

## Chapter 1

### Rural Nepal: its people, its forests

*“Standing on the beautiful hilltop  
Looking at the distant snow-capped  
Mountains hiding behind clouds...  
I look at the stretched green field  
Down the hill at the smoking valley  
And instantly realize that  
It is not the dream of heaven unknown...  
But it is the sips of air that I take  
For the well-being of the world  
And of the hope of all green...”*

*From Sips of Air, a poem by Dhal Bahadur Jirel, Nepal*

#### A brief history of Nepal

It is theorized that the word “Nepal” was derived from the Sanskrit “nīpalaya”, which means “at the foot of the mountains” or “abode at the foot”, a reference to its location in relation to the Himalayas.

**Prehistory:** There is evidence that people of Kirat ethnicity lived in what is now Nepal more than 2,500 years ago and ruled the area for about 1,225 years (800–300 BCE). Their reign had 29 kings, the first of whom was Elam (also known as Yalamber), who is referenced in the epic Mahabharata.

**1700s – the beginning of modern Nepal:** Modern Nepal was created in the second half of the 18th century. The king of the small principality of Gorkha, Prithvi Narayan Shah, formed a unified country from a number of independent hill states. At an early age, he dedicated himself to the conquest of the Kathmandu Valley and the creation of a single state, which he achieved in 1768.

**1800s – internal turmoil:** After Shah’s death, his dynasty began to expand the kingdom into what is present-day northern India. At the same time, his heirs were unable to maintain firm political control over Nepal. Rivalry between Nepal and the British East India Company over the states bordering Nepal and India led to the Anglo-Nepalese War (1814–1816). In the end, large parts of the Nepali territories of Terai (nearly one third of the country) were ceded to the British in exchange for Nepalese autonomy. These territories remained in India when India became independent in 1947.

The Rana dynasty ruled the Kingdom of Nepal from 1846 to 1953. The Shah monarch was reduced to a figurehead, and Jung Bahadur was the first ruler. He codified laws and modernized the state’s bureaucracy, and in 1855 he attempted to impose his influence in Tibet but was stopped in the Nepalese–Tibetan War (1855–1856). In 1885 a coup d’état took place. The nephews of Jung Bahadur killed his sons and took control. The Rana dynasty developed into a power family and is still very influential in the country. The family formed close alliances with the Shah dynasty through marriage and business.

### ***1900s – from “monarchy” to “democracy”***

**1950s.** Popular dissatisfaction was growing among those who were educated in Indian schools and also among the Ranas themselves – many of whom were marginalized within the hierarchy. They wanted to liberate Nepal from autocratic Rana occupation. After an armed revolt, the Shah family returns to power and appoints a non-Rana as prime minister. A period of quasi-constitutional rule follows.

**1959.** A new constitution was issued, and the first democratic elections for a national assembly were held. However, years of wrangling between kings and the government ensued, and in 1960 the democratic experiment was dissolved.

**1960.** King Mahendra carried out a royal coup and promulgated another new constitution. Members of Parliament and hundreds of

activists were arrested in the process. The new constitution established a party-less system of panchayats (councils) and solidified the absolute power of the monarchy, keeping the King as head of state with sole authority over all governmental institutions.

**1979.** King Birenda (King Mahendra's son) called for a national referendum to decide on the nature of Nepal's government: either the continuation of the panchayat system with democratic reforms, or the establishment of a multi-party system. The former system won, and the King carried out the promised reforms.

**1991.** Nepal held its first parliamentary elections in nearly 50 years. The Nepali Congress won 110 of the 205 seats and formed the first elected government in 32 years.

**1996.** The Communist (Maoist) Party of Nepal began an insurgency in five districts, establishing a provisional "people's government" at the district level in several locations. The rebellion escalated.

**2001.** The royal family was assassinated and soon after, the new king temporarily deposed the government and took complete control.

**2005.** The King declared a state of emergency to quash the revolution, placing politicians under arrest, cutting telephone and internet lines, and curtailing freedom of the press.

