

Cluster Level Mechanism

A case of evolution and development
in Chautara



Background

The term 'cluster', in the context of EnLiFT2 (Enhancing Livelihood from Improved Forest Management in Nepal) project is used to refer to a group of community forests, leasehold forests and private forests in and around a specific forest patch. The idea emerged in response to low access to technical and institutional services and high operating costs of individual forest management units that has resulted in low returns thereby disincentivising forest managers. The scale of management is an important factor determining transaction costs, especially in the context of increasing interface with the market and associated regulatory compliance. In fact, low scale of operation, increasing market competition and exhaustive compliance requirements have weakened the economic rationale of forestry business in Nepalese hills. Most of the community forest operational plans (CFOPs) are expired and revising them would incur huge costs. Similarly, there is personnel lacking to prepare and submit various documents to the District Forest Office (DFO) annually. In this context, clustering of forest management units can be one of the strategies to make forestry business economically viable and materialize the Ministry of Forests and Environment' (MOFE) motto: forestry for prosperity. This report documents the EnLiFT2 initiatives in piloting of the idea of clustering in Chautara Sangachowkgadhi Municipality in Sindhupalchowk district.

Evolution of cluster mechanism

Emergence of the idea

As a part of enhancing our understanding of local government and community forestry (LG-CF) collaboration, we were organizing a series of meetings of CFUGs in Chautara-Sangachowkgadhi Municipality, especially in ward 8 and 13. In almost all meetings, a pessimistic picture dominated the discussion: long, exhaustive regulatory requirements, exploitative and non-transparent market, outmigration and lack of youth leadership, lack of needed technical and institutional services, among others. Small scale of operations and high transaction costs have weakened the economic incentive to local communities and individuals. Consequently, no one is interested to invest their time and efforts in forest management.

The idea of clustering emerged during a meeting of 10 CFUGs of ward 13. If the 10 CFUGs can develop a mechanism to have their own forest technician, they could have a designated person to help develop their CFOPs, audit reports, progress reports and annual plans, regularize executive committee (EC) meetings, annual general meetings and support forest management. If the 10 CFUGs can pool their forest products that would make a good volume for auction in a competitive market. This will reduce transaction cost per unit and therefore increase the profitability. Moreover, pooling products from a group of forests in a cluster can make a good volume to feed to any potential forest-based enterprises. The idea was discussed among Ram Prasad Gautam (Chair - Ward 13), Daya Laxmi Shrestha (Secretary - FECOFUN Sindhupalchowk) and EnLiFT2 team. Later this idea was shared with Tirtha Shrestha (Chair - Ward 8). We then had a joint meeting of two ward chairs, FECOFUN (Federation of Community Forestry Users Nepal) leaders and EnLiFT2 team. We decided to test the idea combining the 18 CFUGs in the two wards. A meeting of 18 CFUGs was organized in Sansari Dada, in which they shared the idea and discussed it. The CFUG leaders strongly supported the cluster mechanism idea. After discussion with DFO staff in Chautara, we decided to pilot this idea by forming a joint mechanism of two wards (8 and 13) along with FECOFUN, DFO and representatives of the CFUGs in those wards.

Legal formality

The Cluster Level Mechanism needed legal formality because:

- The functioning of the mechanism would involve financial transactions for which a legal entity is mandatory.
- As the Ward Chairpersons were to co-chair the mechanism, they felt uncomfortable to chair an informal entity.
- The mechanism aimed at providing technical and institutional services in collaboration with other legal entities such as DFO, Municipality and private sector. A legal identity would foster such collaboration. Moreover, a legal entity would facilitate forest product pooling and joint business.
- The DFO had purchased a portable sawmill to facilitate on-site milling of timber. The mill had to be handed over to the CFUGs to benefit from its sawing service. However, the DFO suggested that it could handover the mill to the mechanism once it gets a legal recognition.

