

Forests and People's Livelihood: Benefiting the Poor from Community Forestry

Bharat K. Pokharel and Mike Nurse

Nepal Swiss Community Forestry Project, Email: bk_pokharel@nscfp.org.np

Abstract

This paper provides a brief overview of the main achievements and challenges of the community forestry approach to improve people's livelihood and forest condition. The paper demonstrates that Forest User Groups have been able to manage thousands of hectares of community forests, and as a result have contributed to the improvement of forest condition and people's livelihoods in a number of ways such as capital formation; governance reform, community empowerment and social change. Yet, the livelihoods of the poor and disadvantaged, have not improved as expected. The poorest suffer the most since they cannot afford to participate, are unable to speak out, and are rarely heard when they do. Nevertheless, the community forestry approach is a source of inspiration for the establishment of good forest governance, sustainable forest management and is one of the means to improve people's livelihoods. To make community forestry pro-poor, further innovation, reflection and improvements are required. The paper suggests a number of pro-poor strategies in order to address the livelihood needs of poor people.

Key words: Community forestry, livelihood, pro-poor strategies, capital formation, forest user groups

INTRODUCTION

The basis for what is now the national community forestry program was formally launched in Nepal in 1978¹. Following twenty-five years of implementation experience, the program now represents arguably the most advanced and progressive model worldwide for the participatory management of natural resources (Nurse *et al.* 2004).

Although Community Forestry has been hailed as a success overall, its contribution towards supporting the poorest, most vulnerable and excluded members of society has been at best limited and at worst, negative. This paper presents data and discussions based primarily upon the experiences and current activities promoted by the Swiss supported project, the Nepal-Swiss Community Forestry Project (NSCFP).

The Master Plan for the Forestry Sector 1989, the Forest Act of 1993, Forest Regulations of 1995, the Operational Guidelines of 1995 and the Tenth Five Year Plan (2002-2007) provide the current legal and operational framework of Nepal's community forestry. These instruments have legitimized the concept of the community Forest User Group (FUG) as an independent, autonomous and self-governing institution responsible to protect, manage and use any patch of national forest with a defined forest boundary and user group members. FUGs are to be formed democratically and registered at the District Forest Office (DFO), with a Community Forest User Groups (CFUG) Constitution, which defines the rights of the users to a particular forest.

¹ The promulgation of Panchayat Forest and Panchayat Protected Forest Rules 1978 provide a convenient benchmark. This legislation gave formal recognition of the rights of villagers to manage the forest and can be regarded as the formal launching of Community Forestry in Nepal (Gilmour, King and Hobley 1989, quoted in Nurse *et al.* 2004).

There are now around 12,800 CFUGs formed in Nepal over a period of 14 years, with nearly 1.2 million household members. This accounts for approximately 20% of the country's population, who have taken over responsibility to manage about 850,000 ha. of forest area, nearly 16% of the total forestland of the country (DoF 2002). Between 1991 and 2003 in three hill districts where forestry programs with Swiss funding are operating (Dolakha, Ramechhap and Okhaldhunga), the forest area under community forestry has increased steadily, by around 5% per year (of potential Community Forest). Similarly, the household coverage in FUGs has increased steadily in all districts (from 63-87 % in Dolakha for example). In Nepal at the moment, an average of two FUGs are being formed every day and they are given authority and responsibility to manage and use the national forest resources.

Community forestry has contributed to the improvement of forest condition and people's livelihoods in two main ways:

- Capital formation in rural communities and
- Policy and governance reform of various organizations and agencies.

These contributions will now be presented in more detail. Although we will argue that there have been gains in absolute terms, we will also answer some of the critical questions about equity in community forestry: who is accessing the increased capital formation? Specifically, are the poor meeting more of their particular requirements as a result? These and other key issues are discussed in the following sections.

Capital Formation in Rural Communities and Its Flow

Community forestry has become a means to increase natural, social, human, financial, and to some extent the physical capital of community forest users².

