

[O63: Report on knowledge generation]

Working document

EnLiFT2 achievements and challenges: Lessons from action research in Nepal's community forests

Introduction

This document contains two parts. Part A describes the major achievements and lessons from EnLiFT implementation. Part B describes the key challenges and its implications to any action research project in community forestry in Nepal. The report is developed based on our direct engagement with communities, stakeholders and with wider policy environment in Nepal's forest sector. Some of the reflections may need further evidencing and will be refined with additional evidence in its next version by the end of the project. We expect comments from Review Team and project team members to enrich this document to make it more useful for domestic policy actors, ACIAR people and wider epistemic community.

Part A: Achievements and lessons

Delay in project approval: The project approval was delayed by almost six months. The Department of Forests (DoF – now DOFSC) and Department of Forest Research and Survey (DFRS – now FRTC) forwarded the project document to the Ministry of Forests and Environment (MOFE) immediately (Apr 2018). On the second week of May 2018, the MOFE sent the document to the Ministry of Finance for their consent/approval. Towards the end of July, Ministry of Finance sent a letter with some queries to the MOFE. MOFE in consultation with DoF and DFRS prepared a response and returned it back to the Ministry of Finance on 23rd Aug. It was approved late that year and the MOFE formed a Project Advisory Committee (PAC) on 31st Oct 2018. Project inception was held on 3 December, 2018. Though MOFE facilitated the approval process well, Ministry of Finance questioned project's relevance and appeared unhappy with the lead role of an NGO (i.e., ForestAction) in its field implementation. Likewise, Social Welfare Council, a government body that oversees NGO work in Nepal, questioned on the channelling of 60% of the budget to local communities.

Due to six-month delay in the approval process, the project had to let go some staff who were hired for the purpose of this project. In addition, the project faced questions from the local stakeholders in regards to the delay of the implementation, while this also made it hard for the project team to maintain trust with the local communities, as some of the activities that were initiated, later had to be halted due to confusion on the approval process.

Findings and lessons: It tells us that there should be some good margin between project development, submission and expected approval dates. More importantly, the officials' mindset and the societal appreciation of immediate development outcomes over long term knowledge generation leads to the question of research vs. local development outcomes in any aid project. We also sensed that despite poor performance of many government-managed projects, the roles of outside agencies (esp. NGOs) are generally viewed with scepticism. There are trade-offs between level of ownership on one hand and effective implementation on the other.

Limited space for experimentation: Action research project needs a lot of space for experimentation, piloting, reflection and re-design interventions, and in worst cases, acknowledge and accept the failure. The project document, ACIAR and project team in general

were trained in this approach and adopted the flexibility and innovation. However, the project had to operate under a firm legal/regulatory system of Government of Nepal (GON) and various agencies at the sub-national level. Four examples are evident of this rigidity: i) Originally silvicultural research was proposed to conduct massive harvesting because of the 40yr mature pine plantation forest. However, the officials suggested that they cannot go beyond Annual Allowable Cut (AAC); ii) The project team proposed that the current timber auction and sale process needs fundamental rethinking for which experimentation with new models should be conducted. However, the officials were not ready to go outside the existing legal system; iii) Cluster mechanism were conceived and advanced primarily to increase service flow to the CFUGs. However, some FECOFUN leaders feared that it might weaken the institutional grip and did not cooperate, though they did not strongly oppose it; iv) DFO did not approve the request for testing of a portable saw mill that was lying in the office for last five years; v) The attempt to register the Chaubas Community sawmill in the name of four member CFUGs did not work as officials at the small and cottage industry office allow to register only in the name of individual not in the name of CFUGs.

Based on the realisation of the limited space for experimentation and recommendation of mid-term review (MTR), the project took an adaptive approach in a range of areas: i) toned down from 'silviculture research' to 'research and demonstration', ii) focus work only in two local governments (LGs) curtailing from six originally planned, iii) promoted the idea of cluster mechanism to provide better services to CFUGs and coordinate with DFO and LGs, iv) EnLiFT2 Policy Lab (EPL) to EnLiFT2 Policy and Practice Lab (EPPL), v) introduce additional new interventions around biochar, etc.

Findings and lessons: A pre-assessment of space available for experimentation and ensuring strong commitment from the higher level of government may help secure their support during project implementation. Adaptive, collaborative management approach often helps mitigate such constraining policy environment and capitalising on any emerging windows of opportunity. This is true, especially in our context where it is not only about legal issues, but things work in the discretion and interest of officials.

Silviculture based forest management in CF: Lack of confidence among government foresters and low trust with stakeholders has been hindering timber felling. EnLiFT2 research and demonstration plots have helped develop confidence among forest officials and stakeholders, especially the media and politicians. This has improved public discourse in favour of sustainable forest management (SFM). The research findings are mainstreamed into the Bagmati Provincial SFM Guidelines which was developed and issued with substantive support/input from EnLiFT2.