During the legalizing process, a series of meeting were held among the Ward Chairs, Municipality Office (Administrative Officer), DFO, FECOFUN, CFUGs and EnLiFT2 team (See Table 1). Most of the administrative/technical documents were prepared by EnLiFT2 researchers.

Table 1: Legal process in practice

S.N	Activity detail	Date	Remarks
1	Committee Formation	19 th , March 2021	First formal joint meeting of two Ward Chairs and other key members was held in Ward 8 office in Irkhu.
2	Operational guideline preparation	7th April 2021	Shyam Bhandari, Madan Bashyal and Ramsharam BK developed a draft.
3	Constitution finalized	17th Nov 2021	
4	Constitution signed by all the committee representatives	24-25 Nov 2021	
5	Constitution submitted to the Municipality	26th Nov 2021	
6	Working procedure for the organization's registration submitted to the Municipality	10th Feb 2022	The Procedure was prerequisite to register the Cluster level mechanism. EnLiFT2 developed a draft and shared it with the Municipality officials
7	Documents (re-signed constitution and operational guideline)	24th and 25th Feb 2022	Previously submitted documents were misplaced in the municipality; so, needed to resubmit.
8	Municipality issued a certificate of registration	7th Mar 2022	
9	PAN registration	9th Sep 2022	Ram P Gautam, Ward Chair-13 had to travel to Dhulikhel Tax Office to get this number. Moreover, he had to submit personal documents on behalf of the Cluster Mechanism.
10	Bank account opening	11th Sep 2022	

Consolidation

Stakeholder meetings

Two meetings, one in each Ward (8 and 13) were conducted among the representatives of the two Wards, FECOFUN, CFUGs and EnLiFT2. Participants discussed the idea of 'cooperative model for forest management'. Dayalaxmi Shrestha, secretary of FECOFUN, Chautara and chairperson of Shreechhap Deurali CFUG said- "*If the cooperative helps in selling timber, the profit that middle man received during tender process will return to the CF.*"

However, the Ward representatives did not like the idea of cooperative because of their bad past experience with the agriculture cooperative. Mr. Karsang Tamang, Ward-8 member, stated- "*The idea of cooperative is very good. However, we had a bad experience in the past. The agriculture cooperative of Irkhu did not perform well during the fertilizer distribution. If similar things are going to happen, then it is not necessary to establish any cooperatives anymore. Also, if you are going to look after party and politics while selecting the beneficiaries as done by the agriculture cooperatives, then no cooperatives are required here.*"

Most of the participants favoured the idea of the cluster level mechanism for forest management. One FECOFUN leader however, showed some concerns.



Mr. Binod Sapkota, chairperson of FECOFUN Bagmati province, during a visit program by high level policy makers, questioned on the formation of cluster mechanism entity. He said- "*As FECOFUN is already there why we need a new mechanism? Local government can support CFUGs and other groups on their own. But forming new mechanism can be a threat to FECOFUN.*" However, FECOFUN leaders in Chautara (Chairperson and Secretary) have been positive on the idea and they have strongly owned and supported the idea throughout its development.

Ram Prasad Gautam, the Chairperson of Ward-13, formed a three member working committee to assess the status and interest of the CFUGs, prepared cost benefit analysis of the mechanism and potential model to employ and mobilize the forest technician. Ward 8 on the other hand preferred the mechanism to conduct jointly by both the wards rather than individually. They thought operating individually would be costly. Details of stakeholder meetings are given in Annex 1.

Joint meetings between the wards

A meeting of two ward chairs decided to proceed with the formation of the cluster mechanism. Accordingly, they invited key actors and organized a second meeting. The meeting formed a nine-member ad hoc committee comprising: two ward chair, AFO-Chautara, FECOFUN Chair, two CFUG representatives (one from each ward) and EnLiFT2 researcher. This ad hoc committee then decided to develop its constitution and working procedure. They also discussed on financing the mechanism. Nepalese Rupees (NPR) 600,000 was the estimated annual cost, most of it to hire a forest technician and others for some operational costs. After discussion on the diverse potential sources of financing, CFUG's forest management revenue, wards' annual budget and EnLiFT2 support were identified as the major sources. Accordingly, raising one-third from each of these sources was agreed as a rational idea. (Event's detail in Annex II, 1)

Meeting with DFO

The ad hoc committee visited DFO and met with Lok Raj Nepal (DFO), seeking his support for the mechanism. The DFO appreciated the idea of complementary service provisions to the CFUGs and other forest managers which would help revitalize the CFUGs towards active forest management.

