Collaborative Forest Management in Nepal's Terai: Policy, Practice and Contestation

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Abstract: In the context of weak management focus of valuable large tracts of forest in the Terai, the Government of Nepal introduced collaborative forest management (CFM) as the newest modality of forest management in the country. The CFM model focuses on large contiguous blocks of productive forests in the Terai and Inner Terai. This paper analyses how and why CFM evolved as a policy for Nepal's Terai forests, progress and issues to date, and the impact so far. The model is being piloted in three central Terai districts by the Department of Forest through a donor-supported programme. The paper also explores contested claims about the CFM model made by civil society groups. It concludes that, despite addressing the genuine need for a multi-stakeholder forestry programme in the Terai, CFM continues to suffer from limited participation of stakeholders in defining and implementing the policy.

Key words: collaborative forest management, Terai, Nepal, decentralization, multi-stakeholder, local government

INTRODUCTION

Despite the success of community forestry (CF) in the hills, Nepal still lacks an effective forest governance mechanism in the Terai.[1] While degraded forest areas in the hills have been significantly reclaimed through community forestry since the late eighties, the government has been passive to hand over forests to local communities in the Terai. As a result, unlike in the hills, forest areas in the Terai, where most forest patches are under government management, are diminishing and the quality of the existing forests is degrading. Conversion of largely forested area in the Terai region until the fifties is attributed partly to the malaria eradication programme (Adhikari *et al.* in press; Ojha 1982), construction of the East-West (or King Mahendra) Highway through the heart of the Terai forest in the seventies, and, consequently, colonization of forest lands by newcomers.[2] These, in many cases, resulted in growing separation of the existing Madhesi[3] and traditional ethnic[4] populations from the forests they traditionally used to support their livelihoods, as the settlers cleared land around the southern fringes of the forest and along parts of the new road (Adhikari *et al.* in press).

In these circumstances, the Government of Nepal (GoN) introduced a new forest policy on the Terai through a cabinet decision in May 2000 (MFSC 2000). This policy introduced a new concept of collaborative forest management (CFM) for the management of block forests in the Terai region of Nepal. Although supported by the Ministry of Forest and Soil Conservation (MFSC), some foresters and sections of the Terai population, there has been, and remains, a vocal opposition to the new policy on the Terai forests. The community forestry modality that was successful in the hills was resisted in the Terai by a section of forestry staff and also people of southern Terai.

This paper reviews why the new policy was thought necessary, how it came about and what CFM entails. It also discusses the debate CFM has generated, in addition to the results of its implementation to date, through an examination of the degree of local autonomy imparted, the nature of participation and deliberation in policy formulation and implementation, issues associated with scale, heterogeneity and collective actions, the difficulty of balancing conservation, economic and livelihoods aspirations, and the practical challenges faced and innovations advanced. Finally, it

concludes whether CFM can successfully lead to a win-win situation between forest conservation and human well-being and

what changes would improve the outcomes of the programme.

THE CONTEXT

Today, the remaining 1,149,494 hectares (ha) of Terai forests[5] outside the protected areas (PAs) (HMG[6]/DoF 2005) cover a little over 33% of the total area of Terai districts, though this varies vastly from district to district, with generally a far higher forest area in the western region, where the population pressure is relatively low. The Terai forests make up approximately 25% of Nepal's forest, although 240,597ha (17%) of these forests are preserved as protected areas,[7] with a further unknown area subject to management constraints imposed through legislation on buffer zone (BZ)[8] (HMG/DoF 2005; HMG/MFSC 1996). The remainder is classified into five management categories (HMG 1993; HMG/MFSC 1995): government-managed forest, community forest, protection forest, leasehold forest, and religious forest. Altogether 57% (656,115ha) of the forest area in the 20 Terai districts is found in the Churia or Mahabarat hills, leaving only 493,379ha (43%) in the Terai or Inner Terai plains (of which a part is in PAs or BZs).

The management aspect of the Terai forests has been weak throughout its history. It was only in the seventies that the first attempts at formal forest management planning were made through the Department of Forest (DoF), although the plans were never fully implemented (Adhikari *et al.* in press; Sigdel *et al.* 2005; Baral 2002). During the nineties, recognising that the existing practices of forest management were unsustainable (Pesonen 1994; Pesonen and Rautiainen 1995), a new attempt was made with Finnish technical assistance, resulting in technically sound (for timber production) operational forest management plans (OFMPs) for 19 Terai districts. However, as these did not involve local people or attempt to reconcile their livelihoods needs and

restricted community forestry to degraded patches of forest only,[9] they were not accepted by local civil society activists. Furthermore, a lack of central government funding and the ill-advised and unclear ban on green tree-felling meant that these plans were also never implemented (Baral 2002).

