

Role of Community Forestry in Sustainable Rural Livelihoods: A case study of some Community Forest Users' Groups in Nepal

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Abstract

The Government of Nepal has different strategies to conserve and utilise its natural resources, and Community Forestry is one of the successful strategies through the active and meaningful involvement of rural communities in forests management since last 25 years. The Government has made provision to hand over the state owned forests to the local communities in the form of Community Forest Users' Group (CFUG) and 20 percent of the total potential Community Forests have been handed over to the 13,300 CFUGs to date.

The institutional development of Community Forestry through CFUGs has widened its impacts on livelihoods. Evidences shows that the Community Forestry has been contributing to rural livelihoods is mainly in two ways: (1) better flow of forest products through the improvements of forest resources and (2) through the development of livelihoods assets in the grassroots level, which are the basis for sustainable livelihoods. The paper is based on the empirical research carried out in Nepal in 2004, by interviewing about 235 CFUGs members, mainly focuses on the role of Community Forests in sustainable livelihoods of the rural people and discusses the factors affecting its sustainability.

Key words: Community Forestry, Sustainable Rural Livelihoods, CFUGs

1) Introduction

The government of Nepal has different strategies to conserve and to utilise its natural resources, and a Community Based Forest Managed system is one of the strategies, which is called Community Forestry. It has been chosen for this study. The Community Forestry is the active and meaningful involvement of communities in forests management. The key characteristics of the Community Forestry are (1) meaningful community involvement in, or control of, decision-making about forest management and (2) retention of benefits of forests use and management within the community (Egan et al. 2002).

In Nepal, the Forest Act 1993 defines the Community Forestry as the part of National Forests, which has been handed over to the Forest Users' Group (FUGs) by the District Forest Officer (DFO) for development, protection, utilization, and management.

Community Forestry came into practices in late 1970s when the development strategies of the 1950s and 1960s that focused on industrial development were being criticized for overlooking rural development and were not meeting the basic needs of the rural poor (Warner 1997). The emergence of the development concept in the form of rural development, basic needs approach and eco-development and the introduction of a concept of sustainable development in environment are the driving forces of community involvement in nature conservation.

The concept of Community Forestry was also evident from the increasing attention to forestry for helping the rural poor, under various title such as Forestry for Community Development, Agro-forestry, Village Forestry, Farm and Community Forestry, Forestry for Rural Development and perhaps most comprehensively, Social Forestry. Social forestry has gradually come to cover any kind of forestry activities directed to social needs. These activities were tree planting and management, at the farm, village, or community level by or for small farmers and the landless (Westoby 1989).

Community Forestry in Nepal has also started in the late 1970s and takes the full shape in the 1990s; both in policy and in practices. The Forest Act 1961 was amended to introduce Community based forest management in 1978 and with a series of development; the Master Plan for Forestry Sector 1988 was introduced for strengthening the forest management system. The new Forest Act 1993 and Forest Regulation 1995 have introduced with a clear provision about Community Forestry and forest hand over process to the local communities. Nearly 1.5 million people have already been involved in Community Forestry and the figure is increasing day by day (Uprety 2006). These people are working under the umbrella of nearly 13,300 Community Forest Users' Groups (CFUGs) of Nepal (Uprety 2005).

The CFUG is an assembly of rural people and a local level civil society, which has common objectives for use and management of forest resources, who live in a defined territory of a proximate forest. Also, it is (1) a group of people (2) who share social interaction (3) and some common ties between themselves and with other members of the group (4) and who share an area forest for at least some time. Each CFUG has their own Constitution and Operational plan (OP) which is guided them towards forest management and sustainable livelihoods.

Each Forest Users' Group has their executive committee called Forest Users' Committee (FUC) that possess power and has access in decisions making. The average numbers of committee members are 11, which slightly differs based on group size. Forest Users' Committee is either nominated or elected by among the Forest Users' Group member and it has its own office for administrative purpose and has Bank account to keep their group fund, which they get from various sources. The Forest Users' Committee acts as a bridge in between District Forest Office (DFO)-the government authority, with related NGOs, Users' federations and with group members. They also contribute in the establishment and strengthen of rural urban link, which is recently considered as one of the means of rural development.

2) Community Forestry and Rural livelihoods

Community Forestry of Nepal has been contributing to the rural livelihoods mainly in two ways: (1) flow of forest products in an easy and an accessible way, and in a sustainable manner, (2) contributing in the development of livelihoods assets. The livelihood assets include natural capital (forests, water, land, fish, minerals); social capital (relationships of trust and reciprocity, groups, networks, customary law); human capital (skills, knowledge, beliefs, attitudes, labour ability, and good health); physical capital (basic infrastructure); and financial capital (monetary resources). With improved access to and control over different types of assets, the poor are better able meet basic needs and to create different livelihood options (Singh and Gilman 2000). These assets are the building blocks of livelihoods of the people. A range of assets is needed to achieve positive livelihood outcomes (Warner, 2002).

It has been estimated that one quarter of the World's poor depend directly or indirectly on forests for their livelihoods (World Bank, 2000a). Literatures about Community Forestry say that forest and tree resources almost have a place in rural livelihoods in Nepal (Malla 2005; Arnold 2001); however the contribution of forests and trees to livelihoods is difficult to quantify. Forest resources are one of the means of livestock farming, inputs for agriculture and supply for timber and non-timber forest product to the people. Since, forestry, agriculture and livestock husbandry are intimately related in the farming system and are basis for rural livelihoods in Nepal.

The dictionary meanings of livelihood are a means of living; an income, a means of securing the necessities of life (Oxford Dictionary 2004). It means livelihood is what we eat, what we wear, and how we are living in our residence being an element of the society. The livelihood is also defined as dependent on some means of support. It means what we are getting any support from any organization, group, or any other means, that support our daily needs. It is also the support of life. Finally, the meaning of livelihood is a job, work, or source of income.

The concept of Sustainable Livelihood Approach (SLA) had first appeared in research literature in the 1980s, and its inclusion in the White Paper marked its transfer to the policy domain (Solesbury 2003). Since then, the word 'livelihood' becomes a popular word for any developmental activities carried out by the Developmental Organizations over the world. Solesbury (in 2003) studied the impact of ESCOR-Funded research projects within the Department for International Development (DFID), with a clear understanding of how social science research impacts on policy.

The World Commission on Environment and Development publishes its report: Our Common Future (The Brundtland Commission report 1987). The report put the concept of sustainable development firmly on the global political agenda and defined sustainable development as “the development that meets the needs of the present without compromising the ability of the future generation to meet their own needs.

Moreover, the commission (WCED 1987a) has defined the livelihood as ‘adequate stocks and flows of food and cash to meet basic needs’ (Solesbury 2003; CHAMBERS and Conway 1991). As the report also concerned sustainable livelihood security, the report further said that security refers to secure ownership of, or access to, resources and income-earning activities, including reserve and assets to offset risk, ease shocks and meet contingences. Sustainable refers to the maintenances or enhancement of resources productivity on a long-term basis. A household may be enabled to gain sustainable livelihood security in many ways for example, through ownership of land, livestock or trees; fishing, hunting or gathering; through stable employment with adequate remuneration; or through varied repertoires of activities (Chambers and Conway 1991).