**2006.** Strikes and street protests forced the King to reinstate the parliament. A seven-party coalition took control of the government and stripped the King of most of his powers.

**2008.** In the elections, the Maoists secured a largest-party status, with the prospect of forming a government to rule the proposed "Republic of Nepal". The newly elected Assembly declared Nepal a Federal Democratic Republic, thus abolishing the 240-year-old monarchy. Ram Baran Yadav (Nepali Congress) became the first president, and Pushpa Kamal Dahal (Unified Communist/Maoist Party) became the first elected prime minister.

**2013.** November, new elections were conducted after Parliament failed to finalize and promulgate the new Constitution.

### **The country at a glance**

Landlocked between India and China, Nepal has a total area of 147,181 square kilometres. Altitudes range from less than 100 metres above sea level to more than 8,800 metres in less than 100 km distance. With this variety of altitude and corresponding climates, the country is rich in biodiversity, and has a huge potential for niche agricultural products. Natural resources are abundant, and various agro-climatic conditions are favourable to developing food and cash crops. However, the physical isolation and rugged terrain of Nepal's hilly and mountainous regions make it difficult to promote economic activities and deliver services.

About half the population lives in the Plains (Terai), the tiny southern belt of Nepal; 43 per cent live in the Hill areas (up to 2,500 metres); and 7 per cent in the mountain areas that are more than 3,000 metres above sea level.

In recent years, political instability has been another major obstacle to development efforts. Poverty, lack of economic growth, and increasing marginalization contributed to political unrest and violence. A Maoist rebellion that began in 1996 in the remote hill districts of the Mid-Western region later intensified and spread across large parts of the country. More than 14,000 Nepalese were killed during the major conflict period and about 600,000 were internally displaced or made homeless. In addition, more than 2 million people are believed to have fled to India. Fighting occurred largely in rural districts, starting in the West, taking a heavy toll on agriculture. In November 2006, a comprehensive peace accord was signed between the then Royal Government and the Maoists, which marked the ending of the armed conflict. The accord also included clauses about the transformation of the country to a multi-party democratic republic as well as about respect of human, social and economic rights. A reinstated parliament abolished the monarchy,

formed an interim government led by the Nepali Congress leader and provided an interim constitution for the nation. A Constituent Assembly election was held in April 2008, and the country entered into the era of the “3Rs” – reconciliation, rehabilitation and reconstruction. Although the armed conflict has ended, peace and the political situation remain fragile. Following the peace accord, Nepal has been making the arduous transition from a decade-long conflict to a democratic society. However, political uncertainty persists, with no agreement reached over the key issues of governance structure.

Despite these obstacles, Nepal has achieved notable gains in reducing poverty: the “incidence of poverty” (i.e. the share of the population whose income or consumption is below the poverty line) decreased from 42 per cent in 1996 to 33 per cent in 2006, to 25 per cent in 2010<sup>1</sup>, and 23.25 per cent in 2012<sup>2</sup>. In addition to the expansion of road and communication networks in the country (in 2013, almost each of the 75 districts had road access), these gains have come about mainly through a significant increase in remittances resulting from the mass migration of adults and youth in search of alternative livelihoods from villages to cities, neighbouring countries and abroad. With about 1,000 men travelling abroad for work every day, remittances now constitute a significant proportion of Nepal’s gross domestic product (GDP) – 23 per cent in 2011 – and they keep growing. At the same time, more women are heading households alone and taking on the burden of sustaining the rural economy, a phenomenon called the “feminization of agriculture”. Women constitute more than 60 percent of the agricultural labour force but have little access to land, production technologies and training.

There is progress and there are obstacles. When taken together, however, Nepal is one of the poorest and least developed countries in Asia and in the world. Its per capita GDP is about USD 630 (World Bank, 2011), and nearly a quarter of the total

---

<sup>1</sup> National Living Standards Survey NLSS III.

