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Asia-Pacific Network for Sustainable Forest Management and Rehabilitation

Project Completion Report

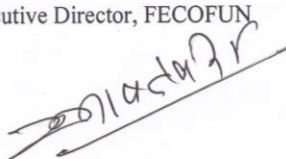
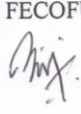

Demonstration of Sustainable forest management with
community participation in Nepal

September 1, 2010 to December 31, 2012

Federation of Community Forestry Users' Nepal (FECOFUN)

5 May 2013

Basic Project Information

| | | | |
|--|---------|---|----------------|
| Project Title(ID) | | NEP/2010/PA/001 | |
| | | Planned | Actual |
| Date of commence | | September 2010 | September 2010 |
| Date of completion | | August 2012 | April 2013 |
| Extension period | | 4 months | |
| Project Budget (in USD) | | | |
| APFNet's Grant (in USD) | | US\$ 500479.00 | |
| Received from APFNet | | US\$ 463,189 (till reporting time) | |
| Counterpart | In cash | US\$12,710 | |
| Contribution (in USD) | In kind | US\$63,970 | |
| Supervisory Agency | | Ministry of Forest and Soil Conservation, Government of Nepal | |
| Project Executing Agency | | Federation of Community Forestry Users Nepal | |
| Project Director | | Suvas Devkota Executive Director, FECOFUN, Kathmandu Nepal Mobile: +977-9841293922, E-mail:suvas.devkota@gmail.com | |
| <p>Project description: The overall goal of the project was to promote participatory sustainable forest management to improve the livelihood of forest dependent people. The specific objectives of the project are:</p> <ul style="list-style-type: none"> ➤ To enhance the capacity of the local users groups to strengthen internal governance and sustainable forest management with biodiversity conservation. ➤ To develop the human resources to support the sustainable forest management, livelihood improvement, community based forest enterprises and green jobs. ➤ To improve the livelihood of the forest dependent poor people through the community based forest enterprises and green jobs. ➤ To document and disseminate the best practices from the piloting and influence the policy to support the sustainable forest management and promotion of community based forest enterprises. | | | |
| Prepared and Submitted by Suvas Devkota Executive Director, FECOFUN  <hr/> Project Director signature Date : May 5, 2013 | | Reviewed and Endorsed by Apsara Chapagain Chair Person, FECOFUN   <hr/> Project Steering Committee Chair signature Date: May 5, 2013 | |
| FOR APFNET USE | | | |
| Reviewed and comments by <hr/> ED signature Date | | Reviewed and comments by <hr/> PO signature Date | |

Executive Summary

The project initiated in September 2010 with an official launch through Inception Workshop in November 2010, has been completed giving desired outputs as planned and demonstrating successful model of sustainable forest management through community approach. In the initial phase, the project started a bit slowly but took a momentum as the project concept advanced. The four-month inception period allowed the project to successfully develop a strategic entry point to start intervention at the community level. In the first project year, mostly software activities were promoted such as promotion of good governance, coordination and collaboration with other stakeholders, planning and reviewing of Forest Operational plan etc.

At the end of first project year, a Mid-Term Evaluation of the project was conducted by a team of experts and representatives from APFNet which critically analyzed the approach and intervention carried out for the past year. Few recommendations were made to improve the optimal efficiency and effectiveness of project intervention which resulted in formulation of new and revised activities through revision of second year Annual Plan and the Overall Plan.

The second year activities were based on the revised plan with prime focus laid on establishing demonstration sites based on the learning of sustainable forest management criteria and indicators developed with due consultation with the local communities. Five community forestry user groups (CFUGs) each from Kathmandu, Bhaktapur, Kavrepalanchowk, Morang and Sunsari districts were selected to support them in the participatory forest management and develop it as a demonstration site of Sustainable Forest Management. Focused and extensive trainings, guidance and support were provided to these CFUGs to lead this process. A simple community level guideline on sustainable forest management principles, criteria and indicators was prepared with active participation of local communities. During the project period, 104 forest operational plans were revisited considering with community level SFM Principles, Criteria and Indicator developed by CFUGs. The project supported in establishment of 10 forest based enterprises in which is generating employment in local level in which 87 people are working in these enterprises as regular employees and about 4311 persons are working as part time workers.

With completion of the project period, all of the activities planned to be implemented have been completed generated expected results as anticipated. The project has successfully improved transparency and accountability within 104 CFUGs through Participatory Governance Assessment and Action Plan preparation for its improvement. Similarly, it has conceptualized sustainable forest management and good governance in 104 CFUGs covering 28,622 Ha of forest area managed by 25,422 Households, with intensive focus on 6 CFUGs developed as sustainable forest management demonstration sites. The progress made through this project has ripple effect among the CFUGs for infusing economic sense to forest management and motivating them to utilize forest resources sustainably while reaping benefits from it.

ABBREVIATION

| | |
|---------|---|
| APFNet | Asia Pacific Network for Sustainable Forest Management and Rehabilitation |
| CF | Community Forestry |
| CFUGs | Community forestry users groups |
| CPMU | Central Level Project Management Unit |
| DFO | District Forest Office |
| DoF | Department of Forest |
| FECOFUN | Federation of Community Forestry Users Nepal |
| FOP | Forest Operational Plan |
| GG | Good Governance |
| GoN | Government of Nepal |
| LRP | Local Resource Person |
| NGO | Non-Government Organization |
| NTFPs | Non-Timber Forest Products |
| PGA | Participatory Governance Assessment |
| PHPA | Public Hearing and Public Auditing |
| SFM | Sustainable Forest Management |

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1. INTRODUCTION

Nepal is one of the richest economies in terms of biological diversity despite covering only 0.01 percent of the earth's land area. It has recognized 75 different vegetation types so far, ranging from dense tropical forest to alpine scrub. The diverse ecosystem of Nepal provides a rich resource base of Non-timber forest products and is home to 2.6 percent of all flowering plants, 9.3 percent of birds and 4.5 percent of mammals inhabiting in our planet. With this incredible richness of different flora and fauna, we have high opportunity to conserve and maintain different types of biological diversity and its components in comparison to other countries of the globe. Significant area of national forest is currently managed by community under the concept of community forestry.

In recent years, Nepal has become renowned through the community forest management. Community forestry model is remarkably successful in terms of resource conservation, management and utilization. It has established itself as a successful model to regenerate and restore natural resource base that could be replicated effectively. There are more than 18000 CFUGs in the country reaching out to over 40% of the population of the country. The emergence of Federation of Community Forestry Users Nepal (FECOFUN) in 1995 led the foundation in networking these community forest user groups and brought them together under one umbrella to secure their rights towards forest resources and sustainable forest management and guiding them towards better livelihood by facilitating to help themselves. By now, it has established itself as the largest civil society organization working on natural resource management. This network has been conducting various user friendly programs and activities particularly targeted to support the rural poor and forest dependent people. However, CF development has yet to be scale up and build on lessons learned in many areas such as enterprise promotion, sustainable forest management and forest governance in CF process and poverty reduction.