Chambers and Conway (1991) modified the definition of livelihood given by WCFD panel, and gave the new definition, which states, “A livelihood comprises capabilities, assets (stores, resources, claims, and access) and activities required for a means of living. a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood

opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long term".

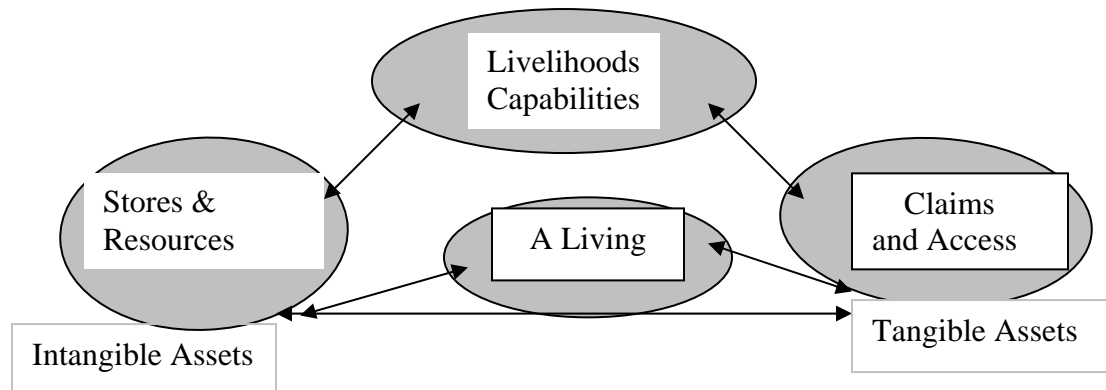
The definition contains two new words to broaden the definition of livelihood and it also opens the way to connect livelihoods with Community Forestry. Because the term assets defined in the definition refers to stores, resources, claims and access. The resources may be water, forest and land. Nevertheless, in this study project the resource can be read as forest resources in general and Community Forestry in particular.

Concerning the assets required for living Chambers and Conway (1991) have divided the assets into two broad categories, which are tangible and intangible assets. The tangible assets in their classification are "Stores and Resources" and Intangible are "Claims and Access". For the sake of depth understandings the stores includes food, stocks, stores of values such as gold, jewellery and woven textiles, cash saving in banks and credit schemes and resources include land, water, trees and livestock, and farm equipment, tools and domestic utensils. Taking example from Community Forestry, the tangible assets are firewood, timber, grass, fodder and other resources inside the Community Forests.

Similarly, the intangible assets are claims and access- claims are demands and appeals, which can be made for material, moral or other practical support or access. The support may take many forms, such as food implement, loans, gifts, work. The claims are often made at a time of stress or shocks or when other incidents arise and are often made on individuals or agencies, on relatives, neighbours, patrons, chiefs, social group or communities or NGOs, GOs or any other International community, including program of drought relief (Chambers and Conway 1991).

The claims are based on a combination of right, precedent, social convention, moral obligation and power. Finally, the access is the opportunity in practices to use a resource, stores or services or to obtain information, material, technology, employment, food and income.

Figure 2-1: Components and flow in livelihoods



Source: Chambers and Conway (1991). *IDS Discussion paper 296*, page 7.

Out of these tangible and intangible assets, people construct and contrive a living, using physical labours, skills, knowledge, and creativity. Skill and knowledge may be acquired within the household, passed from generation to generation as an indigenous technical knowledge or through apprenticeship, or more formally through education or extension services or through experiment and innovation.

Generally, in the rural village of Nepal, the traditional skill and knowledge is transferred from one generation to the next. Such as making threads (Dori), Hukka and Sulpa (a pot in which people enjoy smoking), a system of cultivation, making manure, and so on. The occupational caste group such as Damai (Tailor), Sarki (Coblar) and Tamata (Person who make tools for agriculture), have been transferring their acquired knowledge one generation to the next.

In the development of livelihoods concept, in 1994, CARE International adopted 'household livelihoods security' as a program framework in its relief and development work. Similarly in 1995, following the World Summit for Social Development, the UNDP adopted the promotion of sustainable livelihoods as one of its five mandates. In the year (1997), New Labor administration published its first white paper on international development, *Eliminating World Poverty: A challenge for the 21st century*. Although the white paper offered no formal definition of sustainable livelihood, it expressed a number

of views and offered a number of prescriptions that spelled out its meaning (Solesbury 2003).

Many empirical studies were also carried out on sustainable livelihoods in the early 1990s. Institute of Development Studies (IDS) works on sustainable livelihoods through the 1990s, both through individual and group projects (Leach et al. 1997a; 1997b and 1999). The International Institute for Environment and Development (IIED) continued work in its Sustainable Agriculture and Rural Livelihoods program, established in 1986 (Pretty et al. 1995). Sustainable livelihoods research was also undertaken by John Farrington, Carney and Ashley at the Overseas Development Institute (ODI) (Farrington et al. 1999) and by Frank Ellis at the University of East Anglia (Ellis 1998a, 1998b).

In addition, in the year 1998, Carney modified the definition of livelihood of WCED Panel (1987) which is “a livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resources base”(Carney 1998).

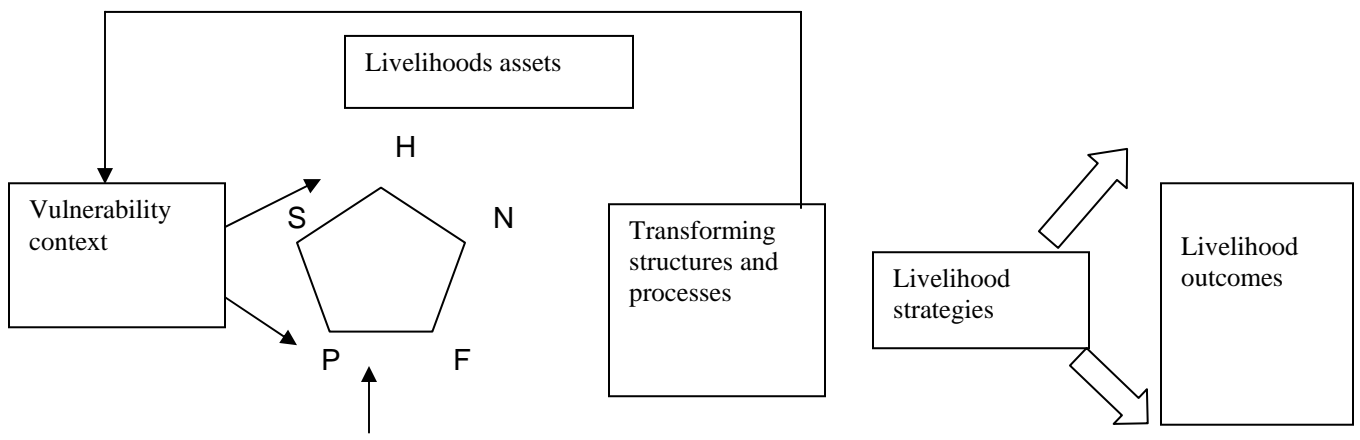
In addition, in June 1998, IDS published a Working paper providing an analytical framework for sustainable rural livelihoods (Scoons 1998). The framework highlighted five interacting elements: Context; resources; institutions; strategy; and outcomes. In the year 1998 DFID’s Natural Resources Department established a ‘Rural Livelihoods Advisory Group’ and published “Sustainable Livelihoods: What contribution can we make?” and United Nations Development Project(UNDP) published a Policy analysis and Formulation for sustainable Livelihoods (ROE 1998).