DFO said, "*Forest management is an urgent work needed to be done by DFO but due to lack of human resources and multiple responsibilities (technical, administration, security, semi-judicial) given to the DFO staff, it has not been possible to focus enough on community forest management. The concept of hiring a technical person through the cluster mechanism is an innovative idea. However, if such technicians are regarded as part of DFO staff and work closely with our AFOs they can work effectively, and this system will function better.*" (Event's details in Annex 1)

The idea of Cluster Level Mechanism was also discussed between the two DFOs (Kavreplanchowk and Sindhupalchowk) and EnLiFT2 leaders (Ian, Edwin and Naya) in Dhulikhel. Both the DFOs appreciated the idea and assured their support to capacitate these mechanisms.

Legal registration

The ad hoc committee met three times to complete the registration in the Municipality. They reviewed and finalized their constitution and working plan. The mechanism was registered with title "Cluster Level Forest Management Committee" (CLFMC). (Events details in Annex 1)

Meetings with the CFUGs

The ad hoc committee organized two separate meetings with CFUGs one under each ward to get CFUG's commitment to the financial contribution based on their relative incomes. As the range of CFUG income was known to all the participants they reached to a fair share of contribution for each CFUG and committed to the agreed amount (Events detail in Annex 1).

Provision of technical services through a forest technician

The ad hoc committee organized a meeting to initiate the forest technician recruitment process. They discussed on the terms of reference for the technician and decided to publish a 15 days vacancy notice on a daily newspaper. Around 25 applications were collected during the period. Following that, the committee held a meeting to proceed with the recruitment process. They formed a four member "Forest Technician Selection Committee" involving Chair of the ad hoc committee, DFO, FECOFUN and EnLiFT2 representative. The selection committee determined the shortlisting criteria for the applicants through the meeting. After that, the committee shortlisted the applicants and selected a "Forest Technician" among the five shortlisted candidates following their interview. The forest technician was recruited in 1 August 2022. Separate office room within the Irkhu Health Post building, with some logistics arrangement including furniture was managed by the cluster committee.

Trainings and workshops

The ad hoc committee also conducted a meeting where they developed some training packages for selective themes including forest fire management, gender and social inclusion, entrepreneurship and enterprise, CFUG planning and capacity development workshops, and NTFPs related workshops, which were mainly aimed at capacity building of CFUGs. Among those, two training events (Forest Fire Management Training and Women Leadership Development in Forest Management Training) have already been organized for the member CFUGs (events details in Annex 2).





Strengths and Weaknesses

Legal space

The mechanism operates within the Local Government Operation Act 2017 which empowers the local governments to develop their own regulatory instruments to register and regulate such entities. Besides, the Act, mandates local governments to support CFUGs, receive 10% of their forest income. Though, governing forests is also under concurrent list of the Constitution of Nepal (2015), Forest Act 2019 does not provide local governments any concrete and clear rights over forest management. However, the Forest Act 2019 instructs CFUGs to share 37.5% of their forest income with the local government. Moreover, the CFUGs have to submit their OP to them and seek their recommendation before submitting to DFO for approval. The spirit of the Constitution, Local Government Operation Act 2017, Forest Act 2019 and Forest Rules 2022 (See Annex 3 for specific provisions) suggest that such mechanism can take facilitative roles in:

- Synergizing the planning between local governments and CFUGs.
- Livelihood development of women, Dalit and marginalized groups through facilitation in the fund mobilization of the CFUGs.
- Create synergy in the financial and human resource of the stakeholders.
- Facilitate the governance, institutional and administrative aspects of the CFUGs.
- Maintain inclusiveness and participatory planning.
- Develop new financing mechanism to provide technical and institutional services to CFUGs, other forestry groups and private forest owner farmers.

