

Reducing Poverty through Innovation System in Forestry

Scaling out Natural Resource Outputs in Asia

Project Report

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Project Summary

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Lead Research Organisation: Forest Resource Studies and Action Team, Nepal (ForestAction), Kathmandu, Lalitpur, Nepal

Other project implementing Partners:

- Federation of Community Forest Users Nepal (FECOFUN),
- Nepal forum for Environmental Journalist (NEFEJ),
- Nepal Herbs and Herbal Product Association (NEHHPA),
- Central Department of Sociology and Anthropology (CDSA), TU

Project Leader: Dr. Dharam Raj Uprety

Project Locations in Nepal:

- i) Lamatar and Bishankhu area of Lalitpur District;
- ii) Nawalpur area of Nawalparasi District; and
- iii) Kushmisera Area of Baglung District

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Acronyms

CBRC	: Community Based Resource Centre
CDSA	: Central Department of Sociology and Anthropology
CFUG	: Community Forest Users Group
CF	: Community Forestry/Community Forest
DOF	: District Forest Office/ District Forest Officer
FUC	: Forest Users Committee
HH	: Household
LRP	: Local Resource Person
LFP	: Livelihood and Forestry Program
NEHHPA	: Nepal Herbs and Herbal Product Association
NEFEJ	: Nepal forum for Environmental Journalist
FECOFUN	: Federation of Community Forest Users Nepal
RPISF	: Reducing Poverty through Innovation Systems in Forestry
RIU	: Research into Use
SEG	: Socially Excluded Group
TWC	: Thematic Working Committee

Table of Contents

Project Summary 2

Acronyms 2

Table of Contents..... 4

1. Context of project and innovation processes in Nepal 5

1.1 Introduction5

1.2 Objective of the project5

1.3 Justification of the research design and project implementation5

1.4 Community Forestry and innovation system6

2. Methodology 7

Select, train and mobilise Local Resource Person (LRPs).....8

3. Lesson learned on project implementation..... 13

4. Project outputs 14

4.1 Publications.....14

4.2 Capacity building through project activities.....14

4.3 Policy and practice15

5. Project outcomes..... 16

6. Overall assessment and recommendations 18

7. Key lesson learnt from the innovation system approach in forestry in Nepal 19

8. Conclusion..... 24

Reference 25

Annex 1: Summary of project activities and outputs..... 25

Annex 2: Summary of achievements and beneficiaries..... 27

1. Context of project and innovation processes in Nepal

1.1 Introduction

Reducing poverty through innovation systems in forestry (RPISF) is a research initiative that aims to bring research into practices by enabling forest-dependant and stakeholders to understand and improve policies, institutions and everyday practices that directly contribute to their livelihoods. RPISF is funded by DFID and IDRC. A coalition of five organizations led by ForestAction implemented the project. Besides ForestAction, the coalition partners were Federation of Community Forestry Users Nepal (FECOFUN), Nepal Herbs and Herbal Product Association (NEHHPA), Nepal Forum for Environmental Journalists (NEFEJ), and Central Department of Sociology/Anthropology of Tribhuvan University (CDSA-TU). ForestAction as the leader managed the programme and sought to strengthen innovative processes in forest and livelihoods by enhancing collaborative linkages among the coalition partners. FECOFUN contributed to scaling out of the innovations, CDSA-TU helped build academic linkages to conduct quality research on innovation. While NEHHPA facilitated forest based enterprise development and marketing, NEFEJ helped communicate the innovative to a wider audience through Community Radio Stations.

1.2 Objective of the project

The project “Reducing poverty through innovation systems in forestry (RPISF)”, was aimed at adapting, utilising and disseminating the natural resource management innovations in the three project sites in central Nepal: Lamatar of Lalitpur, Nawalpur of Nawalparasi, and Kushmisera of Baglung districts, directly benefiting people from 9600 households and a population of 60287 including 30257 men and 30030 women which also comprises of Dalits, ethnic minorities and indigenous people from 60 CFUGs. Of the total of 60 CFUGs, 15 CFUGs from Lalitpur, 15 CFUGs from Nawalparasi and 30 CFUGs from Baglung district. It is expected that the diffusion of lesson learnt from the project districts to rest of the CFUGs across the country.

The project was designed to provide a unique opportunity to the forest sector stakeholders in updating, adapting, repackaging, and disseminating innovations. Major strategies adopted were: a) enhance interaction and exchange among diverse actors at different levels, b) put earlier renewable natural resources research strategy and other related research products into effective use; c) disseminate and scale-out innovation products and processes; d) strengthen capacity of CFUGs networks and other local actors; and e) develop policy linkages in support of innovation system. Innovation system is a process of deliberate learning and change through actions and experimentations through collaboration among multiple social actors while resolving conflicts and negotiating multiple interests. We use the term “forestry innovation system” to refer to the set of distinct actors’ including forest users, CFUGs, Federations of Community Forest Users Nepal (FECOFUN), government authorities, development agencies and civil society organisations engage in a collaborative mode to facilitate and generate institutional and technical lessons that contribute to forest development livelihoods enhancement.

1.3 Justification of the research design and project implementation

Despite widespread expansion of community forestry, forest management strategies are still passive in Nepal. CFUGs utilize only a small proportion of what can be harvested on a sustainable basis. Experience shows that despite recognition of this issue for several years, there is little progress towards active forest management. The main reasons for this are: the conservative attitude of government forestry staff, limited technical capacity of CFUGs to undertake resource assessment and forest management planning and elite

control in forestry related decision-making. Socially excluded groups such as women, indigenous people, Madhesi, Dalit, and the poor have limited say in decision-making. Despite policy emphasis on group level processes, executive committee is considered all powerful, and at times, only a few committee officials actually run the CFUGs. Many of the CFUGs were formed in a hasty manner to meet DFO's annual targets usually under the political pressures, without paying sufficient attention to the interests and involvement of different social groups. These groups are often excluded from membership, lack of representation in decision making forums, inappropriate rules of access, including high charges for forest products.

Innovation system approach is expected to bring major transformation in community forestry with 16000 CFUGs that has a huge potential of supporting rural poverty alleviation (McDougall et al. 2007). Since 1970s, Nepal has tried various approaches to address livelihood needs and sustainable management of forest resources which includes technology transfer, needs based service delivery and in recent years rights based approaches to development. A simultaneous devolution of some resource management power to local level can also be observed during this period. The question than arise how the local communities and groups can bring change they would like to see in their lives through forestry. Therefore there is a specific need for innovation that enables diverse stakeholders to bridge the gaps that so often divide them and create means of working together effectively to meet social, economic and environmental goals of community forestry. In this context the innovation system - experimenting and learning different ways of achieving the change has become urgent.

Project based and externally driven strategies cannot alone bring long lasting change. With this understanding, an innovation approach that involves greater emphasis on the engaged and meaningful interaction between actors has been conceptualised to help shift away from traditional research and extension so that practical knowledge is created, applied and disseminated in an interactive mode.

1.4 Community Forestry and innovation system

Community forestry is one of the most successful strategies for conservation of forest resources and livelihoods enhancement of local people. It has provided platform for active involvement of communities in forest management. Moreover, the institutional arrangement of CF also allows a fair distribution of benefits within the community (Upreti 2007, EGAN et al. 2002). The communities have legal rights to use and manage their resources. The CF is about using and managing forests according to local objectives and values (Victor et al. 1997). The Master Plan for Forestry Sector 1989, the Forest Act 1993 and the Forest Regulations 1995 have provided the policy and legal foundations for the CF. That concept was initially incorporated in forestry sector master plan 1989. The Forest Act 1993 was the landmark legislation in the history of Nepal's forest sector that empowered local communities to govern the resources by themselves. Forest Act 1993 and the Forest Regulations 1995 recognise CFUGs as autonomous, independent corporate bodies(GoN 1993; GoN 1995)

The Forest Act defines CF as the parts of National Forests, that are handed over to the CFUGs by the District Forest Officer (DFO) for development, protection, utilization, and management including independent authorization of sale and distribution of forest produce according to the Operational Plan. The CFUG is an assembly of rural people who live in a defined territory, working together with common objectives; it possesses its own Constitution and Operational Plan for the use and management of forest resources. It is legally registered with the DFO. In addition, CFUG is a village level community; the members live in a defined territory and engage in social interactions that help develop common ties along geographical proximity (Upreti 2007). Nearly 1.65 million households (40% of the total HH of Nepal) have been involved in CF programme (MOFS 2010) for managing and utilising of the local forest resources. Almost a quarter of

forest land (1.5 million ha) is managed as CF (DOF 2009). Each CFUG has its own elected executive committee, office and bank accounts.

