

Section II: Background and History of CF

Chapter 2: Community Forestry: A general overview

2.1 Introduction

People and forests are interdependent. People depend on forests for their livelihoods because the forest provides a wide range of goods and services. Locally and globally, trees ameliorate climate, protect soil, regulate water, and maintain biological diversity on which future benefits depend. Likewise, the existence and maintenance of forests depend on people, particularly those people who live in and around forests and directly use them for food, medicine, clothing, shelter, and spiritual needs. In many instances, nations have been enormously benefited by forests, and timber still plays an important role in many nations' economies. However, forests provide many, but not all benefits to all people at all times. Therefore, there are conflicting demands and views about what forests are, and how we should manage them. Indigenous people, conservationists, business entrepreneurs, farmers, politicians and scientists have different views about forests and their management. Clearly, the issue is how to understand this linkage between people and forests so as to balance between improved socio-economic well-being and ecological integrity. One way to realise such interdependency is through CF. In the past, governments assumed forest management responsibility alone. However, for the last three decades, many countries have involved local people to conserve forests and meet local people's basic forest product needs. This approach to forestry is known as community forestry.

This chapter aims to identify and discuss the conceptual and historical overview of CF. This establishes the background required to investigate and understand CF processes and outcomes. The chapter has four sections; the first identifies and discusses definitions, rationales and principles of CF, followed by a section on general overview of historical development of CF. The third section explores some generic issues of CF. The chapter concludes by highlighting key issues.

2.2 Community Forestry: a conceptual overview

The concept of CF is founded on the recognition of interdependency between people and forests. The basic premise is that people's meaningful role in decisions affecting surrounding forests can achieve improved socio-economic well-being and ecological sustainability. Specifically, the concept emerged as a focus for addressing the linkage between forestry and rural people. The Food and Agriculture Organisation of the United Nations (FAO) highlighted CF as a means to meet basic needs of rural households (FAO 1978). From its inception, the concept has been participatory

and directed towards rural needs, in particular the needs of the poor (Arnold 2001b). The distinguishing feature of the concept is its attempt to build active participation of the population, with external involvement having a supportive rather than management nature (Arnold 1991).

2.2.1 Defining Community Forestry

Community Forestry may mean different things to different people. Its meaning differs between social, political, geographical and ecological contexts (Hirsch 1998). It is represented by similar terms such as participatory forestry (Hobley 1996; Klooster 1997), social forestry (Leslie 1987) and joint forest management (Jewitt 1998; Hill 2000; Martin 2001). There is nothing wrong with diversity. A lack of consensus on what we mean by CF however causes confusion, which often emerges because there is significant misunderstanding of the basic elements of CF; the community, forest and forestry. It is therefore useful to define the elements of CF (see Appendix A-1).

While CF generally involves a decentralised and participatory approach to forest management, it is also used to describe a diverse array of forest management approaches and governance styles. Therefore, definitions exist in terms of who controls the decision-making process and benefit sharing in the forest management. It ranges from full control over the process by the community (legally recognised common property) to sharing control with governments and other stakeholders (co-management) to mere inputs by people for government and industrial control (consultation – industrial/traditional forestry).

Arguably the first definition of CF was by FAO. They defined CF as “... any situation which intimately involves local people in a forestry activity” (FAO 1978, p.1). This definition was too general and included both communal and individual activity, failing to differentiate the activities either on private land or communal land. It was silent on how that intimate involvement is, or can be, structured and who has the ultimate decision-making authority. Additionally, there is no clear explanation of the representation as “who is involved locally and how are they selected. There is no clear indication of equity – who pays and who benefits” (Duinker et al. 1994, p.712). There is no clarity as to how decisions are made, who benefits and how-broad ranging are the management objectives. However, the FAO’s definition clearly differentiates CF from state-managed forestry.

Various definitions of CF have since emerged, mostly focussing on generating benefits through participatory management. CF is often defined as managing of forests by people with the intent of benefiting themselves. For instance, Shepherd (1985, p.317) defined CF as:

... any form of forestry activity undertaken specifically and principally to provide communal benefits to the people living in villages or small communities in the vicinity of the forest area which involves them directly in its management.

For Race et al (2003), CF is more than providing communal benefits, it is pursued for social benefits and contributes to community development. The adoption of CF has largely been based on a relatively unquestioned assumption that CF will provide widespread benefits.

While the benefit stream forms a major part of CF, there are emerging issues in regards to who controls and makes decisions, who is represented in the process, and how the relationships between local people and traditionally powerful actors, such as the state, are maintained and improved. Hobley (1996, p.16) defines CF as “a broad term ... in which specific community forest users protect and manage state forests in some form of partnership with the government”. The Ford Foundation (1998, p.3) defines CF as a:

... focus on the role of forest-dependent communities in managing resources and in sharing the benefits ... [and] to promote productive relations between communities and governmental and non-governmental agencies.

By emphasising partnership and relations, the above definitions are silent on who controls key decisions. The focus on partnership may reinforce the dominant role of state agencies in CF. In fact, many indigenous institutions and practices were displaced in the quest for the control over forest extraction and liquidation. CF therefore poses a challenge to rebuild local institutions that can resist the tendency of centralisation locally (International Network of Forests and Communities 2002).

The issue of control relates CF with the political process, by which the local forest users are empowered to control the use and management of forests on which they depend. Gilmour and Fisher (1991) defined CF in this regard. For them, CF is:

... the control and management of forest resources by the rural people who use them especially for domestic purposes and as integral part of their farming systems. (Gilmour & Fisher 1991, p.8)

Here, the assumption of a genuine local control refers to the control by the group, not by individuals. The control by local communities is necessary because their needs are not able to be expressed effectively in the existing economic and political contexts (Leslie 1987). However, a focus on control narrows the scope of CF as complementary and supportive to farms and households, particularly when some households are generating the major part of their livelihoods from the forest.

CF is also seen as a way of achieving sustainability. It is interpreted as the meaningful participation of local people in forestry activity on a self-help basis (FAO 1983). The International Network of Forests and Communities (INFC) website stated that:

Developing sustainability means transforming national and international systems to restore forests and communities, by giving greater power and control to local peoples. Through community forestry, we can develop sustainability. Connecting, learning and relating with

other people and perspectives,...community forestry that [can be] ecologically sustainable and socially just (International Network of Forests and Communities n.d. online).

Besides different focus of CF definitions, the operational definitions of CF can differ from one country to another. According to forestry legislation in Nepal, CF is defined as:

... that national forest should be understood as the community forest which, as part of the national forest, the District Forest Officer hands over to the user groups for development, protection, utilisation and management accordance with the work plan, with authorization to freely fix the prices of the forest products, and to sell and distribute the forest products for the collective benefit and welfare. (HMGN 1993, cited in Shrestha et al. 1995, p.2)

The CF legislation of Nepal is progressive in terms of legally recognising the local control of forests. However, this formal provision may be different from the actual practice, particularly because the legislation has given the state a significant control of CF through retaining the land ownership. There is no mention of poverty alleviation as an objective.

From the above review of definitions, it can be generalised that CF involves some element of community participation in forest management and some commitment to secure provision of forest products to rural people living in and around the forest. Brendler and Carey (1998, p.21) highlight three key attributes shared by most CF efforts. First, people have access to the land and its resources to receive benefits and avoid unequal exposure to the costs. Second, people meaningfully participate in decisions concerning the forests that directly affect them about the use and management of local forest resources. Third, people in local communities are involved in preserving/maintaining a way of life, which often entails maintaining a particular relationship with the environment and/or maintenance or restoration of certain (local) landscape values (ibid). Despite this generalisation, it must be remembered that the above definitions often give what CF should be, rather than what CF actually is. There is a need for defining and understanding CF in relation to specific contexts and with a realisation of gaps between actual and ideal versions.

To establish a context for the thesis, I define CF as:

a participatory approach to forest management that genuinely involves in, and benefits to, local forest users, particularly those disadvantaged users who are often more dependent on forests.

I recognise that the participatory approach of CF is a complex process, embedded in local and wider social, cultural, economic, ecological and political contexts. The genuine involvement refers to forest users having real control in decision-making and implementation processes that lead to sustainable management of forest resources and improvement of users' livelihood, particularly the forest-dependent poor people.

2.2.2 The rationale for CF

CF emerged as a response to many factors. It was partly the response to “the failure of the forest industries development model to lead to socio-economic development, and partly to the increasing rate of deforestation and forest land degradation in the Third World” (Gilmour & Fisher 1991, p.6). The response was also due to the recognition of the potential of local people’s participation in forestry activities, which promotes the development of both the forest resources and the people themselves (Amornsanguansin & Routray 1998). Brown (1999) gives ten reasons for implementing CF, which can be summarised as:

1. Proximity to the resource: Local people are in closest contact with and dependent on forests. Thus, they are best placed to husband it effectively.
2. Impact: As people’s livelihood activities have a direct impact on the condition of the forest, they should be involved in its management.
3. Equity: Forests should be managed to ensure adequate resource flows to rural population so as to alleviate poverty and for socially justifiable income distribution.
4. Livelihoods: Unlike single-purpose industrial forestry, which may shift benefits away from the poor, CF is based on local needs and interests, which is likely to change the ways forests are managed to ensure the safeguarding and diversifying the multiple benefits from the forests.
5. Capacity: Forest-dwelling communities may be more capable than government institutions in managing the forest. From past and present experience, there is evidence that community involvement in forest management can substantially improve the quality and quantity of the forest.
6. Biodiversity: Multiple purpose forest management by communities is more likely than single-purpose industrial forest management to conserve biodiversity.
7. Cost effectiveness: Involving communities in forest management may reduce the costs of the government. In the context of increasing debt and aid dependence, the governments of many Third World countries have limited options other than to cut the cost of forest management.
8. Adaptability: Community forestry is flexible and adaptable to enhancing cultural and livelihood contexts. This cannot be delivered by the centrally managed forestry.
9. Governance: The governance by the local people offers checks and balances to the public sector.

10. Development philosophy: Community forestry is likely to fit with current international development philosophy adopted by many donor agencies because it gives high priorities to the principles of local participation, decentralisation and subsidiarity (i.e. decisions by those who are affected by the decisions) and the promotion of civil society.

2.2.3 Principles of CF

CF as a form of community-based natural resource management, emphasises practices that are by, for, and with, local communities (see Gibbs & Bromley 1989). It primarily aims at “improving livelihood and security of local people, enhancing environmental conservation, [and] empowering the local people” (Adhikari 2001, p.9). In doing so, CF focuses on three aspects; the clear, safe and permanent rights and responsibilities of forest management, appropriate forest management to supply benefits and ensuring their future viability (World Rainforest Movement 2002, [online]). Hirsch (1998, p.10) outlines five core principles of CF:

1. Community forestry is about using or managing natural or plantation forest at the local level in a way that is compatible with local objectives and values;
2. Community forestry involves a degree of decision making separate from state forestry agency control;
3. Community forestry is an attempt to match simultaneous environmental, economic and social objectives related to forest resources;
4. Community forestry involves a number of users who live in the same area;
5. Community forestry is primarily carried out by peasant farmers or smallholders.

