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Advisors

Dr. Arjun Karki
Dr. Rishi Raj Adhikari

Editorial Team

Chrissie Wellington
Prakash Kafle
Prem Kala Nembang
Ruth Segal

Design

Graphic Workshop
Tel.: 4242072

Cover photo

Landscape from
Sankhuwa-Sabha

Editorial

Filling the Development Vacuum

Since its establishment, RRN has devoted its energy towards the facilitation of people's empowerment and socio-economic transformation through the implementation of integrated community development programmes and policy advocacy works. It has been working in the rural and remote areas of Nepal by employing the Social Laboratory Approach, in which knowledge generated through practical field experience is utilised to implement the integrated four-fold programme of rural development: education to combat ignorance; livelihood development to fight poverty; health to fight disease; and self-government to combat civic inertia. RRN's empowerment processes and activities are focused on socially excluded groups and the poorest of the poor. Rural women, landless people, bonded labourers and small farmers are being targeted to support them with the creation and improvement of sustainable livelihood options.

RRN has been able to assist local people on issues such as access to non-formal education, livelihood and income generation, health and sanitation, irrigation, drinking water supply and other rural infrastructure development in remote villages of the country, where no other development interventions have been taking place. RRN helps to make the best use of existing and available resources including natural resources, knowledge and skills so that the dependency on outside forces and actors is minimised and self-reliance is achieved in the long run.

RRN's presence and success in conflict-affected areas has also encouraged and enabled other NGOs and community based organisations (CBOs) to re-initiate their works in these areas, bringing additional benefits to communities. RRN's programmes have helped to fill some of the development vacuums created by the on-going conflict in rural areas, at a time when the Government line agencies, VDCs, DDCs and other organisations have scaled down their development activities.

Against this backdrop of development activities and escalating conflict, we bring you this latest issue of Reconstruction, which aims to give an insight into the array of activities being undertaken and to discuss pressing issues of concern to the development community as a whole. Dr. Rishi Adhikari discusses RRN's DFID funded project on rural infrastructure development and the organisation's working modality in conflict affected areas. We also have a number of reflections from the field where the project staff give first hand accounts of the success of different programmes and activities. This issue of Reconstruction also contains a critical analysis of Nepal's Agriculture Perspective Plan (APP) and community forestry policies, and raises questions about the suitability of these policies for poverty reduction.

We hope you will enjoy the publication and welcome your feedback and comments on this and RRN's programme strategies and approaches.

May peace prevail in the country.

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RRN Targets Scaling-up Livelihood Opportunities for the Rural Poor

Dr. Rishi Adhikari

Project Director, RRN

RRN has been involved in raising the socio-economic well being of the rural poor of Nepal for more than a decade through various approaches. Recently it has entered into a partnership with DFID¹ Nepal to improve the livelihoods of the rural poor and marginalised ethnic communities through infrastructure development and livelihood support.

The failure of development and governance in Nepal created the pre-conditions – poverty, inequality, social discrimination and lack of social justice and democracy – for widespread discontent and the Maoist insurgency.

Discriminatory practices and the social exclusion of women and disadvantaged groups have also long been a source of frustration and conflict within local communities. The Government has been ineffective in addressing the needs of the poor, has been perceived as working against the interests of ordinary people, and is failing to address the underlying causes of the conflict. Although the Maoist insurgency is ideologically based, many of its supporters are more motivated by their continued poverty, insecure livelihoods, experience of social exclusion and lack of viable solutions to their issues and



Check dam Construction, Sankhuwa-Sabha

concerns. This insurgency and the State counterinsurgency measures launched to contain the Maoists have been a source of protracted humanitarian crisis in Nepal, particularly in the rural areas.

RRN, as one of the leading NGOs working for the socio-economic and cultural improvement of the poor masses of the country, has been implementing the “Rural Community Infrastructure and Livelihood Support Programme (RCILSP) since October 2004. It is due to run until 2007.

This 33 month long initiative builds on the success of the earlier 15 month phase of the project, which produced immediate, visible and positive impacts for the targeted communities. RRN's presence and success in conflict affected areas has also encouraged and enabled

other NGOs to re-initiate their work in these areas, bringing additional benefits to the communities. According to an independent review carried out on behalf of DFID Nepal, the overall management of the project was effective (in terms of impact) and efficient (in terms of utilisation of project resources). This evaluation made clear that it was RRN's existing management procedures and policies that made possible the effective implementation of the programme.

Some of the successes of the first phase are highlighted below:

- Government line agencies and VDCs have contributed more than 6 million rupees for the infrastructure projects.
- More than 28 million rupees worth of community resources

1. Department for International Development of the British Government

have been mobilised for the infrastructure projects.

- More than 55,000 families (2,75,227 people) have directly participated in implementing 521 schemes which ranged from water supply development, irrigation, school building, micro-hydro power projects to vocational training.
- More than 360 community based groups, users committees, government and non-governmental organisations have been mobilised in project implementation; RRN has developed sound collaborative partnerships with these organisations.
- RRN has employed 150 experienced staff, highly skilled at working in the conflict environment. They have been able to build a strong rapport and good working relationships with different stakeholders in the project area.
- The project has been successful not only in meeting its targets but also in working within the agreed principles.
- It has maintained transparency and accountability.
- It has been implemented using a broad-based and demand-driven approach with the participation of the concerned communities.
- It has contributed to enhance capacity and local resource mobilisation; has fostered social inclusion and reached the poorest of the poor and disadvantaged groups.
- This project is very popular in all project districts. Stakeholder participation is very high, and

RRN has received many demands for extension and continuation.

- The project has generated both short-term employment – during construction phases – and longer-term employment emerging from enterprise development and infrastructure maintenance.
- The project has filled “development vacuums” created in rural areas by the ongoing conflict, at the time when the Government, VDCs, DDCs and other organisations have scaled down or halted their development activities.

The current RCILSP project has the following goals, purposes, and objectives:

Goal

The general goal of this project is to provide an immediate, visible and positive impact on the lives of the poor and marginalised people in rural Nepal in order to reduce their socio-economic vulnerability and poverty by fulfilling their immediate needs for infrastructure and income generation which is a must for the social protection of conflict affected rural people, thereby reducing the potential for conflict and supporting peace building process from below.

Purpose

The purpose of this project is to create an environment conducive to building peace by responding to the high levels of need experienced by local ordinary people, particularly the poorest of the poor, Dalits, members of ethnic minority groups and unemployed youths

living in rural areas. Due to the break down of the ceasefire agreement between the insurgents and the government, people living in poverty in remote villages continue to be severely affected by the conflict. Their quest for fundamental development and sustainable livelihoods remains unfulfilled.

Objectives

- Establish and strengthen sustainable livelihood opportunities (farm and off-farm based enterprises and income generation activities) and reduce levels of poverty;
- Increase literacy and awareness through an improved learning environment and access to education;
- Improve the health, sanitation and hygiene of the community people by increasing access to drinking water and sanitation facilities;
- Establish and strengthen local peace building initiatives through community mobilisation and implementation of development works.

Project districts and population

This project is being implemented in 16 districts: 10 districts in the Eastern Development Region (Ilam, Solukhumbu, Khotang, Siraha, Saptari, Sankhuwasabha, Bhojpur, Jhapa, Morang and Sunsari), 5 in the Mid Western Development Region (Rolpa, Salyan, Dang, Banke and Bardiya) and 1 in the Far Western Development Region (Kanchanpur).

The principal beneficiaries of the

project are youths (a hitherto neglected group), marginalised communities (particularly Dalits and ethnic minority groups), women and other vulnerable groups living in rural areas. It is expected that this project will benefit more than 350,000 people in more than 350 VDCs.