Stakeholder response

a. Local Government

Local Government leaders and officials have appreciated the idea of the mechanism and are supporting it throughout the process. They see it as an effective way to capacitate CFUGs in their institutional functions, regularize forest management and increase forest-based income and employment. They are supporting the current pilot and ready to replicate it across the municipality. Of course, sustainability is one of their concerns.

b. DFO/ S-DFO

The DFO, Sindhupalchowk has been positive towards the concept of this mechanism since the beginning. They have acknowledged the gaps in their service flow to the CFUGs and other forest managers and expect the new mechanism to fill up some of the gaps. However, they are concerned whether the service receivers will get confused on the roles and responsibilities of cluster's forest technician and DFO staffs. They also suggested that stakeholders should consider the forest technician as DFO's technician rather than local government's or CFUG's technician. Furthermore, they also suggested to have clear guideline and Term of Reference (TOR) to implement the mechanism.

Mr. K.B Thapa from DFO said- *"It is challenging for all of us as we all are being observed for our performance through this mechanism by the national level authorities. If this mechanism becomes successful, it could be replicated throughout the country."*

c. FECOFUN

FECOFUN initially supported the idea of forest cooperative. They were of the view that cooperative mechanism can help retain the forest economy within their control and safeguard their members from exploitative market. When the discussion gradually shifted towards the modality of local NGO, some leaders have expressed their concerns whether the mechanism will ultimately undermine FECOFUN.

While fulfilling the administrative requirement as well (finalizing the constitution and bank account opening) FECOFUN showed some reservation on who would be the signatories. The idea of having two co-chairs of the committee as signatories was not easily accepted by the FECOFUN as they were in favor of including CFUGs as signatories as well since they are also financially contributing to the mechanism. However, at last they supported provision of two co-chairs as signatories.

d. CFUGs

From the past experience "Forest Network" established in the municipality, some CFUGs (eg. Sanasaridanda which have interacted multiple times with DFO for their own administrative and technical works) of the Ward 8 have some doubts on DFO acknowledging and accepting the documents prepared by mechanism's forest technicians. In the initial days, where the discussion started with the idea of cooperative mechanism, the CFUGs of Ward 8 expressed the requirement of two technical persons - one with the knowledge on cooperative and another with the experience in forestry sectors. They also preferred the joint approach with Ward 13 rather than have an independent mechanism, which would strengthen the financing of the mechanism. The CFUGs of both the wards were ready to contribute financially to the mechanism as per their income status which demonstrates their acceptance for the mechanism. Some CFUGs have committed to contribute NPR 50,000 and some NPR 2,000. The variation shows the harmony and collaborating prospect of the CFUGs for the mechanism.

Our own reflections

- ❖ The mechanism is under experimentation and it has not yet delivered concrete benefits to the CFUG. Until then, there will remain some doubts among the CFUGs, leasehold forest groups and private forest owners.
- ❖ Stakeholders are volunteering their time to develop the Mechanism and make it function. For how long they can serve under current arrangements is a sustainability question.
- ❖ CFUGs have attended several meetings regarding the mechanism. They seem to have at least some information regarding the mechanism. However, they seem to have some kind of confusion while seeking the services from the forest technician (confusion regarding the role of cluster's forest technician vs. DFO staffs). Over reliance on Cluster technician might reduce their interface with DFO/sub-division.
- ❖ There is clarity regarding the cost of the technical person only. However, there is no clarity on the financing of additional investments for actions that have been planned by the Cluster Mechanism.

