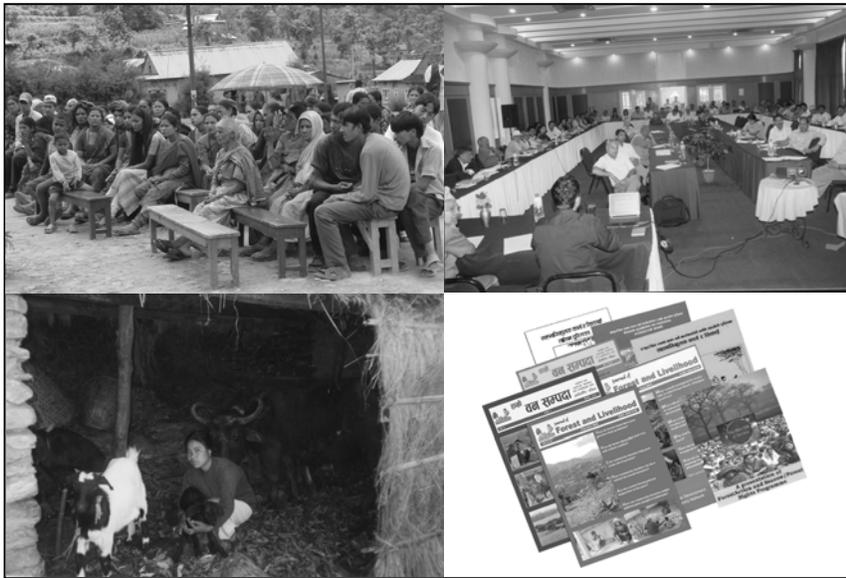


Annual Report 2006



ForestAction Nepal

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FOREWORD

It is our great pleasure to present this annual report to you, outlining the work of ForestAction in the year 2006. This report describes the organisational activities and reflects the overall dynamics with key lessons for designing our future strategies. The duration of the report covers the historical People's Movement, in April 2006 in Nepal followed by post movement political dynamics in the country that has profound implications on our strategies and actions. Consequently, our huge resources and efforts have been invested in several non projected activities that are the result of increased political space and the post movement discourses of state-restructuring including forest sector reform. During this period some of our major research projects have either completed or are about to complete. This report highlights our activities both on projected and non-projected domains and their outcomes.

ForestAction has located itself on knowledge management for desirable policies and practice in forest and environment sector in Nepal. We generate action verified lessons from the field, engage with stakeholders in the generation and validation of knowledge and seek to influence forest policy process through both formal and informal channels. We are fully aware of the limitation of the conventional notions of research and policy process and therefore take dialogic and interactional process of generating knowledge for informing policy. Because of our approach of collaborative learning for social transformation, we add value to environmental governance and natural resource management policies and practices by informing the process with credible knowledge. We acknowledge the role of various actors, institutions and processes in shaping the policy and practice and therefore engage with politicians and civic movements beyond the narrow circle of senior bureaucrats or intellectuals.

Within these general approaches our projects are focused on enhancing democratic process, equity and livelihoods in community based natural resource management, introducing deliberative processes in environmental policies and practices, and promoting transformative learning among the social actors at various levels. In our short history, we have drawn valuable lessons on environmental and social aspects of

community based natural resource management. Now time has come to extract more generalisable lessons and pilot them in other contexts and sectors beyond natural resources. Even more important is to inform the broader process of state restructuring and constitutional assembly election.

2006 has been a successful year in expanding our knowledge and action networks both at national and international levels. Our functional relation with government institutions, development agencies, academia and civil society networks continues to expand. Similarly production of regular journal and other publications that document and disseminate the knowledge produced through action research has further enriched our understanding of the complex relation between environment and society.

We would like to thank all the team members for their hard work to achieve such a remarkable progress. Our special thanks go to Mr. Mani Ram Banjade, outgoing coordinator, for his contribution in bringing ForestAction to this position during his coordinatorship (2006) and hope to get his input in the future as well. The moral and material support and constant encouragement by our partners, friends and well wishers both at home and abroad has greatly contributed to the growth and development of ForestAction. We acknowledge the contribution of communities with whom we are working to learn together and whose inputs and feedbacks encouraged us to be more constructive and efficient. We sincerely thank for all these support and hope these will continue in the future. We look forward to receive valuable feedback and suggestions from our partners, friends and well wisher to strengthen our efforts to bring about positive change through innovations and policy advocacy.



Naya Sharma Paudel, PhD
Coordinator

INTRODUCTION

ForestAction Nepal is a Kathmandu based civil society organization working on natural resource management policies and practices. Holding aspiration to be a learning organization, ForestAction now has completed its glorious sixth year of its consequential operation since its inception in early 2000.

ForestAction is a locally grounded and internationally recognized civil society forum for political and professional contributions to the processes of environmental sustainability and transformative social change in Nepal.

This report aims to communicate some foretaste to our valued stakeholders by presenting facts and figures relating to ForestAction's performance during the fiscal year 2006. Apart from our core activities and performance this report also provides some reflections on some major aspects of its existence: organizational development, networking and alliance building, and indications for possible future directions. We believe the information would primarily be useful to those who are concerned with the sustainable management of natural resources and enhancement of livelihoods in Nepal.

Values

The three core values that guide all activities of the organization are:

- ***Deliberative governance:*** Deliberative governance is an approach to democratic processes in which concerned citizens are allowed to debate public policies without any coercion and manipulation. The process of deliberation provides public spaces to all citizens for addressing the inequity and injustice.
- ***Transformative learning:*** Transformative learning involves a shift in the structure of basic premises of thought, feelings, and actions. This is a shift of consciousness that permanently alters one's way of being in social field. It also seeks an alternative approach to living, and one's sense of possibilities for social justice and peace.

- **Partnership and collaboration:** The terms partnership and collaboration refer to the mutual respect and recognitions of the contribution made by the partner organisations.

