

Synthesis of Cluster Level Forest Management Mechanism case reports

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Introduction

In the EnLiFT 2 (Enhancing Livelihood from Improved Forest Management in Nepal) project, a "cluster" is a collective term that refers to the group of community forests, leasehold forests, and private forests within a specific forest patch. This idea emerged to address community concerns about limited access to support (technical and institutional) services, high operating costs, and low returns for forest managers, particularly in light of market demands and regulatory requirements. Consolidating forest management efforts into cluster can be one of the strategies to enhance the economic viability of the forestry business, aligning with the Ministry of Forest and Environment's goal of "forestry for prosperity." The EnLiFT 2 project is piloting this cluster mechanism of forest management in the Chautara- Sangachokgadhi Municipality of Sindhupalchok district and Bhumlu Rural Municipality of Kavrepalanchok district.

Evolution of cluster mechanism

The discussion on cluster level forest management mechanism emerged as a consequence of pessimism and disinterest of people in forest management experienced in series of meetings held to understand the local government and community forestry (LG-CF) collaboration. Almost all meetings highlighted issues such as regulatory burdens, market exploitation, outmigration, and lack of technical services leading to disinterest in forest management. The idea of clustering emerged during a CFUGs' meeting of Chautara-13, proposing the formation of a joint mechanism to appoint a forest technician for technical and institutional service provisioning and pool forest products for increased market competitiveness. This concept gained support from key stakeholders including ward chairs, FECOFUN local representative and EnLiFT 2 team, leading to the decision to pilot the clustering idea with 18 CFUGs from ward 8 and 13 along with support from DFO staff and FECOFUN representatives. The followed meeting named the mechanism as "Cluster Level Forest Management Committee (CLFMC)" in Chautara. While the CLFMC was in the legal process of registration, the mechanism was discussed with CFUGs, ward chairs and relevant stakeholders (FECOFUN Bhumlu and S-DFO) of Bhumlu 4 and 5. After receiving their positive response, the mechanism was replicated in Bhumlu where the entity was named and registered as "Salle Chaubas Forest Management Committee (SCFMC)." (see details in Annex 1 and 2). After nearly two years of registration, cluster mechanism has been expanded to other four wards of Chautara Sangachokgadhi municipality.

Legal formality

The need for legal formality for the cluster level mechanism arises from several factors such as the involvement of financial transactions, inconveniency felt by ward chairpersons to lead informal entity, aim to facilitate in forest product pooling and joint business, prospect for stakeholder collaboration, and access to external resource and support such as portable saw mill of DFO (Sindhupalchok). The legal process involved series of steps starting with the committee formation, preparation of constitution of committee, registration to PAN registration and Bank account opening. The supporting roles played by EnLiFT 2 team meanwhile of registration process are explained in detail in Annex 1 and 2.

Consolidation

Two separate meetings at Wards 8 and 13 of Chautara and three separate meetings at Ward 4 and 5 of Bhumlu were held before the formal agreement on clustering CFUGs was not decided. The meetings were participated by ward chairs, representatives from S-DFO, FECOFUN, CFUGs and EnLiFT 2. In Chautara, the initial propose was cooperative model for forest management. While some representative of some stakeholder such as FECOFUN chautara supported the idea citing its potential benefits, some representatives from ward expressed reluctance due to the past negative experiences with cooperative. Instead, they favored the cluster level mechanism of forest management, considering it more practical and efficient. The then DFO of both the districts also appreciated the concept for its potential in providing complementary service provisions for CFUGs and other forest managers. However, concerns were raised by Mr. Binod Sapkota of FECOFUN about the need for a new mechanism, fearing it might undermine FECOFUN's role. Nonetheless, local FECOFUN leaders supported the cluster mechanism. Following the consent from all the stakeholders, the joint meeting of wards' CFUGs were convened in both the clusters. The eight-membered ad hoc committee was formed in Chautara and Bhumlu cluster formed seven-membered committee and named the committee "Salle Chaubas Forest Management Committee" and completed the legal registration process. During the time of registration, the committee of the Chautara cluster named it "Cluster Level Forest Management Committee."