Reflection from forest technician

a. **Date:** 8th Sep 2022

Event: Meeting of CLFMC

Summary: As per the meeting with forest technician (Chautara), he has not received the expected support from the Mechanism leaders. On the other hand, CFUGs are too passive and will need major efforts to revitalize. In fact, many are not keen to get his support in moving actions on their CFUGs. This will demand their own time, which they are not ready without visible incentives. Majority of executives live in Kathmandu and have no time to invest to CFUGs.

Ongoing actions

Institutional Development

Executive committee of four CFUGs (Rolpakha, Deurali Mahila, Jhyali Khola and Bhedegoth) conducted their annual planning meetings. General assembly of four CFUGs (Bajhe Kapase, Jhyali Khola, Bhedegoth and Bimreni) out of 18 of the clusters have been conducted and remaining are planning their assemblies in the coming days. All those CFUGs conducted social audit as their incomes were less than NPR 50,000. Informal coordination with the office bearers of the executive committees are ongoing.

Agro/Private Forest

One trial plot of coffee plantation (1500 seedlings) has been established by the group of seven farmers in the seedlings and technical support of EnLiFT2 project. Similarly, the measurement of demonstration plots of one private forest was conducted in Dadhuwa, Sindhupalchok. The process for the formation of the private forest owner's network is ongoing.

Annexes

Annex 1: Actions for the cluster level forest management mechanism

- a. **Date:** 9th January 2020
Event: Joint meeting of ward level CFUGs (Chautara - 8)
Summary: Both Ward Chairpersons, FECOFUN, and selected CFUGs leaders of Chautara 8 and EnLiFT2 project attended the joint meeting of ward level CFUGs from Chautara 8 conducted at Irkhu. The meeting focused on finding the suitable collective action modality for the management of community forests and CFUGs in two wards. During the meeting, the project forwarded the "Cooperative of community forests" as one alternative which will be responsible for allocating technical person to prepare and revise operational plans, maintain detail documents of community forests, and audit report among others, to reduce the burden of CFUGs. Some representatives of local government were concerned whether the cooperative will bias the CFUGs as agricultural cooperatives did for farmers. CFUGs were concerned whether documents prepared by an outside technician will be recognized by the DFO. However, FECOFUN supported the idea as the cooperatives or any other similar mechanism may help in reducing the leakage during forest product trade. (Folder: Cluster mechanism Chautara, filename: 9thJan020 Chautara)

- b. **Date:** 24th November 2020
Event: Interaction with stakeholders
Summary: The municipality level interaction program was organized by FECOFUN Sindhupalchowk in Chautara. Forty-two participants representing Municipality, DFO, FECOFUN and EnLiFT2 attended the meeting. The program focused on discussing the "Current issues and user-friendly policies." It was organized in the context of CFUG being unable to harvest forest products. Coordination and support of stakeholders, especially local government and DFO was found to be crucial for facilitating forest management. During the program, Municipality Chair expressed his support to collaborate with DFO and others for forest management, prepare the local level forest related policies/laws and better implementation of it. (Folder: Cluster mechanism Chautara, filename: 24thNov020 Chautara)

- c. **Date:** 23rd December 2020
Event: Interaction meeting with ward level CFUGs (Chautara 13)
Summary: The meeting was conducted in ward office of Chautara 13 among Ward representatives, FECOFUN and CFUGs to discuss on issues on the CF management, CFUG's governance and way outs. The meeting decided to study the prospects of deploying a forest technician with the joint support from ward, FECOFUN, CFUGs and EnLiFT2. A three-member working committee was formed to submit the status and interest of all CFUGs, prepare cost/benefit analysis and potential model to employ and mobilize the forest technician within the ward or if needed, they can go jointly with another ward. (Folder: Cluster mechanism Chautara, filename: 23rdDec020 Chautara)