Code of Conduct

In line with these core values, the team members of ForestAction adhere to the following operational code of conduct:

- Remain open and sensitive to the needs of others
- Be self-reflective at both individual and group levels
- Recognise the value of social transaction and interaction
- Govern through reasoned debate and consensus
- Minimize power imbalance and allow space for resistance
- Be more deliberative rather than populist
- Provide uncompromised quality
- Be critical but remain pragmatic
- Recognise and appreciate diversity and differentiation
- Support broad-based civil society networking

Key Strategies

- Influence the process of change by engaging with diverse stakeholders in the process of participatory action research.
- Horizontal working team with high level of operational autonomy and self-governance.
- Strive for bringing quality human resources from a range of disciplinary spectrum and social diversity especially gender and ethnicity.
- Flexibility in resource hunting and mobilizing arrangements that harmonizes individual and collective goals.

- A balance of involvement in professional and civil actions.
- Incorporate a conscious learning element in every action as far as possible.
- Expand cross-institutional alliances and partnerships with diverse institutions to learn and influence.

MANAGEMENT AND ADMINISTRATION

Governing Board of ForestAction

ForestAction has an independent governing board comprised of nine members:

- Ram Bahadur Chhetri, PhD – Chairperson
- Netra Prasad Timsina, PhD – Secretary
- Kamala Sharma – Treasurer
- Bhim Adhikari, PhD – Member
- Kamal Bhandari – Member
- Kanta Khanal – Member
- Thakur Pandey – Member
- Hemant Ojha- Member
- Krishna P Paudel- Member

Coordination

The coordinators are nominated by the Executive Board in a revolving basis normally for one year. The coordinator leads the administration and office management team, links activities within the operational themes and promote networking, alliances and relationship both at national and international levels. With the successful completion of Mani Ram Banjade's tenure, Dr. Naya Sharma Paudel has recently been nominated for the post for 2007.

Thematic Focus of ForestAction

To increase the efficiency and effectiveness of different projects, ForestAction has also identified five themes on which its activities will be focused. One individual has been assigned for the role and responsibilities of *Theme Coordinator* for each theme. In addition to these five themes, there is an Administration and Finance Unit that oversee ForestAction's regular activities and link among the themes. The following persons are assigned to respective theme leaders: -

- Gender and Social Inclusion: Basundhara Bhattarai
- Natural Resource Management and Livelihoods: Mani Ram Banjade
- Participatory Forestry and Biodiversity Management: Hari Raj Neupane
- Research and Knowledge Management: Harisharan Luintel
- Social Learning and Transformation: Netra Prasad Timsina, PhD

HUMAN RESOURCE AT FORESTACTION

Table 1 Human Resources at Forest Action

Human Resource	Working Areas/expertise
Administration & Finance	
Amrit Adhikari (BBS)	Finance, Administration and Graphic Designing
Jaya Lamichhane (MA)	Administration, Resource Centre Management
Lalit Thapa	Office Assistant
Laxmi Thapa	Office Assistant
Shova Prasain (BBS)	Computer Networking and Communication
Project Management	
Bashundhara Bhattarai (MSc)	Gender and Social Inclusion
Hari Raj Neupane (M Phil)	Participatory Forest Management, Biodiversity Conservation, Participatory Action & Learning, Participatory Monitoring
Harisharan Luintel (PG)	Research and knowledge Management,

	Participatory Natural Resource Management, Scientific Advocacy
Hemant Raj Ojha (doing PhD)	Policy Analysis, Social Learning, Participatory Action Research, Deliberative and Inclusive Governance
Kamal Bhandari (MA)	Advocacy and Rights Based Approach in Development
Krishna Prasad Paudel (doing PhD)	Knowledge Politics, Livelihood & Governance
Mani Ram Banjade (MSc)	Adaptive Collaborative Management, Participatory Action Research, Knowledge Management
Naya Sharma Paudyal (PhD)	Political Ecology, Environmental Governance
Netra Prasad Timsina (PhD)	Governance and Knowledge Management in NRM, Social and Transformative Learning
Prabhas Devkota (MA)	Media and Knowledge Politics, Transformative Learning
Radhika Regmi	Gender, Social Inclusion and Governance
Scott Robbins (Volunteer)	Natural Resource Management
Sushila Rana (BSc, Forestry)	Governance and Institutional Strengthening in NRM, Adaptive Management, Participatory Action Research.
Tara Bhattarai (MA)	Participatory Action Research, Adaptive Management

AREAS OF ACTIVITY: A GLIMPSE

Research & Development Action

- Action Learning
- Knowledge Systems
- Adaptive Collaborative Management
- NTFP: Harvesting Methodology
- Micro-Meso-Macro Linkages
- Biodiversity and Livelihoods: Methods
- Gender & NRM
- Governance, Equity and Social Justice NRM and Peace Building
- Linking People to Policy



ForestAction Nepal

Major Working Areas

Training

- NTFP Management
- Forest Resource Assessment
- Planning, Management
- Gender Analysis
- Conscious Learning / Self-Monitoring
- Participatory Action and Learning
- Right-based Forest and Livelihoods
- Deliberation and Public Sphere in NRM
- Linking Democracy and Human Right in NRM
- Writing Skills
- International Course on Community Based Forest Management



Publications

- Journal of Forest and Livelihood
- Hamro Ban Sampada (Nepali Journal)
- Research Reports and Articles
- Manuals and Guidebooks
- Video Documentary
- Policy Briefs
- Case Studies
- Annual Reports
- Proceedings



Field Support and Action

- Forest User Groups,
- Federation of Community Forest Users Nepal
- Village Development Committee, DDC
- NGO Support at District Levels
- Women and Dalit Organizations



Advocacy and Networking

- Cross Institutional Alliances
- Lobbying for National and Local Issue on NRM
- National Workshop and Conference
- International Workshop and Conference
- Policy Discussion Note
- Media Interface: Radio, Press Release and Conferences