In principle, CF is established at the local level by the local people and they have the local control over decisions, which are based on local value and interests. Both the concepts and principles are based on the philosophy that people should participate in their own affairs. This supports the principles of self-determination and democracy. It is aimed at building the capacity of local people to participate meaningfully in natural resource management and to enable them to better control their own destiny. CF is also founded on the assumption that local people are knowledgeable about the environments, in which they live and their relationships to them, and that the active engagement of local people in community forestry can enhance the forest.

The above discussions show that the principles are based on a number of assumptions. Some assumptions are problematic. First, advocates of CF assume that the small-scale local level activities are better for forest management and conservation. However, this is problematic, particularly when the forest to be managed is large and there are many stakeholders to be included.

Second, CF is based on the assumption that the communities are capable of managing and controlling the forest as they live closely, have significant knowledge on the potentialities and problems of local forests and significantly depend on forests for their livelihoods (Roberts & Gautam 2003). This is, however, not necessarily true because not all communities are equally capable, nor do they comprise of people with equal interests and capabilities. Third, CF is based on the fact that there are increased human resources available at the local level which can be used to shift policy burdens to local level, thereby releasing pressure on other areas (ibid). This is likely to adversely impact to the poor users because increased policy responsibilities may require the poor to use their time and resources, but receive fewer benefits. These assumptions are important to take into account in the analysis of CF because in many places, assumptions are the main reasons for embracing CF.

2.3 Community Forestry: an historical overview

Throughout most of human history, small communities have been the stewards of forests. The use and management of forests through local users and use-rights seemed to have existed well before the modern nation state emerged. There are examples from medieval England and sixteenth-century Switzerland, where local users defined rules and rights to control access to the common lands (Gilmour & Fisher 1991). In the mid-nineteenth century, a number of concerned European colonists advocated the need for local people to retain their traditional management systems in many parts of Asia (Lynch & Talbott 1995). In contrast, centralisation of forest management is a relatively modern phenomena, stemming from nation state formation in Western Europe and spreading internationally through colonisation (International Network of Forests and Communities 2002). The colonial policies had enormous impacts, both directly and indirectly, on the ways forests were managed in many countries. These policies took the land and resources from indigenous people and viewed their practices as primitive and a hindrance to economic development. In the post-colonial era, these policies were inherited by many governments, who continued the pre-colonial patterns of economic use and management by excluding people and denying indigenous rights to land and forest resources. There was a continual erosion of traditional and indigenous forest management systems from the early post World War II period until the 1960s.

Since the 1970s, there has been renewed interest in involving communities in the use and management of forests, driven by the institutional failure of the state to address the ecological problems, and by the realisation of the need to involve local people. This renewed interest and official recognition of community involvement in forest management is more than the rediscovery

of CF by the forestry profession and a redefinition of a basic role in an age old interaction between humans and their environment.

2.3.1 Industrialisation in Forestry after World War II

The history of forestry development has been shaped by general development thinking as well as by specific political and historical contexts. The early post World War-II period was characterised by development planning that focused on reconstruction and modernisation. By the late 1960s, many western countries experienced prosperity and rapid industrialisation. The dominant modernisation paradigm suggested that all developing countries would have to go through a number of stages of economic growth, experienced by developed countries in order for development (Rostow 1960). In this theory, development was perceived as an economic phenomenon and its meaning was considered synonymous to growth. Industrialisation was regarded as an engine for development. Modernisation theories with the notion of transmitting modernity to the traditional Third World permeated through to the forestry sector as industrial forestry.

The promotion of industrialisation encouraged the industrial forestry model that involved a large-scale plantation and natural forest management for timber production, with its effects expected to trickle-down to economic development in the Third World's poor people. The impact of this paradigm in the forestry sector was demonstrated in the seminal paper of Jack Westoby, "Forest Industries in the Attack on Underdevelopment". Westoby (1962) argued that industrial forestry would stimulate development in underdeveloped countries. This model assumed that non-industrialised countries were poor and thus prosperity required industrialisation by the mobilisation of the forest resources. Accordingly, many developing and developed countries with vast tropical forests mobilised their forest resources in the fight against under-development (Gilmour & Fisher 1991). Westoby's blueprint for industrialisation of forestry was associated with top-down development in line with the modernisation paradigm (Stohr & Fraser Taylor 1981). The industrialisation of forestry was expected to support the overall economy, which would make everyone better off, including the poor (Pulhin 1996). Central to this approach was the assumption that economic benefits would diffuse through a society, following capital investment in industries.

However, by the late 1960s, the effectiveness of industrialisation was questioned following the increase in poverty in many developing countries and its inability to materialise the trickle-down effects. It was criticised as benefiting to only a small segment of society in the process (Streente & Bucki 1978; Arnold & Bergman 1988). The modernisation paradigm was also criticised as making the poor worse off, broadening the gap between the rich and poor and reinforcing repressive and exploitative political and class systems (Frank 1967; Frank 1969b; Frank 1977). In forestry,

Westoby's identification of industrial framework was criticised for focussing on economic development without much emphasis on the productive rural economy (Douglas 1983).

Following the oil and other energy crisis of 1973/74 and the overall economic crisis in the early 1970s, it was realised that industrialisation did not necessarily lead to the economic or social development of underdeveloped countries (Griffin & Khan 1978). The industrial model facilitated the governments to break existing management systems, control the forest and expropriate local rights and authorities. This led to deforestation and forest degradation in developing economies in Asia (Hobley 1996; Poffenberger & Singh 1996), Africa (Shepherd 1991), South America (Perl et al. 1991) and Southeast Asia (Peluso 1995; Lynch & Talbott 1995). The eco-crisis and livelihood degradation was paralleled by the development of opposition led by Andre Gunder Frank against the modernisation paradigm. The call was simple; the dominant paradigm in forestry in particular, and development in general, was exacerbating poverty.

2.3.2 Basic needs approach and the rise of Community Forestry

The shift in development thinking during the 1970s towards meeting the basic needs of the rural poor changed forest management. Scholars, such as Frank (1969a), were influential in theorising the growing gaps between rich and poor in the dependency theory of development. Emphasis was placed on development initiated from below (Stohr & Fraser Taylor 1981; Chambers 1983). This concept was more concerned with the needs of the people, poverty, equity, the general quality of human life and the natural environment, than with the quantity of material production and monetary gains (Gilmour & Fisher 1991).

Following his retirement from FAO in 1974, Westoby (1978) looked back into arguments of the 1960s and concluded that after three decades of systematic attempts to develop the forestry sector, socio-economic development had hardly been realised at all. At the eighth Forestry Congress held in Jakarta in 1978, there were heated discussions on the responsibilities and dilemma of the forestry profession in deciding which conflicting interests to serve. In this Congress, Westoby admitted his disappointment by elucidating a social role of forestry with the notion of communal action by rural people:

Already, at the end of the sixties and the beginning of the seventies, it was becoming apparent to me that the hoped-for benefits of forest-based development were not being realised. More money was going into forestry; fortunes were being made; some forests were being ruthlessly exploited. But nearly all the developments were enclave developments; multiplier effects were absent; welfare was not being spread; the rural poor were getting poorer, and their numbers were increasing. (Westoby 1983, p.242)

There was a strong call for forestry to further a rural development agenda and contribute to local community development (FAO 1978). FAO's pioneering publication, *Forestry for Local*

Community Development defined a new approach to forestry using the term “community forestry” (FAO 1978). This concept was boosted by the World Bank’s Forestry Sector Policy Paper in 1978 and the Eighth World Forestry Congress’s theme, “Forestry for People” in 1978. Efforts were committed to people-oriented forestry as opposed to industry-oriented forestry that focused on rural development and poverty alleviation. CF emerged, not only as an operational strategy for forestry, but as a development philosophy promoting people-centred development (Cernea 1992). Some CF initiatives that were introduced officially in the 1970s were the South Korean Collective Woodlot, Nepalese Hill Community Forestry, Indian Social Forestry, Thai Village Forestry Program and Tanzanian village Afforestation Initiatives (Arnold 2001b).

The new model, which was promoted by donor agencies to the governments of developing countries, was not as successful as initially expected. This was because foresters’ traditional mindset of timber primacy and sustained yield along with other social and political problems associated with resource access and property rights did not help this new model to transform forestry (Hobley 1996). Funding agencies also possessed insufficient knowledge on local needs and constraints. There was insufficient consideration of the forest and land tenure. This led to further degradation of both forests and people’s livelihoods. Projects often created hostility because they infringed on customary rights to common property (Shepherd 1991). Issues associated with land tenure, local processes, organisations and political and socio-economic structures were unaddressed in CF policies and practices.

By the 1980s, CF was established as a major forest policy in many developing countries. The implementation of this new bottom-up policy, however, did not replace the previous top-down industrial model. Instead, both approaches co-existed, often in conflict with each other (Gilmour & Fisher 1991). Accordingly, FAO (1983, p.8) refined the concept:

Community Forestry departed radically from all previous conceptions of what forestry about in that it centred on the idea of people’s participation – getting local populations to plan and execute their own projects on a self-help basis...Community Forestry is dedicated to the idea of increasing the direct benefits of the forest resource to the rural poor.

In the mid 1980s, FAO’s conceptual refinement led to issues of local institutional arrangement and local autonomy in CF. There were concerns on greater and inclusive participation and engagement of the local people. As rural inequality and inequity continued to present substantial problems, scholars noted the difficulty of leveraging community participation through existing institutions, which tended to represent the rich and marginalise the poorest (see Sen & Das 1987). By the late 1980s, there was increasing concern about the degradation of natural resources and the need for economic development, contributing to the rise of the concept of sustainable development.

2.3.3 Community Forestry in the age of Sustainable Development

In the late 1980s, the contemporary development theories and practices were questioned. Development was criticised as the new religion of the west (Rist 1990), it did not work (Kothari 1988), and development referred to cultural westernisation and homogenisation (Constantino 1985) and also because it destroyed the environment (Pieterse 1998). The concern over the conflicts between conservation and development gave rise to the concept of sustainable development (SD), which was officially introduced in 1987 by the World Commission on Environment and Development (WCED). In this report, sustainable development was defined as:

... development that meets the needs of the present without compromising the ability of future generations to meet their own needs. (WCED 1987, p.87)

The concept of sustainable development has been widely criticised as overly anthropocentric and a technocratic extension of global economic management (Johnston et al. 2000b). The concept is also described as an oxymoron (Redcliff 1995) and too development-focused, sustaining and making the wealthy better off (Sachs, 1993).

The concept had a direct impact on the development of CF, as both emerged in response to the recognition that resource management and development strategies were not succeeding in either conserving the resources or supporting rural development (IUCN/UNEP/WWF 1980). The concept brought forestry to the forefront of the debate. The Brundtland Report devoted considerable space discussing forestry, emphasised the concern over worldwide forest degradation and stressed the important role of CF in sustaining the forest resources (WCED 1987). Unlike earlier approaches that aimed at economic efficiency, the sustainability concept integrated economic considerations with equity variables. The new approach placed community, rather than the forest, at the centre (Gilmour & Fisher 1991).

