Widening the Gap between Terai and Hill Farmers in Nepal: The Implications of the New Forest Policy 2000

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Abstract

Community forestry programs in Nepal have implemented successful policy programs that encourage peoples’ participation in decision making and benefit sharing within poor and marginalized communities. Government policies, such as the Master Plan for the Forestry Sector (1988), the Forest Act (1993) and the Regulations of 1995 are key foundations for community forestry in Nepal. They have the potential to promote decentralization, devolution, participatory democracy, democratic governance, human rights, improve livelihoods of the poor and sustainable forest management in the country. However the more recent Forest Policy of 2000, along with the Collaborative Forests Management Plan (CFMP) in 2003, discourage the handover of national forest to communities in the Terai, Churia, and inner Terai regions and impose a system of collaboration between government and communities instead of allowing communities to determine how their local resources can be utilized. The Forest Policy of 2000 and the CFMP guidelines are highly debated policies in Nepal and are seen to be causing further inequities between Terai and hill people in Nepal.

1. Introduction

Nepal has been developing community forestry projects for over 25 years, creating many successes and hopes for the future. Formal polices have been adopted that codified community forestry into the legal framework and marked a transfer from government control to a situation where local people are assigned rights and responsibilities for the conservation, development and utilization of forest resources. More recently, however, there have been policy changes that have caused serious concern for the people working to bring this more democratic governance
system to communities who live near forests. This paper explores the implications for equity between Terai and hill forest users that are a result of recent forest policy shifts in Nepal.

Nepal is regarded as the heart of the Himalayas and is a very mountainous country. However, a considerable proportion of Nepal is in the Terai region, the plain area of the southern part of the country which extends from east to west and comprises 17% of the total land, including the most productive forest (Figure 1). The Terai is inhabited by half of Nepal’s population but holds only 10% of the total forest. Since the Nepalese government’s legal recognition of community forestry in the 1990s, the paradigm for forest management in Nepal has shifted. The Forest Act of 1993 gave legal rights to local communities to manage community forests, establishing the power in the local population to determine the ways in which resources are managed, decisions made and benefits and burdens are shared. This was accompanied by a change in management to include poverty alleviation and rural development in the goals of forestry management. Over time, community forestry in Nepal has been largely successful in not only reversing forest degradation, but also in catering to local needs for forest products.

However, more recently, due to the Revised Forest Policy of 2000, the implementation of community forestry law and policy has not been uniform throughout the geographic span of the country. This particularly disadvantages people of the Terai, inner Terai and Churia regions, and it is creating inequity in the political and economic access rights for forest user groups in different areas of the country.

The forest policy implementation of 2000 is one of the most recent and hotly debated policies in Nepal. In this paper I will argue that this policy promotes inequity in forest access between hill and Terai communities. I analyze the Forest Policy of 2000 from the perspective of equity at the national policy level between the hill and Terai regions, rather than at the micro or intra-community level. The particular focus is on political inequity, in terms of the role of Terai communities in decision making, access to forests and benefit sharing. Moreover, the forest policy also has economic implications for these communities in the individual and collective benefits they can get from the forest management. I will further argue that sustainable forest management will be served if Terai communities have opportunities to manage their forest resources under a community forestry approach, provided they have support to build their capacity for forest management. I will also demonstrate the ample capacity of Terai communities to conduct responsible forest management.
The following section briefly discusses my methodology. Section 3 gives a short overview of Nepal’s forest policies and the general background of Collaborative Forest Management Plan (CFMP), which was enacted under the government management forest provision and the Forest Policy of 2000. I will also discuss the status of community forestry in the Terai. Section 4 analyzes the implications of the Forest Policy 2000, which gives inequitable treatment to Terai communities. This section will also discuss the capability of these communities to successfully manage their forests, and highlights the differences between community forestry and CFMP from an equity perspective. Finally, section 5 concludes the paper with some options for the future of Terai forest management.

2. Methodology

This paper is based on my own experiences of working with community forestry and social mobilization in the Federation of Community Forestry Users, Nepal (FECOFUN) for the past 10 years. I will draw on some specific data collected from 24 districts of the Terai. The data includes information on registered Community Forest User Groups (CFUGs)\(^1\) with forest rights, registered CFUGs.

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\(^1\) Forest Act 1993 section 2 (h) and (r) defined that “community forest” means a national forest handed over to an user group pursuant to section 25 for its development, conservation and utilization for the collective interest. “User group” refers to groups registered pursuant to section 42 for the management and utilization of community forest.
without forest rights and informal groups who are not registered with no forest rights (potential community forest user group- PCFUGs)². FECOFUN has also conducted studies about the experiences and future potential of CFUGs in the Terai. Data were collected from district FECOFUN offices, the District Forest Office and informal PCFUGs by the FECOFUN’s facilitators in Nepal. I will also use secondary data from published and unpublished works from FECOFUN and other organizations.