Natural capital

Community forests handed-over to communities are natural capital. Evidence shows that there are positive changes in forest condition. Subedi *et al.* (2002), for example, from the analysis of the Forest User Group database in the Dhaulagiri hills over a five-year period (between 1996 and 2001), found that canopy cover of community forests increased from 11% to 23%³. The availability of forest products has also increased, with a concurrent reduction in the time spent for collecting forest products. In further examination of the trend of harvesting of forest products, they found that an increased number of FUGs have harvested timber (19% increase), fuelwood (18% increase) and grasses (9% increase) (*ibid*).

Thousands of FUGs have planted and protected denuded hills, carried out forest management and silvicultural operations, utilized and marketed various forest products for their livelihoods. Analysis of data of about 705 Forest User Groups in Dolakha, Ramechhap and Okhaldhunga (the NSCFP area) indicates that FUGs have spent 31% of their FUG fund for forestry development activities (NSCFP

² For analytical purpose the idea of capital assets is borrowed from the sustainable livelihoods approach within which an integrated, holistic approach to rural development is now being explored by a number of donors. The livelihoods framework identifies five types of capitals that determine the ability of users to respond to both exogenous and endogenous pressures, known as the vulnerability context (Hobley and Shields 2000).

³ The Nepal UK Community Forestry Project developed a simple methodology for assessing forest condition. This methodology continues to be used by the Livelihoods and Forestry Programme. The methodology is not widespread and hence data of this type is not available throughout Nepal.

2003). Furthermore, 75% of FUGs are harvesting ground grass, fodder and are practicing simple silvicultural operations annually (*ibid*).

Social capital

It has been reported that community forestry process has increased social cohesion, which has enhanced *social capital*, of those who have been powerless, left in isolation and excluded from mainstream of social and political processes. For example, NSCFP (2003) reports that the participation of women in committee has increased from 19% in 1996 to 30% in 2003 in the project area. Similarly, representation of *dalits* in FUG committees has increased from 2% in 1996 to 7% in 2003. In addition, women and *dalit* representation in key positions has also increased (NSCFP 2003). This looks like physical versus meaningful participation that results in outcomes which actually benefit/represent the priorities of the poor and socially excluded groups.

Human capital

Through community forestry program, a number of training, workshops and exposure visits have been conducted for a number of organizations and individuals at community, and government and non-government organizations, enhancing knowledge and skills related to forest silviculture, community development, organizational management and leadership development. For example, in NSCFP supported districts more than five thousand community members have participated in various workshops and seminars over a six-year period; 13 government staff have received long term scholarship for higher studies; 312 community members (of which 149 are female) have received scholarships for school and post school education, and a total of 1,184 staff members of government and non-government organizations have received short term trainings and study tours.

The capacity of government staff, non-governmental organizations and community members have consequently increased to put more focused effort in the process of community mobilization and management of community forests. For example, the increased capacity in government staff has allowed District Forest Office (DFO) staff to take a lead role in forest management training at the local level and has also (through successful reorientation programs) resulted in institutionalization of bottom-up planning processes. In non-government partners, they have been able to support the DFO in user group formation, Operational Plan revision including inventory. Community leaders have been able to respond to DFO and project needs for monitoring, as well as broader management and administration of their CFUG. Specialized training in NTFP and timber commercialization and management has also built an awareness of these issues in communities, though it is yet to be translated into large-scale action to transform the lives of FUG members.

Financial capital

The group fund generated from the sale of forest products, levies and outside grants are the *financial capital* created through community forestry. The average FUG fund size of about NRs. 8,000 in 1996 has risen to NRs. 13,000. It is reported that there is a balance of about of NRs. 100 million among 12,000 FUGs in the country (CFD 2002). This amount is almost equivalent to government's annual forestry development budget allocated to all districts. There are examples of FUGs establishing low interest credit schemes as well as grants to the poorest household members from the FUG fund.

