrigeration, they could double the amount of income, selling the milk at the regular retail price.

The example of technologies and the services provided by the leasehold project are the development of improved breeds of livestock, land improvement technology, and forage development, particularly the dissemination of exotic grass species on private and public land.

In summary, the lesson from LHF is that the support mechanisms in LHF should be developed considering holistic entrepreneurship development that benefit the poor and marginalized.

5.2 Community Forestry

In general, there is a high potential for the development of forest-based enterprises in Community Forestry¹⁸. Six different types of income generation activities have been found in documented form within the field of Community Forestry:

- Sale of timber, mostly in the Terai and accessible mid-hills
- Collection and trade of NTFPs by CFUGs
- Timber-processing enterprises
- CFUG or CFUG consortium enterprises with processing equipment
- Joint venture enterprises of poor households, FUGs and private companies
- Private enterprises relying on community forestry raw materials

We discuss below the potential of pro-poor livelihoods of these initiatives.

Timber sale by CFUGs: In the majority of CFUGs, the income coming from the sale of timber has not been mobilized for the livelihoods support of the poor¹⁹. There are some FUGs, such as Sundari in Navalparasi district, that have mobilized part of its funds to support the livelihoods of the poor. Such cases are generally found in areas where the civil society service providers have sensitized CFUG elites for pro-poor resource mobilization and conducted empowerment activities for the poor households.

Collection and trade of NTFPs by the CFUGs: In this initiative, the CFUGs and their members are found to be actively involved in the collection and trade of non-timber forest products (NTFPs) after their initial processing. Subedi, *et al.* (2002) reported that in Janaki CFUG of Dadeldhura district, this kind of initiative exists. In this case, it has served as a local level trader and the users, primarily children and women, collect the NTFPs and sell them to the Committee. The committee sells these products to the Nepalgunj-based regional trader after simple processing: cleaning, drying and grading. In such models, the poor members earn

¹⁸ One official of MEDEP said that they are not specific to establish forest based enterprises but in practice 75 percent of their enterprises are forest based. This also justifies the high potential of forest based enterprises especially of non-timber forest products (NTFPs). (Personal communication)

¹⁹ This is commonly accepted evidence that majority of the CFUGs sell timber to its users and outsiders as well. The fund generated from the sale of timber is accumulated in the CFUG account and often spent in community infrastructure where the poor members have lesser access.

some money as collectors. The major part of the income is accrued by the distance traders and the final producers where the local poor have no access. Nonetheless, assessing sixty-six enterprises within Community Forests, Subedi et al. (2002) noted that none of them were specifically designed for the poor.

Timber processing enterprises managed by CFUG consortium. In this model, a group of CFUGs are involved in the management of enterprise. Chaubas wood processing enterprise of Kavre district is a good example of this type of enterprise, wherein four CFUGs have managed the enterprise in partnership. Although the initial reason for the establishment of the enterprise was to involve women and disadvantaged, the same groups have experienced limited access to the management and the decision-making processes of the enterprise, largely because of the acute illiteracy among these members (Subedi et al. 2002). As reported by the authors, though 100-200 people are employed in the enterprise, the network among the four CFUGs is found to be weak. Hence, less can be expected for the development of the pro-poor enterprise model.

CFUG or CFUG-consortium enterprises with processing equipment. In this enterprise model, a single CFUG or a consortium of several CFUGs establishes an enterprise wherein the processing equipment is provided by outside agencies. In this model, the benefits accrued to the poor are the income generated from the collection and transportation of raw materials and from the involvement in the processing as labor. Malika Hand Made Paper Private Limited, Bajhang and Bhitteeri Pakha Hand Made Paper Processing Company. Literature written from a poverty perspective is not available.

Joint venture enterprises of poor households, CFUGs and private companies: In this model, the enterprises are run as a joint venture of the poor users and respective CFUGs with private companies. Here, the poor users are shareholders in the enterprise, both as a member of the poor and as a member of the CFUG. Nurse *et al.* report that the poor members can get benefit in the following four ways:

- Being paid a premium price for the collection of raw materials,
- Dividend payment based on the collectors sub-group shareholding
- Dividend payment based on their CFUG shareholding, and
- Productivity bonuses and wages if they work in the processing factory.

In Nepal Swiss Community Forestry Project (NSCFP) area there are two enterprises that have been tested and are in operation: Bael (*Aegle marmelos*) processing and local hand made paper making (*Daphne papyraceae*, *D. Bholua* and *Edworthia garneri*). Private companies are responsible for ensuring the market for the products processed locally.

