Forest Based Enterprises: Community Practices and Learning

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Framework of Presentation

1. Introduction of FECOFUN
   - Organizational structures
   - Focus working areas

2. Community Forestry Status

3. Resource potentiality for enterprises

4. Strategy for enterprises promotion

5. Achievements

6. Lesson learns

7. Issues and challenges

8. Way Forward
Introduction of FECOFUN

- Network of forest users group established in 1995 under the government’s law – representing about 18,133 user groups
- Largest civil society organization in Nepal – district federation in all 75 districts with 1100 local level federations
- Key player in forest sector governance and advocate of community rights over forests
Organizational Structures

- Judicial Committee
- Financial/ Monitoring Committee
- National Federations
- District Federations
- Local level Federation

Periodic Assemblies/ Meetings

CFUG
CFUG
CFUG
CFUG
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CFUG
CFUG
Focus Working Areas

- Policy advocacy and Legal Support
- Organizational development and strengthen
- Sustainable management of Forest and bio diversity conservation
- Renewable energy promotion
- Gender and Social inclusion
- Forest based enterprise and live hood promotion
- Climate change and REDD+
Community Forestry Status

• Started since 1978 but speed up handing over after implementation of Forest Act 1993
• **18,133** Community Forestry User Groups (CFUGs) have been formed (September 2011)
• A total coverage **17,000.48** hectares have been handed over as community forests (Around 30% of total forest area)
• **22,37,195** households have benefited (Around 35% of the population)
Resources  Potentiality for Enterprise

- It is estimated that every year more than 20 thousand tons of NTFP are collected/produces in Nepal and of which 85% is exported to India in raw or semi-processed form through formal or informal sources.
- The government of Nepal generates approx 15 million rupees per year from NTFP, however above 600 million rupees worth NTFPs are traded every year (Kanel and Shrestha).
- Potently of timber per year 12-15million Cfts (world bank 1999)
- Community are legally authorized to mobilized forest resources for enterprise
Strategies for Enterprises Promotion

- Sustainable management of forest and Community Forestry Governance
- Create environment for mobilization of financial resources of community forestry user groups
- Strengthen network of CFUGs and local institutions
- Coordination and collaboration with government line agencies, stakeholders, and private sector
- Promote social inclusion and marginalized peoples’ participation in decision making process
- Policy advocacy and CFUG empowerment
- Promotion of forest Enterprise and Green Job Creation
Achievements

- Conceptualization of sustainable forest management and good governance
- Increasing involvement of women and other minority groups in activities
Achievements (contd.)

- Increasing coordination and collaboration among multi-stakeholders.

- Growing awareness on allocation of CFUG fund for promotion of forest based enterprises

- Enhancing capacity of local resource persons and community leaders
Lessons Learned

- Coordination and collaboration with multi-stakeholders has resulted in synergistic relationship.
- Establishment of enterprise is a long-term process in terms of sustainability.
- Sustainable management and forest governance (Forest is the key element for regular supply of raw materials for enterprises).
- Working together with national and international organizations such as APFNet.
Issues and Challenges

- Policy barriers and tedious legal process for enterprise registration and functioning
- Conservation mindset of users group and limited awareness level of targeted communities
- Market uncertainty and lesser benefit to local CFUGs
- Market promotion and quality control difficult for community products
- High cost of technology (equipment and manpower) for local communities
- Land tenure
Way Forward

• Promotion local resource persons and local institutions to maintain sustainability of enterprises
• Establishment of community enterprises Fund
• Policy advocacy to develop CFUG friendly policy and strategy
• Continuation of coordination and collaboration with government and other stakeholders.
• Seeking of internal and external resources to continue the initiative
A Glimpse
Some example Forest Based Enterprises

<table>
<thead>
<tr>
<th>SN</th>
<th>Enterprise</th>
<th>District</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Handmade Paper processing</td>
<td>Baitadi, Cluster-1</td>
</tr>
<tr>
<td>2</td>
<td>Allo <em>(Giardiana diversifolia)</em> Processing</td>
<td>Bajhang, Cluster-1</td>
</tr>
<tr>
<td>3</td>
<td>Community Saw mill</td>
<td>Rolpa, Cluster-2</td>
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<tr>
<td>4</td>
<td>Community Saw mill</td>
<td>Dang, Cluster-2</td>
</tr>
<tr>
<td>5</td>
<td>Bio-Briquette</td>
<td>Kathmandu, Cluster-3</td>
</tr>
<tr>
<td>6</td>
<td>Community Saw mill</td>
<td>Sindhuli, Cluster-3</td>
</tr>
<tr>
<td>7</td>
<td>Community Saw mill</td>
<td>Dolakha, Cluster 3</td>
</tr>
<tr>
<td>8</td>
<td>NTFPs Cultivation and Processing</td>
<td>Sunsari, Cluster-4</td>
</tr>
<tr>
<td>9</td>
<td>Bamboo Cultivation and Handicraft Making</td>
<td>Morang, Cluster- 4</td>
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<tr>
<td>10</td>
<td>Community Nursery <em>(Lot Salla)</em></td>
<td>Kavre, Cluster-3</td>
</tr>
<tr>
<td>11</td>
<td>Bio-Briquette Production</td>
<td>Dolakha, Cluster-3</td>
</tr>
</tbody>
</table>
Briquette Enterprise
Bamboo products
Shade for Seedling production
CFUGs are working in CFUGs