After four decades of protection, there is quite a good stock of timber in CF. It needs well designed silviculture to harvest the existing stock and promote even better forest in the future. Amidst diverse constrains, the project was able to establish some demonstration plots in Chaubas and three sites in Chautara. We organised visits and field-based discussion with senior forest officials from MOFE, media, district level political party leaders, and engage local government officials in the process of understanding these demonstration trials. Based on

EnLiFT2 findings, we supported the development of Sustainable Forest Guidelines for the government (in Bagmati Province). We are providing training to forest officers on its implementation. We expect, this will expedite adoption of silviculture-based forest management in CF. Though the final outcomes are yet to be materialised, this can be considered as a significant achievement. Those DFO who attempted to stop us from any trials involving tree felling now support similar trials, provided the process is in line with regulatory requirement.

Regeneration management: Apart from piloting diverse harvesting regimes in plantation forests, EnLiFT2 is also working on regeneration management to demonstrate suitable thinning of regeneration. CF members are actively involved in thinning to ensure better forest in the future.

Silviculture in fodder management: Public debate on forest management, legal texts and silvicultural systems have been developed around timber maximisation. However, high altitude forests are also important source of fodder, and the context of Kalopani, one of the EnLiFT2 research sites in Kavre, is a testimony. EnLiFT2 for the first time has conducted demonstrations in Khasru management in Kalopani CF.

Findings and lessons: Ensuring a favourable policy framework, safe working environment and societal appreciation is more important than the silvicultural science in facilitating forest management in CF. Persistent engagement with policy actors founded on technically sound field work help develop some trust with stakeholders and facilitate to agree on some policy outcomes. It requires relatively long sustained efforts.

Silviculture in private forests: While timber supply from private source dominates the timber market (>70%), the concept of forest management is limited among the farmers. EnLiFT2 interventions through demonstration plots, farmers' field days, exposure visits, trainings, workshops, formation of private forest owners' association and affiliating farmers in the association, and producers-traders' interactions have helped introduce and internalise the idea of management. They have now started to adopt active management and advocate it to fellow forest farmers. Though this is just a beginning, the idea and practice of forest management is gradually reaching to the farmers.

Findings and lessons: Working with farmers remained much easier with little regulatory and administrative constraints despite some trade related barriers. As harvesting timber from CF has been facing diverse challenges, traders and forest officials are shifting their priority to private forest. Given the expanding underutilised lands in the hills, there is a good prospect of promoting and expanding private forestry. Putting proper management practice, significantly contributes to private forest development in Nepal.

Nursery work: Due to deeper institutional problems, government forest nurseries are suffering from lack of innovation, not adequately responsive to farmers need, and limited to a few places and poor-quality seedling that cannot meet the increasing demand of seedling of diverse

species by the dispersed population. At the same time, distribution of seedling at free of cost is undermining nursery business. EnLiFT2 has been working to develop regulatory and institutional framework to ensure seedling quality and building public trust on nurseries. A draft 'nursery standardisation and accreditation guidelines' has been prepared in collaboration with FRTC and is under review by the seven provincial forest ministries.

Project's financial and technical support helped develop nursery quality of all nurseries (DFO managed -2, private -4, local government supported - 1). There has been a number of benefits in this line: Seedling quality has improved, mortality rate has reduced, resulted in better growth of seedlings, and better general outlook. Besides, there is a good capacity development of nursery workers, owners

Findings and lessons: Distribution of seedlings free of cost by the DFO nurseries significantly undermines the development of private nursery business. It creates uneven playing ground and therefore competitiveness in the market. Currently, there are some inherent incentives to the DFO in continuing investments in nurseries. EnLiFT2 suggested government nurseries to focus on research and development and maintain native, endangered species. Despite some of these fundamental questions, the 'standardization and accreditation guidelines' is expected to help develop quality and trust in the private nurseries and will help enhance their business.

Socio-economic transition and CF performance: Based on its two-time (baseline and end project) 600hh survey and long qualitative research, EnLiFT2 for the first time has comprehensively studied the ongoing socio-economic transition in Nepalese hills and its direct impacts on collective actions in community forestry. The knowledge has widely been shared in the form of a Report, upcoming book and in all major national events in Nepal (6th CF National WS, FECOFUN General Assembly, CF International conference, FLARE). The findings have generated awareness among the key forestry sector actors on these changes and their implications to the future of CF in Nepal.

Community forestry planning: Community forestry planning should ideally integrate technical assessment of its resource condition and collective interests of its members that guide the future actions of CF. EnLiFT2 action and research in planning has focused on an inclusive planning that allows space for diverse interest groups including the poor, women and marginalised groups. Based on our efforts, diverse social groups especially women have begun to assert their claims and increasingly contribute to the CFUG planning process. However, we observed and documented diverse challenges and have come with some suggested strategies to improve CF planning which are summarised in the following table.