The CF programme has however, faced diverse challenges. Productive forest management, effective and inclusive governance, and equitable benefit sharing are the key governance issues. As the government usually lack required human and other resources, it has not been able to effectively facilitate the CF process. Therefore, a need was felt to introduce a better governance system in CF. The RPISF has become one of such initiatives to work with forest dependent communities to reduce poverty and foster livelihoods.

2. Methodology

The report is based on the RPISF-RIU/IDRC project field activities initiated in early 2008 and completed in July, 2011. The overall methodology was focused on the learning approach by interacting with community people focusing on the process that involved visioning and planning for social transformation, and issue based discussion. Through a series of interaction programs based on adaptive collaborative process organised at different levels - CFUG level, cluster level, sub-national level and national level. This produced a number of lessons and insights on effective forest management, poverty reduction and group governance. The project activities and regular reflective meetings with CFUGs committee members, hamlet representatives, local facilitators, district FECOFUN members, and district advocacy officers were the major sources of information. A database (baseline, CFUG level workshops, etc.) of the research has been generated. As mentioned earlier, the research was conducted jointly through a coalition of five different organizations working in Nepal (see figure 1).

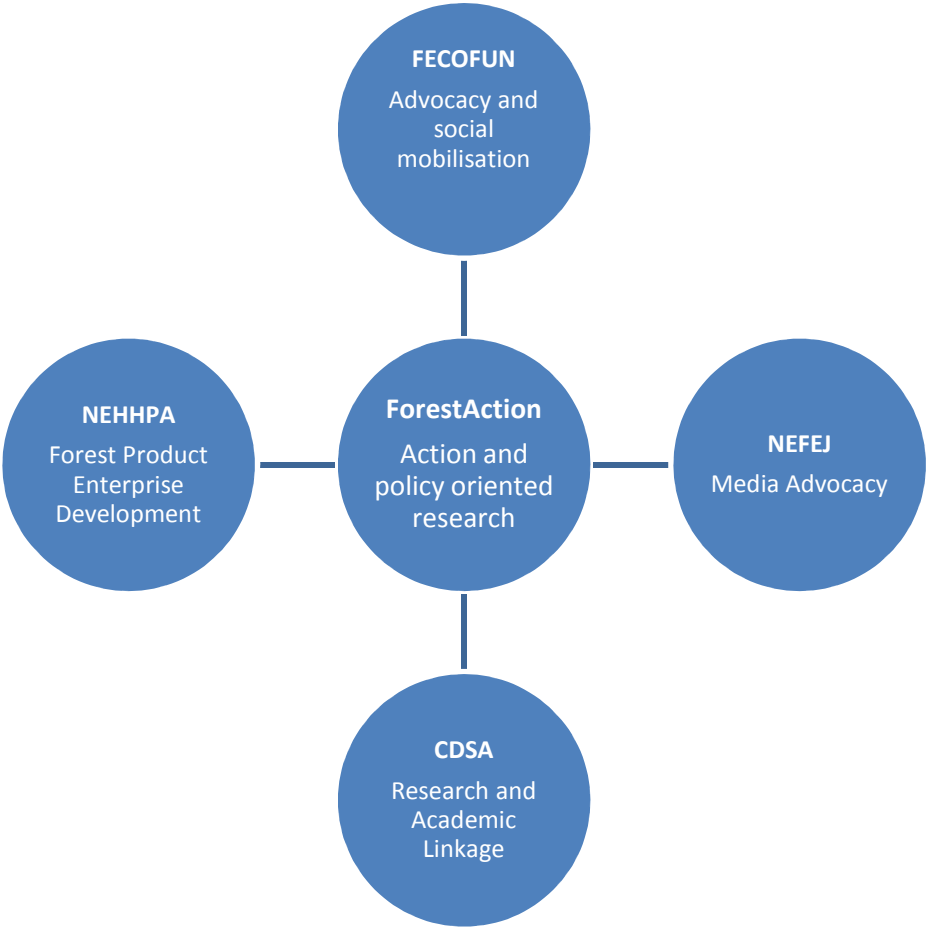


Figure1: Consortium members and their key roles.

The following are the major project activities.

Select, train and mobilise Local Resource Person (LRPs)

A total of 60 LRPs one from each CFUG were selected in consultation with CFUG leaders, and were trained. The training was based on well designed curriculum that provided them with local level facilitation and data collection skills.

Baseline survey

A baseline survey was conducted initially to develop a good understanding of the intervention priorities and develop micro-projects. The baseline report provided detailed description of the number of CFUGs under the project, analysed the socio-economic as well as cultural context, and description of the project locations, stock of forest products, and area and nature of forests. The report assessed the possibility to establish forest based enterprises at CFUGs level, local knowledge about forest products use, and existing practices of use and selling of forest products at local and national market. The report also analysed the status of socially excluded people in the project districts. Moreover it the report assessed their knowledge on forest products, forest management practice, existing institutions, funding, decision making and benefits sharing systems.

Inception workshops in all 60 CFUGs

At the early stage of the project, inception workshops were conducted in all the CFUGs to introduce and discuss the project, clarify roles and responsibilities of project team and local communities and other stakeholders, and agree on general approach and milestones. It also helped establish collaboration between diverse stakeholders in community forestry for the implementation of the project.

Training and support in forest management and governance

Forest management and governance training was one of the most crucial parts of the project to reach to the poor and disadvantage people of the community, and for developing long and short term planning. The objectives of the workshop were to develop innovative and dynamic vision of the CFUG members in areas of: (1) Forest and environmental conservation, (2) Institutional Development of CFUG, (3) Community Development, (4) Poverty Reduction, and (5) Enterprise Development. These trainings were followed by formation of five sub-committees-‘Thematic Working Committee (TWC)’ - under CFUG in each of the five aforementioned themes. These TWCs are responsible for their respective areas and provide recommendations to executive committee for future management directions. The TWGs have played important roles in forest management, CFUG governance and livelihoods enhancement. The training was held in all 60 CFUGs participated by 45 members on average from each CFUG. In total 1236 females and 1076 male participated and developed 60 plans (two years plan and 10 years visioning plan). The CFUGs adopted mechanisms for *tole* based for planning, implementation and monitoring. Different forms of reports such as the LRP report, member feedback, OPs, CFUG minutes, CFUG constitutions, *tole* based meetings records and survey records were collected and analyzed to understand the dynamics of CF process and identify opportunities for further interventions. The major outcome of this training cum workshop was to sensitize the CFUGs on forest management and governance issues. A mechanism of self-monitoring of CF was adopted to promote innovation- the process by which new knowledge is generated, applied, adapted and shared.

Development of model Operation Plan

The conventional approach to constitution making was heavily dependent on technocratic process led by forestry staffs. Local knowledge and concerns were often excluded. We challenged the conventional approach. Instead we adopted a grounded approach starting from household to interest group discussion and finally discuss and negotiate at the CFUG level. Apart from a shift away from conventional process, the model constitutions also included emerging issues such as climate change, REDD, rights of indigenous people and payment of environmental services. Since we developed strong collaboration with government authority, District Forest Office (DFO) supported the process by investing their resources including deploying staff in the OP revision process. The joint effort to revise OP was welcomed by the local communities. Consequently, the DFO followed a similar process beyond the project area. This indicates a good example of scaling out of innovation. “I highly appreciate the work of RIU team for this hard work, and I assure you that I will take this model as a process guideline of making other such operational plan”, said DFO of Lalitpur” in a program of launching the Model Constitution.

District stakeholders workshop

A total of six district level stakeholders workshops were organised in all project districts in order to discuss the issues generated from cluster level activities (e.g. issue based discussions, LRPs and CFUGs leaders

sharing workshop). In some cases, the district level stakeholders workshops addressed the issues raised by CFUGs leaders. Moreover, the district stakeholders became more accountable and responsive in their duties.

Student thesis in RIU project sites

Four students selected for Master thesis have completed their thesis through the Central Department of Sociology and Anthropology (CDSA). They conducted their studies in different districts within the project sites. As CDSA is one of the RIU partners responsible for research and teaching. The theses have documented and analysed the key challenges and opportunities within programme themes through the perspectives of innovation system approach.

Community Based Resource Centres

Three Community Based Resource Centres (CBRC) one in each site has been established. Management committees formed by the communities have taken charge of managing these centres. The centres have provided a good communicative platform to meet, read, exchange and share practically relevant information. Besides, these CRCs have become the locus of social networking and source of formal notice from government authorities and development agencies. The CBRC of Lalitpur has already been recognised by and has been supported by the local governments such as village development committee (VDC), forest Range Post Office among others.

