



Ministry of Forests & Environment
Government of Nepal



Arts & Social
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International Agricultural Research

Cluster Level Forest Management Mechanism - A case of evolution and development in Chautara



Volume 2023-06

ISSN 2208-0392

RESEARCH PAPER SERIES on

Agroforestry and Community Forestry in Nepal

The *Research Paper Series on Agroforestry and Community Forestry in Nepal* is published by “Enhancing livelihoods from improved forest management in Nepal” or the EnLiFT2 Project (<http://enliftnepal.org/>). EnLiFT2 Project (ACIAR FST/2017/037) is the second phase of the EnLiFT (ACIAR Project FST/2011/076) and is funded by the Australian Centre of International Agricultural Research. EnLiFT2 commenced on 2018 and is a collaboration between: University of Adelaide, University of New South Wales, Department of Forests and Soil Conservation, Forest Research and Training Center (Government of Nepal), ForestAction Nepal, Nepal Agroforestry Foundation, RECOFTC Nepal.

This is a peer-reviewed publication. The publication is based on the research project funded by Australian Centre for International Agricultural Research (ACIAR). Manuscripts are reviewed typically by two or three reviewers. Manuscripts are sometimes subject to an additional review process from a national advisory group of the project. The editors make a decision based on the reviewers' advice, which often involves the invitation to authors to revise the manuscript to address specific concern before final publication.

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ISSN: 2208-0392

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Suggested Manuscript Citation

Tiwari, S., Karki, R., Paudel, N.S., Chhetri, P., Karki, S., Pandit, B.H., Shrestha, K.K., Baral, S., Banjade, M., Cedamon, E., Nuberg, I. Ojha, H. 2023. Cluster Level Forest Management Mechanism. A case of evolution and development in Chautara. *Enhancing Livelihood from Improved Forest Management (EnLiFT2)*, Kathmandu, Nepal, Vol 2023-06.

Our Cover: Forest farm landscape in Chautara cluster, photo by Sarada Tiwari.

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Cluster Level Forest Management Mechanism

A case of evolution and development in Chautara

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List of Acronyms

CFOP	Community Forest Operational Plan
CFUG	Community Forest User Group
CLFMC	Cluster Level Forest Management Committee
DFO	Division Forest Office
EC	Executive Committee
EnLiFT2	Enhancing Livelihood from Improved Forest Management
FECOFUN	Federation of Community Forest Users Nepal
Ha	Hectare
LG	Local Government
MoFE	Ministry of Forestry and Environment
PF	Private Forest
S-DFO	Sub-Division Forest Office

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Executive Summary

Cluster mechanism in Chautara Cluster (Chautara 8 and 13) has brought all the relevant stakeholders together for the better management of forest and CFUG's institutions of the cluster. The concept of mechanism in the cluster emerged as a response to several concerns of CFUGs, such as low access to technical and institutional services, high operating costs of individual forest management units, and low returns that dis-incentivized the forest managers. As a potential way out for such dominant issues, the idea of clustering the community forests, leaseholds forests and private forests of the cluster was emerged from the ward level CFUGs' meeting in Chautara 13. After series of meetings with relevant stakeholders (ward representatives, FECOFUN, DFO/S-DFO, CFUGs), an eight membered (2 ward chairs from Chautara 8 and 13, 1 AFO from S-DFO, 1 FECOFUN chair, 2 CFUG's representatives balancing gender representation, 1 EnLiFT and 1 forest technician mobilized by the committee) entity entitled "Cluster Level Forest Management Committee (CLFMC)" was formed where the stakeholders from the cluster were represented. The committee was formed in 19th March 2021 through the joint meeting of both the wards' CFUGs and stakeholders. Acknowledging the requirement of legal identity of the entity for several reasons, such as, involvement of financial transactions, service provisioning, etc., the CLFMC was formally registered in Chautara Sangachaowkgadhi municipality after a year of committee formation, i.e. in 7th March 2022. As per the decision, the committee will operate in the equal share contribution by LG, CFUGs and EnLiFT. CFUGs as per their capacity have committed to contribute from Rs. 2,000 (by Dhappakha and Jhyalikhola CFUGs) to Rs. 50,000 (by Shreechhap Deurali CFUG) for the operation of mechanism.