At the same time, community forestry in the Terai began to take off as the Forest Act (HMG 1993) and Forest Regulations (HMG/MFSC 1995) laid out a legal framework for it, irrespective of geography (e.g. Bampton and Shrestha, in press; Bhattarai and Khanal 2005; Bampton *et al.* 2004; Pokharel and Amatya 2000), and as people became aware of the rights this legislation afforded them. A study carried out by the German Development Institute (GDI 1997) concludes that CF was both a feasible and desirable strategy for the Terai. Nevertheless, progress was limited due to the issuance of informal directives for not handing over valuable mature forests to community forest user groups (CFUGs) (Skarner 2000).

The remaining forests not yet handed over are still classified as government-managed forests, and are passively managed by the DoF through the collection of dead, dying, deformed and decaying (4D) trees in accessible areas, with no practical management at all in protection forests. No active silvicultural interventions are practised, except in a few small research plots (Parajuli and Amatya 2001). This has led to over-mature degraded forests with many deformed trees, inadequate regeneration and stagnation well below potential growth rates (Pesonen 1994; Rautiainen 1995), and producing significantly lower—up to 30 times—than potential yields and revenues (Van Schoubroeck *et al.* 2004; Hill 1999).

EVOLUTION OF COLLABORATIVE FOREST MANAGEMENT PROGRAMME

The arguments for developing collaborative forest management as yet another 'participatory' forest management modality when community forestry, leasehold forestry

and other modalities already exist are diverse and many. First, it is important to go back to the Master Plan for Forestry Sector (MPFS 1989), which states that 'there is scope for the establishment and

management of national production forests, for example in the Bhabar[10] Terai, to supply wood to urban and wood deficit areas,' and although the Plan stresses that the Community and Private Forestry Programme (through people's participation) should be prioritised, it also stresses that the National and Leasehold Forestry Programme should complement CF by ensuring that areas not handed over to communities are also managed. It is interesting to note that the Forest Act (HMG 1993) and Forest Regulations (HMG/MFSC 1995) do not make it explicit that community forestry is suitable in hills, leaving many to interpret that community forests should be handed over wherever local people demand it (Bhattarai 2006, 2005a, 2005b; Ojha 2005a, 2005b; Shrestha 2001; Pokharel and Amatya 2000).

The revised Forest Policy argues that there are four further overriding reasons for developing CFM in the form it has taken. The first of these is that the full potential of the Terai forests is perceived as not being realised through the existing forest management modalities (either CF or remaining government-managed forests) despite various attempts at 'scientific' management in the past, while the failure of government 'patrolling' to prevent encroachment and forest 'crime' is also recognised (Baral 2002). That smuggling and poaching have been, and remain, serious issues is clear (Bajracharya 2000). Nevertheless, the failure of OFMPs and government management has led to the recognition that people's participation is necessary (Kanel 2000; Pokharel 2000; Shrestha 2000), if not exclusively as through CF. Therefore, CFM aims to increase productivity through appropriate professionally managed silvicultural interventions and sustainable forest management on a large scale to fulfil the need for forest products and conserve biodiversity, while contributing to poverty reduction through employment generation with the involvement of local people and stakeholders (Ebregt *et al.* 2007) and the provision of fuelwood, fodder and small wood for collaborating communities (HMG/MFSC 2000).

Second, the Community Forestry Programme in the Terai is alleged to be unable to manage the forests scientifically (Sigdel *et al.* 2005), as well as being inequitable in terms of access to and benefit-sharing from Terai forest resources (Bampton and Cammaert 2006; Bampton and Shrestha, in press; NORMS 2002), in particular to the geographically more distant and more traditional Madhesi users (Ebregt *et al.* 2007; Sigdel *et al.* 2005; Singh KC 2005; Bampton *et al.* 2004; Skarner 2000). Arguments in favour of CFM were based on a number of weaknesses of the CF programme in the Terai: Terai forest staff had not undergone reorientation training, unlike their hills counterparts; hasty decisions were being made while users were not fully aware of the CF programme; user identification was not thorough, meaning that pockets of users were being left out; timber contractors and traders and the 'elite' were capturing the control of CF executive committees (ECs), as they better understood the legal situation; operational plans (OPs) were of poor quality; and valuable timber was being rapidly felled and removed from CFs to the benefit of a few (Kumud Shrestha, pers. comm.).

Nevertheless, as indicated in earlier sections, community forestry is actually the only modality to date that is beginning to bring significant Terai forests under more effective management, particularly with regard to forest protection. It is also abundantly clear that, although CF does, in many instances, lead to improved forest management and protection (Bampton *et al.* 2004; Rana 2004) and appreciable benefits for CFUG members, around 85% of the population, particularly southern distant users, are practically being excluded from the CF programme at present, as they are not members of CFUGs (Bampton and Cammaert 2006; Ebregt *et al.* 2007; Sigdel *et al.* 2005; Singh KC 2005; Bampton *et al.* 2004).

