Abstract

Agroforestry (AF) has now gained renewed interest in the context of increasing need for enhancing farm-based livelihoods opportunities. As the markets for a variety of timber and non-timber forest products grow, rural communities in Nepal have the opportunity to gain cash income through private forest products value chain. Yet, there is still an absence of clear and well-defined regulatory framework to promote private forestry products. This study is based on reviews of Forest Act 1993 Forest Regulation 1995, and Private Forest Development Directives 2011 as well as recent case studies from Kavre and Lamjung districts of Nepal related to the trade of forestry products. Findings demonstrate that various regulatory as well as non regularity barriers restrict the promotion of forestry products in the market value chain, starting from nursery establishment, through cultivation, harvesting, transportation to marketing. Forestry and agroforestry products from private lands require a permit for transportation to markets within the village. However, if forestry products have to be transported outside the village it is mandatory that private individual has to obtain the permission from the District Forest Officer Farmers have to pay royalties to the forest department for cultivated products if they are transported without having registration of private forests. Although the Private Forest Development Directives 2011 has tried to make the process more simple, the study revealed that AF products’ producers of the case study sites are constrained by a number of issues, of which obtaining private tree registration certificate and associated transportation permits from DFO is very complex and involves a lot of risks and uncertainties for marketing of their products from private lands. This analysis demonstrates that regulatory and institutional factors are crucial in determining the extent of benefits local communities can receive from the markets, than simply by the physical characteristics or the market value of the product itself. This study thus recommends several ways in which policy and regulatory practices can be improved to support farming communities in the commercialization of agroforestry products for better livelihoods and sustainability of agroforestry landscape in Nepal.

Keywords: Private forests, agroforestry, commercialization of AF products; transit, market and value chain
1. Introduction

Growing assorted types of trees, shrubs and herbs species on private lands to fulfill basic household needs has been a long established tradition in the mountains of Nepal. These species (trees, shrubs and herbs) which are mostly of forest origin but grown in private land are called Agroforestry (AF) species. Farmers have the know-how of propagating AF species grown in their farmlands. Some example of AF species grown in private lands includes Choerospondias axillaris (Lapsi), Alnus nepalensis, (Utis), Cinnamomum tamala (tejpatta), Schima wallichii (Chilaune) at lower altitude (below 1500 m), and Quersus incana, Q semicarpifolia, Prunus serasoides (Painyu), Arundinaria intermedia (Nigalo), Sauraria nepalensis (Ghogan), Juglans regia (Okhar) etc at upper elevation (above 1500 m) of the study area. While there are various legal requirement for farmers to grow AF species on private land, at the same time there are various legal issues that hinder marketing of AF products and development of AF enterprises. Therefore, many farmers still are hesitant to grow such products in their farmlands because of legal constraints with regard to marketing (Pandit and Kuwar, 2010).

Besides policy and legal factors mentioned above, a number of other factors play an important role in marketing of forest products and services. Dhungana and Bhattarai (2008) explains various factors including policies, access to domestic and international market, production capabilities, sustainability of supplies, payment for environmental services, the economy of scale, skills and other inputs for processing their products. These factors are important to consider while promoting market and enterprise-based forest management and governance. Nepal’s attainment to the World Trade Organization (WTO) has had positive effects on the country’s forest product marketing. However, earlier studies on the demand and supply situation indicated that the timber-based option was not feasible under the existing passive mode of forest operations that are mainly focused on patrolling of forest and extraction of dead, dying and diseased trees from forests (FAO, 2000; Dhungana and Bhattarai, 2008).

Looking into this finding, NTFPs have greater potential for marketing than timber.

How much forest products are produced per year against the rate of their consumption determines the marketing potential. Therefore it is important to assess how much forest products are produced from private, community and government forests. Private forests are owned and managed by individuals or any other legally defined entity. Nearly 1 million out of about 3.4 million private agricultural holdings have planted forest trees. Of these, about 166 000 holdings have compact plantations (Singh and Chapagain, 2006). It is surprising to note that the private forest area is almost five times less than other forests, but volume of timber sale from private forests is almost double than CF and government forests (DoF, 2010). This encourages us to do analysis of private forest products marketing in this paper.