The committee has mobilized a forest technician who is responsible to facilitate CFUGs for forest management and their institutional development. Along with several technical services like portable saw mill operation, the committee has also been organizing several trainings and workshops for the capacity building of CFUGs. Forest fire management training, account keeping trainings, women leadership development workshops, carpentry training, safe chain saw handling training, planning workshops, etc are some of the activities conducted through the CLFMC. Despite of ongoing progress, the question remains on the sustainability of stakeholders' voluntary engagement.

Introduction

The term, "cluster," in the context of EnLiFT 2 (Enhancing Livelihood from Improved Forest Management in Nepal) project, is a collective-term used to refer to a group of community forests, leasehold forests and private forests in and around a specific forest patch. This idea emerged as a response to a number of community concerns on forest resource management, which were: low access to technical and institutional services, high operating costs of individual forest management units and low returns that dis-incentivized the forest managers. In the context of an increasing need to interact with the market and associated regulatory compliances, the scale of management becomes an important factor determining transaction costs. In fact, with a low scale of operation to face the competitive market, and exhaustive compliance requirements, the economic rationale for forestry-business has weakened in the Nepalese hills. Most of the Community Forest Operational Plans (CFOPs) are expired and revising them would incur huge costs. Despite not all CFUGs are economically weak to invest on CFOP renewal process, the process has not been so easy for them as well due to overburdened service provision. In addition, it is the responsibility of CFUGs to be annually updated at forest offices but the gap between the CFUGs and DFOs is persisting since long. There is also a lack in the availability of relevant people to prepare and submit various documents to the Division Forest Office (DFO) annually. In this context, forming a "cluster" mechanism for forest management can be one of the strategies to make forestry-business economically viable, and to materialise the Ministry of Forests and Environment' (MoFE) motto: "forestry for prosperity". This report documents the EnLiFT 2 initiatives in piloting the idea of clustering at the Chautara-Sangachowkgadhi Municipality of Sindhupalchowk district.

Evolution of cluster mechanism

Emergence of the idea

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

The idea of clustering emerged during a meeting of 10 CFUGs of ward number 13. The main highlights of this meeting were: if the 10 CFUGs could 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 and annual general meetings, and support forest management. If the 10 CFUGs could pool their forest products, this would make a good volume for auction in a competitive market. This would reduce the transaction cost per unit and therefore increase the profitability. Moreover, pooling products from a group of forests in a cluster could make a good volume to feed to any potential forest-based enterprise. These ideas were discussed among Ram Prasad Gautam (Chair - Ward 13), Daya Laxmi Shrestha (Secretary - FECOFUN Sindhupalchowk) and the EnLiFT 2 team. Later, this idea was shared with Tirtha Shrestha (Chair - Ward 8).

Subsequently, we held a joint meeting of two ward chairs, FECOFUN (Federation of Community Forestry Users Nepal) leaders and EnLiFT 2 team. We decided to test the idea of combining 18 CFUGs from two wards, 8 and 13. A meeting of 18 CFUGs was organized in Sansari Danda, in which the idea for the “cluster” mechanism was discussed. The CFUG leaders strongly supported this new idea. After discussion with the 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 from those two 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. Hence, a formal entity needed to be established.
- 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 a 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 services. However, the DFO suggested that it could handover the mill to the mechanism once it got a legal recognition.

During the legalization process, a series of meetings were held among the Ward Chairs, Municipality Office (Administrative Officer), DFO, FECOFUN, CFUGs and EnLiFT 2 team (See Table 1). Most of the administrative/technical documents were prepared by EnLiFT 2 researchers.