Nepal has lots of renewable forest resources in the forests that can be used to generate rural employment, create green jobs, and develop community enterprises along with bio-diversity conservation and governance improvement. Sustainable forest management can help to manage the forest resources in a sustainable way and link good national and international markets of the high values forest products. The project proposal aimed at combating these alarming situations of rural poverty in Nepal through the sustainable management of forest and developing community forest based enterprises which contributes to the vision of Nepal government's three-year interim plan of poverty reduction as well.

The project **“Demonstration of Sustainable Forest Management with Community Participation in Nepal”** has been implemented since 1st September 2010, with official launch through an inception workshop on 1st October 2010. Under this project, FECOFUN intended to take the CFUGs and their community based enterprises in vertical and horizontal integration through the supply of information and responsible resources and business practices of Nepal. The project developed and strengthen the capacity of facilitating organizations (the organizations involved in project implementation particularly in districts and local level), service providers and CFUGs in the project areas to commercially manage their forest resources, facilitated for establishment of enterprises, and mobilization of community fund and other

resources through community development activities while not compromising on sustainable supply of forest products for subsistence use. The project gave special consideration to the marginalized people and women in the project area so that the issue of equity and social justice is properly considered.

The project has successfully built a common understanding among different stakeholders on sustainable forest management through various workshops at regional and district levels. It has promoted good governance practices through participatory governance assessment (PGA) and public hearing and public auditing (PHPA) at community level. Coupled with this, project is moved ahead with establishment of forest based enterprises. The project has strengthened the coordination among the different stakeholders at national and local level, NGOs and local level organizations by promoting the working through consultation with relevant stakeholders. It has spread awareness among the local communities about the potentialities of livelihood improvement through sustainable forest management. It however has realized some challenges in terms technical support in SFM, sustainability of community enterprises, marketing and quality assurance of the products.

2. PROJECT GOAL, OBJECTIVES AND FORMULATION

2.1 Project Goal

The overall goal of the project was to promote participatory sustainable forest management to improve the livelihood of forest dependent people.

2.2 Project Objectives

The specific objectives of the project are:

- To enhance the capacity of the local users groups to strengthen internal governance and sustainable forest management with biodiversity conservation.
- To develop the human resources to support the sustainable forest management, livelihood improvement, community based forest enterprises and green jobs.
- To improve the livelihood of the forest dependent poor people through the community based forest enterprises and green jobs.
- To document and disseminate the best practices from the piloting and influence the policy to support the sustainable forest management and promotion of community based forest enterprises.

2.3 Project Design

This project designing aimed to contribute in combating the alarming situations of rural poverty in Nepal through the sustainable management of forest resources and promotion of forest based enterprises which can contribute to the vision of Nepal government's current three-year (067-069) interim plan of poverty reduction as well. Under this project, FECOFUN intended to enhance the capacity of forest users in terms of technical and managerial skills in forest management with the aim to help the CFUGs and forest enterprises in vertical and horizontal integration through the supply of information and responsible resources and business practices of Nepal. The conceptual framework of the project is shown below

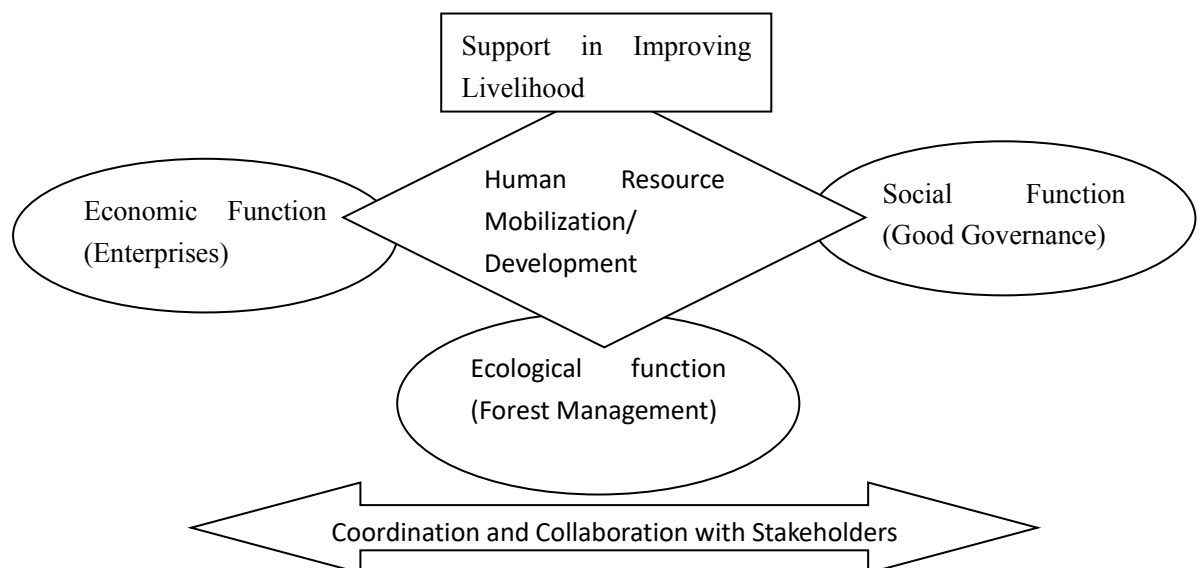


Fig: Conceptual framework of the project

The project objective was to develop and strengthen the capacity of facilitating organizations (the organizations which will be involved in project implementation particularly in districts and

local level), service providers and CFUGs in the project areas to commercially manage their forest resources, facilitate the establishment of enterprises, and mobilize community fund and other resources through community development activities while not compromising on sustainable supply of forest products for subsistence use. The project also focused on special consideration to the marginalized people and women in the project area so that the issue of equity and social justice is properly considered. In order to achieve goal and objective of the project following expected outputs were targeted:

- Community Forestry User Group adopted and understood the criteria and indicators of the sustainable forest management and good forest governance following participatory approach.
- Trained human resources able to infuse sustainable forest management and good governance practices to the community, resource persons at community level for green enterprises.
- Improved livelihood of forest dependent poor people through establishment of forest-based enterprises and creation of green jobs.
- Documentation of processes and strategies followed during the project, publication of success stories and lessons learned publication of Case Studies and Policy Analysis documents and dissemination through media interaction and publishing in newspapers. Also, in-depth analysis through research grants.