Program on Radio and TV

Three episodes of television program entitled “Ankhihayal” were broadcasted from Nepal Television (state owned National TV channel) covering RIU best practices reaching to people all over the country. The same program was also broadcasted from other TV channel (Avenues) which is also popular in Nepal. Likewise almost 200 Radio program (episode covering only RIU activities) have been broadcasted from different community based FM radio stations from three project districts media. Regular radio program "Garibi NyunikaranKaLagi Ban Karyakram" (Forestry program for poverty reduction) was aired in three project districts covering local issues and innovation of projects since the start of the project. Four community F.M stations: Radio Sagarmatha in Lalitpur, Baglung F.M and Vijaya F.M in Nawalparasi have been broadcasting radio programs in fortnightly basis. The programmes have become popular and many radio stations are going to broadcast it repeatedly over and again.

The FM radios are playing important roles in communicating the project outcomes. The Radio programs focus on: i) event/activities from project sites; ii) interviews of local leaders, project team and stakeholders; iii) research findings from the sites; and iv) observation and reflections of the media persons themselves.

Training on CFUG/FECOFUN leaders on innovation system

One of the objectives of the project was to institutionalise the FECOFUN district chapters by developing their leadership and management skills. Two trainings were organised one each for Baglung and Nawalparasi FECOFUN chapters. It is hoped that the training would enable them FECOFUN leaders to provide leadership on institutionalising innovation system approach within community forestry. The trainings has developed a good appreciation of new approach among the leaders so that the FECOFUN as an umbrella organisation of the community users are equipped to sustain many of the approaches used during the project period.

Data Analysis and Report Writing

Two data analysis and report writing workshop were organised in Kathmandu targeting project staffs, FECOFUN central members, district Advocacy officers, thesis students, and some LRPs. A total of 24 people attended the said training 12 in each.

Cluster level Sharing and Collaboration Workshop

A total of 84 cluster level sharing were organised in all project districts during the project period. Through these interactions we collected and documented local issues analysed and shared the synthesis with stakeholders at different levels. Cluster level workshops were crucial in terms of conflict management, bringing interest group specific issues such as the voices of poor and excluded people. ***Regular interactions with local stakeholders were*** organized to address newly emerging issues such as environmental services and climate change. Regular interaction with external stakeholders is important to transform skills, knowledge and behaviour of local leaders often resulting in increased collaboration between CFUGs and stakeholders. These workshops were useful to collect, filter and pass on policy issues to the district and national authorities.

Cluster level sharing among the CFUGs members: CFUGs network have been built in all project sites. These networks contributed to sharing of best practices, resolving boundary conflicts, and other issues which cannot be resolved by individual CFUG. Learning and achievements from one CFUG were disseminated among the cluster level, from which other CFUGs can also generate ideas to launch similar innovative practices in their respective areas. In addition to this, CFUG networks contributed to build social capital.

District level stakeholders workshop

Two district level stakeholders workshops were conducted in each district. As most of the government line agencies are located at district level, these platforms provided good platform to discuss, validate and package local innovations that could be scaled out. The DFO, FECOFUN, district office of livelihoods and forestry project and several other district level agencies participate, assess and adopt the innovations into their ongoing programmes through the RIU. Moreover, discussions at this level were focused around issues coming out from CFUG/cluster level workshop and meetings.

Enterprise Development Technical Assistance

Value chain analysis

As a part of capacitating CFUGs and other local leaders we supported in training and backstopping in value chain analysis led by Nepal Herbs and Herbal Production Association (NEHHPA) one of the consortium members. Participants were selected from CFUGs that are operating one or other type forest based enterprises. During the training participants conducted participatory resources assessment and explored avenues for possible enterprise that are economically viable, environmentally sustainable, and socially equitable. We used five key criteria to assess the enterprise namely, resource availability, market demand, participation and accessibility of poor and marginalised people, and interest entrepreneurs.

Enterprise Study Tour

NEPHHA organised a “study tour on forest based enterprise development” to help farmers and entrepreneurs to observe and learn from ongoing enterprises in different parts of the country. The focus was in understanding the community based initiatives in forest based enterprises. Through this training leaders became familiar to diverse practices of community-based enterprise across Nepal. A total of 25 participants from 3 sites took part in the study tour.

Eco-tourism promotion workshops

Based on series of interactions CFUG leaders in Lamatar of Lalitpur decided to promote eco-tourism based enterprise in their cluster. This area is beautiful and is close to Kathmandu – the capital city. There is already a fairly good flow of visitors both foreign and domestic ones. Besides, city people come here for picnic during weekend and holidays. Given these potentials, we organised an eco-tourism workshop followed by detailed discussion on diverse preparatory aspects such as home-stay (lodging and fooding system at home), tracking route and hospitality skills. An action plan on eco-tourism development was prepared, followed by formation of an eco-tourism management committee. Now the whole area is undergoing through a readiness phase with enthusiasm of attracting more visitors in the coming years.

Training on Lapsi (local pulp) processing

A two day Lapsi processing and marketing training was accomplished in Lamatar cluster of Lalitpur district. The major objective of this training was to help local farmers especially the local women to prepare pickle for market using a simple technology. Fourteen participants participated in training. These farmers are now making lapsi pickle both for household use and also for market.

Training on management of Medicinal and Aromatic Plant (MAP)

A two-days training on the management of MAP was organised in Nawalparasi to help local farmers to identify, protect and sustainably use locally available herbs. A total of 20 participants from different CFUGs participated in the training.

Production of DVDs

One hour long documentary comprising three videos of three sites has been produced to widely communicate the project lessons. The documentary (in Nepali) contains detail procedure adopted in this project, and its achievements. The documentary is widely distributed across the country mainly among the forestry institutions. This has contributed to wider circulation reaching to diverse audience across the country.

Refresher training on forest management and governance

Fourteen refresher trainings were organised in 14 clusters (dividing 60 CFUGs into 14 clusters). These trainings were aimed at reenergise the LRPs and community leaders. However, these events were also used for data generation around key learning questions and check progress against previously set milestones.

Central level monitoring workshop

A central level monitoring workshop was organised in Kathmandu during 5-6 September 2010. In total 42 men and women representing LRPs, key CFUGs leaders, FECOFUN members, and radio journalists, policy makers, central FECOFUN members discuss participated and discussed key issues embedded with forest management and governance at different levels. The LRPs, and District Advocacy Officers (DAO) presented the local progress and experiences which was responded by the senior officials from Ministry of Forest and Soil Conservation, Media person and forestry experts. A number of encouraging reflections and emerging challenges were identified and discussed. This was unique platform in linking 'micro with macro' and 'action with reflection' where diverse stakeholders had opportunity to understand each others' positions, and difficulties in the context of CF programme in Nepal.

Project Completion Workshop at National level

The project completion workshop was organised in Kathmandu once all the field level activities were completed. More than 40 men and women from different organizations: government agencies, federations, media person and development agencies participated the event. The learning and findings from different districts were presented and discussed. This discussion provided opportunity to develop common understanding of the problems and identified some agreed directions and strategies of interventions. The National Workshop helped bring socially suitable, economically viable, and ecologically sustainable innovations into mainstream.

Other activities associated with RIU

- A central level research workshop for designing research and report writing
- A report writing and data analysis workshop inviting students, researchers and staffs from the partner organisations.
- Presentations in international conferences (8 presentations)
- Regular meetings among project team members
- District level workshop on women empowerment (in Nawalparasi district)

3. Lesson learned on project implementation

Partnership and collaboration are found to be more complex than initially assumed. The implementing partners vary in their capacities, institutional culture, working modalities, staff motivation, and organizational structure. Differing institutional cultures and programmatic approaches sometimes posed challenges for effective project delivery.

The mix of research and development adopted by RIU, particularly the essence of innovation system approach was only slowly understood within the project partners. One of the recurring challenges was the temptation to work in technology transfer model. For example advocacy partner wanted to conduct advocacy training without further interest on how the particular training would be utilised in research, policy making and in local practice. Operating under a partnership model requires effective working relationships and communication. But institutional culture and working procedures posed several challenges. For example FECOFUN, the umbrella organisation of CFUGs had their elections within the project phase that changed their leadership to look after the project activities. Change in leadership had changed the project personnel

that disturbed the routine implementation schedule including timely flow of reports, funding and other administrative process which was the lifeline for field level implementation.

Some challenges identified on collaborative arrangement

- High transaction costs required coordination and constant follow up from the project leader and lead organizations to ensure timely implementation of activities
- Required extra time and resource to develop a common understanding among the partners of the programme concept and intervention approach
- Confusion around hierarchy of protocol – who should be communicating with whom between organisations.
- Differential ownership of the project – pressure on lead organisation to accomplish the activities and deliver the outputs.

