

## **Institutional Development of Forest User Groups in Nepal: Processes and Indicators**

**Oliver Springate-Baginski** University of East Anglia, UK Email: oliver.springate@uea.ac.uk

**Nagendra Yadav** DFID LFP, Nepal Email: lfp\_npj@wlink.com.np

**Om Prakash Dev** DFID LFP, Nepal Email: omprakashdev@hotmail.com

**John Soussan** Stockholm Environment Institute, York University, UK Email: js47@york.ac.uk

### **Abstract**

*This paper describes an approach to developing and using process indicators of the institutional development of Forest User Groups (FUGs) in Nepal. Assessments of FUGs were carried out with forest users, on the basis of indicators identified by the users themselves. The approach is helpful in distinguishing patterns of development in the institutional diversity of FUGs, and highlighting support they require. Post-formation support to FUGs is perhaps the most pressing issue of community forestry. So far, it has tended to be oriented to technical forestry and yield-regulation. If community forestry is to genuinely reflect local people's priorities then there is a need to move towards a more holistic and dynamic approach: including supporting regular self-assessment of FUGs' changing needs, specific support in conflict management, easier amendment of forest management plans, and 'entrepreneurial' support.*

### **INTRODUCTION<sup>1</sup>**

The Middle hills of Nepal are characterized by intense social and physical diversity which is reflected in types and condition of forests, topography, location, accessibility of forests and settlements, size of FUG membership, ethnic composition, livelihood composition and wealth levels. After formation, FUGs evolve in a diversity of trajectories depending on the objectives of users, local socio-political arrangements, and the different formative experiences of FUGs. The aim of this paper is firstly, to examine the different processes involved in community forestry, and secondly, to present a method, based on locally defined indicators, which can provide a common basis for comparing and understanding the development of diverse FUGs.

Community forestry in Nepal is not just a one-time policy change, but an ongoing and evolving social development process, comprising three interdependent elements: (a) national policy processes; (b) implementation processes; and (c) field activities, outcomes and impacts. Many bilateral projects have adopted a 'process' approach, adapting their strategies in response to the evolution of the community forestry process on the ground.

Process indicators in community forestry may:

- Promote FUGs' self-awareness and self-monitoring. This in turn can promote consensus-building and improved planning / decision-making processes.
- Provide a basis for arriving at a shared understanding of the community forestry process within FUGs.
- Highlight FUGs' needs for support from external agencies.

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<sup>1</sup> This is the second in a set of five papers presenting the findings of a three-year research project (1997-2000) on 'Community Forestry in Nepal: Sustainability and Impacts on Common and Private Property Resource Management'. An overview of the project methodology and study sites is provided in Springate-Baginski et al. (2003).

This paper begins by discussing the use of process indicators in community forestry in Nepal. It then examines the institutional development processes and indicators that emerged in the case-study FUGs and reports on an assessment made of the performance of each FUG on the basis of these indicators. The next section identifies four types of FUGs that share broadly common characteristics, followed by a discussion of policy implications that arise from the findings of this study.

## UNDERSTANDING PROCESSES AND PROCESS INDICATORS

### The Limitations and Appropriate use of Process Indicators

Process indicators should not be confused with the process itself, and so should not be interpreted as fixed or permanent measuring sticks of the process. Process indicators are in fact highly circumstance and time-specific. Neither the processes nor the indicators presented below should, therefore, be considered as a universal template or 'shopping list' for assessing all FUGs. Rather they could be used as a conceptual starting point, and a basis for discussion within each specific FUG, to allow users to define what indicators are appropriate for them. Different FUGs at different stages of development will certainly want different process indicators to reflect their different priorities.

It is essential that the users themselves specify the process indicators. 'All' users need to be involved if the indicators are to be representative, and not just reflect the interests of elites. Process indicators should not be used to restrict the process itself, and so must be regularly revised as the process evolves. They are potentially most useful to FUGs if they are used on a regular basis as part of their planning cycle and ongoing self-assessment.

There is a danger that process indicators may be used as a 'command and control' tool to impose outsiders' restrictive definitions and value-frameworks on the FUG. The Department of Forests (DoF) does have an important regulatory and support role to ensure that FUGs are functioning well, however this support needs to be separate from FUGs' self-monitoring. It is essential that the DoF staff recognize the validity of the users' own view-points, and recognize that this can be expressed through users' identification of process indicators. The indicator identification method needs to support FUGs to define their own indicators, taking into account their current situation and future vision, and to support the achievement of this vision. Hence, in the future, one role of the District Forest Officer (DFO) and bilateral projects could be to support FUGs' own micro-level planning and monitoring cycle (see also Dev *et al.* 2003).

Creating and using process indicators can be very time-consuming. Rural households are very busy for much of the year, and so planning exercises must be realistic in terms of attendance and duration. Given that FUGs usually consist of several *toles* (hamlets or sub-settlements), one approach is to invite *tole* representatives to facilitate discussions at *tole* level and convey these to the general FUG meeting. A detail that is often overlooked is that many forest users are members of more than one FUG. This is because FUGs are formed around forests, and many users use different forest types for access to different products. This means that the more FUGs they are members of, the less time they can spend attending meetings of each.

### Current Process Monitoring Practice

Currently, *Range-Post* staff (field-level DoF staff) use their own standard list of indicators to assess FUGs' institutional development (Table 1). They sometimes visit FUGs to check them, sometimes interview FUG Committee members at *Range-Post* meetings, and sometimes make assessments from memory based on previous site visits.