Physical capital

FUGs have carried out many community development activities on their own. Construction of village trails, small bridges, community building, schools and temples are examples of *physical capital* created through the community forestry program. Analysis of data of NSCFP (2003) indicates that FUGs have spent 39% of their FUG fund for community development activities, mainly on construction (21%), education (8%), and health (6%).

Governance Reform

Through community forestry, it has been possible to re-orient Forest Department staff to move away from their traditional role of policing to a role of facilitator and advisors. As a result, a change in attitude and behavior of many Forest Department staff has been possible. Community forestry is the only national program in the country by which thousands of local institutions at community level (i.e. FUGs) have been created and strengthened as viable local institutions. In addition, nested enterprises such as user group networks and a Federation of Forest User Groups have been established to safeguard the rights and responsibility of forest users.

Additional service providers such as NGOs, local government bodies and private sector agencies have emerged. These institutions have started to collaborate and work together.

Government officials and staff, service provider agencies, stakeholders and community members are becoming increasingly aware of equity issues. All stakeholders involved in community forestry have begun to realize the need for active participation of marginalized groups in all stages of project planning, implementation and monitoring, since their involvement has direct effects on forest management systems and on poor peoples' well-being. Hence, more benefits have started to flow to the poorest. Subsequently, as their roles as forest managers begin to be valued, the impact on forest management systems is increasingly positive.

Many stakeholders have begun to work collaboratively and collectively, by which exchange of information has taken place. Through the interaction process, power and positions are being negotiated and redefined. Mutual trust, accountability and transparency have begun to increase. At community level, for example, group assemblies are being held regularly, issues are discussed openly and executive committees are democratically elected often with consensus. At district level, NGOs User Group Federation and District authorities are working together through District Coordination Committee. Major decisions at the district level are taken in those committees in a consultative way. Similarly at the national level, policy issues are discussed openly in Forestry Sector Coordination Committee, a loose policy discussion forum primarily comprised of donors and government organizations chaired by the secretary of Ministry of Forests and Soil Conservation. The process of preparing the 10th five year plan for the forestry sector is an example of participatory policy making process in which exchange of information, discussions on stakeholders' concerns, interests, and knowledge has taken place.

There is an increasing recognition of the need to enable pro-poor policies. Ground level realities have started to feed into the different layers of governance during the process of policy revisions through more consultative processes. Policy intentions are more or less translated into practice by innovative officials, in collaboration with NGOs and other stakeholders. A participatory, bottom-up planning process is becoming increasingly institutionalized, especially in annual plan preparation. Forestry officials have realized the importance of bi-directional flow of information from community level to the central level. Many champions in government organizations and civil society actors have started to demand good forest governance (see Box above) to be established at all levels (from FUGs to forestry administration and national government).

Box 1. What are the elements of good governance?

Rule of law; compliance of rules and decisions; transparency; accountability; decentralisation and devolution of power and authority; defined roles and responsibilities; participatory decision making; gender sensitivity, equity, representation, and power balance; and the bi-directional flow of information horizontally and vertically are perceived to be some of the indicators of good governance (Adopted from RECOFTC 2002, Regional Workshop on Good Forest Governance).

ISSUES AND CHALLENGES: WHY THE POOR HAVE NOT BENEFITED FROM COMMUNITY FORESTRY

Despite the achievements mentioned above that community forestry has made in Nepal, there are many unresolved issues and challenges in all areas of capital enhancement as well as in governance. The most critical is in terms of livelihoods of the local forest dependent communities. The implementation of community forestry policy both at the constitution (forest legislation and rules) and operational level (groups' rules) have in fact unwittingly made the poorest worse off in ways which is discussed below.