4. Project outputs

4.1 Publications

- **Upriy D., Ojha H., Thapa, J. and Bushely B. 2010.** Reducing poverty through innovation systems in forestry: Lessons learnt from Nepal's community forestry programme, The International Forestry Review 2010, Forest for Future: sustaining Society and the Environment, Published by Commonwealth Forestry Association (ISSN 1465 5489).
- **Giri, K. and Darnhofer, I. 2010** 'Outmigrating men: A window of opportunity for women's participation in community forestry? Scandinavian Journals of Forest Research, 25: 1, 55-61.
- **CFUG Constitution 2010.** Constitution of Goldada, Kakaridada Community Forestry Users' Group, Lamatar Lalitpur.
- **Upriy D., Giri K., Bhandari K., 2010.** "Policy options for pro-poor community based forest governance: Lessons from innovation system approach. Policy Brief, Kathmandu, ForestAction.
- **Upriy D., Thapa J. 2010** "Research into use in Forest Based Enterprises; Our understanding and learning. Policy Brief (in Nepali). Kathmandu. ForestAction.
- **Upriy D., Giri K., Bista R. 2010.** Synopsis and Lessons from District Level Stakeholders Workshop on "Opportunities and challenges embedded within Community Forestry".
- **RIU Nepal, 2010.** Knowledge Generation & Dissemination through innovation system in forestry: A report from eleven community forest user group.
- **RIU Nepal. Value chain analysis Report,** A synthesis report form VCA training.

4.2 Capacity building through project activities

CFUG level training on forest management and governance has remained one of the major interventions of the RIU-IDRC project. During the project period, we have completed 60 forest management and governance training packaging. It was a three-day training module tailored with practical backstopping. The training was composed of three major elements: i) forest management, ii) group governance and iii) programme planning/implementation. A total of 2313 CFUGs members were trained in this module. Participants were selected from poor and marginalised groups including women, Dalits, indigenous people and poor forest dependent groups. These trainings were followed by formation of sub-committees to lead specific thematic areas. Apart from strengthening the decentralised governance, the thematic groups provided spaces for emerging leaders in the groups.

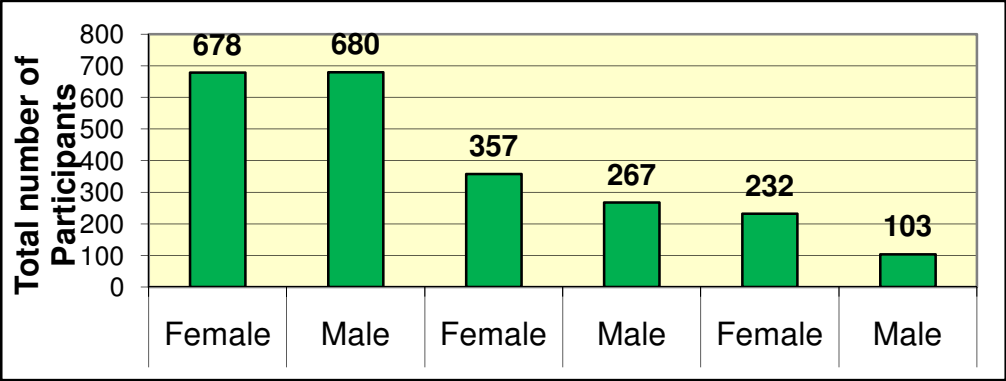


Fig: Number of CFUG members took part in forest management and governance training

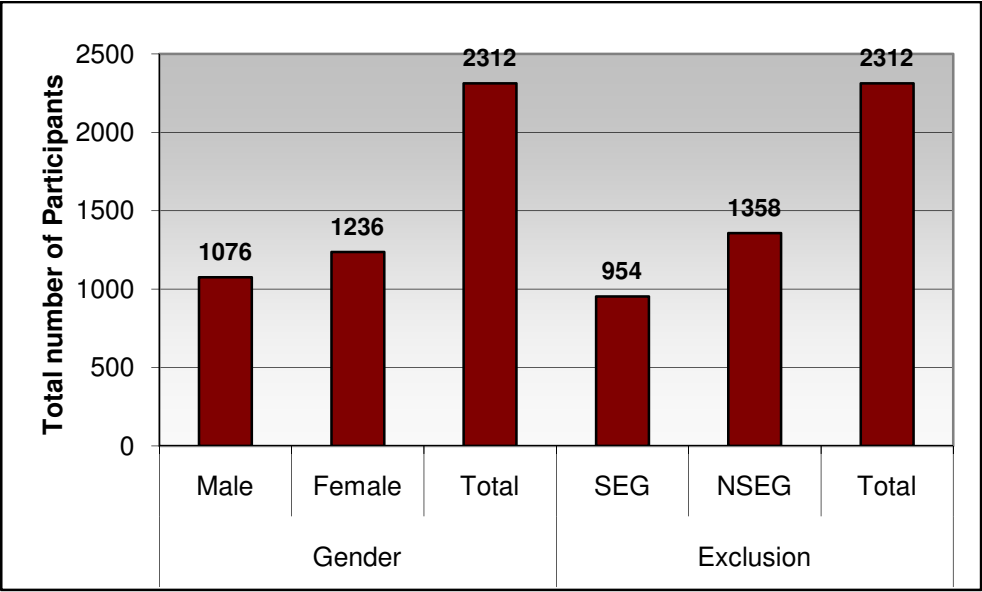


Fig: Number of training participants in forest management and governance training in terms of gender and DAG

4.3 Policy and practice

The project interventions have contributed to national policy process through diverse means. The level of influence, types of policy change and our participation vary at different level of governance. First, we organised several policy events in which stakeholders from different constituencies participated and contributed to these policy dialogue. Second, members of the project team were involved in a number of national policy platforms including development of “National Adaptation Plan of Action (NAPA), Climate Change Policy, working group for preparing a Forest Sector Strategy and other several policy forums RIU project leader then appointed as a focal point for NAPA at ForestAction and then invited in each consultation organised by the MOE. RIU team leader Dr. Dharam Uprety based on his experiences of working with 60 CFUGs provided inputs to these policy processes. Official of the Ministry of Environment and the Ministry of Forests and Soil Conservation have appreciated the contribution of ForestAction on NAPA draft. We were able to influence the NAPA and REDD documents and successfully included the concerns of the poor and marginalised people in the documents. Likewise, ForestAction was also an executive member of REDD and Climate change Cell, under the Ministry of Forest and Soil Conservation (MOFS), and being our strong research skills, we were invited while making National REDD Strategy.

ii) Project team has contributed to Nepal's Readiness Preparation Proposal (R-PP) REDD (2010-2013) submitted to World Bank's FCPF programme: ForestAction Nepal is a member of REDD working Group representing NGOs of Nepal.

ForestAction expert (Mr. Shambhu Prasad Dangal) was also a member of R-PP development core team and who also lead the component 2b "REDD Strategy Options" of R-PP. Dr. Uprety, the project leader provided valuable input the RPP development process. The project leaders and project team was invited to contribute to Design a Monitoring System" REDD Readiness Proposal. Analysis of the existing monitoring mechanism and prevalent gaps shows that we need to develop capacity for overall MRV system. This is important because MRV demands a rigorous process and needs a high level of expertise in diverse fields.

iii). Micro enterprise Development Programme (MEDEP), Project Number NEP/08/006 Sub-contract between ForestAction Nepal and the Government of Nepal entitled "Promotion of pro-poor Micro-enterprise Development in Nepal" –"Review of Forest Based Enterprise Related Policies" contract made in 9 May, 2010.

ForestAction was invited by the government to conduct a study on the potentials, challenges and avenues of interventions for promoting forest based enterprise. Dr Hemant Ojha, a RIU advisor and ForestAction expert led the task. It was due to our involvement in RIU that they recognise us for this task. The study submitted to the GoN has contributed to making national policy in relation to establish, promote and marketing of enterprises in Nepal at different level. In contributing to prepare pro-poor enterprise policy, the RIU and IDRC project has contributed by bringing evidence based case recommending for liberalising the policies on forest based trade and enterprises. For example there was no HS-Code of Nepal for exporting NTFPs to third country. NEHHPA, one of the project partners submitted a letter and lobby with Nepal Chambers of Commerce, which ultimately was approved by the concerned ministry. Now HS code for exporting edible products is in place, which is one of the milestones of RIU partnership with business organisation. Another example is the collective timber enterprise by a group of CFUG in Nawalparasi which has shown a good case for other groups and the government.

