



***Asia-Pacific Network for Sustainable
Forest Management and Rehabilitation***

Grant Application Form of Pilot Projects

Name of applicant:	Mr. Ghan-shyam Pandey: <i>Chair Person of Federation of Community Forestry Users, Nepal (FECOFUN)</i>
Name of the Partner(s)	FECOFUN, and other professional service providers
Title of the project:	Demonstration of Sustainable Forest Management with community participation in Nepal
Total cost of the project:	<i>Indicate to the grant, counterpart fund in cash, counterpart fund in kind</i> <i>Grant \$500479 counterpart cash and kind contribution \$76680</i>
Duration of the project:	<i>24 months</i>
Signature of APFNet Focal Point	
Contact information of the applicants:	
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Federation of Community Forestry Users, Nepal (FECOFUN)

Proposal

Demonstration of Sustainable Forest Management With Community participation in Nepal

Background

The community forestry programme in Nepal has positive results to rejuvenate greenery in the country, but many areas still need to be improved further mostly to generate positive social, economical and environmental impacts for the local users and for the nation. One of the major objectives of community forestry is to reduce poverty in rural villages through various income generating activities through sustainable forest management and developing community based forest enterprises.

Nepal, one of the richest countries in terms of biological diversity despite covering only 0.01 per cent of the earth's land area, has recognized 75 different vegetation types so far, ranging from dense tropical forests to alpine vegetation. The diverse ecosystems of Nepal provide a rich resource base of Non Timber Forest Products (NTFPs) and are home to 2.6 per cent of all flowering plants, 9.3 per cent of birds and 4.5 per cent of mammals inhabiting our planet. Nearly 7,000 species of higher plants are found in Nepal, of which 5 per cent are endemic to the country and 10 per cent have medicinal or aromatic properties. 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 the national forest is currently being managed under the concept of community forestry (CF).

The Federation of Community Forestry User's, Nepal (FECOFUN) is the largest civil society organizations working on natural resource management; it has been conducting various user-friendly programs and activities particularly targeted to support the rural poor and forest dependent users. CF development sector has yet to scale up and build on lessons learned in enterprise development, promotion, value addition and local level employment creation through the sustainable management

of forest resources particularly NTFPs, for the better livelihood of the forest managers/users.

The **mission** of FECOFUN is to promote and protect the rights of community forestry users through capacity strengthening, economic empowerment, sustainable resource management, technical support, advocacy and lobbying, policy development, and national and international networking and to uphold the values of inclusive democracy, gender balance and social justice.

FECOFUN in collaboration with other stakeholders and line agencies has been implementing community-oriented sustainable forest management, enterprise development and market linkage and bio-diversity promotion programs.

FECOFUN facilitated to enhance the capacity of community forestry users groups (FUGs) to analyze and revise existing CFUGs constitutions, operational plans and other specific sub- sector plans like bio-diversity conservation, interest group management plan. CFUGs started to implement the newly adapted provisions and requested FECOFUN to include in the certification assessment process. Smartwood/Rainforest Alliance assessed 21 Community Forests (CFs) of Nepal covering more than 14,000 hectares forest according to the principles and criteria of Forest Stewardship Council (the principles covers all components of social, environmental and economic aspects) and awarded sustainable forest management certification in 2004. Federation of Community Forestry Users, Nepal (FECOFUN) has been working as the group resource manager and is accountable to the certifier in one way and it is equally responsible for maintaining the standards throughout the year.

FECOFUN as a resource manager prepared and provided guideline on protection and management of endangered flora, fauna and their habitat to all its members of the certification pool. All CFUGs have planned and implemented this guideline according to their local context. The preliminary results are encouraging and appreciative one. Users are becoming aware about the importance and consequences of loss of bio-diversity. CFUGs are becoming very serious about protection of water holes, caves, dead and dying trees, rare and endangered plants, etc.

With this FECOFUN's experience and necessity to create green jobs and improve the livelihood of the forest dependent poor people by establishing community forest based enterprises through the sustainable forest management, FECOFUN proposed the proposal on **Demonstration of Sustainable Forest Management with Community Participation in Nepal.**

Rationale

Over the last 15 years, Nepal's annual economic growth rate has averaged around five per cent or below. A close look into the components of economic growth reveals that Nepal's overall growth has derived largely from the growth of the non-agricultural sector which now contributes about 60 percent of GDP, compared to a mere 40 percent 15-20 years ago. This has transformed the structure of Nepalese economy. However, the structure of employment has not changed accordingly. About 80 per cent of the Nepalese population still works in the agriculture sector. Consequently, income distribution has become far more uneven, with severe impacts on those whose livelihoods depend on the land, rivers, and forests. Three years interim plan of Nepal government has a vision to reduce the poverty. This project will help to achieve the objective of the interim plans.