Some CFUGs are enjoying the flexibility of the Forest Act, which could be interpreted to mean that there is no limitation on the size of CFUGs or CFs, and distant users could be included within the CF system. There are some examples such as in the eastern districts where CFUGs are formed to manage forests, including members of distant places (Laubmeier and Warth 2004), and others, such as Charpala CF in Rupandehi district, have innovative constitutions to include membership and representation of around

6,000 households, many of whom are distant users (Dhital 2006). Additionally, there are examples of CFUGs providing benefits for distant users who are not members of the CFUG, such as Shankarnagar CFUG in Rupandehi district, which allows non-users to enter the forest on given days for the collection of fuelwood for a small fee (Sapkota 2003). However, the fact that the current CF programme reaches only 16% of the Terai population (mostly nearby users), and many proposed new CFUGs also do not incorporate distant users, has led to, sometimes violent, conflicts between distant and nearby users[11] (Shrestha 2000)[12]. Therefore, a means to ensure that distant users are included in, and benefited from, Terai forest management is necessary (Sigdel *et al.* 2005; Singh KC 2005).

The fourth reason why CFM was designed is to address the missing links between CF and local government. One principal aim of CFM is to ensure that local governments, bypassed by CF (Sah *et al.* 2004; Sigdel *et al.* 2005), also receive benefits from Terai forest management for funding local development activities, while central government continues to receive significant revenues, as it has throughout history, from what is still considered a national asset (Ebregt *et al.* 2007; Singh KC 2005; Van Schoubroeck *et al.* 2004) for the greater benefit of all Nepalese. CFM is therefore designed to include both central and local government units as stakeholders in the management of Terai forests, in both management and benefit-sharing.

With the above considerations in mind, a workshop organised by the Nepal Foresters' Association (NFA) in February 2000 recommended that Terai forests be managed differently, based on a concept paper presented by Kanel (2000) and later endorsed by the then Secretary (Bista 2000). The revised Forest Policy (HMG/MFSC 2000) followed soon after the workshop.

At the heart of the Revised Forest Policy 2000 is the introduction of a new forest management modality for 'contiguous large blocks' of productive Terai and Inner Terai national forests, named Collaborative Forest Management,[13] while 'barren and isolated forestlands will be made available for handing over as Community Forests (CFs).'

'The sustainable management of forests in the Terai, Churia and Inner Terai requires people's participation' so that 'committees established for this purpose receive fuelwood and fodder free of cost. In addition, 25% of the income of the Government-managed forest would be provided to local government (VDC[14] and DDC[15]) to implement local development activities and remaining 75% of the income would be collected as the government revenue.' Furthermore, the policy for the Terai, Churia and Inner Terai also states that Churia forests 'would be managed as Protection Forest', thus presumably excluding them from both CF and CFM. It also states 'green trees as such will not be felled for commercial purposes, at least for the next five years.'[16] Finally, it also categorically states that 'as the main objective of community forests is to fulfil the basic needs of fuelwood, fodder, and small timber of local communities … 40% of the earning from timber sale from the Terai, Siwaliks[17] and Inner Terai would be collected for programme implementation by the government when surplus timbers are sold by Community Forest User Groups (CFUGs).'

Although the policy states four other development imperatives[18] and policy objectives, it could be posited that CFM was actually devised with four other principal considerations in mind, although these are not explicitly stated equally in most discourses on the subject: a) to increase productivity through 'scientific' forest management; b) to include distant users and local governments in decision-making and benefit-sharing; c) to ensure that significant rents from the forests will accrue to the central treasury; and d) to protect the interests of the government.

Six years after the policy was introduced, only three CFM forests had been formally handed over. These were developed in three districts where the Biodiversity Sector Programme for the Siwaliks and Terai (BISEP-ST)[19] is being implemented since 2001.

The legitimacy of the CFM policy, however, has been criticised by some (Bhattarai 2006; Ojha 2005a) because no provision of CFM is provided in the Forest Act 1993, and a full open consultative and deliberative process did not take place. The MFSC, however,

contends that, as it has the responsibility, through the Forest Act (HMG 1993), to prepare plans for the management of national forests not handed over, it has the right to develop an alternative participatory forest management modality for such areas. Where conflicts have arisen are over areas of block forest that are being claimed by CFUGs for handover as community forests but are not being handed over and instead are being considered for CFM.

The Federation of Community Forest Users-Nepal (FECOFUN) challenged the policy in August 2001 with a writ petition to the Supreme Court. The Court, through a verdict in March 2003, upheld the government's right to make policy for the Terai so long as CFs were handed over as requested according to the existing Forest Act 1993. As the government did not heed this verdict, and community forests are not being handed over in accordance with the applications, the conflict between CFM and CF even more polarised.