Between 1964 and 1986, Nepal’s forests were reduced from 45% to 37.4% of the total land area. This was reduced again to 29% in 1989. Due to the alarming rate of deforestation in Nepal, twenty five years ago the World Bank reported that Nepal would be converted to desert if forest degradation was allowed to continue at such a rapid pace. During that period forest policy and management were under state control, and the government machinery was not effective in protecting and managing the forest. However, the government gradually adopted a new outlook for forest policy through a series of government decisions outlined in Table 1.

With the installation of a democratic system of government in 1990, the Nepali political environment became favorable to community forestry. The Master Plan of 1988 and the Forest Act of 1993 are key foundational policies for community forestry in Nepal. The Forest Act of 1993 categorizes forest into private and national forest, which includes community forest, leasehold forest, religious forest, protected forest and government forest. According to this act, community forests are those that have been handed over to a user group with the entitlement to “develop, conserve, use and manage the forest and sell and distribute the forest product independently by fixing their prices according to work plan” (Article 25 (1)). Article 30 also gives the priority to community forestry in national forests that are suitable to handover to user groups. Because of this act, millions of hectares of national forest were handed over to community groups to manage in a potentially more effective way.

The Forest Act of 1993 and Regulation of 1995 successfully promoted democratic processes at the village level. These policies have enabled the formation of community forestry user groups, and there are now 13,749 CFUGs managing 1,134,372 ha of national forest under community forestry arrangement. However, of the total forest user groups, only 1819 are in the Terai, much fewer than in the hill areas. Although law and policy do not discriminate against the Terai communities outright, this disparity stems from the reluctance of the forest administration to hand over the valuable Terai forests to communities. Since Terai forests are productive and high in value, the Department of Forests (DOF) is keen to keep management

² PCFUGs are registered or non registered groups, who have no legal authority to manage forest. They do not have approved operational plan from District Forest Office, but they are managing the forest.
Table 1: Timeline of Government Decisions on Terai Forest Management

<table>
<thead>
<tr>
<th>Date</th>
<th>Decision</th>
<th>Implications for control of forest management</th>
</tr>
</thead>
<tbody>
<tr>
<td>1957</td>
<td>Nationalization of private forest</td>
<td>Control of the state over the forest of the country</td>
</tr>
<tr>
<td>1961</td>
<td>The Forest Act</td>
<td>Timber management of the government managed forest</td>
</tr>
<tr>
<td>1967</td>
<td>Forest regulation with special provision</td>
<td>Reinforced state authority, more power to the forest bureaucracy</td>
</tr>
<tr>
<td>1976</td>
<td><em>Panchayat</em> forest and <em>panchayat</em> protected forest Act</td>
<td>The importance of peoples’ participation in forest management is realized</td>
</tr>
<tr>
<td>1988</td>
<td>Master plan for the forestry sector</td>
<td>Emphasized the sustainable management of forest and livelihood of the community</td>
</tr>
<tr>
<td>1993</td>
<td>Forest Act</td>
<td>Legal basis for formation of Forest User Groups</td>
</tr>
<tr>
<td>1995</td>
<td>Forest Regulation</td>
<td>FUGs were able to be registered in the District Forest Office</td>
</tr>
<tr>
<td>1997</td>
<td>An Operational Forest Management Plan (OFMP) is prepared for 17 <em>Terai</em> district by Department of Forest (DOF)³</td>
<td>OFMP was not based on community involvement, but was geared towards timber harvesting under 'scientific management'. The plan failed due to opposition from local communities and civil society organizations (CSOs)</td>
</tr>
<tr>
<td>1998</td>
<td>Second amendment of Forest Act 1993 drafted by Ministry of Forest and Soil Conservation (MoFSC)</td>
<td>Opposition from CFUGs because the draft did not support the CFUG model. Draft did not proceed due to opposition</td>
</tr>
<tr>
<td>2000</td>
<td>Forest Policy 2000</td>
<td>Forest policy passed by cabinet without wider consultation, imposing a 40% tax on CFUGS and restrictions on forest handover in the <em>Terai</em>. Supreme Court of Nepal rules this policy as unconstitutional, with little effect</td>
</tr>
<tr>
<td>2003</td>
<td>Collaborative Forest Management Plan (CFMP) guideline imposed by MoFSC</td>
<td>MoFSC imposes the CFMP Guideline for <em>Terai</em> forests, without wider consultation. DFOs are piloting CFMPs in 11 <em>Terai</em> districts, but the guideline is opposed by <em>Terai</em> communities who prefer a community forestry approach</td>
</tr>
</tbody>
</table>

³ The Department of Forest is the responsible body for the management of all types of forest under the MoFSC.
under the government control and capture a large amount of revenue from the Terai forest and as a result, there are different policies applying to the two different regions. However, the government is not managing the forest well and the opportunities for community management and arrangements for revenue sharing have been neglected.