The project was implemented in joint collaboration with other Civil Society Organizations (CSOs) but FECOFUN took the leading role and implemented the project. A high-level Project Steering Committee (PSC) consisting of nine members was formed with representatives from following stakeholders: APFNet, FECOFUN, MoFSC etc. The PSC supervised project implementation and make vital decisions and guide the project in providing strategic and policy support. The PSC guided and monitored the project to make sure that it is addressing its core objectives. The Central level Project Management Unit (CPMU) was setup in Kathmandu constituting government bodies, FECOFUN members, partner organizations, and specialists led by project director. 11 mid-level staffs including support staffs were recruited in the central and regional units and about 21 LRPs / facilitators were recruited at the local level to facilitate the project activities at CFUG level. The project was implemented through four cluster level units (Central Cluster Unit – Kathmandu, Midwestern Cluster Unit – Dang, Far Western Cluster Unit – Dadeldhura and Eastern Cluster Unit – Morang). Each regional cluster focused at least four districts of the region for implementing project activities. The cluster units were also responsible to coordinate and collaborate with district level FECOFUNs and other governmental and nongovernmental organizations to implement the project activities smoothly. The project unit of the Kathmandu played a leading role of the regional cluster units and also worked for developing policy and strategies to support and achieve the project goal and objectives through coordinating and collaborating with different levels of national stakeholders.

3. PROJECT EXECUTION

3.1 Start-up

An official launch of the project was announced through conduction of the inception workshop in November 2010 where different government line agencies, stakeholders, civil society representatives, forestry experts and journalist participated together with APFNet

representatives. A project steering committee (PSC) comprising of nine members was formed during the project inception and a meeting among them was conducted preceding the inception workshop where project modalities and strategies were discussed. The project steering committee members provided valuable guidance during the course of the implementation of the project. A number of interaction meetings were conducted during the inception phase to formulate strategies for the project as a whole, during the inception phase other activities like preparation of entry point strategy, preparation of different materials for the workshops and formulating terms of references for the human resources to be hired was also done. Through consultation with District FECOFUNs and National Executive Committee, three regional offices were established in three regional clusters, namely in Dadeldhura, Dang and Morang districts. Similarly, following consultation with APFNet Focal Person and National Executive Committee members, one central office was established in Kathmandu alongside the FECOFUN Secretariat.

3.2 Implementation schedule

The project has been implemented since 1st September 2010, with official launch through an inception workshop. The project duration was of 2 years till the August 2012. But due to the delay in implementation some of the activities 4 month extension period was requested and approved to complete all the activities to achieve the targeted outputs till December 2012. The overall work plan and or annual implementation plan was formulated for the project period to implement the different activities in consultation with different stakeholders. The separate document was prepared for simplifying the implementation process. The glimpse of overall work plan is shown in (**Annex-11**).

The country experienced some period of political unrest caused due to closure of constituent assembly deadline, which also complemented to the delay in implementation of some of the project activities. As such, some activities were not able to be completed during 2nd Year and the No Cost Extension was requested and later approved. Besides some rescheduling of existing activities, due to some funds accumulated from fluctuation in exchange rates between US Dollars and Nepali Currency, additional dissemination activities were also planned for the extension period. Reason for delay in implementation and reason for extension is:

- Unfavorable working environment resulting from political unrest with frequent general strikes especially during April and May 2012.
- Delay in approval of revised annual and overall plan following incorporation of feedback from mid-term evaluation, resulting in rescheduling of the planned activities.
- Substantial amount of fund accumulated due to fluctuation in exchange rate between US dollars and Nepali currency.

During the extension period following activities were mainly focused

- Execution of the remaining activities to achieve the overall goal of the project.
- Implementation of new activities to support the overall goal of the project.
- To execute dissemination activities for sharing the achievements of the project.

3.3 Procurement, consultant hiring and service contracting

The procurement of necessary goods and equipment for the office were procured as per the Public Procurement Act 2007 and Financial Regulations of FECOFUN. The following equipment's were purchased during the project periods. FECOFUN got prior authorization from APFNet before procuring capital items from the grant. Beside furniture the following

equipment's were procured during the project period. The details of other capital asset of the project are recorded in a standard format and it is attached with the financial report.

As per need of the project, a number of short-term consultants were hired during the implementation of the project. Some key consultations that were done during the implementation of various activities are:

- a. Key documentations (Policy Analysis paper, Case studies on learning and best practices)
- b. Media Outreach: Media has been considered a vital body to disseminate and share knowledge generated from various activities.
- c. Feasibility Study and Value Chain Analysis: For the purposes of establishing a successful enterprise, a feasibility study and value chain analysis would foremost be required.
- d. Training: Enterprise establishment would need many technicalities as well. While FECOFUN has a long experience in social mobilization, technical experts will be hired for providing training on technical matters to the community groups.
- e. External monitoring and evaluation: Monitoring and evaluation of the project was done to lead the project in right direction and to provide opportunities to correct the mistakes.

Consultants input

| Name | Expertise | Contribution |
|-----------------------|---|---|
| Dr. Indra Sapkota | Forest Strategic Planning, Member Secretary (Forestry Expert) | Facilitation at various level of workshop |
| Mr. Ghan Shyam Pandey | GACF Coordinator (Social Expert) | Training and facilitation |
| Mr. Bhola Khatiwada | Facilitation Expert | Facilitation |
| Mr. Sagar Pandit | Media | Media dissemination |
| Mr. Deepak Acharya | Forestry expert | SFM Guideline formulation |
| Mr. Bhola Khatiwada | Social expert | Facilitation |
| Forest Action | Forestry Research | Forest policy and value chain analysis |
| Ajay bikram Manadhar | Forestry expert | Forest inventory training |
| Kumud shrestha | Forest management expert FSC focal person | Review of SFM guideline |
| Lokraj Nepal | Forestry expert | Review of SFM guideline |
| IDS Nepal | | Value chain analysis |
| HBTL | | Business plan preparation |

3.4 Revision

At the end of first project year, a Mid-Term Evaluation of the project was conducted by a team of experts and representatives from APFNet which critically analyzed the approach and intervention carrying on for the past year. Central level meeting with high officials, field visit, and interaction with actual beneficiaries and further discussion with FECOFUN was done in order to evaluate the project. Few recommendations were made to improve the optimal efficiency and effectiveness of project intervention which resulted in formulation of new and revised activities through revision of 2nd year Annual Plan and the Overall Plan. The second year activities were based on the revised plan with prime focus laid on establishing demonstration sites based on the learning of sustainable forest management criteria and indicators developed with due consultation with the local communities. Six community forestry user groups (CFUGs) each from Kathmandu, Bhaktapur, Kavre, Morang and Sunsari districts were selected to support them in the participatory approach forest management and develop it as a demonstration site of SFM. Focused and extensive trainings, guidance and support were provided to these CFUGs to lead this process.

3.5 Monitoring, Evaluation and Reporting

Monitoring

There has been timely monitoring of the project activities through various means. At central level, the project progress was discussed in a meeting with steering committee members and project staffs every month. While the project progress was monitored by national executive committee members every quarterly, Monitoring and Evaluation Committee of FECOFUN and also by Project Steering Committee members on an as needed basis, An internal monitoring report is Annexed to this report, as shown in **(Annex-13)**.