<sup>2</sup> Central Bureau of Statistics, 2013.

population lives below the national poverty line. There are serious problems of food insecurity and malnutrition throughout the country, especially in the hilly and mountainous regions where 50 per cent of children are malnourished. This is largely due to the poor performance of the agricultural sector (ref. 19 + IFAD website).

### **Lens on the rural areas**

About 80 per cent of Nepal's population lives in rural areas and depends on small, fragmented subsistence farming for their livelihoods. Household food security and poor nutrition are still widespread in rural areas. Most households have little or no access to basic social services such as primary health care, education, clean drinking water and sanitation services. They have generally very small landholdings and a few are landless, have high rates of illiteracy and are also concentrated in specific ethnic, caste and minority groups, particularly those of the lowest caste (*dalits*, or untouchables) and indigenous peoples (*janajatis*). Life is a constant struggle for survival. The most vulnerable and marginalized groups are the lowest social castes, indigenous peoples and women.

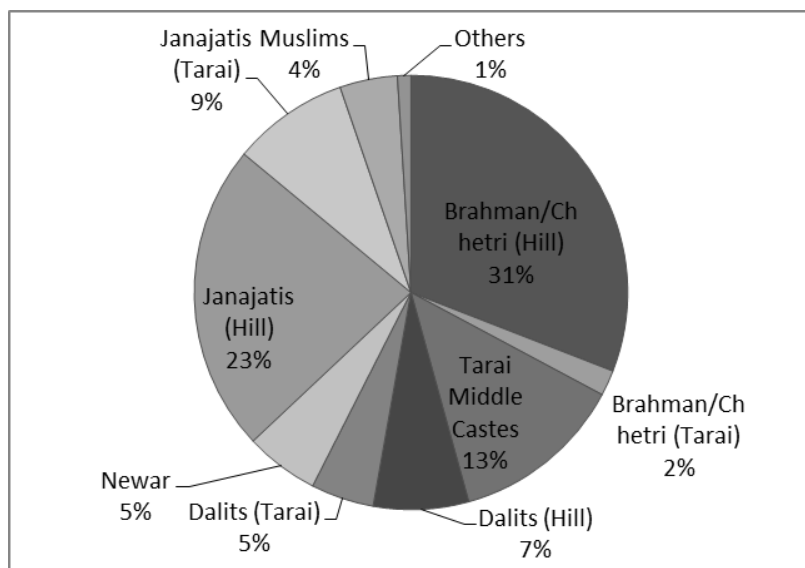
Poor rural people in Nepal include:

- destitute people, such as sick or disabled people, abandoned children and displaced persons;
- extremely poor people, including illiterate or landless people or those with very few assets;
- moderately poor people, such as those who have small farms that produce insufficient food for family consumption or for income generation, and thus are often heavily indebted;
- people who are “nearly poor”, including small farmers who are at risk of slipping deeper into poverty as a result of factors such as conflict, debt and land degradation.

Land ownership – especially of productive arable land – in Nepal has traditionally been concentrated in the hands of a few. For most poor rural families, access to land is extremely limited. Almost

70 per cent of households have holdings of less than 1 hectare and many of them depend on plots that are too small to meet their subsistence requirements. The growing population has put huge pressure on cultivable land, especially in the Terai, which also supports many landless migrants from the hills. The growing population also has led historically to unsustainable use of natural resources, including overgrazing and deforestation in hill and mountain areas. And erosion in the uplands causes flooding in the lowlands that can be devastating to crop yields. Social discrimination in rural Nepal plays a significant role in keeping the most disadvantaged people poor and marginalized. Excluded groups include smallholder farmers, landless labourers, lower castes, indigenous peoples and women. Discrimination on the grounds of caste is officially illegal in Nepal but is in fact widespread, especially in rural areas. Members of the lowest caste (*dalits*) are the most disadvantaged group, and many of them work as wage labourers for higher-caste and well-off farmers.