- d. **Date:** 8th March 2021
Event: Ward Level Meeting with CFUGs (Ward 8)
Summary: The meeting was conducted in Irkhu among 18 participants from different stakeholders (Ward Chairs, FECOFUN, CFUGs). They discussed about coordination between CFUGs, inter ward coordination, municipality forest act etc.
- e. **Date:** 12th March 2021
Event: Ward level CFUGs (Ward13)
Summary: Over 25 participants from local government, FECOFUN, CFUGs and EnLiFT2 attended the meeting conducted at ward office of Chautara 13. The working guideline to hire and mobilize the forest technician prepared by the committee formed in 23rd Dec 2020 in Ward 13 was endorsed by the meeting and decided to present the guideline in the joint meeting of both wards. (*Folder: Cluster mechanism Chautara, filename: 12 14Mar021 Chautara*)
- f. **Date:** 14th March 2021
Event: Joint meeting with local government (Chautara-8 & 13)
Summary: The meeting was conducted in Irkhu ward office among the representatives of the local government (Chautara- 8 & 13) and EnLiFT2 team. During the meeting both the wards agreed to cooperate in forest management jointly. (*Folder: Cluster mechanism Chautara, filename: 12 14Mar021 Chautara*)
- g. **Date:** 14th March 2021
Event: Meeting with DFO, Sindhupalchowk
Summary: The DFO was updated on the whole process and series of meetings. Some discussion went around the scope of this mechanism so that it does not overlap with those of DFO, FECOFUN or that of the Municipality. DFO appreciated the idea and assured his support to the mechanism. He also shared that the technical person should not be considered as the staff of local government or CFUG rather as a DFO to respond to the confusion among stakeholders, mainly CFUGs. (*Folder: Cluster mechanism Chautara, filename: 12 14Mar021 DFO Chautara*)
- h. **Date:** 18-19 March 2021
Event: Field coordination, progress review and planning meeting
Summary: Following the recommendation from the Mid-Term Review (MTR) of the project, EnLiFT2 conducted the joint meeting of DFO team from Kavrepalanchowk and Sindhupalchowk where total 19 participants took part in the meeting. The progress of the project, challenges and MTR recommendations were shared among the participants by the project team of which the cluster level forest management was one. Both the DFO teams appreciated the approach. (*Folder: Cluster mechanism Chautara, filename: 18 19thMar021 Sukute*)
- i. **Date:** 19th March 2021
Event: CFUG network meeting (Wards 8 and 13)
Summary: The meeting was conducted in Jalkeni mod, Chautara with 33 participants from local government, DFO/S-DFO, FECOFUN, CFUGs and EnLiFT2 to form the inter ward forest coordination committee. A nine-member ad hoc committee was formed, which was represented by LGs (two co-chairs), FECOFUN, S-DFO, Forest Network, CFUGs and EnLiFT2. (*Folder: Cluster mechanism Chautara, filename: 19thMar021 Chautara*)

- j. **Date:** 21st April 2021
Event: Meeting of cluster mechanism
Summary: The meeting was conducted among the members of committee and decided to publish the vacancy for forest technician in Lokpriya Daily on 22nd April 2021 and conduct meeting with administrative stakeholders for the registration process of this mechanism. (Based on meeting minute)
- k. **Date:** 7th August 2021
Event: Meeting of ward level CFUGs (ward 13)
Summary: The meeting was conducted in Jalkeni mod among the representatives of local government, CFUGs, leasehold forests to make participants aware on the need and importance of the mechanism and also their financial support for the mechanism. The meeting decided to organize another meeting to allocate resources/budget for the mechanism. (Folder: Cluster mechanism Chautara, filename: 7thAug021 Chautara)
- l. **Date:** 11th August 2021
Event: Meeting of ward level CFUGs (Chautara 13)
Summary: Through the meeting, the CFUGs committed to contribute financially to the mechanism on the basis of their income status. Shreechhap CFUG, the CFUG having highest income in the ward committed to contribute NPR 50,000 while the least was contributed by Jhyalikhola and Dhappakha CFUGs i.e. NPR 2000 each. The meeting was conducted in Shreechhap CFUG office hall. (Folder: Cluster mechanism Chautara, filename: 11thAug021 Chautara)