ACTIVITIES AND ACHIEVEMENTS IN 2006

Strengthening multi stakeholder learning processes

We believe in interactive mode of communication among the various stakeholders. Since its inception, ForestAction has focused on encouraging diverse actors to come together to hold dialogues and interactions for an effective deliberation not only on policies but also in practices of NRM, supporting the learning process of all parties. We are hosting a National Community Forestry Policy Learning Group. As an active member we have put our considerable effort to make this group effective and reliable. This group represents individuals from different institutions including government, bilateral projects, NGOs, civil society organisations, and academic institutions (see more in the project descriptions). The motto of promoting interactive dialogue has been successful in a way as we have been able to promote interaction and dialogue among different actors, bringing different perspectives into the group. We have association with working group for the revision of community forestry guidelines, formed by the Community Forestry Division of the Department of Forest. Likewise, we are jointly working with the Nepal Foresters' Association in organising different workshops and interaction forums. Beside that, at district and sub-district levels, we are facilitating multi-stakeholder processes for shared learning and collective actions that has given a good symptom for effective deliberation in the field of NRM.

Mainstreaming the concepts of deliberative governance

Deliberative governance and transformative learning received highest attention of ForestAction in the year 2006. So we put our best efforts in mainstreaming the concept and practices of these two factors in relation to social and political field at large. At the local level, we have continued to facilitate the processes of "Action and Learning" and "Participatory Action Research" to address the issues of gender, exclusion, governance and poverty in NRM sector of Nepal. We have established and are strengthening a related theme in ForestAction called 'Social Learning and Transformation' with due emphasis on deliberation and learning within the organizational governance and in the works of it. Similarly, building on last year's workshop on transformative

learning that included a wide range of actors from both national and local levels we are seeking to promote its application in political and social fields beyond the NRM sector. A transformative learning network has been formed by the participants of this workshop facilitating continued discussion on transformative learning.

Empowering the marginalized groups

ForestAction has been working at macro, meso and micro levels linking the learning and reflection to all levels. At meso level, we have been working in seven districts in eastern, central and western regions. Although we have reached to a significant number of CFUGs throughout the country, we have focused this year at least 10 CFUGs in developing pro-poor plans to address the livelihood issues of the forest dependent poor. The CFUGs allocated funds to support the poorest of the poor. "Action and Learning" process has played a catalytic role in changing the status and relations of power between different social groups so that *dalit*, women, ethnic minorities and the poor have gradually been included in the decision making process in these CFUGs. We have promoted this empowerment process by capacitating locally based "change agents" who are pro-active in facilitating the pro-poor approach and deliberation among the actors in their respective areas.

Expanding networks and alliances

Institutional network building process is an ongoing process for most of the organizations. ForestAction being an organization working on community based natural resource management focuses on relationship building in local to global height. Following the past trends, the year 2006 also has been a successful year in strengthening our relationships with different institutions and networks at different levels. ForestAction has entered into collaboration with RECOFTC for an international training on community forestry organised in Nepal. Also the relationships with the national level civil society organisations such as FECOFUN, HIMAWANTI, NGO Federation of Nepal, Human Rights Alliance, and with people's federations (women, dalit, and indigenous people) have been strengthened with the collaboration for a number of national and local level activities.

DEVELOPMENT ACTION AND RESEARCH 2006

Our focus has been on conducting research on the areas linked with community forestry and natural resource management to improve policies and practices. Under this strategy our projects are related to improving livelihoods, promoting intellectual property rights, advocating for decentralization and devolution, development of sustainable harvesting methodologies, etc. We have been conducting several research and development activities in collaboration with several research and development organizations using the Participatory Action Research approach. Our major activities are outlined below:

Improving Livelihoods and Equity in Community Forestry in Nepal: The Role of Adaptive Collaborative Management

Project period: 2004-2007

Financial support: International Development Research Center (IDRC), Canada; supplemented by Center for International Forestry Research (CIFOR), Indonesia and International Institute of Rural Reconstruction (IIRR), the Philippines



The project was built on the experiences of phase first (1999-2002). First phase of this project was mostly focused on CFUG having limited higher level linkages (Meso and national levels). Research findings were derived from two hill districts and four community forest user groups (CFUGs) providing space for critiques on the limited number of sites and geographical coverage, and the outcomes assessed for the short term because of limited resources and high transaction costs.

The second phase of the project has seven districts (ForestAction leading in five districts) covering Terai and Hills as well as East, Center

and West of Nepal and Eleven CFUGs (six of them led by ForestAction).

By generating action-verified lessons, the project seeks to strengthen equitable CFUG governance while enabling CF networking and institutions at Meso level. Along with these objectives this project has also targeted to strengthen monitoring and feedback system of national policy process. Following are the CFUGs and meso organizations involved in this research project:

Table 2 ACM research sites

District Name	CFUG Name	Location	Area (ha)	Key features	Meso Organizations
Dhankuta	Khanyubas	Dhankuta M – 3	120.37	Conflict between Newar and AP Rai and other castes	DFO, Range Post, FECOFUN, HIMAWANTI, LFP, SOLVE
Dhankuta	Handikharka	Dhankuta M – 5	112.15	CFUG with a poor governance system	- do -
Lalitpur	Patle	Lamatar – 1	104.00	CFUG near capital, eco-tourism	CFUG Coordination Committee – Range Post, VDC
Morang	Chautari	Pathari – 9	128.75	Higher social and economic diversity	FECOFUN, R DS, SDS, Range Post, MMF
Nawalparasi	Chautari	Rajahar – 8	354.72	Elite group dominated heterogenous and large number of users	Change- Nepal, HICODEF, Sahamati, CSDC, FECOFUN, Range Post, CFUGs

Palpa	Kajipauwa	Tansen –11	24.03	Limited exposure to external stakeholders, less resourceful	DFO, REDA, SRDC, FECOFUN
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Change agents have been selected and they were trained on facilitating ACM approach at CFUG and meso levels. ACM facilitation work have been promoted through the change agents along with conducting interim assessment activities in quarterly basis. For the fulfillment of targeted objective, mentoring, coaching, backstopping and supporting services have been provided to the change agents. Sharing programs were conducted across sites and levels. By conducting final assessments we have now in the stage of developing final reports and synthesis for wider sharing.