NTFPs and forest products play a significant role in the economy of rural-setting in Nepal. Thousands of tons of NTFPs are collected every year from the forest and sold in raw form without any value addition. Collection and trade of NTFPs provide important employment opportunities in the rural areas. In recent years, due to the market expansion and increased need of the local people, these resources have been heavily harvested without considering sustenance. The products move through several hands to India and ultimately to U.S. and Europe but result in very little income to local communities and uncertain quality supply to industries. Due to over and premature harvesting, some valuable NTFPs are facing threats in the wild.

About 160 NTFP traded species were generating over Rs. 2.5 billion (US \$35 million) in 2002. The Ministry of Forest and the World Bank estimated a lost opportunity in the forestry sector of about Rs. 42 billion per year. In recent

years, Nepal has become renowned as an example of community forestry. CFUGs and CF progress is remarkably successful in terms of resource conservation. CFUGs have chances to create a strong network to market their forest products profitably. There are more than 14,300 CFUGs in the country reaching out to over 1.6 million households, to which 12.5 million ha of forest land was handed over.

Nepal has lots of renewable forest resources in the forests that can be used to generate rural employment, green jobs, community enterprises development along with bio-diversity conservation and governance improvement. Sustainable forest management (SFM) and FSC certification could help manage resource in a sustainable way and link good national and international markets of the high values forest products.

The present project proposal aims at combating these alarming situations of rural poverty in Nepal through the sustainable forest management and developing community forest based enterprises which contributes to the vision of three-year interim plan of poverty reduction.

Under this project, FECOFUN intends 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 will 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 will give 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 strategy of FECOFUN clearly quantified some of the key objectives such as supporting and facilitating the establishment of 50 community forest based enterprises /company/cooperatives focusing on rural poor and forest dependent people, supporting 200 CFUGs to develop and implement sustainable forest management plan .This project proposed to achieve the goals of FECOFUN and will

definitely generate other cross cutting benefits in the social, environmental and economic spheres.

Goal of the project

The overall goal of the project is to promote Participatory Sustainable Forest Management to improve the livelihood of forest dependent poor people.

The specific objectives of the project are:

1. To develop and implement the criteria and indicators of sustainable forest management and good governance in community forestry.
2. To improve the livelihood of the forest dependent poor people through the community based forest enterprises and green jobs.
3. To document the best practices from the piloting and influence the policy to support the sustainable forest management and promotion of community forest based enterprises
4. To develop the human resources to support the sustainable forest management, livelihood improvement, community forest based enterprises and green jobs.

Expected Outputs/Impacts

The objectives of the projects will be contributed to achieve the following outputs

<i>Objectives</i>	<i>Outputs</i>
Objective 1 To develop and implement the criteria and indicators of sustainable forest management and good governance in community forestry	<ul style="list-style-type: none"> • 175 community forestry users group prepared the criteria and indicator of the sustainable forest management and good governance. • 1000 participants from community forestry users groups participated and developed criteria and indicators of SFM and GG. • 175 CFUGs endorsed and approved criteria and indicator of SFM and GG • 50 CFUGs revised the FOP and constitution based on C/I of SFM and GG • 175 CFUGs done public hearing and public auditing • 175 CFUGs performed participatory good governance analysis

<p>Objective 2</p> <p>To improve the livelihood of the forest dependent poor people through the community based forest enterprises and green jobs.</p>	<ul style="list-style-type: none"> • 175 CFUGs established the community-based forest enterprises. • 2000 persons got green jobs as self-employment from the establishment of 50 community-based forest enterprises. • 175 poor people based grass root level organizations formed and mobilized. • 2000 persons involved in capacity building workshop, training, seminar • 50 community forest based enterprises, company, cooperatives established • 50 events of training workshop related to community forest based enterprises completed • 50 numbers business plan developed on community forest based enterprises • 1000 numbers of household level livelihood improvement plans prepared and implemented
<p>Objective 3</p> <p>To document the best practices from the piloting and dissemination to influences the policy to support the sustainable forest management and promotion of community based forest enterprises</p>	<ul style="list-style-type: none"> • 4 case studies and 2 policy analysis documents prepared and disseminated • 5 episodes of video and 10 episodes of radio program including 50 articles in newspaper aired and published

Proposed Activities

Numbers of the activities are proposed under project frame to achieve the project objectives and goal (see detail in Annex- A logical formwork). The brief introduction is given below:

Objective 1: To develop and implement the criteria and indicators of sustainable forest management and good governance in community forestry

Altogether seven different activities under this objective are proposed. Development of criteria and indicators(C&I) of the sustainable forest management (SFM) and good forest governance (GG), revision of community forest operational plans and constitution based on developed (C&I) of sustainable forest management (SFM) and good forest governance (GG), Improve the constitution and operational plans of

CFUGs based on C&I of SFM and GG and Public Auditing/Public Hearing of the CFUGs are majors among them.