3.1. The Operational Forest Management Plan Concept

In the mid 1990s the DOF developed an Operational Forest Management Plan (OFMP) for each of the 17 Terai districts. The DOF created this technical plan to manage Terai forests in a “scientific manner”, but the plan was handicapped both by financial and non-financial issues (Neupane 1997, Baral 2002). Donors did not support the operation of OFMP, since Terai communities were opposed to the plan, which effectively blocked its implementation.

In the meantime, some programs began to promote the community forestry approach used in the hills of Nepal in the Terai, inner Terai and Churia region. At the national level, the network of FECOFUN, plus 15 other non-governmental organizations (NGOs), created the Terai Community Forestry Action Team (TECOFAT). In the mid 1990s TECOFAT mobilized communities from around Nepal on wide ranging social and political concerns, which led to the failure of OFMP and the growth of community forestry. Numerous CFUGs were formed in the Terai and they began to successfully manage the forest. However this approach was not supported by government, which instead attempted to impose a model manifested in the Collaborative Forest Management Plan (CFMP).

3.2. The Collaborative Forest Management Plan

Opinion is divided in government agencies over the role of communities in managing the Terai forests. One senior government official has written that Terai forests should be managed by a “collaborative approach” involving both government and community, and argues that Terai forest should be managed with multi-stakeholder participation (KCH 2004). Many want to keep the forests under government management, reasoning that the government should collect revenue from the productive forests of the Terai. This reasoning argues that products from these forests need to be distributed throughout the country, including to urban populations, and the government should therefore be responsible for these areas. Government officials do not seem to consider the possibility that community forest user groups may be able to distribute products all over the county as or more efficiently than the government (Bhattarai 2004).

Amidst this debate, the Forest Policy of 2000 emerged, discouraging the handover of national forest to communities in the Terai, Churia, and inner Terai. The policy required that CFUGs in the Terai deposit 40% of the revenue they generate from the sale of timber with the government. This was successfully challenged in the Supreme Court by FECOFUN, resulting in a reduction in the amount collected by the government (see Box 1).
Box 1: Forest Policy 2000 Challenged in the Supreme Court

In the legal challenge to the Forest Policy mounted by FECOFUN, the Supreme Court of Nepal ruled that the requirement that CFUGs deposit 40% of forest revenue with government lacked a legal basis. The court observed that the decision to withhold Terai forests from community forest development, limiting their access to only barren and shrub lands and denying their right to benefit from community forests, went against the principles of Decentralization enshrined in Article 26 (4) of the Constitution. However, as the decision was a policy decision the court was powerless to require any remedial measures on the part of government. Nevertheless the government did reduce the 40% requirement to 15% for two forest species (sal and khayair) in the Terai forest.

(Decision dated 20 March 2003.)

The Collaborative Forest Management Plan (CFMP) Guideline was developed in 2003, and passed by the secretary of MoFSC. DFOs are now trying to make CFMPs where communities have already formed PCFUGs. Confrontation between DFO and local communities has occurred in some cases, and forests are being destroyed by contractors who are exploiting the confusion created by the process. By the time a CFM plan is passed by MoFSC, such forests may already be cleared. The CFMP system is thus slow and unable to tackle the pressing forest management issues being faced in the Terai.

In Terai districts, the Department of Forest has attempted to gain greater control over the higher value (relative to the hills) of Terai forest, rather than devolve towards community forestry (Seeley et al. 2003). There are about 4000 informal community forestry user groups formed that are involved in forest management (Britt 2002).

3.3. Community Forest User Groups in the Terai

According to the national community forestry database (HMG/N 2005) there are now more than 13,749 CFUGs in Nepal, with 1891 found in districts defined as Terai and inner Terai (see Table 2). Only about 10% of the Terai and inner Terai forests have been handed over to CFUGs, compared with the 23.6% of hill forests that have been handed over.