Table 1. Monitoring indicators used by department of forests *Range-Post* staff

Category	Sub-category examples
Social and institutional development	<ul style="list-style-type: none"> <li>• record keeping</li> <li>• assemblies held or not</li> <li>• committee meetings</li> <li>• participation of users</li> <li>• representation of different <i>toles</i> in committee</li> </ul>
Information flow within FUG	<ul style="list-style-type: none"> <li>• notification &amp; communication of decisions</li> <li>• date of activities and assemblies</li> </ul>
Awareness and learning	<ul style="list-style-type: none"> <li>• regarding rights</li> <li>• roles and responsibilities of users</li> <li>• sharing of experiences</li> </ul>
Skill development	<ul style="list-style-type: none"> <li>• sharing of learning from training</li> <li>• sharing of own knowledge of individuals</li> <li>• development of specific skills e.g. forest management, seedling production, record keeping</li> </ul>
Forest management	<ul style="list-style-type: none"> <li>• blocking</li> <li>• planning of forest development activities</li> <li>• nursery</li> <li>• plantation</li> <li>• inter-cropping</li> <li>• yield regulation</li> </ul>

FUGs are categorized into 3 groups: Most Active, Medium Active and Low Activity. A cash award is presented annually to the three best performing FUGs in each district. This process of categorization has created awareness among DFO and project staff of FUG activities that need to be supported and monitored. In a number of districts DFO staff have started to base their support on these assessments. On the other hand, the monitoring process is 'owned' by the DFO rather than the FUG, since the indicators are identified by project and DFO staff, and so reflect their concerns and priorities. The assessment is not discussed with FUGs, and is not based on FUGs' own criteria.

One attempt to go beyond the *Range-Post* monitoring approach has been the 'self-monitoring process' initiated by Nepal UK Community Forestry Project (NUKCFP) in the late 1990s. These 'FUG Health Checks' gradually evolved into a self-monitoring process in which the criteria for assessment were similar to those used by the *Range-Post* staff, but the process involved the participation of users in 'self-assessment'. The process was found to be helpful in terms of awareness-raising of community forestry processes, but the method was not adopted by FUGs due to its lengthy nature. Fieldwork has also recently been conducted by donor-funded projects, including the Swiss Development Cooperation (SDC) and the Center for International Forestry Research (CIFOR), who have been working internationally to develop criteria and indicators for sustainable forest management (Ritchie *et al.* 2000).

### Project Methods for Identifying Processes and Indicators

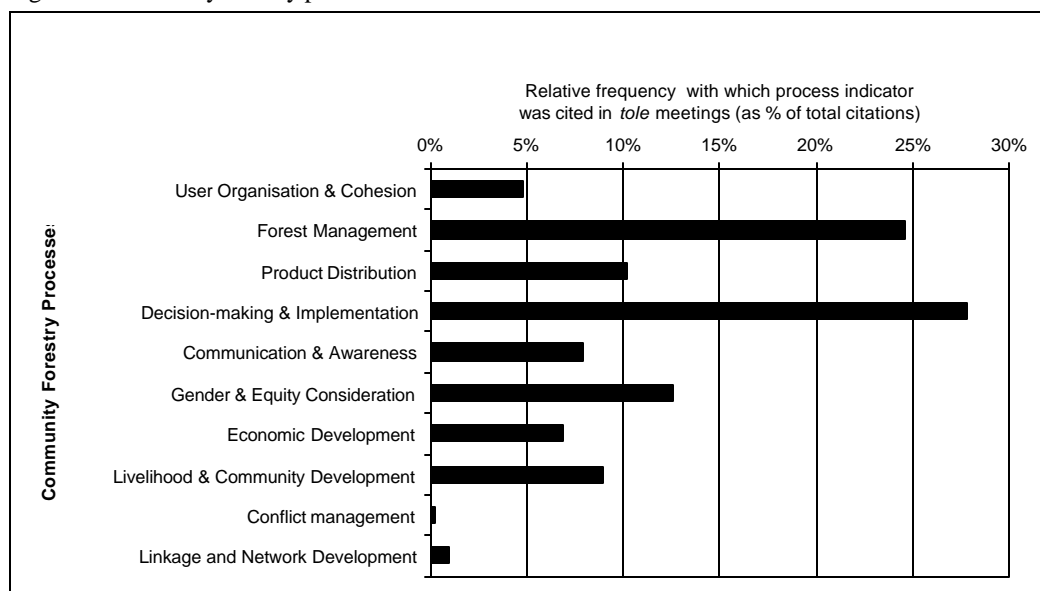
A simple approach was used by the research team to help forest users identify the FUG's development processes and process indicators. Through semi-structured group discussions across 11 FUGs, users were asked two open-ended discussion questions:

- 'What are the main strengths and weaknesses of your FUG?'
- 'What are the main indicators of a good FUG?'

Users' responses to the first question tended to refer to views of their FUG's current state. Responses to the second tended to reflect a 'vision' for the future of the FUG. The aim of this method was to identify the main indicators suggested in each *tole*. Once indicators were identified and agreed upon with the users, they were used as a basis to assess the state of the FUG. A micro-level action planning exercise was then held in each *tole* (see Dev *et al.* 2003), to identify actions the FUG could take to improve its operations and impact. After the initial phase of fieldwork was completed, the indicators collected across all the FUGs were organized by the research team, first into generic process indicators, and then into ten process groups

Although it was possible to identify general processes common to most of the FUGs, different FUGs have different circumstances and needs, and so identified different ways of measuring their progress. Figure 1 lists these processes and shows the frequency with which indicators for each process were mentioned in the *tole* meetings.