Natural Capital

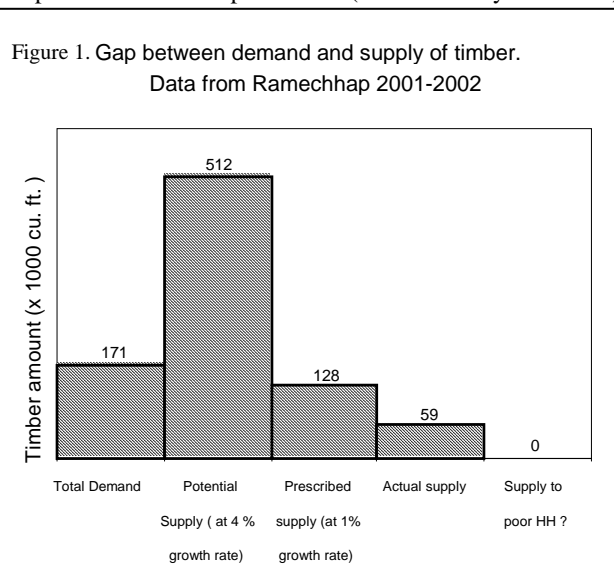
1. Compared to the past, there is reduced access to forest products for the poorest because of the tendency of protection and harvesting of trees for timber rather than utilization for small wood and multiple products. Forest tree inventory data for Ramechhap District, for example (see Figure 1 below), suggests that district officials prescribe only 25% of the actual annual increment (the prescribed volume is calculated at 1% compared to a normal practice of (conservatively estimated) 4% increment found in mature natural forest, whilst only half of the prescribed volume (i.e. about 10% of the available annual increment of the forest) is actually harvested by the FUGs. In fact, the poorest households do not directly benefit at all from timber supply or from sale from such harvesting.

The group's restrictive rules related to the distribution and sale of forest products (mainly timber) for domestic use deprive the poorest, who do not bother to buy even the subsidized timber because he or she cannot sale the share and the poorest in fact do not need timber for themselves. A conservative mindset amongst some influential FUG committee members and some forestry officials is responsible for these types of rules. The groups' rules of almost all the FUGs on the sale and distribution of subsidized timber are such that one can buy subsidized timber only for household consumption, which in fact benefit the richest who can afford to construct houses and make furniture out of timber.

There are two issues here that result in reduced access to forest products: firstly management objectives do not take into consideration the needs of all users and rather reflect the priorities of the wealthier; and secondly, conservative interpretations and advice offered by forest professionals and rural elites. There is a lack of experience/technical capability and arguably will, to encourage management for multiple benefits on the part of technical forestry staff.

Financial Capital

2. Community forestry has inflicted added costs to the poor, particularly in forcing allocation of household resources of the poorest in the form of voluntary labor (for community development, forest development activities and forest protection).



3. There is a lack of access to financial capital (the FUG fund) for the poorest members of the group. Data from NSCFP supported districts suggests that there is NRs. 7.8 million as balance among 705 FUGs in Dolakha, Ramechhap and Okhaldhunga districts (NSCFP 2003). Of this balance, 48% is mobilized in soft loans, 39% deposited in the bank and the rest (14%) is held as cash by the treasurers and secretaries of FUG committee. The data suggest that negligible amounts of money (less than 3%) go to the poorest households. The bulk of money is captured by those members of the groups who are deemed "creditworthy" (i.e. can pay back in time). In many cases, the poorest are the ones who are blacklisted because of delays in the payback time. The money largely remains idle as banks offer only 4% interest, forcing the poorest to borrow money from the local moneylenders at interest rates of up to 36% per annum. The cash kept by the committee members in fact is used by the committee (and committee members) for free until financial closing occurs at the end of the year. Where credit is provided for the poorest, it is often on very inflexible repayment terms that do not take into account the intermittent nature of cash income to poor households.

Human Capital

4. The poorest are the one who are left out and forgotten from the trainings and workshop programs organized by development agencies, because they are illiterate therefore are under-valued, with the perception that they have less ability to make and act on decisions. In many cases, the poorest members of the FUGs have not been identified on the basis of well-being, therefore it is difficult to get disaggregated data on how many poorest households actually have been benefited from the training programs that are offered through the community forestry program. One data set from training programs organized in Okhaldhunga district from 1996-2002, however, shows that out of 2,504 participants, only 20 were from *Dalit* castes (Pokharel *et al.* in preparation). The training methods used tend to discriminate against the illiterate. While selecting training participants, there is a strong reliance upon the notion of writing ability with less emphasis on entirely practical skills development. Even if poor and illiterate people get invited to the training, the extent to which they are able to engage fully is limited by the materials and methods used.