2.3.4 Current international processes in forest management

In the 1990s, while there were many critiques of sustainable development highlighting its conceptual and pragmatic problems, the concept was accepted by many governments and international agencies and has shaped their policies and actions for development practices (Pretes 1997). This acceptance has created support for a shift in forest policy from one, focussed on the sustainable harvesting of dominant products to one, which is concerned with managing the forest as a complex, valuable natural resource system (Gilmour 1995). The concept also emphasised the need to link conservation of resources with the development needs of the rural population who depend on the resources (ibid). The shift in policy meant that forest management became more complex as there were multiple objectives to attain.

From the 1990s and early 2000s, forests have been a priority of international policy processes and political agendas. The massive forest fires in Indonesia in 1983 and unprecedented forest destruction in Brazil in 1987 caught the world's attention (Kaimowitz 2003). Growing concerns about forest management have pushed nations into global dialogues on management initiatives to promote sustainable practices (Pandey 2003b). The catchphrase of Rio; 'sustainable development' entered into forestry as Sustainable Forest Management (SFM). SFM has been the voluntary requirement institutionalised by the Forest Principles and Chapter 11 of *Agenda 21*. Each individual country was to develop and implement a national plan for sustainable development under the *Agenda 21*. SFM forms a part of this plan. In order to implement SFM, the instruments for facilitating the change in policy, institutions and processes at the international, national and local levels were created for a global consensus on forest management. Multi-stakeholder agreements arising from the United Nations Conference on Environment and Development (UNCED), such as UN Millennium Declaration, the Intergovernmental Panel on Forests (IPF), the Intergovernmental Forum on Forests (IFF), the World Bank's revised forest policy and strategy and UN Forum on Forests (UNFF) demonstrate that the global consensus that had been achieved (Pandey 2003a).

While the international attention has acknowledged poor people and their dependence on natural resources, poverty issues have recently become a priority in international development and forestry policy. Earlier, the value of forests for the poor was rarely highlighted in the international arena. The forest policy emphasising poverty alleviation is justifiable because most of the 240 million people, who live within forested regions in developing countries, are poor and depend heavily on forests (World Bank 2003). Some 2.4 billion people get their energy mostly from biomass fuel (Arnold et al. 2003). Similarly, several billion people rely on forests for medicinal plants and animals as their primary source of health care. Unfortunately, forest loss in the 1990s was averaging between 12 and 15 million hectare per year (Matthews 2001). In this context, CF was considered an important strategy to achieve SFM. The World Bank forest strategy of 2002 transformed the 1991 strategy towards recognising the importance of forests in the struggle against poverty (World Bank 2002). CF has been firmly established as a part of mainstream forestry to address such issues of poverty and forest sustainability.

There has been significant progress in that the local communities are getting more secure access to forests. Local communities now own, or hold long-term usufruct rights, over about one-fifth of the forests in developing countries, and de facto possession of an additional large area that has yet to be quantified (White & Martin 2002). In the Amazon basin, the governments have recognised indigenous people's rights over territories covering more than one million square kilometres (Kaimowitz 2003). In India, over 35,000 village organisations now participate in Joint Forest

Management (JFM) (Forest Trends 2002). In China, the government has handed over degraded areas to tens of millions of households to plant trees (Dachang 2001). In Nepal, over 12,000 Forest Users Groups (FUGs) are involved in community forestry to manage more than 1 million ha of forests (CPFD 2003). More than 80% of forests in Mexico are owned by ejidos (Taylor 2003). Other noteworthy examples include community forestry in the United Republic of Tanzania, extractive reserves in Brazil, the Ancestral Domain Claims in the Philippines, and Community Forest Concession in Guatemala (Kaimowitz 2003). Some developed countries such as Canada, USA, England, Spain and Switzerland are also implementing CF, though with different approaches and for different reasons (Roberts & Gautam 2003). As many as fifty countries in the world appear to seek some form of community involvement in forest management (FAO 1999). CF is becoming a global approach to forest management.

2.4 General overview of key issues and challenges in CF

Despite an increasing international recognition of CF, the processes and outcomes of involving communities in forest management have been widely debated. This is evident in CF in Nepal and in Thailand, Community-based Natural Resource Management in the Philippines, Social Forestry in Sri Lanka and Bangladesh and JFM in India (Pandey 2003b). There are emerging issues in CF surrounding participation, empowerment, equity, decentralisation and conflict management (Warner 1997). While outsourcing forest management to local communities has enhanced productivity in China (Kun 2000), the gaps between policy and practice, and in legislation, and in the planning process need to be plugged in Nepal (Singh & Kafle 2000). Issues related to subsidiarity, empowerment, pluralism and social capital are also being debated among foresters (Anderson 2000).

One of the main issues of CF is its assumption for establishing a balance between forest conservation and livelihood development through collective action of local communities. Arnold (2001b) suggests that the objectives of CF to contribute not only to livelihood enhancement for rural users, but also to the conservation of biodiversity are difficult to achieve concurrently. There are examples where local people's development needs are not effectively reconciled with biodiversity conservation (Wells et al. 1992; Arnold 2001b). The critiques against this dichotomy, however, argue that the balance between conservation and development has been essentially based on flawed assumptions on how people and the environment interrelate. For instance, Forsyth and Leach (1998) assert that there is a need for greater appreciation that the poor may experience their own environmental problems, which need to be addressed separately from environmental policies seeking to satisfy concerns about global values. They point out the need to move away from macro-scale approaches and policies towards a more situation specific focus. The locals, who

depend on forest for inputs in their livelihoods, may consider the “professionals’ degradation” as transformation and even improvement of the resource (Leach & Mearns 1996). While the situation specific approach in forest management may be time consuming, difficult and often contested among the state and other stakeholders, this critique points out that the pursuit of conservation is being overly driven by the western concepts and donors’ preoccupation, at the expense of those who act collectively and depend on forests locally.

The management and sustainability of effective CF is thus a complex and challenging task, particularly in the context of multiple interests vested with the forest use and management. For CF to exist as a continued collective control of forest resources that ensures equity and environmental services, it needs to cope with pressures from extending market liberalisation and structural adjustment (Arnold 2001b). The policies of structural adjustment and market liberalisation have reduced the size and capacity to continue effective public functions. The privatisation of forest management, utilisation, and ownership of the resource creates opportunities to generate income, but heightens pressures on local institutions managing common property, which may cause breakdown of collective mechanism for exclusion and control (ibid). Thus, the accommodation of multiple interests in CF requires measures to enable active local participation and establish a partnership between the community and other sectors.

CF involves the transfer of power from the state agencies to local communities. While there is an increasing acceptance of devolution of power to local levels, it has not been accompanied by the political, legislative and regulatory measures needed to empower those to whom the responsibility is passed (Arnold 2001b). This may cause local people to lose their security of access over forests. There are findings that highlight the transfer of rights being limited and incomplete (Agrawal & Ribot 1999). The transferred rights are often made to the local bodies or elite members, which are often, in practice, appointees, or extensions of the central government, and are consequently more responsive to the government than the local people they represent (Ribot 2002). Thus, a central issue of CF is; who controls the forest and how decentralisation and devolution are being executed.

CF is often introduced by external agents aiming to bring local people to participate in managing and using the forest. The processes of organising the community members are often externally driven, with external agents generally seeing CF as an isolated entity, not as a part of a wider social system. CF can never be an independent system, but is a part of a wider social, economic and political system. There is a need for forest management to be understood as embedded in the local and wider contexts to facilitate the understanding of the issues of processes and outcomes of collective action in CF.

One of the emerging aims of CF is to address poverty. It is generally assumed that formal equal access, rights, shares and opportunities for all forest users address the needs of poor users. This assumption overlooks a fundamental facet of existing unequal and hierarchical communities within which CF is likely to emerge and evolve. In this context, the equality principle may not be implementable because formal processes are likely to be captured by community elites exercising deep rooted informal norms and practices. Even when formal equality operates, this can disadvantage the poor users because wealthy and socially advantaged users possess complementary resources to meet their product needs, while equal shares may be insufficient for the poor and minorities and they may not be capable to bridge the gap. More often, the elites make poor people dependent on them in a number of ways, thereby positioning themselves to shape and impose their agendas and drive the processes and outcomes of CF in their favour. Hence, inequitable outcomes are to result from formal equal provisions. Clearly, the formal provision of equality needs major rethinking to prioritise the needs and views of the poor and disadvantaged users. However, since equality is already an improved provision from an existing system, the bias to the wealthy users and giving priority to the poor may require a radical transformation in the ways both policy and practices are designed and implemented at different scales.

2.5 Conclusion

This chapter has provided a general overview of the concept and history of CF. The participatory and bottom-up approach to forest management, known as CF, is now seen as a means to poverty alleviation and forest conservation. Currently, CF is recognised as a suitable approach to forest management, reflected by growing international support and government policies and practices. However, CF, which is primarily based on collective action of local forest users at the local level, has been narrowly conceived. The processes and outcomes of collective action are seen as independent of those forces that operate outside the forestry sector. Social, economic and political factors that condition the way people define their needs, interests and strategies, and decide whether to act collectively, are largely ignored. Externally imposed and locally implemented provision of equality of access, shares and rights are likely to further disadvantage the poor, women and other disadvantaged users, who are already worse off in the community. The chapter identified such issues and challenges and highlighted the need to address collective action processes and outcomes (i.e. equity) in the wider context in order to drive CF in a more equitable and sustainable direction. The next chapter discusses how Nepalese CF emerged and evolved, and what are its issues and challenges.

Chapter 3: Community Forestry in Nepal

3.1 Introduction

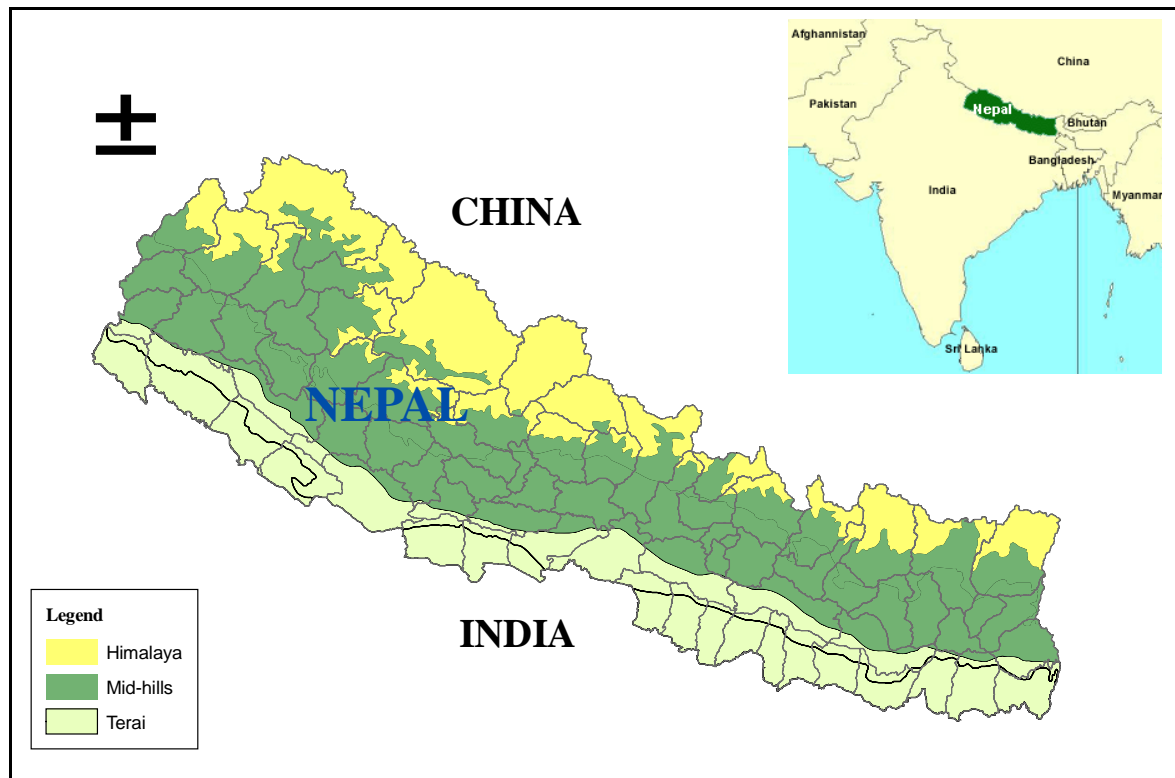
The previous chapter presented an overview of the concept and history of CF. This chapter discusses the development of CF in Nepal, which is often referred as one of the most progressive CF policies in the world. Yet, many aspects of Nepalese CF remain unexplored and understudied, including the issue of equity. While there are encouraging outcomes of CF in terms of restoring degraded lands (see Dev et al. 2003), the policy has been criticised for its negative impact on the livelihoods of the poor and minorities (Graner 1997; Malla 2000; Timsina & Ojha 2004).