For marketing of private forest products, particularly timber, the stumbling block has been the royalty system, as it equally applies to AF products including Non-Timber Forest Products (NTFP) collected in the wild and grown in private land. Any person or organization seeking
registration of a private forest may get this done by the DFO, with explicit reference to the tree species and their numbers. Thereupon, a certificate under Forest Rule 1995 would be issued. Despite this provision of recently published Private Forest Development Directives 2011 there seems to be a lack of enforcement of contemporary policies, laws, rules and regulations related to AF products and NTFP sub-sector, particularly in cultivation and trading. This paper is part of EnLiFT project funded by the Australian Center for International Agriculture Research (ACIAR) implemented in Nepal since March 2013.

2. Methodology

Four different types of tools (key informant interviews, group discussion, expert consultations and direct observations) were used in collecting the information for this report besides the review of literatures. Review of literatures, particularly Forest Act-1993, Forest Regulation-1995 Private Forest Development Directives 2011 and Environment Protection Regulation-1997 was the main data collection source for investigating the barriers of marketing of private forestry products. However other literature review also provided an idea on which factors are affecting private forest marketing.

2.1 Interviews with key informants

Thirty (30) key informants (15 each site) were identified in Jeeta/Taxar village of Lamjung and Dhungkharka village of Kavre District. While identifying the key informants the help of previously selected Local Resource Persons, who had been the part of agroforestry training, was sought. These key informants were requested to answer some of the unstructured questions related to various issues of agroforestry in that locality. Some of the important questions asked to the key informants were on the main agroforestry products sold from the area, current marketing practices, and their mechanisms, the volume of production, emerging market opportunities including and legal issues for enhancing market potentials.

2.2 Group discussions

The key informant interview was followed by Group Discussions. Because of the limited time availability of the local people, carrying out Focus Group Discussions in each group was not feasible. However, an opportunity was taken to discuss among the members of various Forest User Groups and Local Research Groups (LRGs) on the issues of marketing private forest products. The basic questions related to market and value chain asked to the participants include: What were the main AF products sold from your area? What is the current marketing practice? What marketing facilities are locally available? What is approximate volume of production? Are there any financial institutions exist for loan? Are there any AF product based enterprises? If yes, how are they running? However, in order to assess the performance of marketing of specific products, commodity matrix ranking exercise was done using standard questions developed by the research team. This discussion has provided ample information on the subject matter. The group discussions were held for more than 2 hours each site and nearly 25 participants were present in the discussion per site.
2.3 Expert Consultations in the District and the Center

Expert consultations were carried out during evening and in the morning time with key expert personnel. Two days in April 2014 were spent in collecting some information through consultation with District Forest Officers (DFO) and other DFO officials on market issues and barriers from their districts. Additionally, at the central level policy relating to agroforestry and regulations were also discussed with the concerned personnel of two ministries (Ministry of Forest and Soil Conservation and Ministry of Environment Science and Technology).

2.4 Direct Field Observations

Besides discussing with the key informants, and with groups, extensive field visits in the form of transact survey, were carried out in two districts. The fields transact survey provided insights of the field situation and verifying the information provided by the key informants and other local experts.

These different tools have been used to capture as much relevant and reliable data as practicable within the given time frame.

3. Findings

The findings of the reviews and field practices and processes have been discussed into five main sub-sections that include (1) Provision related to AF species growing in private lands (2) Current practice (3) Process involved for AF species growing and (4) issues and (5) recommendations to overcome the policy issues hindering during AF products marketing and trade.

3.1. Provision Related to AF Species Growing in Private Lands

Chapter 8, section 38 of Forest Laws-2049 (1993) states that “the owner of the private forest may develop, conserve and manage the private forest and utilize or sell and distribute the forest products by fixing the price according to his/her will”. Section 39 has three sub-sections as stated below:

Any person or institution willing to register a private forest may apply to the District Forest Office for registration;