5. Project outcomes

The following major changes have been observed at local level which is primarily attributed to the RIU-IDRC intervention:

- BinayBagar CFUG has started cultivation Pipla (*Piper longum*) since 2008 after RIU project start working with this group in early 2008, and the CFUG started selling Pipla worth of Nepali Rupees (NRs.) 80,000 in 2010. The group is committed and have concrete plans to produce more Pipla along with other medicinal plants in their community forest. A total of 322 HH are in the CFUG which comprises of 809 male and 821 female with total population 1630.
- About 15 CFUGs have begun commercial cultivation of medicinal and aromatic plants (e.g. Goldada CFUG and Padali CFUG in Lalitpur, Sundari CFUG, and Binaibagar CFUG of Nawalparasi established plant nursery in their community forest).
- Bamboo based enterprises have begun in five CFUGs (e.g. production of Bambo and fibre products at Kusmisera cluster of Baglung district).
- RIU actions have contributed to commercial production of NTFPs, and medicinal and aromatic plants (e.g. *Amriso* (broom grass), *Rubber* (Rubber plant) at Sundari CFUG; Pipla (*Piper longum*) production at Binaybagar CFUG of Nawalparasi) (ref. value chain report, 2008).
- Engaging local people to adopt new technologies can bring in new insights and vision to initiate community based micro-enterprises at local level that can contribute to improve the household economy.

As an example, bio-briquette production started in different CFUGs using leaf and other waste generated during forest management along with use of an invasive species like *Lantana Camera* (e.g. Lamatar cluster involving four CFUGs). A Bio briquette production and marketing committee has been formed to support and monitor the enterprise. NEHHPA one of the RPISF/RIU consortium members working for business innovation has guaranteed to buy the products. A MOU regarding the purchasing guarantee has been signed between enterprise group and NEHHPA in June, 2010).

- Some CFUGs are generating regular income through PES (e.g. Patle CFUG receives @ NRs. 300 (≈ USD 5) /Tanker, by selling the drinking water to private tankers.
- Pahelibhitta CFUG of Nawalparasi has earned about NRs. 80,000 by selling of Pipla (*Piper longum*) in the year 2009/10, with its total annual income out of NTFP sale is NRs. 125,000.
- Sundari CFUG in Nawalparasi district has started to sell 'Tripphala' (a digestive product widely popular in Nepal) and has established link with NEHHPA for marketing these products. The CFUG has annual income worth of NRs. 3,061,007 by selling of timber, NTFPs and membership fee. Sundari CFUG has started to build two houses per year for its the ultra poor members. Till date, 6 houses (cost invested per house was NRs. 50,000) has been distributed to the poor people.
- Padali CFUG in Lalitpur district has started selling seedlings from their nursery following the business plan facilitated to prepare by the project team during CFUG planning process (Visioning Plan) in the year 2008.
- About 61,000 rural people are directly benefiting from the project initiatives in three districts.

The base line data also contributed to analyse the change resulted overtime because of the RIU intervention.

- i) We have given high priority to the women's participation in all RIU intervention: in trainings, cluster level sharing, committee formation (e.g. CFUG committee, Hamlet committees, thematic committees). In most of the activities women have participated in equal number.
- ii) The constitutional provision was made while making the model OP of two CFUG's in Lalitpur district to ensure the maximum number of women participation in forest users committee. According to the model constitution, both male and female from a HH are considered as the legal users and anyone can make represent their household in the CFUG. In addition, almost all the CFUGs in project are have now included women in vital position (e.g. 4 presidents, 10 secretaries and 22 treasurers). Similarly, the project intervention remained instrumental in bringing people from Dalit and ethnic minorities into CFUG leadership (Now there are 22 presidents and 28 secretaries 28 from these groups).
- iii) We have also given high priority to bring the voices of poor and disadvantaged people in CFUG decision making body. The project team strongly engaged to minimise the caste and gender based discrimination which have been rooted in the Nepalese society historically. Recently, many of excluded groups have got entry into CF at free of cost. Now collective voices of these groups are given spaces by changing the existing CFUG structures and decision making process. Women in these groups expressed that they now frequently participate in general assemblies and other meetings and raise their concerns. In many CFUGs, women reported that they asked the OP to be made available to all members.
- iv) Training specialist also guided the project team/LRPs in dealing with existing gender and caste based discrimination. For example, in SaniChaur, KotBhairav and Dhaireni CFUGs in Baglung district, they observed a high level discrimination against lower caste which was challenged by the trainer and convinced them to accept tea together with Dalits. The trainer had his meal together with the low

caste people and invited young people in the village to join him. The training session was focused on the issue of caste based discrimination and was discussed in length. It helped a lot in enhancing mutual understanding and addressing over time.

- v) Ensuring women's participation in workshops/trainings have provided strategic spaces to include women's voices. In many CFUGs, women groups prepared their visioning how the CF should look alike in next 10 years with the list of services it should provide. As an example in many CFUGs in Baglung district, women envisioned CF providing health and specifically support with safe motherhood services. As a result, many of the CFUG's have allocated services to ensure safe motherhood services either by setting up free health check up schemes in villages, or through payments made to would-be mothers to receive safe delivery. Also, considering single women's concerns and workload, special provisions such as priority in revolving fund schemes and income generation activities, reduction in labour days to perform silviculture activities in forest were introduced.
- vi) We use the lessons as reference to educate people in different sites. For example, while talking with the members of CFUG in Baglung district, we told them the best practices and active participation of women in Lalitpur district, and also in Nawalparasi district.
- vii) Share of women and lower castes benefits from CF has increased. For example, RIU benefits have reached to 5803 members of social excluded groups.

6. Overall assessment and recommendations

These lessons have been shared with local communities, diverse stakeholders, academicians at national and international levels. During the revisit workshop, draft of lessons extracted by then was shared with communities, which they could accept, reject or modify. Local communities have called the exercise as the "Mirror" exercise that they could reflect upon their actions, challenges and outcomes. Likewise, the lessons were also shared within the project consortium team, including the district chapters of FECOFUN. The lessons had indicated the need for district FECOFUN chapters to be more responsive to communities' demand, which in turn, required further assistance and training to district FECOFUN members. Also, the lessons were shared in issue-based, cluster and district stakeholder workshops to various stakeholders. Besides, the lessons were shared through peer-reviewed papers, presentation and posters to wider national international audience.

Our envisioning of Local Resource Persons (LRP) as change agents for CFUGs have not been effective as expected. While previous RNRRS project have highlighted the potential role of LRP as change agent, our experience and evidence indicates that various factors have hampered LRP effectiveness. As an example, LRPs are mobilised with a minimal amount of salary (Rs. 500 per month) from RIU due to which LRPs always look for alternative opportunities. Also, positioning of LRPs as a new structure to the existing CFUG process required some kind of institutionalization, which RIU could not provide for. While RIU thought of LRPs as a mediating loop, lack of their institutionalization within EC or any other committees as an accountable loop has rendered their positioning as "project driven" loop, which at times was not wanted by the communities. However, when executive members themselves acted as LRPs, they gained institutional legitimacy and could also influence the decisions that enhanced their effectiveness as well. Our experience indicates that instead of nominating LRPs, linking of thematic committee with executive committee and hamlet level committee have been instrumental in enhancing CFUG planning and monitoring.

Enrooting of gender and caste based discrimination had mixed results. In some cases, as in Baglung where stringent hierarchy on gender and caste was profound, breakthrough changes were noticed. As an example,

CFUGs in Baglung came up with their plans and actions on single women, safe motherhood schemes, joint eating of the so-called upper and lower castes during forest meeting, and assemblies. In other cases, while structural spaces to include women and lower castes have been set up by increasing their numbers in decision-making spaces, enhancing these groups' influence in decisions would require additional capacity-building, for which RIU did not have additional funds. Also, due to high transaction cost of participation of the poor in community forestry workshops and meetings (as they have rely on daily wage for their living), their participation in cluster and district level sharing meetings was limited.

The current tendency in development field to upscale products and not knowledge is one of the challenges we faced. Most of the times, organizations were satisfied to promote forest products, while the essence of lessons through which such forest products were created was not deemed important while scaling up. Thus, even LRP reports lack adequate attention on lessons learnt through which better outcomes could have been achieved. RIU team had to talk to LRP, executive committee in persons and write reflection reports themselves to capture these processes and their feasibility to upscale the results.

Lack of funds to disseminate RIU related innovation and results in the international arena has remained a challenge. Though we made certain level of presence, we could not attend and present in many others due to resource constraints in those heading.

Less cooperative attitude of state forest officials, especially in areas with high value timber transactions remained one of the challenges. Such attitude has been reformed through multi-stakeholder platforms and collaborative actions in RIU sites. And yet, future research can be directed to point the spaces through which democratic learning and sharing can help transform the relations between state and non-state actors.