Social Capital

5. The poorest cannot afford to participate and take leadership responsibility because they are not compensated for their time, meaning high cost of social capital formation for the marginalized. Within the FUGs, rich and the poor, male and the female and so called upper caste and the lower caste with differences in 'power', speak and are heard differently. The poorest are the ones who suffer the most because, first of all, they cannot afford to participate. Secondly, if they do, they hardly speak. If they do speak, they are rarely heard and if heard, can hardly get decisions made in their favor. If heard, very few decisions are implemented and if implemented, only few benefit.

6. The poorest need a range of services within and outside community forestry in order to lift themselves out of poverty. There are very few cases of agencies reaching the poorest with multiple services.

7. Poorest, in many occasions, have often been excluded from the membership of the group in the name of political boundary, recent migrants (who are charged increased cost of membership), and sometimes are excluded from the group for not being able to participate in the voluntary labor as prescribed by the committee.

As a result of the above, poor peoples' access to resources and capital have been reduced, with consequent negative impacts on their livelihoods. This has forced the poorest sometimes to go to nearby forests (other than community forests), which means more time to travel and collect the forest products while impacting negatively on the condition of government forests in neighboring areas. Because of these factors, the overall condition of forest nationally may remain unchanged, despite

improvement in community-managed forests. Clearly this situation reflects weak FUG level governance and limited contribution of community forestry to poor people's livelihoods. This is the biggest challenge in contemporary community forestry, termed by many as second-generation issues in Nepal's community forestry (Kanel and Kandel 2003).

PRO-POOR STRATEGIES AND ACTIONS ARE URGENTLY NEEDED IN COMMUNITY FORESTRY

We recognize a number of difficulties of actively engaging poor people, particularly in Nepal context. Rural Nepal still has many attributes of a feudal cultural system. This means that decision-making is based on locally understood hierarchical norms that have been developed and implemented over many generations. These systems of decision-making are not transparent to outsiders, and are often difficult to understand and intervene in. Finding ways of actively engaging poorer people, assuring their participation and minimizing elite capture are some of the biggest challenges.

For the poor to be benefited from community forestry, an innovative approach and specifically pro-poor initiatives are required. A conceptual framework developed by the Swiss-funded NSCFP for a pro-poor approach is described in Figure 1. The approach is based on a number of principles (based on Nurse *et al.* 2004), which in turn have led to the development of specific methodologies which are applied in all community forest user groups in the Swiss-funded NSCFP districts:

1. Creating an environment for equitable decision-making and benefit sharing. This is based on the fact that CFUGs are not homogenous; they are rather diverse, and often large. The larger the group the harder it is to reach the poor. Working at hamlet and household levels is critical to identify the poorest, encourage their participation, encourage genuine representation on committees, and have their issues reflected in committee discussions. The specific methodology in response to this is *Governance Coaching*.

2. Promoting efficient forest management linked to pro-poor objectives. Forest management is linked to subsistence and commercial level demands. The methodology is *active management*.

3. Diversified support service provision to poor users. The methodology is *integrated development planning*.

The FUG institution is the basis for intervention. In terms of process, first of all, the poor need to be properly identified on the basis of specific criteria for poverty and social differentiation in Nepal in aspects of class, caste, gender, ethnicity and locational disparity. A semi-quantitative and rather rigorous method for this has been developed, called *well-being ranking*. It is more rigorous than conventional Participatory Rural Appraisal (PRA) approaches (see for example IIED 2001), because of the intrinsically inequitable local context (Nurse *et al.* 2004). In the second step, efforts should be made to make better governance of FUG. This requires checking of the equity status of the FUG, followed by tailored *coaching for good governance* (Box 1). Thirdly, pro-poor *integrated development planning* is undertaken, which leads to a proper understating of the priorities of all FUG members, including the poorest, in forest based and non-forest based activities (Figure 2). In order to support and implement the chosen activities, *strategic alliances* are required between government, project and NGO service providers. NSCFP has been able to implement a number of new forest based pro-poor activities including entrepreneur development (Nurse and Paudel 2003), forest allocation to the poor (including leasehold forestry), and the inclusion of poor nominees in training programs and workshops (including financial and food support). Other strategic partners provide agricultural and