The District Forest Officer shall issue a certificate as prescribed after maintaining necessary records of the application received to sub-section (1); The District Forest Office may provide necessary technical assistance to the owner of the private forest who has obtained a certificate pursuant to sub-section (2). The Forest Regulation -2051 (1995) has described procedures for applying private forest registration and issuing certificate for such private forest. In order to get registration of the private land AF species, one can follow the same procedures as prescribed in Chapter 7 of Forest Regulation-1995. Some of the provisions related to these rules are stated below:
Rule 61- Application for the registration of Private Forest: Any person or institution desirous of having a registration of the private forest shall submit an application in the format as prescribed in Annex-24 to the concerned District Office along with evidence to prove the ownership on the land. In case an application is submitted pursuant to sub-rule (1), the District Forest Officer shall make necessary enquiries into the application and in case it is proved that the land mentioned in the application is owned by the applicant, he or she may register the concerned land as a Private Forest by explicitly mentioning the species and number of trees located on the land and issue a certificate thereof in the format as prescribed in Annex-25. In case the owner of a Private Forest registered pursuant to sub-rule (2) plants new trees on such land shall have to inform the District Forest Office about the same in writing explicitly mentioning the species and numbers of the forest products. Rule 63- Duplicate copy of the certificate may be given: In case the certificate of the Private Forest is lost, torn out or destroyed or otherwise rendered useless and in case the owner of the concerned Private Forest submitted an application for its duplicate copy, the District Forest Officer shall issue a duplicate copy accordingly.

3.2. Current Practice of AF Species Growing in Private Lands and Their Registration

Latest record shows that a total of 2458 Private Forests (PFs) have been registered with respective District Forest Offices under Department of Forest in Nepal. Of the total Districts, only 54 districts have records of private tree registration. Generally, Terai districts have higher number of Private Forests. For example: Morang, Sunsari and Chitwan Districts have 503, 338 and 201 Private Forests, respectively. The total area under Private Forest is 2360 ha and number of trees on private lands is more than 3 million in Nepal (records from community and private forest division, 2010).

The trade records of Kavre and Lamjung indicate that a total of 33 species’ timber of Lamjung district and almost one-third (26) of it in Kavre district were marketed during the year 2012/13. These are the lists of species marketed, but AF species available in private lands are obviously more than what was exported from each of the districts. In terms of export volume, Kavre district exported more than five times volume of cft than Lamjung (Table 1). The number of registered private forests was however more in Lamjung, but export volume was low. Despite this large volume of export in Kavre, only six farmers have registered private forests of which only one farmer contractor is belong to Chaubas village. The question arises why other farmers are not involved in marketing of timber.

Table 1: Timber and Fuelwood species in private lands and their export volume in 2012/13

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Kavre</th>
<th>Lamjung</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of tree species whose timber marketed</td>
<td>26</td>
<td>32</td>
</tr>
<tr>
<td>Volume timber (cft)</td>
<td>126681</td>
<td>23909</td>
</tr>
<tr>
<td>Vat (NPR) collected</td>
<td>1938040</td>
<td>535468</td>
</tr>
<tr>
<td>Number of private forest registered</td>
<td>6</td>
<td>40</td>
</tr>
</tbody>
</table>

Source: Record of District Forest Office, 2013
Table 2 shows that NTFPs were collected only from government forests in both districts. Data revealed that community forests and private forests did not have any NTFPs sale record. However, it is interesting to note that private land’s timber sale was almost five times higher than community forests’ sale. Similarly, fuelwood export volume was also exceptionally higher in private forests than community forests (Table 2). As indicated earlier, there were only 6 farmers in Kavre district who got private forest registration license and no farmers have more than one ha land. There will be a question how this large volume of timber and fuelwood was collected from private forests. One can simply argue that both government and community forests’ products would have been sold in the name of private forests just to avoid tax. This needs thorough investigation and inquiry to arrive at the conclusion.