Figure 1. Community forestry processes identified from FUG *tole*-level discussions



The frequency of the process indicators being cited reflects users' priorities at that particular stage in the process. The most frequently mentioned indicators related to decision-making and forest management, both of which are the primary FUG activities. Network development and conflict management were not seen as central issues by many users (although it may be that they were perceived as implicit in effective leadership functions).

Some FUGs at a more basic stage of development showed a preoccupation with basic forest management and user organization processes. Other FUGs with more advanced development (having already attained a certain level of success in forest management, user organization and decision-making) focused on livelihood and community development processes, and issues of gender and equity.

### APPLYING PROCESS INDICATORS FOR FUG INSTITUTIONAL DEVELOPMENT

Table 2 shows an assessment of each FUG studied, according to the process indicators identified. The assessment (good, medium or poor) is only a coarse indicative categorization, and readers requiring more detail are referred to the appendices of the full report on which this paper is based (Springate-Baginski *et al.* 2001). The assessments reflect the state of the FUGs over the period of the study (i.e. two research visits separated by a 12-month period. The assessment is based primarily on users' own perceptions of their FUG's strengths and weaknesses. For processes for which a FUG had not identified indicators, an independent assessment was carried out by the research team. The final assessments were agreed at group meetings between users and the research team.

Table 2. Participatory assessment of performance of FUGs according to process indicators.

Process	Process Indicator	FUG										
	<b>Key:</b> ✓ : good ~ : medium × : poor	Bahadrun ga	Jalkini	Pate	Ranche	Dharma Devi	Sihawa	Ahale	Palawa	Nakla	Bokre	Helebung
User Organisation & Cohesion	Legitimate users included in FUG	× ~	×	✓	× ✓	✓	×	✓	✓	×	✓	✓
	Sense of ownership of forest amongst users	~	✓	✓	✓	✓	✓	✓	✓	×	✓	✓
	Users united; with common purpose & trust	×	×	✓	×	✓	×	✓	×	×	×	×
Forest Management	Forest boundary defined	✓	×	×	×	✓	×	✓	×	×	✓	×
	Effective forest protection	✓	~ ✓	✓	✓	✓	✓	✓	~	~	✓	✓
	Forest condition good or improving	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	~
	Active forest management	×	×	× ~	×	✓	×	✓	× ~	×	×	✓
Product Distribution	Appropriate Forest product needs fulfilled	~	× ~	✓	✓	✓	×	✓	~	~	×	~
	Equitable product distribution	~	× ~	✓	~ ✓	✓	×	~ ✓	×	~	×	~
	Sustainable / Secure product supply	✓	~	✓	~ ✓	✓	✓	✓	✓	~	✓	✓
Decision-making & Implementation	Regular committee & assembly interaction	×	✓	✓	✓	✓	✓	✓	✓	×	× ~	✓
	Transparent & inclusive decision making	×	× ~	~	~	✓	×	✓	~	~	~	~
	Tole-level interaction	× ~	× ~	× ~	× ~	~	~ ✓	✓	~	× ~	~ ✓	× ~
	Effective leadership - decisions implemented	×	×	~	~	~	× ~	✓	×	×	~	✓
	No political interference	×	×	✓	✓	✓	✓	✓	✓	✓	~	×
	Participation of users in FUG activities	×	~	✓	~	✓	~	✓	~	×	~	~
Communication	Information flow & communication in FUG	×	× ~	~ ✓	~ ✓	✓	× ~	✓	×	×	~	~

& Awareness	Users aware of roles & responsibilities	× ~	× ~	~	~	✓	× ~	✓	×	×	×	~
Gender & Equity Consideration	Women on FUG Committee	✓	×	×	✓	✓	×	✓	✓	✓	×	×
	Women included in FUG functioning	×	×	×	✓	✓	×	✓	×	×	×	~
	Separate women's groups in FUG	~	×	✓	~✓	×	~✓	✓	×	×	×	×
	Equity in rights, duties, punishments	×	×	✓	✓	✓	×	✓	×	✓	×	×
	Needs of poor considered	×	×	~✓	~✓	✓	×	~✓	×	×	×	×
Economic Development	Active fund generation	×	×	✓	~	~✓	~	✓	×	×	×	×
	Fund transparency	~	✓	✓	×	✓	×	✓	✓	×	×	×
	Fund mobilisation	×	✓	✓	✓	✓	✓	✓	×	~	×	~
Livelihood & Community Development	Loans, support for improved HH income generation	×	×	~✓	~✓	✓	×	✓	×	×	×	×
	Discussing, organising & supporting CD	×	✓	✓	✓	~✓	~✓	✓	~	✓	×	✓
Conflict Management	Conflict Resolved	✓	×	×	×	~	×	✓	×	×	×	×
Linkage and Network Development	Relation with DFO / Range-Post	×	×	×	×	×	×	✓	×	~	~	×
	Links with other organisations (FUG networks etc)	×	✓	✓	✓	×	✓	✓	×	×	✓	×

Note: This assessment refers to the condition of the FUG over both research visits. Where there are two grades, the first refers to the initial visit, and the second to the subsequent visit, i.e. after the micro-level plan had been implemented. Absence of a second grade indicates that there was no evidence of a significant change. A shaded box shows where FUGs identified the process indicators.

### FUG Formation Process

Users did not suggest indicators for the formation process, as they tended to emphasize ongoing processes and issues rather than completed ones. However, since the formation process fundamentally affects FUG development, we have included an initial discussion of the formation process here. An effective FUG formation process involves spreading awareness of community forestry concepts amongst the forest users, identifying the actual users and legally involving them through the FUG Constitution, defining the forest boundary, and drafting an Operational Plan (OP) for forest management (see also Springate-Baginski *et al.* 2003).