Again, the Department for International Development (DFID) in 1999 published the first sustainable livelihoods guidance sheets (DFID 1999a); sustainable livelihoods and Poverty Elimination (DFID 1999b). These sheets, connect livelihoods with poverty, and state that a sustainable livelihood (SL) is a way of thinking about the objectives, scope

and priorities for development, in order to enhance progress in poverty elimination. It is a holistic approach, which tries to capture, and provide a means of understanding, the vital causes and dimensions of poverty without collapsing the focus onto just a few factors (e.g. economic issues, food security, etc.). It also tries to sketch out the relationships between the different aspects (causes, manifestations) of poverty, allowing for more effective prioritization of action at an operational level.

Similarly, a rural livelihoods advisory group produced a paper and presented in the DFID Natural Resources Advisor’s Conference in 1998 (Carney 1998) presented a livelihood framework, which is called DFID’s Sustainable livelihoods framework. Which, I also would like to present here.

Figure 2-2: DFID's Sustainable Livelihood Framework



Source: Carney 1998; Solesbury 2003

In December 2000 a second white paper entitled “Eliminating World Poverty: Making Globalisation Work for the Poor” was published. The second white paper intended to reduce world poverty (DFID 2000e).

In the year 2000, one of the key Millennium Goals announced by the UN was to halve the number of people living under less than \$1 a day by the year 2015. Similarly, in the year 2002 the World Summit on Sustainable Development in Johannesburg declared, "Poverty is the greatest global challenge". In addition, XII forestry congress held in Canada in

2003 also concentrated on the issues of forest and people for the better livelihood of those who relied on it.

Quite clearly, global attention is squarely focused on the issues of poverty and the livelihoods of the poor. This attention began with the WCED (1987) and developed through a series of milestone and is now incorporated within the Millennium Development Goals (MDGs). Anyway, all of these efforts are developed for the sake of better livelihoods, fighting with many upsetting factors. Therefore, study of the people's livelihood is one of the crucial issues in the present era in every sector for the development of human lives and livelihoods.

3) Methods

The paper is a part of the Ph.D. project, which is based on the research, carried out in two districts of Far- West Nepal and is related to a literature review. For the empirical research, two Community Forest Users' Groups from each district Kailali and Dadeldhura having of 235 CFUGs households were selected. One person from each household comprises 60 percent female and 40 percent male CFUG members were interviewed face to face. The caste/ethnic composition of the respondents includes 29 percent Brahmins 28.5 percent Chhetris 22 percent Tharus (the ethnic people), 14.5 percent Dalit (the lower caste people), 0.9 Lama, 0.9 percent Magar, 3 percent Newar, 0.4 percent Rai, and 0.9 percent Gurung. Tharu, Gurung, Magar, Rai, Lama, and Newar are Nepalese ethnic groups. The face-to-face interview was carried out by using an interview schedule, which contains 80 questions.

Additionally, 20 key informants related NGOs staffs, Federation of Forest Users' Nepal (FECOFUN) members and the Government forestry staffs working with CFUGs were also interviewed. The field study was carried out in between February to July 2004. The responses obtained from interview were translated from the local dialects to English language, were coded, developed a code book and analyzed by SPSS (Statistical tools for Social Sciences). Also, policy paper for forestry sector, proceedings of Forestry Congress and Conference, Organizations such as Regional Community Forestry Training Centre-RECOFTC's electronic news, Food and Agricultural Organization (FAO) papers and

Nepali daily news medias: Kantipuronline.com, Nepalnews.com are the sources of information for this paper.

The field study was carried out between February to July 2004. The responses obtained from interview were translated from local dialects to English, were coded and analyzed by SPSS (Statistical package for Social Sciences).

4) Results

4.1 Characteristics of Rural Livelihoods

The rural people get involved in various activities and occupations for their livelihood needs and or to secure their livelihoods. The previous study shows that about 40 percent of rural people are middle class, who would regard themselves as reasonably secure. These people are neither well privileged like the top 20 percent as said earlier, nor like the people who fall under poverty line. The lives and livelihoods of these middle class people would become at risk if any unexpected misfortunate occurs such as, illness or death in the family or death of their livestock by accident or any other way.

All of them will have access to at least a small plot for cultivation and probably own at least a few head of livestock. However, agriculture and livestock farming quite often contribute only one component of the total household's income, the remainder coming from a wide variety of sources, both local and away from home (e.g. seasonal and longer term temporary migration). Some people in this category are also hold jobs in both government and non-government organisations at a lower level.

Over one third of Nepal's population is estimated to live under poverty. For all these people, livelihood involves a constant struggle for survival; their control over and access to strategic resources is limited; their sources of income are precarious and yield generally low returns to effort and risk; their social networks and stocks of social capital

are generally of limited capacity; and their personal resources and quality of life are poor (Seddon and Hussein 2002).

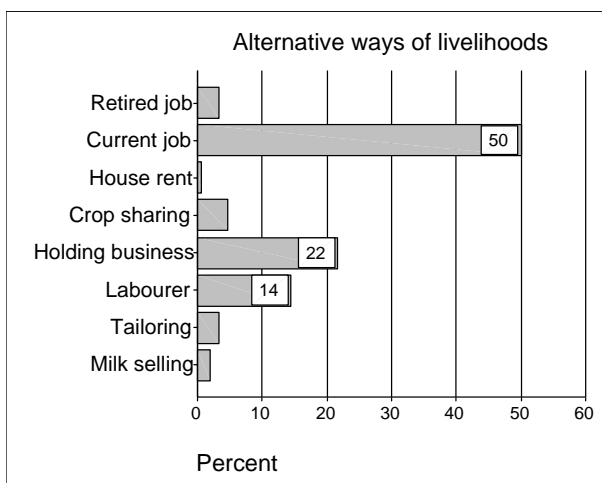
They are the rural poor and working classes, and include poor and marginal farmers, the smaller rural artisans and handicraft producers, small retailers, and those with insecure jobs outside agriculture and agricultural labourers. Of these people, roughly 20 percent are extremely poor. They are landless, homeless and freed bounded labours.