Evaluation

External evaluation of the project was conducted in the middle and after the extension period respectively by independent consultant teams entrusted by APFNet. The findings of the MTE were satisfactory with suggestions to improve on few areas for optimum output of the project. According to suggestions from evaluators, the second year annual plan was revised and implemented accordingly. The findings of the terminal evaluation were satisfactory with few recommendations for the future. The terminal valuation team appreciated the local level coordination among the stakeholders, dissemination, media mobilization and policy intervention as the positive results of the project with few comments regarding the fund allocation and mobilization in grass root level.

The overall process of monitoring and evaluation helped in

- Implementing the project activities in right track.
- To achieve the overall goal.
- To increase the effectiveness of the project.
- To find the impact of project at local and national level.
- To revise some of the activities and add up some the new activities.

Reporting

The project submitted two Quarterly Performance Reports per year. In each quarter, an original and one copy of the report were submitted to APFNet. The project also submitted one Semi-Annual Performance Report instead of a second quarterly report. This report covered the progress of activities over the last six months. The Project submitted an Annual

Performance Report at the end of annual performance period in lieu of a forth Quarterly Performance Report. One original and one copy of the Annual Performance Report were submitted to APFNet. The Annual Performance Reports covered the 12 months Annual Performance Reports submitted within two months days of the reporting period. Within 3 months after the completion date of the Agreement, Projects submitted final program performance report to APFNet.

3.6 Project Costs and Financing Sources

There were two types of funding sources for implementation of this project. One is APFNet grant and another is counterpart fund. The counterpart fund was in in kind which was contributed by CFUGs. The total cost of the project was US\$577,159. Out of which total grant from APFNet was US\$ 500,479. The most of the budget amount in used in the process of capacity building, training, workshops, guideline preparation and dissemination because this was the piloting project which needs to be more focused on capacity enhancement works and dissemination and also it is the starting phase so it was more focused on process rather than the result which shows that low investment is done in local level for the SFM and forestry enterprises. The financial detail is prepared in separate financial report and the summary of expenditure is presented in **(Annex-12)**.

3.7 Dissemination

Various posters, booklets, brochure and other information materials related to sustainable forest management and community enterprise were published and distributed to the community forestry user groups in order to increase the understanding on the concept of sustainable forest management and the importance of community enterprise to economically sustain the economic needs of the communities. A project information bulletin was also developed and published in English to suit the needs of English-speaking population and widen the reach of the project impact. Additionally, a community level enterprise development guideline was prepared to support community forest user groups in establishing enterprises. For dissemination of project activities, photos were printed and showcased during various events. The following is the list of IEC materials published during the project period.

- Leaflet about project type -1 -Nepali version
- Brochure about project type 1 – English version
- Poster Type-1 Sustainable Forest Management
- Poster Type 1- Enterprise development and green job
- Guideline of SFM criteria and indicators
- Video documentary - Nepali version
- DVD of photo monitoring -1

- Community based forest enterprises (a hand book) – Nepali Version

And in CFUG level different materials like community forest brochure, photo monitoring and biodiversity flex were published and disseminated at community level.

The project concluded its activities and shared its achievements and outputs in a national seminar organized by the Central Project Support Unit in which Secretary of Ministry of Forest and Soil Conservation was the Chief Guest. Joint Secretaries from Ministry of Forests and Soil Conservation as well as former Chairperson of FECOFUN were special guests for the program. There were 89 participants representing NGOs, CSOs, Federations and private enterprises working in forestry sector and community representatives who actively participated in the discussion and provided further suggestions for the project. Video documentary summarizing project activities and viewpoints of LRPs and different people was shown during this seminar to



IEC materials published by the project

provide the idea about the implementation and output of the project. Achievements of the project were presented with positive feedback obtained from all the stakeholders. As a part of international dissemination of the project FECOFUN as the executing agency participated in Asia Pacific Forestry week where the project director presented about the project activities, overall achievements and lesson learned. This type of dissemination helped to grab the national and international experiences to implement the project in the right track.

4. PROJECT PERFORMANCE

4.1 Performance of the Executing Agency

The program team comprised of Federation of Community Forestry Users, Nepal (FECOFUN) as the Executing Agency and served as the executor of the project. The executive agency had overall programmatic, administrative and management responsibility for the project. The FECOFUN implemented this project through management modalities that was more responsive towards the demand of the local context and creating conducive environment for learning sharing and working harmony. On behalf of FECOFUN, the Central Project Management Unit was overall responsible and accountable to the APFNet.

Table 1: performance rating sheet of executing agency

| Performance Indicators | Score |
|-------------------------------------|-------|
| Time Control | 3 |
| Cost Control | 3.5 |
| Adherence to Contractual Conditions | 4 |
| Adequacy of Supervision and Reports | 4 |

| | |
|-------------------------|-----------------------------------|
| Operational Performance | 4 |
| Total (Average) | 3.7 (satisfactory) ¹ |

4.2 Performance of Other Project Partners

The Ministry of forest and soil conservation (MoFSC) supported to develop policy guidelines and strategic plans at national level and it's implementing units (DOF, DoFs) especially District Forest Offices facilitated and backstop to CFUGs for revision and implementations of operational plans by providing technical and legal support. The MoFSC helped in monitoring and evaluation of the project and its activities and make appropriate recommendations to achieve project goal and objectives. The IDS supported in formation of cooperatives during the enterprise establishment. It also assisted and guided in developing business plans for enterprise development. In addition, it provided technical support for enterprise establishment. IDS also performed reporting and documentation of all the activities that are led by IDS. Social mobilization for the prescribed activities was also be done by IDS. HBTL was primarily involved in conducting feasibility study and value chain analysis for establishing the enterprise. Additionally, it helped to set up the enterprises and to explore the marketing potential for the product.

4.3 Performance of APFNet

APFNet being the financial supporter for this project, showed a lot of coordination and collaboration. Without its support and guidance project wouldn't have achieved its goal and objectives. The performance of APFNet can be viewed as follows

- Good coordination and collaboration with executing agency during the project implementation.
- Positive Support during re-design the project.
- Support in technical and managerial skills to project team.
- Support to international exposure and disseminate the project learning.

5. RESULTS

The planned activities of the project were successfully completed. Some of the activities that could not be completed during the first year were subsequently conducted during the earlier part of the second year. The tools such as PGA and PHPA used to establish good governance have been proven to be very effective and efficient in imparting the knowledge and role it plays in overall success of the CFUG in terms of benefit sharing and becoming just. CFUGs have realized that the unused local resources from the forest and the community can be converted into a mode of income generation through establishment of forest-based enterprises. Increased coordination and collaboration resulting in potential generation of funds for enterprise establishment from different key stakeholders has been one of the major outputs of the project. The project substantially achieved desirable outputs during

¹ 3≤X≤5: Satisfactory, 1≤X<3: Unsatisfactory. The score for overall Implementation Performance is the average of the individual performance variables.

this second year of the project. Ten community enterprises were established with mobilization of project fund as well as community forest fund, individual investment and support from government line agencies as well as other stakeholders. These enterprises approximately generated 4398 employment opportunities both directly and indirectly on a permanent as well as temporary basis. Additionally, the community guideline on SFM principles, criteria and indicators prepared with rigorous discussion among communities and the experts paved way to develop five CFUGs as demonstration sites for sustainable forest management, which have broadened the knowledge on sustainable forest management approach together with the importance of ecological, social and economic value which can result in sustainability of the forest resources. The project has successfully improved transparency and accountability within 104 CFUGs through Participatory Governance Assessment and Action Plan preparation for its improvement. Similarly, it has conceptualized sustainable forest management and good governance in 104 CFUGs covering 28,622 Ha managed by 25,422 Households, with intensive focus on 5 CFUGs developed as sustainable forest management demonstration sites.