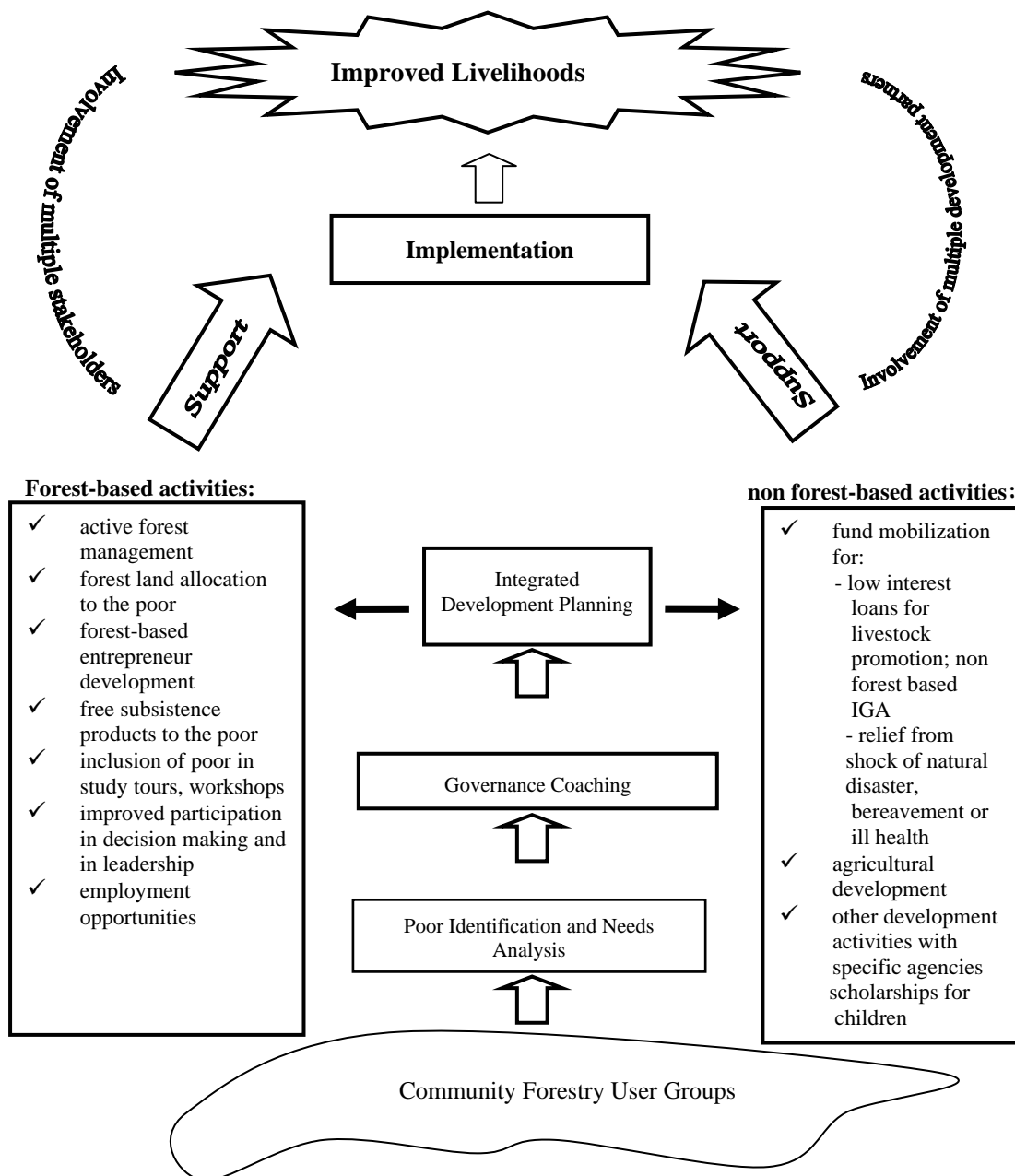
livestock development support⁴. Underpinning the development activities is *active forest management*, which seeks to generate wealth (through commercial management of the forests) and improved satisfaction of subsistence needs. Active management is encouraged through the establishment of forest management demonstration plots jointly by forest technicians and community members in a Farmer Forest Management School approach. Once wealth has been created through active management, fund mobilization for development programs to benefit all FUG members can be further encouraged.