Approach and methodology

RRN uses demand-led project implementation approaches. These include the principles of 'do no harm', broad-based people participation, inclusiveness, local ownership, effective coordination, stakeholder collaboration, community ownership, transparency and promotion of rural livelihoods. The projects are community based, community led, community managed and community owned. Some of the key aspects of the approach taken by RRN are listed below:

Conflict-affected target communities are encouraged and enabled to articulate their development needs, take initiatives on their own and contribute their resources for the development of sustainable livelihoods. Local communities will own the project while RRN will facilitate the implementation of identified interventions and provide technical support.

The programme activities are proposed on the basis of a baseline study and reconnaissance survey conducted by RRN personnel in its programme districts.

The amount allocated to each activity including all project income and expenditure is publicly audited. The (in-kind) contribution made by

the community in terms of labour, skills and knowledge will be quantified and valued. The project costs including community contribution, other stakeholder contributions and DFID contributions will be clearly reflected in the public audit.

RRN uses experienced staff who have worked with the organisation for a long time, have the required knowledge and skills to work with conflict prone communities, and who are ready to work in a challenging environment. They have effective negotiation skills, to be used to help promote cooperation between the warring parties as appropriate. They are mostly local to project districts, and there is a gender balance within the staff group.

The role of RRN will be that of a facilitator. The implementation of most activities will be done through local NGOs, user groups, cooperatives, and CBOs. In many of the project areas, RRN staff have already developed good working relationships with local CBOs and other groups. The development of new groups will only be supported if appropriate groups do not already exist. As the project will be implemented in coordination and cooperation with different stakeholders, the chances of duplication are expected to be minimal.

The project will be implemented using the "Do No Harm" approach in such a way that all the stakeholders are involved in the process in a harmonious situation, and the results achieved will not harm anybody or anyone's interest.

The implementation mechanism of

the project will be transparent and accountable to the people. Programme activities will be identified and planned in a participatory way, through the involvement of CBOs from the outset, and available resources will be shared with the concerned communities. This will be done through public auditing of external and local inputs, including a public audit on completion of the project. The public audit will detail the amount allocated to each activity including all project income, the project costs and the community contribution, other stakeholder contributions and DFID contributions.

The programme will create an enabling environment for livelihood opportunities, income generation, renovation of rural infrastructure and support for the immediate needs of the communities that are affected by the conflict.

For the workers involved in development of community infrastructures, local wages will be paid either in cash or in kind (food grain). The decision to provide food or cash for work will be based on people's preference and will be conditioned by factors such as the food security situation in the district, availability of food in the local market, availability and cost of transport and social security.

Project management and administration

The project management structure is divided into central, regional and district levels. A total of 211 people are involved in project management. The overall project is

managed from the RRN central office in Kathmandu. It is led by the Project Director and supported by the Finance Manager, Senior Project Engineer and Senior Project Account. The RRN President and executives will also share project outputs and outcomes in other development forums.

The central Project Management Office supports the regional and district offices. It supervises and monitors the progress of the project, prepares progress reports (financial as well as narrative) explaining outputs and outcomes, manages human resources and also deals with the procurement of goods and services.

There are two regional offices, one in Biratnagar for the Eastern Development Region and the other in Nepalganj for the Mid and Far Western Development Regions. Regional coordinators supported by monitoring officers, project accountants and office assistants are responsible for managing project activities in their respective regions. The regional offices supervise project activities at regular intervals, collect monthly progress and financial reports from each project district, check and verify them and send them to the Project Management Office.

There are 16 district offices, each led by a District Programme Coordinator and supported by civil engineers, accountants and overseers, sub-overseers, accountants, office assistants, runners and social mobilisers. Consultants and technical experts are hired locally as necessary.

The district team facilitates the process of project implementation in the communities by forming and/or strengthening user groups and committees.

Project components

Sustainable livelihoods: The aim of the programme is to strengthen and establish sustainable livelihoods opportunities (farm and off-farm based enterprises) to reduce the level of poverty. Support will be given to unemployed rural youths (mainly Dalit, ethnic minority groups, poor and vulnerable communities and those who have dropped out from school) to receive vocational training to promote alternative livelihood opportunities. Altogether 400 youths will be trained and seed money and other appropriate support will be provided to enable the establishment of 400 rural enterprises run by these trainees. About 1200 participants will be selected for short-term training on commercial vegetable production, livestock keeping and local handicraft manufacturing.

Infrastructure support: 250 schemes will be implemented to support farmer managed irrigation systems. Ground water schemes (50 deep tube wells) for irrigation in 9 Terai districts will also be implemented. The construction and maintenance of village access roads or foot trails, landslide/flood control check dams and culverts and other community infrastructures will be built and/or strengthened. In total, 80 km of road, and other 100 structures will take place under the food for work

or cash for work programme

In addition 600 programmes of community infrastructure, school building and furniture support will be implemented. Rural schools will be provided with furniture and teaching or learning materials; 100 community drinking water schemes (piped supply and spring protection) will be implemented and rural alternative energy will be promoted. 10 Peltric sets schemes will be implemented in 8 hilly districts, 200 houses will receive solar energy and about 450 shallow tube wells (STWs)/hand pumps for drinking water will be installed in the Terai districts.

Conclusion

The proposed project activities which will take place under the second phase of the RCIDSP² are expected to add to the sustainable development of the communities in the poorest rural areas of Nepal. Most of the proposed activities, including skills development and vocational training, are related to community infrastructure development and maintenance, which are the foundation for sustainable development and long-term income generation of the community people. Development of livelihoods, health and education infrastructure is of the utmost importance to local communities, but they have hitherto been left behind from mainstream development efforts. Since this project builds on these issues, the sustainability of the project undertakings can be ensured by the very nature of the project and the implementation modality it has adopted. ✍

Critical Review of the Design and Strategies of the Agriculture Perspective Plan (APP): Food and Livelihood Security Perspective

Gopi K Sedhain, Ph D

Visiting Faculty, HICAST,
Kathmandu

1. Introduction

In 1995, the Government of Nepal conceptualised, prepared and adopted a 20 year Agricultural Perspective Plan (APP) with broad multiple objectives of overall economic transformation through accelerated agricultural growth. This growth would come from increased factor productivity in agriculture through large concentrated investment in a small number of input priorities. This would result in expanded employment opportunities, improved living standards and thereby a rapid reduction in poverty. In order for agriculture to become the engine for driving high economic growth in Nepal, the APP identified and prioritised a few key areas for making public investments over the planned period from 1995 to 2015. These were shallow tubewell irrigation in the Terai, agricultural roads, fertilizer and research and extension.

The APP is therefore a strategic plan for transforming the whole agricultural sector in Nepal from a subsistence mode of production into a market-driven commercial production system. This transfor-

mation in agriculture will not happen automatically and the APP has proposed a separate strategy for the terai, hills, and mountain regions. The recommendation for separate regional agricultural development strategies is one of the salient features of the APP and a necessary proposition for balanced agricultural development and the need to capture the regional niche resources of the three regions.

The APP projected "The Mellor Effects"¹ in the overall economy if the APP was implemented fully, but even so, has not realised the multi-dimensional linkages between sustained accelerated growth in agriculture, food security issues and agricultural trade policies of the government in the bi-lateral, regional and global contexts. This is a main weakness of the APP.

The government adopted the APP in 1996 as the principal document for the agricultural development of the country. It has been reported that the agricultural policies and programmes in the Ninth Five Year Plan (1996-2001) were prepared and implemented on the basis of the APP. However, a review of the objectives and contents of agricultural programmes, and implementation approaches adopted during the Ninth Five Year Plan period, show no significant changes over the previous five year

plans implemented in the past.