The chapter examines the historical shifts of forest policies and the current processes and practices of CF in Nepal. It consists of four sections. The first section provides a background of Nepal and situates this research. In the second, the historical shift of forest policy and its attempts to address various issues including equity are discussed in two stages; the forest policy before 1976 (pre-CF era) and the policy after 1976 (post-CF era). Third, the chapter discusses the current processes and outcomes of CF, with a detailed discussion of collective action processes involved in the implementation of CF. Finally, the chapter identifies key issues and concludes by emphasising the need for conceptual understanding of collective action and equity in Nepalese CF.

3.2 Nepal – background

a) Geography

Nepal, a small landlocked kingdom positioned between India to its south, west and east and Chinese Tibet to its north, roughly rectangular in shape and occupies a total area of 14.7 million hectares with an average east-west length of 885 kilometres and an average north-south width of 193 kilometres (MOPE 2001a) (see Map 3.1). The country is divided into three physiographic regions, consisting of the Terai (59 m –610m), which is an extension of the Ganges Plain; the Middle Hills Region in the foothills of the Himalayas (610m – 4,877m), and the Mountains/Himalayas (4,877m – 8848m), containing 8 of the 14 highest mountains of the world (Ghimire 2002). The Terai, Middle Hills and Mountains/Himalayas occupy 23, 42 and 35 percent of the total geographical area respectively. Administratively, the country is divided into 5 development regions, 14 zones, 75 districts, 58 municipalities and 3,912 Village Development Committees (VDC) (MOPE 2001a). There are 20 districts in the Terai, 39 districts in the middle hills and 16 districts in the mountains (Wagle & Ojha 2002).



Map 3.1 Physiographic regions of Nepal (in the inset; Nepal in South-Asia)

b) The Politics

Nepal has existed as a country centred on the Kathmandu Valley since 1769. Before this, there were many autonomous mini-states, which were unified into the modern Nepal by Prithivi Narayan Shah, the ancestor of the present King. From 1846 to 1950, the country was under the dictatorship of successive Rana prime ministers, with the monarchy as a figurehead (Regmi 1978b). In 1951, this feudal aristocracy was overthrown and the Shah King was restored (Karan & Ishii 1994). Following a political transition after a brief experimentation of democracy, King Mahendra introduced the centrally controlled party-less *Panchayat*¹ council system of government in 1961, banning all political parties. A period of violent civil unrest in 1990 forced King Birendra, the son of King Mahendra, to allow political parties and accept constitutional limits on his power (Metz 1995). A new constitution was prepared in 1990 with elections held in May 1991. There have been numerous changes in the government and increasing frustration in the political process. Currently, the politics of the country are unstable due to the frequent changes of the central government and ongoing Maoist Insurgency since 1996, coupled with a Royal Massacre in 2001.

¹ *Panchayat* system was established in 1961 by King Mahendra. It was a centrally controlled party-less council system of government called *Panchayat*, which banned all political parties and governed the country for the next 29 years. In this system, *Panchayat* is the lowest level political/geographical unit. Each *Panchayat* was divided into nine ward committees. This system was superseded since April 1990 by a multiparty democracy system. Village Development Committee (VDC) replaced the *Panchayat* after the democracy.

The prolonged insurgency has had a profound impact on the country's society, economy and politics. The recent move of the King to sack the government and impose the state of emergency has worsened the situation in the country.

c) The People

According to the latest census in June 2001, Nepal's population was 23,151,423 (CBS 2002b). The annual average growth of population between 1991 and 2001 was 2.25 percent (ibid). The average household size was 5.45 members (ibid). The increase in the population was very high, particularly after 1971 (see Appendix A-3). The country is dominated by scattered rural villages, with only 15.92 percent of the population living in urban areas (ibid). 80.62 percent of Nepal's people adhere to the Hindu religion, followed by 10.74 percent Buddhists, 4.20 percent Muslims and then Christians, Jains and animists (CBS 2002b). There are no fewer than 28 ethnic groups (Shrestha 1996). The caste hierarchy is the prominent feature of rural Nepalese society that shapes the social, political, economic and cultural interaction at the local level (Bennett 1983). The caste system composed of four main castes; Brahmin, Chhetri, Matwali (Vaisa) and untouchables (Sudra) (see Appendix A-4). While the caste system is related, but not the determinant of land ownership, access to resources and income distribution, almost all members of untouchable castes in rural areas are poor. Despite the diverse occupational categories, all castes are involved in agriculture for the major part of their livelihoods.

d) The Economy

Nepal is one of the poorest countries in the world with a per capita income of US \$210 (UNDP 1998). The poverty is more severe in rural than in urban areas and more in the hills than in the Terai. An estimated 70 percent of Nepal's national budget comes from foreign assistance (Lundberg 1997). Agriculture and forestlands are the major bases for economic activities. While only 2.35 million hectare of the land is arable (Wagle & Ojha 2002), more than 80 percent of the population depends on subsistence farming. Hence, agriculture is the mainstay of over 90 percent of the population and constitutes over 65 percent of Gross Domestic Product (GDP) (Shrestha 1998). 69 percent of landowners in the country own less than one hectare of land (Bhattarai et al. 2002). The bottom 20 percent of the households receive 3.7 percent of the national income, while the top 10 percent claim nearly 50 percent (ibid).

e) The Forests

Forest is the largest natural resource in Nepal in terms of area (MOPE 2001b). Currently, Nepal comprises of approximately 5.8 million hectares of forests, including shrublands, which represents 39.6 percent of the total land area (CBS 2000; MOPE 2001b). Actual forests comprise about 29 percent (4.27 million ha) and shrub or degraded forests cover 10.6 percent (1.56 million ha). With

variations in climate, microclimate, topography, landform and altitude, Nepal supports a great diversity of forest types. More than 75 percent of all households and 96 percent of rural households use fuelwood for domestic purposes. The share of agriculture, forestry and fisheries in GDP is about 60 percent, with forestry alone contributing about 15 percent (Wagle & Ojha 2002).

The forest is one of the most important natural resources in Nepal and therefore, deforestation is regarded as a major problem. The Master Plan for the Forestry Sector Project (MPFSP) estimated that about 103,968 ha of forests were cleared from the 1950s to 1985, including about 22,770 ha were cleared between 1978/79 and 1985/86. The annual rate of deforestation was estimated to be 3.9 percent from 1978/79 to 1985/86 (MOFSC 1993). However, in the early 1990s, deforestation appeared to have decreased with an annual rate of 1.7 percent (DFRS 1999). This high rate of deforestation in the 1980s and the decrease in deforestation in the 1990s suggest that the change in the management approach has had some impact on the protection of forests. However, the continual deforestation, particularly in the Midhills has posed a challenge to the government. The change in the forest area between 1954 and 1994 is depicted in Table below 3.1.

Table 3.1 Percentage of forest cover showing changes between 1954 and 1994

Type	1954	1964	1977	1978/79	1985/86	1994
Forest	-	-	-	38	37.4	29
Shrub	-	-	-	4.7	4.8	10.6
Total as % of total land area	47.6	45.6	35.7	42.7	42.2	39.6

(Source: DFRS 1999; CBS 2000)

The figures given above are not necessarily accurate representations of the extent of deforestation and forest change in Nepal. Indeed, there are different figures reported by different organisations (see FAO 1999a). Deforestation in many inaccessible areas of Nepal may have been unaccounted, or the methods used may have produced different results. However, the aim of presenting these figures is to indicate a general trend of forest loss in Nepal.

In an attempt to protect forests and conserve wildlife, the government has managed some parts of the forests as protected areas, such as national parks, wildlife reserves and conservation areas. These protected areas have increased from 0.976 million ha in 1985 to 2.476 million ha in 1998 (MOPE 2001b). To benefit the poor people, particularly those living around the forests, about 270 ha of state-managed forests were handed-over to user groups as leasehold forests in 1993, which were increased to over 1000 ha in 1996 (ibid). However, with the completion of the Leasehold Forestry Project, the handing-over of leasehold forests has been slow. Sustainable management and development of forests through involving communities as Forest User Groups (FUGs) has

been a very important step with regard to forest development in the country. This is called Community Forestry (CF), which forms the largest national forestry program. Under this program, FUGs are formed and the forests are legally handed over to them for management and use. Until 2003, about 12,079 FUGs were formed and about 955,356 ha of forests were handed over to them (CPFD 2003). The FUG formation rate is about 1,000 per year. This is remarkable progress, but about two thirds of the potential forests allocated for CF are yet to be handed over. Issues such as equity, poverty eradication and rural development are also not adequately addressed in policies and practices.

3.3 The history of forestry development in Nepal

Nepal has a painful history of social, political, economic and ecological problems affecting the majority of people. Although the emergence of CF is often based on the concerns for rural development and issues related to poverty, it is not clear whether the most forest-dependent poor people have significantly benefited and improved their livelihoods from the shifts in forest policies. Unlike many scholars, who have outlined the history of forestry in Nepal (see Gilmour & Fisher 1991; Malla 1992; Hobley 1996; Pokharel 1997), the history here focuses on the shift of policies before and after CF in terms of improving (or worsening) in the livelihoods of the forest-dependent poor people.

3.3.1 Stage I - Forest policy before CF (before 1976)

The history of forestry before the emergence of CF in Nepal can be divided into two stages: a) Feudalised forestry, before 1951 and b) Nationalised forestry, between 1951 and 1976.

a) Feudalised Forestry, before 1951

Before 1951, there was no official forest policy and hence, no systematic records were maintained. Therefore, we do not know systematically how the forests were managed in practice. However, what we reasonably know is that forest use and management was controlled locally by the feudal regime.