Table 2: Comparison of timber, fuelwood and NTFP marketed by forest regimes and districts

<table>
<thead>
<tr>
<th>District</th>
<th>AF Products</th>
<th>Community forest</th>
<th>Government forests</th>
<th>Private forests</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Volume (Cft)/Chhata/kg</td>
<td>Royalty/VAT in NPR Kg</td>
<td>Royalty/VAT in NPR Kg</td>
</tr>
<tr>
<td>Kavre</td>
<td>Timber</td>
<td>29505</td>
<td>640608</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Fuelwood</td>
<td>6.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>NTFPs</td>
<td>-</td>
<td>-</td>
<td>10000</td>
</tr>
<tr>
<td>Lamjung</td>
<td>Timber</td>
<td>4966</td>
<td>536160</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Fuelwood</td>
<td>5.95</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>NTFPs</td>
<td>2783</td>
<td>-</td>
<td>13416</td>
</tr>
</tbody>
</table>

Source: DFO’s record, 2013

We do not have recorded data of private land NTFP cultivation; but many farming households have planted NTFPs/Medicinal and Aromatic Plant species in private lands. These species are grown in uncultivated inclusions of farmland sites such as terrace risers, farmland edges, gullies and water stream banks. Field observation shows that in two EnLIFT project sites (Dhungkharka of Kavre district and Jita/Taxar of Lamjung district), almost all households grow fodder trees on their farmlands. Many farmers (almost half) grow fuel-wood trees, fruit trees and timber trees (estimated from group discussion).

Of the total AF tree species grown in private lands, more than two-thirds are naturally growing. It is interesting to note that the number of fuelwood and timber species in Dhungkharka has more than four times than what is indicated in Table 3. Only the trees of registered private lands have been recorded in Table 1 during FGD. Farmers claimed that the trees of unregistered lands are also their own property, and these have been used as their private land trees for more than 40 years. Farmers reported that during the land survey of 2030 BS, these lands were not surveyed because of fear of land taxation. If we do not count the trees of unregistered land, an average farmer of former site (Dhungkharka) has harvestable 182 fuelwood and timber trees,
while in Lamjung (Jeeta-Taxar) this number is less than one-third (62) (Table 3), but this number is considered significant compared to other parts of Lamjung district.

Table 3: Number of Agroforestry tree species and their percentage in private land

<table>
<thead>
<tr>
<th>Type of AF tree species</th>
<th>Dhungkhaarka, Kavre (above 1500 m)</th>
<th>Jita/Taxar, Lamjung (below 1500 m)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>%</td>
</tr>
<tr>
<td>Timber/Fuel wood trees</td>
<td>182</td>
<td>63.9</td>
</tr>
<tr>
<td>Fodder trees</td>
<td>82</td>
<td>28.8</td>
</tr>
<tr>
<td>Forage/Grass bunch</td>
<td>27</td>
<td>NA</td>
</tr>
<tr>
<td>Fruit trees</td>
<td>8</td>
<td>2.8</td>
</tr>
<tr>
<td>Tree based NTFPs</td>
<td>13</td>
<td>4.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>285</td>
<td></td>
</tr>
</tbody>
</table>

Source: FGD and KI interviews, 2014

Farmers complained that despite this large number of timber trees on their farm, they cannot sell the timber directly to district or regional markets, where the rate is three to four times higher, without permits from DFO because they have not registered these trees as private forests despite their willingness. Farmers reported that the registration process and acquiring permission for transportation is very complicated (see proceeding section-2.3)

3.3. Process Involved for AF Tree Species Registration in Private Land

Based on field observation, and consultation with DFO officials, private AF species growers and civil societies, we investigated the following seven steps, among others, for private land AF species registration. In one step, there are other sub-steps and processes as highlighted below:

1. Farmer needs to make an application (see format for application in Annex 1) to concerned DFO for private NTFP tree registration with the following documents:
2. Photocopy of land certificate of the proposed Private Forest
3. Attested copy of the citizenship certificate of the concerned farmer
4. Recommendation letter from the respective VDC office.
5. Photocopy of the land tax payment receipt
6. Payment receipt from district land Measurement Office (DLMO) for survey work. The fee rate differs from one village to another and one district to another district. The rate is fixed based on the following three criteria: (i) Travel and field allowance/DSA of the staff involved; (ii) Stationary cost not exceeding 15 percent of the DSA costs and (iii) Survey instrument rental as fixed by General Manager of the Land Survey Division (Land Survey Regulation-2058
(2001), Rule 33-page 106). For instance, one time fee for Dhunkharka visit is fixed NPR 1780 (Notice of DLMO of Kavre). This will be multiplied by 2 if the concern staff stays in the field for additional one day work. The one day fee is equivalent to 1 ropani (20 ropani = 1 ha) land survey. The rate of Chaubas is higher, which is NPR 2294. This fee needs to be deposited into the Government treasury or account prior to field visit. There are other costs involved for this work, DFO forwards the application to respective Range Post.