Some of the villages in the study had been selected by the DFO for community forestry, some had been informally protecting the forest and had requested formalization, and in some villages community forestry had begun through a combination of these two initiatives. In nine of the 11 FUGs studied, users expressed concern that the formation procedure was ‘too fast’ and so did not instill a good understanding of procedures, rights and responsibilities amongst the users. It was felt that ‘short-cuts’ were taken, often through the *Range-Post* staff spending most of their time with the local elites, rather than paying attention to all the users.

A weak formation process can result in FUGs lacking confidence or awareness. This is manifested, for example, in the general body of users deferring decisions to the FUG committee.

## User Organization and Cohesion

Users identified three main indicators for effective user organization.

### *Inclusion of legitimate users in FUG*

Hasty formation procedures often result in some users not being included in the membership list. This may partly be due to oversight, but in some cases users may also have been deliberately excluded due to distance, unpopularity or prejudice, or, after formation, as a punishment for 'rule-breaking'. Socio-political structures within villages mean that decisions are not always equitable and the interests of some *toles* (hamlets) can exert undue dominance in this issue. Three main types of forest users can be identified:

- *Regular forest users*: those depending on the forest for subsistence products (e.g. fuel, fodder, other specific livelihood products).
- *Occasional forest users*: Those using the forest seasonally or infrequently (e.g. pastoralists and Non-Timber Forest Product (NTFP) collectors).
- *Future forest users*: those likely to be located some distance from the forest who may look forward to getting products (e.g. timber) in the future.

The latter two groups can find it difficult to negotiate for membership of the FUG (although sometimes occasional users can also exert undue influence on decision making – either by greater voting numbers, or by lack of attendance causing assemblies to fail to achieve a quorum). Specific groups even of regular users (e.g. blacksmiths or fuel wood sellers) may experience marginalization due to lower social status or social influence. If this happens, they may either persist with their use patterns despite marginalization, or become members of neighboring FUGs. Many forest users are in fact members of more than one FUG, as customary use patterns have traditionally sometimes involved taking products from different forests; for instance for fuelwood and grazing.

### *Sense of ownership of forest amongst users*

There was a clear feeling of forest ownership among the users in all but two of the FUGs studied. In these two FUGs hasty formation procedures and an ineffective FUG Committee had failed to raise wide-spread awareness of the community forestry process and the management responsibilities of forest users.

### *Users united with common purpose and trust*

FUGs are 'created communities' in the sense that they bring together *toles* which may have little day-to-day interaction. Where the FUG is made up of a small number of *toles*, social cohesion is seen to emerge more easily, especially where users have similar livelihoods and levels of dependency on the forest. However, many FUGs include over 100 households from many *toles* around the community forest. Developing cohesion here is much more challenging. Only three FUGs studied had strong cohesion, and all these included fewer *toles*.

## Forest Management

Forest management is one of the fundamental processes in community forestry. It is multi-faceted, involving a number of different sub-processes. The study strongly confirms that the forest regeneration aspect of community forestry is an unambiguous success. Prior to formation of the FUGs, forest resources at almost 75% of the study sites were deteriorating, and now, due to diligent protection measures and in some cases active management, all are improving to a greater or lesser extent (see Yadav *et al.* 2003 for more detail).

Forest users suggested various indicators for assessing forest management. For example, a "clear boundary line between the forest border and the cultivated land" for assessing forest boundary definition; or "legal action taken as per rules and regulations against offenders who harm the forest" for assessing forest protection; or "forest with different age-group stands" for assessing forest condition.

## Forest Product Distribution

For FUGs to plan product distribution well they need to achieve a good fit between what the forest can sustainably produce and the pattern of different users' needs and expectations. This can be a very complex management task, subject to household livelihood patterns, forest type and product availability. It is unlikely that users' needs can all be fulfilled, but FUGs generally aim to meet users' needs as closely as possible. Two-thirds of users interviewed said they were 'satisfied' with product distribution, although landless households had a lower level of satisfaction (see also Yadav *et al.* 2003).

Most of the FUGs had adopted an 'equal' system of product distribution (i.e. all households receive the same amount) although this can disadvantage poorer households (e.g. fuelwood sellers and blacksmiths). A few FUGs were moving towards an 'equitable' system which included specific consideration of poorer households' particular needs.

## Decision Making and Implementation Process

An effective and democratic decision-making and implementation process is central to successful FUG development (this issue is dealt with in detail in Dev *et al* 2003). According to the indicators suggested by users, decision-making and implementation processes were found to be very weak in most of the FUGs studied. Major problem areas were:

- Poor initial FUG formation processes, leading to a lack of awareness regarding the community forestry process.
- Inadequate FUG institutional processes introduced by the DoF, with the Constitution and Operational Plan reflecting the DoF's procedural and regulatory needs, rather than the evolving 'process' needs of the FUG.
- Poor handover procedures from one FUG Committee to the next, causing discontinuities.
- A lack of external support to FUGs to facilitate more inclusive decision-making.

## Communication and Awareness

Users' awareness of their roles and responsibilities was cited in 25% of *tole* meetings as an indicator of a good FUG. Good communication and information-flow systems were specified as important factors to facilitate this. The majority of general users were aware of the basic fact that government policy has changed and forests have been handed over to the community. Beyond this, however, there was a wide variation in the level of awareness amongst users.