**Figure 1: Distribution of caste and ethnic groups in Nepal**



Source: Friedrich Huebler, May 2007, [huebler.blogspot.com](http://huebler.blogspot.com)

There is a wide gap between women and men when it comes to access to health, nutrition, education and participation in decision-making. Infant mortality is much higher for girls, and illiteracy is far more common among women than men. Many rural women live in severe poverty, without any means of improving conditions for themselves and their families. Within households women often have less to eat than men. Insufficient calorie intake can lead to chronic malnutrition in the infants they feed. Poor families are often obliged to send their children to work rather than to school. In this way the poverty cycle is perpetuated in the next generation. It is estimated that about one quarter of the children in Nepal are engaged in some kind of family or wage labour.

### **The voices of women**

*Look at my grass here, it's very close to the house. Before, I had to walk four or five hours to collect it. We also produce vegetables now, which are good for the children. And with fodder so close, we can feed the animals in stalls, and the children can study instead of herding livestock.*

*Sanu Babu Udas*

*Before I had leasehold land, for about six months a year I used to leave the house from 6 a.m. until 4 p.m. collecting ground grasses. From July to October, ground grasses are available in my small field, and from October to January they are now available in my leasehold forest plot. It takes me just three hours at most, which saves six to seven hours a day for other activities.*

*Goma Danuwar*

Women in the hills of Nepal spend enormous amounts of time and energy each day collecting water and fodder or fuel wood, tending to their children and taking care of their domestic, livestock and farming activities. Additional tasks fall on them when the men migrate in search of employment. The biggest change noted by the women was the time it takes for them to conduct their daily tasks.

Now they are able to accomplish more and different tasks, largely because of the time they save collecting grass, fodder and firewood, which are more plentiful, closer to their homes and located in places with which the women are familiar, thus minimizing the need to wander in order to gather these essential items. Many women also highlighted that their time savings have been accompanied by substantial technical assistance, knowledge and credit, which have better equipped them to use their new-found time. Several women, for example, reported that they had used credit to acquire livestock and that the time savings resulting from the leasehold forestry had enabled them to look after the cattle. Secure access to the leasehold forest land and the significant savings in time and work that have resulted have also enabled more children to attend school. Before, children's labour was required for grazing livestock and fetching fodder. In many cases, the leasehold savings groups have contributed towards the costs of sending children to school. Several women highlighted another important factor leading to an increase in school attendance: their husbands had become more receptive to their arguments about the need to send the children to school.

Source: IFAD/Shapiro, B. 2001. Voices from the Field. Women's access to land and other natural resources in Nepal. Woman's Resource Access Programme

## **Forest resources in Nepal**

Forest is one of the major natural resources in Nepal. According to Nepal's Department of Forest Research and Survey, forest is estimated to cover about 29 per cent of the national territory. In addition, 10.6 per cent of the country is covered by degraded shrub lands.

During the 20th century, these valuable resources have generally been decreasing and Nepal became famous in the 1980s for exporting arable land to India, through massive erosion.

Demographic growth was one of the main causes of degradation, as more and more people exploited forest to cover their

needs for energy, fodder, etc. The Ministry of Forest and Soil Conservation estimated in 1988 that 75 per cent of the total energy consumed in the country, as well as 40 per cent of fodder for livestock, was extracted from forests. This was clearly unsustainable.

However, the amount of forest degradation and the reasons for it vary throughout the country. Between 1978 and 1994, forest area decreased at an annual rate of 1.7 per cent throughout the country, whereas in the hills it decreased at a rate of 2.3 per cent annually. Between 1964 and 1991, Nepal lost 570,000 hectares of forest. In the Terai, forest was mainly destroyed to be converted into cultivable land or urban areas; in the hills it was degraded by excessive and improper use, leading to an increase in shrubs areas (ref. 15).