5.1 Achievements

5.1.1 Develop and implement the criteria and indicators of sustainable forest management and good governance in community forestry

Public Hearing and Public Auditing

Public Hearing and Public Auditing (PHPA) was recognized as a participatory process, which provided opportunities to CFUGs general members to critically discuss, query, and examine the activities planned and implemented and expenditure made on each activity by EC members. It also invoked the issues of transparency and accountability of Executive Committee. PHPA was aimed as a key tool to ensure rights of users in collective action on natural resource management. It was used as a means of promoting trust and credibility among EC and users through maintaining



PHPA in Aalital Dadeldhura

transparency and enhancing accountability. The issues in which PHPA was focused is shown in **(Annex-7)**. With this objective, a total of 104 events against the target of 100 PHPA were conducted in 104 CFUGs during the project period. In the entire process of PHPA, a total of 2899 participants including 1577(54.39%) women actively participated in the process.

Participatory Governance Assessment and Reassessment

As one of the governance assessment tools, a total of 104 events of PGA have been completed against the target of 100 in different CFUGs resulting in identification of strength

and weakness in terms of governance. The major component of governance assessment was analysis of existing situation and preparation of action plan for its improvement. A total of 3152 participants participated in this activity among which 1331 (42.2 %) were women. Different districts depending on their existing knowledge on governance assessment and the community understanding on the criteria and indicators on four and five pillar models of PGA, the project initiated piloting of these assessment models in the respective communities.



Spider web preparation

Both the four and five pillars models had been practiced by FECOFUN for many years and seemed to have been equally beneficial for improving the governance of the CFUGs. The output of the assessment has been presented in the form of a spider web diagram demonstrating present status and desirable status within a year. To work on improving the weakness, all of the CFUGs have developed a one-year action plan. Analysis of the data received on participatory governance assessment shows that the CFUGs are performing better on participation and effectiveness part and a little weaker on accountability and transparency. Some spider web diagrams of the CFUGs have been shown in **(Annex-6)**.

Develop simple guideline for developing and implementation of sustainable forest management principles criteria and indicators by community participation

A simple community level guideline on sustainable forest management principles, criteria and indicators was prepared with active participation of local communities. This has been prepared based on forest management practices adopted by different CFUGs with in the project area, for this a number of consultations meetings and workshops were carried out with community forest user groups within the project area. This document synthesizes the international standard on sustainable forest management taking in to account the experience and local knowledge of users groups in forest management. This simple guideline simply consists of

- Concept and principle of Sustainable forest management
- Criteria and local level indicator for sustainable community forest management
- Monitoring format for sustainable community forest management
- Major points to be included in forest operational plan and constitution

Of note is the five consultations among the community forest user groups and two consultations among forestry experts were conducted in which a total of 87 males and 30 females participated. Details of participants are given in **(Annex-2)**. Through continuous consultation, the guideline has been revised various times, based on which an effort was made to implement it on the demonstration site community forestry user groups where

they have refocused their sustainable forest management approach according to this guideline and as suited to their local needs.

Government of Nepal, Ministry of Forest and Soil Conservation is trying to initiate the concept of sustainable forest management in community forests, as a part of this government is taking reference of this guideline to develop a national level guideline for sustainable

community forest management. This is one of the important policy intervention this project.



Community level simple Guideline of SFM

Community Forest Demonstration Sites

The project selected six CFUGs for the demonstration purpose covering an area of 673.21 ha. Of which the selected CF are (1. Thuli CF- Panchkhal, Kavre 2. Taudolchhap CF- Sipadol, Bhaktapur 3. Bosan CF- Chalnakhel, Kathmandu 4. Sundar CF- Pathari, Morang 5. Hariyali CF- Dharan, Sunsari and 6. Hasposa CF- Sunsari) representing the different geographical and ecological variations within the country. All the demonstration sites for sustainable forest management are managed by the community users under the scheme of community forestry in which users are allowed to conserve, protect and utilize the forest resources as per the forest operational plan prepared by them under the technical assistance from the district forest office. Out of the six community forest demonstration sites 3 in the teari belt of Nepal representing tropical climate with main tree species of *Shorea robusta*, *Dalbergia sisoo*, *Tectona grandis*, *Terminalia tomentosa*, *Syzygium cumini*, *Bamboos spp.* Etc and three of them are in mid hills of Nepal representing subtropical and temperate climate of Nepal with main tree species of *Castanopsis indica*, *Lagerstroemia parviflora*, *Madhuca indica*, *Schima wallichii* and *Pinus roxburghii*, etc. Demonstration of multi-functional utilization of forest resources and practices of SFM activities were the main objectives of the demonstration sites. Series of the meetings and discussion were conducted with different stakeholders, CFUGs and project team to develop the selection criteria. The following listed criteria were formulated and adopted to select the CF for the purpose of demonstration site

- Legality and financial aspect of forest management
- Accessibility
- Geographical coverage and ecological diversity
- Capacity and willingness of the users to demonstrate the SFM activities
- Ethnic and cultural diversity within the user group
- Coordination and collaboration with other stakeholders
- Higher level of Forest governance
- Potentiality of ecotourism and enterprise development for long term sustainability of CF management

The major thrust of this activity was to establish the piloting sites for demonstration of multi-functional utilization of forest resources and practice forest management activities in line with principle of SFM. The major activities that were conducted in demonstration site is described below.