Most general users were aware that the FUG committee was responsible for managing the forest, but a vagueness around the authority structure of the FUG led to users blindly following the committee's will. For instance, many users did not know that they had the right to be chairperson. The general body of users tended to be unclear about what could be achieved in future through the FUG. In the weakest FUGs users were not even clear about product extraction provisions, although this was atypical. In some FUGs even the committee members were not clear about concepts and procedures nor about legal issues, which made it difficult for them to assert their rights to the DFO. The consequence of low awareness was conservatism and caution in FUG activities, and a failure to mobilize resources or adopt more active forest management or community development.

Communication within FUGs was found to be most effective where informal *tole*-representatives acted as a medium between the FUG committee and *toles*. *Toles* in close proximity to each other have much easier communication. In larger FUGs, the committees tended to communicate using notices taped to walls, trees or in public places, but these methods were less effective than face to face communication, as literacy is low, and notices often contained insufficient information. The quality of



the committee leadership was found to be crucial in ensuring that communication functioned systematically, and that awareness of community forestry was raised.

Users indicated the need for both formal information dissemination, such as notice-boards, as well as informal interaction through *tole* representatives, to ensure that users knew of meeting schedules and decisions taken, and to ensure that *tole*-level discussions were fed into FUG committee and assembly meeting agendas. Where there were problems with information flow, it was felt that appropriate procedures needed to be formalized.

## Gender and Equity Consideration

There are serious concerns in the literature that community forestry may not benefit the livelihoods of women and poor households on an equitable basis (Neupane 2003 & Malla 2000). Several indicators were defined by FUG members to assess performance in this respect.

### *Participation of Women*

Where forests were of acute livelihood importance to women, their involvement in the FUG activities tended to be greater. Cultural norms were found to discourage women from participation, both at the household level and within meetings (where contributions could be actively discouraged by comments from some men like 'the hen has started clucking'). Discouragement of this sort was in part caste based: in predominantly *Tamang* FUGs women tended to be highly involved, whereas in predominantly *Bahun* and *Chhetri* FUGs women tended to have lower involvement and awareness. Women expressed high levels of motivation to become more actively involved in FUG activities, but felt held back by lack of awareness and encouragement.

In four FUGs users indicated the importance of having women on the committee to represent the interests of women, since women have different priorities to men as their household tasks and forest requirements are different. Users highlighted the need for women's involvement at all levels of FUG activity: awareness of the community forestry process, equal participation in assembly and *tole* level meetings, and the assignment of female *tole* representatives. Seven of the 11 FUGs studied had women on their committees. In six, the women apparently played an active and vocal role, and set an example to encourage other women to participate more actively. Only three FUGs included women effectively in FUG functioning. In the remaining eight, there were various obstructions to women's involvement. Five FUGs had separate women's groups organized in one or more *toles*. These groups were working on women's livelihood activities (e.g. through income generation activities).

### *Equity Concerns*

Seven FUGs had equitable practices in terms of rights, duties and punishments. In the remaining four FUGs there were a number of inequitable practices including:

- Favoritism in product distribution – e.g. allocating timber to friends and relatives.
- Not fining friends and relatives.
- High membership levies, which poorer users could not afford.
- Restrictions on fuel wood selling and forest product collection, which hit the poor hardest as they have few alternative livelihood sources.
- Particular caste groups and *toles* manipulating decisions for their own benefit.

In four of the FUGs special arrangements had been made for the needs of the poor:

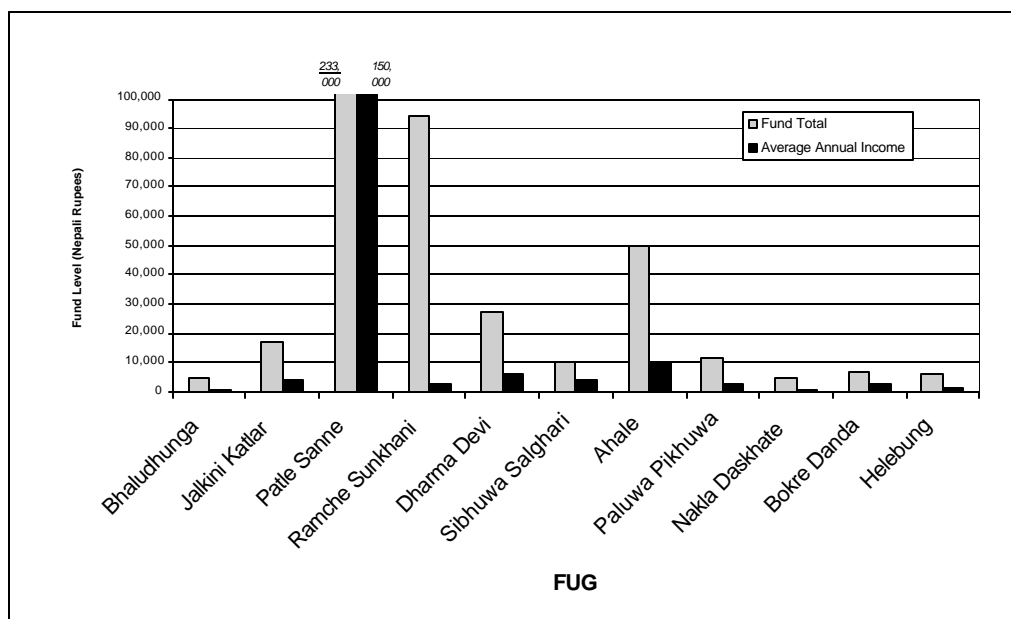
- Extra allocation of forest products for those users without private tree-resources.
- Fuel wood sellers allowed to continue activities under regulation.
- Loans for household income generation activities like livestock raising or tailoring.