The new initiative of District Forest Sector Plans (DFSPs) started as an initiative supported by the Livelihoods & Forestry Programme (LFP)-Terai in 2002 for three Terai districts. The conflict between the CF and CFM lobbies and the dissolution of DDCs precluded formal endorsement of DFSPs by elected local authorities. Therefore, only draft DFSPs were developed whereby other sub-sectors could be supported while the dispute was being resolved. By the end of August 2007, six DFSPs have been developed in districts supported by BISEP-ST (Dhananjaya Paudel, pers. com.), and these have managed to determine where CFM and CF should be implemented, though they have not been yet endorsed by DDCs. If DFSPs were properly developed in consultation with all stakeholders, these could avoid polarisation between CF and CFM at district level. Such plans, which identify areas earmarked both as CF and as CFM, need the consent of all stakeholders, and should be endorsed by DDCs. In those cases where DFSPs were developed, however, it has not been possible to obtain genuine local government approval as elected bodies were not in place due to the Maoist insurgency and the unstable political situation prevalent in Nepal, while CFM has been piloted.

Forestry Sector Coordination Committee (FSCC) formed a CFM sub-working group in 2000 and in its initial stage was limited in composition and internally focused. The situation somewhat improved in 2002 after the MFSC appointed a Terai taskforce to produce a final CFM paper. Although the basics of the CFM had already been established by that time, partly through the Revised Forest Policy (HMG/MFSC 2000) and the CFM sub-working group (in 2003), there were still many details that had to be pinned down, and the Terai taskforce tried to reconcile divergent ideas for CFM into one paper (Singh KC 2005). The Working Group (2003) defined CFM as 'an approach of sustainable forest management in collaboration with the local people to achieve multiple benefits, maintaining ecological balance, generating economic returns and improving livelihoods from the government managed forests,' and the intention of CFM in Nepal goes further in terms of stakeholder involvement and (fiscal) decentralization than joint forest management (JFM) in India. The CFM Directive (HMG/MFSC 2003) defines CFM as 'management of government owned forests in collaboration with His Majesty's Government and stakeholders in consonance with the approved forest management plan for the livelihood and achievement of multipurpose benefit including economic benefits maintaining ecological balance of the forest.' The first definition puts more emphasis on the process and output, while the CFM directive emphasises the technical aspects (management and plan). The main objectives of the approach, according to Ebregt *et al.* (2007), is to develop sustainable forest management to: fulfil the need for forest products; contribute to the national agenda of poverty reduction by creating employment; maintain and enhance biodiversity; and increase national and local income through active management of the Terai and Inner Terai forests.

The MFSC considers CFM as a step in the ongoing decentralization and devolution process in the forestry sector, whereby local (Village Development Committee) and district level (District Development Committee) representatives are part of the institutional structure, and local governments receive revenues from forest

management for reinvestment in the district (Ebregt *et al.* 2007).

In spite of the above debate over whether the CFM should exist, and where it should be implemented, the CFM Directives (HMG/MFSC 2003) and the three approved CFM schemes (December 2005) include some useful and legitimate reasons to justify the programme. First, CFM respects the spirit of the 1990 Constitution and Local Self-Governance Act 1998 concerning decentralization. Second, CFM is a partnership between people (local beneficiaries and stakeholders), local government and central government. This partnership works through a stakeholder group organisation with a three-tier institutional structure based on stakeholder membership, including: a) a CFM group (CFM-G), which is the main decision-making body and includes the representatives of the beneficiaries/stakeholders, consisting of unanimously selected ward representatives from close (often relatively recent settlers) and distant users (in general the original population); b) a CFM committee (CFM-C), which is responsible for the implementation of the CFM scheme on behalf of the CFM-G; and c) a CFM implementation unit (CFM-I), which runs the CFM on a day-to-day basis and is accountable to the CFM-C.

Furthermore, there are provisions for subcommittees with distinct roles for monitoring, protection, finances, livelihoods development, and any other when needed.

Third, CFM has a strong element of incorporating distant users as active stakeholders and beneficiaries in the management and sharing of benefits from the forest. Fourth, under the CFM modality, benefit-sharing arrangements ensure that the natural resource base in the Terai also supports the district and national governments, and not only the CFM group. Fifth, it is designed with in-built institutional arrangements and processes that support active 'scientific' forest management, which should generate substantial local employment. And, finally, CFM promotes income-generating activities, both within and outside the forest.

To date, CFM has been formalised in only three blocks: in Parsa, Bara and Rautahat districts. Areas included so far in Sabaiya CFM (3,138.51ha), Sahajnath CFM (2,058ha) and Rangapur CFM (1,472ha) total a mere 6,670ha (<0.6% of the Terai forests outside PAs). Another three CFM schemes have been prepared and are in the process of formalisation.