Prior to 1769, Nepal was divided into many small states and their policies were to bring all land under state ownership (Stiller 1975). These states deliberately encouraged peasant farmers to convert as much forest-land as possible to agriculture land mainly to increase the tax base (Stiller 1975; Bajracharya 1983). Following unification in 1769, the state appointed local agents or functionaries to collect taxes. The poor farmers, who cultivated land and used forests, were required to pay a certain proportion of the produce of the land as a rent or tax to the local functionaries, which in turn transferred to the state (Regmi 1984). For acting as intermediaries, the

state transferred ownership and rights of land to those functionaries who serviced the state or ruling families as a gift in the form of *Birta*² and *Jagir*³ (ibid). With the power and backing from the rulers, these local agents controlled (and often exploited) natural and human resources. This feudal system was institutionalised at the local level and maintained by the Shah Kings after the unification of Nepal (1769-1845) and by the *Rana*⁴ Regime (1846-1950) (Malla 1999).

In 1848, the *Ranas*, the dynasty of Prime Ministers, captured political power from the Shah Kings and ruled the country until 1950. They transferred the ownership of most of the land and forests from the state to their private names. Different systems of forest management were employed in the hills and the Terai (see Appendix A-2). This privatisation was used to control land tenure and to collect taxes from people through various systems (see Bajracharya 1983; Mahat et al. 1986a). The local functionaries fully supported the *Ranas*' policies so that they could receive as much land and forest as possible through *Jagir* and *Birta*. They become local landlords and used local peasants as tenants to cultivate their land and extract rents. This forced peasant farmers to become heavily dependent on the *Jagir* and *Birta* holders (sometimes as servants) (Stiller 1975). While the peasants were controlled from taking independent actions in forest management (Bajracharya 1983), they apparently did not have severe problems of access to, and use of, essential forest products, simply because the population was low and forests were abundant.

Although Nepal was never colonised, the presence of British-East India Company had a significant influence on the ways forests were used and managed in Nepal. A Nepalese forest service was created in 1942 in line with that of India for exploitation of forests in the Terai (Regmi 1978a). In order to meet colonial interests, the orthodox forestry knowledge⁵ was imported by sending many Nepalese students to Imperial (Indian) Forestry School in Dehra Dun (Hobley 1996). The newly graduated foresters became either commercially oriented foresters or total custodians of the forest. They were trained to perceive forest-dependent poor people as forest destroyers and professional foresters as forest saviours. The needs of the most forest dependent poor people were largely disregarded.

b) Nationalised Forestry, 1951-1976

The democratic revolution in 1951 that overthrew the feudalist *Rana* rulers brought a radical change in Nepalese forestry in 1957. This change officially prohibited people from accessing the

² Birta is a grant of land to individual nobles as a reward for some services to the state. It was tax free and heritable and was valid until re-called or confiscated (Regmi 1984).

³ Jagir was a grant of land to a government employee in lieu of salary.

⁴ Rana is a lineage of the middle caste under a system in Hindu religion.

⁵ The orthodox forestry knowledge searches for universally acceptable laws of nature based upon practices that guarantee accuracy and lack of political bias and assume to produce universal, accurate and neutral facts (Fairhead and Leach 1998; Forsyth 2003).

forest. A people-oriented forest policy was drafted in 1952/53, but this was abandoned in favour of the Private Forest Nationalisation Act 1957. The Act states:

... forests constitute an important part of the national wealth and to protect national wealth...management and proper utilisation thereof for the public interest, it is expedient to nationalize private forests”...“Private forests mean all forests in all land types including wasteland with wholly or part remission of revenue over which any person is exercising propriety right. (Private Forests Nationalization Act 1957, cited in Hobley 1996, p.70)

The Act was enacted by the state to take over all private forests in the country. On one hand, the Act released all private lands and forests from the control of a few powerful Birta and Jagir holders, especially from the *Ranas*, to fulfil the revolutionary mood of the public to dismantle the feudalist system of governance. On the other hand, inspired by centralisation of forestry in India and other countries in contributing to economic development, the state enacted the radical forest policy to regularise the revenue flow to the state by equitably managing them for the benefit of all citizens (Regmi 1978a). The policy perceived the feudal control of forests as a problem, and the central control as a solution, to address many forestry problems, and to realise the wider potential of forests.

By late 1950s and during the 1960s, the state strengthened its institutional and administrative capacity to control and generate revenues from the forest, especially in the Terai. Following the establishment of the centralised partyless *Panchayat System* in 1961, the Forest Act (1961) was enforced to provide legislation for restrictions and demarcation of forests, laying down offences, penalties, and defining authorities, and the responsibilities of District Forest Office (DFO) (Mahat et al. 1986a). Over time, by expanding staff members and authorities, the Department of Forests (DoF) became a powerful institution that was able to prepare working plans, exploit forests and generate significant income from the Terai forests through the establishment of the Timber Corporation of Nepal (TCN). The nationalisation led to an increase in revenue to the state until the early 1970s (Hobley 1996). However, the policies did not seriously address the concerns and the importance of forests for the poor people.

It is generally believed that this new forest policy accelerated deforestation and triggered ecological crisis (FAO/World Bank 1979). As forests managed locally by feudal systems were appropriated, traditional rights were curtailed and any use of the forest was prohibited, the local feudal system became officially dysfunctional. The forests were converted into open access that induced deforestation. On the other hand, some writers argued that the Act did not have such an impact because most of the rural residents remained unaware of it (Karan & Ishii 1996). Gilmour and Fisher (1991, p.12) believed that claims of widespread indiscriminate cutting of forests following 1957 were exaggerated because “it is unlikely that a legislative change, of which many people are unaware even today, caused such a drastic and immediate effect”. While the vegetation

cover was reported to have decreased from 47.6 percent of total land area in 1954 to 42.7 in 1977/1978 (CBS 2000), the decline of 4.9 percent in the national scale for the 24 years, was not indicative of any crisis. The forest decline figure did not substantiate the grim prediction of the World Bank that all accessible hill forests would disappear by 1993 and in the Terai by 2003 (World Bank 1978). In fact, deforestation in Nepal is not new. Many hill forests were reduced to the present size between 1750 and 1900 as a result of *Birta* and *Jagir* land tenures (Mahat et al. 1986b). However, the crisis arguments dominated in the policy discussions, despite evidence suggesting they were untrue (see Ives & Messerli 1989; Fisher 1990b).

By the early 1970s, the function of state forestry staff was established as a police and the policy became disturbingly cruel to the subsistence needs of most-forest dependent poor people (Soussan et al. 1995). The poor, who had to use the forest to manage their livelihoods, were forced to become legal culprits.

3.3.2 Stage II – Forest policy after the emergence of CF (after 1976)

CF policy emerged in Nepal in the 1970s after a failure of forest policy to halt perceived deforestation, and by a realisation of the need for a forest management responsive to, and built upon, local needs and indigenous system. Conceptually, it was a paradigm shift from the state's centralised control (top-down) to users' decentralised control (bottom-up) (Gilmour & Fisher 1991). This shift can be analysed in three stages. First is the emergence (1976-1988), in which the policy was to include local people in forest management, but to control them in the use of forests. Second is the transformation (1989-1999), in which the policy was to empower local people setting objectives for forest management and use. Third is the tension (2000 onwards), in which the state has attempted (albeit unsuccessfully) to impose more conditions to control the use and management of forests.

a) The emergence, between 1976 to 1988

The initial years between 1976 and 1988 marked the official emergence and transition of CF in Nepal. During this period, there was a radical change in forest management from the top-down to the bottom up approach. By the early 1970s, it was becoming clear that the government alone was not able to effectively manage the forest. Many foresters, who worked at the field level, found that there were forests being effectively managed by the community. The Ninth Forestry Conference held in Kathmandu in 1975 provided a platform for community-oriented foresters to share their experience and express their concerns with fellow foresters and senior officials. The conference organised initially for 3 days, but extended for 23 days in “consonance with the serious concern addressing the problem of the deteriorating condition of the nation's forests” (Gilmour & Fisher 1991, p.13). This conference reviewed the previous policies, structure and legislation and

concluded that the existing practices and the structure of the DoF needed a major change. The conference stressed that without addressing the basic forest product needs of the forest dependent community, it was almost impossible to protect the forest, particularly in the hills. The finding of this Conference together with the findings of ‘A Task Force on Land Use and Erosion Control by the National Planning Commission in 1974, formed the basis for the 1976 National Forestry Plan that introduced CF in Nepal.

The National Forestry Plan introduced a new policy to hand-over responsibilities of forest protection and management to local people in the form of *Panchayat Forest* (PF) and *Panchayat Protected Forest* (PPF)⁶. In line with the policy, the Forest Act 1961 was amended in 1977 and re-emphasised the theoretical rulings of the 1961 Act in allocating some category of forests to local Panchayat. The *Pradhan Panchha*, a locally elected leader of the *Panchayat*, became the manager of the forest, while actual forest users remained marginalised in the decision making at the local level. The subsequent legislation was devised and interpreted to suit the needs of the *Panchayat* officials, patrons and followers (Bhattarai et al. 2002). The policy and legislation emphasised the plantation and protection of forest by motivating people to look after it (Bhattarai et al. 2002). Nurseries were built, plantations were established and forest watchers were hired to protect the forest (Britt 1998). There was no provision for the use of forest products, unless the hand-over was accompanied by a forest management plan. However, the majority of PF and PPF did not have the plan as the state deliberately emphasised the protection of forests, rather than using the forest to meet the needs of the local people.

During the 1980s, the forest policy was supported by the “Sixth-Five Year Plan” (1981-1985) which emphasised community participation in the management, conservation and utilisation of forests. The concurrent decentralisation of authority and participatory planning in many countries influenced the enactment of the Decentralisation Act 1982 in Nepal. This formalised duties and responsibilities of *Village Panchayat* and empowered them to form committees for conservation and management. It strengthened the control of forests in the hands of local people by empowering the *Village Panchayat* (Regmi 1984). The decentralisation attracted many donors from Australia, USA, UK, Switzerland and Canada to hand-over responsibility of the forest management to local people to save the Nepalese environment from further degradation (Hobley 1996).

Despite support from donors, CF existed mainly in rhetoric. Only 36,376 hectares of forest was transferred to Panchayat, well short of the target of 1.83 million hectares (Karmacharya 1987). This was mainly because the policy wrongly assumed that the Panchayat was synonymous to community. It ignored the locally recognised use rights, which were more important than the use

⁶ PF is a barren land owned by the government but handed over to village panchayat for plantation, whereas the PPF is a government forest handed over to the panchayat for protection and management purposes.

rights dictated by the *Panchayat* boundary (Gilmour & Fisher 1991). The under-staffed DoF administered the lengthy handover process with less concern on meeting people's need and tended to hand-over much degraded and newly established plantation that took a long time to provide benefits to users. Since the forest dependent poor people were locally controlled and were forced to use the forest illegally to meet their basic needs, the externally supported plantation and protection-focussed forest policy did not significantly benefit local people (Hobley 1996).