Biodiversity of all six demonstration sites CFUGs was documented and registered with participation of forest users through transect walk, inventory sheet and key informants survey. The documents were produced in the form of flex prints which were published for the dissemination purpose. Forest nursery covering an area of 0.5 ha, with capacity of producing 0.1 million seedlings is operating in Sundar CF Morang to support for the plantation activities in and outside the community forest area. Fire line in different community forests 3 km in Bosan CF, 1.5 km in Sundar CF, 1 km forest path in Taudalchhap CF, 12 km in Hariyali CF 2 km in Hansposa CF, and 2 km forest path in Thuli CF have been constructed to reduce the risk of forest fire and to mitigate its associated effects. Plantation in different area of demonstration site was done. Fodder grass (*Stylo* and *Napier*) and Lapsi (*Choerospondias axillaris*) was planted in barren land of Bosan CF, likewise rudarksha (*Elaeocarpus ganitrus*) was planted in bushy area of Taudalchhap CF with them aim to develop that area as the separate block for *Elaeocarpus* plantation. In addition plantation was also done in degraded and ravine areas of other demo sites. Silvicultural operations like cleaning, pruning, singling, thinning, and weeding were done in all the demo sites according to the prescription made by forest resource inventory and biodiversity assessment in the respective CF where 3 ha weeding in Sundar CF, 1.5 ha pruning in Hariyali CF, 1 ha singling/coppicing in Hansposa CF, 5 ha thinning / Pruning in Taudalchhap CF, 8 ha thinning/ Pruning in Thuli CF and 10 ha thinning, pruning and weeding in Bosan CFUG was done. Research plots were also developed for forest management purpose in different demosites in which Sal (*Shorea robusta*) plot is maintained in Sundar CF, Satisal (*Dalbergia latifolia*) regeneration and its growth plot in Hariyali CF and *Ginkgo biloba* block plantation plot in Thuli CF.

Resource center management was one of the major activity in the demonstration site where resource center is developed in as Library, Training and meeting hall, keeping 300 different publications and creating CFUGs data base in computer software in Sundar CF whereas Resource center with capacity of 50 thousands books coverage in Hariyali CF with the facility of Internet in addition Resource center has been renovated in Bosan CFUG with well managed infrastructure and CF information. Thuli and Taudalchhap CFUG are also managing their offices in partnership with the other community organizations. Revision of the forest operational Plan including the major points of Sustainable forest management was done in Hariyali, Taudalchhap, Thuli and Bosan CFUG. Whereas Missing issues related to enterprise, Good governance and rights of labor are mentioned in operational plan of Sundar CFUG.

Forest users in demo sites have participated actively in different trainings, workshops, meetings and field activities in

**Long term Vision of Bosan Community Forest User Group,
Chalnakhel Kathmandu**

1. Sustainable management of community forest resources
2. Biodiversity conservation
3. Ecotourism promotion in community forest
4. Livelihood improvement and enterprise promotion
5. Good governance in community forest

the project period which has been on if the achievement of the project in terms of mobilization of the users. Capacity building regarding sustainable forest management, good governance and enterprises development has been done in the CFUGs. CFUGs in demo sites developed along term strategic plan for CF management, which was prepared in participatory approach. This strategic plan consists of vision for sustainable management of the forest resources keeping in view the economic, social and environmental aspect of forest management. Six strategic planning workshops were done in six different CFUGs in participatory way. CFUGs outlined the overall vision of community forest management with details of activities with their tentative time schedule for the next five years. This action plan was presented in logical framework analysis.

Overall outcomes of the demonstration site activities

- Conceptualization on Sustainable forest management
- Strategic plan preparation (Community forest management)
- Innovative OP preparation (Inclusion of SFM principles, criteria and indicators)
- Enterprise establishment in CFUGs.
- Biodiversity monitoring and registration
- Fire line and forest path construction.
- Plantation in bare land of CF.
- Community resource center establishment
- User mobilization in sustainable forest management activities
- Higher degree of coordination among the different stakeholders
- Higher degree of women participation
- Improved level of forest governance (economic and social)
- IEC materials like brochures, flex prints and hoarding boards preparation in CFUGs.

Innovative forest operational plan preparation

The project intervene around 28,622 ha of forest area within 104 CFUGs in 21 districts where around 673.21 ha of forest area in 6 CFUGs was managed as the demonstration sites. During the project period, 104 forest operational plans were revisited considering with community level SFM Principles, Criteria and Indicator developed by CFUGs. The sustainable community forest is considered economically viable, socially acceptable and environmentally sound. Series of consultations among CFUGs and government line agencies were carried out to make common understating on production of innovative operational plan of CF. The innovative operational plans incorporated the criteria and indicators of SFM, developed by CFUGs in participatory approaches. The major points of that are incorporated in preparation of the innovative forest operational plan is as shown in box below and the detail of it is presented in **(Annex-9)**

Major points included in innovative forest operational plan

- Women and inclusion (50% women should be included in the executive committee; the post of either president or the secretary should be represented by women) ,
- Fund allocation to pro-poor user of CFUGs (Minimum 35% of the fund should be spend on the poor targeted program for extremely poor people by standardizing the well-being of these people through participatory approach)
- Fund allocation to forest management activities (Minimum 25%)
- Promotion of forest governance in local level (provision of PHPA and PGA)
- System strategic plans are prepared through the participatory approach by every community forest user group,
- Silvicultural operations recommended by the forest resource survey
- Conservation plan of the forest resource, wetlands, wildlife and protected area
- Promotion of alternative energy
- Soil conservation and water resource conservation
- Non-timber forest products cultivation and marketing
- Assess and monitor the forest operational plans

5.1.2 Improve the livelihood of forest dependnet poor people through community based forest enterprises and green jobs**Establishment of Forest Enterprises and Green Job Creation**

One of the major objective of this project was to improve the livelihood of forest dependent people through promotion of forest enterprises and creation of green jobs. With regard to this, during the project period it supported in enterprise development activities in the form of enhancing technical knowledge on resource identification, developing marketing linkages and providing seed money to start up the process.

Consultation workshops were conducted in four different clusters to identify the potential enterprises according to the availability of resources and market. These consultations provided an opportunity to identify 10 potential community-based forest enterprises (**Annex-8**) that would ultimately benefit the poor and the marginalized forest users. With the assistance of consultants, the CFUGs conducted feasibility study, value chain analysis of potential products, and developed the business plan. Based on these studies and business plan, ten enterprises have been established in different location of the country with financial assistance of the project in addition to investments by communities themselves, loan from financial institutions and other investments from private sector. A gross estimation reveals a total of USD 121,731 (exchange rate 1 USD = NPR 78) is invested by the CFUGs, Government line agencies and private sector for the enterprises beside the project investment. The grant supported by project to CFUGs was provided to 280 poor people as the NRs 10,000 share per person. The project provided total seed grant of NRs. 28, 00,000 to 10 enterprises, the details of the project contribution in each enterprise and the details about their operation status can be found in separate enterprise report annexed in (**Annex-8**). These forest based enterprise are balancing the social, economic and environmental factors of forest management from the beginning, has already started showing a good indication of social, economic and conservation results on the community level. Enterprises

have become a good source of income for poor and medium users that can support poverty alleviation among rural people. Till now 87 people are working as regular employees during the operational period and about 4311 persons are working as part time workers in different pre and post activities like collection, grading, storage and marketing activities. Some the enterprises have started sharing benefit to the investors for example, the Community Sawmill in Dolakha gained NRs 2 lakh benefit from the saw mill and distributed to poor during the one year period.