Based on the case-study FUGs, it is clear that FUGs can offer a valuable institutional basis for supporting the development of the poorest members of rural society. There is great potential to improve livelihoods through credit facilities. Inclusive decision-making practices can help poorer members gain confidence in expressing their needs. However, committee members may not normally implement special measures without some encouragement. External support agents and FUG networks can provide this encouragement through consciousness-raising interaction between committees and the general body of users.

### Economic Development

Many of the FUGs were moving beyond fulfilling subsistence needs, and were considering market-oriented exploitation of their forest resources. The chief opportunities lay in collection and processing of timber and NTFPs. Ten of the 11 FUGs studied had a bank account (Figure 2). This was primarily thanks to the DFOs in the Koshi hills, who had provided the necessary letters to encourage banks to let FUGs open accounts.

Figure 2. Fund level and annual income level of FUGs studied (as at 1999)



The FUGs generated funds either within the FUG (e.g. membership fees; royalties for forest product collection; fines) or from outside (e.g. initial grants to FUGs for plantation activities or marketing of forest products). The main indicators of economic development suggested by users were:

- “Excess timber sold in local bazaar for generating income”
- “Locally available NTFP semi-processed and sold for better income”
- “Plantation of income-generating short rotation plants in forest”

Only two FUGs had active fund-raising of this sort, and three other FUGs had a moderate level of active fundraising. FUGs were often discouraged from marketing timber by DFOs, even though it is legal.

Problems over fund 'transparency' were a recurrent feature in many FUGs (five of 11). In four of these, the fund was very small, so few users had taken an interest in it. Also, record-keeping and hand-over of funds to the new FUG committee had been poor. As a consequence, irregularities had occurred, with ex-treasurers or chairmen being implicated in the embezzlement of a few thousand rupees. From this study it is evident that irregularities are common when funds are insignificant but as funds grow, users take a more active and assertive interest in them. Although there is a legal requirement for FUG funds to be audited and reported to the DFO, very few of the FUGs were aware of this. Without audits, funds are more vulnerable to embezzlement.

There was a lack of skill in FUGs for 'fund mobilization' which, combined with a general tendency in FUGs to 'prudence', led to under-utilization of funds. Eight FUGs had mobilized their funds for various community development activities (e.g. micro-credit; electrification; youth clubs, etc). In the other three, there was little initiative to use the fund and users subsequently became disinterested in the issue. Under these conditions financial irregularities occurred as there is a correlation between poor mobilization and poor transparency. FUG awareness about funds was often poor, and the FUGs rarely defined the objectives they had for raising funds. Decisions on how to use the funds often reflected the assumptions of the committee, rather than reflecting priorities of the users. This militated against both fund raising and fund mobilization, and consequently money tended to remain unused in bank accounts.

### **Community Development**

Users felt that engagement in community development activities was an indicator of a good FUG. As the FUGs completed their basic operations successfully they often moved towards wider community development activities such as water and electricity provision, school and road building. For these activities to reflect the interests of all the forest users and not just the elite, decision-making structures need to be inclusive. Further support and networking could also play an important role.

### **Conflict Management**

Conflicts were recognized as important issues in many of the FUGs. However, it was a surprising finding in group meetings that conflict management was often seen as a secondary process compared to other processes of livelihood and community development. Perhaps this indicates that a lack of success in resolving conflicts has led to villagers treating conflicts as 'facts of life'. The types and levels of conflict varied according to the issue and the value of the resources at stake. Managing them seemed to be the key to maintaining the momentum of FUG development and fulfilling FUG potential.

Conflicts had affected ten of 11 FUGs to differing degrees (the remaining FUG was hardly active). Indeed, the very formation of a FUG, and its assertion of control over the forest resource, represents a challenge to the prevailing power structure and the control of elites over the forest. In the words of Warner and Jones (1998), "the word 'conflict' carries a negative connotation, but in many settings it could be seen as a potential force for positive social change, its presence a visible demonstration of society adapting to a new political, economic or physical environment". Where conflicts had been resolved by an FUG itself, this may have served to strengthen the FUG further.

There were four main types of conflict in FUGs:

#### **(a) Boundary or land disputes:**

Boundary conflicts were the most common and most serious conflict issue by far. There were two forms of boundary conflicts – those within the FUG (observed in six FUGs) and those between FUGs and outsiders (observed in two FUGs). Boundary conflicts within the FUG generally concerned forest encroachments pre-dating the formation of the FUGs by many years, but which had been rendered explicit through the formation process. The hand-over procedure (at least in the NUKCFP study areas) is usually based on a cadastral survey map approximately 20 years out of date and showing

forests free of encroachment, or sometimes on a basic sketch map. The encroachment problem is passed on to the FUG because the 'actual' forest boundary is not identified on the basis of a re-survey at the time of the forest handover. Over two-thirds of all forest boundary conflicts observed in the study had dragged on since the time of FUG formation. Since the cadastral map is not in a 'user-friendly' format it was very difficult for FUGs to relate to the forest on the ground. This could also lead to encroachments without the FUG recognizing that it was happening. The principal method of resolving internal boundary conflicts is a cumbersome legal process, with the FUG having to bear the legal costs. In two FUGs a conflict with outsiders had arisen due to the mistaken hand-over of the same forest to two different FUGs. This required intense re-negotiation with outside support. Yadav *et al.* (2003) provide a more detailed discussion of the issue of boundary conflicts and related policy implications.