The disappointing experience of implementing CF pushed some bi-lateral projects and the government to search for alternatives. By 1987, there was an urgency to place the community in the central position of CF and to establish a meaningful partnership between the people and the government for effective forest management. This conceptual input transformed the forestry towards more inclusive and participatory CF in the late 1980s.

b) The transformation, 1989-1999

The eleven years from 1989 was the golden era of CF in Nepal. During this time, the externally imposed CF intervention was transformed into supposedly community driven CF. Users were entrusted and empowered for the control and management of forests. The role of the external actors changed from policing the users to helping users to plan, manage and use forest resources. The transformation was brought about by significant changes in CF processes by the help of the First National Community Forestry Workshop (1987), the Decentralisation Act (1987), the Master Plan for Forestry Sector (MPFS) (1989), the Constitution of the Kingdom of Nepal (1991) and the Forest Act (1993) supported by Forest Regulation (1995) and by the Seventh (1985-1990) to Tenth (2002-2007) Five-Year Development Plans.

The transformation was marked by the realisation that the local people's need and participation must be given a central position for CF to be effective. The first trigger came from the Seventh Five-Year Plan (1985-1990) that explicitly prioritised the mobilisation of peoples' participation in afforestation and forest management to ensure that their subsistence needs were met. In line with the international neo-liberal trend for increasing efficiency of the government through decentralising the state responsibilities to the local levels, the Decentralisation Act of 1987 introduced legislative structure and the concept of User Groups for local administration. In 1987, the DoF and project staff came together in the First National Community Forestry Workshop to discuss the progress of CF. The workshop participants convinced the policy makers that further devolution was necessary for the improved management of forests and to expand the scope and effectiveness of CF (Shrestha & Britt 1998a). This was the key basis for the preparation of the Master Plan for the Forestry Sector (MPFS).

Master Plan for the Forestry Sector (MPFS)

Inspired by the global debate on decentralisation and sustainable development, a forest policy breakthrough in Nepal came in 1989 when the government, with the help of donors, prepared and approved the Master Plan for the Forestry Sector (MPFS). In fact, the plan was being prepared for several years prior to 1989. A major planning exercise was started in 1986, completed in 1988, approved in 1989 and revised in 1990. The plan, which is being implemented and will be effective until 2010, aimed at combining environmental objectives of protecting land and resources with social and economic objectives through developing partnership between local people and forestry organisations. The long-term and medium-term objectives of the MPFS are summarised in Text-box 3.1.

<p>Long-term objectives:</p> <ul style="list-style-type: none">- Meeting the people's basic needs for forest products on a sustainable basis.- Conserving the ecosystem and genetic resources.- Protecting the land against degradation and maintain ecological balance.- Contributing to local and national economic growth.	<p>Medium-term objectives:</p> <ul style="list-style-type: none">- Promoting the local participation in forest management, development and conservation.- Strengthening the forest organization framework and develop the institutions of the forestry sector.- Developing the legal framework needed for sustainable development, management and conservation of forests.
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Text-box 3.1: Long and medium term objective of MPFS, Nepal

(Source: HMGN 1989)

In order for the plan to achieve its objectives, the MPFS has focussed on six primary and six supportive programmes. The programmes and their respective estimated costs in percentage are in Text-box 3.2.

<p>Primary programmes:</p> <ul style="list-style-type: none">- Community and Private Forestry (46.6%)- National and Leasehold Forestry (20.2%)- Wood-based Industries (4.7%)- Medicinal and Aromatic Plants (4.6%)- Soil Conservation and Watershed Management (6.7%)- Conservation of Ecosystems and Genetic resources (9.0%)	<p>Supportive Programmes:</p> <ul style="list-style-type: none">- Policy and Legal Reform- Institutional Reform- Human Resource Development- Forest Resource Information Systems and Management Planning- Monitoring and Evaluation
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Text-box 3.2: Programmes of MPFS

(Source: HMGN 1988, p.32)

The MPFS emphasised Community and Private Forestry (CPF), with 46.6 percent of the total estimated forestry sector budget. It is explicit that the aims and programmes focus on basic needs of the forest users. To achieve the aims and facilitate programs, this forest policy contains some

explicit statements about the government's intention for the management of CF (HMGN 1989, p.14):

Phased handing over of all accessible hill forests to the communities to the extent that they are able and willing to manage them.

... to entrust the users with the task of protecting and managing the forests. The users to receive all of the income...

Retraining the entire staff of the Ministry of Forest and Soil Conservation for their new role as advisors and extensionists.

... to mobilise the vast manpower and other resources of rural communities for forest development and management to meet their own needs.

Revision of legislation to encourage people to accept full responsibility for the development, management, protection and sustainable utilisation of community forest.

... [CF] priority will be given to poor communities, or to the poor in a community (HMGN 1989, p10).

Strengthening the forestry organisation so that it can give full support to community and private forestry (HMGN 1989, p.15).

It is important to note that some forests were being managed by communities before the plan.

However, the policy formally recognised such efforts and provided a vision for the local people and the DoF to work together to conserve the forest, to supply the basic forest products to the local people and improve their livelihoods. MPFS identified the FUGs as appropriate local institutions responsible for the protection, development and sustainable utilisation of local forests. Between 1987 and 1990, the CF program attained a phase, in which CF activities were increasingly informed by the local level social processes (Gilmour & Fisher 1998). There was increased understanding of effective indigenous forest management systems (Campbell et al. 1987; Fisher 1989; Acharya 1990). The immediate implementation of the policy, however, was a challenge for DFO in choosing between the *Panchayat* and Forest User Group, and administrating the previously handed over forests to *Panchayat*. For this, the DoF issued interim guidelines in 1988 and Operational Guidelines in 1990 to implement CF and to remove the institutional dichotomy. The certificates of the previously handed over CF were taken back and re-handed over to the FUGs as suggested by the new policy (Baral 1999). While the traces of the *Panchayat* system kept influencing the formation of FUGs and management of forests, the political change in 1990 cleared the way for implementing the CF.

Despite such progressive policy provisions, there were some questions on the will and capacity of the government to perform a complete reversal of forest management paradigm envisaged by the plan (Gilmour & Fisher 1991). Pandey (1990) criticised the Plan as regressive and amounted to the government taking control of forests away from local communities. Specifically, the plan continued to disadvantage the most-forest dependent poor people. Firstly, the democratic and egalitarian principles upon which the policy was formed and implemented, imposed an equal and

rule-based formal system by dismantling a socio-culturally shaped indigenous system that may have maintained social equity. By emphasising equality, it reinforced the pre-existing inequality. Secondly, the MPFS was largely informed by the sampling, inferences, and cost-benefit analysis that did not fully acknowledge the social, cultural and political contexts, in which forestry problems were experienced. Thirdly, the policy was formed by the forest bureaucracy and donors, but the key authority to set objectives and resume CF remained with the DFO.

Forest Act 1993 and Forest Regulation 1995

The Forest Act 1993 repealed conventional forestry laws and paved the way for democratic and liberalising forestry initiatives in Nepal. The Act was enacted to fulfil the intention of the Constitution of the Kingdom of Nepal 1990 for mobilising the nation's natural resources as well as protecting wildlife, forests and vegetation (Shrestha et al. 1995). According to the Act, the role of the DoF staff became facilitators and advisors to FUGs. The DFO can directly hand-over forests to FUGs (HMGN 1993, Section 25). The Act legitimised the FUGs as self-governing, independent, autonomous and corporate institution (HMGN 1993, Article 43). FUGs could acquire, possess, transfer, or otherwise manage movable or immovable property (HMGN 1993, Article 43.3). They are entitled to receive 100 percent benefits from the forest management and to raise funds through grants, donations, sales and the distribution of forest products, fines, and use of these funds in forestry or any other development activities (HMGN 1993). The provisions of the Act were elaborated by the Forest Regulation in 1995 (HMGN 1995). The Operational Guidelines 1995 and the CF Directive of DoF in 1995 further simplified the matters of CF (DoF 1995). The first amendment in the Forest Act in 1998 defined penalties to offenders by DFO upon the request by FUGs. These legal provisions facilitated the transfer of use rights of forests to FUGs and the transformation of the DoF in the supportive roles.

Besides forest policy and legislation, the Community Forestry Workshops emphasised the institutional development of FUG (second workshop), CF for poverty alleviation (third workshop) and issues of forest management and equity in CF (fourth workshop). From the Sixth Five-year Plan (1981-1985) to the Tenth Five-Year Plan (2002-2007), CF has been emphasised for balancing the environment and development, and contributing to poverty alleviation. The government reiterated its commitment towards poverty reduction in the Interim Poverty Reduction Strategy Paper (Kanel & Sharma 2000). The Local Government Act 1998 emphasised the need for CF to link with the local administrative structures, such as Village Development Committees (VDCs) and District Development Committees (DDCs).

Despite the liberal legislation, the Act still provisions the state to fully own the forestland and the DFO has the power to withdraw a previously handed over CF (HMGN 1993). The first amendment

in 1998 required the FUGs to spend at least 25 percent of their income on forest development (Kanel & Sharma 2000). Although CF has emerged a means for poverty reduction, the Act blocks individual members using the income accruing to a FUG. The Local Government Act (LGA) in 1998, instead of supporting to the Forest Act, contradicts it in terms of the right to tax the forest products by local bodies, such as DDCs and VDCs (Kanel 2001). These contradictions mean that there are serious hurdles in long-term CF management and poverty reduction.

The emergence of users' federation, FECOFUN in 1995

After the enforcement of the 1993 Forest Act, when forest-users' groups were given a legal status, a series of seminars were held in various districts across the country. It was then that the need to establish a national-level networking organisation was recognised. Community forest-users' groups met and decided to form FECOFUN (Federation of Community Forestry User Groups Nepal – “*Samudaik Ban Upabhokta Mahasangh*”). The federation was registered in September 1995 as an advocacy and lobbying organisation to protect the rights of community forest users and contribute to the development of community forestry (Shrestha 2000). The mission of FECOFUN is to safeguard the natural and legal rights of forestry users, to inculcate self-reliance, and to increase the decision-making capacity of forest user groups (ibid). Its long term objectives include encouraging disadvantaged social groups such as women or artisan groups to upgrade their economic and social status through proper allocation of resources generated from CF. FECOFUN has a multi-tiered structure with forest user groups organised in village development committee (the lowest administrative unit of Nepal) level networks, range post networks, district networks, regional networks and central FECOFUN at the national level. Today FECOFUN covers 74 of the 75 districts of Nepal. FECOFUN activities focus on advocacy, giving legal advice, raising awareness about legal provisions, training and support for operational plan revision. FECOFUN is funded by a range of international donors. Since its establishment, FECOFUN has been instrumental in representing the concerns of community forestry user groups in deliberations about policy formulations regarding the rights of the community forestry user groups (see Shrestha et al. 1997; Britt 1998; Shrestha 2000). Although there is increasing dissatisfaction about FECOFUN's activities and performance, particularly related to promoting equity in CF, and a new, parallel federation has recently been registered, FECOFUN is established as an active and important national association of forest users interested in protecting forest users' rights, increasing awareness and expanding and strengthening the role of forest users in Nepalese CF.

c) The increased tension, from 2000

Since 2000, CF in Nepal has entered an era of increased tensions, mainly due to the attempts by the forest bureaucracy to increase its control over the forests managed by the FUGs. The Forest Act (First Amendment) in 1998 empowered the DFO to penalise the FUG committee members and

required FUGs to spend at least 25 percent of the income on forestry development (Kanel 2001). The FUGs are required to submit an annual report, describing forest activities performed, the condition of the forest and the status of the fund to the DFO (ibid). Significant tension emerged after the government's attempt to pass the Forest Bill in 2001 (i.e. the Second amendment of the Forest Act 1993), which proposed two separate approaches to manage community forests in the hills and Terai. In Terai, the state attempted to generate state revenues, while in the hills, where the potential for state revenue was less, the Bill was not explicit about the provisions for benefit sharing. To generate revenue, the Bill specified single-plot forests exceeding 50 hectare on a single plot in the Terai, cannot be handed over as CF. Collaborative forest management was proposed to manage those forests, with a marginal share of benefits given to users. Additionally, the FUGs in Terai may not freely sell products on the market and may not fix prices of firewood and timber below royalty rates, and 40 percent of FUGs' income must be paid to the DFO. The Bill, 2001 inspired by the Indian model of JFM, would have significantly increased the control of DoF and decreased the independence of FUGs. However, the Bill failed to get approval from the parliament.