Private enterprises relying on Community Forestry raw materials: In this model, many of the private enterprises, which are mostly based in Kathmandu with contact offices in the field and the raw materials comes from Community Forests. Paper processing companies are good examples of such enterprises in which the initial processing of the raw materials *viz.* the production of handmade paper is carried out in the CFUG site and further processing for final product preparation are done in Kathmandu by private entrepreneurs. There are commonly referred evidences that the poor people have been engaged as collectors of the raw materials and as a labor for the local processing units, but literatures that describe whether specific pro-poor arrangements are made are not available.

The growing market for NTFPs is indeed a challenge to equitable sharing of benefits, as traders downstream of the value chain gain thousands of times higher benefits than the poor collectors.

5.3 Challenges to Scale up Entrepreneurship

The evidences presented above and the aspects of entrepreneurship in Table 3 show that both opportunities and challenges are observed from both leasehold and community forestry in terms of developing entrepreneurship for the poor.

Table 4 Various Aspects of Entrepreneurship Development in LHF and CF

Aspects of Entrepreneurship Development	LHF	CF
Discrete versus holistic entrepreneurship services	Focus on discrete services such as skill training and saving schemes	Emergence of initiatives (in specific contexts) which promote holistic entrepreneurship development services
Nature and diversity of entrepreneurship initiatives	Largely livestock based	At least six different modalities identified
Economic potential of available forest products	Low bio-diversity and limited choices of commercial products	Largely high bio-diversity and huge range of product choices
Economy of scale	Smaller area of land and group size	Relatively larger area of forests and size of groups to create economically feasible market demands or to achieve economy of scale to meet market needs

First, in Leasehold Forestry, the piecemeal approach of skill development services is not sufficient to generate benefits from income-generation activities. Although LHF has provided a variety of trainings for skills development, they have often ended preemptively, as one-time events. For instance, the training and savings programs supported by the project are rarely linked with the future enterprises, due to a lack of holistic design and planning which could potentially involve production management, quality improvement, and the exploration of the marketplace. In the case of Community Forestry, the conditions of the majority of the cases are similar to the case of Leasehold Forestry, but there are emerging innovations in which diverse numbers of service providers have addressed multiple aspects of services, thus increasing the access of poor to the enterprises.

Second, in LHF, income-generation services have been targeted towards the livestock farmers, although there are other types of services provided by the project. In the case of Community Forestry, diverse initiatives have been tested and run by the communities. This means that efforts to enhance the access of the poor to market-based benefits should be part of larger group-based activities so that an adequate amount of resources and skills can be mobilized, while at the same time attaining the required scales of economy.

Third, Community Forestry has a greater potential for commercial production of multiple products, as the CFUGs have more rich forests in terms of bio-diversity. In the case of Leasehold Forestry, user groups are unable to seek commercial production due to the patches of small and degraded forestland that are allotted for Leasehold Forests User Groups.

Fourth, to earn more money from income-generation activities, the commercialization of products is vital in cases where the role of the market is important. Having a smaller area of forest and smaller groups, Leasehold Forestry groups have found it difficult to promote economically-feasible products that satisfy the market demand. Efforts in Community Forestry are still limited, despite its potential.

6. Conclusions and Recommendations

6.1 Summary of Conclusions

CF and LHF have together provided a huge repertoire of experiences and insights as to how community-based resource management can contribute to the livelihoods of local communities, including the marginalized groups. CF has been the primary program in Nepal, and indeed a broad development institution, in which a range of documented experiences exist, with regard to the promotion of poor people's access to forest resources, providing enterprise development services, and empowering the marginalized groups. LHF, with a relatively young history and specific contexts in which it is implemented (i.e. the renovation of degraded land and augmentation of forage and livestock production) has also demonstrated a wide range of experiences in relation to whether, how and when the poor can benefit.

When reviewed in terms of achievements in the twin goals of conservation and livelihoods enhancement, there is a consensus among a wide range of forestry stakeholders, supported by specific sets of evidences, that both of the programs have been successful in creating positive ecological impact. Across the hills, Terai and high hills regions, CF have been able to mobilize local communities in the protection and management of forest resources. In LHF areas, degraded lands have started being reclaimed through the plantation of grasses, fodder and tree crops. This achievement is in part a result of the enforcement of environmentally-protective strategies of forest management by the state and development agencies, and in part a local response to land degradation following the transfer of resource tenures.