Although the majority of the population is involved in agricultural activities, the livelihoods of the people are not secure from the agricultural outputs.

In the survey, various responses to one of my questions about the livelihood security of the people (i.e. CFUG member), were obtained. Data shows that 50 percent of people said that they fulfil their needs by their current job. Current job means, the respondents or their family members hold jobs, both in the Government and the Non-Government organisations. Some said they are getting pension from their retired job.

Some occupational caste groups like the Kami (belongs to Dalit community) are involved in tailoring, some are milk sellers, some, 21.7 percent, are involved in small enterprises: a small shop, a small paddy mill, and some people share crops (Adhiya kamaune) with rich landlords, and some elite also get rent from their houses.

Figure 4-1: Diverse ways of achieving livelihoods of the respondents



Source: Field study in Nepal 2004

Data shows that there are diverse ways to fulfil the livelihood needs in the rural family, which implies that not only the single source of income is enough for the rural livelihoods in rural Nepal.

4.2 Community Forestry and rural livelihoods

The institutional development of Community Forestry through peoples' participation has widened its impacts on livelihoods. Evidence shows that the Community Forestry is contributing to the rural livelihoods mainly in two ways: (1) better flow of forest products through the improvements of forest resources and (2) through the development of livelihoods assets in the grassroots level.

Better flow of forest products implies that, the production and supply of forest products have increased from Community Forests in a sustainable manner because of the good forest condition. For example: Fire-wood, grass, fodder, leaf-litter, medicinal herbs, timber etc., are the example of direct benefits through Community Forestry, whilst the developments of livelihoods assets through the institutional development of CFUGs are the indirect benefits and, resulted from the consequences of the institutional development the Community Based Forest Management system through CFUGs. These institutional benefits comprise trainings, education and awareness, study tours, training allowances, leadership development, social interaction and social cohesiveness.

4.2.1 The Direct Benefits Flow through Community Forestry

Production and distribution of forest products such as fire-wood, grass, fodder, medicinal herbs and timber from the Community Forestry are the direct benefits. Rural People, while getting sick use medicinal herbs to cure the diseases that they suffer from. They feel more comfortable to cure the diseases from available resources around them instead of going to the health centre or hospital.

Table 4:1 Demands of forest products in Samaichi CFUG

S.N	Forest products	Unit	Demand / household	Total Annual Demand of 351 households
1	Timber	Cubic feet	17	6000 Cubic feet
2	Fire-wood	Bhari	100	35100 Bhari
3	Grass	Bhari	720	50400 Bhari
4	Animal bedding	Bhari	720	50400 Bhari

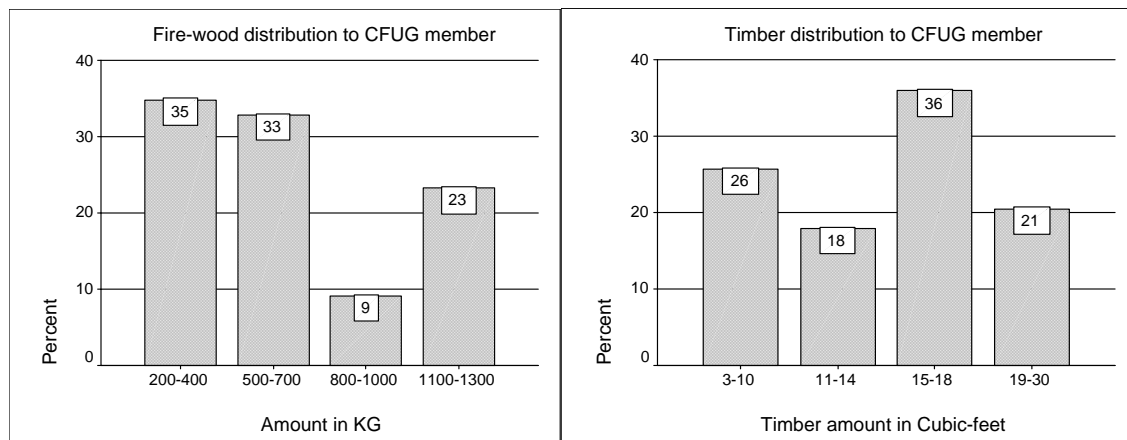
Source: Operational Plan, Samaichi CFUG, Kailali (2002)

Rural people cook their food in a hearth in which fire-wood is the only means for cooking. Similarly, they need pole in every crop harvesting time i.e. in every six months for storing silage and straw that are the essential food supply for their livestock. Animal bedding is the other essential products for livestock. Community Forestry has contributed in supplying these essential products to the needy users in a needy time. These are the crucial examples of direct benefits from Community Forests.

The supply of forest products has been found to be not uniform in studied groups; rather it varies in all groups with the availability of resources in their Community Forests.

Table 4:1 is the example taken from Samaichi CFUG for the demand of forest products in a year, and are the examples of direct benefits through Community Forests. In addition, the direct benefits result from Community Forest, while the indirect benefits results from Community Forestry.

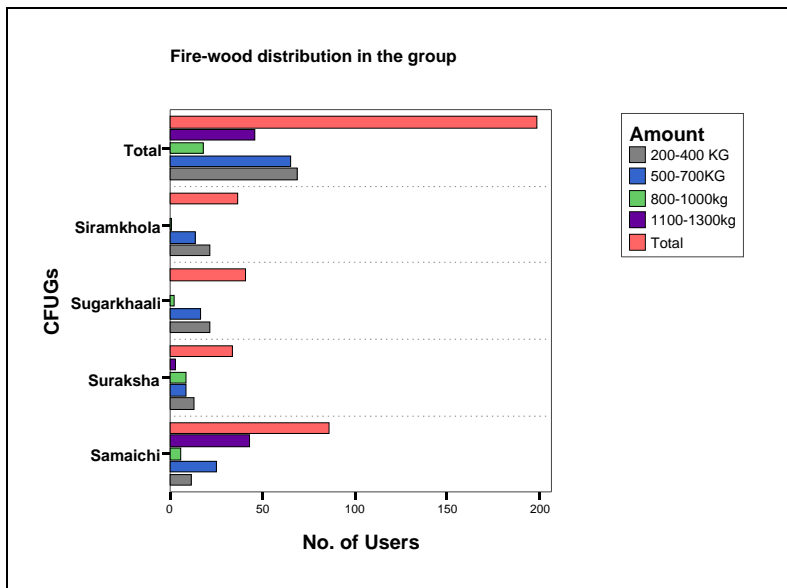
Figure 4-2: Fire-wood distribution. Figure 4-3: Timber/pole distribution.



Source: Field survey in Nepal, 2004 (n=198 for Fire-wood and n=43 for timber)

Generally, fire-wood, wood, pole, leaf-litter, fodder and grass are distributed from the Community Forest on basis of availability of the forest products in the forest. The availability of the forest products is dependent on the nature of the forest as well as the area of forest. For example, Samaichi Forest is rich in all forest products. It is rich in wood, fuel wood, leaf litter, grass and fodder. Therefore, users get more fire-wood and timber from Samaichi Community Forest in comparison to the other CFUGs, which imply that the users of Samaichi CFUG are more secure for forest products than the others.