Findings and lessons: The table provides a key observation and findings form our planning work

Current gaps in CFUG planning	Suggested actions to improve planning
1. Planning void scientific rigour and public voices	1. Decoupling strategic plan from legal contract
2. Little relevance and hardly referred, implemented	2. Separate forest management from strategic plan
	3. Categorisation and differential treatment of

<ol style="list-style-type: none"> 3. Absence of ambition for long-term changes 4. Does not appeal and mobilise stakeholders 5. Conceived as costly burden to meet regulatory compliance 	<ol style="list-style-type: none"> CFUGs on regulatory requirements 4. Increased collaboration with local government 5. Inclusive and efficient process for developing a strategic plan
---	--

Community forestry governance: Governance is at the heart of forest management and achieving livelihoods improvement through forest-based income and employment in CF. Accordingly, EnLiFT2 action and research is focused in facilitating participatory and inclusive governance; understanding governance challenges and suggest viable strategies for governance improvement. At the ground level, EnLiFT2 has supported 30 CFUGs in two sites (Chautara and Bhumlu) largely through cluster mechanism. Though there is limited progress, CFUGs have now shown increased capacity, increased participation of women and other marginalised groups and better collaboration with local governments. On the research aspects, the following figure outlines the key findings from this work.

Findings and lessons: We have observed generally poor governance status of CFUGs in our research sites and two districts. We analysed and identified six underlying causes. Based on our analysis we recommend six strategies that can be supportive to revitalising CFUG governance.

Underlying causes

1. Outmigration and changing forest-people relations
2. From subsistence to commercial use
3. Small scale of operation
4. Policy confusion and over regulation
5. Weak accountability
6. Declining support

Poor governance status

- Weak transparency and accountability, low participation
- Low compliance
- Stagnant funds, irregularities
- Passive forest management

Suggested strategies

1. Diversity forest benefits
2. Transform CFUGs as business entities
3. Gain economy of scale
4. Reduce regulatory burden
5. Make CFUGs accountable to DFO and LGs
6. Increase critical services

Local government and cluster mechanism: After legal analysis, EnLiFT2 organised workshops to discuss areas of collaboration and conflicts between LGs and CFUGs. It was followed by efforts to increase collaboration, LG investment in CF development and LGs role in coordinating with DFO. The cluster mechanisms (Cluster Committees) are also part of this initiative. We have formed and supported two cluster mechanisms headed by ward chairpersons (Ward 8+13 in Chautara with 18 CFUGs and Wards 4+5 in Bhumlu with 12 CFUGs). They have hired forest technicians and provided a range of support to the member CFUGs. Now LGs have seen CF management as their important source of revenue, opportunity to collaborate for development, and area of environmental actions.

Cluster mechanism is a multistakeholder forum led by local government that help better service flow to the CFUGs and private forest owners and facilitate economy of scale among small CFUGs and coordinate with DFO. These are new mechanisms experimented to help reactivate CFUGs and facilitate sustainable forest management. In the long run, it will help increase local

government's active role in CF.

Findings and lessons: During the early stage of the project, we expected relatively high role of LGs in CF. As the legal structure unfolded, LGs roles were found to be limited. Initially, LGs showed high enthusiasm and invested in CF. However, as they found that everything depends on higher level policy/regulations and DFO decision, LGs lost their interests and ambition. Notwithstanding the current weak role of LGs, our research showed that LGs are better placed to facilitate and mobilise CFUGs than DFO. At the same time, LGs cannot handle the technical and legal aspects of forests management and harvest. Therefore, division of oversight roles between DFOs and LG can help revitalise CFUGs and active forest management.

The experience with cluster mechanism is promising. Among others service flow through the mechanism has helped revitalise the CFUGs with increased meeting, general assemblies, carry out financial audit, prepare and submit documents to the DFO and local governments.

Rethinking community forestry enterprises: Project focused on timber-based enterprises because of an integrated approach linked with silviculture work. However, sole focus on timber-based enterprise narrowed available options for small enterprises. Project organised series of workshops and adopted other participatory tools to explore enterprise ideas and associated legal/market related. We also studied and analysed four government/ project supported timber-based enterprises, that have ceased to operate. Besides, we organised training and exposure on forest-based enterprises.

Findings and lessons: Sole community owned and managed enterprises, especially on timber are largely not operating properly. Instead, diverse partnership among communities, public agency and private sector have generally shown better performance. EnLiFT2 team through its research and engagement with the government and FECOFUN have conversed on ideas that we should explore diverse partnership arrangement away from sole focus on collective management.

Onsite testing of portable saw mill: EnLiFT2 organised a training and testing of portable sawmill in Chautara. A detailed data from testing suggests a good quality sawing with great fuel and labour efficiency. A broader analysis showed its technical feasibility and economic viability. Now the team is working on its Working Procedure which could be approved by the provincial government. It is expected to help mass use of portable sawmill in the relatively less accessible hill region.

Findings and lessons: Portable sawmill could be an important technological intervention in Nepalese hills especially where conventional sawmills are not available. However, its full business viability is yet to be analysed. Also, irrespective of the business viability, existing legal provisions are inadequate and need to be revised to allow mass use of these sawmills for household and commercial purpose.