Budget Allocation by CFUGs

1. Mahakal: NPR 4000/-
 2. Jhyalikhola: NPR 2000/-
 3. Bimreni: NPR 11,000/-
 4. Narayan Devi: NPR 5,000/-
 5. Tamakhani: NPR 11,000/-
 6. Dhappakha: NPR 2000/-
 7. Deurali Mahila: NPR 11,000/-
 8. Bhedigoth: NPR 11,000/-
 9. Rolpkaha: NPR 15,000/-
 10. Shreechhap: NPR 50,000/-
- m. **Date:** 21st August 2021
Event: Meeting of ward level CFUGs (Ward 8)
Summary: Through the meeting conducted in ward office hall of Irkhu, Sansari CFUG committed to contribute NPR 25,000 for the mechanism where other shared the status of their CFUGs. (Folder: Cluster mechanism Chautara, filename: 21stAug021 Chautara)
- n. **Date:** 16th Nov 2021
Event: Meeting of cluster mechanism
Summary: The meeting was conducted to finalize the constitution of the mechanism and registration process. The name of the mechanism was finalized as "Cluster Level Forest Management Committee (CLFMC)" and its constitution was endorsed by the meeting. (Based on meeting minute)

(The required documents including the recommendation letter from the DFO was submitted to the municipality office for the registration. The first time submitted documents was misplaced in the municipality office and were submitted for the second time on 26th Nov 2021. There is a provision that LGs should first endorse the organization registration and renew guideline which was not done yet in the municipality. After the municipality endorsed the guideline, the CLFMC was registered on 7th March 2022. The mechanism was registered in PAN on 9th Sep 2022 and the bank account was opened on 11th Sep 2022)

Annex 2: Actions by the Cluster Level Forest Management Committee

- o. **Date:** 11th March 2022
Event: Meeting of CLFMC
Summary: The meeting was conducted to discuss on several agendas like signatories on bank account, the vacancy for forest technician, budget allocation for the mechanism and capacity building activities to the CFUGs. The meeting decided the signatories as two co-chairs of the mechanism (Chairpersons of ward 8 and ward 13). The meeting also decided that to re-publish the vacancy notice on the "Lokpriya" daily newspaper of 13th March 2022. Similarly, it was decided that the committee will ask for the financial support from the stakeholders which have committed previously, which includes local government, DFO, EnLiFT2 and CFUGs. Several training activities like Forest fire management training, GESI workshop, Enterprise and entrepreneurship trainings, CFUG planning and capacity development workshops, NTFP related workshops, etc. were shortlisted by the mechanism to conduct to users. (Folder: Cluster mechanism Chautara, filename: 11thMar022 Chautara)

(The responsibility of vacancy notice publication was handed to EnLiFT field team but due to other official prior responsibility of field team this notice was later published on 25 March 2022.)
- p. **Date:** 30th to 31st March 2022
Event: Forest Fire Management Training
Summary: The training was provided to total 36 participants from CFUGs of the cluster and forest squads mobilized by the DFO, Sindhupalchowk. The major aims of the training were to create awareness among participants regarding forest fire and develop technical skills for its management. The training was financially supported by the EnLiFT2 and facilitated by DFO. (Folder: Cluster mechanism Chautara, filename: ForestFireTraining Chautara)
- q. **Date:** 21st April 2022
Event: Meeting of CLFMC for recruitment of forest technician
Summary: The meeting formed the four-membered (1 Coordinator of the mechanism, 1 from DFO, 1 from FECOFUN and 1 from EnLiFT2) selection committee for assessing the applications, shortlisting applicants and hiring the forest technician. The selection committee shall prepare the terms and references for the staff selection. (Based on meeting minute)
- r. **Date:** 25 to 28 April 2022
Event: Testing of Portable Sawmill
Summary: Testing of portable sawmill was conducted by the EnLiFT2 project in Chautara cluster with the technical support of Zhen Phen Wood Pro Pvt. Ltd. Two persons from Shreechhap, Sansaridanda and Bajhekapase CFUGs each were the main participants of the training. The testing was done from the research perspective too to evaluate its efficiency over other saw mills and prospects of such enterprises. (Folder: Cluster mechanism Chautara, filename: Portablesawmill Chautara)