Promoting Intellectual Property Rights of Indigenous People

Project period: 2006-2007

Financial support: ActionAid, Nepal

This project studies the importance of knowledge of indigenous people on biogenetic resources to develop strategic measures of protecting such knowledge. So enhancing the capacity of those people was a major goal of this project promoted by ActionAid, Nepal.

In order to achieve the stated objective following four activities were carried out: a) A report on indigenous knowledge on the local biogenetic resources in the Chitwan valley was prepared; b) An analytical report on national/international policy that directly deal with the protection of indigenous knowledge was prepared; c) Series of multi-stakeholder meetings were organized to discuss the reports and their implications for policy; d) An informal network was formed to develop strategies for protecting indigenous



knowledge of indigenous people; e) A booklet in Nepali was prepared to disseminate the study findings (to be published in 2007).

A comprehensive understanding has been developed among the indigenous communities and other stakeholders in the Chitwan valley on the issues of indigenous knowledge and intellectual property rights. A good reading material is available now on the issue contributing to the increased understanding of these issues among citizens particularly the indigenous communities. Different groups of indigenous people have increased their collaborative efforts promoting their traditional practices and protecting intellectual property rights.

Decentralization and Promotion of Women's Rights in Nepal: Exploring Constraints, Opportunities and Intervention Avenues

Project period: 2006-2008

Financial support: IDRC, Delhi

With the aspiration of examining women's participation in public decision-making within the context of state decentralization process in Nepal, this research project aims to analyze the possibly related aspects of decentralization. It seeks to understand women's role as social actors, as well as the gendered social relations that shape women's agency in the governance of public resources and services.

The research has mainly focused on the subsequent objectives regarding women's rights related aspects in the process of decentralization.

1. Analyze the status (depth and breadth) of women's participation in the decentralization processes under different contexts.
2. Analyze the constraints and opportunities for women to exercise their agency in public decision-making.
3. Explore strategies for policies, institutions and social movements that contribute to enhancing women's position in decentralisation and governance.
4. Critically assess the changing accountability structures brought by decentralization policies and practices since the 1950s.

5. Disseminate research results to targeted audience.

The users of research (women rights activists, policy makers, political party leaders) will be engaged in reflective and interactive processes of dissemination of the research results. Arrangements will be made to ensure participation of users at all stages of the research, including defining the specific issues of analysis. A total of five clusters have been identified for the field study: 1) Morang, 2) Kavrepalnachok and Lalitpur, 3) Dang, 4) Dadeldhura, and 5) Mustang and Myagdi.

Special focus is on analyzing the depth and scope of participation through which women exercise their agency in various policy and socio-cultural contexts of decentralization, and then identify processes and strategies that enhance positive impact of decentralization on women. Given the series of recent initiatives which Nepal has made over the past two decades on both “sectoral” decentralization and overall “local governance”, this study examines four different but carefully selected spheres of decentralization. These include: forestry (involving local groups in the management of national forests), irrigation management (involving farmer groups in the governance of irrigation systems), community school (involving local communities in the governance of school level education), and local governance (with elected political bodies at village and district levels).

These cases together provide a range of situations with reference to gendered social structures, processes and strategies of decentralization, and the level of impact. Comparing and pooling evidences and insights from these spheres of decentralization the research explores avenues to empower and transform the agency of women, as well as to create desirable institutional conditions, political alliances and support structures that ensure women’s active participation in decentralization and governance.

As the research is in its mid way of implementation, the impact level achievements are yet to be realized. However, from the preliminary impression of the people on this research, it is going to be useful for a number of stakeholders in a context that Nepal is undergoing in the restructuring process through constituent assembly. The finding of the research would be useful to ensure the proportionate women

representation in every level of state apparatus in Nepal. The final result of this research is expected to be out by the end of year 2007.

Developing Methodology for Planning Sustainable Harvesting of Medicinal Plants in Nepal and India

Project period: 2003-2006

Financial support: FRP/DFID, UK

A three-year project on harvesting methodology has been completed in the year 2006. This project was implemented from July 2003 to March 2006 in collaboration with the Environmental Change Institute of the University of Oxford, UK and the Foundation for Revitalization of Local Health Tradition, India with the financial support of the Forestry Research Programme of the Department for International Development,



UK. The project was employed in two countries, viz. India and Nepal. In Nepal, it was conducted on Baishakheshwori and Sundari CFUGs of Dolakha and Nawalparasi districts respectively. For the purpose of the study four among various plant species were selected,

namly Harro (*Terminelia chebula*), Machhino (*Gultheria fragmentissima*), Kurilo (*Asparagus recemosus*) and Chiraito (*Swertia chirata*). For selection of species the research followed a participatory methods considering different plant forms (tree, shrub and herb) and parts used (fruits, leaves, tuber, whole plant) as well as market value and ecological requirements. These diversities may help to apply the tested research and planning methodology to other similar species.

The project attempted to contribute to the management and sustainable use of medicinal plants for livelihoods generation, primary health care and building adaptive capacity of local communities, respecting their innovations, values and knowledge for resource management. In particular, the project aimed to develop widely applicable and specific methodologies for the sustainable harvesting of selected medicinal plants through the participatory *in situ* experimentation, so as to

empower local communities to manage their resources in a sustainable way.

In totality, this project has built on combination of indigenous and scientific knowledge to understand the resource dynamics. The quantity and quality of the resource changes have been closely monitored so that local actors could assess the existing harvesting levels and could decide what changes were required to ensure the sustainability of the resource. Working with local communities and other relevant stakeholders during the project process was important to ensure the uptake of proposed methodologies and their local relevance. Moreover, the project has produced various written documents regarding NTFP sub-sector of Nepal for a wider audience, including articles, technical notes, policy briefs and manuals.