COLLABORATIVE FOREST MANAGEMENT IN PRACTICE: PROCESSES, ACTORS AND ISSUES

In 2003, BISEP-ST, a Dutch government-funded bilateral project implemented by the MFSC, launched three pilot CFM schemes: Sahajnath in Bara district, Sabhaiya in Parsa district and Rangapur in Rautahat district in the central Terai region. Although the initial focus of BISEP-ST was on the three approved pilot sites, several new CFM schemes emerged as soon as the word about CFM spread. The most advanced ones are Halkhoria in Bara district and Banke Marha in Mahottari district. Both followed their own processes.

These three areas were identified and delineated through a consultative process with stakeholders and District Forest Coordination Committee (DFCCs). After delineation, technical and socioeconomic studies were undertaken by consultants, which formed the basis for the development of the CFM Scheme plan. In 2004, *ad hoc*

CFM committees and subcommittees were formed through the selection of (more or less handpicked) members, but following closely the CFM Directives in terms of composition. CFM groups and CFM implementation units were not yet formed. The dissolution of local governments in 2002 seriously hampered the formation of CFM groups and committees as there were no longer legitimate elected local representatives to take up membership, while public meetings were suspiciously viewed by the insurgents. At the same time, the consultants prepared CFM schemes through a consultative process with *ad hoc* committees, subcommittees, beneficiaries and line agencies. After being endorsed by DFCCs, they were approved by the MFSC. To date, only one of the pilots, Sabhaiya, has started implementing its scheme with the active assistance of the District Forest Officer's (DFO) office. In other areas, e.g. Rautahat,

the armed conflict limited the implementation significantly, while in Sahajnath internal conflicts among the members of the CFM group prevented advancement.

Some authors claim that CFM is creating a gap between the users of the northern and southern belts and that a lot of investments were made to attract local people to CFM (Bhattarai 2005a). Others claim that CFM does exactly the opposite, by bringing both into the same framework (Ebregt *et al.* 2007; Sigdel *et al.* 2005), where they can work together to address their different requirements. It is also claimed that CFM has been a strategic instrument for bureaucratic extension rather than genuine democratisation of forest governance (Ojha 2006a; Ojha 2006b). Bhattarai (2005b), for example, suggests that CFM groups are not empowered to make forest management decisions and that local community involvement is only for forest protection. The proponents of CFM, on the other hand, claim that there is a deficit of understanding of the intention of CFM, which for them in fact provides space for people and other stakeholders even if CFM has not yet been developed.

Nevertheless, the Revised Forest Policy (HMG/MFSC 2000) and CFM Directive (HMG/MFSC 2003) certainly show a number of shortcomings, which soon became more apparent during the implementation of CFM. First, there is a lack of clarity of the type and area of forests where CFM should be applied. The policy is not clear as to how 'large, contiguous blocks of productive forest' should be identified, nor whether fringe areas or different forest types could be managed through an alternative modality. It does not make reference to whether and how existing CFs could be involved. No size limit for forest that classify for CFM is given, although greater than 50ha is informally taken to mean that an area cannot be handed over as CF.

Second, the directive is extremely prescriptive, right down to details as to who should be the CFM-C chairperson, rather than stating basic principles and giving a framework in which CFM users themselves can determine the most appropriate institutional structure and mechanisms. Composition of the CFM committee could be more balanced, and it should have more representation from users rather than 'officials', while the chairperson should be selected by the CFM group or committee itself rather than being appointed because of the official position already held. Third, the institutional development process is not well described in the sense that the creation of ownership through the formalisation of institutional structure is not adequately stressed. As membership is through the CFM-G, rather than at household level, ordinary people might consider that they do not really have a voice. No mechanisms are described for CFM-G representatives to consult users. The CFM schemes developed following the Directives do not adequately separate the constitutional and institutional aspects from the technical forest management aspects, by combining both parts into one document, and do not allow CFM-G to develop their own institutional arrangements, although amendments can be made. As a result, there is, in practice, too much control of DFO in the decision-making and implementation. The CFM-I currently is an extension of DFO's office, whereas, although no directions for establishment have been developed yet, it should be independent. Nor it is explicitly clear to whom this unit is answerable, although again it is expected that it would answer direct to the CFM-C alone.

Fourth, the arrangements for sharing costs and benefits between local communities, local government and central government do not appear fair to local forest users, who shoulder the main responsibility of managing forests. Revenue sharing of 25% to the district and 75% to the central treasury is regarded as unacceptable by most direct stakeholders and beneficiaries.[20] This has also been raised by FECOFUN (Bhattarai 2005a, 2005b). The issue is now under consideration within the Ministry of Forest and Soil Conservation.