Proposed amendments to Forest Act (1993) have posed restriction on several of activities, earlier allowed in Community Forests. Many of the CFUGs wanted to develop their community forest as eco-forest with construction of small walking trails inside forest and construction of picnic spot. The proposed amendments have halted such initiation in CFUGs. Likewise, the proposed amendments also restricted extraction of timber from community forests, which may reduce CFUG's income drastically.

7. Key lesson learnt from the innovation system approach in forestry in Nepal

Devolution of power within CFUGs such as to hamlets or sub-committees can enhance group governance. While formation of hamlet level committees to enhance group governance has been suggested by previous research (Dev et al. 2003; Malla et al 2001), these studies have not been sufficiently attentive to the processes through which the transmission of devolution at the lowest level of operationalization could enhance equitable access to democratic space, and empower local users in CFUG level deliberative processes. Our experience and evidence suggest that devolution of power at the lower units of operationalization (such as hamlets) do not necessarily lead to good governance at group level. Most of the CFUGs in the project site have the provision of hamlet level committees, and these remain idle in terms of contributing to overall CFUG governance. Most of the time, these lower level structures are limited to representing specific social constituency occupying democratic space. But they seriously lack deliberative functioning. Our evidence indicates that various criteria such as allocating specific roles and responsibilities to tole committees in the form of thematic committees, instant decision-making and reflexive monitoring mechanisms at tole level, participatory selection and credibility of tole representatives, close cyclic communication of tole representative are essential to effective devolution at the tole level. In our experience, such mechanism have provided a sense of expansion of deliberative space to local users from forest user committee and hamlet committee, and has thus helped to widen communicative space, enhance transparency and incorporate innovative responses for conflict resolution, that in turn, has helped to enhance group governance (see Figure 1).

Participatory process, that are cyclic, reiterative and involve several reflexive platforms at different levels can challenge the status quo and lead to responsive solutions.

As the project experience in “model CFUG constitution” preparation in Goldada and Patle CFUGs of Lamatar cluster indicated, if participatory action and learning projects involve several deliberative platforms, these can help to challenge the current status quo, redistribute power mechanisms, address conflicts and help develop common visioning of outcomes. The process involved deliberative discussions at several stages within and beyond community. These have led to a reiterative process of identification of issues, its causes and its potential solutions, repetitively refined in each discussions. As an example, when the facilitators inquired about putting women’s name as the household head, the men leaders opposed it. Later, during the discussion, the community men identified the role women play in forest conservation. They gradually recognised the women’s stake. When communities discussed and realized the differences in use pattern of forest products of rich and poor, they undertook well-being ranking. Local people themselves crafted indicators and assigned households to particular ranks (rich, medium and poor). While the challenges of participatory exclusion of women and lower caste are still valid, the experience with constitution /OP making process indicates that participatory process, that are reiterative and involve several deliberative platforms at different levels can challenge the status quo and lead to better outcomes.

With knowledge on networking and collaboration possibilities, CFUGs can seek for and attain greater support towards sustainably financing their poverty reduction and forest development plans from local governments and organizations.

Local government and several organizations at local level have varied nature of programs and services, which CFUGs can benefit from. Yet, due to CFUG's prior experience with projects where projects used to heavily cater to CFUG's needs and aspirations, communities still behold the belief that project people will come to them to solve their problems. This constrains communities' knowledge and efforts to explore avenues of networking and collaboration in areas of their need. RIU intervention has informed communities about the gap and the opportunity. As a result, CFUGs have started to discuss with colleagues, project/RIU/DoF professionals about which organization could potentially help them to solve the specific needs. As an example, many of the CFUGs in RIU sites, after RIU intervention, have approached to local governments and organizations for support to already operating or new activities. For example, Binai Bagar CFUG of Nawalparasi has collaborated HEIFER program and received 97 cows for milk production, with insurance cover both to the cow and the cow-owner (women). Likewise, many CFUGs in Baglung have consulted with District Development Committee and in turn, received environmental funds. The expansion of such networking possibilities can be expected to sustain the good practices and enhance communities’ capacity building, even after the project terminates.

Monitoring of CFUGs at cluster level, maintained through "cluster networks of CFUGs" can lead to collective sharing and learning of best practices, while also solidifying diverse strategies to address common challenges.

Such monitoring system is maintained through sharing of individual CFUGs' actions, lessons, best practices and encountered challenges with other CFUGs, with opportunity for questions and suggestions. This has led to identification of key local issues of CFUGs in these clusters as well as their preparedness and plans for compelling strategy towards the identified issues. Also addressed were dimensions about community planning, prioritisation, enhance accountability and sense of ownership. As an example, when the president of Jyotikunj CFUG narrated his troubles in gaining group collaboration for farming of non-timber forest products, other members of CFUG suggested him to rethink about his initiative and questioned whether the group has other alternatives in mind than that of non-timber forest products. Such exchange of issues and responsiveness has led clusters as unique mechanisms for CFUG leaders to convene, interact, network and collaborate with many of the CFUGs around them. Our experience also indicates that instead of 15 CFUGs' cluster, a cluster of 4-5 nearby located CFUGs with similar concerns can be of great advantage to facilitate identification of issues as well as in taking common solutions. After the proposed amendment to Forest Act (1993) that resulted prohibition of extraction of timber in 15 CFUGs in Nawalparasi district, these CFUGs have repetitively discussed about the effect of the proposed Act on their livelihoods and had called for a joint action. They have even prepared a note of dissent and handed it over to the district forest officer of Nawalparasi. While the decision was yet lingering, also due to political uncertainty at national level, these examples indicate the unique ways through which cluster networks can be effective to unify local communities and consolidate their learning and joint actions.

Local communities envision Community Forestry as a platform for holistic development, not only limited to basic fulfilment of forest products, thus necessitating massive reconceptualization of the linkages amidst forestry, poverty, and development.

CFUGs' 10 year-visioning plan with wide range of indicators from non-timber forest plantation to provision of health services to capacity building activities to transformation in existing governance processes indicate the immense link amidst several facets of poverty that these communities face, viz. in education, health, road connection, treatment to special people such as single mothers, disabled people, elite control, lack of skills etc. (see Annex 1). Thus, in the context of Community Forestry, the issue of poverty and livelihood is not only related with forest products or increased income per se, but also with holistic intervention in all related indicators. Thus, communities perceive Community Forestry as a platform that interlinks all these important aspects of human development, and links various aspects surpassing the common forest products. In the present context, Community Forestry is still dealt as a few (e.g. timber, firewood, fodder) "forest products" regime by both state forest officials and many of the I/NGOs. On one hand, there is significant dissonance about wider local needs that communities want to derive from community forestry and the operational plans of CFUGs that prescribe the activities that can be conducted within Community Forestry to achieve the needs. On the other hand, the discourse of Protection/overuse is still dominant in the CF program, and in entire forestry regime, due to which sustainable harvesting forest resources is either lacking or poorly constraint. Due to the overly constrained focus on forest protection and orientation to few specific forest products only, community forest user groups can not in full fledge exercise and extract the potential that they wish to avail from Community Forestry. Instead of having a single approach and purpose to manage CF (protection, management and use of forest product only), context specific analysis needs to be done to define, explore and prioritize subsistence, entrepreneurial and development function of CFUGs. Thus, poverty reduction and livelihoods enhancement practices in community forestry can sustain only if Community Forestry policies and programs allow enough spaces to anchor diverse needs of community, surpassing its current focus on few products extraction and forest conservation. Future research should thus deconstruct the single focus Community Forestry towards holistically development of forests for wider benefits to communities.

Systems of relationships between CFUGs and other actors are more important than within the CFUGs for governance and poverty reduction in Community Forestry, requiring connection to upper layers of market, policy channel etc.

With increasing expansion of Community forestry to business entrepreneurship, local communities themselves are not in a position to solve all the local problems. With dynamic changes undergoing at CF, several actor's role, influence and importance can change, that requires continuous reconfiguration of actors and working with them. To respond with such dynamic context, many of the local problems need to be mediated by wider networks (beyond local actors) and national policy and market. This requires experimenting new modes of cooperation and networks to address rapidly changing forest governing strategies in Nepal.

Multi-stakeholder platforms that provide joint learning and interactions possibilities among stakeholders can lead to win-win deliberative decisions only if certain parameters are well incorporated while designing such platforms.