Incremental development: Some regulatory hurdles were studied in depth; pragmatic ways were suggested to the governance in various ways and have now been addressed by the government. For example,

Table xx: some regulatory constrains that have been addressed partly due to EnLiFT2 research/actions

Previous arrangement	Current status
Compulsory auction of timber between community owned saw mill and its member CFUG;	Community run forest enterprise can purchase timber from member CF without bidding
Small local furniture could not access timber as they cannot participate in large scale bidding;	Small furniture enterprises run by CF member can buy timber in small quantity directly through CFUG
Provision of mandatory distance (500m) between a forest and a forest industry	There is no mandatory distance provision for community run sawmills in Bagmati Province
No provision about portable sawmill	Provision of a portable sawmill is now legally provisioned

Findings and lessons: Diagnostic studies even with little resources and time, complemented with smart policy engagement can help inform policy decision. Policy makers are also seeking research verified inputs for such incremental decisions that do not involve major political process.

Sale of standing trees: Sale of standing trees may help address some of the problems around timber sale in the context of exhaustive regulatory requirements, market uncertainty and weak capacity of CF members. Forest officials are also enthusiastic to this option. Accordingly, EnLiFT2 is facilitating this option in one of the CFUGs in Kavre and the process is still ongoing. We worked out all the documentation with CFUG, followed by DFO. Once we received DFO recommendation, we went to Forest Director of Bagmati Province and received their recommended. We now have submitted the whole documents to the Secretary of Bagmati MOFE and waiting their approval.

Findings and lessons: There was a fruitful discussion and decision at the PAC in favour of sale of standing trees. CFUGs appeared much happy with this option because it would resolve the problem of post-harvest uncertainty of timber sale. The uncertainty has remained as the major hurdle for CFUGs and many have experienced loss of timber quality due to post-harvest monsoon exposure of softwood such as pine and Uttis. However, despite all enthusiastic discussion, people tend to shy away from making decision and this initiative is also likely to another victim of inaction by the officials.

EPL/EPPL: Policy Lab is an innovative method in linking research to policy by addressing many demerits of larger policy forums and other methods. The method involves a series of research and communication steps including a major policy dialogue event in a small setting attended by policy actors, researchers and stakeholders. Policy labs, in our context EnLiFT2 Policy Lab (EPL) or EnLiFT2 Policy and Practice Lab (EPPL) have been designed and implemented considering twin objectives: i) better understand the specific policy question and communicate research findings to the relevant policy actors; ii) examine effectiveness of the method itself in informing and influencing policy decisions. We conducted eight EPL/EPPL and have drawn lessons from it. Such EPL/EPPLs were organised on topics: silviculture options in CF, development of private forestry, regulatory issues in forest-based enterprise, portable sawmill, future of community forestry, etc.

Findings and lessons: EPL/EPPL have been effective process and platform in designing informed research questions, framing the research itself, identifying right types of evidence. It also helps researchers; policy makers and stakeholders understand the practical insights of specific policy question and build collective commitment towards change.

Capacity building and communication materials: A range of strategies have been adopted to develop capacity of diverse actors -researchers, students, forest officials, CFUG members, women leaders, power chain saw owners, carpenters, local government leaders and project team members. Approaches such as training, exposure visits, workshops, backstopping, academic training were organised involving hundreds of people and the increased capacity will ultimately contribute to prosperity through improved forest management.

Website, video documentary and social media platform have been managed by the project to communicate research process, outputs and relevant topics of forest and livelihoods. These channels have reached to wider audience beyond forestry.

Findings and lessons: Dozens of people both community members and stakeholders have benefitted from diverse training, workshops, exposure visits. However, due to the lack of active forests management during last four years have reduced the utility of these capacity building efforts. Since most of the skills imparted have not be put into actual practice these benefits may not last long. It is important to assess the situation and ensure those increased capacities are put into practice.

Part B: Challenges faced by EnLiFT during its implementation

EnLiFT faced seven contextual and institutional challenges during its implementation which have compromised our performance and achievements. Understanding of the challenges and how these affected project implementation and outcomes can provide good lessons for future design and implementation.

1. Key personnel changes

Frequent changes in political and bureaucratic leadership right from the top of the Ministry to the sub-division level has resulted in low institutional memory, weak sense of ownership and lack of ambition to take any significant initiative. During the last 33 years, Nepal witnessed 27 governments, 30 forest ministers, 28 forest secretaries and 26 Director Generals of Forest. During 10 years of EnLiFT period, we had to work with seven Forest Secretaries, ten DGs of Forest, four Provincial Secretaries, and six DFOs in each district, six Assistant Forest Officers Chaubas and four in Chautara sub-division. This implied weak institutional memories, low ownership of the project, no ambition to initiate any experimentation or support any field actions. Whenever a new official comes in, they need a good time to understand and own the project strategies and activities. Moreover, the effects are beyond project scope and sites negatively affecting forest management of the whole districts.