However, in both of the programs, serious issues are being raised with regard to livelihoods impacts of the forest resources management. In Community Forestry, elite domination in decision-making is believed to be main factor in protection-oriented management, while a general orientation towards the subsistence management of forests has precluded a movement towards commercializing the timber and non-timber resources. Given these contexts within Community Forestry, two related frontiers of enhancing livelihoods impact, particularly that of the poorest are:

- Democratizing CFUGs so that the poor and marginalized groups have an increased and equitable stake in the choices of forest management strategies and arrangements for benefit distribution which also includes CF land allocation to the poor households, and
- Promoting a shift from subsistence to entrepreneurship-oriented management of forest resources to harness the values of many timber and non-timber resources.

Likewise, Leasehold Forestry has brought forth a pro-poor agenda in the management of forest areas. It has challenged the Community Forestry orthodoxy of community-wide management of the forest without an explicit focus on the poorest households for the creation of equitable livelihoods impact. This program has tested an exclusively poor-focused

approach with a smaller group size and has generated two important insights. First, there is a need to go beyond the community as a whole (community referring to the inclusion of both the poorest and marginalized with the local elites) to focus upon the poor directly. Second, there is a need to target the well-stocked resource for the poorest.

Together, the experiences of the two programs suggest that:

- a) Livelihoods outcomes of policy instruments and program inputs are actually shaped and determined by complex relations through which the forest-dependent poor mediate their relations with wide range of state, market and civil society actors, away from the deterministic conception of policy and program as the contributor of livelihoods. This is evident in both the programs in that some of the most innovative examples of livelihood outcomes are more because of the favorable linkages among NGOs, the poor and the market actors, than because of the direct intervention of the program or policy.
- b) The prevalence of heterogeneous structure of communities around community-based forest governance has led to a dilemma to policy makers between the two approaches – a) exclusive groups of identified poor, and b) mixed groups as they exist in the communities. This analysis suggests that, rather than thinking of the structure of group at the policy domain, emphasis should be on facilitating negotiations between the poor and the relatively more affluent members of the communities sharing a common resource as part of fostering equitable resource distribution arrangements and democratic institutional structures.
- c) The effectiveness of policy and program depends on how and to what extent they allow and promote engagement of civil society actors, largely in relation to empowerment function, and market based actors, primarily in relation to enhancing entrepreneurial opportunities such as credits, skills and marketing linkages, away from techno-bureaucratic and paternalistic delivery of services (as discussed by Ojha et al. 2005).
- d) Opportunities thus lie in a) enhancing political space of the forest-dependent poor to challenge existing relations of power and inequality surrounding the processes of resource access and benefit sharing, and b) promoting genuinely participatory and inclusive approaches to policy and program development and implementation.

6.2 Recommendations

Despite significant achievements in ecological improvements, the evidences show that the poor and marginalized people have yet to receive the full potential of benefits from both Community and Leasehold Forestry modalities. In this section, recommendations and ways forward are presented to develop and strengthen pro-poor forest management, focusing on poor peoples' livelihoods at the center of the interventions. These are organized into three fields:

- Seeking improvements within Leasehold Forestry
- Seeking improvements within Community Forestry
- Seeking a synergy of both Community and Leasehold Forestry.

6.2.1 Improvement within Leasehold Forestry

The Leasehold Forests already granted to user groups and the remaining potential areas for this program need improvement to strengthen the livelihood impacts for the poor, as anticipated. The program needs not only policy amendments, but changes in operational modalities. To achieve these changes, the following measures are recommended:

a) Transfer the full potential of resources to Leasehold Groups to provide better livelihood options to the poor households.

It is not convincing to raise the agenda of poverty alleviation through the use of the available ten percent degraded land of the country (as estimated by Singh 2004) where forty percent of the population of 23.5 million are below the poverty line, earning less than one dollar per day. Even in the given ten percent, some of the degraded forests below 2,000 msl have already been handed over as CF in the project districts (Personal communication with a DFO in a project district). Therefore, the absolute provision of degraded land in the case of pro-poor Leasehold Forestry should be avoided in the policy and program documents. The emphasis has to be given to distribute forest areas in good condition to poor households. Likewise, to provide immediate benefits and incentives for the poor, the use right of the trees already grown during handover has to be granted to the Leasehold Group in order to make it analogous with Community Forestry, in terms of resource harvest and use.

b) Avoid cumbersome bureaucratic process for handing over of Leasehold Forests

The authority to handover the Leasehold Forest should be devolved to DFOs. The provision has already been constituted in the Leasehold Forestry Policy of 2002. However, there is a need to translate it into enforceable legal documents, such as the Forest Regulation. Similarly, paperwork for the preparation of the application package for pro-poor Leasehold Forestry should be reduced to the extent that the group members themselves can initiate the take-over process with a minimum of external support. Such initiatives may include the omission of the mandatory financial analysis and an amendment in the Environment Protection Act of 1997 to ensure the exemption of initial environmental examination for pro-poor Leasehold Forestry.