The impact of the Ninth Five Year Plan has clearly shown that despite increased allocations in the agricultural sectors, the overall growth in the agriculture sector did not show a positive response, aside for a few exceptions. The planners often blame low agricultural growth in Nepal, but the farming communities and the agricultural professionals are of the opinion that the majority of farmers have been reluctant to apply high inputs mainly due to lack of adequate markets and remunerative prices for their surplus produce in recent years.

It seems therefore that the agricultural trade policy of the government has not only discouraged farmers and producers from investing in the inputs necessary for higher production, but also discouraged the private sector from investing in agro-industries as well. The free market policy adopted by the government has distorted the agricultural markets in the country and the major agricultural commodities produced by small producers in remote rural areas have been losing ground in domestic markets due to stiff competition from cheap imported commodities.

On the input front, the priority accorded by the APP has proved a

1. The anticipated impact on the overall economy due to the APP named after John Mellor who was one of the key persons involved in the preparation of the APP.

total failure. The overall agricultural scenario outlined in the Ninth Plan has deteriorated further. The ninth plan, like the five year plans before it, has failed to achieve the planned development objectives and use Nepal's comparative advantages. The natural diversity of the physical environment and the vast number of unemployed human resources are the two major potential untapped resources for Nepal and the plan should have focused on those two resources to produce a tangible impact on the overall economic transformation of the country.

The APP reiterated the development model of the 1960s, and tried to relate it to the Nepalese context. It tried to prove that the traditional approach of agricultural development adopted in Nepal was not appropriate and should be re-oriented.

The APP was the first long term plan prepared for agricultural development in Nepal but showed a lot of discrepancies both in the design and strategies. It reads like an evaluation report of past agricultural development projects rather than a 'perspective plan'. There is nothing new in the objectives, strategies and assumptions in the APP. Therefore, it could be said that the APP is little more than "old wine bottled in a new jar".

2. Conceptual Flaws and Contradictory Strategies of the APP

Eight years have lapsed since the endorsement of the Twenty Year Agricultural Perspective Plan

(APP) in Nepal. The overall achievement during the first five years of the APP implementation has been a total failure as none of the seven strategies suggested in the plan were effectively implemented in the Ninth Five Year Plan. An extensive review of the plan document reveals that there are several flaws in the conceptual design of the APP.

The strategies recommended in the plan not only contradict each other but are also ambiguous in their substance and approach. Even if the government had adopted the plan with full commitment, the projected agricultural growth rate set out in the APP could not be achieved under the prevailing domestic, regional and global circumstances.

Despite the faulty design and irrational strategies, the government blindly adopted the APP and increased the allocations of funds in the agriculture sector from the first year of the Ninth Five Year Plan. The overall achievement of the agricultural sector during the first five years has not been encouraging and the food security situation of the country has been worsening. The number of net food deficit districts actually increased from 41 in 1995 to 56 by 2001. All 24 districts of the terai and inner terai had a food surplus until 1995. Since then, the food grain production in these districts has been decreasing every year and the country's national food security system has become highly vulnerable. The situation is further aggravated by the government's lack of producer-friendly, agriculture export-import policies. The factor prices for major

agricultural commodities over the past 10 years show that the retail consumer prices have increased by about 10 percent while the actual farm-gate prices have decreased by 30 to 60 percent in the same period. This means that open market policies adopted in the agricultural market under the liberalised economic policies of the government have neither benefited the producers nor consumers.

The critics of the free market policy have also blamed the government for mixing agricultural commodities with industrial products in open market baskets. This means there is no separate agricultural trade policy of the government in Nepal. The Government has liberalised trade in Nepal to such an extent that any traders can now import and export any kinds of agricultural commodities without any restrictions. The import tariff rates have been reduced to as low as 5 - 10 per cent for the commodities imported from third countries and a zero tariff for goods originating from India. The liberalised agricultural trade policy of the government has negatively affected food and livelihood security for the Nepalese people. Firstly, the domestic production of potential commodities has been discouraged due to dumping of cheap imported commodities, and secondly, big trading houses have been gradually getting involved in agricultural trade and operating big cartels in the domestic markets.

It has been observed that about 80 per cent of rice, flour, oils, and sugar trade in Nepal is controlled by 4 - 5 business houses in Nepal. In the absence of competition law

and effective government market regulatory mechanisms neither the consumers nor producers are benefiting from the liberalised agricultural trade policy. I believe that this is due to a lack of government sensitivity towards the likely impact on domestic markets, and the food and livelihood security of those compelled to live in extreme poverty either due to lack of remunerative prices for their agricultural commodities in the domestic markets or continuously increasing prices for critical inputs. The marketing problems in the country are mainly caused by implementing the demand-driven production model proposed in the APP without backing it up with a sound domestic marketing strategy and suitable trade policies. In the absence of an effective public food distribution system and reasonable subsidies for production, food will not be secured for the majority of people living below the poverty line in the permanent food deficient districts of the hills and mountain regions of Nepal. The government has clear responsibilities to supply food for all, whether it adopts open or closed economic policies. A responsible government cannot withdraw from the domestic food market and should maintain adequate food stock at reasonable distances.

In other words, the government should be responsible for providing necessary food to the people, particularly in the permanently food deficit regions of the country at reasonable prices. The public food distribution system in Nepal is highly debatable. The Food Corporation of Nepal is a state monopoly, mandated with the twin objectives of supplying food to the

food deficient regions and controlling prices of food items in the market. The FCN has not been fulfilling both the objectives due to various reasons. Its operation is limited to the district head quarters through out the country and thus is has become a food supplying agency for government employees and influential local politicians and traders at subsidised prices at the district headquarters. The ordinary public has no access to the food in the remote districts even if they can afford it. In fact, the public food supply system has distorted the local food markets in remote districts by controlling the price. This shows that the government has not taken food security issues seriously in Nepal, instead it seems to believe that the problem will be solved automatically once the market is fully deregulated. However, experience in other developing countries, including India, shows that the problem of growing food insecurity is not due to lack of production but a problem of the distribution system. The APP was prepared as a blueprint for providing suitable options not only for sustainable agricultural development but also for broad based economic growth in Nepal. Despite such a noble goal, the plan document has many lacunae both in its conceptual design and strategy recommendations. Some of these conceptual flaws and contradictory strategies of the APP are briefly pointed out below:

Employment Creation in the Non-agricultural Sector and Poverty Reduction

The APP has forecast that Nepal will again become a net exporter of

food grains and the problem of food security of those people living below the poverty line would be solved as the price of food grains declined. However, the APP has not considered the implications of free-movements of labour, goods and services between India and Nepal because of the open border and bi-lateral trade and other treaties with India when it predicted an increase in employment opportunities due to increased growth in agriculture. Even if there is increased agricultural growth due to the APP, a large number of agricultural labour forces will be displaced from the agricultural sector due to increased mechanisation in agriculture. With the liberal trade policy of the government and free trade agreement with India, and proposed South Asian Free Trade Arrangement among the SAARC member countries, there is only a very thin chance for the establishment of big industries in Nepal due to the economy of scale, land lockedness and other limitations. The APP has not considered the geopolitical situation of the country, social and cultural characteristics of the people, and more importantly, the existing sectoral policies of the government while projecting the potential likely forward and backward linkages of increased growth in the agricultural sector. It seems that the APP has considered only the economic dimension of poverty in Nepal which is a half truth.

National Food Security and Buffer Stocks of Food

The APP has recommended that a 5% level of the annual food

production would be required as security stocks to maintain the trend price and trend production in agriculture. However, no specific strategy has been suggested regarding how to keep the 5% level of food security stocks. Such a big issue has not been given adequate attention in the APP nor have any strategies been recommended to improve the public food distribution system within the plan period of 20 years.