Fifth, policy framework lacks clarity of how the livelihoods of the poor can be improved through CFM. Despite being talked about a lot, poverty and social inclusion issues are not addressed in a way that they can be dealt with accordingly; it is not simply a question of generating more forest employment or allocating some forest margins for non-timber forest products (NTFP) cultivation.[21] If CFM was developed to ensure that everyone had equitable access to

forest benefits, then it would inevitably fail as some people will always remain outside it, and inequity between groups, in terms of resources per household, will occur.[22]

Although some observers made many of these points during early discussions on CFM, these shortcomings became ever more clear, because it was approved as a directive,[23] reducing flexibility, while it was still in the pilot phase and before the lessons being learnt could be incorporated. The CFM Directive (HMG/MFSC 2003) lacks the flexibility and space for developing locally adapted and accepted versions of CFM (e.g. combinations of CF and CFM), and does not fully devolve the decision-making on how forest resources should be managed by local governments. If the process of development had been more deliberative and less prescriptive, and if the directives had been guidelines to be used flexibly and adapted locally, some of the present problems might have been avoided. Nevertheless, despite this lack of flexibility, some CFM schemes have started to introduce mechanisms for compensating close users, e.g. NTFP cultivation in fringe areas without explicit direction in the CFM Directives (Ebregt *et al.* 2007).

While a debate is still going on regarding whether and to what extent CFM can be a viable strategy, important field-level insights are coming up to enrich the discourse. From the analysis of the experiences of the CFM pilots, some important reflections are drawn, though most of them are related to the early stage of CFM plan preparation.

First, the CFM development process should be more systematic, in that a series of steps need to be carried out—some concomitantly but others only after previous steps have been concluded with all stakeholders in consensus. Because there was low level of awareness-raising of CFM, many users, particularly the distant ones, are unaware of what is being done in their name. Another aspect of this is that there is no process of accountability down from the CFM group members to users, except through the local government structure, which has been practically inactive for the last four years.

Second, CFM group formation must be the starting point in the CFM scheme preparation to create ownership and make the CFM committee answerable to the CFM group. As it was, CFM was perceived as being driven and controlled by DFOs, and ownership of CFM was not adequately developed when CFM schemes were being elaborated and approved, as the CFM institutions were not yet in place. The CFM schemes should only then have been prepared by the CFM committees through CFM group discussions, facilitated by consultants, not by the consultants in consultation mainly with the *ad hoc* CFM committee. Ultimately the CFM scheme plan should have been approved by the CFM group assembly itself. The DFCC should make sure that the scheme does not violate the rules and regulations and fits within the District Forest Sector Plan. They also need to be involved in determining where and how CFM is implemented and in allocating development funds for CFM.

Third, the CFM schemes developed are poor when looked at from forest management plans as well. The planned division of the forests into small annual coups for a 70-year management cycle based on the estimated rotation length of *sal* is impractical. In addition, different management options don't appear to have been considered or modelled to advise on which will provide greater achievement of specific objectives. The financial planning aspect is also weak. CFM should have been considered like a business, taking into consideration all management and investment costs, as well as detailed estimates of production and income. The financial sustainability of the system is still underdeveloped as well as questionable in its current form, as the CFMs have not been established following business norms.

Fourth, the progress and achievements of the programme have been different in different districts, depending on various factors. Clearly, Sabhaiya CFM progressed the most (it has gone through two years of limited harvesting) because the DFO concerned was very active in guiding and supporting the process. This raises questions as to why other DFOs weren't able to do the same. Yet, it could also be argued that progress might have been even greater without the interference of DFOs had CFMs more autonomy. The differential activeness of DFOs could be attributed to the conflict of interest between DFOs being part of the

CFM committee and being the regulatory body for CFM.

Fifth, now CFM groups have actually been formed (June 2006) to make the direct stakeholders and beneficiaries responsible for the implementation of the CFM scheme, the dependence on the DFO office should be reduced immediately. To ensure the autonomy of the group, CFM group and committee members require considerable capacity building and training to enable them to fulfil their roles effectively.

Sixth, considering that the group as such is operating with a certain level of success, though the question of sustainability is yet to be addressed, the number of users for each CFM vastly exceeds the 'small size' characteristic that contributes to the effective group management of natural resources according to Agrawal (2002).

The Government is considering whether the Forest Act needs to, or should, be revised to accommodate CFM as a formally recognised alternative forest management modality. The DoF developed some proposed amendments, and shared these with the CFM Working Group in January 2007, although without much further consultation outside those involved in the BISEP-ST-supported CFM initiatives. Nevertheless, such changes are all on hold until larger policy issues are resolved.

At the end of June 2006, the MFSC, under pressure of FECOFUN,[24] revoked the CFM Directive and agreed to convert the existing CFM forests into 'model community forests' (MFSC-FECOFUN 2006), the policy seemingly remained intact though. A week or so later, it MFSC revoked this decision

after representatives of the CFM groups, backed by a number of Terai Members of Parliament, protested against this unilateral decision, and CFM was reinstated as before. In February 2007, the DoF authorised the implementation of CFM in additional three districts: one supported by the Livelihoods & Forestry Programme (LFP),[25] and the other two supported by the Western Terai Landscape Complex Project (WTLCP)[26], where some work had already taken place to raise awareness of CFM.