Table 2: Community Forestry in Nepal (Hill and Terai)

<table>
<thead>
<tr>
<th>Particular</th>
<th>Nepal</th>
<th>Terai</th>
<th>Hill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest area</td>
<td>5.5 million ha</td>
<td>1.9 million ha</td>
<td>3.6 million ha</td>
</tr>
<tr>
<td>No. of CFUGs</td>
<td>13,749</td>
<td>1,819</td>
<td>11,858</td>
</tr>
<tr>
<td>Area handed over to CFUGs</td>
<td>1,134,372 ha</td>
<td>282,890 ha</td>
<td>851,482 ha</td>
</tr>
<tr>
<td>Average area/ Household (HH)</td>
<td>0.073 ha</td>
<td>0.79 ha</td>
<td>0.702 ha</td>
</tr>
<tr>
<td>CF covered HH</td>
<td>1,568,615</td>
<td>356,687</td>
<td>1,211,928</td>
</tr>
<tr>
<td>Average HH/CFUG</td>
<td>114</td>
<td>188</td>
<td>102</td>
</tr>
</tbody>
</table>

Source: DOF, database and district profiles.
Since 2000, the new forest policy resulted in a virtual freeze on all new community forest handovers in the Terai, with the exception in the three districts supported by the Churia Forest Development Project (ChFDP) in the eastern Terai. The new policy explicitly singled out the Terai, Churia and the inner Terai areas as special cases regarding community forestry implementation. This is in contrast to the 1993 Act, which makes no such distinction (Bampton 2004). Previously registered Terai CFUGs with approved operational plans have a legal right for creating and utilizing a forest utilization fund. These 1819 CFUGs can manage their forests and develop their community from this fund. However, with the Forest Policy of 2000, the process has been halted and the Terai groups who have not been granted legal rights for forest management cannot enjoy similar rights.

4. Implications of the Forest Policy 2000

4.1. A Comparison of the Impacts on Forest Policy 2000 on Hill and Terai People

Community forestry as practiced by CFUGs has brought important changes to the benefits that communities can gain from the country’s forests, and implementing bodies have made efforts to address disparities based on caste, ethnic background and gender (Kanel 2004). However, the requirement to work with the CFMP model in the Terai is creating a divide between the rights given to hill and Terai communities. Table 3 analyzes some key differences between CF and CFMP. The Forest Policy of 2000 creates inequity among forest users as those communities who have access to community forestry are allowed greater access than those who do not enjoy such rights. Unregistered PFUGs in the Terai, however, are nevertheless protecting the forest and utilizing the funds to improve their members’ livelihoods and community development. The lack of legal recognition poses an on going issue for these groups. Without legal status for the groups, PFUGs are not required to operate in a transparent manner, which has tended to work against the poor, and without transparency the poor and marginalized groups in communities are less likely to gain livelihood benefits and opportunities. In community forestry people have rights to forest, but in CFMP forest rights depend on the forest administration.

Nepali forest users have rallied against the CFMP (Figure 2), but the government is not listening to their voices. Given the sensitive political situation in Nepal, this kind of response from the government may further destabilize the situation.
### Table 3: An Analysis of Equity Differences between Community Forestry and Collaborative Forest Management Plan

<table>
<thead>
<tr>
<th>Subject/area</th>
<th>Community Forestry (under Forest Act 1993 and Regulation 1995)</th>
<th>Collaborative Forest Management Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decision making:</strong> Preparation and amendment of operational plan</td>
<td>Forest users have full rights to prepare operational plan and they can amend their forest operational plan according to their needs. DFO is responsible for technical service. In case, the user group cannot perform its functions in accordance with the operational plan, which may cause significant adverse effects on the environment a DFO may decide to cancel the registration of such group. But, it is also provisioned that the DFO should have to hand back the community forest taken from a CFUG when their concerns have been addressed.</td>
<td>The Department of Forest is responsible for the preparation of the Operational Plan and it approve by MoFSC. There is no role for local communities.</td>
</tr>
<tr>
<td><strong>Role of communities</strong></td>
<td>Communities are responsible for the implementation of the operational plan. They participate in meetings, assemblies, and each and every decision making process of the FUG. Women, dalit marginalized and deprived groups have equal rights in decision making. CFUGs organize the tole meeting, interest group meeting, to hear their voice. Now CFUGs include 50% women in their executive committee, dalit and marginalized communities also include in CFUGs’ committee. Some CFUGs have governance indicators and practice to ensure the space of women, poor and marginalized. They participate in forest management and social development. And have a right to elect committee members.</td>
<td>In CFMP, the local communities’ role is confined to protecting the forest, controlling grazing, fires and so on. They do not have any decision making authority or role.</td>
</tr>
<tr>
<td><strong>Economic equity:</strong> Benefit sharing</td>
<td>Local communities can collect firewood, fodder, leaf litter, grass, timber, non timber forest products (NTFPs) from the forest. Income from forest resources can be spent on community development activities, according to their own decision made by the general assembly. Some CFUGs are allocating fund to the poor household for their income generation activities. And now some CFUGs are allocating forest land to the landless for their livelihood. CFUG have rights to collect fund from forest product. They can collect and distribute the forest product. They have 100% rights for managing the fund.</td>
<td>If an operational plan is approved by MOFSC, DFO has the authority to sell and distribute the forest products. Of the income gained, 75% of the income must be deposited in central treasury, and the remaining 25% is for the DFCC fund. [DFCC is chaired by district development committee-chairman and DFO is the secretary of DFCC]. There is no provision for local communities.</td>
</tr>
</tbody>
</table>