This approach to livelihood improvement is under pilot implementation in the NSCFP districts. The detailed methodologies have been documented separately (Pokharel *et al.* in the preparation). The project is developing a system for monitoring and reporting on effects of such interventions, though it is recognized that assessment of national impact and effect level changes attributable to specific interventions is currently very difficult because of a paucity in adequate mechanisms and systems for monitoring progress and change, and the fact that those in place are often not sensitive enough to capture disaggregated data.

There are also important questions about the facilitation required to bring about the changes needed in constitutions, rules, operation plans etc. Who should do this? Can HMG's Forest Guards and subsequently FUG members realistically be asked to take on this role as well as be technically competent? If so, there are issues about future training and development of these local level staff to be addressed. Earlier, we made the point that community forestry has resulted in a change of mindset amongst forest staff, and changed roles for forest staff. Does staff capability fulfill the needs of these changed roles at present? Is this an issue that also needs to be addressed within a pro poor strategy? Having the strategy is very important, but having sustainable staffing/facilitators to implement the strategies is also important. Response to this issue will start with clear definition of roles of implementation agencies *vis-à-vis* DFO staff, forestry NGOs and other non-forest sector government and non- government service providers. Ultimately emphasis will be placed on interested FUG members themselves to be trained and become self-reliant through provision of service delivery to their own FUG members and to other FUGs.

⁴ For example, NSCFP works closely with the Sustainable Soil Management Programme in Dolakha and Ramechhap for provision of livestock development and vegetable growing activities to poor farmers.

Figure 2. Conceptual Framework for Pro-Poor Livelihood Improvement in Community Forestry (Courtesy of Hem Tembe and NSCFP Team Ramechhap, August 2003)



CONCLUSIONS

Nepal's forest policy provides an environment to practice and learn from community forestry and significant achievement has been made in terms of capital formation and its flow, governance reforms and community empowerment. Nepal's community forestry has proved that communities are able to protect, manage and utilize forest resource sustainably. Community forestry approach is therefore a source of inspiration to all of us working for sustainable forest management and users' rights. However there are many challenges related to the contribution of community forestry to the improvement of poor people's livelihoods. In fact, following community forestry poor peoples' access to resources has been reduced, with consequent negative impacts on their livelihoods. In addition, evidences show that poor households have not received adequate opportunity for training package offered in community forestry intervention, poor have also not been given sufficient loan from the FUGs' fund, and physical infrastructure constructed by FUGs' fund have also not benefited the poor as compared with the better off members of the same FUG. These are really critical issues in community forestry. Pro-poor strategies, innovative methodologies to reach the poorest households and reflection are needed to benefit the poorest group of people from community forestry.

It is hoped that successful piloting and learning from NSCFP will allow refined methodologies to be applied on a wider scale. The project's approach emphasizes demonstrating locally that we can reach the poorest and have positive impact on such an elusive target group.