Linking People to Policy

Project Period: May - December 2006

Financial support: IIRR, the Philippines

The community forestry in Nepal has witnessed a growing number of stakeholders. They are facing some challenges such as unclear roles, limited human and financial resources for management in the government, and changing policies in terms of responsibilities and benefit sharing in community forestry. Moreover, limited communication, coordination and exchanges between these diverse stakeholders have acted as bottleneck for optimizing goals of forest conservation and equitable livelihoods in community forestry.

In this context, a participatory action research on linking people to policy was conducted in Nepal during May-December 2006. Supported by International Institute of Rural Reconstruction (IIRR), the Philippines, the project was a collaborative initiative of ForestAction and CIFOR. In a growing concern of how grassroots communities are better connected with the national policy process as well as the processes at different levels, this project aimed to document and synthesize lessons generated from the 'Multi stakeholder Learning Fora' particularly those applying adaptive and collaborative approach as strategies for catalyzing and enhancing pro-people and equity oriented policy-making processes. The project made the assumption that when

diverse actors with their diverse qualities and interests negotiate and work together, there could be possibilities to transform interests and perspectives of participating stakeholders. The project have been implemented in three districts of Nepal and have shown promising potentials of transforming meso level governance of actors and institutions working on, related to, or have the stake on community based forest management and governance so that they become more responsive to the needs and aspirations of communities, providing linkages to the market and other opportunities, learn together with the communities and provide action verified lessons to the national level policy making process.

Participatory Monitoring and Evaluation

Project period: May - December 2006

Financial Support: IIRR, the Philippines

With a realization that there has been very little known about how field based CBNRM policy advocacy initiatives are monitored and evaluated by participant organizations and institutions, and by the local stakeholders on the ground, the various organizations from Nepal, Bhutan, China and the Philippines agreed to initiate a process of co-learning amongst field-based CBNRM policy advocacy practitioners - respective of monitoring and evaluation, to enhance strategically the use of CBNRM policy advocacy strategies. With a small support of IIRR, the activities conducted in the project sought to begin a process to address this 'gap' in knowledge-based practice, and to explore potential directions for further field-based policy advocacy research. ForestAction facilitated the community forest user group (CFUG) level planning and self-monitoring process (six CFUGs of five districts) as a key aspect for inclusive and deliberative learning process in the communities (part of the ACM project stated above). We documented the process of planning and monitoring in the CFUGs and insights generated from the experience. The project supported by IIRR for documentation of CBNRM policy advocacy monitoring was conducted from May-December 2006.

Implementation of Social Analysis System Tools

Project period: April - September 2006

Financial Support: LI-BIRD

Supported by Local Initiatives for Biodiversity, Research and Development (LI-BIRD), ForestAction applied some of the Social Analysis System (SAS) tools during the Participatory Action Research of Adaptive Collaborative Management Project. The SAS tools provided opportunity to analyze and reflect on the socio-economic status of the communities by the community members themselves. The tools are important to support decision-making and planning processes for the communities and other stakeholders. These tools were used for generating information, providing opportunity of reflection and finally to help plan and make decisions by the communities. A total of six CFUGs of five districts who applied ACM approach also applied these tools. Tools include:

a) Collaboration, Legitimacy, Interest and Power (CLIP) Analysis

The tool provided opportunity to identify the stakeholders and the beneficiaries of the concerned party and a program to organize in partnerships or to avoid risk of inclusion/exclusion of stakeholders (in this case Community Forests for effective management and utilization of the forest and community development).

b) Information Dynamics

This tool helped to understand, analyze and improve the communication between the stakeholders working in a common field (in our case in the field of the community forestry management in Nepal).

c) Perception Analysis: Problem Ranking

There is likely that different stakeholder group perceive a problem differently and when given a set of problems they might prioritize them differently. By ignoring this aspect few powerful stakeholders could impose their priorities to others, in some cases with purpose or in some other cases unknowingly (considering that they could sense others priorities as well - which is not the case). This perception analysis or problem ranking tool provides stakeholders to understand each other's priorities among the different categories of stakeholders (rich-poor,

women-men, leaders-normal users, etc) and come to more realistic priorities among the different problems.

d) Trust Analysis

Trust between two stakeholders is important dimension for the success of a collaborative initiative. This tool helped to understand, analyze and improve the relationship among the stakeholders.

Adaptive Collaborative Management National Component

Project period: 2005-2007

Financial Support: IDRC, Canada

Beside our vital project on Adaptive Collaborative Management (ACM) related to livelihoods and equity, we have taken a step for collective effort through a national component also. An informal Community Forestry Policy Learning Group has been formed that comprises individuals from the Ministry of Forest and Soil Conservation, the Department of Forest, FECOFUN, NGOs, bilateral projects, university and independent policy experts. This group under an agreed consensus has already started to collectively reflect on the ongoing policy issues and design several action points for multi-stakeholder deliberation and policy learning. ForestAction is providing the secretariat services for the group. The issues that the learning group seeking to explore and continue working on include:

- Addressing the stagnancy of Terai Forest Management;
- Exploring the driving forces of Terai Forest Cover Change;
- Policy Process Analysis, including a literature review and reflection upon the practices of the policy makers.

TRAINING AND WORKSHOPS

International Training on Introducing Community Forestry: Innovative Ideas, Practice and Methodologies

(20-30th March, 2006 on Hotel Himalaya, Kathmandu)

Between Monday 20th and Thursday 30th of March 2006, RECOFTC and ForestAction conducted the international training program "Introducing Community Forestry: Innovative Ideas, Practice and Methodologies" for 11 participants at the Hotel Himalaya, Kathmandu, Nepal.