Table 1: Legal process in practice

S.N	Activity detail	Date	Remarks
1	Committee Formation	19 March 2021	First formal joint meeting of two Ward Chairs and other key members was held at the office of Ward 8 (in Irkhu).
2	Operational guideline preparation	7 April 2021	Shyam Bhandari, Madan Bashyal and Ramsharan BK developed a draft.
3	Constitution finalized	17 November 2021	
4	Constitution signed by all the committee representatives	24 - 25 November 2021	
5	Constitution submitted to the Municipality	26 November 2021	
6	Working procedure for the organization's registration submitted to the Municipality	10 February 2022	Forming the “working procedure” was a prerequisite to register the Cluster level mechanism. EnLiFT 2 developed a draft and shared it with the Municipality officials.
7	Documents (re-signed constitution and operational guideline)	24 - 25 February 2022	Previously submitted documents were misplaced in the municipality; so, the documents needed to be resubmitted.

8	Municipality issued a certificate of registration	7 March 2022	
9	PAN registration	9 September 2022	Ram P Gautam, Ward Chair-13 had to travel to the tax office in Dhulikhel in order to get this number. Moreover, he had to submit personal documents on behalf of the Cluster mechanism.
10	Bank account opening	11 September 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 EnLiFT 2. 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 the middle men receive during the tender process will return to CF."*

However, the Ward representatives did not like the idea of forming a cooperative because of their bad past experience with the agriculture cooperative. Mr. Karsang Tamang, a Ward-8 member, stated: *"The idea of a 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 favored 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 of high level policy makers, questioned the formation of the cluster-mechanism entity. He said: "*As FECOFUN is already there, why do we need a new mechanism? Local governments can support CFUGs and other groups on their own. But, forming a new mechanism can be a threat to FECOFUN.*" However, FECOFUN leaders in Chautara (Chairperson and Secretary) have been positive on the idea and have strongly owned and supported the idea of the cluster-mechanism 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, and prepared a cost benefit analysis of the mechanism and a potential model to employ and mobilize the forest technician. Ward-8, on the other hand, preferred that the mechanism conduct jointly (both 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 an eight-member ad hoc committee consisting of: two ward chairs, AFO-Chautara, FECOFUN Chair, two CFUG representatives (one from each ward), one EnLiFT2 researcher and one forest technician mobilized by the committee. This ad hoc committee then decided to develop its constitution and working procedure. They also discussed how to finance the mechanism. Nepalese Rupees (NPR) 600,000 was the estimated annual cost, most of which was to hire a forest technician and others for operational costs. After discussion on the diverse potential sources of financing, the major sources identified were: CFUG's forest management revenue, wards' annual budget and EnLiFT 2. Accordingly, raising one-third from each of these sources was agreed as a rational idea. (Event's detail in Annex II, 1)

Meeting with the DFOs

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

The DFO said, "Forest management is an urgent work needed to be done by the DFO, but due to lack of human resources and multiple responsibilities (technical, administrative, 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 the DFO staff and work closely with our AFOs, they can work effectively, and this system will function better." (Event details in Annex 1)

The idea of Cluster Level Mechanism was also discussed between the two DFOs (Kavreplanchowk and Sindhupalchowk) and EnLiFT 2 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 the 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 the CFUGs, one in each ward, in order to get CFUG's commitment to the financial contribution based on their relative income. As the range of CFUG income was known to all the participants, they reached a fair share of contribution for each CFUG and committed to the agreed amount (Events details 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 the 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 the Chair of the ad hoc committee, DFO, FECOFUN and an EnLiFT 2 representative. The selection committee determined the shortlisting criteria for the applicants through a 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. A separate office room within the Irkhu Health Post building, with some logistic arrangements, 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 for the CFUGs. Among these, 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).