Recent macro-level studies and visual interpretations have revealed that Nepal's forest coverage and condition is significantly improving due to the Community Forestry intervention. For example, in a report on 20 Terai districts published by the Department of Forests in 2005, the deforestation rate had been slowed down from 1.3 per cent to 0.27 per cent outside the protected areas.

Therefore in 2014, almost 40 per cent of the country can be considered as forest land which is on the increase for the past decade and a considerable result of forestry public policies in Nepal.

## **Importance of forest for rural people's livelihoods**

Forest is one of the main assets of Nepal's economy. FAO has estimated that Nepal's forestry sector contributed 3.5 per cent to the GDP of the country from 1990 to 2000. This figure does not include the many indirect effects of forest, in terms of soil conservation, livestock production, water resource control and tourism. The Ministry of Forests and Soil Conservations puts the figure at 15 per cent.

For poor rural people, forest is the cornerstone of their livelihoods because it provides fodder for livestock, stabilizes the soil and provides suitable agricultural land under its cover (for non-

timber forest products, which generate cash incomes and provide food for self-consumption).

Given the importance of forest for the livelihood of Nepal's rural population, it was urgent for the Government of Nepal to halt forest degradation by implementing new models of forest management that would be ecologically sustainable without compromising the lives and livelihoods of those who depend on forest.

## **Community forestry emerges**

Nepal's forestry policies have evolved considerably during the past 50 years. In 1957, all the forest areas were nationalized, and restrictions on tree cutting were adopted in order to lower the very high deforestation rate that the country was facing. Previously, the elite had access to and ownership of vast tracts of forests in the hills, numbering in the thousands of hectares and spread throughout the country. When nationalization was introduced, the elites were no longer interested in protecting the forests, which were subsequently transformed into a no-man's land. This was the main cause of degradation at the time.

In 1961, a new law extended these measures to all the lands surrounding forests that had been under fallow for at least two years. But due to corruption and illegal cutting, the measures were not sufficient to stop deforestation; the situation became even worse in some areas.

In 1978, considering the failure of the nationalization system, a new forestry policy was adopted, giving responsibility for forest exploitation and protection to "panchayats". Panchayats were local administrative bodies, gathering representatives from many villages and usually representing between 2,000 and 4,000 people. Panchayat Forest and Panchayat Protected Forest Rules led to the creation of the first official Community Forestry Development Project in 1980. The project was funded by the World Bank, with technical assistance from the Food and Agriculture Organization of the United Nations

(FAO) (ref. 15). Thus, if the nationalization system had not been imposed (with its failures), community and leasehold forestry would not have been conceived.

Community forestry actually originated and evolved through the National Forestry Plan, 1976, which, for the first time, saw a need to hand over the nation's forests to the local level. The recommended policy then was to hand over the resource to the village council, a politico-administrative unit. In 1977, the policy received legislative back-up through an amendment to the Forest Act (1961). The programme eventually received a more official commitment when it was endorsed by the National Planning Commission in its 6th Plan.

A decade of trials showed that the village council was not a proper unit for such handover. Instead, the local people with an indigenous form of use rights could be a better alternative to whom the concerned resource might be transferred. This very experience actually formed the basis for the Master Plan for Forestry Sector policy in 1989, which envisaged handing over all accessible forests in the hills to communities of user groups "to the extent that they are able and willing to manage them". The policy received legal backing when the old forestry legislation was replaced by a totally new set of legislations: Forest Act 1993 and Forest Regulations 1995.

Policy priority to community forestry means that the forests cannot be transferred to any other form of tenure arrangements unless no demands exist for community forestry (ref. 25).

### **Community Forestry – how it works**

When a community forestry user group (CFUG) is formed, anyone from the community is eligible to be integrated in it. The District Forest Office (DFO) has the authority to hand over National Forest to a group of local people.

There is no legal limitation, neither in terms of surface of the community forest nor in terms of number of beneficiaries in the CFUG, the only limit being the actual capacity of group members to access and exploit the community forest. Boundaries of the forest handed over are identified in a first phase, followed by definition of the rights and responsibilities in a constitution paper. Then, an operational plan is written to define the forestry use policy. This paper must be signed by both CFUG and DFO.