**Source:** CFMP Guidelines
4.2. Lack of Legal Authority for Forest User Groups

Since the government is not willing to hand over Terai forest to the communities, people are managing the forest without legal authority. In a recent study by FECOFUN, it was found that 2402 CFUGs from the Terai are registered at the DFO office (FECOFUN 2004). Out of this, there are 383 CFUGs registered without an approved operational plan for forest management. Without a plan approved by the DFO, CFUGs cannot legally take measures to manage their forests. 178 CFUGs have already completed a detailed survey of forest, but they lack an operational plan. Further, 33 CFUGs have prepared an operational plan but did not get approval from the DFO (Table 4). Because they have never gained the status of a legitimate CFUG, there has been increasing pressure on these groups to hand over very important and productive national forest in the Terai to the government.

There are 291 informal or proposed community forest user groups (PFUG) in the Terai (Bhattarai and Dhungana 2004). By definition, these groups are not registered and their operational plan has not been approved. These informal PFUGs are managing about 63,000 ha of forest, and contain approximately 98,000 household. Even without legal rights, PFUGs are informally managing and collecting funds from the forest. The FECOFUN study shows that PFUGs have a total of Rs. 1,725,276 (US$23,962) in savings, but without proper registration they cannot deposit this money into the bank.

Although community forestry is already established to some extent in the Terai, the policy of the government actively discriminates against Terai people in their ability to formally benefit from forests on the basis of geographical habitation. While the government is open to community forestry in the middle and high hills, it has enforced a restrictive policy in the Terai. This is against spirit of the 1993 Forest Act and the right to equality guaranteed by the constitution of Nepal (Bhattarai and Khanal 2005).

4.3 Demonstrated Capability of CFUGs in Managing the Terai Forest.

The CFUGs that have been established in the Terai are active and are managing the forests quite effectively, learning valuable lessons about the processes and functions
Table 4. Details of Proposed Community Forests in the *Terai, Inner Terai and Churia*

<table>
<thead>
<tr>
<th>District</th>
<th>No of PFUG (of detailed survey)</th>
<th>Average of PFUG (of detailed survey)</th>
<th>Avg. number of GA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Detailed survey</td>
<td>Short-cut survey</td>
<td>Total</td>
</tr>
<tr>
<td>1. Banke</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>2. Bara</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3. Bardia</td>
<td>10</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>4. Chitawan</td>
<td>10</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>5. Dang</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>6. Dhanusha</td>
<td>12</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>7. Jhapa</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>8. Kailali</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>9. Kanchanpur</td>
<td>9</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>10. Kapilbastu</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>11. Mahottari</td>
<td>3</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>12. Makawanpur</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>13. Morang</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>14. Nawalparasi</td>
<td>10</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>15. Rautahat</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>16. Rupandehi</td>
<td>11</td>
<td>10</td>
<td>21</td>
</tr>
<tr>
<td>17. Saptari</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>18. Sarlahi</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>19. Sindhuli</td>
<td>10</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>20. Siraha</td>
<td>5</td>
<td>9</td>
<td>14</td>
</tr>
<tr>
<td>21. Sunsari</td>
<td>10</td>
<td>48</td>
<td>58</td>
</tr>
<tr>
<td>22. Surkhet</td>
<td>5</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>23. Udaypur</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total/average</strong></td>
<td><strong>178</strong></td>
<td><strong>113</strong></td>
<td><strong>291</strong></td>
</tr>
</tbody>
</table>

Notes: (1) PFUG level data from Parsa not available; (2) there are more PFUGs in Udaypur but the field work had to be cut short for logistical reasons.

of community forestry. Communities have realized that if the CFUG formation process is not fully adopted at the time of formation, the groups will be less successful at managing themselves. But those who request and receive facilitation support from
the DFO and the NGO sectors can manage forest quite successfully. Additionally, communities have argued that CFUGs are contributing to national development. Usually community development is the responsibility of the state, but now CFUGs are involved in numerous projects such as building irrigation infrastructure, providing clean drinking water, constructing schools and allocating funds, forests and land to the poor and marginalized for their livelihoods.