Planning workshop

A joint planning meeting between two cluster mechanism (along with Salle-Chaubas Forest Management Committee of Bhumlu Rural Municipality) was organized in Dhulikhel on 5th and 6th August 2022. By the time the meeting was held, both the clusters had already hired a forest technician. Other than technical sessions on the cluster mechanism, legal space and scope of the cluster mechanism, the committees interacted with each other, expressed their views and more importantly, they developed a concrete plan of actions to implement in two clusters. However, there still remains a dilemma regarding the financial resources to implement the action plans. This is primarily because there has been understanding so far to share the cost of forest technician, while other costs are yet to be decided. *(Folder: Cluster mechanism Chautara, filename: Dhulikhel meeting)*



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 to receive 10% of their forest income. Although governing forests are also under the 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, Forest Act 2019 instructs CFUGs to share 37.5% of their forest income with the local governments. Moreover, the CFUGs have to submit their OP and seek their recommendation before submitting to the 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 a 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 cluster-mechanism and are showing their support throughout the process. They see it as an effective way to capacitate CFUGs in their institutional functions, to regularize forest management and increase forest-based income and employment. They are supporting the current pilot and are ready to replicate it across the Municipality. Of course, sustainability is one of their concerns.

b. DFO/ S-DFO

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

Mr. K.B Thapa from the 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 forming a forest cooperative. They were of the view that a cooperative mechanism can help retain the forest economy within their control and safeguard their members from exploitative markets. When the discussion gradually shifted towards the modality of local NGO, some leaders expressed their concerns as to whether the mechanism will ultimately undermine FECOFUN.

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

d. CFUGs

From the past experience of "Forest Network" established in the Municipality, some CFUGs such as Sanasaridanda, which interacted multiple times with the DFO for their own administrative and technical works (from Ward-8), have some doubts as to whether the DFO will acknowledge and accept the documents prepared by the cluster-mechanism's forest technicians. In the initial days, where the discussion started with the idea of a cooperative mechanism, the CFUGs of Ward 8 expressed the requirement of two technical persons - one with knowledge on the cooperative-mechanism and another with an experience in the forestry sector. They also preferred the joint approach with Ward-13 rather than to have an independent mechanism, so as to 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 of the mechanism. Some CFUGs have committed to contribute NPR 50,000 and some NPR 2,000. This variation indicates harmony and collaborating prospects between the CFUGs for the cluster-mechanism.

Our own reflections

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

Reflection from forest technician

a. **Date:** 8 September 2022

Event: Meeting of CLFMC

Summary: As per the meeting with the forest technician (from Chautara), he has not received the expected support from the cluster-mechanism leaders. On the other hand, CFUGs are too passive and will need major efforts to re-vitalize. 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 in CFUGs.

Ongoing actions

Institutional Development

An executive committee of four CFUGs (Rolpakha, Deurali Mahila, Jhyali Khola and Bhedegoth) conducted their annual plan-meetings. A general assembly has been conducted among four CFUGs (Bajhe Kapase, Jhyali Khola, Bhedegoth and Bimreni) out of the total 18-CFUGs of the cluster-mechanism; the remaining CFUGs from the cluster are planning their assemblies in the coming days. Those CFUGs whose incomes were less than NPR 50,000 have conducted a social audit. Informal coordination with the office bearers of the executive committees is ongoing.

Agro/Private Forest

One trial plot of coffee-plantation (with 1,500 seedlings) has been established by a group of seven farmers with seedlings-and-technical support from the EnLiFT 2 project. Similarly, measurements of the demonstration plots in one private forest was conducted at Dadhuwa, Sindhupalchowk. The process for the formation of the private forest owner's network is ongoing.



Acknowledgement

We would like to express our deepest appreciation to all those who have contributed, from all their possible ways, to shape this report. We are grateful to Mr. Ram Prasad Gautam, the chairperson of Chautara Sangachokgadi-13, Mr. Amrit Dangal, the chairperson of Chautara Sangachokgadi-8, Mr. Krishna Bahadur Thapa from Division Forest Office (DFO), Sindhupalchok and Mrs. Shraddha Sigdel from S-DFO, Mr. Janak Giri, the chairperson of FECOFUN Chautara, Mr. Chiranjivi and all 18 CFUGs of the cluster who contributed in the formation and execution of the "Cluster Level Forest Management Committee (CLFMC)" in Chautara.