2. Policy confusion, professional insecurity and inaction

Nepal's forest sector policy environment is at limbo. While four decades of community forestry and other community-based forest management regimes have generally contributed to resource regeneration, linking it with equitable economic benefits has become a challenge. Transition towards a federal governance in which rights and roles are divided into three levels of governments and communities has made it further complex. At the same time rampant corruption and apparent anti-corruption measures have contributed to widespread feeling of insecurity among the government bureaucrats leading to inaction. EnLiFT project suffered from these confusions and inactions.

Table 1: Some decisions and actions that negatively impacted project implementation

Decision/actions	Description
Government banned timber felling several times (five times since 1999; the 5 th on May 2020)	The sudden bans and restrictions has discouraged producers and traders in investing in forest management and timber trade.
Thinning Guidelines for pine plantation issued by FRTC in 2006	FRTC with support from MEDEP (A UNDP project supported by AUSAID/DFAT), developed this Guideline. However, it was hardly adopted in practice. During the Earthquake, ministry directed to DFOs to use this guideline to make access of timber for reconstruction. However, field level government staffs were not confident if they have to use Thinning Guidelines or SciFM procedural guidelines
GON introduced Scientific Forestry Programme in 2014.	Government massively expanded this programme and lots of OP were prepared using this new Guidelines. However, FECOFUN strongly contested it and blocked its implementation in many cases. In the plantations management the guidelines had limited scope however DFO were reluctant to use the thinning guidelines and forced to use SciFM guidelines though they were not

	appropriate.
GON revoked Scientific Forestry Programme 28 May 2020	The ScFM was criticised for techno-bureaucratic control and alienation of CF members. Since then, there has been confusion on the accepted silvicultural system which can be adopted in CF. DFOs used this as an excuse for not supporting thinning operation and created limbo.
A draft SFM National Standard was developed dated on Apr 2021 and put for public comments. However, it has been taken out and there is no action in it these days.	Inaction in SFM Standard contributed to prolonged confusion on which modality to adopt in silviculture. The SFM standards expected to guide the provincial forest ministry in developing SFM directives or guidelines however the standards are yet to be approved.
SFM Guidelines was developed and issued by Bagmati Provincial government on January 2023	EnLIFT support the development of this Guidelines which was developed jointly by the government, timber traders and FECOFUN. However, it has not been put into practice fully . In addition, the new forest act has created dilemma as DFOs are waiting National and Provincial Forest Strategy to develop district strategy which only then allow approval of forest operational plan.
Forest Act issued on 14 Oct 2019 but Forest Regulations issued only on 30 June 2022. However, FenFIT the new royalty and the Huber formula of timber volume calculation	There remains about 32months long vacuum between promulgation of federal forest act and regulations. Moreover, as traders' contestation continues, there is no market for timber. CFUGs are not willing to harvest . Buyers were reluctant to purchase saying the royalty and the new formula increases timber price that cannot compete with imports.

In 2022, Nepal ranked 110th out of 180 countries globally in corruption perception index (CPI), as per the Transparency International Report (TI 2023). Twenty-four thousand cases of corruption complain were formally registered last year (CIAA 2022). During last five year, 710 complains were made in average per year in the forests sector (Table 2). Despite the apparent actions of the Commission for the Investigation of Abuse of Authority, the National Vigilance Center, and having mandatory provisions for political officials and civil servants to make their assets public (Shrestha 2019), corruption continues (Shrestha 2020).

Table 2: CIAA cases of forest related complains

FY	Last years' carry over	Complaints of this year	Total	Cases filed this year
2018/19	270	838	1108	14
2019/20	346	714	1060	15
2020/21	363	771	1134	3
2021/22	775	348	1123	9
2022/23	277	886	1163	4

Sources: CIAA annual reports

Note: the cases include: bribery, misappropriation of public property, illegal benefits, Illegal acquisition of wealth

The specific approach in mitigating corruption has resulted in widespread insecurity among the civil servants leading to inaction. The table below presents some cases of inactions from which the project suffered.

Table 3: List of key inactions and their impacts on project implementation

Approval of EnLiFT2 project took over six months (submitted on xxxx approved on xxxx)	Some staff left due to uncertainty in project approval, field activities had to be halted, earlier optimism lowered, frustration and exhaustion killed ambition and energy
During the initial research design, despite several requests, officials were strict to the limits of AAC which constrained the scope of experimentation with different harvesting regime.	The confusion over the adoption of SciFM guidelines or conservative methods based on AAC, lingered the decision on the research design. However, through series of demonstration and interactions, the project was able to include the findings of silviculture trials in the SFM procedural guidelines 2022 of Bagmati province however execution of procedure is very slow.
Research plots established in all 24 plots (12 Kavre + 12 Sindhupalchowk); but DFO could not issue harvest permit for 12 plots in Kavre. As the government decision were limited to Sal forest, forest officers in Kavre saw a risk of CIAA and could not issue harvest permit.	The project toned down its ambition from <i>24 research plots</i> to <i>12 demo plots</i> . We also learnt that silvicultural research in CF is rather risky and should not have designed in the first place.
	DFOs hesitated to handover the mill to the Cluster Committee or CFUGs. We had to register the Committee, develop a long very constraining contract and only DFO allowed to test it in the field.
Sindhupalchowk DFO could not approve OP of Batasetar CFUG.	EnLiFT invested a lot to develop a model in whole forest management. Unfortunately, the OP was not approved by DFO citing the expiry of DFO-5yr plan. EnLiFT showed readiness to support the 5-yr plan, but the DFO, Director and Provincial Secretary could not assure us of the approval of the same,