The training program built on the strengths of RECOFTC as a leading Asian capacity building organization in community-based approaches to NRM and ForestAction with their intimate knowledge and experience in community forestry in Nepal. Combining the capacities of the two institutions in the development and delivery of the training program ensured a quality training program of an international standard and provided a further basis for the building of a stronger partnership. In the training ForestAction was responsible for course administration and budgeting, organization of participants into and out of Nepal (arrangement of participant's visas, pre-departure information to participants and letter of acceptance to course), organization of all training venues, participant accommodation and meals as well as internal travel, field site preparation and coordination as well as the development of field briefs for participants, coordination of selected resource persons to present during the course.

An International Training/Workshop cum Tour on Community Forest Management for Sri Lankan Field Managers and Facilitators

(20-30 November 2006)

The training-workshop cum tour was organized by Environmental Resource Institute (ERI) and ForestAction Nepal for Sri Lanka-Australia Natural Resource Management Project. The program aimed to build the capacity of field managers and facilitators in the area of community forest management by exposing them with the ground

reality of community forestry (CF) in Nepal. Thirteen participants from the department of forest and the project participated the program. The applied methods for the program include a mix of classroom lecturers, field observations, sharing of experiences and lessons with forestry professionals and community members, case analysis, group works and presentations. The program also incorporated the reflection from each sessions, observations and interactions. After having classroom sessions and meeting national level forestry stakeholders, the participants had the opportunity to visit community forest user groups both from buffer zone and outside. The participants visited central terai and hill districts during the field visits. The program provided an opportunity for ForestAction/ERI in understanding expectations of international participants while they are coming to Nepal for learning in an ameliorating environment.

PUBLICATION AND DOCUMENTATION

Publication and documentation has become the promising part among the activities of ForestAction. We have published a range of publications such as journals, articles in peer reviewed international journals, conference papers, posters, policy briefs, occasional updates and discussion papers. A glimpse of the publications is presented below whereas, a list of articles, conference papers, discussions papers and policy brief published in 2006 are given in Table 3.

Journal of Forest and Livelihood (Vol. 5:1)

This issue of our journal has focused on the problems and opportunities of the forest dependent poor in Nepal and in Asia, wherein a total of eight articles are included. This issue has been able to capture the problem faced by the forest-dependent poor, spell out the causes underlying those problems, present empirical evidences on pro-poor approaches for addressing those problems and analyze the linkage between the pro-poor objectives on governance and community-based natural resource management (CBNRM). The overall theme of this issue is that there is a need for a fundamental

restructuring of thoughts in both policies and practices to create more equitable impact on the lives of the poor.

Hamro Ban Sampada (Vol. 4:1)

This issue has focused on the totality of change contributed by community forestry in social, economic and political transformation of Nepal. Institutional and individual transformation stories from Terai to the mountain region are compiled in this issue. Change in attitude and thinking patterns is the most considerable factor in the endeavor of transformation. So, rather than presenting constraints and weaknesses of the community forestry, this issue has aimed to contribute by highlighting the strengths and successful stories.

Journal articles, reports, conferences papers and policy briefs that published in 2006 by the members of ForestAction are given as below:

Table 3 Papers, books and reports published by ForestAction members.

S.N.	Name of Authors	Publications
Published in International Journals		
1	Ojha, H. R.	<i>Techno-bureaucratic Doxa and Challenges for Deliberative Governance – The Case of Community Forestry Policy and Practice in Nepal</i> , Policy and Society, 25 (2): 131-175, 2006
2	Cameron J. and Ojha, H. R.	<i>A deliberative ethic for development: A Nepalese journey from Bourdieu through Kant to Dewey and Habermas</i> (International Journal of Social Economics), 34 (1), 2006

3	Luintel, H.R.	Luintel, H. 2006. Do Civil Society Organizations Promote Equity in Community Forestry? A Reflection from Nepal's Experiences. In S. Mahanty, J. Fox, M. Nurse, P. Stephen, and L. McLees (Eds.), <i>Hanging in the Balance: Equity in Community- Based Natural resource Management</i> (pp 122-142). Bangkok, Thailand: East West Centre and RECOFTC,
4	Banjade, M. R., Schanz, H. and Leewis, C.	Discourses of information in forest user groups of Nepal. <i>International Forestry Review</i> . Vol 8 (2) 2006. pp. 229-240
Published in National Journals		
5	Luintel, H. and Bhattarai, B.	Exploring Priority Problems of the Forest Dependent Poor in Nepal. <i>Journal of Forest and Livelihood</i> 5 (1) pp.1-13.
6	Banjade, M. R., Timsina, N.P., Neupane, H.R., Bhandari, K, Bhattarai, T. and Rana, S.K.	Transforming Agency and Structure for Facilitating Pro-Poor Governance in Community Forestry. <i>Journal of Forest and Livelihood</i> 5 (1) pp. 22-33
7	Chhetri, R.B.	From Protection to Poverty Reduction: A Review of Forestry Policies and Practices in Nepal. <i>Journal of Forest and Livelihood</i> 5 (1) pp 66-77
8	Poudel, K.P. and Kattel B	Caught in the Crossfire: Forest-Dependent Poor People in Nepal. <i>Journal of Forest and Livelihood</i> 5 (1) pp. 14-21
9	Timsina, N.	FECOFUN initiated movement: Fuel for Democracy. <i>Hamro Ban Sampada</i> 4 (1)
10	Neupane, H.	Interactive Learning: A Tool for Success of Community Forestry. <i>Hamro Ban Sampada</i> 4 (1)