The Bill was tagged as the greedy Kathmandu mentality (Paudel 2001), betrayal to FUGs and funerals of CF (Mahapatra 2001) and an on-again and off-again policy (Britt 2001). Some observers concluded that CF was in real danger (Shrestha 1999; Shrestha 2001). In March 2000, FECOFUN mobilised hundreds of members of FUGs from across the nation who marched through the street of the capital to demand that the CF Bill be reviewed. Such resistance to the Bill was legitimate because the forest policy review was carried out by the help of foreign policymakers, including Indian forest officials. Despite intense pressure from FUGs, donors and environmental activists, the government refused to withdraw the additional taxes imposed upon FUGs. It single-handedly attempted to get approval from the parliament, but the Bill failed to go through due to widespread criticism and demonstrations. The Bill, reflecting the politicised and demoralised forest bureaucracy (Poudel 2002), created tensions between the state and forest users. As a result, there is a sense of insecurity of rights and authority given to the local people. The Bill eroded people's confidence and produced uncertainty in the development of CF.

The motive of the DoF might have been influenced by some other factors. For instance, there is increased tension between the state and the World Bank in terms of continual delays in loan payments. The extraction of revenues from the forest may have relevance because the loan has to be re-paid. The tensions between the government and people might have been influenced by the overall political instability in the country. Many forest area offices and range posts have been destroyed by the Maoists since they launched their armed insurgency. Increasing tensions mean that most forest dependent poor people are further marginalised in accessing and using the

essential forest products. In order to understand and address such tensions and other emerging issues, it is essential to examine the current processes and outcomes of CF.

3.4 Current processes and outcomes of CF in Nepal

Community forestry is an ongoing and interactive process. It involves a series of interdependent activities carried out by various stakeholders operating at different scales. The most important interdependent processes are those carried out by the DoF and the local communities. According to Springate-Baginski et al (2003b), the CF process comprises three interdependent elements: a) national policy⁷ process, b) implementation process, c) outcomes. The DoF is more dominant in the national policy making process and the local communities are in the implementation processes. A sound policy and processes are necessary, but not sufficient, conditions for CF to achieve locally desired outcomes. The decision-making and implementation processes are more important to understand why certain outcomes are (or are not) produced. To understand how a policy is perceived and implemented, and what its actual outcomes are, processes involved in the implementation are important. In the context of progressive policy already in place, this section discusses on collective action processes involved in the implementation of CF.

3.4.1 National policy process

Nepal has an established tradition of policy-making, starting from the First Five-Year Development Plan in 1956. In the last 49 years, the policy making process has transformed from top-down modernisation to bottom-up decentralisation. The current national policy making process is co-ordinated by the National Planning Commission (NPC). The policy process involves the identification of development issues and needs at the local, regional and national levels and also through the consultation of national and international experts and institutions. Once issues are identified, the NPC organise a series of discussions among multidisciplinary experts. When the draft is prepared, discussed and approved, it becomes a national policy. The policy is divided into sectoral policies and programmes, such as forestry policies. Legislation is passed to back up the policies that give way for formulating operational guidelines and administrative orders. These policy making processes are political processes, in which the government bureaucrats and politicians identify problems and devise strategies to solve them. The majority of people, who are affected by the policy, are not involved in policy-making.

⁷ Policy generally refers to the course of actions required to resolve issues and solve problems.

The forestry sector policy making is initiated at the Ministry of Forests and Soil Conservation (MFSC). The forest issues are identified at the District Forest Offices and reported to the DoF and then communicated to the MFSC. The governing political party identifies the issues and the Forest Minister brings them into discussions at the Ministry. Senior officers at the Ministry discuss the issues and form a task force to draft a policy paper, which is then placed on discussion with interested stakeholders. Discussions with donors take place in the Forestry Sector Co-ordination Committee (FSCC). The draft is finalised and approved by the Forest Minister. Then this policy is presented to the Council of Ministers (Cabinet) for endorsement. The approved proposal becomes the forestry sector policy. The policy generally demands either changes in either the Forest Regulations or the Forest Act (Bhatia 1999). These amendments are made, approved and published in the official Gazette and it goes into legal effect.

Forest policies are generally developed by the senior bureaucrats and politicians. The process is hardly democratic as it neglects the public. The task force formed for the discussion, interaction and preparation of the draft policy follows short-cut routes and their roles are limited due to lack of time and the need to maintain official secrecy (Bhatia 1999). There are less consultative and interactive processes in place for the policy formulation and reformulation leading to inequitable outcomes (Pokharel 2003). There are few avenues for the public to directly contribute their ideas on forestry policies.

3.4.2 Implementation of CF: Theory and field processes

Theoretically, the current CF policy aims at empowering the local forest users and developing a level of consensus and cooperation within the communities and between the FUGs, DoF and other stakeholders about the use and management of the forest. This empowerment and consensus building involves a range of complex implementation processes at the local level. CF policy is progressive, but it is ambitious in terms of demanding an institutional transformation at DoF and transforming the working relationships between the DoF staff and the local forest users. However, the policy is supported by field processes associated with the development of FUG that includes the identification of forests, organisation of forest users and formation of FUG, the preparation and approval of the constitution and operational plans, and implementation and monitoring of the plans. These processes are important to ensure that the users act collectively, they are empowered and are the real managers of the forest.

At the field level, there are many processes recommended for enabling local people to act collectively and implement CF on the ground. These are guided by the specific Operational Guidelines of the government. The Guidelines of 1995 grouped field processes into four sequential stages; investigation, negotiation, implementation and review (HMGN 2000). In this thesis, I

divide these processes into two categories; a) the emergence of collective action in CF (i.e. pre hand-over phase) which includes investigation and negotiation processes, and b) the evolution of collective action in CF (i.e. post hand-over phase) which includes implementation and review processes.

a) The emergence of collective action in CF – investigation and negotiation processes

Collective action is initiated by investigation processes. It involves the identification of the potential community forest and users, spreading awareness of CF concepts and assessing users' willingness to, and capability of, managing the forest. The process emerges internally from the members of the community, or externally from the DFO, or donors or NGO staff, and sometimes from both (Springate-Baginski et al. 2003a). The most common initiators in Nepal are the DFO staff, who identify forest users and inform them about their legislative rights and responsibilities. This process involves door-to-door visits by forest technicians, contacts and meetings with the users, group meetings and interest group meetings. This is a crucial phase and is rightly emphasised by the Operational Guidelines 1995. The failure to correctly identify user groups and involve them in extensive discussion and decision-making can lead to the failure of the entire program.

The process can take time and should not be rushed (Gilmour & Fisher 1991). In practice, the investigation phase is often brief, incomplete and insufficient due to shortcomings in the legislation and in the field practices (Shrestha & Britt 1998b). The Forest Regulation (1995) and Operational Guidelines (1995) for the investigation phase are often not followed in practice, partly because there is no mandatory requirement that the Guidelines be followed (Baral 1999). In practice, investigation is a relatively brief process and rangers normally take short-cuts by consulting the village elites (Springate-Baginski et al. 2003a). The most serious problems and institutional weaknesses in CF originate from insufficient processes carried out during the investigation phase.

The next stage is the negotiation which involves the processes of FUG formation and preparation and approval of Constitution and Operational Plan (C&OP). This is crucial because it involves the legal transfer of responsibilities and authorities of the DoF to the FUGs. In this stage, the DFO staff explain the detail of the CF programme, individual and group assignments and duties and rights of the users. This process seeks consensus through dialogue and informal exchanges (Shrestha & Gronow 1992). Users consensually decide the local rules and regulations (i.e. Constitution) that guide their behaviour now and in the future (Shrestha et al. 1995). The Constitution includes user's rights and responsibilities and the conduct of the meetings, the penalties and punishments and the ways of doing monitoring and evaluation activities. The members of FUG committee approach the DFO for approving the Constitution and registering the

FUG. This should occur before the preparation of the Operational Plan (OP). Then, the OP is prepared by users. This is an agreed document between the FUG and DFO and focuses on the technical aspects of forest management, utilisation and distribution matters of CF.

Negotiation is one of the most important, but difficult phases of CF. There is always a danger of the domination by powerful individuals over the agenda that directly impact on the livelihoods of the most forest dependent disadvantaged groups. However, these processes tend to be done in a vacuum, with no specific consideration of the existing systems based on socio-cultural and economic hierarchies within the community. Springate-Baginski et al (2003a, p.14) outline at least five concerns of the formation of FUG. Firstly, the formation process is often elite-based, in which rangers are normally liaising only with elite groups. Secondly, actual users are often not properly identified because user's lists often have to be revised after the formation. Thirdly, due to the use of outdated survey maps, the forest boundary is often not clarified at the time of handover. There are serious conflicts between the boundary of the community forest and the private land. Fourthly, the involvement of users in user identification and preparation of constitution and OP are limited. Rangers often draft these plans by themselves, which don't reflect the users' needs and objectives. Lastly, due to the limited awareness of the formal concepts and priorities of the CF to forest users, there are gaps between the general understanding and the official requirement about the FUG formation process.

b) The evolution of collective action in CF – implementation and review processes

Following the emergence and establishment, collective action evolves to the implementation stage, in which FUGs members implement C&OP. This phase involves many sub-processes associated with the management, utilisation and control of forest resources by the FUGs. Key sub-processes can be grouped into four categories; forest management, livelihood benefits, on-going decision-making and implementation, and power relations.

Forest Management

Forest management process involves the mobilisation of users in protection, management and utilisation of forests. FUG members share equal responsibilities of forest protection, either by directly participating in the rotational patrolling of forests, or by providing financial contributions to hire forest watchers. FUG members are also expected to actively manage the forests by implementing various silvicultural operations. The policy assumes that these activities improve the forest and supply forest products to users on an equal basis. However, there are concerns on the protection-oriented forest management, under-utilisation of forests and unfair distribution of forest products and other benefits among FUG members.