Communities are generally handed over the forest for an undetermined period of time, and are guided by a periodic management or operation plan of five or ten years. As long as the groups work according to the mutually accepted plan, the land cannot be taken back. Renewal is only for the management plan. In those cases when the area is taken back, the DFO is obliged to form another committee and hand over the forest again as community forest.

Source: ref. 15

### 1. Right to self-governance

- Communities have rights to form a Community Forest User Group (CFUG) as per their willingness, capacity, and customary rights.
- Community forest boundaries will not be restricted to existing administrative or political boundaries.
- Government can dismantle the CFUG if the latter is found to engage in large scale deforestation but it is the duty of the government to reconstitute the CFUG.
- CFUGs can elect, select or change executive committee anytime.
- CFUGs can punish members who break their rules.
- CFUGs can amend or revise their constitution any time.

### 2. Right to forest management and utilization

- There is no limit to the forest area that can be handed over to communities.
- CFUGs can make optimal use of their forest by growing cash crops together with forest crops.
- CFUGs can mortgage their standing forest products with financial institutions to obtain loans.
- CFUGs can utilize their funds for any purpose (but 25% of income from forest must be spent in forest development)
- CFUGs can freely fix prices and market their forest produce.
- CFUGs can establish enterprises and make profits.
- CFUGs can seek support from any organization.
- CFUGs can raise funds by various forestry and non-forestry means with all income going to group funds with no requirement for sharing financial revenues with government.
- CFUGs can invest in any areas, persons or development activities according to the decision of CFUG assembly.

Sources: Pokharel et al. (2008): Forest Act 1993; Forest Regulation 1995.

(Note: table taken from ref. 15)

## Leasehold forestry emerges

The origin of the lease concept dates back to the amendment of Forest Act (1961) in 1977. However, the concept was far from being considered until the 1989 amendment to the Act when provisions were made to lease out forest lands to poor families. The Master Plan for Forestry Sector made a provision for a classification of the nation's forests into five broad categories including "leasehold forest". But at that time the concept seems to have been inspired by an idea of leasing out land essentially for commercial purposes. In

consonance with the policy stipulations, the Forest Act of 1993 essentially stuck to commercial concepts of the lease and did not make special provision for leasing land to the poor. The Forest Act restricts its objectives to the following stipulations:

- Production of raw materials for forest-based industries.
- Sales, distribution and use of forest products through increased production.
- Forest conservation-based tourism (eco-tourism).
- Agro-forestry with emphasis on forest conservation.
- Bio-diversity conservation.

There was a change in the provision when Forest Rules 1995 explicitly made a provision for leasing forest lands to the poor. Although this provision received second priority to community forestry, it did receive priority over the commercial or industrial lease.

#### **Forest Act of 1993, Section 30**

“Priority to be given to the Community Forest: Notwithstanding anything contained elsewhere in this Act, any part of the National Forest suitable to handover to the Users’ Group as Community Forest shall not be handed over as Leasehold Forest.”

In 1998, the National Planning Commission declared leasehold forestry as priority programme for poverty alleviation. This declaration was soon followed by the promulgation of Leasehold Forestry Policy 2002, which indicates that forestry land could be granted to:

- Commercial forestry enterprises.
- Entrepreneurs for eco-tourism.
- Households living under the poverty line.

Leasehold forestry is a new kind of property rights regime with the twin objectives of regenerating degraded forest land and alleviating rural poverty. Currently, around 7,000 leasehold forest

user groups (LFUGs) with 65,400 household members function in 40 out of the 75 districts in Nepal.