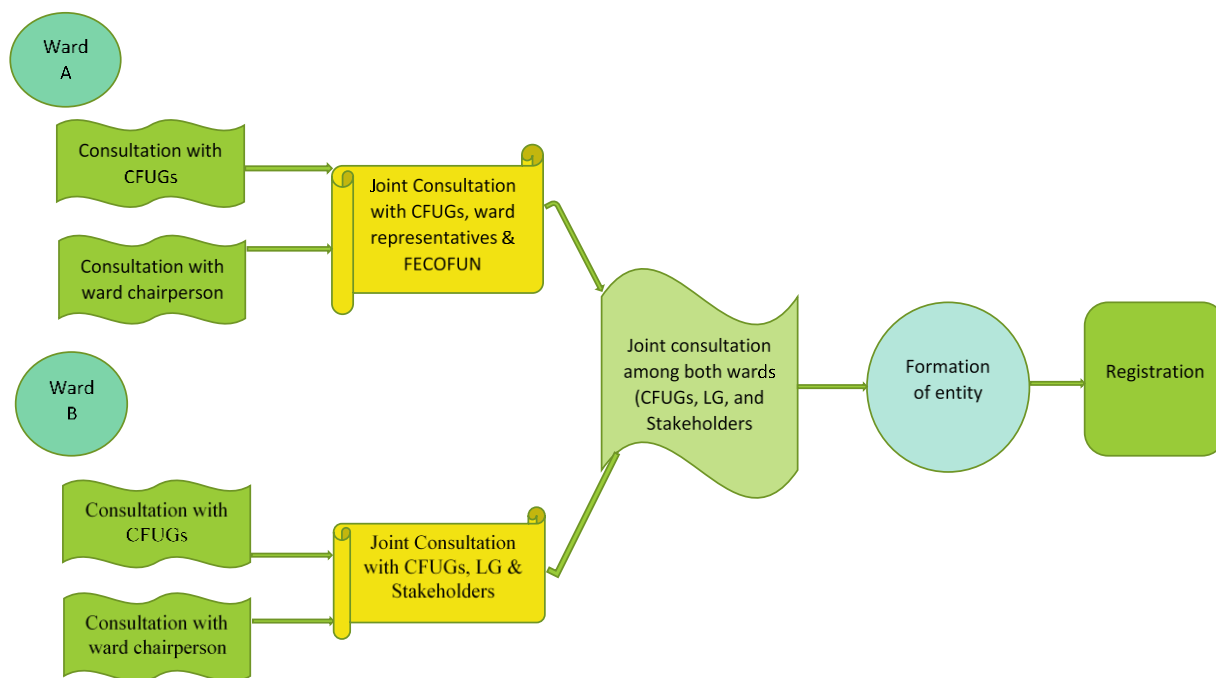


Figure 1: Process followed for cluster formation

Discussion also revolved around financing the mechanism, with an estimated annual cost of NPR 600,000. The primary sources of financing identified were CFUG's forest management revenue, wards' annual budget, and EnLiFT 2, with a consensus to raise one-third from each source in Chautara. While in Bhumlu, it was agreed to collect Rs. 1 lakh from CFUGs and Rs. 2 lakhs from EnLiFT 2, with the remainder to be requested from the municipality office. After that the committee initiated the formal process of forest technician recruitment. Following this process, a forest technician was selected and commenced their role on August 1, 2022. (Details in Annex 1 and 2). **Initially, two forest technicians**

were hired- one in each cluster. Once they left, the two local resource persons were managed among the qualified local residents in each cluster and a forest technician with the responsibility to facilitate both the cluster was managed within the same cost.

After formal registration, the committees in their respective clusters developed some training packages for selective themes including forest fire management, gender and social inclusion and entrepreneurship, and enterprise development workshops, which were mainly aimed at capacity building for the CFUGs. Altogether 2 events of Forest Fire Management trainings, 2 of Forest Management Trainings, 4 of Women Leadership Development in Forest Management Workshops, 5 CFUG level orientation events on Women Leadership Development, and one event of Record Keeping Training have been organized by the cluster committees. EnLIFT 2 project has been providing financial and technical support to conduct such capacity building activities. Similarly, the project also organized a joint planning meeting between two cluster committees where the committee interacted with each other, shared their views and more importantly, they developed a plan of actions to implement in two clusters. Following the actions plan, the cluster's services are oriented to facilitate the institutional performance of CFUGs such as AGM, meetings, audit, etc despite having several challenges. However, gradual progress in the institutional performance of the CFUGs can be observed in the clusters.