Livelihood benefits

Many livelihood benefits are expected from CF. FUG members receive extractive and direct benefits, such as forest products, often free of charge. Non-extractive and indirect benefits include environmental services, employment generation and ecotourism. Many FUGs are generating income and the funds accrued from such activities are controlled by the FUGs and are being spent on community development activities. Despite such initiatives, there are serious issues of limited livelihood benefits being generated from CF. Issues relating to procedural and distributional equity have been popularised.

On-going decision-making and implementation

The implementation of the OP requires making and implementing ongoing decisions at the local level. This is primarily co-ordinated by the FUGC. Effective and democratic decision-making is central to successful implementation of an OP. Decisions are made in meetings and general assemblies. However, discussions in small groups before the actual meetings are useful to make users prepared for genuine negotiation and democratic decision making. However, there are serious concerns on the genuine and inequitable participation of all users in decision making and implementation processes (e.g. Malla 2000; Neupane 2003).

Power relations

CF aims at transferring the rights, authorities and responsibilities of forest management from the DoF to the FUGs. Within the community, it involves a significant deviation from traditionally biased social processes to the poor, women and low caste people towards giving them equal shares and access. In this sense, the evolution of collective action is shaped by power relations, both among different users, and between the DFO and FUG. The FUG committee acts as the bridge between the FUG and DoF and other stakeholders, such as donors and NGOs. While there are legal and institutional arrangements to facilitate the transfer of authorities between the DFO and FUG, no such arrangements exist for socially powerful people within FUGs to exercise restraint and give away their traditional privileges of dominance in the implementation. There is therefore no guarantee that the power transfer actually occurs on the ground. Two national level federations exist to advocate FUGs' rights and protect their authority. However, they are highly politicised and their existence at the local level is not clearly visible. The transfer of sufficient and secure power from the DFO to FUGs has been one of the most debated issues of CF.

Review

Review is the final stage of CF implementation process that involves the evaluation of the progress and performance of activities undertaken by the FUGs. The implementation of CF increases the experience of both FUGs and DFO staff. They are in a better position to incorporate needs into the

OP. FUGs may need to change their OP to adjust and accommodate to the changing needs and condition of forest resources through the general assembly. FUGs meet at least once a year in a general assembly to make necessary amendments in the OP. Upon the request of the FUG or after the expiry of OP, the DFO amends and approves the plan. However, review processes are often initiated and driven by the DFO. FUGs are reluctant to carry out the amendment without support from the DFO.

3.4.3 Outcomes of CF

Community Forestry outcomes are diverse and are the result of the processes involved in the policy formulation and implementation. One of the important outcomes is the conservation of forests. Positive impacts are reported in terms of conserving the forests and halting the deforestation in the hills. Both forest condition and the availability of forest products are improved, with a concurrent reduction in time spent for collecting forest products. Forest degradation has generally been reversed and communities are beginning to benefit from improved forest product flows as well as wider community development (Maharjan 1998; Yadav et al. 2003; Dev et al. 2003). However, critics question that this improvement is the result of protection-focused forest management by the state officials and the village elites that is leading to the under-utilisation of forests. This has adverse impacts on the livelihoods of the forest dependent poor people (e.g. Malla 2000).

Nevertheless, CF is to some extent contributing to the livelihoods of local people through building natural, social, human, financial and physical capital. Besides the improvement in forest condition CF processes have increased social cohesion and enhanced social capital of those who have been powerless and excluded from mainstream social and political processes (Pokharel 2003). It has improved the knowledge and skills of local people and created financial capital by generating income from the sale of forest products, levies and outside grants of more than 100 million rupees (ibid). There are some examples of FUGs establishing low interest credit schemes as well as grants to the poorest household members from the FUG fund. Many FUGs have constructed village trails, small bridges, community buildings, schools and temples. However, the impacts of CF are not as significant as expected. There is a need to assess the CF impacts with specific attention to the livelihood of the poorer groups of the FUGs.

The implementation of CF has helped accelerate the reform in forest policy, organisations and agencies and created a new institutional base for local development. The staff from the DoF have moved away from their traditional role of policing to a role of facilitator and advisors. CF is the only national programme by which thousands of local institutions are established and effectively mobilised for forest and local development activities. Networks of groups and federations are

established to safeguard the rights and responsibilities of the users. It is no longer a programme, rather a system of bottom up planning processes having bi-directional flow of information from community level to the central level, both vertically and horizontally (Pokharel 2003). It has attracted both national and international donor's support. Conceptually, CF in Nepal is the paradigmatic example of participatory forest management for the international community (Springate-Baginski et al. 2003a).

Currently, an average of two FUGs are formed every day (Pokharel 2003). Over 12,000 FUGs are involved in managing about 1 million ha of forest land, representing over 15 percent of total forestland and over 28 percent of potential CF in Nepal (CPFD 2003). The overall trend of CF in Nepal is represented in Table 3.2:

Table 3.2 Outcome of CF in terms of area under FUG management

Features	Outcomes
Number of FUGs formed	12,079
Forest area under the control of FUGs (ha)	955,358
Potential CF area identified (ha)	3,551,849 (61%)
Total forest area	6,306,000 ha
Percentage of Forest land under the FUG management	15.1%
Percentage of CF area under the FUG management	28.6%

(Source: CPFD 2003)

The experience of CF in Nepal has shown that it may be possible to reduce poverty through CF. However, it is also apparent that the existence of progressive legislation is a necessary, but not a sufficient condition to ensure community forestry's responsiveness towards poverty. There are underlying issues of how policy and legislation are informed, and whether the policies are genuinely implemented on the ground.

3.4.4 Key issues and challenges

There are many issues and challenges of CF, including the conservation and utilisation of forests. There is numerous anecdotal evidence that forests have been protected. A few studies have reported that the forest condition has improved (e.g. Maharjan 1998; Branny & Yadav 1998; Dev et al. 2003). The improvement has been attributed to the FUGs, focussed on forest conservation, not on utilisation. Consequently, forests are being managed below their productive potential (Malla et al. 2001b; Springate-Baginski et al. 2003a; Jodha 2004). The potential of CF for commercial use is largely ignored. However, strict protection and under-utilisation in one location has transferred the pressure for forest products elsewhere (e. g. Malla et al. 2003). There is a limited understanding on the impact of strict protection and underutilisation to those users who mostly depend on the forest products from CF.

It is suggested that how CF will be implemented and whether it will improve forest resources are inextricably linked to historical and geographical specificities (Nightingale 2003). Moreover, ecological sustainability is also entwined with the articulations between socio-political and ecological processes (ibid). Therefore, an understanding of issues related to forest conservation and utilisation is related to how and why people collectively act and how socio-economic, political and ecological factors interact to each other and condition collective action processes and outcomes. However, there is a paucity of such investigations in the context of Nepalese CF.

One can assume that the relative progress of CF in Nepal may partly be because it has benefited forest users. Some reports show that CF has increased product flows and is contributing to improving livelihoods (e.g. Dev et al. 2003). However, this does not mean that CF satisfies the need of all users and available benefits are distributed on an equitable basis. In some cases, it is reported that CF has added costs to the poor, such as reduced access to forest products and forced allocation of household resources for communal forest management with insecurity over benefits (Pokharel 2003). Therefore, there are serious concerns that CF have worsened the livelihoods of women and poor households (e.g. Malla et al. 2003; Neupane 2003). Findings suggested that wealthier households benefit at the expense of the poor and the poor are often worse off (Malla et al. 2001b). There are also observations that given the unequal social structure, the poorest are the ones who suffer most, since they cannot afford to participate, hardly speak, are rarely heard and benefit from CF (Pokharel 2003).

The fundamental vision of CF is to actively involve all forest users in the process of decision-making so that the implementation of decisions is effective and responsive to the needs and interests of the users. However, it is possible that a few users make decisions and others are forced to abide by them. Elite domination in decision making process has been widely documented in Nepalese CF (e.g. Lamsal 1997; Lama 1999; Malla et al. 2003). Many disadvantaged members perceive that the forest is given to FUGC members, calling CF as '*Samiti ko ban*' (Committee's forest) rather than '*Samuha ko ban*' (group's forest) (Bhatia 2000). Many poor, women and socially marginalised users have been left out of the process (e.g. Graner 1997), and are participating in implementation activities, not in decision making (e.g. Lamsal 1997). Participatory exclusion (i.e. women who participate passively) has also been observed in CF (Agrawal 2001b). Nightingale (2002) argues that though CF has paid some attention to the issue of participation of marginalised people, there is limited investigation into how such members participate, the extent to which they influence decisions and the implications for sustainable resource management.

CF in Nepal involves the devolution of DFO's power over the use and management of forests to local communities. However, critics highlight that the tendency of DoF staff is to transfer forest management responsibilities without devolving meaningful authority (e.g. Fisher 2000a). There

are many studies suggesting that the role of DFO is controlling, rather than facilitating (see Shrestha 1999; Springate-Baginski et al. 2001; Britt 2001).

There are also issues of power relations between users. ActionAid Nepal (1999, p.9) concluded:

Power is generally mediated primarily along the lines of Hindu discourse: caste and gender forms much of the organizing agenda. Consequently participator organisations find difficulty including the excluded in their framework. The prevailing community forestry approach does not question these types of relationships in the village community.

Many issues of CF are complex and often rooted in the wider social, economic and political factors. For example, equity issues are “rooted in the structural inequality and stratification of Nepalese society” (Timsina & Ojha 2004, p.15). The performance of CF to achieve the goals of benefiting the disadvantaged groups is constrained by widespread social inequalities (Khan 1998). Nightingale (2003), therefore, asserts that the implementation of CF needs to account the political and cultural processes. Few studies have analysed these issues.

One of the challenges of CF is to understand the emergence of collective action and the formation of FUGs. The best performing FUGs are often those which had a good start in the identification of forest users, awareness raising, inclusive decision-making and clear definition of forest boundaries (Springate-Baginski et al. 2003a). This is also because inequitable group formation negatively influence the quality and effectiveness of community organisations (ODA 1996). Evidence shows that the FUG formation process is often elite based and rushed (Springate-Baginski et al. 2003a; PAARRMP 1998). Equal distribution has detrimental effects on the poor, women and occupational groups (WATCH 1998). Springate-Baginski et al (2003a) found that there was a poor awareness of CF amongst users in the FUG formation process.

3.5 Conclusion

This chapter discussed the development of CF in Nepal. The historical shifts in the forest policy show that the policy has significantly changed. However, the shift has not significantly improved the livelihoods of the most forest dependent poor people. The policy makers failed to appreciate wider social, economic and political forces influencing forestry problems and solutions. The policies have often ignored the relationship between forests and the poor people. Therefore, issues of equity in the policy approach require major rethinking.

The chapter also discussed the current processes and outcomes of CF, which are based on the equal rights, responsibilities and opportunities to all forest users. The poor, women and other disadvantaged people are not equally (let alone equitably) involved in and benefiting from CF. There are significant gaps between what the policy requires and what is happening on the ground. The policies and practices have continually ignored social, economic, cultural and other forces,

both within and beyond the community. In order to get deeper understanding of the issues of CF, the analysis must be done with a closer appreciation of the local and wider socio-economic, ecological, developmental and political relations. The next chapter will discuss the theoretical foundation of collective action, the concept of embeddedness and equity.