Social composition in the Terai is generally heterogeneous in nature, with diverse sets of interests and needs. There is often a wide gap between the rich and poor, upper and lower castes, and males and females. However, community forestry has brought a gradual means of social change to some of villages (Dangi 1997, Thakur 1997). Upper caste and so-called untouchables previously would not sit together; people from higher castes did not buy and drink milk and water from the lower castes and untouchables. With the advent of community forestry programs, these groups are interacting with each other, sitting together and discussing forest management and community development. Higher caste people are using milk and water from lower caste people and females are becoming committee members and holding higher positions within CFUGs (FECOFUN executive members and facilitators pers. comm.) (Figure 3).

One good example of CFUGs initiating development activities is the Kankali CFUG, which has prepared tree nurseries and promoted plantations of multipurpose tree species. Recently the CFUG has started a poverty reduction campaign. The group selected the poorest of the users among the community and now provides goats free of cost. The poor must return the first goat produced back to the CFUG to ensure the program’s sustainability and that the service can be provided to other people. They have developed an effective monitoring mechanism to care for all programs, called Forest Product Utilization, where users can take forest products like dried fuel wood and forage over time. The distribution of these products is done when collection has been completed in the depot every week. Users can take any type of timber (as

**Figure 3: Forest Users in Nawalparasi Discussing in General Assembly**

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**Figure 3: Forest Users in Nawalparasi Discussing in General Assembly**
quality is divided into five classes), paying 100-220 rupees according quality. If timber remains in CFUG depot, it can be sold to the users outside the community area.

CFUGs have also implemented many changes in resource protection and management. Illegal cutting and encroachment has considerably decreased in many areas of Nepal due to these measures (Thakur 1997). Further, rather than being at odds with community livelihoods, many CFUGs have managed to balance resource protection with economic benefits for their users. The Malati community forestry user group (Bakdhawa VDC- 7, 8 and 9) of the Saptari District is one example. This CFUG has 74 ha of forest and involves 131 households. After gaining rights to the forest area, households divided the forest among people who were able to plant fodder and grass on it. The Malati community has also established a livestock business, which has evolved into a dairy cooperative with Rs. 15,000,000 (US $20,833) in their savings and an income of Rs 20-30 thousand monthly (US $278-$417) per family.

One example is the community of Sundari, who established their CFUG in 1994, and the District Forest Office in Nawalparasi registered and approved the constitution of the Sundari CFUG in 1996. The CFUG was then formalized and includes more than 1300 households and the executive committee (EC) consists of 13 members, of which 4 are women and who are from various castes and ethnic groups. This CFUG includes many sections of people in the community; rich, poor, educated, uneducated, men, women and indigenous castes. This CFUG covers a total area of 390 ha.

Previously deforested areas have now been covered with new trees, particularly sal (Shorea robusta), which is the dominant species. The daily forest needs of the local people are met from the timber gathered from the felling of trees, pruning and thinning. However, the equitable distribution of collected forest products to its members is a complex and difficult process. To ease this process a separate monitoring sub-committee has been created in this CFUG and the distribution system has been significantly improved on the basis of past experiences. Initially, when the timber was distributed to households as logs, many of the households received hollowed and damaged logs. To overcome this problem the committee started to distribute sawn timber. For sustainable management, this CFUG has arranged to offer training for capacity building in forest conservation to at least one member from each household yearly at the rate of 10% of the community each year.

In another example, the Shantinagari community forest user group, Itahari-Sunsari, was formed previously as an ad-hoc committee that went on to establish a CFUG and their constitution was accepted and registered by the DFO in 1997. The forest area has yet to be handed over to the user group, although a detailed inventory of the forest has been already been completed by government. Forest product utilization, fines and penalties, as well as other forest promotion activities are well covered by the CFUG. The forest area is divided into seven blocks according to the natural boundaries, species diversity and forest diversity. The total forest area covered by the CFUG is 736.5 ha.
The main tree species in this forest include *Sal, Tatar, Aulia, Sindure, Kusum, Asare, Jamnij, Karma, Barro Harro*, and *Simal*. The forest cover ranges from average to sparse in heavy settlement areas. Users have said that most of the area was previously treeless, but after protection it has regenerated. Community users also take plots in forest areas up to 0.35 ha for forage of the understory. The Santinagari CFUG conducts activities for poverty alleviation and community development and has constructed a community building which is used for administration of CFUG affairs. The building was constructed with the help of voluntary labor from villagers, indicating a high level of commitment in the community to the CFUG’s operations.