Strengths and Weakness

The cluster mechanism operates under the Local Government Operation Act 2017, which grants local governments authority to establish and regulate such entities. While the Forest Act 2019 lacks clarity on local government rights in forest management, it mandates CFUGs to share a portion of their income with local governments. The mechanism aims to facilitate coordination between local governments and CFUGs, support livelihood development for marginalized groups, enhance resource synergy among stakeholders, improve governance and administrative aspects of CFUGs, promote inclusive planning, and develop new financing mechanisms for forestry groups and private forest owners.

Stakeholder response

Local Government

Local Government leaders endorse the cluster mechanism, viewing it as a means to strengthen CFUGs, regulate forest management, and boost forest-related income and employment. They support the ongoing pilot and are open to replicating it across the municipality, though sustainability remains a concern. The mechanism in Chautara cluster has been expanded to other four new wards of the municipality whereas the discussion on expanding mechanism in other two new wards of Bhumlu is ongoing. Recently, Chautara municipality and Bhumlu rural municipality have allocated budget for the operation of cluster mechanism.

DFO/S-DFO

DFOs of both the districts have shown positive response for the cluster mechanism from the beginning, recognizing its potential to address issues in forest resource management and governance. Some AFOs like Mr. K.B. Thapa emphasized the importance of success, as it could set a precedent for nationwide replication, highlighting the mechanism's significance in national-level performance evaluation.

FECOFUN

Since the beginning of idea, the representative of FECOFUN- local chapter have been supportive for the mechanism, be it in legalizing process, or in coordination. But they are concerned on its self-

mobilization after the project termination. Within the FECOFUN hierarchical chapters, concerns exist regarding the potential undermining of FECOFUN's role in presence of cluster mechanism as a local NGO.

CFUGs

Based on past experience, some CFUGs like Sansaridanda of Chautara-8, showed doubt about whether the DFO will accept documents from the cluster-mechanism's forest technicians. However, CFUGs from both the wards of Chautara showed their willingness to contribute financially, with commitments from NPR 2,000 to NPR 50,000 based on their income. In case of Bhumlu, four high income generating CFUGs showed their commitments to contribute NPR 25,000 each for the mechanism of which one has already deposited the amount and other has endorsed the decision through AGM. This showcase the collaborative mindset and acceptance of the mechanism by CFUGs.

Reflection from forest technician

Passiveness in CFUGs in forest management and institutional activities, outmigration of CF leaders, disinterest in voluntary participation were the major challenges observed by forest technician. Regarding service provisioning aim of the cluster, apart from core technical support and mediating the conflicting relationship among stakeholders, DFO officials as well as timber selling and high income generating CFUGs' leaders showed some reluctance in coordinating with the forest technician of cluster mechanism.

Reflection EnLiFT 2 Project team

The voluntary engagement of stakeholders, disinterest of users for voluntary time investment on forest management and institutional activities, low capacity of cluster to resolve the regulatory complexities, etc have been realized as a challenging factors for the sustainable operating of cluster mechanism. However, the way that local government has owned this mechanism and are making efforts on resource gathering for its continuation, a hope on its sustainable operating has raised.

Ongoing Actions

- Facilitation in CFUG's AGM, meeting and audit process.
- Coordination and collaboration with the municipality and other stakeholders.
- Capacity building activities for CFUGs.

Annexes

Annex 1: https://enliftnepal.org/wp-content/uploads/2023/06/2023_06_01062023_RPS_Casereport_-Chautara_Cluster_mechanism.pdf

Annex 2: https://enliftnepal.org/wp-content/uploads/2023/06/2023_05_01062023_RPS_Casereport_Bhumlu_Cluster_mechanism.pdf