Figure 4-4: Fire-wood distribution in the CFUGs.



Source: Field survey in Nepal, 2004 (n=198)

The quantity of distribution of fire-wood and timber is not uniform in the studied CFUGs, which depends on the nature of the forest, area of forest, forest products availability, number of dependents etc. In the study, it has been found that, about 35 percent of users got 200-400 kg, 33 percent got 500-700 kg, 9 percent got 800-1000 kg, and the rest 23 percent got 1100-1300 kg of firewood from their groups.

The users of Samaichi CFUG get 600 kg of fire wood two times a year, except some special provision is made for social and religious ceremonies. In the social and religious

ceremonies, and or any kind of difficult situations, the Users' Committee can decide to give more products particularly the fire-wood and the timber to the needy users based on the operational plan (OP). Due to the healthy forest condition, the products flow is better in Samaichi CFUG. However, majority of people in Samaichi CFUG are rich and so, not all users need fire- wood in their household for cooking purposes, because they have access to modern means of cooking such as LP-gas, rice cooker etc.

The Samaichi Community Forest is also rich in valuable timber product because of having Sal (*Shorea robusta*) and Asna (*Terminalia tomentosa*) dominated Terai sub-tropical forest. Asna is the other important timber tree placed in the second position of the total number of the valuable trees, whereas the Sal placed in the first position. Sal is the valuable timber species used for house construction, furniture, agricultural implements, leaves for making plate at feast and livestock feed etc. Similarly, Asna is used for construction, making parquet and for fire-wood. Wood is distributed only to the needy users on their demand through the application process by FUC. The timber production and distribution related data has been obtained only from Samaichi CFUG.

The Suraksha CFUG is not secure in the availability of fire-wood and hence users of this group are getting less amount of fire-wood, which fulfils about 50 percent of their households needs. The area of Community Forest is small (19 ha) and hence the availability of the forest products is scare in the forest. For distribution of the available forest products to the group members, they have made the customary rules in the group.

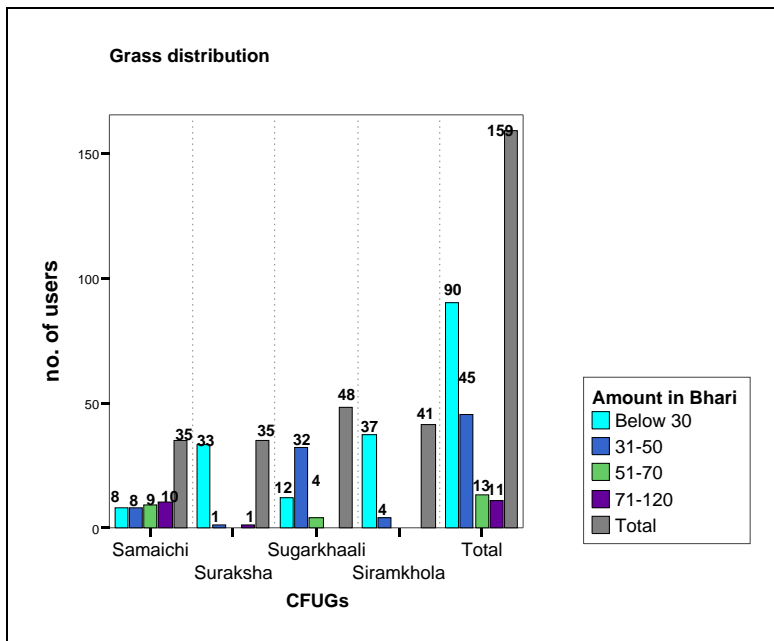
For the distribution, they set a Bhari as a unit to distribute the fire-wood as well as grass. Where, one Bhari is approximately 25 to 35 kilogram. The committee provides the fire-wood to the group members that fit in a metre long thread, by taking the amount Nrs. 5 for green fuel wood and Nrs. 3 for dry fire-wood for each Bhari. Generally, green fuel is only provided in a time of silvicultural operation and dry fuel wood based on availability. The situation in Sugarkhali CFUG and Siramkhola CFUG are also found poor in the availability of fire-wood in their Community Forest. The fire-wood that is obtained from the forest management activities such as thinning, pruning etc, is the only source of fire-

wood in the group and which is later distributed to the users. Both FUGs Sugarkhali and Siramkhola distribute the fuel wood only at the time of forest management activities.

Grass is the backbone of livestock farming in Nepal, particularly in the rural parts of the country. Its availability is as important as the human beings need for food. Figure 4-5 shows the distribution of grass in four CFUGs. Data shows that grass is distributed in all CFUGs and the amount of distribution varies from below 30 Bhari to a maximum of 120 Bhari.

The amount of grass collection depends on two factors: (1) availability of grass in the forest, and (2) number of livestock in the household. Grass production has been found low in Sugarkhali CFUG and adequate in Samaichi CFUG. Although the Siramkhola CFUG is poor in fire-wood and no production of timber, it is rich in grass (Gajo) production. Each CFUG has made the provision in their OP for collecting and distributing the grass from their Community Forest. In Samaichi CFUG, grass is distributed in a whole year, but collection is prohibited to three months during the time of seedling in the months from July to September.

Figure 4-5: Amount of grass obtained by respondents



Source: Field survey in Nepal, 2004 (n=159)

Note: The unit Bhari is not the international measure unit; however, the estimated weight in a Bhari is about 25 to 35 kg.

4.2.2 The Indirect Benefits from Community Forestry

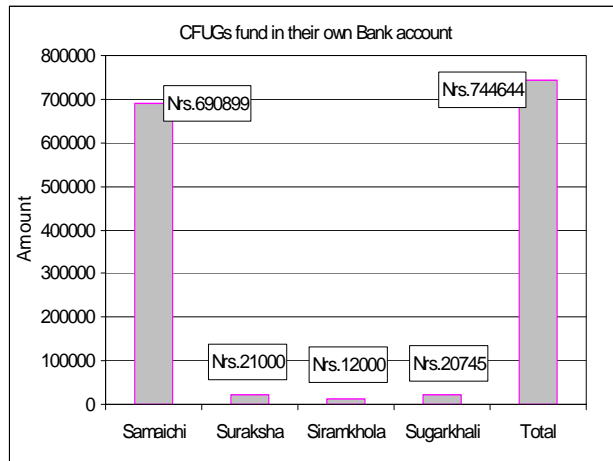
An indirect benefit comprises all those benefits that come from the institutional development of the Community Based Forest Management system or the institutional system of Community Forestry. Sociologically, the institution refers to an organisation, which runs through certain rules, regulation, working procedure, values and norms. In Community Forestry, the institution refers to the official arrangement of CFUG, their working procedure through their Operational Plan (OP) and through Group's Constitution, their affiliation with GOs, NGOs and an INGOs.