Regional Food Security

It has been mentioned in the APP that 41 districts out of 75 (14 mountain and 27 hills districts) were food deficient in Nepal in 1995. It had been projected that per capita food production would be 245, 380 and 482 kg/person/annum by the year 2014-15 in mountain, hills and terai regions respectively. The APP seems to make the flawed assumption that an increase in food production will solve the issue of food insecurity in those remote hills and mountain regions of the country and the NGOs and CBOs would play a responsible role in food distribution in those permanently food deficient remote hill and mountain districts. This implies that either the concerned planners did not want to deal with the food security issues in the APP or they had ignored the issues and put them into a separate strategy in the APP.

Household Food Security and Public Food Distribution Policy

The APP has neglected the highly sensitive issue of food security. It has recommended that NGOs should be given a coordinating role to handle Food Distribution

Programmes at the district level, where the incidence of food insecurity is higher. Here we have an unfortunate and ridiculous situation in which the government is still selling sugar and salt in urban areas but does not consider itself responsible for supplying basic food items to the people of the remote and permanently food insecure districts. Similarly, the APP also recommends that the poor should be helped to organise themselves into groups so that they can press for action to deal with the remaining poverty in the context of accelerated growth. If this assumption of the APP is true, the Government has no role to play in providing food security to the people even if in the remote rural permanently food deficient districts, once the agricultural market is deregulated and every thing concerning the food security of people will be taken care of by the NGOs and the markets.

Fertilizer Supply Policy

The APP has projected that fertilizer requirements will increase by 6.6 times by the end of the plan period. However, the APP fails to identify from where the fertilizers will be supplied. It would be extremely difficult for Nepal to afford continued fertilizer imports, especially the nitrogenous fertilizers, and so these would need to be produced domestically.

Fertilizer Pricing Policy

The APP assumptions are highly contradictory, for example on the one hand, it is recommended that the fertilizer price should be kept 20 per cent higher than in India in order to avoid the illegal re-export to India. On the other hand, it

suggests that surplus agricultural commodities including cereal production should be exported to India. This seems to be a theoretical assumption, which will never happen in practice, because the decomposition analysis of the cost of production for major cereal production shows that chemical fertilizers constitute a major part of it. For small-scale subsistence Nepalese farmers, it may range from 30 to 50 per cent of the total cost of production. When the price of chemical fertilizers is kept high, obviously the products are costly compared to Indian products. If the cost of production is higher than in India we will not be able to export to India even if there is surplus production in Nepal. We could assume that farmers will sell their products at a cheaper price provided there is demand, but we cannot assume that there will always be a demand for surplus agricultural commodities in the Indian markets. Looking at the overall Indian agricultural scenarios such as economy of scale, level of technologies, support services and subsidies provided to farmers in India, it is ridiculous to predict that Nepalese surplus cereal production would be exported to India. Therefore, it is merely a day dreaming of the Nepalese planners and a conceptual flaw of the APP.

Agriculture Market Policy

The illegal trans-border exchange of commodities is common between India and Nepal. In addition, the provision for duty free trading of agricultural commodities with India will easily displace Nepalese producers. Under such a situation, it is foolish to expect that an increase in the incomes of the

rural households through agricultural growth will be a strong demand pull on non-agricultural products which in turn will increase employment opportunities and thereby lift the landless and near landless out of poverty. The likely scenarios have already been explained in the preceding paragraphs.

Irrigation Flaw

The APP has recommended massive installation of shallow tube wells in order to extend irrigated areas in the terai region. This is another flaw of the APP, as it is a well known fact that a multipurpose surface irrigation system is the most economical and suitable alternative for the terai region of Nepal. A perspective plan like the APP should look at the most viable alternatives in the long run and not only the short-term benefits. One of the reasons explained in the APP is that both the installation and operational costs for shallow tube wells are lower compared to surface irrigation, which I do not agree. However, shallow tube wells could be installed within a short time period and the land could be irrigated immediately. There is no problem of ownership, operation and maintenance of shallow tube wells since these are either installed by the individual or small group of farmers. Shallow tube wells could be installed even on a small piece of land and problems of likely exclusion of households from irrigation is also minimal in every community targeted by the programme. However, given the large vast fertile plains of the terai, the number of perennial rivers flowing from north to south and

the increasing demand for electricity in the country, at least four mega multipurpose irrigation cum hydropower systems seem more feasible than any other alternate forms of irrigation for the terai region. This is simply a plain logic based on the experience of Pakistan and India. There are four major rivers namely Koshi, Gandaki, Karnali and Mahakali flowing from north to south in Nepal. If we construct reasonably a high dam on each of these four rivers, the whole of the terai region of Nepal could easily be irrigated and considerable (at least 20000 MW) hydroelectricity could be generated as irrigation by-products. However, it is mysterious why the Nepalese planners, so-called irrigation and hydropower experts and even development partners of Nepal have often undermined this vast potentiality of Nepal for sustainable development. The development goal of Nepal will not be realised until and unless such multipurpose mega projects are built on our own capacity.

Misleading Comparative Cost Analysis for Different Irrigation Systems

It has been said that the public managed surface irrigation systems in the terai are seven times costlier than the installation of shallow tube wells and about four times in operational costs. The variation in cost between the two irrigation systems presented in the APP shows the level of widespread institutionalised corruption prevalent in the construction and maintenance of public managed irrigation systems in Nepal. If the recommended strategies of the APP were based on established

economic theories and valid assumptions, how could shallow tube wells be more effective and efficient alternatives for expanding the irrigated areas in the terai region?. The planners have not applied the economy of scale in comparing the micro and macro irrigation systems in the APP. Therefore, the comparative analysis of irrigation systems is not based on the established fact that a larger multipurpose irrigation system must be cost effective in the long run compared to a micro irrigation system like shallow tube wells. Further, the comparative costs analysis for the two systems has not explained the reasons why the costs for public managed surface irrigation systems were so high in Nepal compared to other countries and between the public managed irrigation systems in the terai region and community managed surface irrigation systems of various scales in the hill regions of the country. Therefore, it is true that the costs of all types of public managed irrigation systems, whether surface or lift or deep tube well, is high due to many reasons. Institutionalized corruption is one reason (which has not been disclosed by the planners) for such a high cost compared to private or community managed systems in Nepal. This fact has not been considered while comparing the two irrigation systems in the APP.

Unrestricted Movement of Labour

The APP has not considered the free flow of skilled/unskilled labour in the open job markets both in and out of the country and the fact that any opportunities created in the country in the past

have been freely utilised by foreigners. Considerable numbers of male members of small and landless families have been migrating every year into India for seasonal employment causing a seasonal deficit of agricultural labourers in Nepal. The trend of seasonal migration to India is common throughout the terai region and mid and far western hill districts of Nepal. During the peak agricultural season, the majority of farmers in the border districts of the terai are compelled to hire Indian labourers at higher wages compared to Nepalese labourers for agricultural works. In the hill districts, a permanent labour scarcity has been a common phenomenon. The decreasing market price for agricultural commodities and increasing prices for agricultural inputs caused by the open trade policy of the government, has led a majority of the hill farmers to abandon the land. Thus food production is on the decline through out the hill regions. The situation will not improve unless the government adopts strict labour laws even if the predicted employment opportunities were created due to the APP.