(b) Fund misuse or embezzlement:

Conflicts over funds were found in three FUGs and often reflected poor decision-making processes, lack of transparency and ineffective auditing processes.

(c) FUG rules ignored:

Some FUGs had difficulties enforcing their rules due to low legitimacy within the village. This was a result of poor institutionalization of the FUG leading to poor decision-making processes and poor cohesion amongst users. Over-extraction of forest products occurred in three FUGs, primarily due to regulations being passed which were not agreeable to all users and so not easily enforced.

(d) Personality clash and dissent:

Personality clashes were a relatively minor source of conflict, found in three FUGs. In two of these, conflicts had arisen due to political differences or family feuds. A contributing factor was resentment by elite groups of the new power structure of the FUG. In the third FUG, the leadership had alienated poorer groups who consequently asked the DFO to split the FUG.

The notion that conflicts can be resolved through negotiation within the FUG is only partly correct. Although three FUGs were able to resolve their conflicts themselves, another seven lacked the capacity to resolve their conflicts independently. Many conflicts, particularly over boundary issues, were beyond the normal capacity of the FUG to resolve. In these cases there was a need for rapid and systematic support from the DFO. The causes of the other types of conflict, however, related mainly to poor institutionalization, poor leadership, poor decision-making procedures and poor implementation of decisions. Such conflicts are 'process' issues that could be addressed through well-facilitated group meetings.

## Linkage and Network Development

FUGs need to develop linkages for a variety of reasons related to receiving and giving support, sharing experiences and learning, and safeguarding their interests at local and national levels. Awareness of existing linkages and networks was found to lie mainly with the FUG committee members. The majority of users in the study areas had poor awareness of these links.

### *Relationship of FUGs with DoF (DFO / Range-Post Staff)*

The DoF plays a critical role in ensuring the success of FUGs' endeavors, especially through guidance and reassurance at the critical formative phase of their existence. The DoF is continuing to reorient itself to the community forestry process, and is now moving towards a post-formation support role. There is a need to shift from a standardized provision of service (as tends to be the case in FUG formation), to providing support for the specific post-formation development needs of individual FUGs (see Box 1).

### Box 1. Desired versus actual support provided to case-study FUGs by DoF staff

The FUGs looked to the DoF field offices as their primary support agency:

- Most FUG committee members wanted a very basic but robust support relationship based on regular field contact with *Range-Post* staff, for moral support, awareness-raising, technical and legal advice, specific support for planned development objectives, and facilitation of meetings. This could be through regular attendance of *Range-Post* staff at assembly meetings.
- FUG Committee members wanted the lengthy and bureaucratic procedure for amending Constitution and Operational Plans to be streamlined.
- FUGs looked to the *Range-Post*/DFO to provide conflict mediation.

Virtually all the FUGs studied were very dissatisfied with the level and quality of DoF support they actually received:

- There was a lack of conceptual clarity amongst the DoF and other support agencies regarding the support needs of particular FUGs. Support planning was often according to budgetary allocation considerations rather than according to the FUGs' needs.
- The main emphasis of DFO support had been on off-site training for individuals, usually FUG Committee members. In general FUGs did not value this much, as individual learning was rarely transferred to the whole group. It should be noted that there is currently a positive move toward field-based training occurring in DFOs.
- Site visits by *Range-Post* staff were sporadic, except for those close to district headquarters. FUGs were rarely informed in advance in order to benefit fully from the visit, for instance through planning a group discussion.
- Although many Range Post staff performed remarkably well, the reorientation of DoF staff is not complete and, in some of the FUGs, the motivation and manner of *Range-Post* staff was questioned. In some cases they were felt to be authoritarian or paternalistic, in others they were felt to have a low level of motivation, not taking opportunities to give advice or facilitate debate. Furthermore, the development of constructive working relationships between FUGs and the *Range-Post* staff was obstructed by frequent staff transfers.

The main consequences of insufficient support from *Range-Post* staff were, firstly, that simple issues, within FUGs, which might have been resolved easily, had often languished or deteriorated with time. Secondly, awareness of the community forestry process had remained poor in many FUGs as they had not been able to get clarifications from the DoF staff.

#### *Linkages with other groups within and outside the village*

As FUGs become more self-confident many form links with different institutions. In six of the 11 FUGs there was good networking and linkage development between the FUG and other groups including:

- Participation in Village Development Committee (VDC) level networks, which provided support to FUGs in local development issues and conflict resolution.
- Participation in local-level FUG networks formed to provide support functions like conflict resolution and capacity development. Some of these were initiated by the FUGs themselves, whilst others were initiated by district activists from FECOFUN (Federation of Community Forestry User Groups of Nepal).
- Involvement in bilateral projects, such as the United Nations Development Program (UNDP) Local Governance Project, which was co-ordinating *tole*-level interaction within an FUG.
- One case in which the many different line agencies were all co-ordinating their activities with the FUG.

## **‘TYPES’ OF FUGS**

From the sample of 11 FUGs across a variety of conditions, and an assessment of their progress according to their self-identified indicators, four broad types of FUGs may be identified:

### **1. Small, cohesive, effectively-functioning FUGs constituted of users highly dependent on the forest.**

These FUGs have been highly successful in regenerating the forest resource and providing sustainable product flows. They have also moved into wider community development activities. They benefit from ‘ideal’ initial conditions for collective action, being small and relatively homogeneous, thus reducing the transaction costs (i.e. costs involved in achieving agreement and implementation) of decision-making. Since they are highly dependent on their forest, they are highly motivated to manage it. The two FUGs with these characteristics (*Dharma Devi* and *Ahale*) also have forests which are compact, and therefore easier to manage. Both were quite close to district headquarters and had received a fair degree of support from DFO and project staff. Successful conflict resolution had played a positive role in creating cohesion within these FUGs.