The institutional benefits refer to all those benefits that are obtained through official arrangement such as training, training allowance, study tour and its allowance, political exercise at the grass root level, community development through group fund mobilisations etc. All these benefits play the crucial role to rural livelihoods. In the following pages, the empirical evidences of institutional benefits through Community Forestry and its relations with rural livelihoods are presented.

4.2.2.1 Financial & Physical Capitals through Community Forestry

Fund generating through various activities of the CFUGs are the significant outcome of Community Forestry in Nepal. The CFUGs generate funds from various activities; selling of forest products outside the group, levy from group members, fine & penalty, and donation from GOs, NGOs, INGOs and from researchers, subsidised distribution of forest products to the group members etc are the important sources of income.

Figure 4-6: Situation of the CFUG fund.

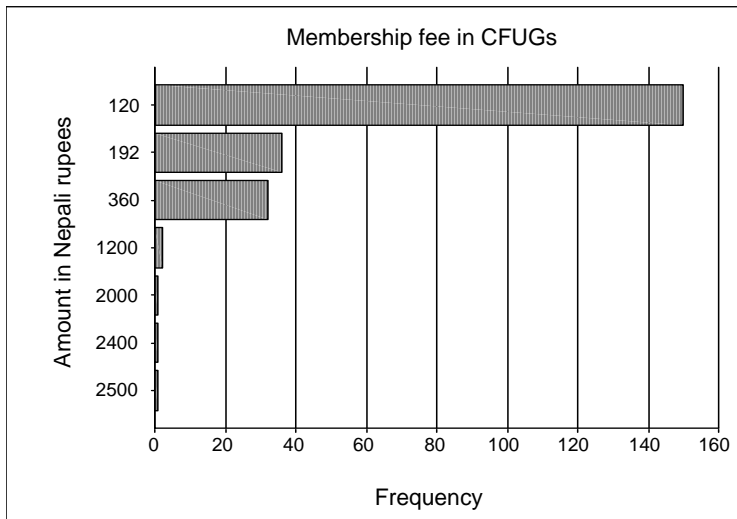


Source: Field survey in Nepal, 2004 (n=4 group)

The Samaichi FUG has the highest amount of savings (Nrs. 690899 \approx €7941) in their Bank Account, which was the balance of 2002/03 of the studied CFUGs. Similarly, the saving of Suraksha was Nrs.21000, Sugarkhali was Nrs.20000 and Siramkhola was Nrs.12000. The total savings of the four groups were Nrs 744644 \approx €8559. These amounts were only the savings amount in their bank account. Beside these savings, they have spent their funds in various community development activities in the fiscal year 2003/04.

Each fiscal year the Forest Users' Committee (FUC) presents the fiscal year budget and accordingly they allocate the budget in different development activities. For example, the Samaichi CFUG has estimated the budget Nrs. 925088 for the fiscal year 2004/05 and major sources shown were Nrs. 250000 from the selling of the timber (Goliya Kath), Nrs.15000 from the monthly levy from members, 5000 from penalties, 10010 from new memberships, Nrs.20000 from donations, Nrs.85000 from NGOs' and Nrs.79,525 from other sources.

Figure 4-7: Fund raised in CFUGs.



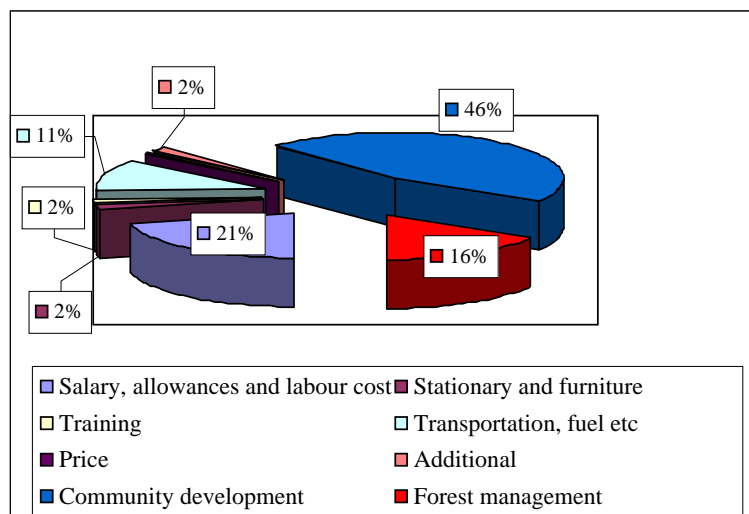
Source: Field survey in Nepal, 2004 (n=223 users)

Figure 4-7 presented an example of the sources of CFUGs' funds. The major continuous source of the group fund is the membership fee along with the entry fee. The amount of entry fee and the monthly levy are different in all studied CFUGs. The common provision in all CFUGs is; all calculate the entry fee from the date of group establishment. This means all new users have to pay all fees from the establishment of CFUG. The annual membership fee in Samaichi CFUG, was Nrs120≈€1.2, which was Nrs360 in Suraksha, Nrs.192 in Siramkhola and Nrs 120 in Sugarkhali.

It has been found that, all CFUGs had charged more amount of money in the beginning (at the time of entry into the group) and have gradually reduced the fee as the group fund would have been increased through other source. For example, in Samaichi CFUG, the membership fee was Nrs 51(monthly) in the beginning, and it was Nrs10 at the time of this study (2004). It is because; the Samaichi CFUG has now established its fund through other sources. The amount mentioned in the chart; Nrs.1 200, Nrs. 2000, Nrs 2400 and Nrs. 2500 were the entry fees from the new members at the time of this study.

These various source of income are the basis of the group fund, means of livelihoods assets and rural development.

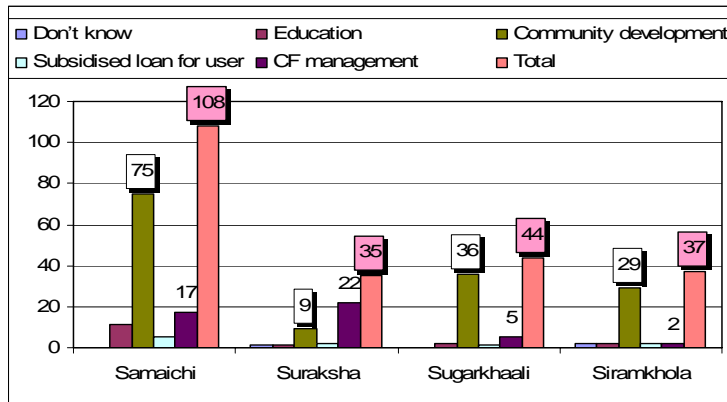
Figure 4-8: Fund allocation in Samaichi CFUG.



Source: Office record of Samaichi CFUG, Nepal, 2004.