The Sundari CFUG has carried out a number of community welfare and development activities in addition to its forest management work, especially in working to address the issue of poverty reduction by offering a number of income generating schemes for the poor. These include goat rearing, bee keeping, free distribution of forest products and construction of houses. After identifying the very poor households from the community, the EC has distributed a productive breed of goat to each household. To assist other households with their livelihood income, the CFUG provides necessary support and training on bee keeping. The EC has identified 30 very poor households from the CFUG and with co-ordination with the VDC and other local organizations have also taken the initiatives to construct drinking water facilities and provide free education for these poor families.

Another issue addressed by the Shantinagari CFUG is structural security of the river embankment through bioengineering and physical construction. The CFUG also spends a moderate amount in road gravelling and maintenance (see Figure 4) and has been able to employ one of the poor users as an office security man. Before the CFUG existed, about 400-500 users depended on firewood collection. About 50% of the community collected fuel wood to cook their daily meals and others for income, but such activities were stopped by the CFUG. Initially there was concern about those needing fuel woods for immediate subsistence, but as time passed the CFUG collaborated with a cooperative society and has allowed access for users. Others

![Figure 4: CFUG Members Constructing a Path](source: FECOFUN)
are engaging in small scale animal husbandry.

This CFUG has been working continuously for the development of the community in terms of poverty alleviation, rehabilitation of the disabled, underground irrigation, channel construction, school establishment, bio-gas plant installation and community hall construction. The money required for all these development activities is generated from timber and other community forest products.

Shantinagari CFUGs are using the forest in many ways though it has yet to be formally handed over by the government. Sparse and bare forest areas were provided to users to cultivate forage species, and caring for trees is the joint responsibility of users. The CFUG has planted beneficial trees and has provided lands to individual users to grow forage grass. Formerly villagers had to buy most of the grass to feed their cattle, making it difficult to create a profit from items like milk, which was just 2 rupees/liter. Now the abundant grass in the forest has reduced the forage cost and household profits have increased by up to 10 rupees/liter, helping to increase the livelihoods of some of the poorest users.

These examples demonstrate that if Terai community forest users receive support from the service provider with rights based approach they can make a positive impact on resource management and community development. There are many other examples of this kind that have emerged in FECOFUN research (see Box 2):

**Box 2: Some Successful Local Initiatives**

1. FECOFUN Kailali district chapter has mobilized local communities to protect the block forest of the Basanta region. People from other villages have also agreed to join the CFUG.
2. In Chitawan, local communities are beginning to manage the Barandavhar block forest. They have formed 10 CFUGs there, but have been unable to gain management rights.
3. In Sarlahi district, DFO imposed CFMP in Phuljore Illaka, but people rejected CFMP and they have formed CFUG named Phuljore Community Forestry User Group.
4. FECOFUN Sarlahi district chapter have mobilized their local facilitator to form CFUGs; they have succeeded in forming 11. They organize meetings, interactions, household meetings etc. Distance users are included in newly formed CFUGs.
5. In Jhapa, CFUGs are discussing to establish a depot to distribute forest products to the distance users as well as urban areas.
6. In Surkhet, CFUGs and the DFO made a decision about forest product distribution and where forest products would be distributed within the district first. If it is sufficient for the district they can sell and distribute to outside communities.
7. In Bardiya, at a stakeholder meeting, the CFUG set the selling rate for forest products. If the CFUG decides to sell any products outside the community, they have to use that rate.
8. In the Morang district, PFUG members were successful in controlling timber cut by the Timber Corporation of Nepal (TCN) in the community managed national forest. Community members were eventually able to prevent TCN from entering the forest area.
4.4. The Role of Advocacy Organizations

PFUGs are not registered with the DFO under the Community Forest Act. Instead, they are informal forest user groups without legal status. According to the Forest Act of 1993, if a community forms a forest user group, it should register with the DFO, but in the Terai self-organized groups have not registered and do not have an approved operational plan because of the restrictions of the Forest Policy of 2000 and CFMP guidelines. PFUGs cannot join FECOFUN under its current constitution, which requires members to be registered with the District Forest Office, and so they are therefore unable to access resources and capacity building opportunities.

FECOFUN is the largest civil society organization in Nepal and represents the 14,000 CFUGs around the country. It is a forest-users advocacy organization, representing community perspectives and rights in national debates on resource management. Forest user groups form the basic building blocks of FECOFUN, with democratic decision-making procedures followed throughout the multi-tiered structure that makes up the organizational profile. Since 1995, forest users have worked together to establish FECOFUN as a national federation with village, range-post, district, regional and national chapters.