Annexes

Annex 1: Actions for the cluster level forest management mechanism

- a. **Date:** 9 January 2020
Event: Joint meeting of ward level CFUGs (Chautara - 8)
Summary: Both the ward chairpersons, FECOFUN and the selected CFUGs' leaders (from Chautara-8) and EnLiFT 2 project attended the joint meeting of ward level CFUGs (Chautara-8) conducted at Irkhu. The meeting focused on finding a 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 personnel to prepare and revise operational plans, maintain detailed documents of community forests and audit reports, among others, to reduce the burden of the CFUGs. Some representatives of the local government were concerned whether the cooperative would be biased towards the CFUGs as agricultural cooperatives were towards the farmers. CFUGs were concerned whether documents prepared by an outside technician will be recognized by the DFO. However, FECOFUN supported the idea of the cooperative (or any other similar mechanism), which may help reduce leakage during forest product trade. (*Folder: Cluster mechanism Chautara, filename: 9thJan020 Chautara*)

- b. **Date:** 24 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 EnLiFT 2 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 the DFO and others for forest management, prepare the local level forest related policies/laws and better implement them. (*Folder: Cluster mechanism Chautara, filename: 24thNov020 Chautara*)

- c. **Date:** 23 December 2020
Event: Interaction meeting with the ward-level CFUGs (Chautara-13)
Summary: The meeting was conducted at the ward office of Chautara-13. The attendees were: Ward representatives, FECOFUN and CFUGs. They discussed issues of CF management, CFUG's governance and the way-outs. The meeting decided to study the prospects of deploying a forest technician with the joint support from ward, FECOFUN, CFUGs and EnLiFT 2. 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 could jointly go with another ward. (*Folder: Cluster mechanism Chautara, filename: 23rdDec020 Chautara*)