The CFUGs' funds are spent on various development activities such as graveling and building concrete village roads, supporting schools and clubs, and constructing culverts and bridges and of course in their forest management. In the study, it has been found that the Samaichi CFUG has spent Nrs. 600000~ €6897 on concrete village roads that connects their settlement (Jai-Hasanpur road) to the Dhangadi bazaar in the fiscal year 2003/04. The Suraksha CFUG has donated about Nrs. 3000 to the local primary school to contribute the salary of a locally hired school teacher (Niji shrot bat Sanchalit). In addition, the Suraksha CFUG distributes the group fund as a subsidise loan to their group members to invest in small-scale enterprises: goat farming, chicken farming, pig farming etc. Figure 4-8 shows the investment plan of the Samaichi CFUG for the fiscal year 2004/2005. The FUC has given top priority for the community development plan and so about 46 percent of the total budget has been allocated for the purpose. The Forest user committee has allocated Nrs 422,963 for community development, for example; Nrs 300000 for road and electrification in their community, Nrs.100,000 for canal and pond construction, Nrs.17,963 for making a picnic spot inside their Community Forest and Nrs. 5000 for advertisements. About 16 percent of the budget has been allocated for Community Forest management; about 21 percent have been allocated for salary, allowance and labor costs connected to Community Forestry.

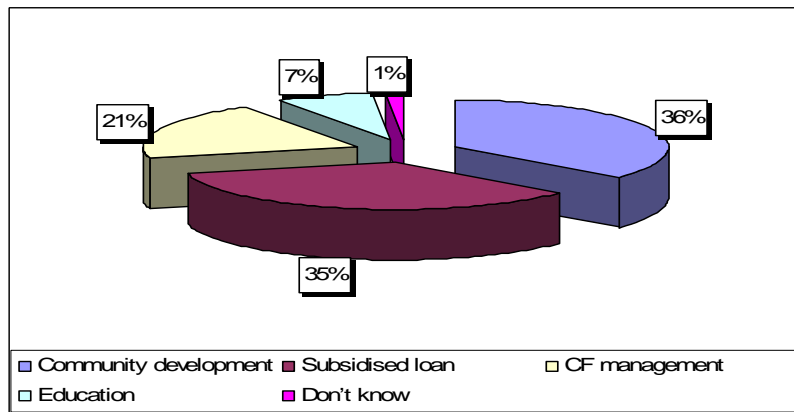
Figure 4-9: Users' views on investment by CFUGs.



Source: Field survey in Nepal, 2004 (n=224)

In the study, I tried to verify the FUC decision from the CFUG members regarding the group fund utilisations in all CFUGs. In the interview, it was asked, to the users, in which area they want to invest their group fund. Various responses were obtained, however many users have raised their voice to community development and forest management.

Figure 4-10: Users' views on fund investment.



Source: Field study, 2004(n=224)

Data presented in the Figure 4-10 shows that the interests of the CFUG members were mainly concentrated to invest their group fund on community development (36%) and subsidised loan for poor users (35%). The activities for community development was focused on road construction, clean drinking water, buying pots for social and religious ceremonies, making temples and on a public health post in their community.

While, observing the data by CFUGs regarding the group fund investments, the users of a Samaichi CFUG's (75 respondents), in Suraksha (9 respondents), in Sugarkhali (36 respondents) and in Siramkhola (29 respondents) have said that they would like to spend their group's fund on community development. In Suraksha CFUG, the majority of users said they would like to spend their group fund on forest management in order to get more benefits from their Community Forests.

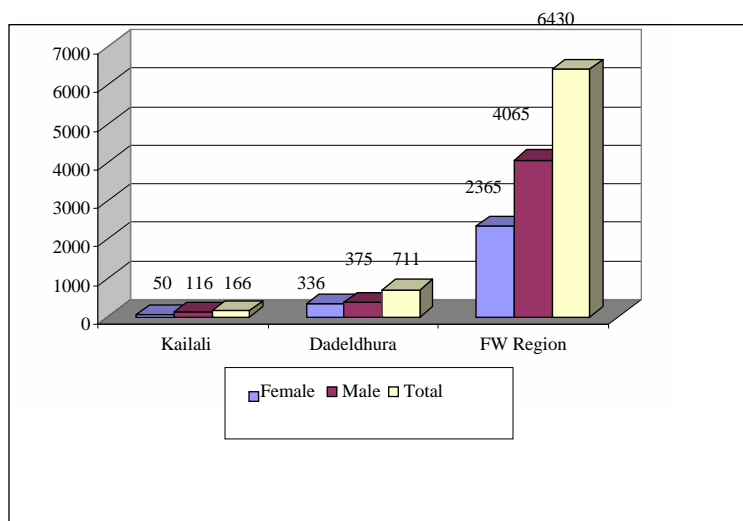
4.2.2.2 Human Capital through Community Forestry

Through the Community Forestry program, a number of training, workshops and exposure visits have been conducted through the governmental and the non-governmental organisations. In each fiscal year, many organisations working in the forestry sector conduct a number of trainings, workshops and study tours. These trainings and workshops conducted at the local level certainly are raising the level of awareness of the CFUGs members. These educational activities are valuable assets for rural people, and are the example of human capital developed by Community Forestry.

The data from Regional Forest Office in Kailali (2004) for training and study tours obtained by CFUGs members in the region is presented in Figure 4-11. It shows that; 17 district level government offices(District Forest Office, District Plant Resources Office, District Soil Conservation Office, Khaptad National Park and Regional Forest Training Centre) have been provided training and study tours to 6430 users which comprises 2365 women users and 4065 men users in 2003/04.

While viewing these data in the study districts: Kailali 166 users including 50 women and 116 men and in Dadeldhura, 711 users including 336 women and 375 men have obtained the training from different district based offices of the Ministry of Forest and Soil Conservation. The users selected for training and study tours also get training allowances from the organisers, which also assist to the livelihood needs of the rural people.

Figure 4-11: Training obtained by CFUG members.