	mainly in the absence of federal strategic plan.
Rachhma CF was identified to prioritise EnLIFT work because of its nature of forest and high demo effect. However, DFO did not agree on it citing there was CIAA case there.	The chairperson and the whole CFUG committee was enthusiastic to conduct forest management activities, but they were barred due to the legal case. EnLIFT investment wasted.

3. *Outmigration, and declining collective action in CF*

In Bhumlu rural municipality, a total of 1183 households have migrated away from the municipality to the nearby cities of Dhulikhel, Banepa, Bhaktapur and Kathmandu, as well as to 27 different countries¹ (Bhumlu Palika Profile 2019; BS 2076). Outmigration of key leaders, such as chairpersons, secretaries and treasurers has significantly impacted the CFUGs. For example, seven out of 12 CFUGs in Chaubas-Salle cluster have at least one of their key leaders live outside the village that significantly impacts, regular meeting, financial transactions, and mobilisation of members in organisational and forest management related activities.

Outmigration has posed the major challenges of CFUG governance. When someone moves away from the village, s/he will begin to see her/his future somewhere else outside and gradually lose interests in contributing to local social and environmental affairs. Outmigration of youths has resulted scarcity of physical labour in villages resulting in decreased agriculture and forest-based livelihoods that is often replaced by remittance or other off farm-based income. It has fundamentally changed forest people relations for many from a vital means of livelihoods to an optional environmental luxury. Consequently, it has direct impacts on participation in regular institutional and forest management related activities including meetings, general assemblies, forest harvest, fire management and fund mobilisation.

Table 4: Key CFUG leaders and their migration status in Chaubas Cluster

SN	Name of CFUG	Migration status
1	Chapani Gadidanda	Chairperson in UK, vice chairperson in Ktm, Treasurer in Dubai
2	Dharapani	Chairperson, Secretary and Treasurer lives in Ktm
3	Lamrang Aahaldanda	Chairperson, Secretary and Treasurer lives in Ktm
4	Rachchhma	Chairperson lives in Ktm
5	Chaurkuna Bhirpani	Treasurer lives in Ktm
6	Chhekarpa	Treasurer lives in Ktm
7	Fagar Khola	Secretary lives in Ktm

¹ Gulf, Malasiya, Japan, India, Europe, Australia, USA, Korea, Canada, Israel, Denmark, Afghanistan, Singapore, Thailand, Turkey (Municipality profile, 2076)

Community forestry is founded on locally formed user groups and operational plans which form the basis of forest handover to these groups (OP). The management rights are subject to the scope and duration of these OPs. However, 328 out of 580 CFUGs in Kavre and similar number in Sindhupalchowk districts have their OP expired. Similar is the situation in two project sites where OPs of 14 CFUGs out of 30 are useless.

The CFUGs are required submit their annual activity progress report, financial audit report, forest product sale records, and next year's plan within three months of each fiscal year. However, only 15% of the CFUGs in Sindhupalchowk and 1.5% of the CFUGs in Kavre have submitted these mandatory documents in last five years (DFO records of both districts). This is a clear indication of institutional passiveness. In our project sites also, nearly 13% of the CFUGs have submitted their annual progress reports to the DFO in the last five years with some improvements in recent years after the formation of cluster committees in 2021.

Generating and mobilisation of funds is one of the important aspects of CFUG governance. As CFUGs are increasingly involved in forest product harvest and sale, many of them have generated significantly high income compared to a decade ago. However, they are not able to mobilise the funds, which are left idle in their bank account or are misused by some executive leaders. For example, there are 29 cases of financial irregularities involving CFUG leaders in Sindhupalchowk district only. 146 CFUGs among the 300 CFUGs monitored by Kavre DFO last year (2022/23), did not have their bank account, meaning that all transactions are informal (Kavre DFO report 2022/23). Similarly, 250 of them have not carried out financial audit (ibid). Informal transactions outside the bank and inability to conduct financial audit timely alarms for serious risks of financial irregularities. The monitoring also found that 60% of CFUGs annual income comes from previous years transfer and 14% from petty cash saving while only 4% comes from forest products sale. It implies that funds are remaining idle in CFUG accounts or as petty cash.

Huge number of OP backlog, no regular general assemblies and reporting, informal handling of funds and cases of irregularities all are symptoms of weakening collective actions at local level. Low interests and CF and weakening their institutional functions has seriously impacts project activities.