**Table 1: Coverage details of programmes**

<i>S.N.</i>	<i>Programme type**</i>	<i>Total districts covered</i>	<i>Number of groups</i>	<i>Area (ha)</i>	<i>Beneficiary households</i>
1	HLFFDP	10	1,768	7,421	12,221
2	LFLP	22	4,101	20,450	39,465
3	TA LFLP	4	81	1012	925
4	WUPAP	10	901	11,620	12,597
5	BISEP-ST	8	26	133	236
6	LFP	15	71	60	790
Total		40*	6,948		

\*Districts overlap \*\* See Chapter 5.

### **Leasehold forestry – how it works**

The government hands over state-owned, virtually open-access, degraded forest lands to a group (LFUG) of poor households, generally less than ten in number, with each household receiving around one hectare of land in the form of a lease contract with the group. Prospective LFUGs undergo a social assessment to determine their eligibility. Only the poor are legally eligible to receive leasehold forestry. The two eligibility criteria are: “owning less than 0.5 hectares of land” and earning at maximum “an annual per capita income of 3 035 NPRs”, which corresponds to about USD 110 at 1985/86 prices. For 2010/11 per capita income is NPRs 19,261 per year (USD 192), reflecting the change in living standards. The duration of the lease is 40 years, with provision to extend it to another 40 years. This lease enables the recipient household to exercise legally all rights exercised by a private landowner, although actual ownership of the land is vested with the state. The state requires the groups to protect their forest lands against degradation from open grazing, forest fires, soil erosion, etc., either for the purpose of enhancing the natural regeneration of trees, shrubs and

grass or to cultivate economically beneficial perennial plants. Open grazing on the leasehold forestry land is to be replaced by stall feeding of livestock. Since the land is classified by the government as forest land and not agricultural land, forestry staff cannot promote cereals. In addition, leasehold lands are generally steep and therefore cereal cultivation is likely to cause erosion. Leasehold groups are authorized to extract forest products, distribute them among the group members and sell surpluses to outsiders in accordance with provisions made in the operational plan.

Leaseholders are responsible for protecting any surviving old and large trees on the leased land, but these trees remain the property of the government. Leaseholders can transfer or sell their rights to others after they have successfully completed one-third of their lease period. They cannot, however, sell the leased land or easily pledge it as collateral for obtaining loans. The basic idea is to enhance forest regeneration while making it possible for the land to meet basic livelihood needs. The programme expects leasehold forestry households to enhance their income in a sustainable manner from: livestock (mainly goats), due to improved fodder availability; and from planting and selling non-timber forest products.

Rangers from the DFO, with the help of staff from the District Livestock Services Office, help LFUGs to prepare a forest management plan of five or more years. LFUG members are also provided with technical advice and training, in order to help them restore the forest on their plot, and start income-generating activities. The groups are also provided with basic material, such as seeds, in order to reduce investment costs poor people would otherwise not be able to afford. A pair of she-goats and one buck are also provided as a grant. LFUGs have a more democratic system of decision-making than the more commonly elite-dominated traditional communities. Since the groups are small – between 5 and 15 households with an average of 9 members per household – a homogeneous group is formed with no dominating figure. Their rights and responsibilities are stated in their constitution or rules and regulations.

Leasehold forestry is considered innovative for a number of reasons. First, it utilizes degraded forest or wasteland that has low productivity but is widely available: approximately 11 per cent of the total forest area of Nepal is shrub land and therefore appropriate for conversion to leasehold forestry land; in addition there are 500,000 hectares of uncultivated land. Second, the land can be handed over to the resource-poor population for the twin purposes of addressing poverty and regenerating forests.

However, because of the policy priority for community forestry, only a fraction of the potential area is used for leasehold forestry. Since community forestry began in the late 1970s and all the government forest land (including barren land) was handed over before leasehold forestry started, it is difficult to know how much of it actually remains. A process has been introduced in the name of "Land Allocation" to provide land to the poorest people in community forestry as well. Similarly, there have been instances when parts of community forestry that were barren and suitable as leasehold forestry were returned to the government to be handed over as leasehold forests. For example, a recent survey conducted by TALFLP in four districts outside of the LFLP area (Gorkha, Palpa, Nawalparasi and Tanahun) estimated that 4,500 hectares of forest was available for leasehold forestry for intensive cultivation.