c) Train local staff and avoid quick group formation processes

As discussed in Chapter 4, there was a lack of sufficient pro-poor orientation of the staff and the community members. It overlooked the potential conflict between the included and excluded poor in cases where sufficient negotiation during the group formation phase did not occur. The target-oriented acceleration of the project to form leasehold groups in a short period of time also fueled the conflicts. Therefore, staff should be mobilized towards a pro-poor orientation. Sufficient time should be allowed for a more process oriented approach rather than project based time bound target. Such approaches help to the leasehold members to engage in negotiation and dialogue during group formation phase which may reduce the level of conflict which may increase the benefits to the targeted poor.

d) Allow the community to identify the poor

As poverty is a relative term, it may vary from community to community. Local people know more about the poverty profile within their communities than do the project staff. Likewise, some local evidences have shown that the poorest need to be identified through well-being rankings, using different dimensions of poverty, rather than focusing exclusively on economic criteria. The selection of some of the poor through the use of centrally-designed criteria and tools may not necessarily capture the poorest of a particular community and therefore such approach should be avoided. To resolve the issue, the community should be allowed to negotiate within itself to develop appropriate selection criteria of the poor in each community with appropriate facilitation support of the staff. In such cases, the role of

facilitator is very important in orienting the elites and empowering the poor and marginalized for a more realistic results.

6.2.2 Improvement within Community Forestry

a) Manage with a broad-based livelihoods approach

Community Forestry has come a long way since its commencement with an objective of fulfilling basic forestry needs of the people. Recently, especially since its silver jubilee experiences, second-generation issues, including governance and livelihoods within Community Forestry User Groups (CFUGs), have emerged as key issues to be addressed in order to contribute to Millennium Development Goals (Kanel 2004). In this line, the management approach of CFUGs and their respective CFs should be transformed from subsistence forestry for basic forest products to incorporate a CFUG-level livelihoods framework. Evidences show that CF has been successful in ecological objectives. However, the commercialization of surplus forest products and development of forest-based enterprises should be emphasized in combination with the ecological sustainability of the forest area.

Development of enterprise-oriented active forest management operational plans to increase the amount and diversify of the products is recommended. Currently, the majority of the Community Forests are under-utilized, in terms of their production potentials. To tap the full potential, necessary arrangements of backstopping support to the CFUGs can be made through proper orientations so that the poor receive more benefits from such managements. The promotion and development of NTFPs can also play a crucial role.

b) Provide pro-poor orientation to the communities

Local community groups need to be sensitized and oriented toward pro-poor program development. As elaborated in Chapter 4, the existing heterogeneous and hierarchical social structure of the communities in terms of power, culture, class, gender and geographical variations remains a constraining factor for pro-poor program interventions. Interventions are needed to transform both the empowered and less empowered people to challenge their status quo.

d) Develop/replicate innovative tools for pro-poor orientation

The problem of elite domination in the management of CF, reducing the provision of benefits to the poor is widely realized, but there are limited efforts being made in addressing such problems. The Participatory action and learning practiced (see chapter 4.2 for detail) in different community forestry sites are found to be effective tools for pro-poor orientation in order that future interventions can be learned from such initiatives. Such approaches might be more useful in the case of Community Forestry Groups, since the group sizes are larger than in Leasehold Groups. Such practices will better inform both the poor and elites to initiate pro-poor forest management interventions.

6.2.3 Seek synergy from both Leasehold and Community Forestry

a) Manage forest actively with the focus on pro-poor enterprise development

There is a need to develop enterprise-oriented active forest management plans to increase the amount and diversity of the products. Currently, the majority of the Community Forests are underutilized in terms of their production potentials. Necessary technical and institutional development services are needed so that the poor can receive more benefits from the management of the forests.

Within a cluster of Community and Leasehold Forestry Groups in the same geographical vicinity or on a product basis, networks can be created to meet the necessary economy of scale attractive to the market. At their present level, Leasehold Groups can only produce smaller amounts of product, difficult to gain access to the market.