The most recent initiative is a taskforce constituted by the MFSC in early September 2006 after the debacle of making two contradictory decisions concerning CFM. The 17-member taskforce has the mandate to: a) introduce policy, legal, institutional, and procedural reforms for the democratisation of forest management in Nepal; b) submit recommendations pertaining to the management of community and collaborative forests based on an assessment of their successes, problems and challenges; and c) suggest other timely recommendations for the overall sustainable development of forest areas in the country.

Although this mandate is extremely broad, the taskforce has taken Terai forest management as a major starting issue to be resolved. With multiple donor support,[27] it is embarking on a much more open and consultative process, involving focus group discussions with Terai stakeholders across the whole of the Terai, open submissions from interested parties, expert analysis of existing literature and legislation, and a series of workshops.

LESSONS LEARNT

While there is an implicit consensus that a different form of participatory forest management modality is needed to manage the Terai block forests, the proponents of CFM failed to engage the multiple stakeholders of Terai forestry. As a result, CFM ownership is not yet widespread, in contrast to the community forestry (see Pokharel *et al.* in this issue; Bhattarai and Khanal 2005). It is assumed that this is not primarily because stakeholders deny any alternative to CF or state management in the Terai, but largely because of a lack of due process while the policy and subsequent

approach were being developed. There is still no broad agreement on the fundamental issues concerning the Terai forestry that need to be addressed. Therefore, the development of CFM is still not accepted by all stakeholders as an appropriate mechanism to address the Terai forestry issues. This would then suggest that the process has not yet been sufficiently participatory and deliberative.

The MFSC is prone to policy development without adequate inclusion or consultation of all stakeholders, in addition to itself driving policy processes that should be

driven by politicians. The importance of the Terai forests, nationally as well as locally, and the ongoing drive towards decentralisation generally mean that at least the Ministry of Finance and Ministry of Local Development should have been partners in the policy formulation process, along with ample and open debate by parliamentarians and civil society groups, including representatives of local and distant forest users. Furthermore, there is confusion of roles between the Ministry and DoF regarding who should take a lead in facilitating the policy debate on Terai forestry.

In the recent years, especially after the April political movement and the reinstatement of democratic government, there have been increased level of policy deliberation in forestry. For example, at the time of writing this paper in April 2006, a ministerial taskforce representing some stakeholders has started to seek opinions from diverse stakeholders through a series of meetings and workshops at local and national level. The process being developed by the taskforce intends to consult much more widely than previously (although some criticise that the taskforce is not inclusive).

A further shortcoming in the development of CFM revolves around the piloting being incomplete and geographically restricted while formal 'rules' were being developed. As has been argued for community forestry in Pokharel et al. (in this issue), it was the 'practice before legislation' that enabled different mechanisms to be experimented with, and for local and widespread ownership to be achieved, long before the Forest Act (HMG 1993) and Regulations (HMG/MFSC 1995) codified it in the legislation. CFM began piloting initially in only three central Terai districts, and although a degree of consultation did take place with those involved in the CFM piloting, those outside were not sufficiently consulted as to how CFM might work in different situations. The CFM policy and guidelines emerged primarily from the interests of officials at the Ministry, and there was no consensus on how the benefits and costs of forest management were to be shared among the central government, local government, local communities and distant users. As has been discussed above, there are significant differences between Terai

districts in terms of forest resources, social makeup, geographical distribution, access, history, etc. Therefore, whatever was developed for the pilots should have remained as a pilot initiative for others to learn from and adapt to local contexts as appropriate. Therefore, the MFSC did not have to issue what most stakeholders were expecting to be a 'guideline' as a legally binding directive applicable to all Terai districts.[28]

CFM is appreciated by local stakeholders for its equity aspect and for addressing the needs of distant users.[29] Although it was launched in three pilot areas with external support, three more CFM schemes emerged in neighbouring districts with considerably less external support. People expressed their interest in CFM as being an opportunity to access forest resources, while some clearly stated that through CFM they hoped to be able to curtail illegal harvesting, while more benefits would accrue to the people and the district. Also, social responsibility motive plays a role: 'distant users also need to cook.'

To some CFM people, the discussion between CF and CFM is not that relevant. Within the existing CFM schemes, modalities have been developed for compensating close users for losing some of their direct access. This is mainly done through NTFP cultivation inside the border areas of the CFM forest. CFM does not have to compete with CF. There is a scope to work together, as proposed in the initial CFM Working Group meetings in 2002 and illustrated by the case in Mahottari, where an existing CF in part of a forest 'block' has become involved in CFM in the rest of the block.