Misunderstanding of Contemporary Agricultural Development Issues (CADI) and Misinterpretation of Lessons Learned from the Past

The planners have put forward the APP as a tool to achieve growth in agriculture in Nepal, like that of Punjab in India. It shows that the planners were not fully informed about the post Green Revolution scenario of agriculture in the Punjab. The negative impacts of

the faulty development approach adopted during the so-called Green Revolution Period (1965-80) had not only destroyed the farmers, the environment, the government but also the economies of Punjab and Indian agriculture at large. The Indian policy makers have realised that the success in the Punjab Agriculture has been a white elephant for both State Government of Punjab and the Union Government of India. The State Government of Punjab has been subsidising electricity for farmers up to 95 per cent, considerable subsidies on loan, fertilizers, deep tube well, machinery for agriculture, research and extension, and minimum support prices for the agricultural commodities to sustain the level of agricultural production, which is neither economically feasible nor politically right for the Union Government. Despite a high overall human development index and per capita GDP, the Punjab state has been receiving proportionately higher priority for investments from the central government depriving other underdeveloped States in India. In the environmental front, the rapid decline in the ground water table, over application of chemical fertilizers and pesticides have

already polluted the land, water and air. The Punjab Model has not been replicated in other Indian States due to the lack of government subsidies. The Indian government is facing financial crisis and facing a very awkward position today as other states like UP, Bihar, Maharastra, and Kerala have been demanding equal treatment for agricultural development. The Indian Policy Analysts consider that the Agricultural Development Model of Punjab was politically motivated and not based on rational judgement of the development planners during the Congress Regime. If such an intensive agriculture production model of Punjab could not be replicated in other Indian States how it could be applied in Nepal is a simple question for the planners.

3. Conclusion

The APP shows that the development planners of Nepal follow the outdated, defective agricultural extension models of the 1960s' based on the "Roger's Theory of Diffusion of Innovations"² and "Trickle Down Model"³ of development. The conservative agricultural scientists and development experts have not

2. According to the theory when any agricultural innovation was successfully demonstrated on the farmers' field, some of the innovative leader farmers would adopt the new technology first and then subsequently, the technology would be adopted by the rest of the followers in the communities. This theory has already been refuted since it does not consider the heterogeneity in the biophysical, socio cultural, and socio psychological aspects of farmers and their needs and strongly advocates mono cropping and commercialisation in agriculture.

3. The economic development model based on the assumption that industrialisation will automatically lead to development of agriculture due to increased demand for raw materials by the industries and increased income level of the employees. When there is a market for agricultural raw materials, the farmers will grow more creating demand for labour in agriculture as well as in the industry sectors, creating jobs for both labourers and the educated mass. This is a conventional model and does not consider any external and internal factors affecting the process of economic transformation in underdeveloped economies.

realised the widespread gaps in technology generation and diffusion processes. Instead they often attach blame to the natural environment, lack of physical infrastructure, and the input supply mechanism for the lower rate of adoption of new technologies by farmers. It has been stated that as a result of the APP, food grain production in all the three eco-regions of Nepal will increase dramatically and that consumers in the Indian and even international markets will be waiting for Nepal's surplus agricultural products. In fact, the APP is merely a compilation of many disparate ideas that do not provide the direction or strategy to move forward in the present context.

It may be concluded that despite the inconsistent design and strategies, the APP has been successful in sensitising the development planners and donor agencies that any poverty reduction strategies in Nepal would not yield significant results without developing the agriculture sector. However, the strategies recommended by the APP have not been implemented nor have any efforts been made to review its relevance in the changed contexts of domestic sectoral policies, bi-lateral and multilateral trade treaties and agreements made by the government. Therefore, there is an urgent need to review both the strategies and approaches of the APP if we really want to improve the overall livelihoods of the landless, marginalised and poor farmers and agricultural labourers of the country. ✍

Tepari Causeway as Link Road

Balkrishna Chaudhary

Programme Co-ordinator, RRN, Nepalgunj

Gulariya, the headquarters of Bardia district, is one of the remote and under developed municipalities in Nepal. Most of the poorest of the poor and marginalised people have settled in the municipality area. The majority of the population in this municipality are Abadhi and Tharu who are deprived of education, health and livelihood opportunities. There are two big freed kamaiya camps - one is at Jainpur and another is at Tepari - where more than 500 freed kamaiyas have been resettled. With the exception of ward no 8 (the market area), other wards are under developed and lack physical infrastructure and other facilities.

The remotest ward of the municipality is ward number 12 where the Sarju Nala river (an old branch of the Babai river) is flowing. Abadhi, the landless and the freed kamaiyas make up the majority of the population of the ward. In the Sarju Nala a 75 metre long pipe causeway has been constructed jointly by Rural Reconstruction Nepal (RRN), Gulariya municipality, the Bardia District Development Committee and the local community under the Rural Community Infrastructure Development Support Programme launched by RRN. The contributions from the different parties are as follows: NRs. 705651 from RRN, NRs. 366000 from the Gulariya Municipality, NRs. 225200 from the Bardia District Development Committee and NRs. 50,640 from the community. During the construction of the causeway the technical and social mobilisation



People crossing Sarju Nala before causeway construction



People crossing Sarju Nala after causeway construction

component has been handled by RRN.

The Abadhi community people are the indigenous people of that village and the freed kamaiyas and landless people are newcomers. The Government of Nepal has provided 3-5 kattha of land to the freed kamaiyas for shelter and small kitchen gardens. Most of the kamaiyas used to go to the district headquarters every day to undertake casual labour and earn an income, however they have now become farmers.. At present they grow vegetables and raise goats in the jungle bordering India .

Before the construction of the pipe causeway the people had to cross into India and travel to the district headquarters by road during the rainy season. This is very time consuming and some people also died due to the inability to access medical treatment. However, now the pipe causeway scheme have been completed, the people across the Sarju Nala are able to use the causeway as their link- road to the district headquarters in Gularia. One of the beneficiaries expressed his views: “Before the causeway construction we had to use the way of India, which is very long and

risky because the way is along the jungle. We have now got very good way to the district head quarters so that we can go there at any time for treatment and other jobs”.

Ambulances and other vehicles can also use the causeway to transport patients to the hospitals. In addition, GTZ/Geruwa Rural Awareness Association Bardia have provided the community people with a rickshaw ambulance following construction of the causeway.

In conclusion, the causeway has been a very successful community owned project. People suffering from the long travel route via India - through thick jungles - have been greatly benefited from the construction of this link road. Now the people can easily travel to the district headquarters at Guleria Bazar, where they have to go frequently for their daily business in a very short time. In addition, the people now have access to transport services, which has greatly reduced the travel time to the district headquarters. It has helped the poor people to find easy access to local markets for their agriculture and livestock products thereby increasing their income. ❧❧

Community Disaster Preparedness: The Key to Mitigating Disaster Risks

Mr. Bhanu Parajuli

Coordinator RRN, Kaski

We can't say when and where disasters will occur. It is known fact that Nepal has a rugged topography, fragile geology, and heavy rainfall during the monsoon season, which has a devastating impact on human lives and properties. Annually about 300 people are killed and millions of rupees worth of property are destroyed by water-induced disasters alone. About 75,000 people are badly affected by floods and landslides... These water-induced disasters badly affect at least 19 districts in Nepal. Among them, 8 districts including Sindhuli, Bardiya, Chitwan, and Makawanpur are the most vulnerable. Nepal's location in the Hindukush-Himalayan region, with its periodically shifting continental plates, means that the country is prone to earthquakes.

According to the League of International Red Cross "A disaster is a catastrophic situation in the day to day patterns of life are in many instances suddenly disrupted and as a result people need protection, food, clothing, shelters, medical and social care and other necessities of life". Likewise United Nations Development and Research Organization has defined a disaster as "an event concentrated in time and space in which a society (or a community) undergoes severe



Participants of Community based Disaster Preparedness Programme Training, Kaski

damaged and includes such losses to its members and physical appurtenances that the social structure is disrupted and the fulfilment of all or some of the essential functions of the society is prevented."