- d. **Date:** 8 March 2021
Event: Ward-level meeting with the CFUGs (Ward-8)
Summary: The meeting was conducted at Irkhu. There were 18 participants from different stakeholders (Ward chairs, FECOFUN, CFUGs). They discussed about the coordination between the CFUGs, inter-ward coordination, the municipality forest act and so on.
- e. **Date:** 12 March 2021
Event: Ward-level CFUGs (Ward-13)
Summary: Over 25 participants from local governments, FECOFUN, CFUGs and EnLiFT 2 attended the meeting conducted at the ward office of Chautara-13. The working guideline to hire and mobilize a forest technician, as prepared by the committee formed on 23 December 2020 in Ward-13, was endorsed by the meeting; they decided to present the guideline in the joint meeting of both wards. (Folder: Cluster mechanism Chautara, filename: 12 14Mar021 Chautara)
- f. **Date:** 14 March 2021
Event: Joint meeting with the local government (Chautara: 8 and 13)
Summary: The meeting was conducted at the ward office of Irkhu. The participants included representatives from the local governments (Chautara: 8 and 13) and the EnLiFT 2 team. During the meeting, both the wards agreed to cooperate with regards to forest management. (Folder: Cluster mechanism Chautara, filename: 12 14Mar021 Chautara)
- g. **Date:** 14 March 2021
Event: Meeting with the DFO (Sindhupalchowk district)
Summary: The DFO was updated on the whole process and the series of meetings. Some discussion about the scope of this mechanism was held, so that there would not be conflicting overlaps with the mechanisms of the DFO, FECOFUN or the Municipality. The DFO appreciated the idea and assured his support to the cluster-mechanism. He also suggested that the technical person should not be considered as a staff of the local governments or the CFUG, but should be considered as a staff of the DFO; he suggested this as a response to the confusion among stakeholders, especially the 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, EnLiFT 2 conducted a joint meeting with the DFO-teams from Kavrepalanchowk and Sindhupalchowk, where a total of 19 participants attended the meeting. The progress, challenges and MTR recommendations of the project 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:** 19 March 2021
Event: CFUG network meeting (Wards: 8 and 13)
Summary: The meeting was conducted at Jalkeni mod in Chautara. There were 33 participants from local governments, DFO/ S-DFO, FECOFUN, CFUGs and EnLiFT 2. The meeting was held to form an 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 EnLiFT 2. (*Folder: Cluster mechanism Chautara, filename: 19thMar021 Chautara*)
- j. **Date:** 21 April 2021
Event: Meeting of cluster-mechanism
Summary: The meeting was conducted among the members of the committee that decided to publish a vacancy in Lokpriya Daily (newspaper) on 22 April 2021 for the post of a "forest technician." They decided to conduct a meeting with the administrative stakeholders for the registration process of this mechanism. (*Based on meeting minute*)
- k. **Date:** 7 August 2021
Event: Meeting of the ward-level CFUGs (ward-13)
Summary: The meeting was conducted at Jalkeni mod among the representatives of local governments, CFUGs and leasehold forests to make the participants aware of the needs and importance of the cluster-mechanism and to discuss about the 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:** 11 August 2021
Event: Meeting of the ward-level CFUGs (Chautara-13)
Summary: Through the meeting, the CFUGs committed to contribute financially to the cluster-mechanism on the basis of their income status. Shreechhap CFUG, which is the CFUG with the highest income at the ward-level, committed to contribute NPR 50,000; whereas, the lowest amounts of NPR 2,000 each were contributed by Jhyalikhola and Dhappakha CFUGs. The meeting was conducted at the Shreechhap CFUG office hall. (*Folder: Cluster mechanism Chautara, filename: 11thAug021 Chautara*)

Budget Allocation by CFUGs

1. Mahakal: NPR 4,000/-
2. Jhyalikhola: NPR 2,000/-
3. Bimreni: NPR 11,000/-
4. Narayan Devi: NPR 5,000/-
5. Tamakhani: NPR 11,000/-
6. Dhappakha: NPR 2,000/-
7. Deurali Mahila: NPR 11,000/-
8. Bhedigoth: NPR 11,000/-
9. Rolpkaha: NPR 15,000/-
10. Shreechhap: NPR 50,000/-

m. **Date:** 21 August 2021

Event: Meeting of the ward-level CFUGs (Ward-8)

Summary: Through the meeting conducted at the ward office hall of Irkhu, the Sansari-CFUG committed to contribute NPR 25,000 for the cluster-mechanism. At the meeting, other participants shared the status of their CFUGs. (Folder: Cluster mechanism Chautara, filename: 21stAug021 Chautara)

n. **Date:** 16 Nov 2021

Event: Meeting of cluster mechanism

Summary: The meeting was conducted to finalize the constitution of the mechanism and the 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. Since the submitted documents were misplaced at the municipality office, the documents were re-submitted for the second time on 26 November 2021. There is a provision that LGs should endorse the organization registration and renew the guideline, which was not yet done at the municipality. After the municipality endorsed the guideline, the CLFMC was registered on 7 March 2022. The mechanism was registered in PAN on 9 September 2022 and the bank account was opened on 11 September 2022).