A meeting is held between or among DFO, Ranger and District land measurement office (DLMO) staff for field visit plan. DLMO staff and DFO staff undertake field visit and conduct the private land tree counting and verification. DLMO staff submits the tree counting and verification report to the DFO. Based on DLSO staff report, the exact number of AF trees grown in private lands of the applicant farmers will be approved by the DFO. Private tree registration certificate is then granted to applicant farmer (see annex 2 for template certificate).

The field observation revealed that there have been some problems in the process of implementation of Forest Regulation- 1995 in both project districts. In principle, DFO officials are positive and show willingness to complete the registration process in time. On the top of it the Private Forest Development Directives 2011 has tried to explain some of the complex processes as well. This was reflected in various meetings and workshops held locally. However, there are some unseen factors involved, which is the stumbling block to make things happen promptly and in timely manner. The important factor is primarily of royalty payment to be made by AF product growers or local traders to DFO for release order and transit permit. It appears as if there are some undue advantages being rooted in this system. It is because the process set out by the Government to register trees growing in private land is not clear and there is a lack of clarity both related to provisions and their implementation. For instance, the payment to be made to DLMO by tree growers is not clear in any of the rules (either Forest or Land survey) discussed earlier. This has a serious implication to enable local communities to engage in the AF product value chains.

3.4 Transit and Transportation

In Nepal, the cultivation or collection, use and transportation of AF products are legally governed by the Forest Act 1993 and Forest Regulation 1995 (HMGN 1995) which guide the use and transportation patterns of MAPs and NTFPs. The Forest Regulation 1995 has attempted to facilitate common people to benefit from AF products. The District Forest Office is the sole authority to provide permit for transport of AF products to different destinations. This has been mentioned in the Rule 11 of the Forest Regulation 1995. The AF growers need to apply to DFO for transit/transportation permit (See Rule 62).

Rule 62- Transportation of Forest Products: In case the owner of a Private Forest wants to use the Forest Products of the Private Forest for his/her own purposes at the place where they are located, he/she may do so after notifying the District Forest Office in writing either directly or through the concerned Area Forest Office at least twenty-four hours before such use. However, he/she should also submit a recommendation letter from the concerned village development
committee (VDC) or Municipality explicitly together with such notification mentioning the
categories and quantities of such Forest Products.

The owner of the Private Forest registered under this Chapter may transport the Forest
Products of the Private Forest by providing a written notice thereof to the concerned District
Forest Office at least twenty four hours in advance. Prior to get release order from the DFO
for any forest products to be transported, he/she should submit a recommendation letter of
the concerned village development committee (VDC) or Municipality explicitly mentioning
the categories and quantities of such Forest Products. During transportation of such product,
he/she should endorse this matter from concern Forest check posts located en route.

The owner of Private Forest which is not registered under this Chapter shall submit an
application to the District Forest Office either directly or through the Area Forest Office to
harvest Forest Products/Timber on his/her Private Forest. The District Forest Officer may
conduct necessary enquiries into the application and grant permission to cut the trees.

The Forest Products/Timber from a private Forest mentioned in the sub-rule (3) may be
transported only after obtaining a release order from the concerned District Forest Office and
having the matter endorsed by the check posts en route.

The owner of AF products who wants to transport the products from one place to other
place, needs to pay the required royalty amount and get the transportation permit (Chod Purji)
from the District Forest Officer with a provision of fixed time limit to transport the products
from source to destination (Rule 62- sub-rule 2). The transportation period can be renewed
by the DFO in case of failure to materialize the transport of the raw materials within the
pre-fixed duration. While transporting products, consignment is required to be checked and
endorsed by various levels of forest authorities on the back of the authorized letter, the process
popularly known as Dar Pith or re-confO{rmation. This means, on the way to destination
the consignment, certified by the DFO, is cross-checked and endorsed by all the Range Posts
and other Forest Department offices en route. It is the obligation of the transporter to get
the endorsement from every check post en route. Thus, the number of endorsements or re-
confirming points depends on number of districts and the distance needed to be crossed.