Notwithstanding the level of governmental control in decision-making and benefit-sharing, the CFM programme does indicate a number of crucial lessons in regard to block forest management in Nepal Terai. It clearly establishes that the block forests of the Terai need some kind of broader institutional framework that encompasses local and distant communities, local governments and central government. It also challenges the assumption that universalising one particular modality of participatory forest management, such as community forestry, can work in different contexts, especially in the Terai, where

multiple communities have to collaborate in forest management.

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[1] The Terai region of Nepal includes the districts at the foot of the Himalayas, on the Gangetic plains of the subcontinent. The Central Bureau of Statistics (2005) characterises 20 districts as being Terai, although these include three districts that are wholly or partly Inner Terai (i.e. between the first two mountain ranges [Churia and Mahabarat], but with ecological characteristics similar to the Terai proper). Most Terai districts also include parts of the Churia hills, which are environmentally sensitive and largely still forested, and some also include parts of the Mahabarat.

[2] Population figures suggest that people originating from the hills and mountains now comprise 38% of the population in the 20 Terai districts, and comprise less than 50% in six Terai and Inner Terai districts (CBS 2001). Population of people originated from the south is not sufficiently analysed. There is a population of indigenous communities throughout the Terai as well, which is sometimes mixed with the population coming from south (India) to separate them from the hill people (called *Pahadis*).

[3] The Terai region is also known as the *Madhes*, so the traditional inhabitants are known as *Madhesi*. All terai indigenous are *madhesis*, but not all Madhesis are indigenous.

[4] e.g. Tharus, Chepangs.

[5] This figure is for forest cover; it does not necessarily correspond with national forest, nor does it include small plantations outside the main areas of natural forest, which may be managed as community forests or privately.

[6] The term 'His Majesty's Government' (HMG) is used in this paper to refer to the 'Government of Nepal' according to the terms used at the time of events.

[7] National parks and wildlife reserves.

[8] Almost 180,000 ha are under buffer zones around the five protected areas in the Terai. See Sharma *et al*., this volume for details.

[9] Contrary to most people's interpretation of the Forest Act 1993.

[10] The Bhabar is the area immediately at the foot of the Churia hills, but not quite fully plains land.

[11] Personal communication with Santamuni Tamrakar, Forest Officer, Department of Forest, Nepal

[12] A recent case from Dhanusha district (April 2006) clearly illustrates the problem if distant users are excluded: three people were killed and four seriously wounded after a CF patrol of close users ran into timber 'smugglers' from the south.

[13] Internationally, CFM has been broadly defined as a working partnership between key stakeholders in the management of a given forest, with key stakeholders being local forest users and state forest departments, as well as parties such as local governments, civil society groups and NGOs, and the private sector (Carter & Gronow 2005) and includes a wide variety of forest management modalities previously classified together as 'community forestry', or 'participatory forestry'. In Nepal, the term has been coined to describe a new forest management modality that intends real partnership between stakeholders, and to distinguish it from the model of community forestry (CF) in Nepal, and from joint forest management (JFM) in India.

[14] Village Development Committee, the lowest unit of local government. On average Terai districts are composed of around 70 such VDCs. Each VDC is divided into, on average, nine wards, from which VDC representatives are elected. Municipalities function in a similar way for urban areas.

[15] District Development Committee, the district level unit of local government. Comprises both a Council of VDC and municipality representatives and an executive committee elected by, and accountable to, the Council.

[16] On the premise that the existing stock in Timber Corporation Nepal (TCN) and that collected from dead and dying trees was adequate to meet demand.

[17] Siwaliks is an alternative name for the Churia hills.

[18] Satisfaction of basic needs; sustainable utilisation of forest resources; participation in decision-making and sharing of benefits; socioeconomic growth.

[19] Supported by the Netherlands Government with advisory support from SNV

[20] Recent research by the DFO of Nawalparasi shows that most users consider that benefit sharing proportions should be reversed, at the very least (Vijay Pauydel, pers. Comm.)

[21] See Bampton & Cammaert (2006) for a discussion on improving poverty reduction outcomes in Terai Community Forestry – many of the issues apply equally to CFM.

[22] The three proposed schemes in Mahotari demonstrate this clearly – one area of around 2,000ha will benefit a population a little over 120,000 (Banke Marha), whereas the other two schemes, each of around 1,000ha will have to serve considerably more.

[23] Directive is a nationally binding document

[24] Federation of Community Forest Users Nepal

[25] Supported by the UK's Department for International Development (DFID).

[26] Supported by the United Nations Development Programme (UNDP) in partnership with a number of smaller donors, including SNV.

[27] DFID, SNV and SDC.

[28] Although Directives are legally binding nationally, application is not always uniform in practice – this depends on whether MFSC officials decide to take a strong line on something or not.

[29] That Halkhoria initially applied for CF and later changed it into CFM may have various reasons, including politics and the fact that CFM could be seen as a pragmatic compromise in the face of only two options as CFM can be considered "better" than the existing Governmant 'management' of forests.