Annex 2: Actions by the Cluster Level Forest Management Committee (CLFMC)

- o. **Date:** 11 March 2022

Event: Meeting of CLFMC

Summary: The meeting was conducted to discuss several agendas such as: signatories on the bank account, vacancy for the post of the "forest technician", budget allocation for the mechanism and capacity-building activities for 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 to re-publish the vacancy notice on the "Lokpriya" daily newspaper for 13 March 2022. Similarly, it was decided that the committee will ask for financial support from the stakeholders that had previously committed, which includes local governments, the DFO, EnLiFT 2 and the CFUGs. Several training activities to be conducted, such as Forest-fire-management training, GESI workshops, Enterprise-and-entrepreneurship training, CFUG planning and capacity development workshops, NTFP related workshops and such, were shortlisted by the mechanism. *(Folder: Cluster mechanism Chautara, filename: 11thMar022 Chautara)*

(The responsibility for publishing the vacancy notice was handed over to the EnLiFT 2 field-team; however, there were other official prior responsibilities of the field-team, so that the vacancy notice was later published on 25 March 2022.)

- p. **Date:** 30 - 31 March 2022

Event: Forest-fire-management Training

Summary: The training was provided to a total of 36 participants from the CFUGs of the cluster-mechanism. Forest squads were 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 EnLiFT 2 project and was facilitated by the DFO. *(Folder: Cluster mechanism Chautara, filename: ForestFireTraining Chautara)*

- q. **Date:** 21 April 2022

Event: Meeting of CLFMC for the recruitment of the "forest technician"

Summary: The meeting formed a four-member selection committee (one from each: Coordinator of the cluster-mechanism, the DFO, FECOFUN and EnLiFT 2) for assessing the applications, shortlisting applicants and hiring the forest technician. The selection committee will prepare the terms and references for the staff selection. *(Based on meeting minute)*

- r. **Date:** 25 - 28 April 2022
Event: Testing of the portable sawmill
Summary: Testing of the portable sawmill was conducted by the EnLiFT 2 project at the Chautara-cluster, with the technical support from Zhen Phen Wood Pro Pvt. Ltd. Two people each from Shreechhap, Sansaridanda and Bajhekapase CFUGs were the main participants of the training. The testing was done from the research perspective of evaluating the efficiency and prospects of such enterprises over other saw mills. (*Folder: Cluster mechanism Chautara, filename: Portablesawmill Chautara*)
- s. **Date:** 21 - 22 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. A total of 13 participants (11 women and 2 men) from Shreechhap Deurali CFUG, Sansaridanda CFUG and Tarebhir CFUG attended in day-1 of the training; whereas, a total of 15 participants (13 women and 2 men) attended in day-2 of the training. The training was financially supported and facilitated by the EnLiFT 2 project. (*Folder: Cluster mechanism Chautara, filename: GenderTraining Chautara*)
- t. **Date:** 19 August 2022
Event: Cluster-level CFUGs planning workshop
Summary: The meeting was held in Dhulikhel in order to share the action plan prepared in the joint meeting of the cluster committees. (*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

		<p>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.</p>
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.

Annex 4: Details of cluster's CFUGs

S.N	Name of CFUG	Ward No	CF's area (Ha)	HHs No.	Population	Executive Committee No.
1	Bajhekapase CFUG	8				
2	Ranipokhari CFUG	8	74.49	114	499	9
3	Bajhbisauna CFUG	8	78.22	139	833	9
4	Sansaridanda CFUG	8	91.68	183	1139	11
5	Deurali Chyandanda CFUG	8	38.65	125	727	9
6	Tarebhir CFUG	8	52.43	103	269	11
7	Ambote Singdevi CFUG	8	50.12	93	467	11
8	Kamala Mai CFUG	8	16.50	116	558	9
9	Mahankal CFUG	13	14.00	101	591	11
10	Jhyalikhola CFUG	13	7.00	85	325	13
11	Chyandanda Narayandevi CFUG	13	8.92	85	477	11
12	Rolpakha CFUG	13	142.25	277	1930	13
13	Bimreni CFUG	13	34.16	94	648	9
14	Shreechhap Deurali CFUG	13	124.64	238	1855	15
15	Bhedigoth Dandapakha CFUG	13	55.89	149	933	13
16	Tamakhani CFUG	13	105.83	185	1087	13
17	Deurali Thulichaur Mahila CFUG	13	5.45	67	360	11
18	Dhappakha CFUG	13	4.04	61	378	13