### **2. Large, socially-diverse, effectively-functioning FUGs, with high value forest resources, able to manage the forest effectively and share significant benefits.**

Where FUG leadership is robust, and where FUGs receive sufficient attention and support from the DFO, many FUGs are able to develop effectively. The value of the resource, the potential to realize significant benefits from it, and the need to protect it from unregulated extraction, are key motivating factors in these FUGs. Under these circumstances the motivation for collective action outweighs the disincentives of higher transaction costs. The two FUGs with these characteristics (*Patle Sanne* and *Ramche*) were close to district headquarters, which provided closer supervision from the DFO, and more market opportunities and transport linkages.

### **3. Large, socially diverse, sub-optimally functioning FUGs, with management difficulties in terms of decision-making and co-ordination.**

These FUGs are functioning moderately well, although they could work much better with improvements in decision-making and implementation. Large FUGs are often beset by organizational difficulties, due to the problems of reaching agreement across a diverse social group with low social cohesion. There is less motivation amongst users to invest time and energy in management, when the forest resource is not of high value, or not easy to gain immediate revenue from, or where the resource flows are not threatened. The FUGs of this type in the study were *Jalkini*, *Sibhuwa Salghari* and *Paluwa Pikhua*.

### **4. Incompletely formed FUGs, beset by problems.**

The worst performing FUGs are those where the formation process has not succeeded in achieving a sufficient level of awareness, organization and cohesion amongst the users, which leads to the FUG failing to ‘take off’. This is often caused by rushed or incomplete formation processes. Where the general body of users is not motivated to participate in the FUG, disregard for the FUG from various quarters leads to its deterioration. The FUGs of this type in the study were *Bhaludhunga* and *Nakla Daskhate*.

## **CONCLUSIONS AND POLICY IMPLICATIONS**

The process of identifying indicators for FUG development highlighted several main areas with policy implications.

A thorough formation process is vital for the long-term success of the FUGs. Where formation processes are poor the FUGs can fail to begin operations. A key element of FUG formation and development is awareness raising, which could be promoted through *Range-Post* staff field visits. Awareness should be raised regarding policy provisions such as ownership of community forests, rights of users, use of forest products, use of funds, and the role of the FUG committee and DFO staff. Awareness-raising amongst *Range-Post* staff regarding rights and responsibilities is also needed.

Another important element of successful FUG formation relates to boundary definitions. Clarification of the forest boundary at the time of hand-over to FUGs must become a priority. All land disputes should be addressed at this time by the DFO. User-friendly mapping methods, such as photo-maps and participatory resource and social mapping, need to replace the Cadastral map. It may also be helpful to confer legal rights on DFO and *Range-Post* level staff to officially demarcate land, which only a government surveyor can currently do. Furthermore, the government urgently needs to adopt a strong policy on boundary encroachments, and take the responsibility of challenging encroachments.

Once established, effective monitoring and support of FUGs is needed. Where FUGs have problems, particularly in conflict situations, they require urgent support to stop the situation from deteriorating further. This implies a flexible support network, effective identification of FUG needs, and timely communication of needs to support networks. The most efficient use of DoF resources may be regular field-level interaction and coordination of support, rather than actual provision of support. Provision of support could be coordinated by the DoF and 'subcontracted' to other support agencies, according to need-based planning.

Without a doubt, *Range-Post* support to FUGs is the 'front-line' in the community forestry development process. Strengthening field staff capacity is the single most effective way of strengthening the community forestry process overall. Some of the primary needs for the future are:

- DoF resources (in terms of time, manpower, finance) need to be carefully allocated, since they are in limited supply. As outlined above, this may require DoFs to provide support indirectly, by coordinating the activities of other organizations.
- *Range-Post* staff need to know the specific and priority support needs of each FUG in their range. A *tole*-based micro-level planning procedure (see Dev *et al.* 2003) is one tool which supports this: FUGs can undergo an annual planning process and then give the *Range-Post* staff a copy of their action points and support needs for the year ahead. *Range-Posts* can then co-ordinate the provision of support.
- *Range-Post* staff need to see their role primarily as supporting FUG development, and not as monitoring and gathering information for the DFO.
- FUGs need support that makes them self-reliant rather than dependent on the *Range-Post*. However, over-dependence is not a problem for the majority of FUGs.
- DFO staff need to develop a mechanism to ensure that all FUGs receive some support, that the more remote ones are not neglected, and that the most in need can be targeted effectively.
- *Range-Post* staff need incentives and motivation to provide facilitation and support to FUGs.

Support of various kinds is needed to help FUGs capitalize on the economic development opportunities arising out of their community forestry activities.

- FUGs find it virtually impossible to get DFO approval for timber marketing even though it is legal. Procedures for timber marketing need to be clarified to all parties.
- NTFP marketing could be supported by FUG networks, by forming producers' co-operatives to share market information and bargain for improved prices.
- Effective audit procedures in FUGs would help to minimize financial irregularities.
- Awareness of FUG funds needs to be increased. Records of funds should be accessible to all.

- Rangers or forest guards could check audits to facilitate good fund-management practices, as part of overall post-formation support.

In cases where large, heterogeneous FUGs are suffering from factional schisms, it may be best to split the FUG into smaller groups, as it is apparent that smaller FUGs are often able to function more effectively.

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