Unfortunately there is a lack of technology to predict when natural disasters will strike and with what intensity. While there is no substitute for averting preventable calamities, the need for efficient disaster relief and management measures is therefore very important. Such a system will greatly diminish the degree of loss of life and property in the aftermath of any catastrophe - manmade or natural. A reliable disaster relief and mitigation mechanism, therefore, warrants specific regulations. Recognising this Nepal's government has put in place the Natural Disaster Relief Act 2039 BS.

Although Nepal also has a Central Natural Disaster Cell formed to tackle post-disaster scenarios it is far from developing a reliable and efficient system.

Although the said Act recognises calamities like storms, fires, earthquakes, landslides, and floods as disasters, experts have, however, argued that it has certain shortcomings. Not all wings of the Cell are adequately empowered to spring into meaningful action during times of distress. For example, the antiquated fire brigade in Kathmandu is in dire need of a facelift.

But the focus of the government is on post-disaster management rather than on preparedness and mitigating the risks. The government is more willing to provide relief materials, rescue and rehabilitate victims, and reconstruct damaged infras-

structure.. However, prevention is better than cure and community preparedness work can play an important in mitigating tragedies, such water-induced disasters. Participatory community mobilisation for disaster for preparedness programmes is therefore needed for disaster prevention..

People in the most disaster-prone VDCs are always terrified with the advent of the rainy season in June. The villages are affected by both floods and landslides, and the villagers' fear being buried. For instance, in the last two years, the rains have inundated villages in and [where?] and swept away large tracts of cultivated land, livestock and property. The villagers' complaint is that the government always takes their plight lightly, and has failed to take any preventive steps to save the villages from the floods and landslides. People in of such vulnerable areas cannot sleep properly in night, and have said that they "feel insecure until the monsoon is over."

However, some organisations such as UNDP, the Red Cross, Action Aid, the European Commission for Humanitarian Aid Office (ECHO) and Caritas have been working in the different districts to minimise disaster risk. The Participatory Disaster Management Program (PDMP) under UNDP and Community Disaster Preparedness Program (CDP) under DIECHO-RRN and Caritas, Community Based Disasters Preparedness under Red Cross Society, are some examples. These groups are working in the disaster prone districts with the aim of involving the local communities in reducing the harm through institutional capacity building and community mobilisation for disaster preparedness and mitigation works. ✍

Kotmaula-Jinawang Agriculture Road finally became possible!

Thakur Thapa Magar
RRN, Salyan

Kotmaula - one of the highly conflict affected VDCs in Salyan district - is not only renowned for producing the political leaders in the district but is also popular for generating agricultural goods like oranges, ginger, potatoes, timur (herbal value) and apples. Because of the favourable climatic and soil conditions, the villagers are proud of their village and land, but at the same time they are unhappy about the reality to carry their agriculture products on their backs in order to sell them in the market. For years they have been facing the same problem.

However, last year they formed a user's committee in order to discuss the possibility of constructing a road linking the villages to the market. The committee stayed in Khalanga, the headquarters of Salyan, for more than 10 days in the hope that District Development Committee-DDC would allocate funding for the construction of their road - but the hope collapsed when no funding was given. However, the villagers were so determined that one morning they came to the RRN office in Khalanga, Salyan and asked for assistance. Convinced by the motivation of the people, RRN agreed to help them in their mission. The next day a RRN engineer, along with the user's committee, went to the site and completed a 8.6 km road survey within three days. Then the road construction began.

Almost 100 people from Kotmaula and Jinawang VDCs came to the project site every day with food in their hands, beginning at 8AM and working until sunset. The construction work is now completed and the project has been handed over to the user's committee. A bus and a jeep have reached the border of Rolpa and Salyan and the tractors now move frequently along the road.

The total cost of the project is NRs. 21,90,890 of which RRN has contributed Rs. 5,49,290 The remainder has been borne by the community people. This work has now become a model in Salyan. It has made people realise that they can do jobs themselves if they are united and hard working, rather than relying on others. ✍

An Analysis of the Community Forestry Programme as a Rural Development Strategy

Prakash Kafle

Senior Programme Officer, RRN

Introduction

Forests are integral part of rural livelihoods and are closely associated with the Nepalese farming system and food security. Forests provide food, fibres, fodder, fuel wood, medicine and many more (timber and non-timber) products and ecosystem services. The real value of forest ecosystems is huge and has not yet been quantified. The community forestry programme (CFP) has opened up new livelihood opportunities for users both directly and indirectly. The direct positive impacts are regularly paid-jobs, a smooth flow of fuel wood, fodder and small timber, while indirectly; it has provided a platform for discussions of related issues such as new crop varieties, improved methods of cultivation, and market prices, which are relevant to users' daily lives and livelihoods. A number of secondary impacts have also been observed such as seasonal employment opportunities, micro-credit facilities, emergency support, and infrastructure support due to enhanced monetary flows into the Community Forestry Users Group (CFUG) funds.

However, the CFP is not without problems. In the hills, where the

CFP has reached a state of maturity, the issue of redistribution of community forest incomes among CFUG members has been raised. In the Terai, CFP has been criticised for its inability to include the real users. In short, there is evidence that the poor and socially excluded do not accrue maximum benefit from the CFP. In light of this, this paper reviews the suitability of CFP as a rural development strategy.

The Genesis of CFP in Nepal

CFP is often cited as an innovative and progressive people centred approach to forestry development in Nepal. Unlike other South Asian countries, Nepal did not experience a massive people's movement for forest protection in the late nineteenth and early twentieth centuries although there are examples where the community protected forests as community woodlots, common grazing land and religious forests. During the **Rana Regime** (1846 to 1951), the forestry sector was administered under the feudal system. Rana rulers used the Terai forests as their private property. The hill forests were held as *birta*⁴ under the aegis of traditional elites called *mukhiya* (the village chief). The powerful people had control over the forest resources, while the poor and powerless were withheld local



Community Forestry facilitates the smooth supply of fodders

(A women in Sankhuwa-Sabha carrying a backload of fodder from a community forest)

rights. Despite the inequalities of ownership and access, this system maintained the forest resource base and provided two key benefits - increased forest biomass and non-encroachment of forest area for agricultural purposes. In 1950, a popular movement overthrew the Rana government. At the end of the Rana rule at least one third of forests in Nepal were under *birta* tenure and three-quarters of this

4. State land granted to priests, military and civil servants and other nobilities as a reward for their services to the Rana rulers.

land belonged to the Rana family (Regmi, 1978).

The popular movement in 1950 overthrew the Rana government and the first **Private Forest Nationalisation Act, 1957** abolished the private ownership of forests and transferred it to government hands. The Forest Act 1961, Forest Protection (Special Arrangements) Act 1967 and Forest Products (Sales and Distribution) Rules 1970 intended to improve forest management by the government through the Ministry of Forests and Soil Conservation (MFSC). These acts used the "principle of fence and fine" for forest conservation. The users were kept out of purview of the forest management and the traditional elites who once owned the forest also lost their rights over it, which generated feelings of discontent among them. In addition, the newly established government mechanisms were not equipped with efficient human and administrative resources - the result was apparent, the precious forest resources started to disappear.

In 1976, the party-less *Panchayat* government promulgated the **National Forestry Plan 1976**, which was the first official attempt at formulating a long-term forestry plan. The plan emphasized the importance of improving the productivity of the forests and stressed the need to initiate the participatory forestry management to meet the local demand for forest products. Under this plan, the government enacted *Panchayat* and *Panchayat* Protected Forest Rules 1978 in which the District Forest Office (DFO) intended to establish partnership with the users through

the local *Panchayat* (especially with village *Panchayat* and town *Panchayat*). However, the *Panchayat*, as the local political unit, did not represent the real users of the particular forest - and hence the forest continued to disappear.