3.4.1 Major Problems Being Encountered

The collected forest produces are usually of two types – those collected from the forest and
those produced in private land. But there is no distinction or separate provision of royalty
collection between these two groups of raw materials. The responsibility of the DFO lies
in collecting the royalty on the raw materials intended for transportation as per the Forest
Regulation 1995 (Annex 3). Therefore, as a rule, collectors/farmers/traders are required to
pay royalty for the private land products as well.

The practice of endorsing en-route has been experienced by many stakeholders/traders as
cumber some process leading to high transaction costs and there are many complaints
against this procedure. Checking the products by all en-route check posts has been considered
a big hassle to AF products transporters, also mentioned by many previous studies. The
most intriguing part of this procedure is that almost none of these checking stations have weighing equipment or assisting labors, and these have to be managed by the owner and the transporter themselves. On many occasions, the checking authorities also lack knowledge on identification of different AF products. Therefore, in almost every checking station long debates and altercations take place regarding the authenticity of the material being transported, accompanied by some undue dealings, and finally the type and quantity of the raw materials are endorsed in line with the original certificate.

It has been experienced by many that while transporting AF products from some other agencies, which are not authorized to verify and endorse the DFO permit, are also creating unwanted hassles. These include District Development Committee assigned contractors, Village Development Committees, Police Check Posts, and even Traffic Police posts en route.

3.4.2 IEE and EIA for Private Forest products

The private land tree registration has been affected by conflicting sectoral and cross-sectoral policies and laws. For instance: any forest-based industry to be operated at local level should conduct either IEE or EIA based on several criteria such as the quantity of products (5-50 t/year harvest requires IEE and more than 50t/year requires EIA) to be harvested from the particular forest (Nepal Gazette, 2009- Environment Protection Regulation-1997- Rule 3-Annex 1). This rule applies only to roots based products (such as kudki and sugandhawal). For other products such as cinnamon bark, Shorea seed, soap nut, amala, cinnamon leaf can be harvested up to 100 tons without EIA. More than this quantity (i.e. >100 tons) requires Environment Impact Assessment (Nepal Gazette, 2009- pp 11). This provision is made under Environment Protection Regulation- 1997 in rule 3 (Annex 2). The environment protection Act and Regulation- 1997 considers the whole district as one unit for export of particular product mentioned above. However, these laws and Regulations remain silent for the product harvested from private lands. If the private tree registration does not take place, the product harvested from private land also has to go through the same procedure as that of products collected from government forests. This has serious implication for local communities who are willing to establish AF product based enterprises. In addition to these provisions, the Private Forest Development Directives 2011 (Section 14, clause 32 b) mentions that government can ban collecting, use and sell of rare, endangered forestry products through public notice. However, Government can issue the permission for use of such products if the DFO recommends and assure the regeneration status of these species is not threatened.

Policy process and enactment:

In general, all policies in Nepal are drafted by a group of concern experts working in the respective institution to begin with. In some cases, the draft policies are discussed on regional basis as well. The policies, thus drafted are discussed on larger forum in the concerned ministry. The ministry, if need be, will seek the expert suggestions from other entities (NGOs, INGOs, and other entity) and once it is finalized, the concerned ministry sends it to the ministry of Law and Justice for their inputs. The ministry of Law and Justice will provide their views especially they will look at if there are some contradiction on the previous Act and Regulations of similar
nature. This process continues with other ministries as well and when it gets green signal from all the concerned ministries, then the parent ministry sends the draft policy to the cabinet for its approval. The policies thus received in the cabinet are discussed extensively before in various sub committees of the cabinet. This process takes quite long time if there are some complications especially related with financial matters.

Once all sub-committee of the cabinet gives the green signal then the cabinet approves the policies then it will send to the parent ministry to put forward to the parliament. In the parliament also, discussions take place among its members and once finalized it appears in the Nepal Gazette.

The policy formation process, although takes quite some time but most of the stakeholders are aware of it before it gets public. Recently, the project ‘Enhancing livelihoods and food security through Agroforestry and Community Forestry (EnLIFT) in Nepal has initiated policy lab discussions to feedback the government for policy change.