- s. **Date:** 21st to 22nd June 2022
Event: Women Leadership Development in Forest Management Training
Summary: The training was conducted with an aim of understanding the issues of women users of CFs and sensitize them on leadership development. Total 13 participants (11 women and 2 men) from Shreechhap Deurali CFUG, Sansaridanda CFUG and Tarebhir CFUG in the first day and 15 participants (13 women and 2 men) in the second day participated the training. The training was financially supported and facilitated by the EnLiFT. (Folder: Cluster mechanism Chautara, filename: GenderTraining Chautara)
- t. **Date:** 19th August 2022
Event: Cluster level CFUGs planning workshop
Summary: The meeting was conducted to share the action plan prepared in the joint meeting of cluster committees in Dhulikhel. (Folder: Cluster mechanism Chautara, filename: Planningworkshop Chautara)

Annex 3: Legal provisions that support cluster level forest management mechanism

S.N	Legal Documents	Supporting Provisions
1	Constitution of Nepal 2015	<ul style="list-style-type: none"> - Part 4, 51 (g, 1): The State shall pursue a policy of conserving the natural resources available in the country by imbining the norms of inter-generation judicious use of it and for the national interest. It shall also be about its sustainable use in an environmental friendly way. The policy shall ensure the fair distribution of the benefits generated by it by giving local people the priority and preferential rights. - Part 5, 59 (1): The federal, provincial and the local entities shall enact law, make annual budget, make necessary decisions, formulate policies and planning, and implement them in regard to the subjects related to the fiscal power mentioned in their respective list of powers. - Part 5, 59 (4): The federation, province and the local level entity shall have to make arrangements for equitable distribution of the benefits from the development of natural resources. - Part 5, 60 (1): The federation, province and the local level entity shall impose tax on subjects within their fiscal jurisdiction and collect revenue from such sources. - Part 5, 60 (2): The Government of Nepal shall make necessary arrangements to equitably distribute the revenue generated by it from its sources, between the federation, province and the local level entities. - Part 20, 232 (1): The Federation, Provinces and the local level shall enjoy relations based on the principles of cooperative, coexistence and coordination.

2	Local Government Operation Act 2017	<ul style="list-style-type: none"> - Section 11, Sub-section 4 (5, 1): Local policies, laws, standards, plans, implementation, monitoring and management related to forest, wildlife, land use, environment and biodiversity. - Section 11, Sub-section 4 (5, 2): Conservation, promotion, use, monitoring and management of local level community forests, rural and urban forest, religious forest, leasehold forest and collaborative forest as well as management of forest users group.
3	Forest Act 2019	<ul style="list-style-type: none"> - Chapter 5, 18 (5): The users' group may, on the basis of its desire and need make the work plan of the community forest or amend it as per necessity, in consultation with the concerned Local Level, in order to make effective the forest management. Prior to implementing the work plan so made or amended, the users' group shall give information thereof to the Divisional Forest Officer. - Chapter 5, 22 (1): : (1) The users' group shall spend at least twenty-five percent amount of the annual income earned derived as per the work plan in the development protection and management of the forest, and at least twenty-five percent of the remaining amount in poverty alleviation, women empowerment and entrepreneurship development activities, in coordination with the concerned Local Level.
4	Forest Regulation 2022	<ul style="list-style-type: none"> - Chapter 6, 44 (1): Community Forest Users Group shall submit the annual progress report of the group including the financial description and status of forest to the DFO and local level within three months of the completion of the fiscal year. - Chapter 6, 45 (1): Community Forest Users Group shall submit the copy of the constitution, group registration certificate, approved Operational Plan and CF handover certificate at local level to maintain the record in at local level. - Chapter 6, 46 (5): Community Forest Users Groups shall consult at local level while preparing the management plan.