Multi-stakeholder platforms in decentralized settings are characterised by tensions to assert their spaces, roles, claims and power positions, operating from local to national scales. Also, the extent to which multi-stakeholder platforms can bring in both deliberative positioning (e.g. saying that stakeholders are ready to do things) to decisions (e.g. conformity to actions) at different scales (viz. local, district, national), considerably varies. As an example, multi-stakeholder platforms with local communities require more informal, face-to-face environments for deliberation, whereas, at district level with political representatives, a formal type of program with dignified leaders and agency would better facilitate deliberation. The success of multi-stakeholder platforms depend on the nature of programs (formal/informal), objective of the program (whether the objective indicate the space for all stakeholders to benefit?), familiarity about diverse role, spaces and negotiation techniques of stakeholders, skill and agency of the facilitator team, maintaining "good-will" relationships amidst multi-stakeholders before bringing them to platforms, legitimacy of the facilitator (neutral and not having any side on the team).

Research processes that allow knowledge to emerge out of interaction, dialogue and validation amidst various actors (e.g. local people, development agents, extension workers and researchers) can trigger and facilitate equitable negotiation of rules and practices. Such joint dialogue and interaction with concerned actors cannot only indicate competing interests, conflicting allegiances and incomplete knowledge, but also provide avenues

for common venture. In project sites, the project team has used reflexive and reiterative methods to capture critical dimensions of local issues and practices of management and governance. As an example, research team gains a prior understanding of existing local asymmetries and critical issues at individual CFUGs. Based on this understanding, "issue-based discussion" at cluster level is set up where the critical issues are discussed and validated with local users' reflection. The outcomes of these cluster-level meetings are then shared with district-level stakeholders (such as District Forest Office, district-level FECOFUN etc.) while also calling for joint action to solve issues, if any. This has helped to produce reflective, evidence-based, and issue-based research insights, which at times, has been used to increase the responsiveness of the concerned stakeholders in various ways. As an example, at a district-level stakeholder meeting, the RUI project team has indicated the exclusion of socially excluded people in the recently revised constitution of a CFUG in our research site. These lead district stakeholders to respond promptly to the issue, eventually leading to the inclusion of the earlier excluded households into the forest user group. Further, this example also indicates that despite having the mandated roles and responsibilities of district level stakeholders, and the capability to do so, service-positioning seemed to be rather weak. Thus, reflective, reiterative methods when well-network with concerned stakeholders at different levels of research, can better capture several innovative processes as well as challenges from multiple perspectives, giving room to investigate the multi-faceted issues, not only limiting to "one-sided measures", judgment and conclusions.

Though the democratic space and devolved rights to community forest user groups are often reported as instrumental benchmarks for economic innovation, our experience suggests that democratic space and devolved rights do not automatically lead to economic innovation in community forest user groups. Our reflection indicates that community forest user groups, despite their motivation and preparedness, do not have autonomy for economic innovation. The state still controls the ideas and decisions concerning economic innovation in community forest user groups. Moreover, our analysis also indicates the likelihood of increased bureaucratic pressures from the state, when an opportunity for economic innovation exists. Thus, for community forest user groups the hurdles to economic innovation is manifold. Firstly, community forest user groups do not have sufficient right to exercise economic innovation due to control by the state. Secondly, even after an enterprise is set up, continual of bureaucratic control over the functioning and benefit sharing cannot be expected to lead to equitable economic benefits. Such mechanisms can ruin the previously functioning equitable mechanisms and good governance practices in community forest user groups. Further analysis in this direction should focus on understanding the bureaucratic tussle between the state and community forest user groups in the context of economic innovation. Such an analysis can also help to better understand and devise the mechanisms to foster economic innovation within community forest user groups.

Mix of both internal and external facilitation is required to establish trust and initiate project activities on a positive note. While the internal facilitator may be well aware about local hierarchy, context and problems at times, he or she may be in constraining position to infiltrate those discriminating hierarchies. In that situation external facilitator can get apriori information about local situation, needs, social dynamics which is required to breakthrough the inequality, social discrimination, and conservative cultural practices.

In cases where project approach allows greater flexibility to address local needs, even if not related with the project's immediate objectives, are found helpful to speed up local innovations by responding to the immediate problems. Thus, instead of a strict, mandated, apriori-fixed method, flexible methods can bring best solutions.

Transaction costs will be important issues in sharing the costs/benefits from enterprises along with in Community Forestry. Poor, less educated cannot have proper knowledge, education as demanded by the enterprises to run successfully e.g. accounting system, access to markets, education, nor the poor will have time to get engaged into the design phase, due to their own involvement in livelihood activities. A poor can fetch around Rs. 150 per day from labour work in Lamatar. How can they spend 1 day workshop organized by RIU or other organizations discussing about feasibility of enterprises? While almost all of such decentralized programs have targeted subsidy e.g. equitable price of forest product to poor, poor contributing free labour in lieu of free access to forest products etc., such subsidy package do not seem fruitful to induce poor's participation. Instead, creation of jobs and employing the local poor as the employee in various activities such as harvesting of forest products etc. can be helpful to induce their participation.

Improvising relations between state, non-state actors and CFUG can add to increased accountability and responsiveness that in turn, can lead to common grounds for identifying conflicts and solutions. For

“exemplary CFUG constitution” preparation in Goldada and Patle CFUGs of Lamatar cluster, ForestAction collaborated closely with District Forest Office (DFO), Lalitpur. This began with a meeting with DFO and its staff before starting the constitution making process, explaining the philosophy and rationale of project along with the need of the preparing “exemplary CFUG constitution” by indicating several loopholes in the existing constitution. DFO, Lalitpur has responded to collaborate and as a result, Forest Ranger Mr. Shanta Ram Baral of Sisneri Range Post, started to collaborate with the project team. Local users of the Patel and Goldada CFUG perceived the mix of state and non-state work as credible, responsive and accountable. Local CFUG perceived that with state’s involvement, the newly crafted constitution will also earn a legitimate stand and CFUG can always turn to state forest agencies to seek for help, even after the project period. Forest Ranger, Mr. Baral, during district stakeholder meeting at Lalitpur, in September, 2010 stated, “local people still hesitate to go to DFO, for some kind of unknown fear or distantiation and even if DFO alone facilitates any program for local people, local people are afraid to attend. When they feel such distantiation, how well can you expect that they come and open their hearts out about the issues in forest conservation? However, if the program is jointly organized with civil society like ForestAction or any other collaborators, people feel secure and participate and often claim ownership on the program. With state’s involvement with non-state actors, CFUG’s have also overcome their distantiation and started seeking help of DFO, in times of need”. While these indicate that both the GO and NGOs should be involved and capitalized based on their experiences, future research need to understand how such relationship innovation with positive synergy can be created without discriminatory power positions and ultimately benefiting the communities.

There exists enormous potential to develop community entrepreneurship through the use of both forestry and non-forestry products. Since high value forestry products such as timber entrepreneurship involves lengthy policy and bureaucratic hassles, communities need to be tailored to inform about the potential to use alternative forest products such as grass/fooder plantation leading to Dairy enterprise (e.g. Binai Bagar CFUG, Nawalparasi). Also, the definition of forest products is too narrow encompassing only conventional forestry products such as timber, fuelwood etc. The recognition and inclusion of unconventional products generated through forestry viz. eco-tourism, inter-cropping of species, broom grass plantation, enrichment of water quality etc. lacks in current forest policies and practice. Eco-tourism can be a forestry product as well and can generate substantive income to communities. As an example, the study tour on enterprises indicated that Jamun Bari CF located in Jhapa district earns up to NRs. 90,000 per day through promoting eco-tourism with proper management of Community Forestry.

Public-private sector joint efforts, with common vision, can lay foundation for initiation of enterprise and business systems. One of our consortium members- NEHHPA, has provided strategic directions on possibilities and challenges of entrepreneurship in the sites by exploring and capitalizing business innovations. Public-private venture was also helpful to create business mechanisms profitable and also making business just to the poor.

Innovations in forest management and livelihoods are to a significant degree influenced by the extent of communicative linkages amidst local communities and with wider world (Thompson and Scoopes 2005), especially in areas that are being increasingly integrated with the markets and also where physical infrastructure for communication have developed. The project is testing a "Community Based Resource Centre" (CBRC) model to strengthen communication among local communities and between local communities and the wider world. Experience to date has shown that such facilities can provide an innovative platform of communication and interaction of local communities within the community and to national and international societies by reducing the existing knowledge gap and divide that exists amidst them. In our project sites (at Lamatar and Kusmisera), local people have shown keen interest and took enthusiastic measures to create and maintain such a knowledge platform. Our project sites can thus be considered as moving away from the situation of differential access to and use of knowledge which has often been reported to induce one-sided perspective of development, towards enhancing the flow of information to and from the local communities. It is now common understanding that much of the previous research on development, particularly the ineffectiveness of “technology transfer” approach stems due to the failure to exercise a common platform between research scientists and local people at research sites. While CBRC can be thought of as an innovative communicative platform for knowledge sharing, institutionalization of CBRC by variety of local actors is essential to sustain it in the long run. As an example, Village Development Committee of Lalitpur has contracted CBRC to prepare village development profile. While local initiatives have been started, the extent to which CBRC can develop as a new paradigm of information exchange is yet to be

explored. Future analysis in this direction can reveal the dimensions and challenges associated with the proper use of CBRC as a communicative platform.