The National Forestry Plan 1976 was replaced by the formation of the **Master Plan for the Forestry Sector** (MPFS) in 1988 (HMG/N, 1988), which tried to address the problem of the previous policies by involving the real users in protection, conservation and utilisation of forest resources. The MPFS, which is a long-term strategy for the development of forestry sector, has the main objective of fulfilling the people's basic needs (such as for fire wood, fodder and timber) in a sustainable manner. The MPFS explicitly spelled out the concept of community forestry. It is defined as the handing over of management of government forests located near to the villages to the local users. It also sought to restore to local people their traditional rights to collect fuel wood and fodder free of charge as set out in the community forest's own operational plan (OP).

Under the framework of the MPFS, the government prepared and implemented the Forest Act 1993 and Forest Regulations 1995 in which the formation process, rights and responsibilities of forest users groups (FUGs) were described. The FUGs are entitled to develop, conserve, use and manage the handed over community forests as per their OP. They can also sell and distribute the income and forest products independently among themselves

or to outsiders, according to their OP. These Acts recognised the FUGs as autonomous and corporate bodies, with perpetual succession. Due to this legal backing, the FUGs are able to open their own bank accounts, purchase movable and immovable properties and work on collective action for users' welfare. The CFP continued to be the major forestry development policy of the government. At the beginning of Ninth Five-Year (1997-2002) Plan there were 5,316 CFUGs, but by the end of 2002 there were 12,000 (NPC, n.d.) - managing 850,000 hectares of forest.

Despite the benefits of the CFP, this model is often criticised due to its unsuitability for managing the vast Terai forests (Baral and Subedi, 1999) and its limitations in promoting social justice and equity (Malla, 2000; Paudel, 1999). The indigenous and the aboriginal people in the Terai, who live at some distance from the forests, are now becoming distant users - thanks to the unplanned and government assisted migration from the hills which encouraged the new immigrants to settle close to the forests. In order to accommodate the needs of distant users and to address the various issues associated with Terai forests, government developed a new participatory management system called **Collaborative Forest Management** (CoFM) in 2000 to promote ecological balances and to provide livelihood opportunities for the users (HMG/N, 2003). As the name suggests, under this management system national forest is managed through a partnership with government and concerned

stakeholders, such as the users, local governments, non-government organisations (NGOs) and community based organisations (CBOs). The impact of this system on the livelihoods of users and the state of the Terai forest is yet to be determined.

Community Forestry and Rural Development

Rural development is a complex phenomenon. It is not merely the improvement of rural infrastructure; rather it is socio-economic transformation of the rural communities with equity and justice. Rural development encompasses improved status and access of rural communities to natural, physical, financial, social and human resources in a way that the stock and flow of resources will remain enhanced if not the same. As a principle, natural resource forests can play a significant role in rural development, and CFUGs, which are managing the community forests, have a significant role to play. The major sources of income for the CFUGs are selling of forest products, fines charged to offenders and entry fees. Some CFUGs also collect regular membership fees in the initial years but stop when they begin to earn income from the protected forest. It is this flow of monetary income and the collective spirit underpinning community forest management that has enabled CFUGs to support community and rural development works in rural areas. As per government rules, the CFUGs are free to design and implement these development works provided at least 25% of the income goes to

forest protection activities. The following are the key benefits of CFP to rural development:

Contribution to Livelihoods

Livelihoods of forest-fringed communities are inter-linked and interdependent with the availability of the forest resources. As already mentioned above, CFP as a participatory forest management tool has not only secured the user's participation but also provided users with direct benefits (physical products such as wood, food, medicine, fuel, fodder, fibre, organic fertilizers and a host of other products) and indirect and attributable benefits for the environment.

More than 90% of Nepal's population are farmers, with subsistence farming being the main basis of rural livelihoods. Forestry is closely and inseparably linked with agricultural and animal husbandry practices. There are marked differences among community forestry users and non-users regarding the possession, access and control of household physical assets, natural assets, financial assets, human assets and social assets. In general, the overall socio-economic status and quality of life of community forest users (CFUG members) are found to be better than non-users (Kafle, 2004). A study carried out by Sharma (2000) in the mid-hills of Nepal found that the community forestry income constituted 13 % and 3 % of the total monthly income of poor and rich families respectively. Since poor possess less acreage of land and fewer livestock than rich households, they benefit

less from the community forestry. To overcome this discrepancy, some CFUGs (such as Jalandhara CFUG, Banke) have started to target income generating programmes focusing on poor and marginal users.

Direct employment

CFP provides direct regularly paid employment to the local people. On an average, one community forest provides direct, regularly paid employment to five individuals – for example the monthly salaries provided to the office secretary, watchmen and nursery heads. CFUGs have also provided other seasonal employment and wages to those who are involved in silvicultural operation and nursery related works.

Improvement of natural resources

There is documentary evidence that the status of Nepal's forest, which was degraded at the time of hand-over, improved after CFUGs took over the management (for example, Malla, 1997). Since the users became co-managers of the resources, the CFUGs are more accountable and responsible. The forest has become "their own forest" and not "other's forest" or "the government's forests". The major motivational shift is due to the perceived short-term and mid-term rewards that the protected forest provides users. In the short term, the DFOs and many other development agencies (NGOs, international NGOs, development banks and bilateral projects) provide the users with opportu-

nities to participate in different training, workshops and exposure visits while in the medium term the users can obtain a continuous flow of forest products. The initial restrictions on grazing, collecting fuel wood, fodder and small timber have encouraged the users to plant fast-growing trees and/or to keep stall-fed animals, which improved the status of private natural capital and reduced the dependency of users on the forests.

Support to rural infrastructures

The rural development activities supported by the CFUGs are diverse - ranging from assistance in purchasing electric motors for lifting water to school infrastructure support. However, the main focus has been on the latter. Some CFUGs have also provided salaries to local schoolteachers. Other physical assets, which CFUGs have financially supported, are as follows:

- Road improvement
- Culvert construction/repairing
- Construction of dams
- Drinking water supply
- Construction of community buildings
- Construction of temples
- Village electrification

In all of these, CFUGs only provide complementary support. The community mobilises the remaining resources from other agencies and in all cases provides the unskilled labour and the cost of transporting materials.

Micro-credit and income generating activities

One of the significant and tangible outcomes of the CFP is the availability of micro-credit and emergency financial support from the CFUG fund. The average CFUG fund of about NRs 8,000.00 in 1996 had risen to NRs 13,000 by 2004 (Pokharel and Nurse, 2004). It was reported that there was a balance of about NRs 100 million among the 12,800 CFUGs in the country (CFD, 2002). Significantly, this amount is equivalent to the government's annual forestry development budget allocated to all districts. The provision of micro-credit has been found to be beneficial for poor and landless users, as they do not have access to formal lending institutions due to lack of collateral. CFUGs have also kept a small amount of money for 'emergency uses'. While there is no strict definition of emergency, the provision of this finance has kept many users away from exorbitant interest rates of the local moneylenders.

CFUGs as viable and resourceful grass root institutions

Through the CFUGs, CFP has contributed to the formation of thousands of grass root level people's institutions across the country. Around 12,800 CFUGs have been formed in Nepal over a period of 14 years, with nearly 1.2 million household members - approximately 20% of Nepal's population (DOF, 2002). Though the CFUGs concentrate on managing and protecting forests,

the elected members and officials are also participating in many other local and national level forums, which have helped to strengthen and institutionalise the CFUGs. Given the current lack of social institutions to carry out the development process in Nepal, CFUGs can play a pivotal role in catalysing the development of social institutions. For example, it was found (Kafle, 2004) that CFUGs have also encouraged local people to establish their own organisations.