4. Heavy regulatory burden

Heavy regulatory burden is killing collective actions in CF. CFUGs are small management units and are managed by volunteer leaders. As government is imposing exhaustive regulatory requirements in managing, harvesting and selling forest products, CFUGs leaders are increasingly reluctant to assume their roles. Many are not adequately capable, not see any incentives and got frustrated due to their struggle to meet the requirements. It is increasingly difficult to get good leaders. Since these leaders are the key agents for ground implementation, EnLiFT suffered from weak implementation and performance. Below we highlight some areas with heavy regulatory burden.

Table 5: Domains of heavy regulatory requirement that kills collective action

Requirements	Comments
12 steps for timber harvest	Exhaustive process discourages ordinary people, few leaders may get exhausted, some tend to indulge with officials and take undue advantage
20 steps for timber sale	Huge time lapse between harvest and sale, leaders get exhausted, uncertainty of sale, timber quality loss, reduced price;
10 steps for collection of disaster fallen trees	Process is costly, fallen timber do not get good price, timber decayed in the field – discourage in involving in CF
100-page OP with complex data analysis and prescriptions	Costly OP revision process, unable to understand and comprehend their own plan, too much reliance on forest officials
To get a PAN, CFUGs have to pay tax since the year of their establishment	Over 90% CFUGs have not received PAN and they cannot be involved in any formal transitions and are not illegible for any DFO support
CFUGs have to pay tax to three levels of governments separately	Triple tax (getting upto 45%) discourages CFUGs in managing, harvesting and selling timber

Mandatory process required for timber harvest is an example (see the diagram below). The exhaustive process takes time, demands sophisticated skills and becomes costly both financially also emotionally. Consequently, many CFUG members are discouraged and not interested any more.