Partnership and collaboration are found to be more complex than initially assumed in the project, especially because different partner organizations have different capacities, different working modalities, staff motivation, and organizational hierarchies and sometimes, have quite different approaches to development and innovation. Our experience indicates that despite having similar political will, motivation and common synergy to work for the collective benefit of local forest users in the innovation process by multiple partners, partnerships and collaboration do not tend to function as initially expected. As an example, one of the partner organization, which at national and international level, is lauded for their work in representing and augmenting the voice of community forest user groups, was found to have its own internal governance problems of networking, communication and accountability. Thus, the project has to devise several mechanisms and spend considerable time and effort to address such unforeseen challenges in seemingly participatory organizations. A series of other measures, such as in-house workshops, sharing of organizational culture, modality of each organization etc. has helped to gain the momentum and relationship amidst the partners. Approaching individual, small groups or chiefs are used when partners' organization are not found that effective. Also, organizational help was sought for when individuals within organizations did not collaborate the way, they were supposed to. Further analysis to decipher of the associated complexity in the pluralistic context of collaboration, the internal governing mechanisms of various partners involved in participation process can help to devise novel mechanisms and joint actions in community forest management for democracy and deliberation.

While disparity between development and research-based innovation projects exist, mainly in terms of providing immediate economical benefits to local people at research sites (considering the poverty-ridden CFs at research sites), engagement in research-oriented innovation processes can be successful if it can provide instant, reflective feedback, while also enhancing the quality of research findings through iterative validation of research process and synthesis. Such a reflexive and deliberative approach should consider local people as crucial partners/drivers in the research process, and not just mere respondents or recipients. With their increased participation in research and validation of research findings, local people can benefit from and appreciate the learning based approach to innovation and development. As an example, local people that were first reluctant about the RPISF project have started to actively participate after they started to benefit from various lessons learnt during the research process. While this approach is challenging and taxing, this can still be undertaken with proper training, attitude and orientation.

Nepal, being a highly unequal and stratified society in terms of economic positioning, gender and caste/ethnicity, there is a continuing challenge of tackling with the discriminating factors (such as caste-based discrimination, gender-based discrimination, modes of new elites within novel democratic spaces) that can revert, nullify or decelerate the innovative mechanisms. Various mechanisms such as ensuring inclusive representation of people from all strata at all stages of project trainings/workshops, building good social relationship by the project team as well as demonstration of individual project members' commitment against discriminating factors, have been proved productive to counter-act the discriminating factors. While such a commitment signals to the positioning and approach of RIU against discrimination and social change, the future direction of research can focus on how local people perceive the system of discrimination and its potential impacts on community forest management and governance, and also on how and to what extent an external input from critical social scientists and activists is accessible to the local communities. Of interest is to understand the interface between activists and local leaders, and also the interaction between external, social scientific analysis and the local and practical ways of knowing the world. Further, an in-depth analysis of factors, mechanisms and structures at both formal and informal processes is necessary to understand the space and scope of deliberative resistance and movement. Such analysis can broaden our perspective on understanding the process of change required for deliberation in democratic space like community forest user groups.

8. Conclusion

The development of effective innovations depends by and large on a combination of governance-related issues across multiple levels, including clarity of rights and roles, sharing and balance of power, smooth flow of communication, transparency of procedures, and extent of participation and interaction of disadvantaged

actors in decision-making. Specifically, the extent to which relevant information flows across levels in both the directions is a crucial factor in determining the effectiveness of micro-macro linkage and consequently the nature and degree of innovative actions.

The innovation system approaches are useful in enhancing internal group governance, and introducing active forest management, sustainable harvesting technologies and linking market chain through the association of entrepreneurs. These innovations are found to have positive impacts on environmental sustainability.

Overall, the lessons and experiences from innovation systems suggest several key challenges; primarily these are related to inclusive governance of the innovation process and collaborative action. Community Forestry - as with natural resource management in general - is a complex and dynamic environment, characterized by struggles for power and resources and by differences in needs, worldviews and capacities. These struggles make the innovation system process challenging, beyond a linear conception of change through to the application of research knowledge.

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Annex 1: Summary of project activities and outputs

Project activities	Activities resulting to output	Project sites where the activities were accomplished	Number of activities	Target
Forest management and governance training	Output 1	Nawalparasi, Baglung, Lalitpur	60	60
Cluster level sharing-Interaction with local stakeholder	Output 2 & 4	Nawalparasi, Baglung, Lalitpur	6	3/YEAR
Cluster level sharing-Interaction with CFUG leaders and project facilitators	Outputs 1,2 & 4	Nawalparasi, Baglung, Lalitpur	63	6/YEAR
Enterprise development workshop	Output 3	Nawalparasi, Baglung, Lalitpur	3	Not targeted

Ecotourism Development workshop	Output 3	Lalitpur	1	Not targeted
<i>Chiuri (Diploknema butyracea</i> Roxburgh) Enterprise development workshop,	Output 3	Baglung	1	Not targeted
Timber based enterprise development workshop, Nawalparasi	Output 3	Nawalparasi	1	Not targeted
Bio-briquette promotion workshop	Output 3	Lalitpur	1	Not targeted
District level stakeholders workshop	Outputs 1, 2, 3, & 4	Baglung, Nawalparasi	4	3
Bio-briquette promotion training (4CFUGs network)	Output 1 & 3	Lalitpur	1	Not targeted
Community based resource centre establishment	Output 4 & 5	Baglung, Lalitpur	3	3
Number of broadcasted Radio program	Output 1,2, 3, 4 & 5	Radio Sagarmatha, Kathmandu, Radio Baglung, Baglung and Vijay FM, Nawalparasi	222	2 program/mon th/district
Sharing of project findings in Natural Resource Confederation (PARISANG)	Output 2, 4 & 5	Baglung, Nawalparasi	2	Not targeted

Annex 2: Summary of achievements and beneficiaries

SN	Activities	Beneficiaries		Gender wise		Means of verification
		Direct Individual Beneficiaries	Indirect Household Beneficiaries	Female	Male	
	Output 1: Forest Management					
1	Forest Management Workshop in 60 CFUGs	1156	6939	618	538	Report
2	Forest Management Training for 60 LRPs	76	60 CFUGs	25	61	Report
3	Issue Based Discussion in three districts	159	60 CFUGs	23	136	Field reflection reports
4	Orientation and sharing with CFUGs leader	326	Executive committees of 60 CFUGs	105	221	Reflections report
5	Re-visit Workshop	210	60 CFUGs	71	131	Reports
	Output 2: Group Governance					
1	Group Governance Workshop in 60 CFUGs	1156	6939	618	538	Repots
2	Group Governance Workshop for 60 LRPs	81	60 CFUGs	25	56	Reports
4	Orientation and sharing with CFUGs leader	326	Executive committees of 60 CFUGs	105	221	Reflection report and Minute Record
5	Re-visits Workshop	210	60 CFUGs	71	131	Reports
	Output 3: Enterprise Development					
1	Value Change Analysis in 60 CFUGs	66	60 CFUGs	22	44	Report
2	Economic innovation through PES mechanism	64	3 CFUGs	21	43	Reflection Report
3	Ecotourism Related Activities	72	10 CFUGs	17	55	Minute records & workshop report
4	Bio-Briquette production Activities	93	4 CFUGs	34	59	Meeting minute record & training report
5	MAP identification and Harvesting Training	15	15 CFUGs	4	11	Report
	Output 4: Stakeholder and Collaboration System					
4	Meeting and Sharing with Stakeholder	326	60 CFUGs	105	221	Minute records & reflection report
	Output 5: Innovation System Support					
1	Tole Level Meeting in three project districts	7012	60 CFUGs	3889	3123	Database obtained form LRPs
2	CRBC inauguration in 3 districts	93	60 CFUGs	20	73	Minute record
3	Media Program Preparation discussion	128	60 CFUGs	32	96	Database record
4	Data Analysis and Report Writing training	15		3	12	Report
5	Radio programs (audience)	2061854				
6	TV programs and talks	4				
	Total	2073438				