3.6 Recommendations for policy change

Prepare and enforce simple private tree registration guidelines. Despite the provision for private tree registration, farmers are not able to register their AF trees grown on private lands. Therefore, the Department of Forest (DoF) needs to prepare a standard guideline or mechanism for private land tree registration so that the owners can easily sell their products harvested from their farmlands and also the decision doesn’t change with the change in the DFO officials thereafter.

Formulate different royalty system for forest based and farm based products. There is a need to have separate provision of royalty collection between forest based and farm based products. Paying VAT to the Government for AF products sale is not appropriate, so we recommend revisiting this rule so the private tree growers get more incentives and less tax burdens. Simplify en-route checking and limit product verification at the site of origin. The practice of endorsing the products en-route has become a cumbersome process, leading to high transaction costs in the marketing process. Farmers and traders have lodged many complaints against this rule. Therefore this rule should be simplified by suspending en-route checking requirement. It is sufficient to have a provision of inspecting a product at origin and destination.

Amend environmental regulations to waive IEE and EIA requirements for private forestry products. The amended version (2009) of Environment Protection Act and Regulation 1997 are still ambiguous and not clear, particularly in terms of area of collection or harvest, quantity of specific product to be harvested, and time of collection. Therefore, there needs an amendment in Environment Protection Act and Regulation. The amendment of Forest laws and Regulation is needed so that private land AF species do not need to fulfill the requirement of IEE and EIA.

Remove land taxes for private forestry. It is obvious that the private land AF trees cultivation have certain environmental values which have not been legally considered by any of the forest related laws, policies and rules in Nepal. As explained earlier, the Department of Land Survey charges some fees to the private land tree growers for verification and counting of trees grown
or cultivated in private lands. In order to encourage farmers to grow AF tree species in their private farmlands, the Department of Land Survey is suggested to exempt or avoid such fees and taxes (Land Survey Regulation-2001 Rule 33 and Guidelines-3). We request MFSC to recommend this change to Ministry of Land Reform.

Revise Annex 24 of forest regulations 1995 with clear differentiation of trees, shrubs and herbs. Application format as shown in Annex 24 of Forest Regulation1995- Rule 61 (sub-rule 1) is not complete for listing various types of AF species. There should be separate column for tree based, shrub based and herb based products so that listing could be easier and well documented.

References
Department of Forests, 2010. Records from community and private forest division, MoFSC (unpublished report)


GON, 2011. Private Forest Development Directives, Department of Forests, Ministry of Forest and Soil Conservation (MoFSC), Nepal.


Annex 1: Application to be submitted for the registration of the Private Forest (Annex 24-relating to Forest rule 61 (sub-rule 1))

To, District Forest Officer,
District Forest Office,

............................................................

I/we hereby request that the trees planted by me/us in my/our cultivated land be registered under the Forest Act, 1993 and the Forest Regulation, 1995. The particulars relating to the species and the number of trees planted by me/us and the area covered by them are given below. I/we have also attached herewith the evidence of the ownership of the land possessed by me/us.

Particulars

<table>
<thead>
<tr>
<th>Serial No</th>
<th>Plot no</th>
<th>Area of Land</th>
<th>Species of trees and plants</th>
<th>No of tree and plants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Applicant
Name and Surname:
Address:
Date:
Annex 2- Certificate of the Registration of the Private Forest (Annex 25 relating to sub-rule (2) of Rule 64)

Government of Nepal
Ministry of Forest and Soil Conservation
Department of Forest
District Forest Office,

To: ……………………………………………………

…………………………………………………………

As an action taken on the application submitted by you to this office for registration of private Forest, the forest products planted in the following cultivated land have been registered as a Private Forest and this certificate has been issued accordingly, subject to Forest Act 1993 and the Forest Regulation, 1995.

Name:
Boundaries:
Area:
Species of Forest Products:
Number of Forest Products:

Certificate Issuing Officer
Name and surname:
Designation:
Signature:
Date:

Note: In case of the certificate is lost, torn-out or destroyed, another certificate is issued on the payment of twenty-five Rupees.