11	Bhattarai, B.	Positive Discrimination in Community Forestry: A Policy Analysis. <i>Hamro Ban Sampada</i> 4 (1)
Conference Papers		
12	Ojha, H. R.	The Deliberative Scientist: Rethinking Scientific Practice in Environmental Management (International Conference on <i>Interpretive Practitioner</i> , University of Birmingham, the UK), 8-10 June 2006.
13	Lawrence, A., Kinal, G., Neupane, H.R., Gillett, S. and Luintel, H.	Sustainable Harvest of Medicinal Plants and Other Non-Timber Forest Products – Generating a Reliable Knowledge Base. FRP/DFID, ECI/University of Oxford, ForestAction Nepal and FRLHT India.
14	Paudel, N. S., Banjade, M.R., Ojha, H., McDougall, C. and Prabhu, R.	Contextualizing Common Property Systems: Action Research Insights on Forging Effective Links between Forest Commons and ‘Meso’ Layer Governance. A paper presented at the 11th Biennial Conference of International Association for the Study of Common Property, 19-23 June 2006, Ubud, Bali Indonesia.
15	Banjade, M.R.	“Influencing policies and institutions in community forestry of Nepal: The role of Participatory Action Research”. Paper to the <i>Workshop on Exploring Regional CBNRM Policy and Policy Advocacy</i> , the International Institute of Rural Reconstruction (IIRR), the Philippines, 6-10 Feb, 2006.
Documentations and Reports		
16	Luintel H., Bhandari, K. and Neupane, H.R.	<i>A Reflective Report of Training-Workshop on Community Forest Management for Sri Lankan Field Managers and Facilitators</i> . Environmental Resource Institute (ERI) Nepal and Sri Lanka – Australia Natural Resource Management Project (SANRMP) Colombo, Sri Lanka.

17	Chhetry, R.B., Regmi, R. and Luintel, H.	<i>Pre Mid-Term Review of Animation and Social Mobilisation Programme implemented by Livelihood and Forestry Program, ERI and DFID Nepal.</i>
18	Regmi, R. and Luintel, H.	<i>Institutional Assessment of Potential Local Partners for the Implementation of Women Empowerment and Security Project (WESP) in Nepal's Terai. Canadian Cooperation Office.</i>
19	Bhattarai T.	Understanding equity issues in Community Forest User Group of Nepal: A Case of Chautari Community Forest User Group of Nawalparasi District. <i>Learning, Participation in Action: Field Research experiences in South Asia.</i>

INTERNATIONAL TRAINING, WORKSHOPS AND CONFERENCES

Team members of ForestAction have participated in the following international trainings, workshops and events in 2006 (Table 4):

Table 4 Workshop/ conferences/ training attended by the ForestAction members

Participant	Program	Organizing Institution(s) /Country	Date/Duration
Basudhara Battarai	Desk Review: Leasehold Forestry and Community Forestry	Indonesia	March, 2006
Basudhara Bhattarai	Project Workshop: Gender and Decentralization	Argentina	Aug 26- 01 Sept. 2006
Harisharan Luintel, Hari Raj Neupane and Kamal Bhandari	Project Maturity Workshop	Banglore, India	Jan. 2006

Maniram Banjade	Workshop on Exploring Regional CBNRM Policy and Policy Advocacy	International Institute of Rural Reconstruction (IIRR), the Philippines	6-10 Feb, 2006
Naya Sharma Paudel	International Workshop on Forest Governance and Decentralization in Asia and the Pacific.	Indonesian Ministry of Forestry and Environment,, Yogyakarta, Indonesia.	4-6 Sept 2006
Mani Ram Banjade	Project meeting of the project "Improving Livelihoods and Equity in Community Forestry in Nepal: the Role of Adaptive Collaborative Management"	Vancouver Island, Canada (Supported by the Project - funded by IDRC)	28 May- 9 June 2006

OUR COLLABORATORS AND PARTNERS

- Action Aid, Nepal
- Asia Forestry Network, Philippines
- Centre for International Forestry Research (CIFOR), Indonesia
- CHANGE-Nepal
- Department for International Development (DFID), UK
- Environmental Change Institute (ECI) of University of Oxford, UK
- Environmental Resource Institute (ERI)
- Forestry Research Programme (FRP), UK
- INSEC
- Institute for Global Environmental Strategies (IGES), Japan
- International Centre for Integrated Mountain Development (ICIMOD), Kathmandu
- International Development Research Centre (IDRC), Canada
- International Institute for Rural Reconstruction, the Philippines

- Livelihoods and Forestry Programme of DFID, Nepal
- Local Forest User Groups, Women Group, Irrigation Water User Group, District Level FECOFUN and NGOs
- Local Initiatives for Biodiversity, Research and Development (LI-BIRD), Nepal
- Ministry of Forest and Soil Conservation, Nepal
- National Trust for Natural Conservation (NTNC), Nepal
- Natural Resource International, DFID, UK
- Natural Resources Systems Programme (NRSP), DFID, UK
- Nepal Australia Community Resource Management and Livelihood Project (NACRMLP), Nepal
- Nepal Participatory Action Network (NEPAN), Nepal
- New ERA, Nepal
- Overseas Development Institute (ODI), UK
- Poverty Reduction and Environmental Management (PREM), The Netherlands
- Pro-Public (National NGO)
- Regional Community Forestry Training Centre for Asia and the Pacific (RECOFTC), Thailand
- The Asia Foundation, Nepal
- The Netherlands Committee, IUCN
- The University of Reading, UK
- Users' Perspectives with Agricultural Research and Development (UPWARD), Philippines
- Whitely Awards Foundation, UK

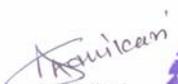
FUTURE DIRECTIONS

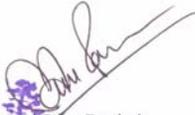
ForestAction strives to bring concurrent changes to Nepal's NRM policies, institutions and practices in order to address the issues of exclusion, poverty and injustice in Nepal. We will strive to achieve these results through our future actions:

- Promote discourses and debates on deliberative governance and transformative learning
- Support the creation of an enabling policy for knowledge management in participatory NRM
- Improve participation of the poor and marginalized in NRM-related decision-making processes
- Redefine roles, relationships, responsibilities and the authority of members of civil society, government, communities and the private sector
- Create and maintain effective linkages across micro-meso-macro levels of resource management
- Provide thorough and informed analysis of contemporary policy issues and documentation
- Strengthen national service delivery capacity of forestry actors through the provision of trainings and information dissemination
- Develop innovative strategies, methods, processes and tools for NRM and transformative change through the "Action and Learning" process.