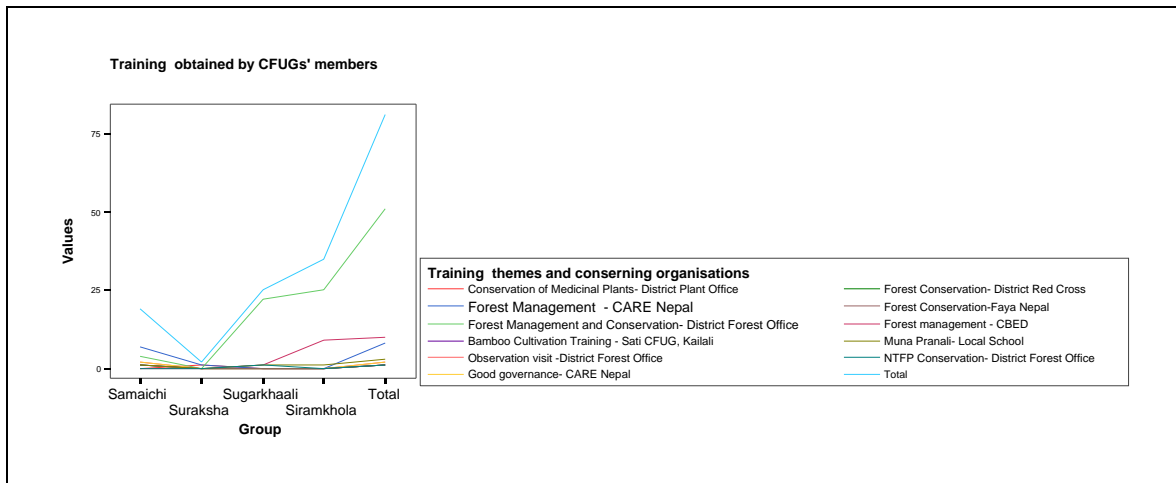


Source: Regional Forest Office, Kailali 2003/04

The figure 4-11 gives the overview of the training obtained by CFUGs members in two districts: Kailali and Dadeldhura as well as the whole figure of Far-Western Development Region in 2003/04. In Far-western Development Region there are 9 districts and in each district there are district level offices under the Ministry of Forest and Soil Conservation (MOFSC); e.g. District Forest Office, District Soil Conservation Office, District Plant Resources Office, Regional Forest Training Centre have been providing training to the forest users in the region.

These trainings, workshops and study tours have been helping the CFUG members to enhance their knowledge and skills related to forest management, community development, organisational management and leadership development. These are the basis of human capital and thereby the livelihoods assets.

Figure 4-12: Training obtained by CFUG members.



Source: Field survey Nepal, 2004 (n=81)

The figure 4-12 shows that 35 percent of the studied CFUGs members had already taken various trainings from the concerning organisations in the region prior to this study. It has been found that the training opportunities are higher in Dadeldhura district for the forest users than in the Kailali district. This is because there are more non-governmental organisations working with CFUGs in Dadeldhura district. In the study, 34.5 percent users received training from different organisations and of them 72.8 percent belong to the Dadeldhura district.

Every year, the forest users have been participating in trainings, study tours, seminars and are being interviewed by the researchers. These activities not only enhance the skill and knowledge of the users, but also make them more aware of their rights and duties.

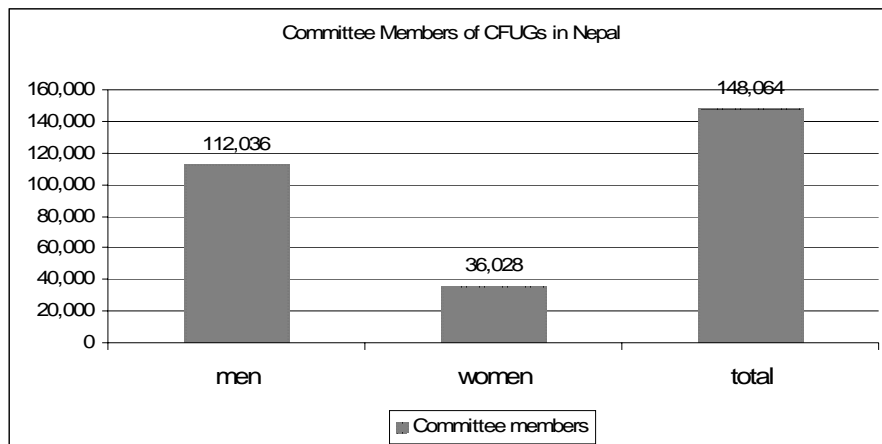
Enhancing knowledge and skill is the means of human capital, which is one of the assets of livelihoods. The CFUG members are getting training both from the Government and non-government organisations. It has been found that the number of trainings in many different subjects such as conservation of medicinal plants, organised by District Plant Resources Office, Kailali, Forest management, good governance- organised by CARE Nepal, Forest management and conservation, NTFP conservation, organised by District Forest Office, Forest conservation by Nepal Red Cross, Forest management by CBED.

4.2.2.3 Social Capital through Community Forestry

Community Forestry plays a major role to develop social capital from a grass root level to the central level in Nepal. The CFUGs create a new social forum, with the potential for local-level development planning, improved social support structures and social cohesion. They are organised as a social group; working as a local level civil society in the form of CFUGs and were nearly 13500 CFUGs are working in the country (until June 2004) and day to day, the number is increasing. These CFUGs are coexisted by their group's norms (OP) and Users' Constitution, and tied with relations of trust.

According to the Capital Theory (Colman 1990), social capital is defined by its function and these functions consist of two main characteristics: (1) they all consist of some aspect of social structure, and (2) they facilitate certain actions of individuals who are within the structure. In this respect, the CFUGs are the social group and are local level society. Naturally, they possess social structure having norms and values, and social sanctions to assist the executive committee in making decisions in any issues of Community Forest.

Figure 4-13: The FUC members in Nepal.



Source: *Community Forestry Division, Nepal, (2004).*

Figure 4-13, illustrates the total number of committee members in the country. The 148,064-committee members in Nepal are either elected or nominated and have the authority to make the decisions in their users' group. These groups comprise of both men (112,036) and women (36,028).

These figures are crucial to show the relationship of Community Forestry with communities and show how community based forest management system helps to develop social capital. These CFUGs, in the grassroots level to the central level, act as the solidarity groups through their respective committees, where socio-economic and political practices exist. The CFUGs are organised in the form of federation and have networks in many administrative districts as "Federation of Forest Users' Nepal (FECOFUN).

In the Dadeldhura district the total numbers of CFUGs were 290 of which 40 were women managed CFUGs with 438 executive members. In total 290 forest users' groups of Dadeldhura district comprises of 3,337 committee members.

In the executive committee, the members are positioned in different status with different responsibilities. The committee members are elected through consensus discussion in the CFUGs assembly. These committees have already established a network with their federation from the local level to the central level. It has created social capital through the political empowerment of previously disadvantaged individuals, and groups.

In Nepal, there are 664 women forest users' groups, which results in the same number of FUCs and at least 7304 women executives. As mentioned earlier, each group is lead by one president. It means there are 664 women presidents and, they are the office managers in the CFUGs. Evidences show that these office managers obtain leadership skills and go on to become local government leaders and are more aware about their rights and duties. This is one of the significant outputs resulted from Community Forestry in the rural level.

5) Conclusion

Community Forestry is a strategy to manage the local forests by mobilising the local communities. So, participation of all concern stakeholders is a key characteristic of Community Forestry. The contribution of Community Forestry in the livelihoods of rural people can be broadly observed in two ways: (1) the benefits from Community Forests and (2) the benefits from Community Forestry system. Because of the Community based

forest management, people in the rural level are getting the forest products in an easy and accessible way because of the improved forest conditions. On the other hand, the institutional development of Community Forestry like the role of CFUGs, Forest Users' Committee and its network, working procedures of CFUGs are defined by Users' Constitution and OP, decision making role of FUC's etc are the institutional pillar of Community Forestry. People in the local level are getting benefits in the form of training and training allowances, study tours, development of their community by investing their own fund, getting subsidised loan from CFUG funds etc.

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