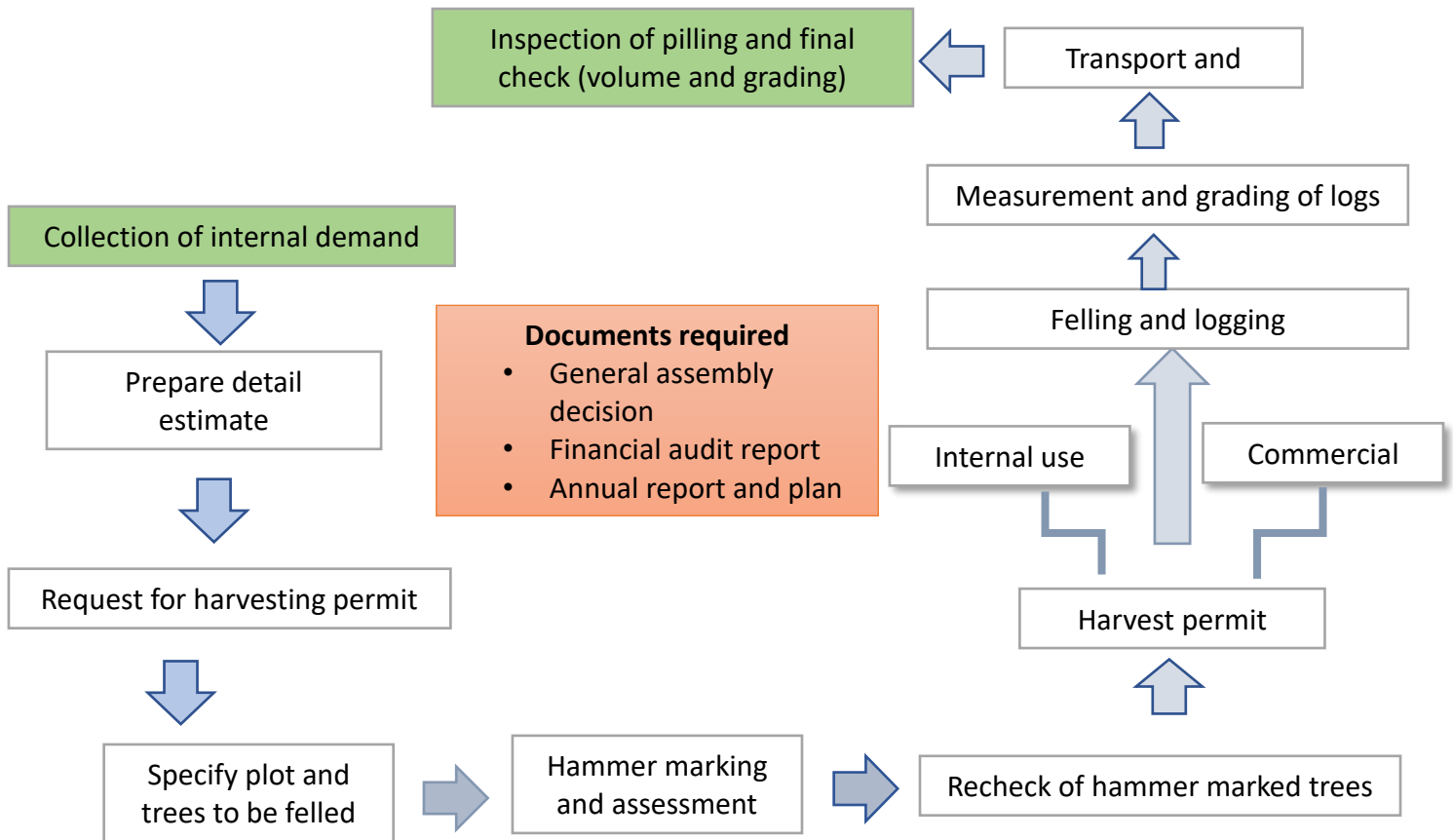


Diagram 1: Mandatory steps in timber harvest from CF

The Chappani CFUG of Kavre, issued a tender to sale its xxx cft pine timber with a minimum price NRs100/cft and was able to auction off the bucked logs at NRs. 131. However, the DFO, did not gave a transportation permit. Instead, it asked the CFUG to re-auction the logs at a minimum price of NRs. 150, with the benevolent intention of maximising the CFUG's earnings. Unfortunately, the CFUG received no bids, even after two more auctions. Finally, the DFO held a negotiation with the traders and facilitated the sale of timber @ NPR 129/cft. During this whole process, the chairperson (a woman) suffered a lot from hassles being in between DFO and traders. She said, I would never stand as a chairperson again. Though, Forest Act 2019 allows CFUGs to sale their timber indecently by fixing their own price, lower-level regulatory instruments and officials interventions often makes the things complex which discourage people from taking leadership roles.

5. **Earthquake, COVID and Federalism**

An earthquake of magnitude 7.9 Richter scale hit Nepal on 25 April, 2015 that caused devastation across the country. Hundreds of lives were lost and thousands of houses were destroyed in Sindhupalchowk, Kavre districts. The event and subsequent loss of life and property significantly impacted project implementation during its first phase.

COVID-19 was spotted first in Nepal in early 2020, followed by government-imposed

restrictions in mobility and activities since March 2020. Hundreds of lives were lost, substantial reduction in remittance income, local businesses and wage labour opportunities for the poor. That significantly affected activities around forest including EnLiFT activities, meetings and workshops.

After the promulgation of the new Constitution in 2015, authority, roles and responsibilities on forest, are distributed across three levels. Accordingly, all three levels of governments have issued their own laws, formed their own agencies and begun to implement them. However, even after eight years of federalism in action, we are still in transition with lack of clarity on roles, responsibilities and accountability. Table below outlines some of these issues.

Table 6: state of confusion due to lack of clarity on roles and responsibility under federalism

Issue	Effects
After 8 years of federalism in action, the federal government has not prepared Strategic Plan, under which DFOs should prepare and implement district level plans	Sindhupalchowk DFO lacks its 5-yr plan. OPs are not approved. Harvest Permits are not issued.
After 8 years of federalism in action, the country's civil service law is yet to be issued by the Parliament	DFOs are not sure of their future position, their mindset is in a state of confusion
When EnLiFT project implementation modality was designed, provincial government was not explicit. Not it is a major authority to implement.	Forest lies with provincial government, but project lies with MOFE and its federal agencies (DoFSC and FRTC). This somehow has made coordination challenging. Discussion around silviculture hardly lead to specific decision as this is under provincial government's jurisdiction.

6. Limited space for experimentation, piloting

Being an action research project, EnLiFT sought to invest in experimentation with governance, institutional and technological innovations both planned and unplanned that emerged during implementation. However, rigid legal texts and prevailing cultural mindsets in the forest sector constrained the space for such innovation, experimentation and piloting. Our struggle started with research design in which research plots harvest proposal were constrained by AAC provisions. DFO did not allow harvesting of research plots citing government's blanket ban in tree felling though the ban was later specific to Sal trees. The project had to struggle hard to introduce broadleaf forest species in Chaubas during its early stage. During separate visits of four DGs of Department of Forest to Chaubas community saw mill, members requested to exempt compulsory auction for buying timber from its member CFUGs they could not do it. It

took over two years to take the DFO owned portable sawmill to take out in the field for short testing. While we have been working towards testing an auction of standing trees over one year, it has yet to be approved. These cases show a constrained space for experimentation and learning which ultimately blocks innovation in forest sector. This also casts a doubt to ACIAR whether to support action research project in Nepal in the future.

7. *Capacity, commitment and coordination of EnLiFT team*

The EnLiFT team composition is designed in two categories: i) field crew to lead local actions and ii) senior researchers to support the field team, analyse the data and produce outputs. Accordingly, the senior searchers time allocation in the project is 20-30% which in real sense is even less. However, as an action research project, EnLiFT demands heavy engagement of researchers to comprehend the complexity, conceptualize and design research protocols, mobilise the local leaders (DFO, Municipality leaders, traders, FECOFUN leaders etc) and capture the data. Unfortunately, senior leaders in Nepal and in Australia could not give needed time to the research process because of the above design and other reasons. This has affected overall quality of the research process and potential achievements.