For immediate livelihood support of the poor, allow cultivation of agricultural products, such as mainly fruits and cash crops, on the land allocated for poverty alleviation, either in the form of Leasehold Forestry or in the form of Community Forestry. For such purpose, the crops that require less soil work and can be managed in multi-story agro-forestry cropping model should be selected.

b) Establish strong links between LHF and CF

In the case of existing LFUGs, links should be established among themselves and nearby FUGs so that opportunities can be increased for entrepreneurship-oriented development of resources as well as sharing of benefits on a wider scale. Box (1997) noted that pilot-level integration of Community and Leasehold Forestry in Makawanpur and Kavrepalanchok districts gave very positive results in terms of staff economy, conflict resolution and community consensus. Establishment of functional networks among Leasehold and CF groups is recommended to develop pro-poor enterprise planning and development at the community level. With such strong links, the newly formed LFUGs or CFUGs benefit from the experiences of previously formed groups. The priority criteria of CF and to hand-over Leasehold Forests without conflict in the community can be comfortably achieved if the two programs are linked in such a way that people at the same community are supported in capturing the benefits from both of the programs. The forestry staff should be trained in the concepts of establishing good linkage so that there will be greatly reduced levels of tension among the groups in focusing their strengths on the program. Participatory Action Researches are also recommended, carried out to seek synergy and replication of the achievements of other sites, rather than forcing LHF and CF to work in isolation.

c) Allocate CF land to poor households

The recommendation for allocating a portion of CF land to the poor is based on combining the strengths of both the programs, while leaving aside the weaknesses of the two. The strengths of CF which can be capitalized on are:

- The potential for access to well-stocked forests by the poor,
- Opportunity to direct negotiations between the poor and wealthy members,
- Secure tenure over forest resources once handed over as Community Forests, along with an easier process of transferring resource tenure,
- User group-based service delivery program strategies,
- Presence of a wider network of civil society, including CFUG federations, and

- More potential areas of forests to meet the needs of higher number of poor households.

The strong elements of LHF which need to be incorporated into CF are:

- The concept of having a separate group of the poorest households and
- Strategies of land resource management to augment the production of grasses, fodder for livestock farming.

The crafting of LHF into CF includes:

- Well-being ranking of CFUG members,
- Identification and verification of the poorest households within the group,
- Land-allocation within CF to ensure the exclusive use right for the poorest, and
- Allocation of CFUG funds to the group through the provision of subsidies to livestock farming and enterprise development.

Such arrangements within CF will make more the programs more beneficial to the poorest in several ways:

- The scope of LHF will be expanded to well-stocked forests,
- There will be opportunity for direct negotiations between poorest and the relatively well-off
- Increased amount of financial resources mobilized by CF can be earmarked for poverty reduction, and
- Recognition of the process by enforceable legal and policy documents.

d) Diversify and strengthen the service providers

As forestry-focused interventions may not be adequate to address most of the important livelihood issues of the poor, wider coordination is needed to mobilize diverse skills and resources. There is a need to go beyond the integrated development project model, which emphasizes coordination at the program, or project level and consider the beneficiary institutions as the focal point for coordination of services. Compared to Leasehold Forestry Groups, Community Forestry Groups have demonstrated better organizational capability to mobilize diverse resources for enhancing livelihoods. CFUGs have undertaken diverse functions of development, such as are conducted by 16 Ministries of the government together (Pokharel 2005). In LHF, emphasis has been put on coordinating services at the program level, often resulting in the delivery of services incompatible with local livelihood situations. When learning from the CF is adapted in LHF, then the existing initiatives of CF can be expanded to benefit the poorest. In addition to the diversification of services, capacity enhancement of the service providers is equally important. Orientations for the staff working in the program could well play a vital role in achieving increased benefits for the poor. Involvement of local facilitators, especially women, are recommended to effectively augment pro-poor programs at the local level in both LHF and CF. Likewise, the role of government service providers are to be specialized in regulatory arrangement rather than as mere service providers.

e) Develop strategic alliances with other partners to develop and institutionalize pro-poor program development

As forestry interventions may not be able to address all the livelihood issues of the poor, wider coordination is needed to direct the resources that other development partners have for poverty reduction matters. For instance, Poverty Reduction Fund (PPF) of DDC at district level is one of the major funds available at the district level for poverty alleviation. To tap such resources, the poor groups need to come forward pro-actively with the proposal for which they need support. Such alliances help to promote the already identified poor groups/individuals that the forestry program has already developed.

f) Institute learning-oriented (instead of target-oriented) planning and monitoring mechanisms

Since all assumptions of the project may not match perfectly in reality, there is a need to have an explicitly learning-oriented approach of planning and monitoring. Projects often seek to stick to track key indicators of inputs and outputs, and miss process dimensions as well as the influence of contexts in the actual practice of development activities. For instance, formulation of a large number of groups has little meaning if the poor people have not received benefits from the project. Project actors and the wide range of stakeholders should have opportunity to reflect upon the practices and revise the operations during the project.

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