FECOFUN has been providing support to Terai communities by working with the registered CFUGs. Some of the initiatives in this area include:

- A Terai program unit based with the central office that provides training in forest management and is responsible for planning, implementation and monitoring of the program
- Information and human resources supplied to community forestry bodies
- Support to the Terai CFUGs in litigation and advocacy issues
- Assistance to forest user groups in developing their constitution and operational plans through the CFUG support program
- Lobbying forest department staff in support of CF for Terai forest user groups

Apart from FECOFUN, there are other civil society organizations advocating for community forestry in Nepal. Some of the other CSOs that are active include: the Himalayan Grassroots Women for Natural Resources Management (HIMAWANTI), Forest and Environmental coordination committee (FECC), National Advocacy Forum for Nepal (NAFAN) and ForestAction. These are the major advocacy organizations in the community forestry sector in Nepal, but they lack the human and financial resources to perform this role. Other organizations in Nepal place their emphasis on extension and implementation support, or are working in the hills but not in the Terai area.

The attitudes of government officials are also posing a barrier to change. Their outlook does not favor a people centered approach and officials have shown that they want to capture resources and power instead of providing them to communities.
Some government officials have expressed their deep concern about the government’s recent move to centralize power and withdraw the authority of forest management from the community forest law and regulation, including those relating to Terai forest management, after handing over forest to communities. As a result, they try to hold the power, which is causing a “backlash” against and the “death” of community forestry in Nepal (FECOFUN 1995, Britt 2001, Timsina and Paudel 2003).

**Box 3: Lack of Legal Rights Fosters Corruption Amongst Forestry Officers**

One government forestry official has admitted to taking as much as Rs. 125,000 (US $1736) for conducting a forest inventory. In the case of Laligurans CFUG located in Danabari- Ilam, the group has registered in 1997 though formed earlier but it has not been able to perform any mentionable developmental programs and other pro-poor focus activities. Although the group was registered in 1997, a Ranger (DFO staff), former executive committee chairperson and contractor took most of the fund raised from timber sale, amounting to around Rs. 3,100,000 (US $43,055).

The Forest Policy of 2000 has had serious implications for Terai communities and has created inequity in the formal rights to forest for Terai people. The number of CFUGs actually handed over is less than the number of PFUGs that currently exist in the Terai. PFUGs continue to search for help from the advocacy organizations that they have no legal entitlement to receive due to restrictions from the government. FECOFUN is the potential organization to support to the PFUGs, but FECOFUN alone cannot do anything, because of legal limitations (Luintel 2005). Additionally, because the number of CFUGs handed over in the Terai region is less than hill area, the representation of the Terai is less than in hill regions in FECOFUN. Because of the government policies, the Terai communities cannot be a priority in advocacy organizations. However, some advocacy initiative has been taken by PFUGs. In some districts, they have formed networks to share problems and methods of management, and some have met with policy makers to change the Forest Policy of 2000. PFUGs often participate in programs and demonstrations organized by FECOFUN.

5. Conclusion

Recent confrontations over the proper management of the Terai, inner Terai and Churia forests of Nepal owe to the tension between community forestry promoted by CSOs and communities and the collaborative forest management imposed by the government. The Forest Policy of 2000 and the CFMP guidelines in 2003 have created inequity between hill and Terai communities and also between communities in the Terai who have been able to establish CFUGs and those who have not. The restricted access and 15% tax imposed on Terai forest communities will create further disadvantages for CFUGs and PFUGs in the region, especially for user groups who are managing degraded forest. At the same time, hill CFUGs are permitted
to use 100% of their income towards forest and community development and enjoy full access to the forests.

The CFMP has been actively promoted by the Department of Forests in a number of districts in the Terai, leading the community forestry process to stall. Community forestry projects in Nepal operate according to operational plans and local decisions made by communities themselves. It is a democratic process that includes the people who have the most knowledge of and are most dependent on those resources. However, as the CMFP policy is imposed, communities that have been managing the forest for ten to twelve years without legal rights have lost the rights as given to them in the 1993 law.

Wider consultation with relevant stakeholders is needed on the future of community forestry in the Terai region. For goals of conservation and livelihood improvement to be achieved, it is vital that communities in the Terai region of Nepal be treated as equal to their counterparts in other regions of the country, allowing them full and equitable access to their local resources and encouraging their transition to a better quality of life. Because Terai communities have been restricted through these policies, they will remain poor and marginalized, especially in relation to the rest of the country, unless these policies can be changed.

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