5.1.3 Document the best practices from piloting and dissemination to influences the policy to support the sustainable forest management and promotion of community based forest enterprises

Policy Advocacy

Policy analysis and advocacy on the issues related to sustainable forest management and promotion of forest enterprises at community level were conducted to carefully examine the SFM approach as well as uplifting the poor with in the current framework for forest policies comparing it with practice observed at the communities. To widen the impact on policy making process policy maker visit was organized which constituted the high level government officials and other key stakeholders. Field based observation in demonstrations site was done along with dissemination of real facts to local and national level. This helped in grabbing the local level intervention on sustainable forest management which can be good lesson for the policy making process. High level government officials were highly satisfied with the working strategy and output of the project activities. They realized that the concept of sustainable forest management should be implemented all over the country to grab the real opportunity of forest resources taking lesson from this piloting project. In addition Government of Nepal, Ministry of Forest and Soil Conservation is trying to initiate the concept of sustainable forest management in community forests, as a part of this government is taking reference of the SFM guideline develop by this project as a national level guideline for sustainable community forest management. The major outcomes of policy maker visit are

- Helped to make common understanding on the SFM principle criteria and indicator and its implication at national level
- Helped to bring local issues of community forest management in local level to national level which supported to make policy and strategy of community forest management
- Government officials realized the policy hurdle in enterprise promotion in local level and they assured to enforce he conducive policies for forest enterprise promotion.

Media Collaboration

Media coverage was critical to influencing policy-makers and public perceptions on the project. The project also realized that it was important to collaborate with media to educate them on meaningful issues related to democratic governance, participation, and the experiences of marginalized and poor groups, including women. The project managed to encourage the publication of newspaper articles and radio/TV segments which helped to inform the public and build a sense of one nation providing poignant and accurate information to journalists. The media collaboration was very much useful in nationalizing

the local forest management issues at national level and it also helped to make a common understanding on SFM and enterprise development at community forestry. A glimpse of media coverage of project activities is shown in (**Annex-10**).

Exposure Visit

An eight-member team comprising of project staffs, FECOFUN steering committee member, community forestry user group representatives and partner organization representatives took part in an exposure visit to China to learn on the approaches of sustainable forest management being practiced there as well as the successful forestry enterprises. The visit was highly fruitful in the developing an understanding how economic environmental approach of forest management can be sustainable for prosperous communities. On the similar way national level exposure visit was also conducted between different CFUGs, so as to share and exchange the knowledge and skills in forest management and enterprise development.

5.1.4 Develop the human resources to support the sustainable forest management livelihood improvement, community based forest enterprises and green jobs

Capacity Enhancement of CFUGs

CFUGs were main actor of this project. All most all of the activities were confined to enhance the capacity of CFUGs in local level to promote sustainable community forestry management. All total of 15807 participants including 10050 men and 5757 women (**Annex-2**) form 104 CFUGs participated in the different types of activities like forest management activities, PHPA, PGA, trainings; workshops, networking and observation tour which enhanced the capacity of forest users during the period. As a result of these type of capacity enhancement activities, following changes were seen within the forest user groups.

- Increased awareness (**concepts and practices**) on sustainable forest management issues at community level
- Increased efficiency on forest management activities at community level
- Able to prepare community level forest management plans in line with SFM
- Increased level of transparency and accountability in CF process

Mobilization of Local Resource Persons

The project gave priority to mobilize the local resource persons as the key project implementers in local level. During the period more than 37 LRPs were trained on the issues like (forest inventory, biodiversity monitoring, governance assessment, business plan preparation and concept and good practice of sustainable forest management) in community



Forest Inventory Training for LRPs

forest. These trained LRPs were responsible to facilitate and backstopping the CFUGs in forest inventory, innovative forest operational plan preparation, facilitation on good governance practices, forest management activities in line with the principle of SFM and enterprises promotion in community level. These LRPs have become sustainable human resources for CFUGs who are working to facilitate local communities to promote SFM and forest based enterprises.

Skill-based Training

Skill-based training on establishing forest nursery was conducted in Dolakha in coordination with District Forest Office and community forestry user group. During this training, the four participants were taken to the nursery and provided hands-on training with direct observation. Similarly, training on handmade paper was provided to two participants from Baitadi (Far Western Region) in coordination with Himalayan Bio-Trade Ltd and a local handmade paper enterprise. In this training also, the participants were provided direct participation opportunity to practice the skills and guarantee the quality of the output. Likewise training on making the furniture and other products from bamboo was conducted in Morang in coordination with Micro-enterprise development program for fifteen participants.

5.2 Good stories, Best practices, Intelligence Products

The case studies were drawn incorporating the project learning and the themes in which project has been working. Students from different universities conducted these studies to contribute to the project goal and also to contribute to their individual knowledge. Students from Institute of Forestry and College of Development Studies contributed to preparing the case studies. The topics in which cases studies were done are follows.

- ***Opportunities and Challenges of Forest Based Micro Enterprises in Nepal.***
- ***Sustainable Community Forest Management and its Implication on Rural Livelihood.***
- ***Governance Status of Taudalchhap Community Forestry User Group in Bhaktapur District***
- ***People Based Sustainable Forest Management of Taudalchhap Community Forestry user Group of Bhaktapur District***
- ***Resource Analysis of Lokta for Sustaining Paper Making in a Community Forest***
- ***Vulnerability Assessment & Adaptation Practices of the Local community to climate Change***
- ***Value Chain Analysis and Distribution Mapping of Major NTFPs***

These case studies were fruitful in grabbing the information about following issues at community and national level

- Fact finding in community level implementation status of the project.
- Assessment of project impact at local level.
- Documentation of best practices at local level and recommendation it the policy level.

5.3 Lessons learned

Lesson learned during the project design, implementation, management, coordination,

monitoring and financial control are described in respective subheadings as follows

Project Design

- Experience has shown that too many decisions concerning project work plan and strategy and objectives have constrained the implementation of the project smoothly which hampered the target achievement progress.
- It is important to ensure incorporation of the target groups and beneficiaries voice in, the decision making process of project designing based on relevant and sufficient information.
- Involving as broad a range of potential stakeholders and expected beneficiaries as possible in the project design phase is essential to ensure that the final project document is an accurate reflection of reality, a feasible project, and has the potential to become an effective intervention.
- A Project design to focus of the real needs of the beneficiaries by requiring a detailed assessment of the existing situation, and by applying the logical framework method and assuring sustainability and critical assumptions are incorporated.

Implementation

- The goal, objectives and implementing strategies of the project makes the project concept and context clear and visible, and thus enables better monitoring and valuation. The monitoring, reporting, and evaluation components of the project cycle are essential for effective implementation.
- A successful project is the result of not only the accuracy of the technical solution, but also of the acceptance by all the stakeholders involved and the approach to implementing the project.
- At each stage in the project cycle, issues are examined, revised as necessary, and feedback is provided to improve project implementation.
- Regular backstopping and technical support is needed.