Annex 5: Cluster Level Forest Management Committee (CLFMC) registration certificate

अनुसूची २
(दफा ४ संग सम्बन्धित)



चौतारा साँगाचोकगढी नगरपालिका

नगर कार्यपालिकाको कार्यालय

चौतारा, सिन्धुपाल्चोक

संस्था दर्ता प्रमाण-पत्र

दर्ता नं. १३४
मिति: २०६८/११/२३
चौतारा नगरपालिका
सिन्धुपाल्चोक

कृषि उत्पादन व्यवस्थापन समिति, स्थानीय सरकार संचालन ऐन, २०७४ को दफा ११ (ठ) बमोजिम २०६८ साल फागुन महिना २३ गतेमा दर्ता गरी यो प्रमाण पत्र दिइएको छ। प्रचलित कानूनको परिधिमा रही सावजनिक हितमा आफ्ना गतिविधिहरू संचालन गर्नेहुन चौतारा साँगाचोकगढी नगरपालिकाको कार्यालय हार्दिक अनुरोध गर्दछ।



कार्यालयको छाप

प्रमुख प्रशासकीय अधिकृतको
पुरा नाम, थर :
दस्तखत : *पौडेल*
दर्जा : *फणिन्द्र प्रसाद पौडेल*
प्रमुख प्रशासकीय अधिकृत

Annex 6: PAN registration certificate of CLFMC



नेपाल सरकार
अर्थ मन्त्रालय
आन्तरिक राजस्व विभाग



स्थायी लेखा नम्बर (PAN) दर्ता प्रमाण पत्र

स्थायी लेखा नम्बर : ६ १ ८ ७ ० ८ ५ ७ ६
आन्तरिक राजस्व कार्यालय : आन्तरिक राजस्व कार्यालय धुलिखेल

आयकर: २३ २०७९
दिन महिना साल

कारोबारको नाम : क्लष्टर स्तरिय वन व्यवस्थापन समिति

करदाताको प्रकार : अन्य

ठेगाना : वार्ड नं. ५, चौतारा
नगरपालिका: चौतारा साँगाचोकगढी,
सिन्धुपाल्चोक

व्यवसायका कारोबारहरू : वन लगाउने, काँटछाँट गर्ने र अन्य वनसम्बन्धी क्रियाकलापहरू, वन व्यवस्थापन परामर्श सेवा, वन पैदावारका लागि सहयोगी सेवाहरू,

करदाताको दस्तखत

विश्वनाथ राई
कर अधिकृत

कर अधिकृत

करदाताले पालना गर्नुपर्ने कर्तव्यहरू:

- कारोबार गर्दा अनिवार्य रूपमा विल विनक जारी गर्नुपर्छ।
- म.अ.करमा दर्ता हुनेले प्रत्येक कर अवधि (मासिक वा त्रैमासिक वा चौमासिक) समाप्त भएको २५ दिनभित्र म.अ.कर विवरण तथा म.अ.कर रकम बुझाउनु पर्छ।
- अन्त:शुल्क लाग्ने कारोबार गर्नेले अन्यथा व्यवस्था गरेकोमा बाहेक प्रत्येक महिना समाप्त भएको २५ दिनभित्र मास्केबारी र अन्त:शुल्क रकम बुझाउनु पर्छ।
- प्रत्येक आर्थिक वर्षको आय विवरण आर्थिक वर्ष समाप्त भएको तिन महिना भित्र बुझाउनु पर्छ।
- तोकिएको समयमा विवरण र कर रकम नबुझाएमा व्याज, शुल्क र जरिवाना लाग्नेछ।
- यो प्रमाणपत्र देखिने गरी कारोबार स्थल मुख्य कार्यालयमा राख्नु पर्नेछ।
- कुनै द्विविधा भएमा कार्यालयमा सम्पर्क राख्नुहोला।