Objective 2 To improve the livelihood of the forest dependent poor people through the community based forest enterprises and green jobs

The proposal identified altogether five different activities under this objective. Capacity enhancement of poor people of the CFUGs and strengthen their organizational capacity including development of household level livelihood improvement plans, development of the business plans and establishment of the community forest based enterprise to focus poor and marginalized people of the CFUGs are the major among them.

Objective 3: To document the best practices from the piloting and influence the policy to support the sustainable forest management and promotion of community forest based enterprises

Two activities related to documentations and dissemination to the wide range of the audiences of best practices and lessons learned, policy analysis and case studies carried out and published in media outreach are proposed to achieve this objective. These documents will be integrated under the case study, policy analysis and media outreach programme

Objective 4 To develop the human resources to support the sustainable forest management, livelihood improvement, community forest based enterprises and green jobs. To achieve the objectives the field based local resource persons (LRPs) and center level project team will be recruited and trained with respect to the project objectives and goal. The LRPs who will be selected among the CFUGs and work with the local people will be the key elements of the project. Therefore numbers of the orientation, reorientations and facilitation skill on the SFM and GG will be carried out to focus LRP within the project farm.

Role of partner organization

FECOFUN will lead the project in a joint collaboration with other civil society organizations related to natural resource management, the expert civil society organizations will contribute in relation to technical issues like curriculum development for the trainings, base line study, forest resources inventory etc. The project also works

in coordination with government line agencies to fulfill the objectives of the Three Years Interim Plan of government.

Potential co-financing opportunities

Community Forest Users Groups (CFUGs) fund will be mobilized to establish the above mentioned enterprises. It is hoped that about 13% percent of the total cost of the project will be covered by CFUGs.

Potential risks to achieving the project objectives

Nepal is passing critical political transition; new constitutional building process is on the way. The peace process is yet to come in the conclusive end. In this context, the successful of the project is highly depends on the political situation. In case, if peace process do not come to the conclusive end, the implementation of the project will be difficult.

Operational Arrangements

Project management structure

The project will be implemented in joint collaboration in between other Civil Society Organizations (CSOs) and but FECOFUN will lead and implement the project. To implement the project through FECOFUN, a central level Department (proposed: Central Program Unit) will be set up comprises of 5 senior level staffs lead by program leader including 3 specialists. Similarly, a central level project management committee will also be formed, which will be responsible for monitoring and evaluation of project in a regular basis. Furthermore, 50 LRPs / facilitator will be recruited at the local level to facilitate the project activities at local level. Also, at the local level to bring the ultra-poor under the project Ultra-poor groups (UPGs) will be formed at local level and an enterprise will be set up including these people in each target location which definitely empower and enhance livelihoods of poorer family.

Project sustainability after the expiry of donor's funding.

Since project is aimed to target CFUGs at local level. CFUGs are autonomous entities having their own constitution and Operational plan. Hence, it is hoped that once established enterprises will get momentum even after the expiry of the project.

Annexes:

Annex A Log frame

Annex B Budget

Annex C: Work Plan

Annex D Capacity Assessment and Partnership Statement

DEMONSTRATION OF SUSTAINABLE FOREST MANAGEMENT WITH COMMUNITY PARTICIPATION IN NEPAL

Logical Framework

Description	Objectively verifiable indicator	Means of verification	Assumptions
Goal The goal of the project is to promote Participatory Sustainable Forest Management to improve the livelihood of forest dependent poor people.			Government of Nepal will bring the budget for the enhancement of the community based forest enterprises and continue the poverty reduction programme with collaboration of civil society organizations.
Objective 1 To develop and implement the criteria and indicators of sustainable forest management and good governance, in community forestry.			
Output/Result			
1.1 Community Forestry User Group developed the criteria and indicators of the sustainable forest management and good forest governance	200 community forestry users group prepared the criteria and indicator of the sustainable forest management and good governance.	CFUGs plan and report	Political environment and government policy
Activities			