REFERENCES

- CFD** 2002. Database of the Community Forest Users Groups in Nepal. Community Forestry Division, Department of Forest, Nepal.
- DoF** 2002. *Community Forestry Programme in Nepal (Samudayik Van Vikas Karyakram) in Our Forests (Hamro Van)*. Annual Progress Report of the Department of Forest, Kathmandu, Nepal.
- HMG/N** 1988. *Master Plan for the Forestry Sector, Nepal*. Ministry of Forests and Soil Conservation, Kathmandu, Nepal.
- HMG/N** 1995. The Forest Act 1993 and the Forest Regulations 1995: An Official Translation by the Law Books Management Board. FDP/USAID/HMG/N, Kathmandu, Nepal.
- Hobley, M. and Shields, D.** 2000. The Reality of Trying to Transform Structures and Processes: Forestry in Rural Livelihoods. *Working Paper 132*, Overseas Development Institute, London.
- IIED** 2001. Wealth Ranking. RRA Notes 15 (1992), in *PLA Notes CD-Rom 1998-2001*. Participatory Learning and Action. International Institute for Environment and Development, London, UK.
- Kanel, K. R. and B. R. Kandel.** 2003. Community Forestry in Nepal: Second Generation Issues. *Community Forestry Bulletin*: 10 (2060), 6-18 pp.
- NSCFP** 2003. FUG Database of Dolakha, Ramechhap and Dhaulagiri Districts. Nepal Swiss Community Forestry Project, Kathmandu, Nepal.
- Nurse, M. and Paudel, D.** 2003. Rural Entrepreneur Development: A Pro-poor Approach to Enterprise Development through Community Forestry. NSCFP Discussion Paper 02/03. Nepal Swiss Community Forestry Project, Kathmandu, Nepal.
- Nurse, M., Robinson, P., Paudel, D. and Pokharel, B.** 2004. Towards Pro-Poor Community Forestry – Recent Experiences from Dolakha and Okhaldunga Districts of Nepal. Presented at *A National Seminar on Management of Common Property Resources and Equity: Exploring Lessons from Nepal*. ForestAction, Kathmandu, Nepal.

Pokharel, B. K., Nurse, M. and Paudel, D. (*in preparation*). Are We Achieving FUGs' Sustainability? Analysis of Institutional, Economic and Ecological Sustainability of Forest User Groups in the three districts of Nepal. NSCFP Discussion Paper. Nepal Swiss Community Forestry Project, Kathmandu, Nepal.

RECOFTC 2002. Regional Workshop on Good Forest Governance. Bali, Indonesia.

Subedi, R., Chapagain, N. and McDonald, L. 2002. Community Forestry in Dhaulagiri Area: An Analysis of Some Characteristics and Trends of the Last Five Years. Livelihoods and Forestry Programme, Kathmandu, Nepal.

Acknowledgement

We would like to acknowledge the comments and feedback received from our colleagues from NSCFP Kathmandu, Ramechhap, Okhaldhunga and Dolakha. We would also like to appreciate anonymous reviewer whose comments have been very valuable, specially in incorporating evidence and examples.

In community forestry, the local community themselves plays a significant role in forest management and land-use decision-making, and in Nepal this was introduced via the formation of "Forest User Groups". Community forest management is also recognised by the country's National Biodiversity Strategy and Action Plan (NBSAP) to improve wellbeing and livelihoods. The planning frameworks commonly in use focus on timber production (often to the benefit of a community's elite). Local people are often unaware of their forest's biodiversity values or the ecosystem services that forests provide; their forest management plans are not geared to the conservation of rare and indigenous species, including those of potential value to the local communities themselves. Journal of Forest and Livelihood 3(1) Malla, Y. B. et al. Why aren't Poor People Benefiting More from Community Forestry? July, 2003. This paper summarizes the findings of a socio-economic baseline study undertaken amongst four Forest User Groups (FUGs) in Nepal focusing on levels of participation, understanding of, and benefit from, community forestry activities. Poorer households were found to benefit significantly less than wealthier households, and in some cases may even be directly disadvantaged by the advent of community forestry in their villages. A major cause of this inequity is that FUG committees are dominated by wealthier households.