Forest Resources Studies And Action Team (Forest Action)
Ekantakuna, Lalitpur
Fund Accountability Statement
Financial Year 2062/63 (16 July 2005 to 16 July 2006)

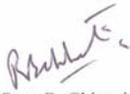
	Particulars	Schedules	Amount Rs.	Total Amount Rs.
A.	Total Funds During the Period			16,120,411.58
	Opening balance	1	3,579,038.64	
	Funds from donors	2	11,009,245.89	
	Other Fundraising Income		43,062.50	
	Income from Training Activities		1,457,995.60	
	Interest income		31,068.95	
B	Expenditures			12,257,304.89
	Programme	3	10,881,749.05	
	Administration	4	1,375,555.84	
C	Balance of Funds			3,863,106.69
	Bank and cash balances	5	2,982,909.32	
	Advances and receivables	6	985,832.53	
	Payables	7	(105,635.16)	3,863,106.69

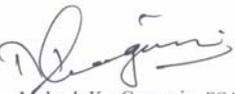

 Anrit Adhikari
 Admin-Finance Officer


 Mani Ram Banjade
 Team Coordinator



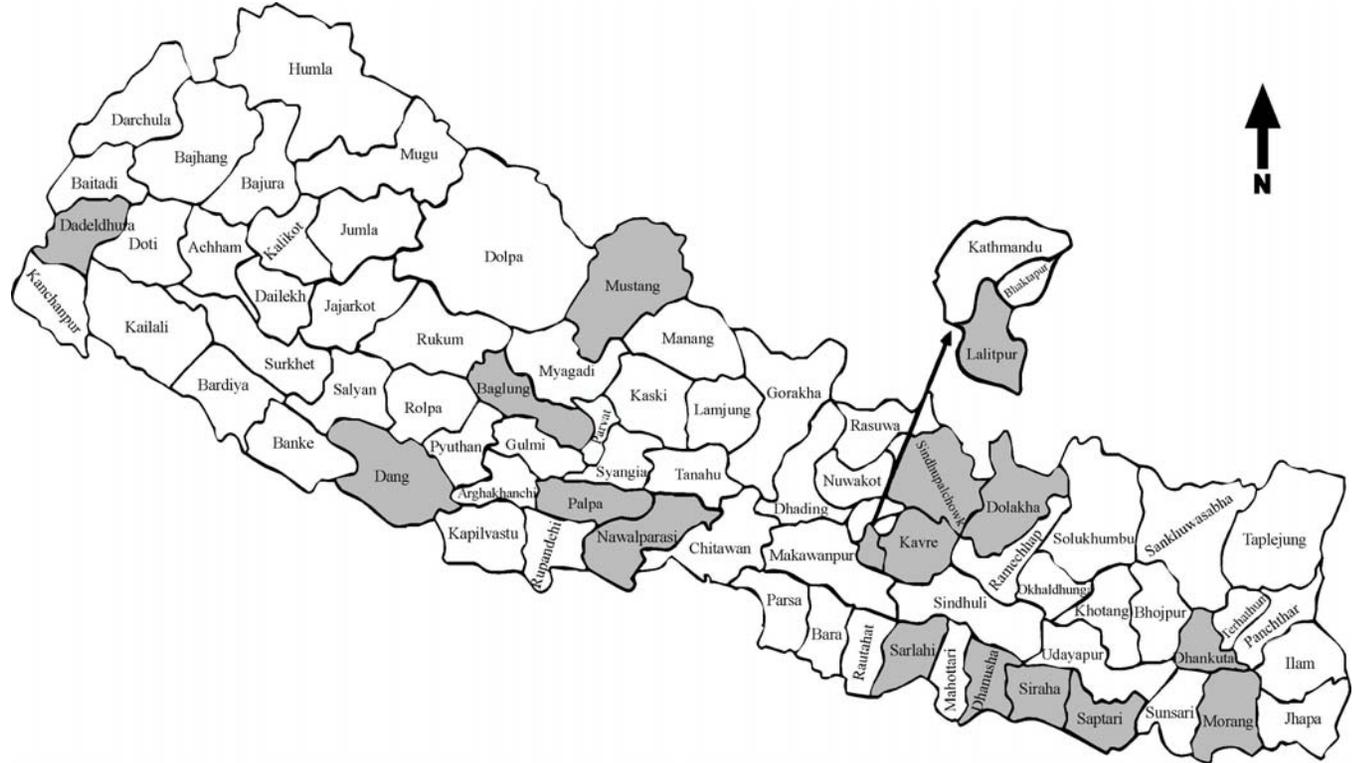
As per our report of even date


 Dr Ram B. Chhetri
 Chairperson


 Mahesh Kr. Guragain, FCA
 Auditor
 for M. Guragain & Associates



COVERAGE OF FORESTACTION'S ACTIVITIES IN NEPAL



VISION, MISSION AND STRATEGIC OBJECTIVES

Our Vision

Enhanced wellbeing of citizens including the forest dependent communities who, are fully empowered in governing the environmental resources and are actively involved in effective management of, and enjoy a fair share of benefits from natural resource management.

Our Mission

Our mission is to communicate, influence, encourage and support forest dependent communities through policies and institutional innovations to accelerate the process of social change. This mission is based on the premise that deliberative governance with devolution of power and democratization of institutions can facilitate sustainable, effective and equitable management of natural resources.

Strategic objectives

- To enhance capabilities of forest dependent communities, particularly poor and marginalized groups, to manage natural resources and receive an equitable share of benefits;
- To strengthen service delivery capacity of state and other agencies through transformative education and information dissemination;
- To campaign at local, national and international levels for deliberative governance, equity, justice and basic human rights.