Description	Objectively verifiable indicator	Means of verification	Assumptions
1.1.1 Sustainable Forest management and Good governance Criteria and indicator Development Workshop	1000 participants from community forestry users groups participated and developed criteria and indicators of SFM and GG	workshop reports, project reports	Political environment and government policy, suitable participants, elite dominance
1.1.2 Endorsement of criteria and indicators of SFM and GG by CFUGs	200 CFUGs endorsed the criteria and indicator of SFM and GG	Meeting and general assembly minute, reports	Political environment and government policy, CFUG conflict
1.1.3 Improve the constitutional and operational plan of CFUGs based on C/I of SFM and GG	50 CFUGs revised the FOP and constitution based on C/I of SFM and GG	FOP, Constitution, Reports	Approval of constitution and FOP of CFUGS
1.1.4 Public Auditing/Public Hearing (PHPA)	200 CFUGs performed PHPA	CFUG Reports, project reports	Right information and dissemination
1.1.5 Participatory Governance Assessment and Reassessment	200 CFUGs performed PGA	Good governance status, spider web, photos	Right information and dissemination
1.1.6 Implementation of operational plan of CFUG based on C/I of SFM and GG	175 CFUGs practiced SFM and produce the forest product and services	products, photos, reports	Approval of constitution and FOP
1.1.7 Review and follow-up of C/I of SFM and GG based on the field practice	175 CFUG reviewed and followed up C/I of SFM and GG	Revised C/I of SFM and GG, reports	Well documentation and political situation
Objective			

Description	Objectively verifiable indicator	Means of verification	Assumptions
2 To improve the livelihood of the forest dependent poor people through the community based forest enterprises and green jobs.			
Output/Result			
2.1 Well-being ranking of CFUGs and indentified poor households of CFUG	175 CFUGs supported to establish the community-based forest enterprises. 2000 persons got green jobs as self-employment from the establishment of 50 community-based forest enterprises.	No. of households identified as poor household, report, photos	Contemporary political situation, elite dominance, backwardness, awareness
Activities			
2.1.1 Identified households organized the poor people's organization	175 poor people's organization identified forest dependent poor of the CFUGs	No. of organization, FUG report, project report	Contemporary political situation, elite dominance, backwardness, awareness
2.1.2 Capacity enhancement of poor people's organization	2000 persons involved in capacity building workshop, training, seminar	workshop report, project report	Contemporary political situation, elite dominance, backwardness, awareness
2.2 Community forest based enterprises established	50 community forest based enterprises, company, cooperatives established	Reports	Contemporary political situation, government policy, legal provision for registration, coordination among different level of stakeholders

Description	Objectively verifiable indicator	Means of verification	Assumptions
2.2.1 Community forest based enterprise development training/workshop	50 events of community forest based enterprises development training/workshop completed	training report, project report	Contemporary political situation, government policy,
2.2.2 Development of business plan	50 community forest based enterprises, company, cooperatives developed the business plan	business plans, reports	Contemporary political situation, government policy,
2.2.3 Develop and implement the livelihood plan of poor households	1000 poor households prepared and implemented the household level livelihood implementation plan and got support from CFUG, project and other development agencies	Livelihood implementation plan, reports	Contemporary political situation, government policy, market stability
Objective			
3. To document the best practices from the piloting and dissemination to influences the policy to support the sustainable forest management and promotion of community based forest enterprises			
Output/Result			

Description	Objectively verifiable indicator	Means of verification	Assumptions
3.1 Process documentation, best practices and lessons learned, policy analysis and case studies carried out and published in media outreach	Process documentation, Best practices and lessons learned on SFM and GG, Policy analysis on community forest based enterprises and good governance published	Publication	Implementation of all anticipated activities as planned.
Activities			
3.1.1 Case Study, Policy Analysis	4 case studies and 2 policy analysis documents prepared and disseminated	Documents and reports	Implementation of all anticipated activities as planned
3.1.2 Media outreach program	5 episodes of video and 10 episodes of radio program aired and 50 articles in newspaper published		Implementation of all anticipated activities as planned
Objective			
4. To develop the human resources to support the sustainable forest management, livelihood improvement, community based forest enterprises and green jobs.			
Output/Results			

Description	Objectively verifiable indicator	Means of verification	Assumptions
4.1 National program support staff and field based local resource persons recruited and trained	1. 8 persons having specific capacity recruited and oriented about the program 2. 50 local resource persons trained and mobilized	Report	
Activities			
4.1.1 Recruitment and orientation of national program support staffs	8 persons having specific capacity recruited and oriented	Report	
4.1.2 Orientation and ToT of field based local resource persons	50 local resource persons recruited, oriented and trained	Report	

CAPACITY ASSESSMENT AND PARTNERSHIP STATEMENT

1. Name of the organisation:

Federation of Community Forestry Users' Nepal (FECOFUN)

2. Mission statement:

The **mission** of FECOFUN is to promote and protect the rights of community forest users through capacity strengthening, economic empowerment, sustainable resource management, technical support, advocacy and lobbying, policy development, and national and international networking and to uphold the values of inclusive democracy, gender balance and social justice.