Project Management

- Role and responsibility of each project personnel must be clearly defined for effective project management.
- Project management structure must be simple and dynamic rather than complex and rigid.
- Project management and operating guideline is need for effective management.

Coordination

- Coordination and collaboration with multi-stakeholders result in synergetic relationship
- Joint proactive effort of multiple stakeholders necessary for enterprise development
- More effort and coordination needed to secure counterpart funds for enterprise establishment
- Coordination and collaboration is needed to share the skills, knowledge and ideas

- Coordination and collaboration with government line agencies is foremost for the policy intervention.

Monitoring

- Periodic monitoring is necessary to maintain good governance at community level
- Regular backstopping is needed for sustainability.

Financial Control

- Fund must be directly transferred to the beneficiaries group to speed up the project activities.
- Financial operating guideline is foremost for the financial management.
- Utilization of local resource persons and local institutions are economically efficient and viable
- Establishment of enterprises is a long term process in terms of sustainability

5.5 Impacts

Nepal is undergoing political change. After more than a decade of Maoist/government conflict and a people's movement which toppled the monarchy and brought about an interim multi-party government which included the former Maoist rebels, Nepal is now undertaking a nation building exercise. This opens up many positive opportunities at all levels as well as causing unrest among groups seeking more autonomy in this new democratic climate. Building the capacity of civil society organizations and groups, particularly those who are poor and socially excluded, including women through involving them in decision making, improving their livelihoods through increased productivity in the management of natural resources and creating green job through promotion of forest based enterprises enabled them to take more active roles in their communities as well as at the national level.

CFUGs played an important role in social and economic upgrading of the nation by creating green jobs through sustainable biodiversity conservation and forest based enterprise promotion although many issues need to be addressed within the CFUGs themselves. For example, it remains an on-going challenge to ensure equality and equity. Following are the resulted impacts of the project.

Social impacts

In past many FUGs lacked the necessary organizational, technical, and advocacy skills. This was inhibiting their abilities in many areas related to effective forest management. Strengthening of the institutional and advocacy capacities of FUGs for meaningful political engagement in mainstreaming governance, democracy, sustainable peace and biodiversity conservation was scaled up during this implementation period. More effort was placed on facilitating FUGs to make linkages with other agencies so that they can draw resources for pro-poor activities.

Further strengthening of governance was done to avoid such things as the tendency of FUG members to put more members into the poor category in the hope of obtaining more project and groups support. This has led to frustration among poor users who may not be able to receive support even after being identified as poor.

Environmental impacts

CFUG were unable to acquire the required technical support, particularly for biodiversity conservation and forest management, due to the lack of sufficient technical staff in the

parks and conservation areas. This, the project conducted series of training focused on biodiversity conservation, monitoring and registration as well as training on sustainable management, harvesting and the use of forest products. Methods for biodiversity monitoring in community forest and 4 community areas and the revision and/or preparation of management plans for these areas with the active contribution of user groups will ensure their improved knowledge of forest management and biodiversity conservation. By engaging socio-political and cultural leaders and undertaking a budget and power analysis of service providers, greater strength was added to the communities' ability to not only improve their knowledge base but take positive, inclusive, steps to address their own issues.

Economic impacts

Appropriate mobilization of resources is needed in order to generate employment and develop livelihood improvement plans. Since the key focus of the project was sustainable management of forest and biodiversity conservation through promotion of community enterprise, in this the communities were able to make successful forest-based community enterprises during the project period. Likewise the project supported for formulation of livelihood improvement plans of the poor and socially excluded groups in order to improve their livelihood. All these activities played a great role in creating green job and economic empowerment of the locals. The project also helped in linking the market in both regional and national levels. Mobilization of Group Funds in an equitable manner is an effective way to support community development, poverty alleviation to help improve the livelihoods of women, poor, *Dalits*, and marginalized *Janajatis*. The project organized orientations to identify poor and marginalized households and accumulated start-up capital to establish small scale forest based enterprises among others. Till now 106 people are working in forest enterprises as regular employees and about 4311 persons are working as part time workers. Some of the enterprises have started sharing their benefit to the investors for example, the Community Sawmill in Dolakha gained NRs 2 lakh benefit from the saw mill and distributed to poor during the one year period.

6. Sustainability

The project hoped to sustain even after the completion of the project due to following reasons:

- a. This was a participatory initiative enacted collectively with community participation involving them actively in each step during the implementation.
- b. Community forest user group itself is an autonomous organization with extended group dynamics and having successful networks through FECOFUN in all districts of Nepal.
- c. A knowledge base and information dissemination strategy developed during the project implementation.
- d. Profit-oriented green enterprises with resource generation on its own.
- e. Trained human resources to handle the risks and threats for the enterprises.
- f. Assurance of accountability, transparency, visioning and participation following good governance practices within the CFUG and the enterprise.
- g. Sustainable management of forest leading sustainable harvest of resources and biodiversity conservation.

7. Recommendations

Project entitled “Demonstration of Sustainable Forest Management with Community Participation in Nepal” was piloted since 1 September 2010 with support from APFNet, which successfully achieved to conceptualize the sustainable forest management (SFM) approach among the intervened community forestry user groups (CFUGs). These CFUGs were provided conceptual knowledge on SFM and good governance was promoted within the group. The project imparted the need of economic well-being in addition to environmental and social well-being for which the project promoted micro-community forestry based enterprises. During the implementation of the activities, coordination, communication and collaboration with different national, district and local level stakeholders were one of the major strategies of the project. The concept of demonstration sites have been well absorbed by the CFUGs who have planned themselves for further development based on SFM concepts and working rigorously to develop the CFUG as an “SFM demonstration site” under community management.

In view of the existing challenges faced by community forest in terms of livelihood benefits from sustainable forest management, the pilot project was launched which focused its activities to deal with this issue by establishing demonstration sites of sustainable forest management in five CFUGs. The approach and modality of this development seems to be replicable in other CFUGs which can potentially further the current project intervention. Accordingly, the intervened CFUGs need further capacity development in terms of market linkage and management aspect in order to sustainably manage their enterprises. Additionally, it would also be necessary to identify the contribution of CF in poverty alleviation in the changing context of climate change. Further, there are a number of policy issues in the forestry sector which have potential to threaten sustainability of the forests in Nepal which needs immediate address.

In this context this project need to be extended to dissemination the best practices of the demonstration sites at local, regional, national and international level and further capacity building on creating market linkage with the micro-community based forestry enterprises so the new project has been conceptualized with the following objective which is already forwarded to APFNet:

1. To extend the project impact through documentation and dissemination of best practices and lessons learned of the demonstration sites
2. To enhance capacity of CFUGs on building market linkage focusing on community micro-enterprise and participatory SFM approach and replicate the best practices of SFM to neighboring CFUGs
3. To assess the contribution of CF in poverty alleviation and identify their roles in forest policy making in Nepal in the broader context of climate change mitigation and rural development.
4. To create new opportunities for Nepal-China senior level officials dialogues on SFM