### **Community forestry and leasehold forestry: complementary approaches**

Community and leasehold forestry are very comparable in many ways. Both are meant to conserve forest and empower rural people. Community forestry and leasehold forestry are both systems based on transferring the usufruct right of the forest from the state to groups of local people. The idea is that if rural people are provided with forest plots, and are allowed to generate benefits from them, they will manage their plot in a sustainable way, in order to preserve their productive assets. The result is then a win-win situation, as rural

people can generate additional income with their plot, and protect forest from degradation – a task that state bodies hadn't been able to accomplish until now.

At the same time, the co-existence of these two systems of forest management has raised discussions over the country, with many advocating one system by criticizing the other, and others advocating the implementation of a forest policy mixing both approaches. As we shall see there is much complementarity, and further opportunities for building synergies. (These issues are taken up in Chapter 6.)

**Table 2: Community and leasehold forestry on the ground**

<i>Community forestry</i>	<i>Leasehold forestry</i>
Bigger and richer forest land managed by larger communities irrespective of wealth status. Intended for deriving benefits in the medium term.	Small and often degraded forest patches managed by relatively poor people, who by definition fall below the poverty line. Intended for deriving benefits in the short term.
The group normally manages forests in totality. Group might decide to allocate forest areas to smaller hamlets close to a certain section of the forest. However, land division between individuals is not a normal feature.	Groups decide on whether and how to allocate land. Some groups manage the leasehold forest collectively, sharing in the benefits on the basis of the work performed by each household. Others allocate individual plots, by lottery or an informed judgment of the productivity of each plot. Individual plot size then reflects differences in productivity.
Income-generating activities considered and undertaken.	Emphasis given to income-generating activities through pasture/livestock-related developments.
Major thrust is forest management.	Thrust is on livelihoods/income-generating activities.

<p>The group owns the funds in common. These may be used for community development works (schools, community drinking water supply, etc.) but not for private purposes. The benefit accrues to the group and the group decides where and how to use it; it is generally not used for funding household chores, except in the land allocated to “sub groups” where the leasehold forestry concept has been introduced.</p>	<p>If the group has decided to allocate individual plots, generated funds are purely private and individuals may decide how to use the funds (excludes support provided by outside agencies specifically for commissioning development works in the community). Otherwise, funds belong to the group, although even here, individual households can use funds based on their needs.</p>
<p>Group membership is dynamic. Those who move from the locality lose their membership and those who migrate into the territory may negotiate for membership. By the same token, the offspring of members automatically inherit the membership if the family splits or after the death of the person having the membership.</p>	<p>The group manages its membership, and inheritance is ensured by the group. Migration is only an issue if the entire family leaves. If only one or two family members leave, then the family remains a member of the group. No family will easily give up its entitlement to 40+ years of user rights, and one issue is that a group cannot easily absorb new members if there is no additional forest area.</p>

Source: ref. 2

**Table 3: How community and leasehold forestry proponents view each other**

<i>Leasehold forestry as seen by community forestry proponents</i>	<i>Community forestry as seen by leasehold forestry proponents</i>
Competing for the forest land, when community forestry is actually the priority programme.	Insensitive to the situation of the poor, when land allocation has not been introduced.
Programme is too expensive and is run with loan money. Output does not match the input and sustainability is questioned.	The programme overlooks the degraded areas and just concentrates on the better-quality forest lands.

Considers only a small section of the community and the forest, and ignores the wider environment.	Focuses on tree products and is not sensitive to the situation of the poor.
Field practice and process (forest management) transparency are lacking.	Field practice and process do not focus on the poor and hence the rich reap more benefits from community forestry intervention.
Knowledge of group mobilization is lacking.	The fund is mobilized more for social development than poverty alleviation.

Source: ref. 2