Contribution to human capital formation and improvement

In the initial years of the CFP, training/workshops were concentrated mainly on raising awareness about forest conservation and technical aspects of forestry management, while more recently participatory forest management practices have received priority. Issues of equity and social justice are also increasingly being raised and the training content has changed accordingly. Now-a-days, users, officials and executives of CFUGs frequently undergo training/workshops provided by the DFO and donors on issues such as rights based approaches, social justice, equity and governance. In some cases, the users have been provided with forest and non-forest based vocation and skill development training, and donor agencies have supported the further studies and training of government and non-government staff. In addition to the DFO and donor-supported projects, the CFUGs themselves have organised training and

exposure visits for users. All of these activities have helped to enhance the awareness, knowledge and skills of the local people.

Shortcomings of CFP

CFP has immense potential to contribute to poverty eradication, to support livelihoods and to promote rural development. However, there is evidence to suggest that the benefits are not equally distributed, with the poor and excluded groups continuing to be marginalised. A number of underlying and interrelated reasons for this inequality and injustice have been cited - such as CFUG's inability to internalise the existing economic differences among the different users/families (Neupane, 2003) and the fact that CFUG executive committees are dominated by local elites (Baral and Subedi, 1999). Yadav (2002) claims that the development activities carried out by the CFUG have not always benefited the poor, mainly because those activities are of a communal/collective nature, and did not result in tangible benefits for all individual users. For example, in the Terai region before the forest handover, local people, such as goat keepers, had free access to the national forest. However, after the handover CFUGs imposed restrictions on grazing which caused the goat keepers to dispose of most of their herds at unfavourable prices (ODG, 2003). Examples from the hills have also showed that the number of sheep herds has gradually declined following the implementation of CFP, as the users collectively imposed

restrictions on grazing inside the community forests.

The occupational caste groups such as potters (*Kumale*), blacksmiths (*Biswakarma*), coal makers and fuel wood sellers are particularly dependent on forests for their livelihoods - as they are largely landless squatters and marginal farmers. They have been using forests for generations, however following forest handover to the community, their access to the forest has been restricted by the users in a bid to protect the forest. As a result they have been forced to exploit the nearby government forests to meet their needs. Data shows that despite the CFP, total forest area in Nepal has actually decreased at an annual rate of 1.7 % from 1978/1979 to 1994 (HMG/N, 1999).

Conclusion

Involving users in forest management through CFP has proven to be a beneficial strategy for rural/community development. A wide range of development activities have been initiated and supported by the CFUGs across the country. The development of community forestry has had positive and encouraging impacts on the lives and livelihoods of rural communities, even though the positive impacts of the CFP are limited primarily to the community forest users.

Despite these benefits there is nevertheless immense scope for improving CFP. The discriminatory provisions put forth by the village elites about the CFUG rules systematically excluded poor users from the benefits of community

forestry. For example, there is evidence to suggest that after the implementation of the CFP, blacksmiths, potters, coal makers and other poor users have lost their livelihoods or have changed their traditional occupations. If such discrimination persists over time the positive impacts that community forestry has brought until now could collapse. The Terai forest, as one of the most productive and high price-fetching forests in Nepal, has the greatest potential to support rural development and to alleviate the poverty of the users. It can be concluded that CFP can be one of the best strategies of rural development provided it urgently addresses issues of social justice and equity.

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Development Work under Duress

Cecial Adhikari

Civil Engineer, RRN, Dang

"It would not have been possible to have drinking water at our door step within coming ten years or more, without support of RRN" says 26 years old Suntali Nepali of Rampur VDC, Dang. Likewise, Hari Lal Darlami - headmaster of Janata Prathamik Vidhyalaya at Shishniya VDC - says, "RRN has changed the face of our school and brought joy to the children and the community". Many other users of RRN supported rural infrastructures in Dang also seemed to have similar positive views .

Despite the serious security situation brought about countrywide by the political conflict, RRN and a few other non-government organisations are engaged in various development endeavours in rural and remote areas, following the "do no harm doctrine".

Rural areas are most affected by the insurgency, yet it is rural areas that remain relatively untouched by development initiatives. The government was apathetic towards taking up development initiatives in the past. The main development actors in these rural areas are the NGOs - who are facing challenges in implementing their development programmes in these conflict prone areas.

With the goal of providing an immediate, visible and positive impact to the lives of poor and marginalised people in rural Nepal, RRN has implemented the Rural Community Infrastructure Development Support Programme (RCIDSP) in 13 districts in the western, mid western and eastern development regions of the country. The majority of the districts are affected by insurgency, such as Rolpa, Salyan, Dang, Surkhet, Kailali, Bhojpur and Sankhuwasaba.

The major focus of this project is to provide sustainable livelihood opportunities to the target disadvantaged group mainly poor, dalits, or ethnic minorities through infrastructure development activities. Other activities of the project include support for farm and off-farm based enterprises through training and capacity building.

There are many villages in the country where the people are not as lucky as Suntali and Hari, and lack even the most basic infrastructure, such as water supply, sanitation, good school infrastructure, irrigation or rural roads for market access.

The country's development plan has prioritised rural infrastructure development as one means of alleviating poverty in the country. With this agenda many multilateral,

bilateral organisations and INGOs, such as the World Bank, Asian Development Bank (ADB), DFID, JICA, GTZ, SNV, DANIDA, FINNIDA and Water Aid, have joined hands to take action.

The majority of these organisations implement their programmes through national and local level NGOs. However, the targeted objectives and work plans set out by the projects are rarely achieved due to the current political conflict between the Maoists and the government. The stakeholders in the countryside have complained about their inability to transport materials, such as GI pipes, sockets and electric wires for micro hydropower projects, for fear of being accosted by the rebels and/or challenged by the army.

Many programmes in the conflict areas have either been phased out or postponed. However, essential rural infrastructure projects like drinking water, irrigation, micro hydro, road building and school construction are vital for the common masses, and hence these stakeholders are hopeful that these projects can be reinitiated. A recent

statement from the Maoists that they will not attack these projects has been taken as a welcome sign.

The author is involved as Civil Engineer with RRN's RCIDSP Project funded by DFID in the Dang District. RRN is implementing this project through field-based offices and staff. The presence of staff at project sites, even under this critically tense situation in the district, is quite noticeable and encouraging. This has been possible as RRN staff are living as part of the community. The staff involved with the organisation has a reputation for honesty, transparency, efficiency and not being politically aligned. Within one year, RRN Dang has already successfully completed 71 projects in 16 VDCs, worth total budget of Rs. 85,75,586. The majority of these projects are in the hilly and remote parts of the district.

The reason behind the successful implementation of the programme could be due to the fact that RRN adopts demand driven approaches. The projects are community owned, implemented by local groups, promote rural livelihoods income generation and job creation

and address the real needs of the poor. The programme is carried out by involving the community at every stage of the project cycle, building on what people have and on existing resources.

Workers are trapped between security forces and the Maoists, making life and every day work very difficult. Encountering a huge troop of security forces or Maoists at work-sites is part of regular business. One could not fail to be deterred by witnessing the burning of VDC and other government offices.

The majority of NGOs have adopted a "do no harm policy" towards both the warring parties and this is the best strategy at this juncture. They are continuing to carry out their developmental duties under duress as unsung heroes. We occasionally read negative articles about the conduct of NGOs. Maybe the roles of NGOs and their contribution during this extremely trying period in Nepalese history needs to be assessed and we should have the courage and magnanimity to show our appreciation for what they have been accomplishing. ✍



Women carrying construction materials for canal construction