FECOFUN in collaboration with other stakeholders and line agencies has been implementing community oriented sustainable forest management, enterprise development and market linkage and bio-diversity promotion programs.

2. What is your sector(s) of expertise?

Sustainable forest management, Bio-diversity conservation, policy advocacy for users' right on forest resources, Community based forest management

3. How long have you been working in the sector of the proposal presented under this call? (*Number of years, number of projects, etc.*)

FECOFUN has been working in this sector since 1995. *So, almost 14 years we have worked in this sector. Currently we are working in 5 different projects*

4. What is the average amount of projects implemented by your organisation?

From US\$ 170,000 to US\$500,000

5. In proposed district of pilot project, have your organisation worked and for how long?

Yes, our organization has been working in the proposed district since last 12 years.

6. What are your (current and past) main funding sources?

Two types of funding we have: External and internal. As the external funding, we have obtained fund from USAID, RRI, CECI, MC CONNEL Foundation
And as internal funding we generate fund from membership fee, renew membership, material distribution

7. How many staff your organisation has?

We have total 168 staffs at different level, but we have also elected member working voluntarily or some time with partial support from the available fund of FECOFUN.

8. Have your organisation and your partner worked together in the past?

Yes, We (FECOFUN) and the Ministry of Forest and Soil Conservation have been working in a joint collaboration since our establishment in 1995.

10. What has been your role and involvement in preparing this proposal?

I have called several round of staff meetings to discuss on the proposed project and collected opinion from the staffs of different level which enabled me to make and shape the strategies to be implemented in this project.

Signature:

Date:



Federation of Community Forestry Users, Nepal

(FECOFUN)

National Executive Committee Secretariat

Kathamandu, Nepal

Ref No. 2593

Date : 3 July 2009

To,

Mr Qu Guilin,

DG, Department of International Cooperation,

SFA China

Subject: **Submission of proposal to APFNet**

The Federation of Community Forestry User's, Nepal (FECOFUN) is a pioneer civil society network of more than 15000 Community Forestry Users Groups (CFUGs) throughout Nepal and has been working on sustainable forest management since 1995. The **mission** of FECOFUN is to promote and protect the rights of community forestry users through capacity strengthening, economic empowerment, sustainable resource management, technical support, advocacy and lobbying, policy development, and to uphold the values of gender balance and social justice.

FECOFUN in collaboration with other stakeholders and line agencies has been implementing community-oriented forest management, enterprise development and market linkage and bio-diversity promotion programs. In this context the FECOFUN has submitted electronically a proposal on "**Demonstration of Sustainable Forest Management with Community Participation in Nepal**" with goal of which is to promote participatory sustainable forest management to improve the livelihood of forest dependent poor people to APFNet.

We are pleased to inform you that **Government of Nepal, National Planning Commission** has approved and provided recommendation to this proposal which is found to be spirit of the current Three Year Interim Plan (2007/80-2009/10) of forestry sector. For your reference the recommendation letter of GoN, NPC is also attached herewith.

I would request you to provide necessary support and suggestion to make the successful implementation of the project in Nepal.

Thank you for your kind co-operation.

Best regard,

Ghana Shyam Pandey

Chairperson

CC: H.E Ambassador ,Embassy of Nepal in,China, Beijing



Government of Nepal

National Planning Commission

Secretariat



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**Singha Durbar
Kathmandu, Nepal**

8/065/66

Ref.:- 2910

Date: 03 July 2009

To whom it may concern.

It is written in response to the application submitted by the **Federation of Community Forestry Users, Nepal (FECOFUN)** dated 2066/3/5 B.S. to the National Planning Commission (NPC) regarding the implementation of forest related program proposal entitled "**Demonstration of Sustainable Forest Management with Community Participation in Nepal**" that this Commission has no objection for the implementation of such programs in Nepal. This program is found to be in the spirit of the current Three Year Interim Plan (2007/08-2009/10) of Nepal.

Hence, the National Planning Commission (NPC) recommends the concerned agencies for necessary support and co-operation for the success of this program.

Kul Bahadur G. C.
Planning Officer



Government of Nepal

National Planning Commission

Secretariat



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**Singha Durbar
Kathmandu, Nepal**

8/065/66

Ref.:- 2910

Date: 03 July 2009

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Hence, the National Planning Commission (NPC) recommends the concerned agencies for necessary support and co-operation for the success of this program.

Kul Bahadur G. C.
Planning Officer